

REPUBLIC OF RWANDA



MINISTRY OF FINANCE AND ECONOMIC PLANNING
NATIONAL INSTITUTE OF STATISTICS OF RWANDA

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

CAUTION

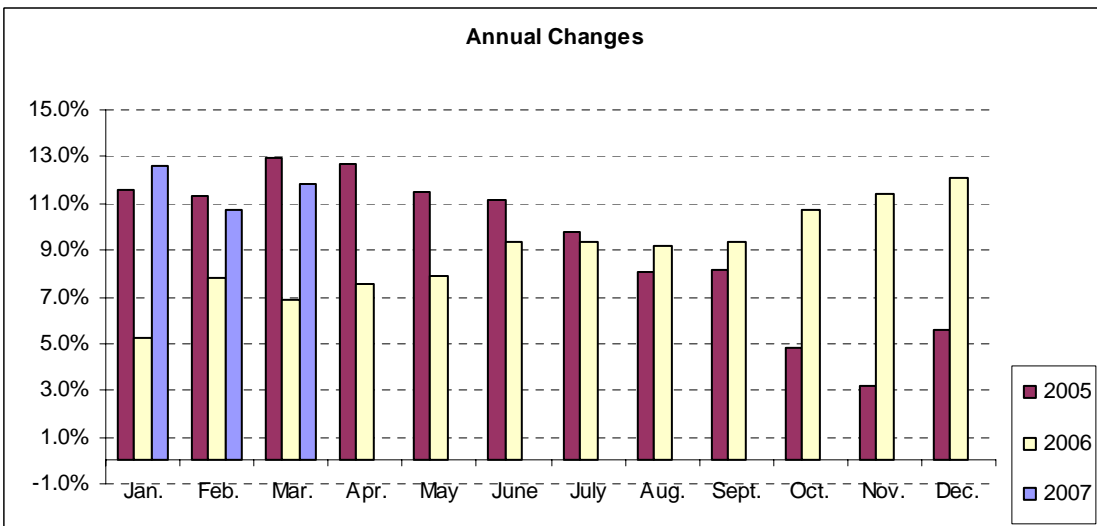
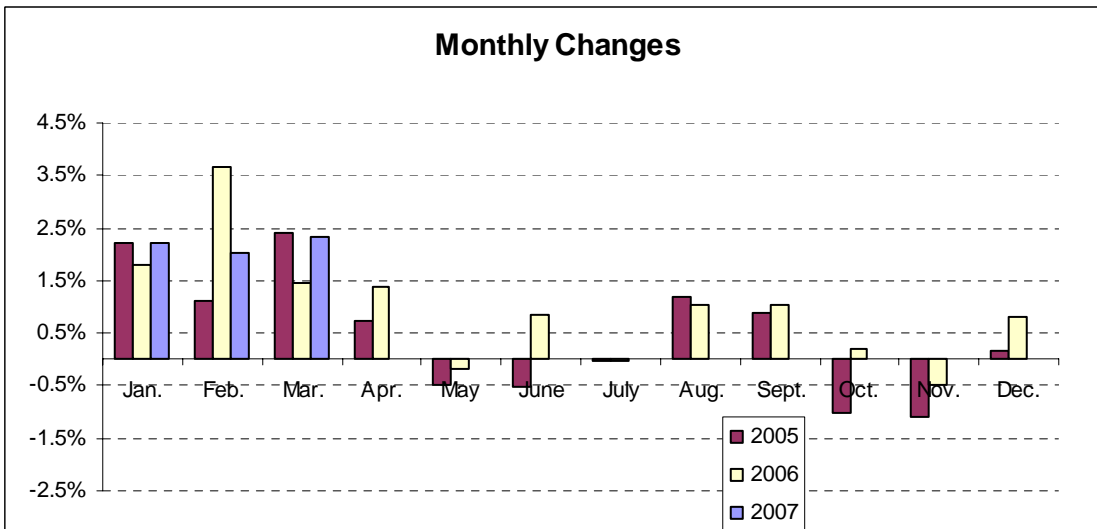
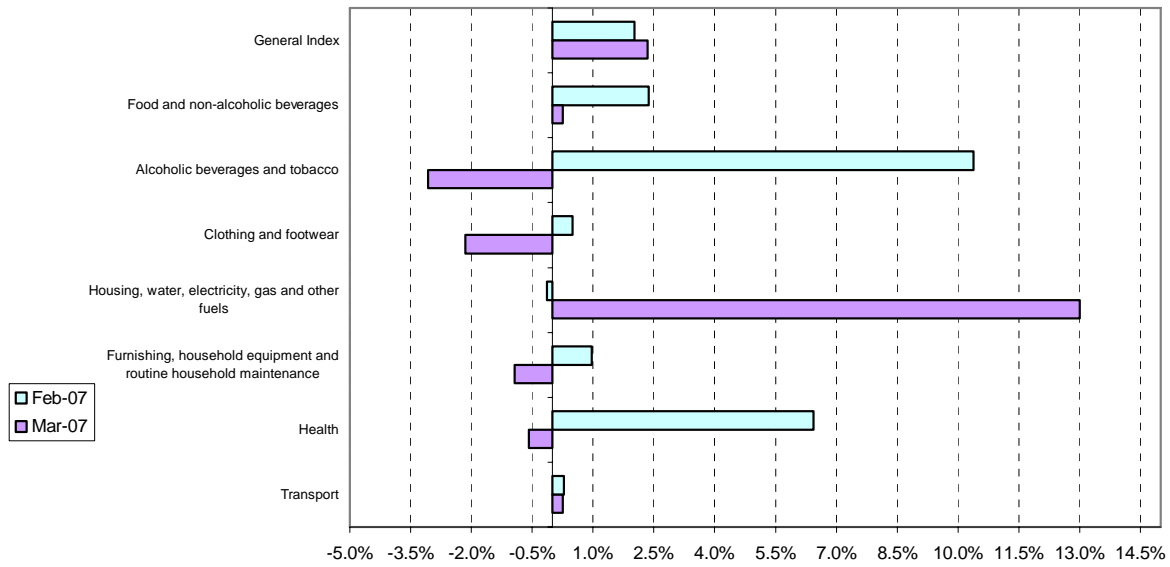
The National Institute of Statistics of Rwanda is very pleased to deliver to users the new Consumer Price Index (CPI) based in 2003 that replaces the previous one which was based in 1989. **The Index is published every month by the 15th.**

