



NATIONAL INSTITUTE OF  
STATISTICS OF RWANDA



NATIONAL BANK OF RWANDA

**PRODUCER PRICE INDEX FOR  
MANUFACTURING SECTOR (PPI-M)  
FIRST QUARTER 2012**

**Background**

This is the twenty ninth publication of monthly Producer Price Index for the Manufacturing sector (PPI-M). Work on the development of the methodology for the construction of the PPI-M started in March 2003 with technical assistance from the IMF East AFRITAC and financial assistance from the UK DFID. The PPI project is a joint project between the National Institute of Statistics of Rwanda (NSIR) and the National Bank of Rwanda (NBR).

Table 1: Monthly Producer Price Indices by activity group: **First Quarter 2012**  
**Goods Produced mainly for local sales**  
*(Base Period: Fourth Quarter 2003 = 100)*

Activity group	Weight	2011			2012			2011	2012
		Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	1 <sup>st</sup> Qr	1 <sup>st</sup> Qr
<b>PPI for Mainly Local Sold products</b>	<b>1000</b>	<b>164.27</b>	<b>165.72</b>	<b>165.80</b>	<b>174.00</b>	<b>177.00</b>	<b>177.00</b>	<b>165.27</b>	<b>176.00</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		<i>-0.06</i>	<i>0.88</i>	<i>0.05</i>	<i>-0.23</i>	<i>1.72</i>	<i>0.00</i>	<i>0.89</i>	<i>0.91</i>
<i>% change, 12 months</i>		<i>6.73</i>	<i>7.81</i>	<i>6.74</i>	<i>5.92</i>	<i>6.80</i>	<i>6.75</i>	<i>7.09</i>	<i>6.49</i>
<b>Food Products, Beverages and Tobacco</b>	<b>456</b>	<b>161.78</b>	<b>161.70</b>	<b>161.83</b>	<b>178.85</b>	<b>185.39</b>	<b>185.39</b>	<b>161.77</b>	<b>183.21</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		<i>-0.41</i>	<i>-0.05</i>	<i>0.08</i>	<i>0.00</i>	<i>3.66</i>	<i>0.00</i>	<i>-0.24</i>	<i>2.44</i>
<i>% change, 12 months</i>		<i>5.39</i>	<i>5.34</i>	<i>3.13</i>	<i>10.55</i>	<i>14.65</i>	<i>14.56</i>	<i>4.61</i>	<i>13.25</i>
<b>Food products</b>	<b>129</b>	<b>175.62</b>	<b>175.36</b>	<b>175.80</b>	<b>190.48</b>	<b>190.48</b>	<b>190.48</b>	<b>175.59</b>	<b>190.48</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		<i>-1.32</i>	<i>-0.15</i>	<i>0.25</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>-0.77</i>	<i>0.00</i>
<i>% change, 12 months</i>		<i>-7.36</i>	<i>-7.50</i>	<i>-7.24</i>	<i>8.46</i>	<i>8.62</i>	<i>8.35</i>	<i>-7.37</i>	<i>8.48</i>
