



REPUBLIC OF RWANDA



PRODUCER PRICE INDEX (PPI)

THIRD QUARTER 2014

NOVEMBER 2014

SUMMARY

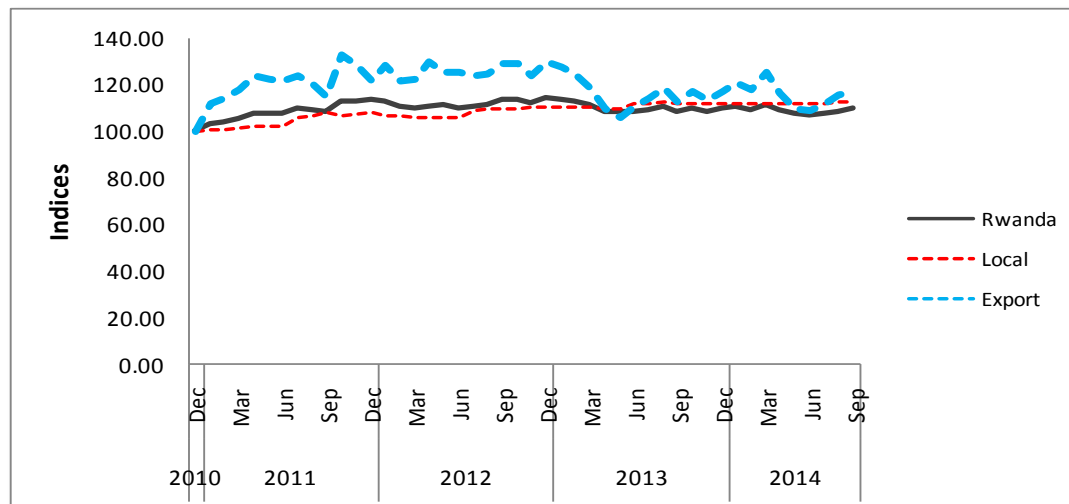
- The annual change in PPI for all Rwanda, third quarter 2014 compared to third quarter 2013 is -0.61 percent
- The annual change in PPI for local products, third quarter 2014 compared to third quarter 2013 is 0.16 percent
- The annual change in PPI for exports, third quarter 2014 compared to third quarter 2013 is -0.14 percent
- The quarterly change in PPI for all Rwanda, third quarter 2014 compared to second quarter 2014 is 0.65 percent
- The quarterly change in PPI for local products, third quarter 2014 compared to second quarter 2014 is 0.40 percent
- The quarterly change in PPI for exports, third quarter 2014 compared to second quarter 2014 is 2.70 percent

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

	Quarterly change (Q3.14-Q2.14)	Annual change (Q3.14-Q3.13)
PPI for All Rwanda	0.65	-0.61
PPI for local products	0.40	0.16
PPI for export products	2.70	-0.14

Source: NISR

Figure1. PPI for All Rwanda, local products and exports (2011-Q₃ 2014)



Source: NISR

1 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 quarterly basis; but it highlights monthly Producer Price Index for each of the three months of the quarter under review, the quarterly Producer Price Index and the annual Producer Price Index. 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 Institute of Statistics of Rwanda (NISR) and the National Bank of Rwanda (BNR). It now covers mining, manufacturing and energy; but NISR intends to include hotels and communication services in the future.

2 PPI FOR ALL RWANDA

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

Table2. Monthly, quarterly and annual changes for PPI for All Rwanda

	2013			2014			2013	2014
	July	Aug.	Sept.	July	Aug.	Sept.	Q3	Q3
All Rwanda index	109.52	110.80	108.65	107.99	108.87	110.11	109.66	108.99
Monthly/quarterly change (%)	1.21	1.17	-1.94	0.63	0.82	1.14	1.08	0.65
Annual change (%)	-1.43	-0.91	-4.44	-1.40	-1.74	1.34	-2.28	-0.61

Source: NISR

As the table 2 shows, on a monthly basis, in July 2014, the index increased by 0.63 percent compared to June 2014. The index for August 2014 increased by 0.82 percent, while the index for September 2014 also increased by 1.14 percent.

On a quarterly basis, the index for the third quarter 2014 increased by 0.65 percent compared to the index for the second quarter 2014.

On an annual basis, the index for the third quarter 2014 decreased by 0.61 percent compared to the index for the same quarter in 2013.

Main contributors to change

On a monthly basis,

In July 2014 (0.63%):

- Coffee products and tea contributed positively by 0.77 percentage points
- Metal products, except machinery and equipment contributed negatively by 0.17 percentage points

In August 2014 (0.82%):

- Coffee and tea products contributed positively by 1.34 percentage points
- Plastics products contributed negatively by 0.37 percentage points

In September 2014 (1.14%):

- Plastics products contributed positively by 0.64 percentage points
- Coffee and tea products contributed positively by 0.52 percentage points

On a quarterly basis, the main contributors to the index change of the third quarter 2014 (0.65%) are:

- Coffee and tea products contributed positively by 1.42 percentage points
- Sugar contributed negatively by 0.46 percentage points
- Metal products, except machinery and equipment contributed negatively by 0.20 percentage points

On an annual basis, the main contributors to the index change of third quarter 2014 (-0.61%) are:

- Coffee and tea products contributed negatively by 0.57 percentage points
- Sugar contributed negatively by 0.55 percentage points
- Mining and quarrying contributed positively by 0.60 percentage points

