Users of Producer Price data

Internal ONS users

**National Accounts Group** - PPIs are used in various parts of the National Accounts. These include Balance of Payments and Financial Sectors and National Income and Expenditure Divisions.

**Balance of Payments & Financial Sectors (BOPFS)** - BOPFS view the price data inquiries as an essential source for constructing National Accounts and compiling volume and price indices that help construct the headline balance of trade data. The data are essential as other volume measures for trade such as tonnages do not take account of quality change.

**National Expenditure and Income (NEI)** - Special deflators for capital expenditure are set up using gross sector output PPIs for capital goods weighted together by capital expenditure patterns. They are used to compile constant price estimates of capital expenditure for National Accounts, Treasury, Bank of England, Inland Revenue and city economists.

**Index of Production Branch (IOP)** - The main purpose of IOP Branch is to deflate current price monthly production inquiry data using 4-digit ppi’s and 4-digit epi’s.

**Index of Services (IOS)** - IOS use PPI in the absence of preferred price indices such as wholesale price indices and corporate service prices. They are using PPI with the assumption that the price movements for a product elsewhere in the supply chain are a good proxy for the stage they are looking at.

External Users

**Bank of England** - The Bank of England use the PPI Statistical Bulletin, the Producer Price Indices (MM22), and various PPI Articles to monitor inflation and carry out research.

**HM Treasury** - HM Treasury use the PPI Statistical Bulletin, the Producer Price Indices (MM22), and various PPI Articles to monitor inflation and carry out research.

**Ministry of Defence (Defence economics)** - use the Producer Price Indices (MM22), PPI Statistical Bulletin and various PPI Articles for contract escalation and inflation monitoring.

**DEFRA (Department of Environment Food and Rural Affairs)** - DEFRA receive a large number of food industry input and output data including some customer specific indices. This data is monitored and significant points are raised in a monthly note to Ministers.

**BIS (Department for Business, Innovation and Skills)** - BIS receives price data relating to building materials including a number of special indices set up by ONS. Data are combined with labour indices to produce an adjusted series used by the construction industry to calculate payments to contractors and to form the basis of contracts. In addition, the Department uses weighted average indices produced specially by ONS to set up deflators for construction output and construction new orders.

**International users** - The Statistical Office of the European Communities (Eurostat) requires PPI data from member states for use in economic, competition and enterprise policy. The data are a legal requirement of the UK under the Short Term Statistics Regulation. This regulation specified that output prices for the domestic and non-domestic markets be produced on a monthly basis.

**Academics and researchers** - use PPI data as inputs to econometric models and other economic research projects.

**Other users** - Individual users’ demand for PPI covers extensive business activities including the formulation of contracts, tracking the movement of input costs and comparing an individual businesses performance against national averages.