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ཐིམ་ཕུ།



ROYAL GOVERNMENT OF BHUTAN

NATIONAL STATISTICS BUREAU

PRODUCER PRICE INDEX

(PPI)

THIRD QUARTER 2026

(July – September)

Economic and Environmental Statistics Division

National Statistics Bureau

Thimphu, Bhutan

Foreword

The National Statistics Bureau (NSB) is pleased to present the 55th edition of the Producer Price Index (PPI) Bulletin for the Third quarter (July–September) of 2026.

The PPI serves as a key economic indicator, measuring the average changes in the prices of goods and services from the perspective of producers. Unlike the Consumer Price Index (CPI), which captures price movements from the consumer's viewpoint, the PPI provides insights into inflationary trends at the production level.

This bulletin covers price developments across major sectors of the economy, including Forestry & Logging, Mining & Quarrying, Manufacturing, Electricity, Transport, and Information & Communication. It focuses exclusively on prices of goods and services produced domestically.

The NSB extends its sincere appreciation to all government agencies, corporate entities, and private sector organizations for their continued cooperation and timely provision of data. Your invaluable support has played a vital role in the successful compilation and publication of this bulletin. We look forward to your continued collaboration in future statistical undertakings.

November 2026

National Statistics Bureau
Thimphu, Bhutan

Highlights

Year-on-Year Inflation

Year-on-Year (Y-o-Y) inflation for July, August and September 2026, as measured by the Producer Price Index (PPI), stood at 2.40 percent, 1.21 percent, and 2.68 percent, respectively. This corresponds to an average annual increase of 2.10 percent in the third quarter of 2026 compared to the same quarter of the previous year.

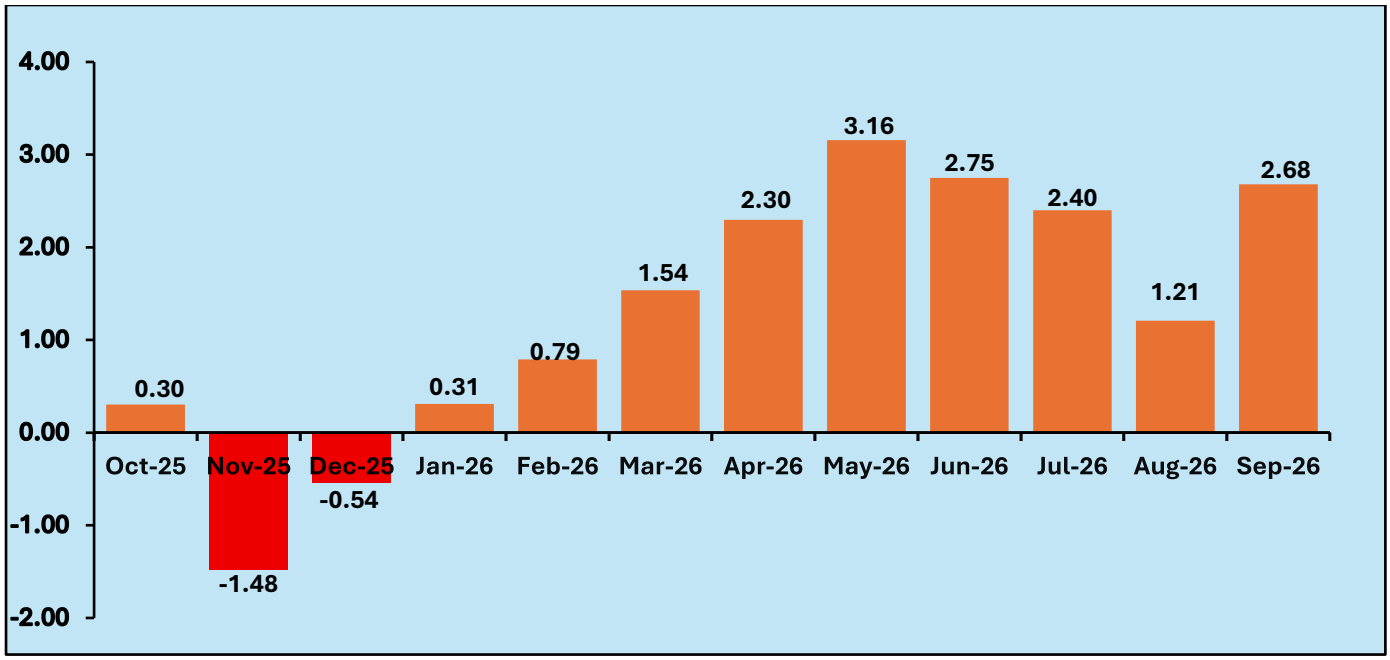
In the third quarter of 2026, the Forestry & Logging, Transport, Manufacturing and Information & Communication sectors were the major contributors to the rise in overall inflation. The Transport sector experienced significant price increases, registering an average of 6.97 percent. This increase was primarily driven by public transport and postal services, both domestically and internationally.