Production, processing and preserving of meat and meat products	3	220.85	220.85	220.85	221.17	221.17	221.17	220.85	221.17
Processing and preserving of fruits and vegetables	8	168.53	168.53	168.53	226.35	226.35	226.35	168.53	226.35
Manufacture of dairy products	32	211.43	211.43	211.43	201.84	201.84	204.87	211.43	202.85
Manufacture of grain mill and animal feeds products	27	145.37	144.94	146.72	179.19	177.86	179.04	145.68	178.70
Manufacture of bakery products, pastry, biscuits	13	172.89	172.89	172.89	191.77	191.77	191.77	172.89	191.77
Manufacture of sugar	45	167.50	167.02	167.23	196.45	187.91	165.13	167.25	183.16
<b>Beverages and Tobacco</b>	<b>327</b>	<b>156.29</b>	<b>156.29</b>	<b>156.29</b>	<b>174.24</b>	<b>183.38</b>	<b>183.38</b>	<b>156.29</b>	<b>180.33</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>5.24</i>	<i>0.00</i>	<i>0.00</i>	<i>3.49</i>
<i>% change, 12 months</i>		<i>12.27</i>	<i>12.27</i>	<i>8.54</i>	<i>11.49</i>	<i>17.33</i>	<i>17.33</i>	<i>11.00</i>	<i>15.38</i>
<i>Manufacture of beer, soft drinks and tobacco</i>	327	156.29	156.29	156.29	174.24	183.38	183.38	156.29	180.33
<b>Other than Food, Beverages and Tobacco</b>	<b>544</b>	<b>166.37</b>	<b>169.09</b>	<b>169.14</b>	<b>169.94</b>	<b>169.96</b>	<b>169.96</b>	<b>168.20</b>	<b>169.95</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		<i>0.22</i>	<i>1.64</i>	<i>0.03</i>	<i>-0.44</i>	<i>0.01</i>	<i>0.00</i>	<i>1.82</i>	<i>-0.43</i>
<i>% change, 12 months</i>		<i>7.85</i>	<i>9.87</i>	<i>9.83</i>	<i>2.15</i>	<i>0.51</i>	<i>0.48</i>	<i>9.18</i>	<i>1.04</i>
Manufacture of textiles, wearing apparel, tanning and dressing of leather	47	175.12	174.37	174.95	182.58	182.58	182.58	174.81	182.58
Manufacture of paper and paper products, publishing of books, newspapers	40	145.01	147.33	147.33	147.13	147.13	147.13	146.55	147.13
Manufacture of chemical products	172	149.47	157.73	157.73	164.29	164.29	164.29	154.97	164.29
Manufacture of plastic products, tubes, retreading and rebuilding of rubber tyres	45	151.32	151.32	151.32	135.74	135.74	135.74	151.32	135.74
Manufacture of ceramic products, cement, lime and articles of concrete	126	196.08	196.08	196.08	196.79	196.76	196.76	196.08	196.77
Manufacture of fabricated metal products	70	177.27	177.27	177.27	173.16	173.36	173.36	177.27	173.29
Manufacture of furniture	43	156.00	156.00	156.00	152.72	152.72	152.72	156.00	152.72

