

REPUBLIC OF RWANDA

NATIONAL INSTITUTE OF STATISTICS OF RWANDA

CONSUMER PRICE INDEX (C.P.I.) Kigali – November 2007

CAUTION

The National Institute of Statistics of Rwanda is very pleased to deliver to users the new Consumer Price Index (CPI) based in 2003 that replaces the previous one which was based in 1989. **The Index is published every month by the 15th.**

The **consumer price index (CPI)** in November has risen **0.19%** compared to last month. The annual inflation rate has shown a rise compared to last month's annual rate of 7.92% as it now stands at **8.67%**, (November 2007 compared to November 2006).

The **core inflation** – which excludes fresh produce and energy prices – went up slightly over the month by **0.33%**, and now stands at **10.23%** as compared to November 2006.

Figure one on page two shows these data over time.

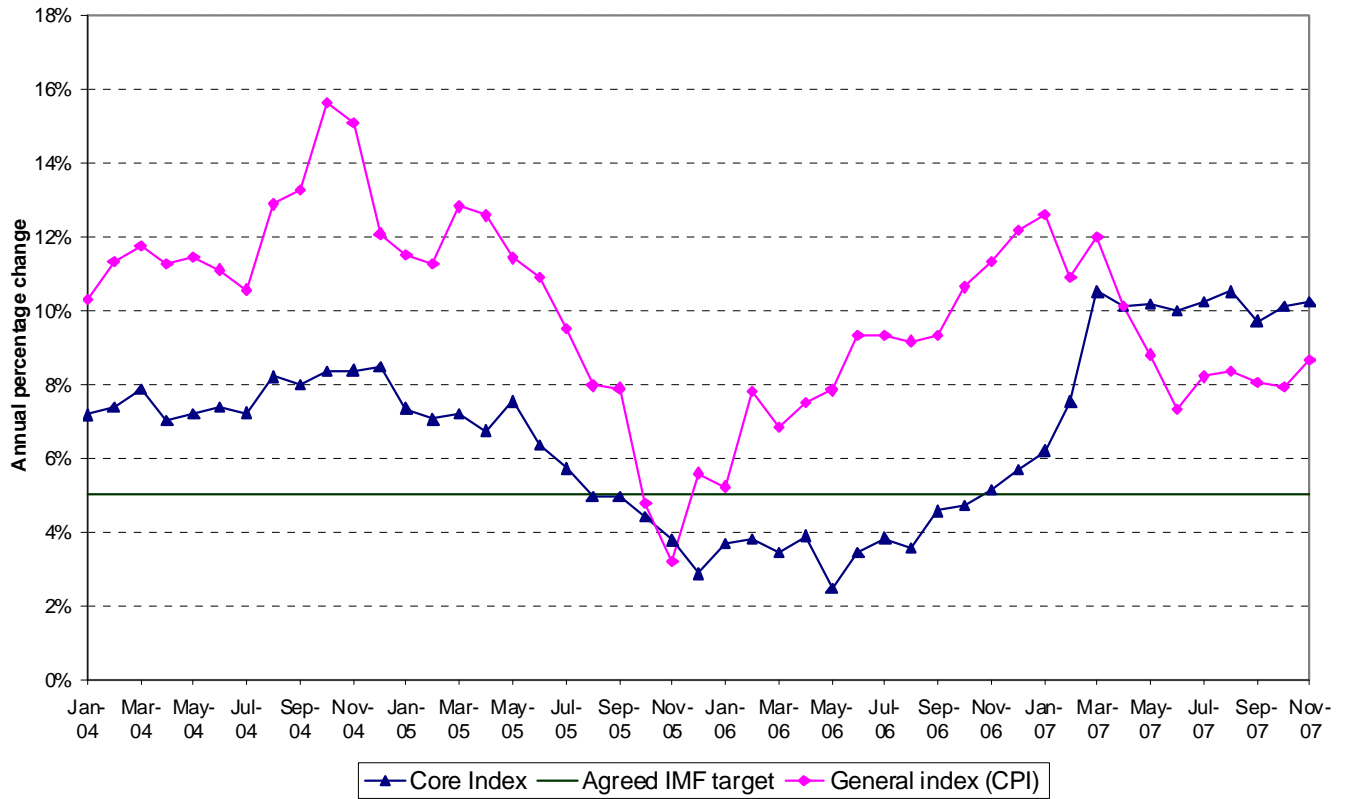
The **annual average CPI** of the last twelve months (December 2006 to November 2007) increased by **9.5%** when compared to the average of the index in the previous twelve months (December 2005 to November 2006). This small decline from 9.8% last month is a continuation of a declining annual average CPI since May 2007.