	Divisions ❖ Groups	Weights	Indices for the following months:					Changes in % over		
			Mar 06	Dec 06	Jan 07	Feb 07	Mar 07	1 month	3 months	12 months
	GENERAL INDEX	10 000	130.8	137.0	140.0	142.8	146.2	2.34	6.73	11.76
01	Food and non-alcoholic beverages	3 709	140.6	151.4	155.1	158.8	159.2	0.25	5.19	13.26
0111	❖ Bread and cereals	625	137.2	153.8	154.7	155.4	155.1	-0.20	0.83	13.04
0112	❖ Meat	345	119.6	120.6	125.6	120.4	121.0	0.51	0.31	1.16
0113	❖ Fish	114	142.7	142.3	141.3	143.9	154.0	7.05	8.24	7.91
0117	❖ Vegetables	1 332	152.7	167.8	176.5	187.2	186.8	-0.23	11.30	22.27
012	❖ Non-alcoholic beverages	180	125.2	124.9	125.7	130.9	129.7	-0.87	3.86	3.66
02	Alcoholic beverages and tobacco	221	115.0	117.6	119.2	131.6	127.5	-3.06	8.48	10.95
03	Clothing and footwear	500	105.7	105.5	105.8	106.3	104.0	-2.16	-1.42	-1.54
04	Housing, water, electricity, gas and other fuels	1 579	156.5	161.5	168.0	167.8	189.6	13.01	17.40	21.11
05	Furnishing, household equipment and routine household maintenance	764	118.4	117.2	117.2	118.4	117.3	-0.94	0.08	-1.00
06	Health	708	105.6	109.8	113.9	121.2	120.5	-0.58	9.79	14.13
07	Transport	987	115.5	121.6	122.4	122.7	123.0	0.25	1.21	6.52
08	Communication	37	110.1	135.9	135.0	135.3	135.3	0.01	-0.44	22.91
09	Recreation and culture	206	113.3	113.8	114.2	113.3	114.2	0.84	0.32	0.82
10	Education	432	139.5	139.5	139.5	152.7	152.7	0.00	9.45	9.45
11	Restaurants and hotels	273	111.5	125.6	128.9	135.2	135.8	0.46	8.16	21.76
12	Miscellaneous goods and services	584	109.5	109.7	109.4	108.9	109.4	0.41	-0.33	-0.09