The Forestry & Logging sector recorded a consistent Year-on-Year inflation rate of 5.14 percent during the quarter. This increase is largely attributed to the revision of Natural Resources Pricing Rates that took effect on 1st October 2025, which continued to exert upward pressure on producer prices within the forest sector.

The Manufacturing sector posted Y-o-Y inflation of 5.17 percent, 1.93 percent and 4.09 percent across the three months, primarily due to price increases in the manufacture of food products, beverages, non-metallic mineral products, chemical & chemical products, and basic metals.

On the other hand, the Electricity sector exerted downward pressure on overall inflation, recording Year-on-Year price declines of 3.46 percent throughout the quarter mainly driven by reductions in energy charges.

Graph 1: Year-on-Year Inflation Rate



Month-on-Month Inflation

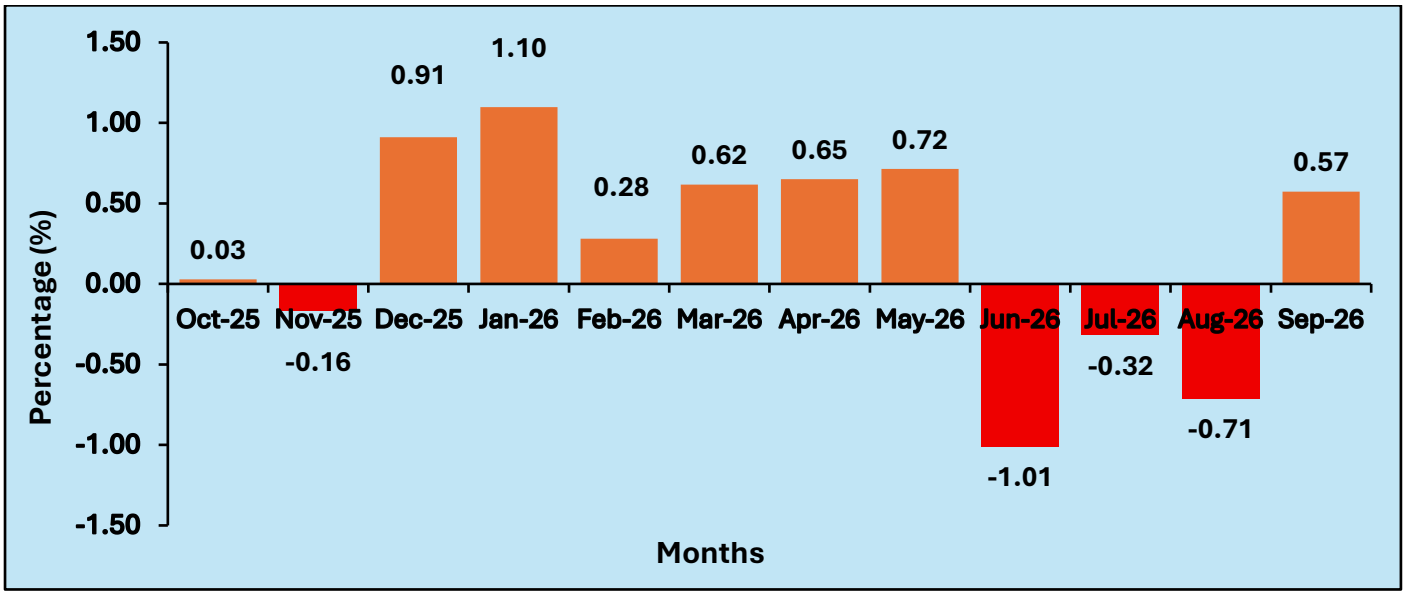
Month-on-Month inflation reflected minor fluctuations throughout the third quarter. The overall index stood at -0.32 percent, -0.71 percent and 0.57 percent in July, August and September respectively.

The Manufacturing sector recorded a notable fluctuation, -0.99 percent in July, -2.13 percent in August and 1.64 percent in September, reflecting short-term adjustments driven by changes in raw material costs and producer pricing strategies.

