



PRODUCER PRICE INDEX (PPI)

Producer Price Index (PPI)

June 2019

1. Summary

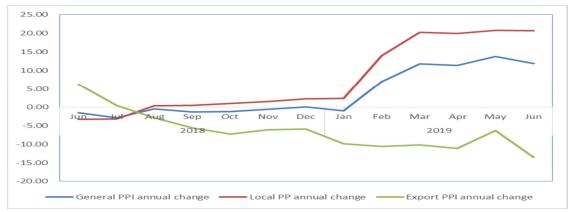
This is the monthly publication of the Producer Price Index (PPI) for the month of June 2019.

- ➤ General Producer Price Index increased by 11.85 percent on annual basis
- ➤ Local Producer Price Index increased by 20.65 percent on annual basis
- Export Producer Price Index decreased by 13.46 percent on annual basis
- ➤ General Producer Price Index decreased by 0.96 percent on monthly basis
- ➤ Local Producer Price Index increased by 0.03 percent on monthly basis
- Export Producer Price Index decreased by 4.67 percent on monthly basis

Table1. PPI monthly and annual changes for All Rwanda, local products and exports (in percentages)

Table 1: Producer Price Index, General, Local and Exports													
	Percentag	ge change	on the sai	ne period	12 months	s and or or	ne month e	arlier:					
	2018						2019						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
General PPI annual change	-1.43	-2.86	-0.47	-1.29	-1.21	-0.48	0.13	-0.92	7.01	11.80	11.38	13.75	11.85
Local PP annual change	-3.22	-3.13	0.41	0.55	1.02	1.59	2.28	2.38	13.93	20.24	19.87	20.72	20.65
Export PPI annual change	6.23	0.46	-2.86	-5.52	-7.25	-6.10	-5.85	-9.85	-10.57	-10.12	-11.04	-6.29	-13.46
General PPI monthly change	0.72	-1.90	1.98	0.37	0.03	0.09	-0.15	-0.98	8.22	4.26	0.06	0.63	-0.96
Local PP monthly change	0.08	-0.75	2.62	0.88	0.25	-0.34	0.31	-0.24	11.06	5.06	-0.02	0.65	0.03
Export PPI monthly change	3.23	-4.91	-2.55	-0.66	-0.53	1.34	-1.43	-2.95	0.12	0.93	0.52	0.66	-4.67
Source: NISR			•										

Figure 1. Annual PPI for All Rwanda, local products and exports



Source: NISR

2. Introduction

The Producer Price Index (PPI) measures the average change over time in prices received by domestic producers for the production of their goods and services. The Producer Price Index for Rwanda is published on a monthly basis.

It presents price changes for all combined products, products for local sales and that for exports. It covers a sample of 114 establishments and 402 products spread countrywide, both in Kigali City and in rural areas.

The Producer Price Index survey is conducted jointly with the National Bank of Rwanda. It now covers mining, manufacturing and energy.

3. General Producer Price Index

Table 2 below presents the percentage changes on monthly and annual basis.

Table 2: 1	Producer Price	Index, General Index summary		Percentage (change in June 2019
Level	Index ID	ISIC rev. 4 Description	Weights	on May 2019	on June 2018
1	R	Rwanda	1000	-0.96	11.85
2	RB	Mining and quarrying	96	-4.81	-15.28
2	RC	Manufacturing	714	-0.78	-1.62
		Electricity, gas, steam and air conditioning			
2	RD	supply	58	0.00	32.73
		Water supply; sewerage, waste			
2	RE	management and remediation activities	129	0.00	90.59
2	RJ	Information and communication	3	0.00	3.10
Source:NI	ISR				

General PPI increased by 11.85 percent in June 2019 compared to the same month of 2018. This is mainly due to an increase of 90.59 percent in price :Water supply activities 32.73 percent in prices of :Electricity and gas supply activities of offset mainly by a decrease of 15.58 in Mining and quarrying.

The monthly general PPI decreased by 0.96 percent compared to May 2019. This was mainly due to a decrease in prices of ÷mining and quarryingø, and manufacturing by 4.81 percent and 0.78 percent respectively.

4. Local Producer Price Index

The table 3 below presents the percentage changes on monthly and annual basis.