Month	Mar 06	Apr 06	May 06	June 06	July 06	Aug 06	Sept 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07
Index (2003=100)	130.8	132.6	132.4	133.5	133.5	134.9	136.2	136.5	135.9	137.0	140.0	142.8	146.2
Annual changes	6.8	7.5	7.9	9.4	9.4	9.2	9.3	10.7	11.4	12.1	12.6	10.8	11.8

N.B: the price index for some categories has been slightly revised.

Fluctuations of the general index and the divisions' index in February 2007 and March 2007



CONSUMER PRICE INDEX (CPI), MARCH 2007 (Base 100 = 2003)

In March 2007, the Consumer Price Index increased by 2.34%. In March 2006, it had increased by 1.5%. The annual change in prices is 11.76%. It was 10.8% in February 2007.

The 2.34% increase in the CPI for the month of March is mainly a result of a rise in the price index for « Housing, water, gas ,electricity and other fuels » (+13.01%) as well as an increase in the index for « Food and non-alcoholic beverages » (+0.25%).

The 13.01% increase in the index for « Housing, water, gas ,electricity and other fuels » was caused by an important increase in rent (+47.1%) and charcoal (+3.2%). The very unusual slight increase in the index for « Food products and non-alcoholic beverages » can be attributed to a rise in the price index for « Fish » (+7.05%). Nevertheless, the index for « Vegetables » fell by 0.23% following a decrease in the index for « Irish potatoes » (-3.1%), « Sweet potatoes » (-3%), « Cassava » (-1.1%), « Cooking bananas » (-7.4%), and « Other vegetables (peanuts, tomatoes, carrots, cabbages, onions, etc.) » (-4.6%).

Over the last twelve months, the average rate of inflation is 10.2%.

The annual change of 11.8% in the Consumer Price Index was caused, among other things, by the strong increase in the prices of « Food and non-alcoholic beverages » (+13.26%), « Housing, water, gas, electricity and other fuels » (+21.11%), « Health » (+14.13%), and « Transport » (+6.52%). Even though the index for « Communication » went up by as much as 22.91%, its contribution to the overall increase of the general index is extremely low because of its small weight.