The **annual average core index** of the last twelve months (December 2006 to November 2007) increased **9.3%** when compared to the average of the index in the previous twelve months (December 2005 to November 2006). This is an increase in the rate of inflation from last month's 8.8%.

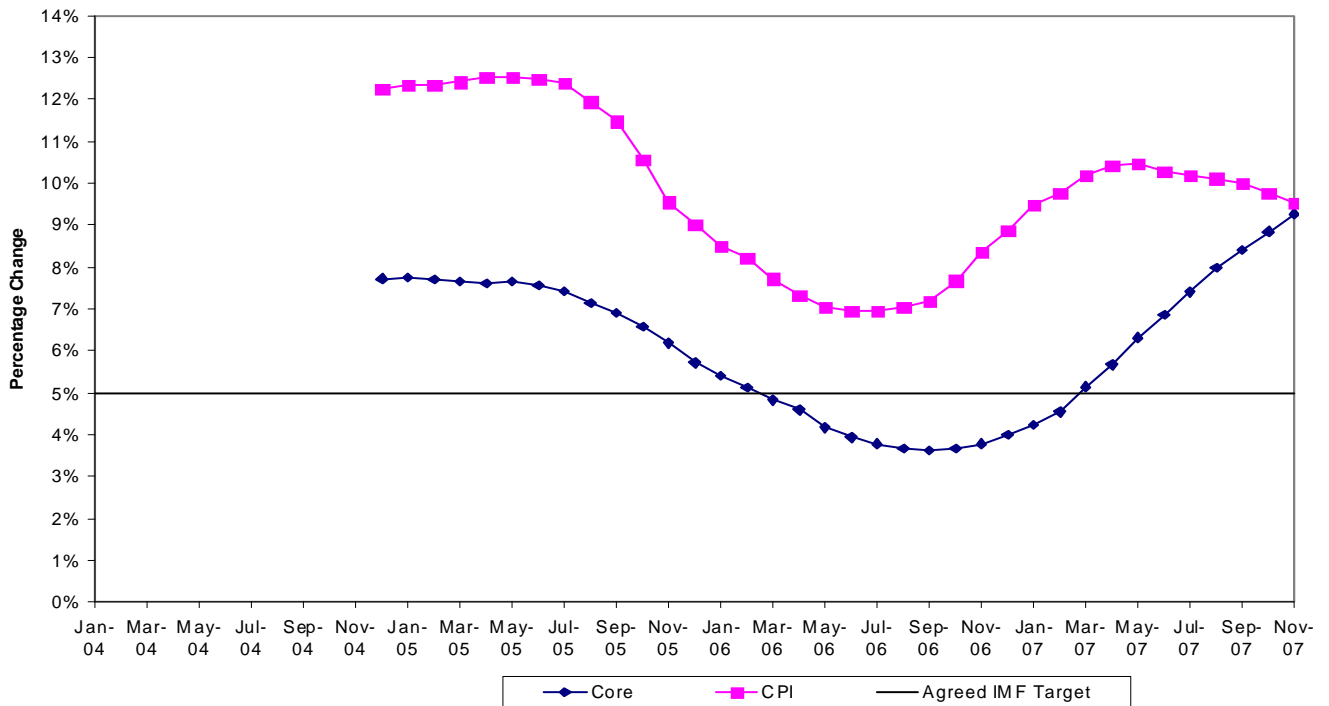
The second figure on page two shows the annual average time series.

Please see section 'CPI and Core Inflation (Annual Average Percentage Change)' for more details on annual average inflation rates.

Annual changes (Comparison with the same month of the previous year)



CPI and Core Inflation (Annual Average Percentage Change)



Note: Data not available before December 2004 for annual averages.

Although prices for food and non-alcoholic beverages did not increase significantly over the month (+0.11%), prices of bread and cereals increased considerably (+3.23%). All other categories did not experience substantial price changes; apart from the 'restaurants and hotels' category the prices of which fell by 2.66%. Changes over the year show upward pressure driven mostly by *housing, water, electricity, gas and other fuels*. This is largely due to rising prices of rents (+54.1%), and water (+34.8%).

