



REPUBLIC OF RWANDA



# PRODUCER PRICE INDEX (PPI)

## FOURTH QUARTER 2015

FEBRUARY 2016

## 1. SUMMARY

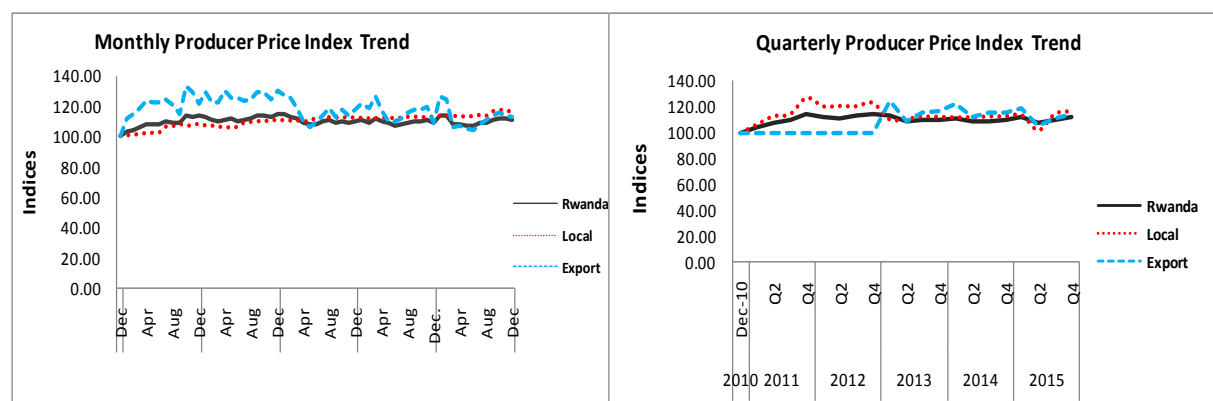
- The annual change in PPI for all Rwanda, fourth quarter 2015, is 1.33 percent
- The annual change in PPI for local products, fourth quarter 2015, is 3.42 percent
- The annual change in PPI for exports, fourth quarter 2015, is -1.28 percent
- The quarterly change in PPI for all Rwanda, fourth quarter 2015, is 1.80 percent
- The quarterly change in PPI for local products, fourth quarter 2015, is 1.77 percent
- The quarterly change in PPI for exports, fourth quarter 2015, is 2.67 percent

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

	Quarterly change (Q4.15-Q3.15)	Annual change (Q4.15-Q4.14)
PPI for All Rwanda	1.80	1.33
PPI for local products	1.77	3.42
PPI for export products	2.67	-1.28

Source: NISR

**Figure1. 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 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 Bank of Rwanda. It now covers mining, manufacturing and energy; but NISR intends to include hotels and communication services in the future.

### 3. PPI FOR ALL RWANDA

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

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

	2015			Q4
	October	November	December	
Monthly change	0.81	-0.03	-0.78	
Quartely change				1.80
Annual change	1.48	0.90	1.63	1.33

*Source: NISR*

As the table 2 shows, on a monthly basis, in October 2015, the index increased by 0.81 percent. The index for November 2015 decreased by 0.03 percent, while the index for December 2015 decreased by 0.78 percent.

On a quarterly basis, the index for the fourth quarter 2015 increased by 1.80 percent.

On an annual basis, the index for the fourth quarter 2015 increased by 1.33 percent.

#### **Main contributors to change**

On a monthly basis,

In October 2015 (0.81%):

- Non-ferrous metal ores contributed positively by 0.55 percentage points
- Non-metallic products contributed positively by 0.22 percentage points

In November 2015 (-0.03%):

- Non-ferrous metal ores contributed negatively by 0.07 percentage points.
- Sugar contributed positively by 0.05 percentage points

In December 2015 (-0.78%)

- Furniture products contributed negatively by 0.86 percentage points
- Non-ferrous metal ores contributed positively by 0.13 percentage points.

