



REPUBLIC OF RWANDA



CONSUMER PRICE INDEX (CPI)

MAY 2016

10 June 2016

1. Summary

This is the monthly publication for the Consumer Price Index for the month of May 2016. The Urban CPI will be the focus of the publication as it is the headline index for monetary policy purposes.

1.1. Urban Index

The Urban CPI increased by 4.6 percent on annual basis and increased by 0.5 percent on a monthly basis. The annual average rate between May 2016 and May 2015 is 3.9 percent.

1.2. Rural Index

The Rural CPI increased by 4.3 percent on an annual basis, and decreased by 0.2 percent on a monthly basis.

1.3. Overall Rwanda Index

The Rwanda CPI increased by 4.4 percent on an annual basis, and was stable on May 2016.

| | 2015 | | | | | | | | | 2016 | | | | |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|--|
| | May. | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May. | |
| Urban CPI Annual change | 2.2 | 2.8 | 2.3 | 3.0 | 3.7 | 2.9 | 4.8 | 4.5 | 4.5 | 4.4 | 4.6 | 4.7 | 4.6 | |
| Rural CPI Annual change | 1.2 | 0.1 | 0.4 | 1.7 | 3.6 | 6.8 | 9.0 | 8.0 | 7.7 | 7.1 | 6.5 | 4.3 | 4.3 | |
| Rwanda CPI Annual change | 1.6 | 1.0 | 1.1 | 2.2 | 3.6 | 5.5 | 7.5 | 6.8 | 6.6 | 6.1 | 5.8 | 4.4 | 4.4 | |
| Urban CPI Monthly change | 0.6 | 0.0 | -0.1 | 0.9 | 1.1 | -0.1 | 1.1 | -0.5 | -0.5 | 0.4 | 0.9 | 0.8 | 0.5 | |
| Rural CPI Monthly change | -0.2 | -1.2 | -0.1 | 2.1 | 2.1 | 2.3 | 0.2 | -2.7 | -1.5 | 0.8 | 1.9 | 0.6 | -0.2 | |
| Rwanda CPI Monthly change | 0.1 | -0.8 | -0.1 | 1.7 | 1.8 | 1.5 | 0.5 | -2.0 | -1.2 | 0.7 | 1.6 | 0.7 | 0.0 | |

Source: NISR

2. Urban Consumer Price Index

The Urban Consumer Price Index is calculated based on approximately 1022 products in twelve urban centres of Rwanda. The table below shows the monthly and annual change in May 2016 for the main categories of the urban index.

| Code | Categories | Weights | Percentage change in May. 2016 | |
|--------|-------------------------------------------------------------------|-------------|--------------------------------|--------------|
| | | | on Apr. 2016 | on May. 2015 |
| | GENERAL INDEX | 100% | 0.5% | 4.6% |
| 01 | Food and non-alcoholic beverages | 28% | 0.6% | 6.1% |
| 01.1.1 | Bread and cereals | 5% | 0.8% | 0.9% |
| 01.1.2 | Meat | 2% | -0.2% | 3.4% |
| 01.1.4 | Milk cheese and eggs | 2% | -0.6% | 1.9% |
| 01.1.7 | Vegetables | 10% | 1.1% | 11.3% |
| 01.2 | Non-alcoholic beverages | 1% | 0.1% | 2.4% |
| 02 | Alcoholic beverages tobacco and narcotics | 3% | -0.2% | 8.6% |
| 03 | Clothing and footwear | 4% | 0.0% | -0.1% |
| 04 | Housing water, electricity, gas and other fuels | 23% | 0.5% | 2.9% |
| 05 | Furnishings household equipment and routine household maintenance | 4% | 0.2% | 3.9% |
| 06 | Health | 1% | 0.0% | 0.1% |
| 07 | Transport | 18% | 0.6% | 7.4% |
| 08 | Communication | 3% | 0.0% | 0.7% |
| 09 | Recreation and culture | 2% | -0.1% | 5.1% |
| 10 | Education | 6% | 0.0% | 1.7% |
| 11 | Restaurants and hotels | 4% | 1.6% | 3.3% |
| 12 | Miscellaneous goods and services | 4% | 0.9% | 3.3% |

Source: NISR

The Urban CPI increased by 4.6 percent in May 2016 compared to the same month of the previous year. This is mainly due to the rising prices of 'Food and non-alcoholic beverages' 6.1 percent, 'Housing, water, electricity, gas and other fuels' 2.9 percent and 'Transport' 7.4 percent.