The table below gives more in depth information on the price movements throughout the past months and year:

Base 100: 2003

	Divisions		Indices for the following months:					Changes in % over		
			Nov 06	Aug 07	Sep 07	Oct 07	Nov 07	1 month	3 months	12 months
	❖ Groups									
	GENERAL INDEX	10 000	135.7	146.0	147.1	147.2	147.5	0.19	1.02	8.67
01	Food and non-alcoholic beverages	3 709	148.5	155.2	157.9	157.9	158.0	0.11	1.81	6.46
0111	❖ Bread and cereals	625	150.3	148.0	149.7	150.0	154.8	3.23	4.57	3.00
0112	❖ Meat	345	119.5	121.3	120.9	121.9	123.4	1.26	1.79	3.30
0113	❖ Fish	114	145.6	151.2	150.3	159.4	157.0	-1.50	3.84	7.80
0117	❖ Vegetables	1 332	163.7	178.7	182.3	181.5	180.1	-0.78	0.76	10.04
012	❖ Non-alcoholic beverages	180	125.6	132.6	132.8	132.5	132.7	0.14	0.09	5.64

General Index	10 000	135.7	146.0	147.1	147.2	147.5	0.19	1.02	8.67
Local Goods Index	6 956	140.5	155.1	155.9	156.1	156.1	-0.03	0.65	11.06
Food and non-alcoholic beverages	2 627	153.4	161.2	163.4	163.9	164.1	0.08	1.76	6.99
Housing, water, electricity, gas and other fuels	1 501	159.8	192.0	192.4	191.9	191.9	0.00	-0.07	20.10
Transport	698	114.3	114.2	114.2	114.2	114.5	0.24	0.26	0.14
Imported Goods Index	3 044	123.9	124.3	126.1	126.1	126.9	0.67	2.16	2.44
Food and non-alcoholic beverages	1 082	135.7	139.6	144.2	142.8	142.4	-0.26	2.03	4.94
Furnishing, household equipment	533	115.8	118.0	118.0	118.8	118.9	0.07	0.78	2.65
Transport	289	139.8	146.1	146.2	148.7	151.0	1.59	3.36	8.05
Kigali Index	7 679	134.0	144.2	145.4	145.5	145.7	0.18	1.05	8.78
Provinces Index⁽¹⁾	2 321	141.6	152.1	152.9	153.1	153.5	0.21	0.88	8.41
Fresh Products⁽²⁾ index	1 829	162.4	172.5	176.4	175.6	174.5	-0.67	1.11	7.44
Energy index	761	226.3	229.6	229.3	229.9	232.3	1.04	1.17	2.62
General Index excluding fresh Products and energy⁽³⁾	7 410	119.9	130.9	131.4	131.7	132.1	0.33	0.96	10.23