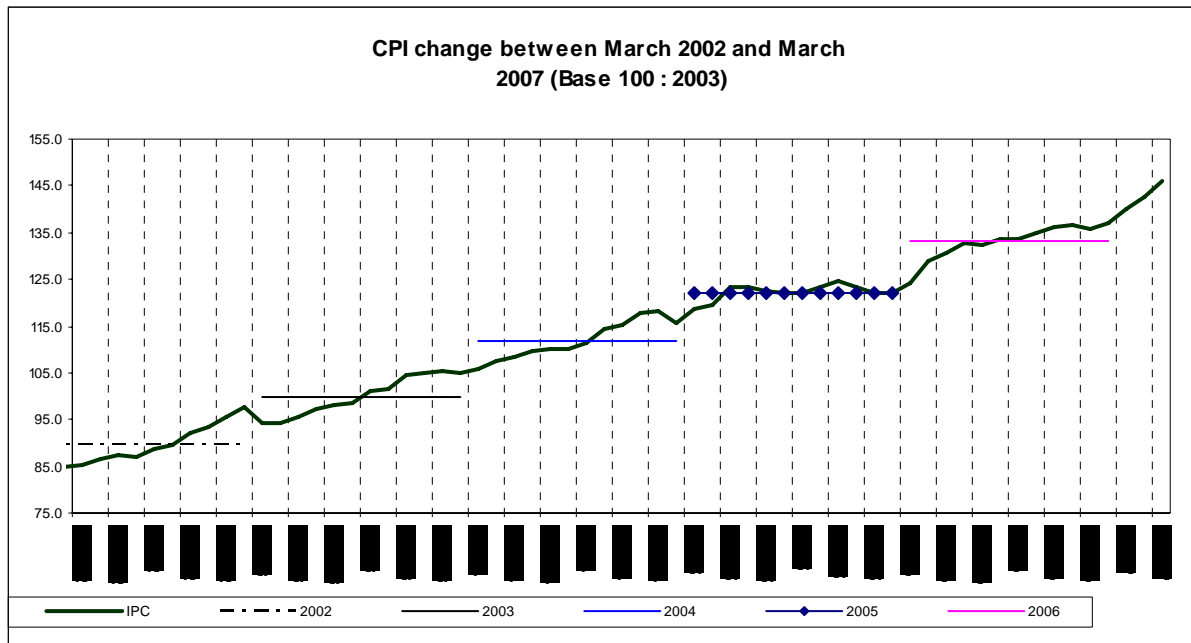
The price index for « Local products » registered an increase of 3.39% that resulted from a rise in the price index for « Housing, water, electricity, gas and other fuels » (+14.09%). The index for « Imported products » slightly decreased by 0.48%, mainly because of a fall of the index for imported « Alcoholic beverages and tobacco » (-13.36%), « Miscellaneous goods and services » (-2.3%), and imported « Clothing and footwear » (-2.4%).

The price index for « Fresh products » rose by 0.52% whereas the index for « Energy » went up by 1.54%. The « General index excluding fresh products and energy » increased by 3.59%.

Evolution of the rate of inflation⁽¹⁾ (in %)

MONTH	Mar. 06	Apr. 06	May 06	Jun. 06	Jul. 06	Aug. 06	Sept. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07
Evolution over 12 months	7.8	7.4	7.1	7.0	7.0	7.1	7.2	7.7	8.4	8.9	9.5	9.8	10.2

(1) In March 2007 the average index of the last twelve months (April 2006 to March 2007) increased by 9.8% compared to the average index of the previous twelve months (April 2005 to March 2006)



Other indices

	Weights	Indices for the following months:				Changes in % over:			
		Mar-06	Dec-06	Jan-07	Feb-07	Mar-07	1 month	3 months	12 months
General Index	10 000	130.8	137.0	140.0	142.8	146.2	2.34	6.73	11.76
Local Goods Index	6 956	136.1	142.2	147.6	151.1	156.2	3.39	9.88	14.82
Food and non-alcoholic beverages	2 627	144.8	157.0	162.0	166.6	166.9	0.19	6.32	15.32
Housing, water, electricity, gas and other fuels	1 501	156.4	159.7	166.5	166.2	189.6	14.09	18.77	21.26
Transport	698	106.9	114.0	113.8	113.8	114.0	0.16	0.01	6.58
Imported Goods Index	3 044	120.8	124.1	124.9	126.0	125.4	-0.48	1.01	3.82
Food and non-alcoholic beverages	1 082	131.2	137.0	138.3	139.5	140.2	0.52	2.35	6.87
Furnishing, household equipment	533	115.3	115.6	114.4	114.2	114.8	0.58	-0.66	-0.41
Transport	289	135.5	139.8	142.6	143.9	144.5	0.41	3.35	6.59
Kigali Index	7 679	129.8	134.7	137.4	140.2	144.3	2.87	7.11	11.15
Provinces Index⁽²⁾	2 321	134.2	144.5	148.9	151.8	152.8	0.64	5.71	13.88
Fresh Products⁽³⁾ index	2 186	147.4	162.4	167.7	174.1	175.0	0.52	7.81	18.79
Energy index	761	218.1	225.1	223.0	221.9	225.3	1.54	0.09	3.33
General Index excluding fresh Products and energy⁽⁴⁾	7 053	116.3	119.6	122.5	124.6	128.7	3.29	7.63	10.72