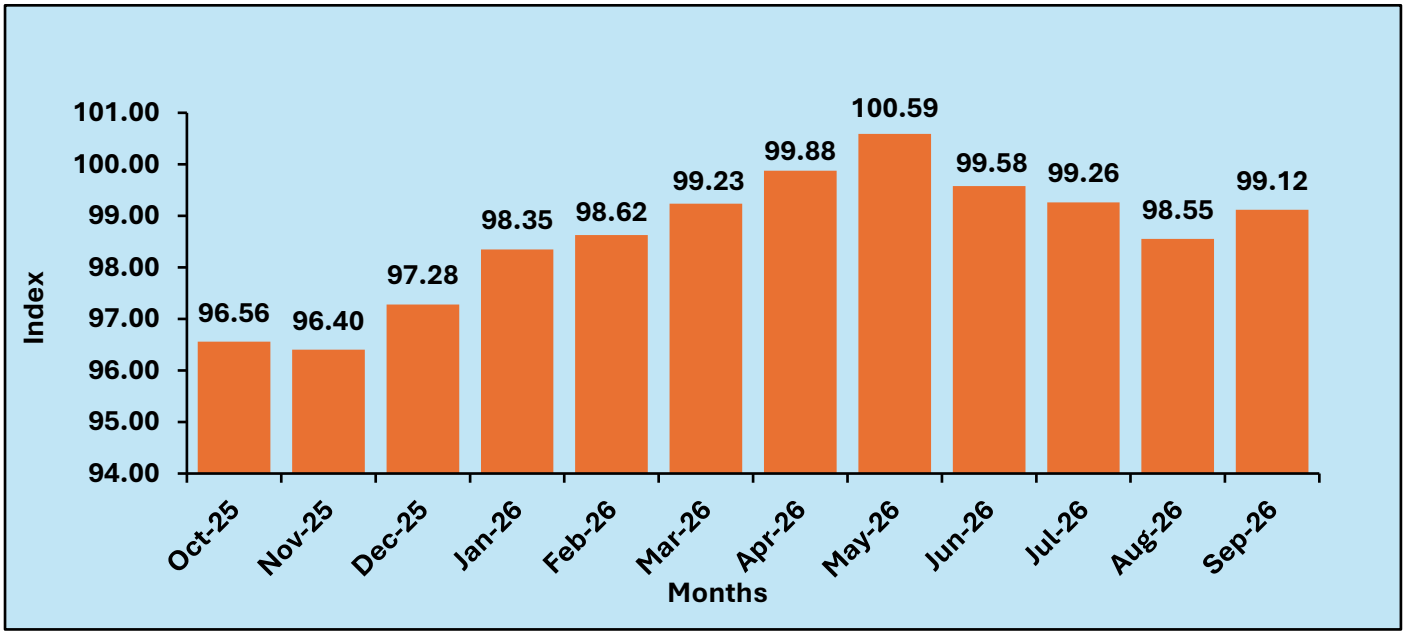
The Mining and Quarrying sectors recorded a 0.29 percent month-on-month increase in producer prices in July**,** followed by a much smaller 0.19 percent increase in August and 0.10 percent in September.

The Transport sector recorded a 0.05 percent month-on-month decrease in producer prices in July, followed by a same percent 0.05 decrease in August. In September, producer prices increased by 0.09 percent, indicating that prices in the transport sector remained relatively stable compared with the previous month.

Graph 2: Month-on-Month Inflation Rate



Graph 3: Monthly Producer Price Index (PPI)



Producer Price Index Tables

Table 1: Producer Price Index and % Change by Industry (2022 = 100)

BSIC Code	Sector / Description	Weight (%)	PPI Index Level (2022 = 100)						
			July-25	Aug-25	Sep-25	Jun-26	July-26	Aug-26	Sep-26
	All Industry	**1.00**	**96.94**	**97.38**	**96.53**	**99.58**	**99.26**	**98.55**	**99.12**
A	**Forestry & Logging**	0.04	100.00	100.00	100.00	105.14	105.14	105.14	105.14
B	**Mining and quarrying**	0.09	93.33	93.55	93.69	92.54	92.81	92.99	93.08
C	**Manufacturing**	0.34	81.48	82.28	81.89	86.55	85.69	83.86	85.24
D	**Electricity**	0.27	107.42	107.42	107.42	103.71	103.71	103.71	103.71
H	**Transport**	0.21	116.08	116.67	112.72	123.21	123.15	123.09	123.21
J	**Information and communication**	0.05	87.76	87.76	87.76	92.01	92.01	92.01	92.01