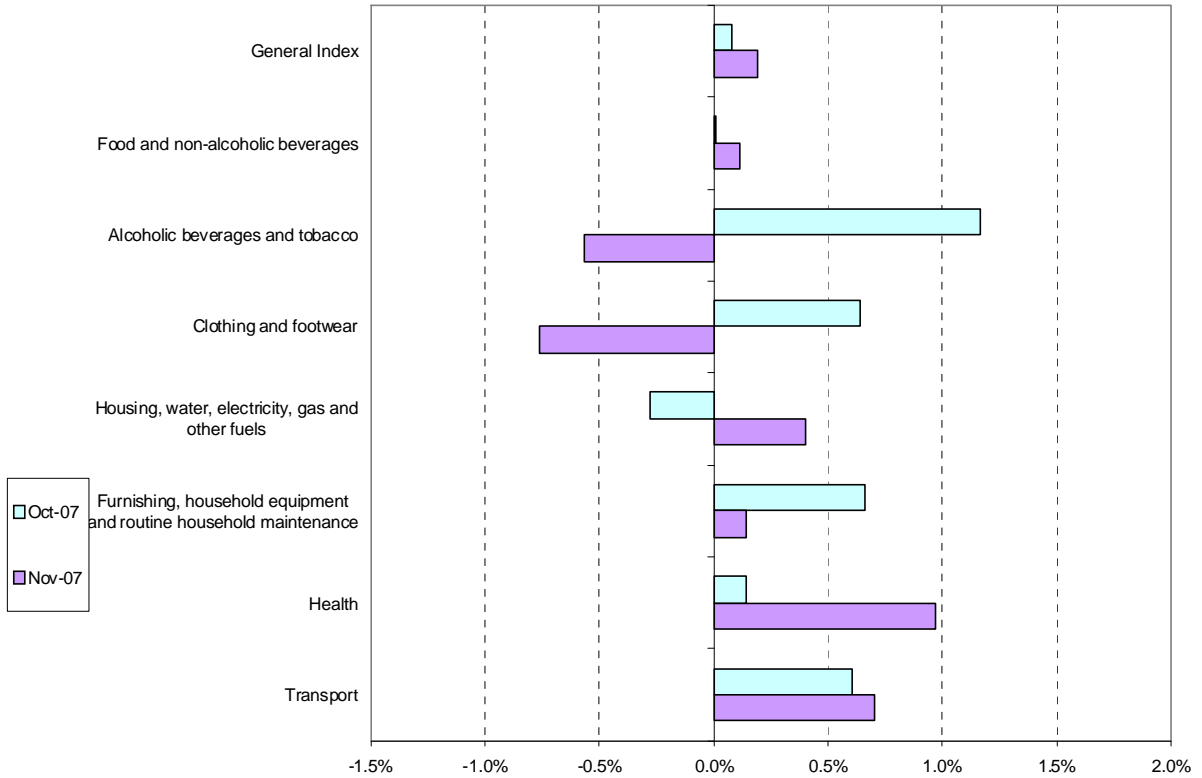
(1) This is the national index without Kigali

(2) Fresh products are food products which have seasonal fluctuations

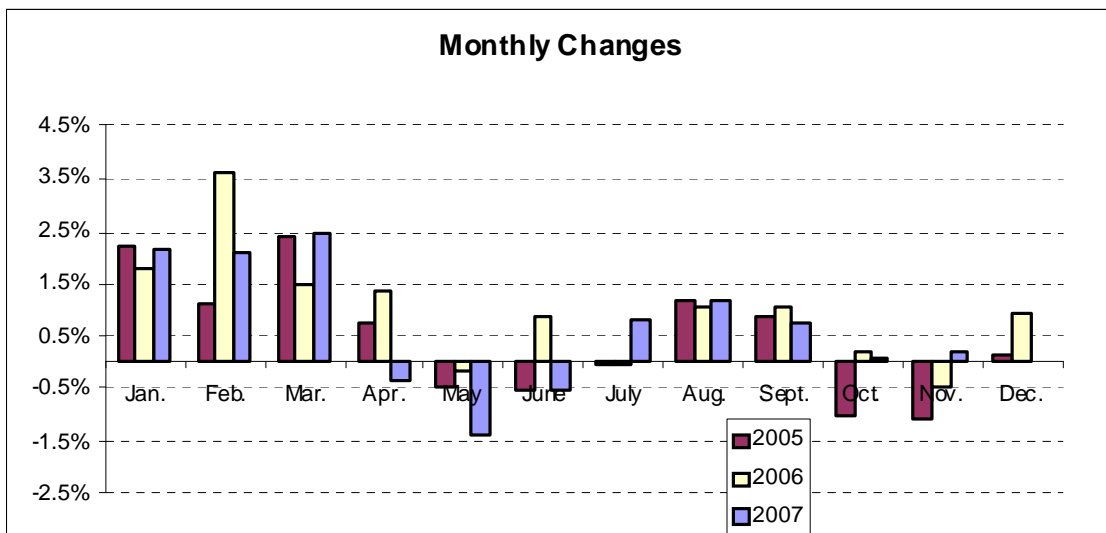
(3) Proxy for underlying inflation

The figure below shows the monthly price fluctuations in the CPI.