(\* ) Only for quarterly figures

Source: Quarterly Producer Price Index Surveys

Table 1b: Monthly Producer Price Indices by activity group: **First Quarter 2012**  
**Goods produced mainly for export**

(Base Period: Fourth Quarter 2003 = 100)

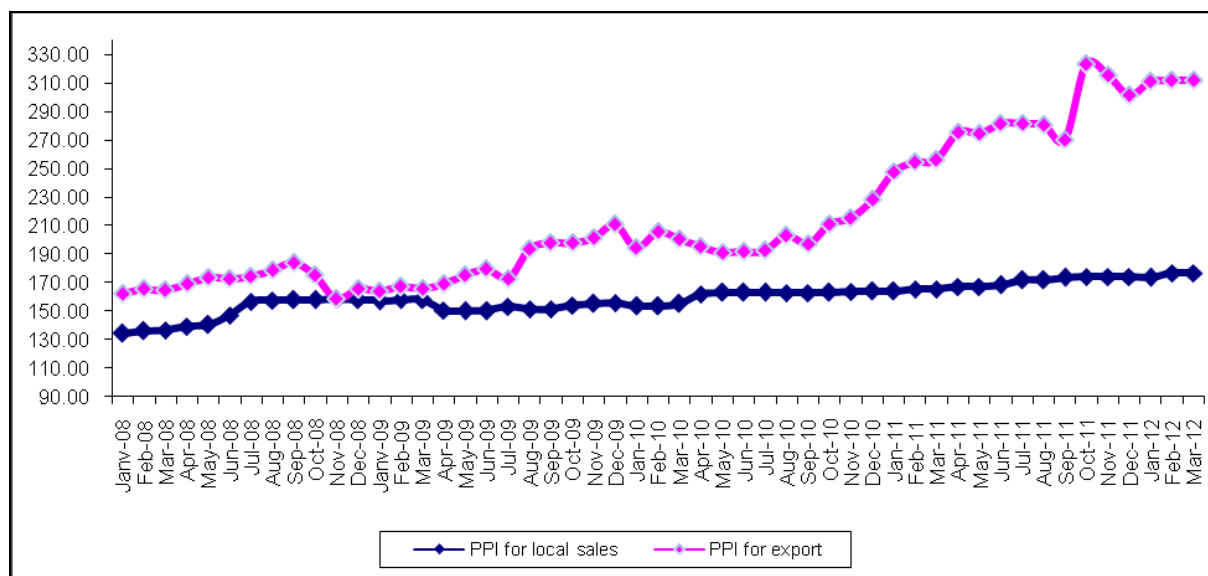
Activity group	Weight	2011			2012			2011	2012
		Jan.	Feb.	Mar.	Jan.	Feb.	Mar.	1 <sup>st</sup> Qr	1 <sup>st</sup> Qr
<b>PPI for Mainly Export Products</b>	<b>1000</b>	<b>248.1</b>	<b>254.6</b>	<b>255.9</b>	<b>311.3</b>	<b>311.8</b>	<b>312.1</b>	<b>252.9</b>	<b>311.7</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		8.7	2.6	0.5	3.16	0.16	0.08	15.78	3.30
<i>% change, 12 months</i>		27.3	23.9	27.4	25.50	22.48	21.94	26.16	23.29
<b>Manufacture of other food products n.e.c</b>	<b>978</b>	<b>244.3</b>	<b>250.9</b>	<b>252.3</b>	<b>306.95</b>	<b>307.46</b>	<b>307.73</b>	<b>249.17</b>	<b>307.38</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		9.0	2.7	0.5	3.26	0.17	0.09	16.53	3.41
<i>% change, 12 months</i>		28.4	26.9	28.4	25.66	22.52	21.96	27.90	23.36
<b>Production of tea</b>	<b>585</b>	<b>177.7</b>	<b>181.8</b>	<b>177.7</b>	<b>170.56</b>	<b>171.42</b>	<b>171.86</b>	<b>179.04</b>	<b>171.28</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		-4.0	2.3	-2.2	4.17	0.51	0.26	3.61	4.61
<i>% change, 12 months</i>		13.0	7.5	5.6	-4.00	-5.69	-3.29	8.61	-4.34
<b>Production of coffee</b>	<b>392</b>	<b>343.6</b>	<b>354.1</b>	<b>363.6</b>	<b>510.35</b>	<b>510.35</b>	<b>510.35</b>	<b>353.76</b>	<b>510.35</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		21.7	3.1	2.7	2.82	0.00	0.00	28.64	2.82
<i>% change, 12 months</i>		43.4	47.4	52.4	48.53	44.13	40.37	47.71	44.27
<b>Manufacture of pesticides and other agro-chemical products</b>	<b>22</b>	<b>415.2</b>	<b>415.2</b>	<b>415.2</b>	<b>503.67</b>	<b>503.67</b>	<b>503.67</b>	<b>415.16</b>	<b>503.67</b>
<i>% change, previous month/quarter<sup>(*)</sup></i>		1.1	0.0	0.0	0.54	0.00	0.00	-0.98	0.54
<i>% change, 12 months</i>		4.6	-24.3	4.6	21.32	21.32	21.32	-7.22	21.32
<b>Production of pyrethrum</b>	<b>22</b>	<b>415.2</b>	<b>415.2</b>	<b>415.2</b>	<b>503.67</b>	<b>503.67</b>	<b>503.67</b>	<b>415.16</b>	<b>503.67</b>

(\*) Only for quarterly figures

Source: Quarterly Producer Price Index Surveys

Graph1: PPI for local sales and export products

(Fourth quarter 2003=100)



Source: Quarterly Producer Price Index Surveys

## **I. Monthly PPI-M (Base period: 4<sup>th</sup> Quarter 2003 =100)**

### *1.1 PPI-M: Local sales (table 1a)*

In March 2012, the index for products manufactured for sale on the local market stood at 177.00, which is stagnation compared to the index of February 2012(177.00).