Table 2: Producer Price Index by Sub-group and by Industry (2022 = 100)

BSIC Code	Sector / Description	Weight (%)	PPI Index Level (2022 = 100)						
			July-25	Aug-25	Sep-25	Jun-26	July-26	Aug-26	Sep-26
	All Industry	**1.00**	**96.94**	**97.38**	**96.53**	**99.58**	**99.26**	**98.55**	**99.12**
A	**Forestry and Logging**	**0.04**	**100.00**	**100.00**	**100.00**	**105.14**	**105.14**	**105.14**	**105.14**
02	Forestry and logging	0.04	100.00	100.00	100.00	105.14	105.14	105.14	105.14
022	Logging	0.04	100.00	100.00	100.00	105.14	105.14	105.14	105.14
B	**Mining and quarrying**	**0.09**	**93.33**	**93.55**	**93.69**	**92.54**	**92.81**	**92.99**	**93.08**
05	Mining of coal and lignite	0.03	99.94	99.94	99.94	90.58	90.52	91.03	91.03
051	Mining of hard coal	0.03	99.94	99.94	99.94	90.58	90.52	91.03	91.03
08	Other mining and quarrying	0.06	90.50	90.82	91.00	93.43	93.86	93.88	94.02
081	Quarrying of sand, stone and clay	0.06	90.50	90.82	91.00	93.43	93.86	93.88	94.02
C	**Manufacturing**	**0.34**	**81.48**	**82.28**	**81.89**	**86.55**	**85.69**	**83.86**	**85.24**
10	Manufacturing of food products	0.02	103.77	103.77	103.77	109.50	109.58	110.16	110.22
103	Processing and preserving of fruits and vegetables	0.01	109.66	109.66	109.66	114.64	114.79	115.86	115.98
104	Manufacture of vegetables and animal oils and fats	0.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
108	Prepared animal feeds	0.01	94.77	94.77	94.77	104.91	104.91	104.91	104.91
11	Manufacture of beverages	0.04	99.75	99.75	99.75	102.25	102.25	102.25	102.25
110	Manufacture of beverages	0.04	99.75	99.75	99.75	102.25	102.25	102.25	102.25
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.01	95.98	95.98	95.98	90.73	91.35	91.35	91.35
161	Sawmilling and planning of wood	0.00	100.00	100.00	100.00	105.14	105.14	105.14	105.14
162	Manufacture of products of wood, cork, straw and plaiting materials	0.00	94.21	94.21	94.21	84.87	85.71	85.71	85.71
18	Printing and reproduction of recorded media	0.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
181	Printing and services related to printing	0.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
20	Manufacture of chemical and chemical products	0.03	68.89	69.40	69.40	78.17	78.73	72.90	78.91
201	Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in primary forms	0.03	68.89	69.40	69.40	78.17	78.73	72.90	78.91
22	Manufacture of rubber and plastic products	0.02	94.64	94.57	94.65	111.40	111.32	109.50	108.75
222	Manufacture of plastic products	0.02	94.64	94.57	94.65	111.40	111.32	109.50	108.75
23	Manufacture of other non-metallic mineral products	0.07	107.03	106.91	106.36	107.31	107.31	106.06	106.06
239	Manufacture of non-metallic mineral products n.e.c	0.07	107.03	106.91	106.36	107.31	107.31	106.06	106.06
24	Manufacture of basic metals	0.14	63.35	64.83	64.23	68.41	66.65	64.69	66.35
241	Manufacture of basic iron and steel	0.14	63.35	64.83	64.23	68.41	66.65	64.69	66.35
31	Manufacture of furniture	0.01	102.67	102.67	102.67	106.84	106.84	106.84	106.84
310	Manufacture of furniture	0.01	102.67	102.67	102.67	106.84	106.84	106.84	106.84
D	**Electricity**	**0.27**	**107.42**	**107.42**	**107.42**	**103.71**	**103.71**	**103.71**	**103.71**
35	Electricity	0.27	107.42	107.42	107.42	103.71	103.71	103.71	103.71
351	Electric power generation, transmission and distribution	0.27	107.42	107.42	107.42	103.71	103.71	103.71	103.71

