

COVERING CONFIDENTIAL UNTIL 11.30 ON MONDAY 10 JUNE 1985

Mr Ash	BSO
Mr Norton	BSO
Mr Jones	BSO
Mr Flint	BSO
Mr H Liesner	Ch Econ Adv DTI
Mr Harvey	SI DTI
Miss Lea	EC2A DTI
Miss Silver	Inf DTI
Mr Wilson	Inf DTI
Sir Terence Burns	HMT
Mr Collins	HMT
Dr Rowlatt	HMT
Mr Gilhooly	HMT
Mr Monaghan	HMT
Mr Folger	HMT
Mr Vernon	HMT
Mr Evans	HMT
Mr Dolphin	HMT
Mr Beedell	CSO
Mr Hawkins	MAFF
Mr Hargreaves	D Emp
Dr Boothroyd	D En
Mr Tan	D En
Mr P O'Brien	BOE
Mr Turnbull	PMO
Miss Roche	PMO

Prime Minister ②
 Good news on input prices. The rate of increase has been as high as 9 percent only a few months ago

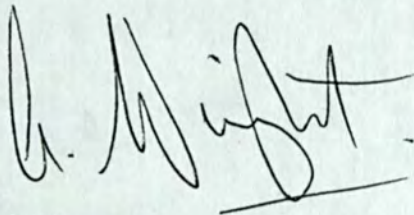
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MS

DRAFT PPI PRESS NOTICE FOR MAY

I attach the draft PPI Press Notice for May, to be published on Monday 10 June 1985.

Any comments should reach me by noon Thursday 6 June.



A D Wright
PPI
Room 2.202
Business Statistics Office
(GTN) 2068 2584

5 June 1985

Press Notice

Department of Trade and Industry

CONFIDENTIAL UNTIL 11-30 AM ON

MONDAY 10 JUNE 1985

1 Victoria Street, SW1H 0ET Press Office: 01-215
Out of hours: 01-215 7877

Ref: 354

Calls other than press and broadcast to 0633 56111 Ext 2584

PRODUCER PRICES FOR MAY 1985

OUTPUT PRICES

The movement in the price index for home sales of manufactured products measured over a twelve-month period showed little change in May at 5.6 per cent as compared with 5.7 per cent in April. Between April and May the index rose by 0.2 per cent.

The increase in the index for manufactured products other than food, drink and tobacco measured over a twelve-month period showed little change in May at 6.4 per cent as compared with 6.5 per cent in April. Between April and May the index rose by 0.3 per cent.

The movement in the index for the products of the food, drink and tobacco industries over a twelve-month period rose to 4.6 per cent in May from 4.4 per cent in April. Between April and May the index rose by 0.3 per cent.

INPUT PRICES

The increase in the index for materials and fuel purchased by manufacturing industry measured over a twelve-month period fell to 3.6 per cent in May from a revised figure of 5.2 per cent in April. Between April and May the index fell by 1.1 per cent. More than one-half of the fall between April and May was attributable to lower prices for food materials.

The movement in the index for materials purchased by manufacturing industry other than the food, drink and tobacco industries over a twelve-month period fell to 6.5 per cent in May from 8.2 per cent in April. Between April and May the index fell by 0.6 per cent.

The index for materials purchased by the food manufacturing industries fell by 1.2 per cent over the twelve months ended May, following an increase of 0.4 per cent over the twelve months ended April. Between April and May the index fell by 1.6 per cent.

1980 = 100

	1984 MAY	1985 FEB	MAR	APRp	MAYp
OUTPUT PRICES (HOME SALES)					
All manufactured products	132.1	136.6	137.5p	139.2	139.5
Products of manufacturing industries other than food, drink and tobacco industries	127.4	133.3p	134.2p	135.1	135.5
Products of food, drink and tobacco industries	139.3	141.5	142.5	145.3	145.7
INPUT PRICES (MATERIALS AND FUEL)					
Materials and fuel purchased by manufacturing industry	134.5	147.6	145.5	140.8	139.3
Materials	133.1	139.9	140.1	137.7	136.0
Fuel	139.5	173.9	163.8	151.5	150.4
Materials and fuel purchased by manufacturing industry other than the food, drink and tobacco industries	133.3	154.4	150.7	143.4	142.4
Materials	130.3	145.0r	144.5	139.6	138.8
Fuel	138.9	173.4	163.1	151.0	149.8
Materials and fuel purchased by the food, drink and tobacco industries	133.0	135.2	135.4	134.9	133.2

p = provisional

r = revised

NOTES

1. The indices relate to the average prices for a month. The full effect of a price change occurring part-way through any one month will only be reflected in the index for the following month.
2. Scheduled prices for petroleum products have been used as components of the input price index rather than the prices actually charged, which are not readily available.
3. All indices for the latest two months are provisional. Indices for earlier months are provisional where indicated in the tables.