(2) This is the national index without Kigali

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

(4) Proxy for underlying inflation

Year	2004	2005	2006
General Index Excluding Fresh Products and Energy	107.3	113.2	117.5
Imported Products Index	110.9	119.2	122.5
CPI	111.95	122.16	133.0
Annual core inflation rate	7.3%	5.5%	3.8%
Annual imported inflation rate	10.9%	7.4%	2.8%
Annual inflation rate	11.95%	9.12%	8.9%

Underlying Inflation

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06
General index excluding fresh products and energy	112.6	112.6	114.2	113.6	113.4	113.7	113.9	113.7	113.6	113.6	115.6	115.9
Monthly change (in %)	0.61	0.00	1.39	-0.51	-0.19	0.31	0.14	-0.18	-0.04	-0.01	1.73	0.28
Annual underlying inflation rate (in %) ⁽⁵⁾	7.3	7.2	7.2	7.1	7.0	6.8	6.5	6.2	5.9	5.5	5.2	4.9

	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
General index excluding fresh products and energy	116.2	116.8	116.8	117.4	117.6	117.7	119.0	118.9	118.9	119.4	122.5	124.6
Monthly change (in %)	0.29	0.47	0.04	0.46	0.16	0.09	1.16	-0.12	-0.02	0.49	2.40	1.75
Annual underlying inflation rate (in %) ⁽⁵⁾	4.7	4.5	4.1	3.8	3.7	3.6	3.6	3.6	3.6	3.8	4.1	4.4

	Mar-07
General index excluding fresh products and energy	128.7
Monthly change (in %)	3.29
Annual underlying inflation rate (in %) ⁽⁵⁾	5.0

⁽⁵⁾In March 2007 the average index of the last twelve months (April 2006 to March 2007) increased by **5.0%** compared to the average index of the previous twelve months (April 2006 to March 2006)

Imported Inflation

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06
Imported products index	118.0	118.8	121.1	120.3	119.1	119.8	120.5	119.2	118.6	118.7	118.7	119.2
Monthly change (in %)	0.13	0.70	1.90	-0.65	-0.95	0.58	0.53	-1.03	-0.56	0.08	0.07	0.39
Annual imported inflation rate (in %) ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	6.6	5.8

	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
Imported products index	120.7	121.9	123.1	123.4	123.7	124.1	123.8	123.0	123.8	124.0	124.9	125.9
Monthly change (in %)	1.27	0.98	0.95	0.25	0.27	0.30	-0.21	-0.62	0.59	0.18	0.65	0.84
Annual imported inflation rate (in %) ⁽⁶⁾	5.2	4.6	3.8	3.3	3.0	2.8	2.4	2.4	2.5	2.8	3.2	3.6

	Mar-07
Imported products index	125.4
Monthly change	-0.48
Annual imported inflation rate(in %) ⁽⁶⁾	3.7

⁽⁶⁾In March 2007 the average index of the last twelve months (April 2006 to March 2007) increased by 3.7% compared to the average index of the previous twelve months (April 2006 to March 2006)

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 housewife 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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