BSIC Code	Sector / Description	Weight (%)	PPI Index Level (2022 = 100)						
			July-25	Aug-25	Sep-25	Jun-26	July-26	Aug-26	Sep-26
H	**Transport and Storage**	**0.21**	**116.08**	**116.67**	**112.72**	**127.59**	**127.59**	**127.59**	**127.59**
49	Land transport and transport via pipeline	0.10	121.51	121.51	111.98	127.59	127.59	127.59	127.59
492	Other land transport	0.10	121.51	121.51	111.98	127.59	127.59	127.59	127.59
51	Air transport	0.11	111.16	112.23	112.86	118.62	118.50	118.40	118.60
511	Passenger air transport	0.11	111.16	112.23	112.86	118.62	118.50	118.40	118.60
53	Postal and Courier activities	0.00	131.19	131.50	131.67	160.49	160.78	160.71	160.86
531	Postal activities	0.00	134.07	134.07	134.07	167.13	167.13	167.13	167.13
532	Courier activities	0.01	115.71	117.55	118.64	126.93	128.52	128.11	128.92
J	**Information and communication**	**0.05**	**87.76**	**87.76**	**87.76**	**92.01**	**92.01**	**92.01**	**92.01**
61	Telecommunication	0.05	87.76	87.76	87.76	92.01	92.01	92.01	92.01
612	Wireless telecommunication activities	0.05	87.76	87.76	87.76	92.01	92.01	92.01	92.01

Table 3: Year-on-Year and Month-on-Month % Change by Sub-group and by Industry

BSIC Code	BSIC Description	Weight (%)	Monthly Inflation (%)			Annual Inflation (%)		
			July-26	Aug-26	Sep-26	July-26	Aug-26	Sep-26
	All Industry	**1.00**	**-0.32**	**-0.71**	**0.57**	**2.40**	**1.21**	**2.68**
A	**Forestry and Logging**	**0.04**	**0.00**	**0.00**	**0.00**	**5.14**	**5.14**	**5.14**
02	Forestry and logging	0.04	0.00	0.00	0.00	5.14	5.14	5.14
022	Logging	0.04	0.00	0.00	0.00	5.14	5.14	5.14
B	**Mining and quarrying**	**0.09**	**0.29**	**0.19**	**0.10**	**-0.55**	**-0.60**	**-0.65**
05	Mining of coal and lignite	0.03	-0.07	0.57	0.00	-9.43	-8.92	-8.92
051	Mining of hard coal	0.03	-0.07	0.57	0.00	-9.43	-8.92	-8.92
08	Other mining and quarrying	0.06	0.46	0.02	0.14	3.72	3.38	3.31
081	Quarrying of sand, stone and clay	0.06	0.46	0.02	0.14	3.72	3.38	3.31
C	**Manufacturing**	**0.34**	**-0.99**	**-2.13**	**1.64**	**5.17**	**1.93**	**4.09**
10	Manufacturing of food products	0.02	0.08	0.52	0.06	5.60	6.15	6.22
103	Processing and preserving of fruits and vegetables	0.01	0.14	0.92	0.11	4.68	5.65	5.77
104	Manufacture of vegetables and animal oils and fats	0.00	0.00	0.00	0.00	0.00	0.00	0.00
108	Prepared animal feeds	0.01	0.00	0.00	0.00	10.70	10.70	10.70
11	Manufacture of beverages	0.04	0.00	0.00	0.00	2.50	2.50	2.50
110	Manufacture of beverages	0.04	0.00	0.00	0.00	2.50	2.50	2.50
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.01	0.67	0.00	0.00	-4.83	-4.83	-4.83
161	Sawmilling and planning of wood	0.00	0.00	0.00	0.00	5.14	5.14	5.14
162	Manufacture of products of wood, cork, straw and plaiting materials	0.00	0.98	0.00	0.00	-9.03	-9.03	-9.03
18	Printing and reproduction of recorded media	0.00	0.00	0.00	0.00	0.00	0.00	0.00
181	Printing and services related to printing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	Manufacture of chemical and chemical products	0.03	0.72	-7.40	8.24	14.29	5.05	13.71
201	Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in primary forms	0.03	0.72	-7.40	8.24	14.29	5.05	13.71
22	Manufacture of rubber and plastic products	0.02	-0.07	-1.63	-0.69	17.62	15.79	14.90
222	Manufacture of plastic products	0.02	-0.07	-1.63	-0.69	17.62	15.79	14.90