On a quarterly basis, the main contributors to the index change of the fourth quarter 2015 (1.80%) are:

- Electricity power generation, transmission and distribution contributed positively by 1.68 percentage points
- Coffee and tea products contributed positively by 1.42 percentage points
- Non-ferrous metal ores contributed negatively by 1.29 percentage points

On an annual basis, the main contributors to the index change of the fourth quarter 2015 (1.33%) are:

- Coffee and tea contributed positively by 9.24 percentage points
- Electricity power generation, transmission and distribution contributed positively by 5.12 percentage points
- Non-ferrous metal ores contributed negatively by 13.67 percentage points

#### 4. PPI FOR GOODS PRODUCED FOR LOCAL SALES

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

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

	2015			Q4
	October	November	December	
<b>Monthly change</b>	<b>0.63</b>	<b>0.08</b>	<b>-1.47</b>	
<b>Quartely change</b>				<b>1.77</b>
<b>Annual change</b>	<b>3.98</b>	<b>4.11</b>	<b>2.18</b>	<b>3.42</b>

*Source: NISR*

As the table above shows, on a monthly basis, in October 2015, the index increased by 0.63 percent. The index of November 2015 increased by 0.08, while the index of December 2015 decreased by 1.47 percent.

On a quarterly basis, the index for the fourth quarter 2015 increased by 1.77 percent.

On an annual basis, the index for the fourth quarter 2015 increased by 3.42 percent.

#### **Main contributors to change**

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

In October 2015 (0.63%):

- Printing and service activities contributed positively by 0.45 percentage points
- Dairy products contributed positively by 0.21 percentage points

In November 2015 (0.08%):

- Sugar contributed positively by 0.06 percentage points
- Grain mill products contributed positively by 0.01 percentage points
- Printing and service activities contributed positively by 0.01 percentage points

In December 2015 (-1.47%):

- Furniture products contributed negatively by 1.61 percentage points
- Sugar contributed positively by 0.10 percentage points

On a quarterly basis, the main contributors to the index change (1.77%):

- Electricity power generation, transmission and distribution contributed positively by 3.15 percentage points
- Furniture products contributed negatively by 1.30 percentage points

On an annual basis, the main contributors to the index change (3.42%):

- Electricity power generation, transmission and distribution contributed positively by 3.30 percentage points
- Furniture products contributed negatively by 0.37 percentage points

## 5. 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**

	2015			Q3
	October	November	December	
<b>Monthly change</b>	1.64	-1.59	-1.32	
<b>Quartely change</b>				2.67
<b>Annual change</b>	-1.94	-4.75	3.24	-1.28

Source: NISR

As the table above shows, on a monthly basis, in October 2015, the index increased by 1.64 percent. The index for November and 2015 decreased by 1.59, and 1.32 percent respectively.

On a quarterly basis, the index for the fourth quarter 2015 increased by 2.67 percent.

On an annual basis, the index for the fourth quarter 2015 decreased by 1.28 percent.

### Main contributors to change

On a monthly basis,

In October 2015 (1.64%):

- Non-ferrous metal ores contributed positively by 2.34 percentage points
- Coffee contributed positively by 1.87 percentage points
- Tea products contributed negatively by 2.52 percentage points

In November 2015 (-1.59%):

- Coffee products contributed negatively by 1.03 percentage points

- Non-ferrous metal ores contributed positively by 0.62 percentage points

In December 2015 (-1.32%):

- Coffee products contributed negatively by 1.20 percentage points
- Tea products contributed negatively by 0.65 percentage points
- Non-ferrous metal ores contributed positively by 0.57 percentage points

On a quarterly basis, the main contributors to the index change of the fourth quarter 2015 (2.67%) are:

- Non-ferrous metal ores contributed positively by 4.22 percentage points
- Coffee products contributed positively by 0.93 percentage points
- Tea products contributed negatively by 2.47 percentage points

On an annual basis, the main contributors to the index change of fourth quarter 2015 (-1.28%) are:

- Non-ferrous metal ores contributed negatively by 29.74 percentage points
- Coffee products contributed negatively by 19.50 percentage points
- Tea products contributed positively by 47.84 percentage points

## 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 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, 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 (March 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.

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