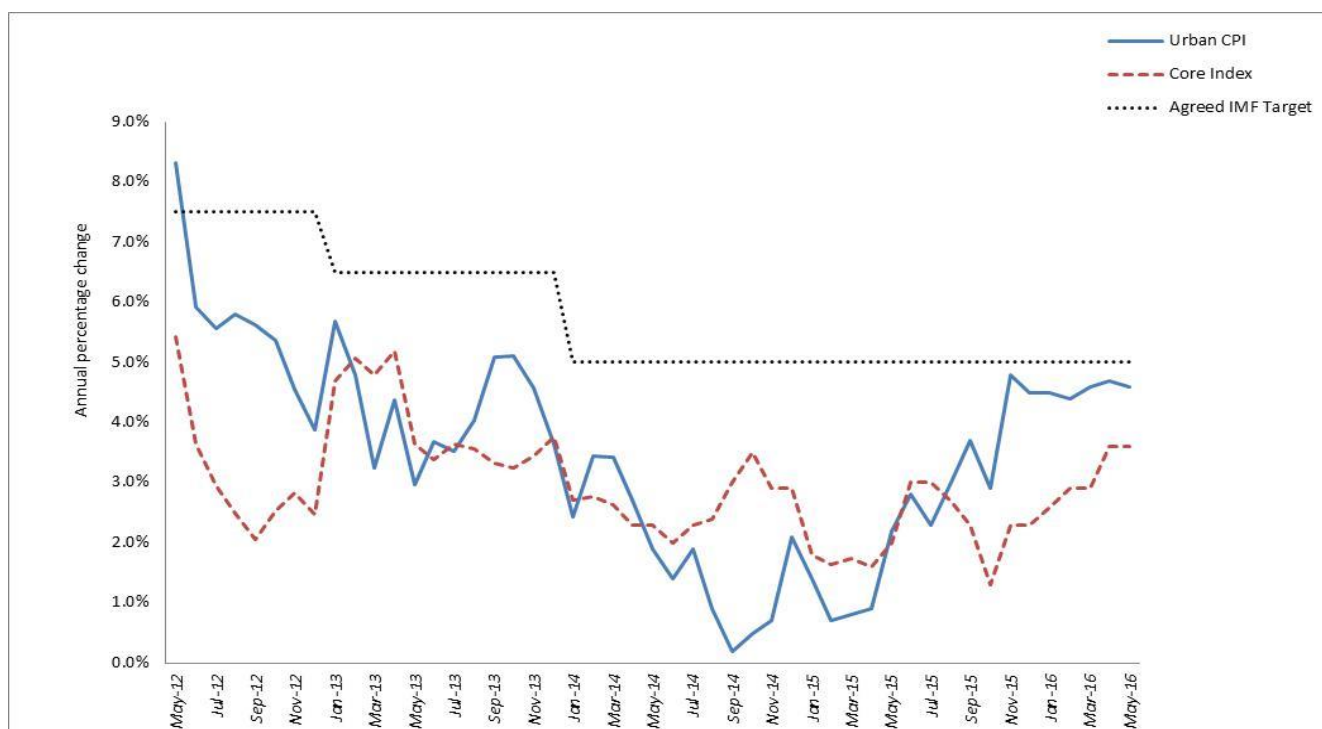
The monthly CPI increased by 0.5 percent in May 2016. 'Food and non-alcoholic beverages', 'Housing, water, electricity, gas and other fuels' and 'Transport' increased by 0.6 percent, 0.5 percent and 0.6 percent respectively.

The underlying inflation rate (excluding fresh food and energy) increased by 0.4 percent when compared to April 2016 and increased by 3.6 percent when compared to May 2015. The annual average underlying inflation rate is 2.7 percent.

| | 2015 | | | | | | | | 2016 | | | | |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | May. | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May. |
| General index | 1.1 | 1.3 | 1.3 | 1.5 | 1.8 | 2.0 | 2.3 | 2.5 | 2.8 | 3.1 | 3.4 | 3.7 | 3.9 |
| Core / Underlying index | 2.3 | 2.4 | 2.5 | 2.5 | 2.4 | 2.2 | 2.2 | 2.1 | 2.2 | 2.3 | 2.4 | 2.6 | 2.7 |

Source: NISR

Figure 1: Annual changes in urban CPI (May 2012 – May 2016)



3. Other selected urban indices

In this section, we present five selected urban indices - the local goods index, the imported goods index, the fresh products index, the energy index and the core index.