BSIC Code	BSIC Description	Weight (%)	Monthly Inflation (%)			Annual Inflation (%)		
			July-26	Aug-26	Sep-26	July-26	Aug-26	Sep-26
23	Manufacture of other non-metallic mineral products	0.07	0.00	-1.16	0.00	0.26	-0.80	-0.29
239	Manufacture of non-metallic mineral products n.e.c	0.07	0.00	-1.16	0.00	0.26	-0.80	-0.29
24	Manufacture of basic metals	0.14	-2.58	-2.94	2.57	5.20	-0.22	3.31
241	Manufacture of basic iron and steel	0.14	-2.58	-2.94	2.57	5.20	-0.22	3.31
31	Manufacture of furniture	0.01	0.00	0.00	0.00	4.06	4.06	4.06
310	Manufacture of furniture	0.01	0.00	0.00	0.00	4.06	4.06	4.06
D	**Electricity**	**0.27**	**0.00**	**0.00**	**0.00**	**-3.46**	**-3.46**	**-3.46**
35	Electricity	0.27	0.00	0.00	0.00	-3.46	-3.46	-3.46
351	Electric power generation, transmission and distribution	0.27	0.00	0.00	0.00	-3.46	-3.46	-3.46
H	**Transport and Storage**	**0.21**	**0.00**	**0.00**	**0.00**	**9.91**	**9.36**	**13.19**
49	Land transport and transport via pipeline	0.10	0.00	0.00	0.00	5.00	5.00	13.93
492	Other land transport	0.10	0.00	0.00	0.00	5.00	5.00	13.93
51	Air transport	0.11	-0.10	-0.09	0.17	6.61	5.50	5.09
511	Passenger air transport	0.11	-0.10	-0.09	0.17	6.61	5.50	5.09
53	Postal and Courier activities	0.00	0.18	-0.05	0.09	22.56	22.22	22.17
531	Postal activities	0.00	0.00	0.00	0.00	24.66	24.66	24.66
532	Courier activities	0.01	1.25	-0.31	0.63	11.07	8.98	8.67
J	**Information and communication**	**0.05**	**0.00**	**0.00**	**0.00**	**4.84**	**4.84**	**4.84**
61	Telecommunication	0.05	0.00	0.00	0.00	4.84	4.84	4.84
612	Wireless telecommunication activities	0.05	0.00	0.00	0.00	4.84	4.84	4.84

Technical Notes

Definition

The Producer Price Index (PPI) measures the average change over time in the prices received by domestic producers of goods and services. It shows the average change in the prices of goods and services with reference to a particular reference period, known as the Index reference.

Scope and Coverage

The PPI covers domestically produced goods and services destined for domestic as well as export markets. The sectors included are logging, mining and quarrying, manufacturing, utilities (electricity and water), transport, and the Information & Communication sector. The PPI is classified and compiled by activity (BSIC rev. 4) and also by product (CPC rev. 2).

Reference Period

There are three “reference periods” used for the PPI, as given below:

I. Weight Reference – the period during which the Economic Census of Bhutan (ECoB) 2017, carried out by the National Statistics Bureau (NSB), was conducted. The weight-reference period for the new PPI is 2017.

II. Index Reference – the period when the index is set to 100. In the new PPI, the index reference period is January 2022.

III. Price Reference – the period for which the prices of each product are used for calculating the elementary indices (indices for individual PPI items). The price reference period for the new PPI is January 2022.

Price Collection

Point-in-time prices are collected for the PPI compilation, i.e. the price of a product on the 15th day of every month, or the nearest trading day to the 15th of the month.

Index Calculation Methodology

The Geometric Modified Laspeyres formula is used for compiling the PPI:

$$P_{gyo} = \prod_{i=1}^{n} \left(\frac{P_i^t}{P_i^0} \right)^{w_i^b}$$

Uses of PPI

1. As a deflator in National Accounts to estimate the real growth rate
2. As a lead indicator of inflationary trends
3. Indexation of cost escalation in long-term contracts of goods and services
4. Business analysis
5. Current cost accounting

Calculating Index Changes

Movement of the price index from one month to another is usually expressed in terms of percent changes, rather than as changes in index points. Index point changes are affected by the level of the index in relation to its base period, whereas percent changes are not. The example below shows the computation of index points and percent changes.

Index point change

All Industries' Price Index	104.50
Less: previous price index	101.25
Equals: index point change	3.25

Index percent change

Index point change	3.25
Divided by previous price index	101.25
Equals	0.032
Result multiplied by 100	0.032 × 100
Equals percent change	3.2%

Revision Policy

If data are not received on time from the sources, the index published for that particular quarter is marked as “Provisional” and is revised and finalized when the next quarter's index is published.

Dissemination

The PPI Bulletin is compiled and published on a quarterly basis. It is made available in electronic form on the NSB website **www.nsb.gov.bt**