



# Metadata

## Producer price index

### 1. Contact

1.1 Contact organisation	Statistics Iceland
1.2 Contact organisation unit	Prices
1.3 Contact name	Expert
1.6 Contact e-mail address	<a href="mailto:ppi@statice.is">ppi@statice.is</a>
1.7 Contact phone number	+354 528 1000

### 2. Metadata update

2.3 Metadata last update	5. October 2023
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### 3. Statistical presentation

3.1 Data description	<p>The Producer Price Index is an output price index for domestic production and measures the changes in prices that a domestic producer receives for their sold products.</p> <p>Constant quality is ensured in monthly compilation by comparing prices of unchanged product items between months. The basket of comparable goods however changes from one month to another depending on the production varieties at any given time. This also ensures that the product basket reflects the active production line at all times.</p>
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## Metadata

<b>3.2 Classification system</b>	<p>Establishments are sectorised with NACE Rev. 2 and products are classified by the PRODCOM classification.</p> <p>The Producer Price Index is broken down into subindices for exported products and products sold domestically. Furthermore, a breakdown for the largest manufacturing sectors is available; namely indices for marine products, power intensive industry products and food products.</p>
<b>3.3 Sector coverage</b>	<p>The index currently covers all manufacturing production, i.e. industries within Divisions B.8 and C.10-C.32 of NACE rev. 2 with the exception of C.30.1 (building and repairing of ships and boats).</p>
<b>3.4 Statistical concepts and definition</b>	<p>The Icelandic PPI is a Fisher index on all levels of aggregation. The index is compiled using superlative formulas at the elementary level as well as the aggregate level. Elementary weights are calculated from the values of sales reported by each respondent. Each elementary index is a maximum overlap month-to-month index, which means that all products sold both in the reference month and the previous month are used in the index.</p>
<b>3.5 Statistical unit</b>	<p>Domestically produced goods, both exported and sold domestically, are covered.</p> <p>The collected prices are transaction prices. They are the exact prices received by the producer for a product from a customer after the VAT has been subtracted. Hence, a price is included in the compilation if the respective product has been sold to the same customer in two consecutive months. Model pricing is used in cases where products are customised. Prices are measured at the factory gate. As a result of the transaction-based price collection the underlying product set continually renews itself and thereby minimises the risk of quality changes affecting the measured prices.</p>
<b>3.6 Statistical population</b>	<p>Domestic production of goods and materials.</p>
<b>3.7 Reference area</b>	<p>The entire country is covered.</p>
<b>3.8 Time coverage</b>	<p>All prices and quantities of items that were sold in the reference month and previous month are used in index calculation.</p>



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### 3.9 Base period

The producer price index was initially compiled with the 4th quarter of 2003 as a reference period. The 4th quarter of 2005 was established as a reference point alongside an increase in the number of published PPI subindices in 2006.

As of January 2007, the index is compiled as a monthly index with the 4th quarter of 2005 as a reference point.

## 4. Unit of measure

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Index

## 5. Reference period

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4th quarter of 2005

## 6. Institutional mandate

### 6.1 Legal acts and other agreements

[Act on Statistics Iceland and official statistics no. 163/2007](#)

## 7. Confidentiality

### 7.1 Confidentiality - policy

[Statistics Iceland's Rules of Procedure for Treating Confidential Data](#)

### 7.2 Confidentiality – data treatment

The European Statistics Code of Practice and  
The UN Fundamental Principles of Official Statistics.  
See an overview of Statistics Iceland's laws and regulations: <https://statice.is/about-statistics-iceland/laws-andregulations/>

## 8. Release policy

### 8.1 Release calendar

Statistics Iceland's Release Calendar.

### 8.2 Release calendar access

On Statistics Iceland's website: <https://statice.is/publications/news-archive/advance-release-calendar/>



## Metadata

<b>8.3 User access</b>	Users have equal access to all released PPI statistics through <a href="#">Statistics Iceland's website</a> : Economy → Prices → Producer Price Index.
<b>9. Frequency of dissemination</b>	
<b>9. Frequency of dissemination</b>	The PPI is published monthly.
<b>10. Accessibility and clarity</b>	
<b>10.1 News release</b>	News releases are disseminated when needed.
<b>10.2 Publication</b>	Statistics are updated monthly on Statistics Iceland's website.
<b>10.3 On-line database</b>	Link to PPI statistics: <a href="https://www.statice.is/statistics/economy/prices/producer-price-index/">https://www.statice.is/statistics/economy/prices/producer-price-index/</a>
<b>10.4 Micro-data access</b>	Not available.
<b>10.5 Other</b>	-
<b>10.6 Documentation on methodology</b>	(2023) This document on metadata. In Icelandic with a short English summary: (2007) <a href="#">Vísitala framleiðsluverðs 2003–2007</a> (2008) <a href="#">Vísitala framleiðsluverðs 2007</a>
<b>10.7 Quality documentation</b>	-
<b>11. Quality management</b>	
<b>11.1 Quality assurance</b>	See an overview of Statistics Iceland's laws and regulations: <a href="https://statice.is/about-statistics-iceland/laws-andregulations/">https://statice.is/about-statistics-iceland/laws-andregulations/</a>