3 PPI FOR GOODS PRODUCED FOR LOCAL SALES

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

Table3. Monthly, quarterly and annual changes for PPI for local sales

	2013			2014			2013	2014
	July	Aug.	Sept.	July	Aug.	Sept.	Q3	Q3
Local sales index	112.27	112.43	112.11	111.99	112.64	112.73	112.27	112.45
Monthly/quarterly change (%)	0.10	0.14	-0.28	0.07	0.58	0.08	1.50	0.40
Annual change (%)	3.02	2.77	2.11	-0.25	0.19	0.55	2.63	0.16

Source: NISR

As the table above shows, on a monthly basis, in July 2014, the index increased by 0.07 percent compared to June 2014. The index of August 2014 increased by 0.58 percent compared to July 2014, while the index of September 2014 increased by 0.08 percent compared to August 2014.

On a quarterly basis, the index for the third quarter 2014 increased by 0.40 percent compared to the index for the second quarter 2014.

On an annual basis, the index for the third quarter 2014 increased by 0.16 percent compared to the same quarter in 2013.

Main contributors to change

On a monthly basis, the main contributors to the index change are:

In July 2014 (0.07%):

- Newspapers, journals and periodicals contributed positively by 3.08 percentage points
- Bakery products contributed positively by 1.83 percentage points
- Metal products , except machinery and equipment contributed negatively by 2.38 percentage points
- Plastics products contributed negatively by 1.29 percentage points
- Textile products contributed negatively by 0.96 percentage points

In August 2014 (0.58%):

- Printing and service activities related to printing positively by 0.22 percentage points
- Sugar contributed positively by 0.14 percentage points

In September 2014 (0.08%):

- Malt liquors and malt Beverages contributed positively by 0.23 percentage points
- Metal products, except machinery and equipment contributed negatively by 0.13 percentage points

On a quarterly basis, the main contributors to the index change (0.40%):

- Bakery products contributed positively by 0.83 percentage points
- Paints, varnishes and similar coatings, printing ink and mastics contributed positively by 0.23 percentage points
- Metal products , except machinery and equipment contributed negatively by 0.63 percentage points
- Sugar contributed negatively by 0.34 percentage points

On an annual basis, the main contributors to the index change (0.16%):

- Grain mill products contributed positively by 0.71 percentage points
- Malt liquors and malt Beverages contributed negatively by 0.72 percentage points

4 PPI FOR EXPORTS

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

Table4. Monthly, quarterly and annual changes for PPI for exports

	2013			2014			2013	2014
	July	Aug.	Sept.	July	Aug.	Sept.	Q3	Q3
Exports index	114.02	118.82	112.79	111.86	115.85	117.44	115.21	115.05
Monthly/quarterly change (%)	3.43	4.21	-5.07	2.26	3.57	1.37	6.09	2.70
Annual change (%)	-7.92	-4.78	-12.92	-1.90	-2.50	4.12	-8.60	-0.14

Source: NISR

As the table above shows, on a monthly basis, in July 2014, the index increased by 2.26 percent compared to June 2014. The index for August 2014 increased by 3.57 percent, while the index for September 2014 increased by 1.37 percent.

On a quarterly basis, the index for the third quarter 2014 increased by 2.70 percent compared to the index for the second quarter 2014.

On an annual basis, the index for the third quarter 2014 decreased by 0.14 percent compared to the index for the same quarter in 2013.

Main contributors to change

On a monthly basis,

In July 2014(2.26%):

- Coffee products contributed positively by 1.41 percentage points
- Tea products contributed positively by 1.23 percentage points

In August 2014 (3.57%):

- Tea products contributed positively by 2.05 percentage points
- Coffee products contributed positively by 1.55 percentage points

In September 2014 (1.37%):

- Tea products contributed positively by 0.81 percentage points
- Coffee products contributed positively by 0.65 percentage points

On a quarterly basis, the main contributors to the index change of the second quarter 2014 (2.70%) are:

- Coffee products contributed positively by 2.22 percentage points
- Tea products contributed positively by 1.11 percentage points

On an annual basis, the main contributors to the index change of second quarter 2014 (-0.14%) are:

- Tea products contributed negatively by 0.58 percentage points
- Tea products contributed negatively by 0.34 percentage points
- Non-ferrous metal ores contributed positively by 0.79 percentage points

5 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 services—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 quarterly in a monthly basis, about 8 weeks following the quarter under review.

Over time the PPI will gradually be expanded to include other production sectors such as transportation, telecommunications, agriculture, and services. Expansion of PPI coverage depends upon the availability of data that could be used to derive weights.

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).

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 quarter from the selected establishment by considering the mid-point of each month of the quarter under review.

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

Contacts:

National Institute of Statistics of Rwanda (NISR),
P.O. BOX 6139 Kigali,
Tel.: (250) 571035 Fax: (250) 570705.
Web site: www.statistics.gov.rw /CPI Indexes

Publication Director: Yusuf MURANGWA, Director General, NISR;
yusuf.murangwa@statistics.gov.rw,

Sébastien MANZI, Director of Economic Statistics Department, NISR;
sebastien.manzi@statistics.gov.rw,

Oscar SIBOMANA, Principal Research Statistician in charge of Prices, NISR;
oscar.sibomana@statistics.gov.rw