Table 3:	Producer P	rice Index, Local Index summary		Percentage change	in Jun.2019
Level	Index ID	ISIC rev. 4 Description	Weights	on May 2019	on June 2018
1	R	Rwanda	1000	0.03	20.65
2	RC	Manufacturing	749	0.28	0.54
		Electricity, gas, steam and air conditioning			
2	RD	supply	76	0.00	32.73
		Water supply; sewerage, waste management			
2	RE	and remediation activities	171	0.00	90.59
2	RJ	Information and communication	4	0.00	3.10
Source:N	ISR	·			

Local PPI increased by 20.65 percent in June 2019 compared to the same month of 2018. This was mainly due to an increase of 90.59 percent in prices of water supply activities, and 32.73 percent in prices of ÷electricity and gasøactivities.

The monthly local PPI increased by 0.03 percent compared to May 2019, mainly due to an increase of 0.28 percent in the prices of manufacturing.

5. Export Producer Price Index

The table below presents the index and the percentage changes on monthly and annual basis.

Table 4:	Producer Pri	ce Index, Exports Index summary	_	Percentage change	in June 2019
Level	Index ID	ISIC rev. 4 Description	Weights	on May 2019	on June 2018
1	R	Exports	1000	-4.67	-13.46
4	RB0729	Mining of other non-ferrous metal ores	393	-4.81	-15.28
6	RC107980	Manufacture of coffee products	268	-18.78	-33.95
6	RC107990	Manufacture of tea products	328	-3.23	-5.87
4	RC2029	Manufacture of other chemical products n.e.c.	10	0.58	3.39
Source:N.	ISR				

Export PPI decreased by 13.46 percent in June 2019 compared to the same month of 2018. This was due to a general decrease in prices main export products.

The monthly export PPI decreased by 4.67 percent compared to May 2019 due a general monthly decrease in prices of main export products.

6. Technical note on PPI

The Producer Price Index (PPI) measures the average change over time in the prices received by domestic producers of goods and servicesô goods and services which are output of production or enter in the production process.

NISR publishes PPI data for Mining, Manufacturing and Energy, and it will continue to be published monthly, about 4 weeks following the month under review.

The establishments are classified according to ISIC rev. 4; and the classification is determined by their main output.

The weights used in the PPI for Rwanda refer to the value of output (turnover without taxes) of establishments as reported in the 2011 Manpower survey collecting data for the year 2010, which constitutes the reference base period for the PPI calculation (December 2010). We plan to rebase the PPI using the weights as reported in establishment census 2017.

The point of pricing is the establishment. The price is the selling price received by the producer for the selected product as it leaves the factory gate. In general, prices are collected each month from the selected establishment by considering the mid-point of each month of the month under review.

The formula used in the PPI calculation is the geometric modified Laspeyres.

ex 1: Producer Price Index, General		Index (D	ec 2010=10	JO)	Percentage chan	ge in Jun.2019	Contributions 1:	
Categoiries	Weights	Jun-18	May-19	Jun-19	on May-2019	on Jun-2018	1 month	12 months
General Index 1 Rwanda	1000	122.76	120.62	127.20	-0.96	14.05	0.00	11
	1000	122.76	138.63					
2 Mining and quarrying	96	151.78	135.08					-1
4 Mining of metal ores	96	151.78	135.08	128.59	-4.81	15.28	-0.44	-
2 Manufacturing	714	122.19	121.15	120.21	-0.78	-1.62	-0.52	-
4 Manufacture of food products	376	121.76	118.54	116.13	-2.03	-4.62	-0.61	-
4 Manufacture of beverages	174	127.70	127.70	127.70	0.00	0.00	0.00	
4 Manufacture of leather and related products	24	89.31	89.31	. 89.31	0.00	0.00	0.00	
4 Printing and reproduction of recorded media	19	111.72	109.51	110.31	0.73	-1.26	0.01	
4 Manufacture of chemicals and chemical products	29	120.88	121.75	121.83	0.06	0.78	0.00	
4 Manufacture of rubber and plastics products	11	171.94	171.08	173.86	1.63	1.12	0.01	
4 Manufacture of other non-metallic mineral products	31	110.00	110.45	110.45	0.00	0.41	0.00	
4 Manufacture of fabricated metal products, except machinery and equipment	29	123.82	139.87	143.48	2.58	15.87	0.06	
4 Manufacture of furniture	9	115.02	113.40	113.40	0.00	-1.41	0.00	
2 Electricity, gas, steam and air conditioning supply	58	119.74	158.94	158.94	0.00	32.73	0.00	
4 Electricity, gas, steam and air conditioning supply	58	119.74	158.94	158.94	0.00	32.73	0.00	
2 Water supply; sewerage, waste management and remediation activities	129	100.00	190.59	190.59	0.00	90.59	0.00	1
4 Water collection, treatment and supply	129	100.00	190.59	190.59	0.00	90.59	0.00	1
2 Information and communication	3	191.87	197.81	197.81	0.00	3.10	0.00	
4 Publishing activities	3	191.87	197.81	. 197.81	0.00	3.10	0.00	