Fluctuations of the general index and the divisions' index in October 2007 and November 2007

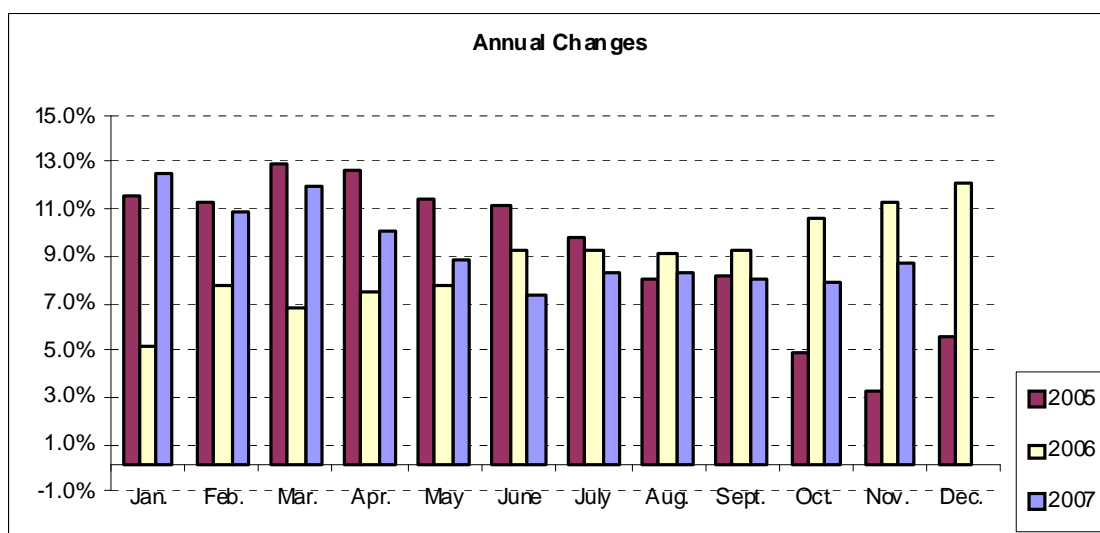


The chart below describes monthly changes over the last 3 years. It shows that for the first time in the last 3 years the monthly change is positive.



The chart below records the annual change in the CPI and thus shows that price levels in November

2007 compared to November 2006 are **8.67%** higher. This rate is a rise from the **7.92%** in October 2007.



CPI and Core Inflation (Annual Average Percentage Change)

In November 2007 the **annual average CPI** was 9.5% as compared to an annual average of 9.8% last month. This is shown graphically on page two.

Driving this rise has been the increase in the price index for *'food and non-alcoholic beverages'*, which contributed 3.77% to the overall annual average CPI. Disaggregating further the increase can be attributed to the price of vegetables, which contributed 2.49%, a decrease from last month's 2.66%. This rate has steadily been going down since May.

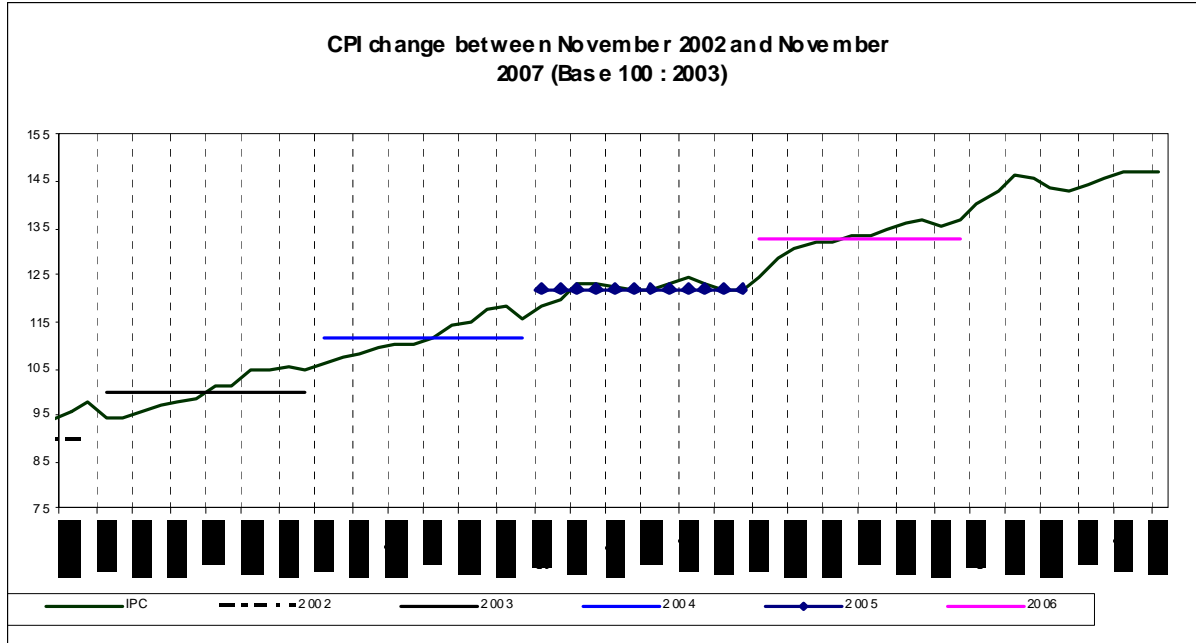
The **annual average core inflation** stands at 9.3% in November up from 8.8% in October 2007. *'Housing, water, gas, electricity and other fuels'* has been another significant factor increasing annual average **CPI** and **core inflation**. The rise associated with *'housing, water, gas, electricity and other fuels'* contributed 3.16% to the overall CPI and has been sourced to: rising rents in Kigali; a water tariff increase in January 2007; the continuing effect of the rise of the electricity tariff in December 2005 (not included in core); and the rise in price of charcoal due to governmental environmental policy attempting to prevent deforestation (not included in core).