On an annual basis, the local goods index increased by 4.7 percent, the imported goods index increased by 4.1 percent, the fresh products index increased by 7.3 percent, the energy index increased by 7.1 percent and the core index or the general index excluding fresh products and energy increased by 3.6 percent.

On a monthly basis, the local goods index increased by 0.5 percent; the imported goods index increased by 0.6 percent, the fresh products index increased by 0.5 percent, the energy index increased by 1.8 percent and the core index increased by 0.4 percent.

| TABLE 4: Consumer Price Index (Urban only), Core & other | | | |
|-----------------------------------------------------------------------|----------------|---------------------------------------|---------------------|
| Categories | Weights | Percentage change in May. 2016 | |
| | | on Apr. 2016 | on May. 2015 |
| GENERAL INDEX | 100% | 0.5% | 4.6% |
| Local Goods Index | 74% | 0.5% | 4.7% |
| Food and non-alcoholic beverages | 23% | 0.6% | 6.9% |
| Housing, water, electricity, gas and other fuels | 23% | 0.5% | 3.0% |
| Transport | 7% | 0.0% | 7.3% |
| Imported Goods Index | 26% | 0.6% | 4.1% |
| Food and non-alcoholic beverages | 5% | 0.9% | 2.6% |
| Furnishing, household equipment | 2% | -0.5% | -0.9% |
| Transport | 11% | 1.0% | 7.5% |
| Fresh Products index¹ | 17% | 0.5% | 7.3% |
| Energy index | 8% | 1.8% | 7.1% |
| General Index excluding fresh Products and energy² | 75% | 0.4% | 3.6% |
| <i>Source: NISR</i> | | | |
| (1) Fresh products are food products which have seasonal fluctuations | | | |
| (2) Proxy for underlying inflation | | | |

4. Methodological notice

The Consumer Price Index (CPI) is a measure of the average change over time of goods and services purchased by households. The CPI uses a Modified Laspeyres formula to calculate the index. The reference population for the CPI consists of all households, urban and rural in Rwanda.

The household basket includes 1,022 products sold in many places spread all over the country. A variety of places of observation are selected: shops, markets, hospitals, schools etc. More than 25,392 prices in urban areas and 8,329 in rural areas are collected every month.

The weights used for the index are from the result of the Household Living Conditions Survey (EICVIII) conducted in 2010-2011 with a sample of 14,308 households.

4.1. How to Interpret the CPI

Movements of the indices from one month to another usually are expressed as percentage changes rather than changes in index points. The level of the index (relative to its base period) affects index point changes, but it does not affect percent changes.

The following example illustrates how to calculate percentage changes:

Index point change

CPI

178

Less CPI for previous period 176

Equals index point change 2

Percent change

Index point difference 2

Divided by the previous index 176

Equals 0.011

Results multiplied by 100 0.011×100

Equals percent change 1.1

6. Annexes: Reference Tables

| Annex 1: Consumer Price Index, Urban | | | | | | | | | |
|--------------------------------------|-------------------------------------------------------------------|---------|----------------------|--------|--------------|--------------------------------|--------------|------------------------------|-------------|
| Code | Categories | Weights | Index (Feb 2014=100) | | | Percentage change in May. 2016 | | Contributions ¹ : | |
| | | | May-15 | Apr-16 | May-16 | on Apr. 2016 | on May. 2015 | 1 month | 12 months |
| | GENERAL INDEX | 100% | 102.9 | 107.0 | 107.6 | 0.5% | 4.6% | 0.5% | 4.6% |
| 01 | Food and non-alcoholic beverages | 28% | 105.8 | 111.5 | 112.2 | 0.6% | 6.1% | 0.2 | 1.8 |
| 01.1.1 | Bread and cereals | 5% | 107.1 | 107.2 | 108.0 | 0.8% | 0.9% | 0.0 | 0.1 |
| 01.1.2 | Meat | 2% | 105.1 | 109.0 | 108.7 | -0.2% | 3.4% | 0.0 | 0.1 |
| 01.1.4 | Milk cheese and eggs | 2% | 103.7 | 106.3 | 105.7 | -0.6% | 1.9% | 0.0 | 0.0 |
| 01.1.7 | Vegetables | 10% | 111.0 | 122.2 | 123.6 | 1.1% | 11.3% | 0.1 | 1.2 |
| 01.2 | Non-alcoholic beverages | 1% | 101.1 | 103.5 | 103.5 | 0.1% | 2.4% | 0.0 | 0.0 |
| 02 | Alcoholic beverages tobacco and narcotics | 3% | 104.7 | 114.0 | 113.7 | -0.2% | 8.6% | 0.0 | 0.2 |
| 03 | Clothing and footwear | 4% | 103.4 | 103.3 | 103.3 | 0.0% | -0.1% | 0.0 | 0.0 |
| 04 | Housing water, electricity, gas and other fuels | 23% | 105.0 | 107.5 | 108.0 | 0.5% | 2.9% | 0.1 | 0.7 |
| 05 | Furnishings household equipment and routine household maintenance | 4% | 101.4 | 105.1 | 105.3 | 0.2% | 3.9% | 0.0 | 0.2 |
| 06 | Health | 1% | 100.3 | 100.4 | 100.4 | 0.0% | 0.1% | 0.0 | 0.0 |
| 07 | Transport | 18% | 96.3 | 102.8 | 103.4 | 0.6% | 7.4% | 0.1 | 1.2 |
| 08 | Communication | 3% | 100.2 | 100.8 | 100.8 | 0.0% | 0.7% | 0.0 | 0.0 |
| 09 | Recreation and culture | 2% | 104.9 | 110.3 | 110.2 | -0.1% | 5.1% | 0.0 | 0.1 |
| 10 | Education | 6% | 100.5 | 102.2 | 102.2 | 0.0% | 1.7% | 0.0 | 0.1 |
| 11 | Restaurants and hotels | 4% | 103.5 | 105.3 | 107.0 | 1.6% | 3.3% | 0.1 | 0.1 |
| 12 | Miscellaneous goods and services | 4% | 102.9 | 105.5 | 106.4 | 0.9% | 3.3% | 0.0 | 0.1 |

Source: NISR

(1) "Contributions" take into account both the growth rate and the relative weight of each category to explain the percentage change observed.

Annex 2: Consumer Price Index, Rural

| Code | Categories | Weights | Index (Feb 2014=100) | | | Percentage change in May. 2016 | | Contributions ¹ : | |
|--------|-------------------------------------------------------------------|---------|----------------------|--------|--------------|--------------------------------|--------------|------------------------------|-------------|
| | | | May-15 | Apr-16 | May-16 | on Apr. 2016 | on May. 2015 | 1 month | 12 months |
| | GENERAL INDEX | 100% | 105.0 | 109.7 | 109.5 | -0.2% | 4.3% | -0.2% | 4.3% |
| 01 | Food and non-alcoholic beverages | 53% | 107.8 | 115.3 | 114.8 | -0.5% | 6.5% | -0.3 | 3.5 |
| 01.1.1 | Bread and cereals | 7% | 108.0 | 105.6 | 105.3 | -0.2% | -2.5% | 0.0 | -0.2 |
| 01.1.2 | Meat | 2% | 105.2 | 112.2 | 112.3 | 0.1% | 6.8% | 0.0 | 0.1 |
| 01.1.4 | Milk cheese and eggs | 1% | 100.9 | 102.0 | 102.0 | 0.0% | 1.0% | 0.0 | 0.0 |
| 01.1.7 | Vegetables | 30% | 113.1 | 124.2 | 123.5 | -0.6% | 9.1% | -0.2 | 2.9 |
| 01.2 | Non-alcoholic beverages | 1% | 98.9 | 102.4 | 102.2 | -0.2% | 3.4% | 0.0 | 0.0 |
| 02 | Alcoholic beverages tobacco and narcotics | 4% | 105.8 | 112.8 | 113.0 | 0.2% | 6.7% | 0.0 | 0.3 |
| 03 | Clothing and footwear | 5% | 101.5 | 101.7 | 101.1 | -0.6% | -0.4% | 0.0 | 0.0 |
| 04 | Housing water, electricity, gas and other fuels | 18% | 101.3 | 102.8 | 102.8 | 0.0% | 1.5% | 0.0 | 0.3 |
| 05 | Furnishings household equipment and routine household maintenance | 3% | 102.7 | 103.3 | 103.5 | 0.2% | 0.8% | 0.0 | 0.0 |
| 06 | Health | 1% | 104.0 | 103.2 | 102.1 | -1.1% | -1.9% | 0.0 | 0.0 |
| 07 | Transport | 6% | 99.2 | 100.1 | 101.1 | 1.0% | 1.9% | 0.0 | 0.1 |
| 08 | Communication | 2% | 100.0 | 100.0 | 100.0 | 0.0% | 0.0% | 0.0 | 0.0 |
| 09 | Recreation and culture | 1% | 101.6 | 101.8 | 101.8 | 0.0% | 0.2% | 0.0 | 0.0 |
| 10 | Education | 3% | 105.7 | 108.2 | 108.2 | 0.0% | 2.4% | 0.0 | 0.1 |
| 11 | Restaurants and hotels | 2% | 101.2 | 101.8 | 101.7 | -0.1% | 0.5% | 0.0 | 0.0 |
| 12 | Miscellaneous goods and services | 3% | 101.2 | 103.0 | 103.0 | 0.0% | 1.8% | 0.0 | 0.0 |