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<b>11.2 Quality assessment</b>	-
<b>12. Relevance</b>	
<b>12.1 User needs</b>	Users are producers, retailers, public bodies, analysts and individuals. Furthermore, the PPI is commonly used by international institutions.
<b>12.2 User satisfaction</b>	-
<b>12.3 Completeness</b>	The index currently covers all manufacturing production, i.e. industries within Divisions B.8 and C.10-C.32 of NACE rev. 2 with the exception of C.30.1 (building and repairing of ships and boats). Subindices are published for marine products, production from power intensive industry and food production. Furthermore subindices are disseminated on products sold domestically and exported products.
<b>13. Accuracy and reliability</b>	
<b>13.1 Overall accuracy</b>	<p>Product prices are obtained from sales reports for finished products without VAT. Hence, a price is included in calculations if a product has been sold for two months in a row.</p> <p>The products are selected in consultation with each enterprise. The scope of transactions can range from a few representative products for each PRODCOM category to a complete coverage of the transactions for the enterprise. Each transaction is defined as narrowly as possible. Ideally, the transaction is of such a nature that the same product is sold to the same customer under the same terms between months. The sample coverage was approximately 60% of total industrial production in 2022.</p> <p>The weights for the index are estimated from export reports, VAT and industry reports. The Producer price index is a Fisher index, where weights from two consecutive periods are used. The weights are updated regularly, they were last updated 2023.</p>



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<b>13.2 Sampling errors</b>	<p><b>Sampling and data sources:</b> Companies and their products are handpicked into the sample with the aim of covering the whole industry sector of Divisions B.8 and C.10-C.32 of NACE rev. 2 with the exception of C.30.1 (building and repairing of ships and boats) as well as possible.</p> <p>All raw data submitted by producers is analyzed. Outliers and unexplained price changes are monitored in particular.</p>
<b>13.3 Non-sampling errors</b>	<p><b>Measurement:</b> The risk of measurement errors is greatest when new individuals submit data for the respective enterprise.</p> <p><b>Processing:</b> Errors can occur in the calculation during system updates or adjustments. Efforts are made to apply thorough testing in all updates to prevent errors.</p> <p>No specific examination has been made of the extent of errors in the producer price index.</p>
<b>14. Timeliness and punctuality</b>	
<b>14.1 Timeliness</b>	The PPI is published monthly in the month following the month of compilation.
<b>14.2 Punctuality</b>	The PPI is published according to <a href="#">Statistics Iceland's release calendar</a> , at 9:00 (GMT) in the morning of the release date.
<b>15. Coherence and comparability</b>	
<b>15.1 Comparability – geographical</b>	The PPI measures the producer price in the entire country of Iceland.
<b>15.2 Comparability – over time</b>	Since the Producers Price Index is a superlative Fisher Index the weights are from two consecutive time periods. The weights are updated as frequently as new information is available.
<b>15.3 Coherence – cross domain</b>	-
<b>15.4 Coherence – internal</b>	-



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<b>16. Cost and burden</b>	
<b>16. Cost and burden</b>	The response burden for stores and companies is minimised through monthly web-based data collection procedures.
<b>17. Data revision</b>	
<b>17.1 Data revision - policy</b>	Statistics Iceland's data revision policy.
<b>17.2 Data revision - practice</b>	The PPI is not revised. If an error is found or added information becomes available, which needs to be considered, then the effect will materialise in the next compilation of the index.
<b>18. Statistical processing</b>	
<b>18.1 Source data</b>	<p>Statistics Iceland collects data on prices and quantity sold from domestic manufacturers.</p> <p>Aggregate indices are compiled using weights from the PRODCOM survey that is carried out by Statistics Iceland and submitted data on production quantities. Subindex weights for marine products are based on export statistics collected by Statistics Iceland's External trade department.</p>
<b>18.2 Frequency of data collection</b>	Monthly
<b>18.3 Data collection</b>	Webforms
<b>18.4 Data validation</b>	Validation processes are run to look for deviations. The processes seek outliers in prices or price changes.



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<b>18.5 Data compilation</b>	<p>Measurements are aggregated in line with the superlative Fisher formula on all levels. Product indices are aggregated by industry. Quantities sold are collected along with transaction prices and utilised for both Paasche and Laspeyres weights at all steps throughout compilation.</p> <p>On the elementary level the index is a maximum overlap month-to-month price index. A missing product receives no special treatment.</p> <p>The extent of the quality change is evaluated in cooperation with the respective enterprise and prices are adjusted accordingly. New products are automatically added to the compilation as a result of the maximum overlap method.</p>
<b>18.6 Adjustment</b>	<p>There are no special procedures for handling seasonal items and indices are not seasonally-adjusted.</p>
<b>19. Comment</b>	
<b>19. Comment</b>	-