^{(1) &}quot;Contributions" take into account both the growth rate and the relative weight of each category to explain the percentage change observed

nex 1:	Producer Price Index, Local		Index (Dec 2010=100)			Percentage change	Contribution	ns 1:	
⁄el	Categoiries	Weights	Jun-18	May-19	Jun-19	on May-2019 on Ju	n-2018	1 month 1	2 months
	Local Index								
	1 Rwanda	1000	117.19	141.35	141.39	0.03	20.65	0.03	20.6
	2 Manufacturing	749	119.60	119.91	120.24	0.28	0.54	0.03	0.4
	4 Manufacture of food products	305	118.40	116.97	116.86	-0.09	-1.30	-0.01	-0.6
	4 Manufacture of beverages	231	127.70	127.70	127.70	0.00	0.00	0.00	0.0
	4 Manufacture of leather and related products	31	89.31	89.31	89.31	0.00	0.00	0.00	0.0
	4 Printing and reproduction of recorded media	25	111.72	109.51	110.31	0.73	-1.26	0.00	-0.0
	4 Manufacture of chemicals and chemical products	35	120.35	120.35	120.35	0.00	0.00	0.00	0.0
	4 Manufacture of rubber and plastics products	15	92.82	92.82	95.60	3.00	3.00	0.01	0.0
	4 Manufacture of other non-metallic mineral products	42	110.00	110.45	110.45	0.00	0.41	0.00	0.0
	4 Manufacture of fabricated metal products, except machinery and equipment	39	123.82	139.87	143.48	2.58	15.87	0.02	1.0
	4 Manufacture of furniture	11	115.02	113.40	113.40	0.00	-1.41	0.00	-0.0
	2 Electricity, gas, steam and air conditioning supply	76	119.74	158.94	158.94	0.00	32.73	0.00	2.8
	4 Electricity, gas, steam and air conditioning supply	76	119.74	158.94	158.94	0.00	32.73	0.00	2.8
	2 Water supply; sewerage, waste management and remediation activities	171	100.00	190.59	190.59	0.00	90.59	0.00	17.3
	4 Water collection, treatment and supply	171	100.00	190.59	190.59	0.00	90.59	0.00	17.3
	2 Information and communication	4	191.87	197.81	197.81	0.00	3.10	0.00	0.0
	4 Publishing activities	4	191.87	197.81	197.81	0.00	3.10	0.00	0.0

Source: NISR

^{(1) &}quot;Contributions" take into account both the growth rate and the relative weight of each category to explain the percentage change observed

Annex 1: Producer Price Index, General			Index (Dec	2010=100)		Percentage change in Jun	Contributions ¹ :		
Level Categoiries		Weights	Jun-18	May-19	Jun-19	on May-2019 on Jun-201	8	1 month	12 months
	General Index								
	1 Exports	1000	139.86	126.96	121.03	-4.67	-13.46	-4.6	7 -13.46
	6 Mining of other non-ferrous metal ores	393	151.78	135.08	128.59	-4.81	-15.28	-1.1	.1 -4.75
	8 Manufacture of coffee products	268	107.40	87.34	70.94	-18.78	-33.95	-2.9	5 -7.21
	8 Manufacture of tea products	328	145.79	141.81	137.22	-3.23	-5.87	-0.6	52 -1.52
	6 Manufacture of other chemical products n.e.c.	10	131.41	135.08	135.86	0.58	3.39	0.0	0.03

Source: NISR

^{(1) &}quot;Contributions" take into account both the growth rate and the relative weight of each category to explain the percentage change observed

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