Source: NISR

(1) "Contributions" take into account both the growth rate and the relative weight of each category to explain the percentage change observed.

Annex 3: Consumer Price Index, All Rwanda

| Code | Categories | Weights | Index (Feb 2014=100) | | | Percentage change in May. 2016 | | Contributions ¹ : | |
|--------|-------------------------------------------------------------------|---------|----------------------|--------|--------------|--------------------------------|--------------|------------------------------|-------------|
| | | | May-15 | Apr-16 | May-16 | on Apr. 2016 | on May. 2015 | 1 month | 12 months |
| 00 | GENERAL INDEX | 100% | 104.2 | 108.8 | 108.8 | 0.0% | 4.4% | 0.0% | 4.4% |
| 01 | Food and non-alcoholic beverages | 44% | 107.4 | 114.5 | 114.2 | -0.2% | 6.4% | -0.1 | 2.9 |
| 01.1.1 | Bread and cereals | 6% | 107.7 | 106.0 | 106.1 | 0.1% | -1.5% | 0.0 | -0.1 |
| 01.1.2 | Meat | 2% | 105.2 | 110.9 | 110.9 | 0.0% | 5.4% | 0.0 | 0.1 |
| 01.1.4 | Milk cheese and eggs | 1% | 102.1 | 103.8 | 103.6 | -0.2% | 1.4% | 0.0 | 0.0 |
| 01.1.7 | Vegetables | 23% | 112.8 | 123.9 | 123.5 | -0.3% | 9.5% | -0.1 | 2.3 |
| 01.2 | Non-alcoholic beverages | 1% | 99.8 | 102.8 | 102.8 | -0.1% | 3.0% | 0.0 | 0.0 |
| 02 | Alcoholic beverages tobacco and narcotics | 4% | 105.5 | 113.1 | 113.2 | 0.1% | 7.2% | 0.0 | 0.3 |
| 03 | Clothing and footwear | 5% | 102.1 | 102.2 | 101.8 | -0.4% | -0.3% | 0.0 | 0.0 |
| 04 | Housing water, electricity, gas and other fuels | 20% | 102.8 | 104.7 | 104.9 | 0.2% | 2.1% | 0.0 | 0.4 |
| 05 | Furnishings household equipment and routine household maintenance | 4% | 102.2 | 104.0 | 104.2 | 0.2% | 2.0% | 0.0 | 0.1 |
| 06 | Health | 1% | 102.2 | 101.8 | 101.2 | -0.6% | -0.9% | 0.0 | 0.0 |
| 07 | Transport | 10% | 97.3 | 101.8 | 102.6 | 0.7% | 5.4% | 0.1 | 0.5 |
| 08 | Communication | 2% | 100.1 | 100.4 | 100.4 | 0.0% | 0.3% | 0.0 | 0.0 |
| 09 | Recreation and culture | 1% | 103.4 | 106.5 | 106.5 | 0.0% | 3.0% | 0.0 | 0.0 |
| 10 | Education | 4% | 102.8 | 104.9 | 104.9 | 0.0% | 2.0% | 0.0 | 0.1 |
| 11 | Restaurants and hotels | 3% | 102.3 | 103.5 | 104.3 | 0.7% | 1.9% | 0.0 | 0.1 |
| 12 | Miscellaneous goods and services | 3% | 102.0 | 104.1 | 104.5 | 0.4% | 2.5% | 0.0 | 0.1 |

Source: NISR

(1) "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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