The table below shows the evolution of these indicators over time. On a monthly basis the annual average inflation rate fell by 0.1 percentage point while the core increased by 0.5 percentage points.

Evolution (over 12 months) of the rate of inflation (%)⁽¹⁾

MONTH	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May 07	Jun. 07	Jul. 07	Aug. 07	Sep. 07	Oct. 07	Nov. 07
General index	8.3	8.9	9.5	9.8	10.2	10.4	10.5	10.3	10.2	10.1	10.0	9.8	9.5
Core / Underlying	3.8	4.0	4.2	4.5	5.1	5.7	6.3	6.9	7.4	8.0	8.4	8.8	9.3

(1) In November 2007 the average index of the last twelve months (December 2006 to November 2007) increased by 9.7% compared to the average index of the previous twelve months (December 2005 to November 2006).



The figure above shows the time series of the general price index with horizontal lines identifying annual averages.

The next table shows a summary of the average annual indices and inflation rates over the past three years:

Annual Average Indices and Annual Average Inflation Rates over the Past 3 Years

Year	2004	2005	2006
General Index Excluding Fresh Products and Energy	107.6	113.7	118.3
Imported Products Index	110.9	119.2	122.5
CPI	112.0	122.1	132.9
Core inflation	7.7%	5.7%	4.0%
Imported inflation	10.9%	7.4%	2.8%
General inflation	12.3%	9.0%	8.9%

The next two tables contain time series data:

Underlying Inflation

	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06
General index excluding fresh products and energy	114.1	116.0	116.6	117.1	117.6	117.5	118.0	118.2	118.4	119.8	119.6	119.9
Monthly change (in %)	0.04	1.74	0.46	0.43	0.47	-0.10	0.41	0.20	0.16	1.15	-0.14	0.21
Annual underlying inflation rate (in %) ⁽⁴⁾	5.7	5.4	5.1	4.8	4.6	4.2	3.9	3.8	3.7	3.6	3.7	3.8

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
General index excluding fresh products and energy	120.5	123.2	125.4	129.4	129.5	129.5	129.8	130.4	130.9	131.4	131.7	132.1
Monthly change (in %)	0.56	2.25	1.72	3.22	0.10	-0.04	0.25	0.46	0.40	0.41	0.22	0.33
Annual underlying inflation rate (in %) ⁽⁴⁾	4.0	4.2	4.5	5.1	5.7	6.3	6.9	7.4	8.0	8.4	8.8	9.3

⁽⁴⁾In November 2007 the average index of the last twelve months (December 2006 to November 2007) increased by **9.3%** compared to the average index of the previous twelve months (December 2005 to November 2006)

Imported Inflation

	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06
Imported products index	118.7	118.8	119.3	120.8	122.0	123.1	123.4	123.7	124.1	123.9	123.2	123.9
Monthly change (in %)	0.08	0.09	0.39	1.27	0.98	0.95	0.25	0.27	0.29	-0.18	-0.54	0.57
Annual imported inflation rate (in %) ⁽⁵⁾	7.4	6.6	5.8	5.2	4.6	3.9	3.3	3.0	2.8	2.5	2.4	2.6