On annual basis, the index for March 2012 was 6.75 % higher. This increase is mainly attributable to price increases in the following subgroups: « Food products, beverages and tobacco» (+14.56%) and «Other than food, beverages and tobacco » (+0.48%).

Within the subgroup « Food products, beverages and tobacco», prices of « Food products » rose by 8.35% and of « Manufacture of beer, soft drinks and tobacco» rose by 17.33%. The increase of 8.35% in food products is due to price changes of the food products of which: «Manufacture of bakery products, pastry, and biscuits» (+10.92%), «Manufacture of grain mill and animal feeds products» (+22.03%) and «Processing and preserving of fruits and vegetables» (+34.31%).

The index of the subgroup « Other than food, beverages and tobacco » increased slightly by (+0.48%) in March 2012 compared to the index of the same month of the year 2011. This small increase is mostly attributable to the overall effect of price changes in the following classes: «Manufacture of textiles, wearing apparel, tanning and dressing of leather» (+4.36%) and ««Manufacture of chemical products» (+4.16%). While « Manufacture of plastic products, tubes, retreading and rebuilding of rubber tyres » (-10.30%) » have partially dampened the positive trend of this subgroup.

### **1.2 PPI-M Exports (table 1b)**

As shown in the table 1b, the index for goods mainly produced for exports stood at 311.31 in January; 311.82 in February and 312.08 in March 2012. Prices fetched for tea exports registered increases of 4.17%; 0.51% and 0.26% in January, February and March 2012 respectively. On the other hand, export price of coffee registered an increase of 2.82% in January and remained unchanged during February and March 2012.

On an annual basis, the index of export products registered an increase of 21.94% in March 2012 compared to the index of the same month of the previous year.

## **II. Quarterly PPI-M (Base period: 4<sup>th</sup> Quarter 2003 =100)**

### ***2.1 PPI-M Local sales***

The index for the first quarter 2012 registered a slight increase of 0.91% compared to the index of the previous quarter (fourth quarter of 2011) and an increase of 6.49% compared to the index of the first quarter of the year 2011.

### ***2.2 PPI-M Exports***

The quarterly index for manufacturing exports registered an increase of 3.30% in the first quarter of the year 2012 compared to the index of the previous quarter and an increase of 23.29% compared to the index of the same quarter of the previous year.

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## Technical Note on PPI-M

**1. Scope and composition:** For the purpose of these indices, manufacturing encompass all products produced for sale on the domestic market as well as for the exports that is divisions 15 to 36. The PPI-M will initially cover manufacturing establishments that operate with 10 or more workers.

**2. Items and weights:** These indices are fixed weight indices. The weights were obtained from the gross output value reported by manufacturers at the 2000 Census of Industrial Production conducted in 2001. Gross output is valued at basic prices, and thus excludes all taxes on products, namely excise duties and Value added tax. Each selected product is assigned a weight representing its share in the total turnover for the fourth quarter of 2003 as reported by the establishments.

**3. Price information:** 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 at *mid – point of each month*.

**4. Reference base period for PPI\_M:** The reference period for the calculation of PPI-M is the fourth quarter 2003. The base price for a particular product is an arithmetic mean of the fourth quarter monthly prices in 2003.

**5. Index formula:** The PPI is calculated according to the Laspeyres formula, which is the weighted average of price relatives.

$$I_c = \sum \frac{w_i * P_{ci} / P_{oi}}{\sum w_i} * 100$$

Where  $I_c$  = Index for current month

$W_i$  = Weight associated with product i

$P_{ci}$  = Price of product i for the current month

$P_{oi}$  = Price for product i for the reference period

### 6. Uses of the PPI

The main uses of the PPI are:

- As a leading indicator of inflationary trends.
- As deflators for national accounting at constant prices.
- As “escalators” to adjust prices of inputs in long term sales contracts.

**7. Dissemination of PPI-M:** The monthly PPI-M will be published in each quarter, about 8 weeks following the quarter under review.

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