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07
Imported products index	124.1	124.9	125.7	124.9	123.3	123.3	122.7	123.4	124.3	126.1	126.1	126.9
Monthly change (in %)	0.13	0.65	0.65	-0.62	-1.29	0.00	-0.50	0.61	0.67	1.48	0.00	0.67
Annual imported inflation rate (in %) ⁽⁵⁾	2.8	3.2	3.5	3.6	3.5	3.4	3.1	2.7	2.4	2.4	2.3	2.1

⁽⁵⁾In November 2007 the average index of the last twelve months (December 2006 to November 2007) increased by **2.1%** compared to the average index of the previous twelve months (December 2005 to November 2006)

Monthly and Annual Changes by Town

Monthly Changes

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07
Huye	1.6%	1.1%	0.1%	0.3%	-1.9%	-0.4%	1.8%	0.8%	0.0%	1.6%	-1.3%
Gicum bi	-1.0%	-1.1%	1.4%	-0.7%	0.2%	0.9%	1.1%	0.0%	1.2%	0.5%	1.3%
Rusizi	5.8%	1.0%	0.7%	-3.3%	0.2%	-1.1%	0.7%	0.1%	0.2%	0.2%	-0.7%
Nyama gabe	2.3%	-0.8%	-0.8%	-2.6%	-0.7%	-0.6%	1.0%	-0.2%	1.3%	0.6%	-2.6%
Rubavu	4.3%	2.4%	-1.5%	1.8%	-2.7%	-0.7%	1.5%	1.4%	0.9%	-2.0%	0.8%
Muhanga	1.7%	3.0%	-0.2%	-0.5%	-6.7%	1.0%	2.0%	0.0%	-0.4%	2.1%	0.4%
Ngoma + Rwam	-0.9%	1.6%	-0.7%	0.0%	-0.9%	-1.0%	0.4%	0.1%	0.2%	1.4%	3.7%
Kabuga	5.2%	3.5%	3.1%	-0.1%	-1.5%	-1.2%	1.5%	1.2%	0.8%	0.6%	1.7%
Karongi	0.8%	-0.4%	2.2%	1.2%	-2.1%	1.2%	1.2%	4.9%	-1.7%	-0.1%	-1.9%
Musanze	2.3%	3.9%	1.9%	-1.7%	-3.1%	-0.2%	0.5%	3.5%	1.4%	-2.5%	-1.0%
Nyagat	0.4%	-0.4%	-0.4%	1.2%	0.5%	-2.2%	0.8%	-1.4%	2.4%	3.3%	-0.1%
Kigali	2.0%	2.1%	3.1%	-0.4%	-1.2%	-0.5%	0.6%	1.2%	0.8%	0.1%	0.2%

Annual Changes (comparison with the same month of the previous year)

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07
Huye	17.7%	18.7%	15.7%	14.8%	10.3%	8.8%	12.1%	11.8%	4.1%	6.2%	5.1%
Gicum bi			5.0%	2.4%	0.2%	5.3%	6.6%	4.0%	6.3%	3.0%	4.9%
Rusizi	14.8%	15.8%	14.5%	9.3%	6.7%	4.8%	5.1%	3.1%	4.9%	5.8%	3.6%
Muhanga	12.3%	13.4%	10.7%	10.2%	2.7%	1.2%	3.5%	1.5%	-1.5%	-0.1%	2.1%
Nyagatare	10.9%	10.1%	7.0%	6.7%	5.4%	2.9%	2.5%	6.1%	2.3%	6.2%	5.8%

METHODOLOGICAL NOTICE

The Consumer Price Index is a Laspeyres index that covers household consumption as it is used by national accounts. The reference population for the CPI consists of all households living in urban areas in Rwanda.

The household basket includes 438 products observed in many places spread all over the administrative centers of all provinces in Rwanda. All kinds of places of observation are selected: shops, markets, services, etc. More than 25,000 prices are collected every month by enumerators of the National Institute of Statistics of Rwanda and of the National Bank of Rwanda.

The base year for the CPI is the year 2003.

The weights used for this new index are the result of the Household Living Conditions Survey (EICV) conducted in 2000-2001 with a sample of 6,450 households.

The splicing with the old index is feasible using the splicing coefficient of 3.889. If you divide the old index by this coefficient, you will be able to make comparisons with the new index based in 2003.

Additional methodological documentation can be obtained at the National Institute of Statistics of Rwanda, Economic Statistics Department.

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