



REPUBLIC OF RWANDA



# PRODUCER PRICE INDEX (PPI)

## SECOND QUARTER 2014

August 2014

## SUMMARY

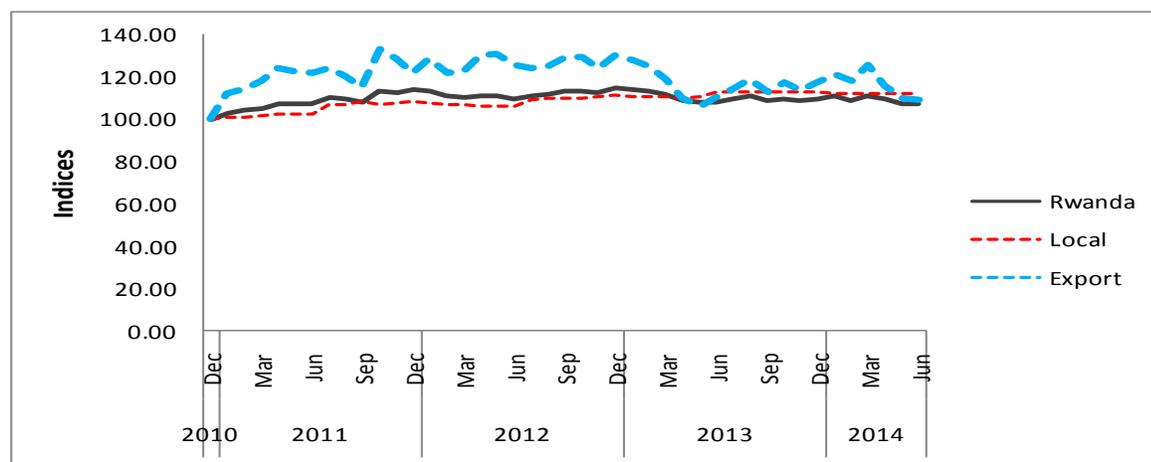
- The annual change in PPI for all Rwanda, second quarter 2014 compared to second quarter 2013 is -0.19 percent
- The annual change in PPI for local products, second quarter 2014 compared to second quarter 2013 is 1.26 percent
- The annual change in PPI for exports, second quarter 2014 compared to second quarter 2013 is 3.16 percent
- The quarterly change in PPI for all Rwanda, second quarter 2014 compared to first quarter 2014 is -1.94 percent
- The quarterly change in PPI for local products, second quarter 2014 compared to first quarter 2014 is 0.35 percent
- The quarterly change in PPI for exports, second quarter 2014 compared to first quarter 2014 is -8.05 percent

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

	Quarterly change (Q2.14-Q1.14)	Annual change (Q2.14-Q2.13)
PPI for All Rwanda	-1.93	-0.19
PPI for local products	0.35	1.26
PPI for export products	-8.05	3.16

Source: NISR

**Figure1. PPI for All Rwanda, local products and exports (2011-Q2 2014)**



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 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
	Apr.	May	Jun.	Apr.	May	Jun.	Q2	Q2
All Rwanda index	108.85	108.39	108.20	109.74	107.78	107.31	108.48	108.28
Monthly/quarterly change (%)	-2.50	-0.42	-0.18	-1.47	-1.79	-0.43	-4.02	-1.93
Annual change (%)	-2.13	-2.68	-1.54	0.82	-0.56	-0.82	-2.12	-0.19

*Source: NISR*

As the table 2 shows, on a monthly basis, in April 2014, the index decreased by 1.47 percent compared to March 2014. The index for May 2014 decreased by 1.79 percent, while the index for June 2014 decreased by 0.43 percent.

On a quarterly basis, the index for the second quarter 2014 decreased by 1.93 percent compared to the index for the first quarter 2014.

On an annual basis, the index for the second quarter 2014 decreased by 0.19 percent compared to the index for the same quarter in 2013.

## Main contributors to change

On a monthly basis,

In April 2014 (-1.47 %):

- Coffee products and tea contributed negatively 2.62 percentage points
- Sugar contributed positively 1.04 percentage points

In May 2014 (-1.79 %):

- Coffee and tea products contributed negatively 0.99 percentage points
- Mining and quarrying contributed negatively 0.75 percentage points

In June 2014 (-0.43 %):

- Mining and quarrying contributed positively 0.26 percentage points
- Coffee and tea products contributed negatively 0.47 percentage points

On a quarterly basis, the main contributors to the index change of the second quarter 2014 (-1.93%) are:

- Coffee and tea products contributed negatively 2.42 percentage points
- Sugar contributed positively 0.39 percentage points

On an annual basis, the main contributors to the index change of second quarter 2014 (-0.19%) are:

- Sugar contributed negatively 0.89 percentage points
- Coffee and tea products contributed negatively 0.56 percentage points
- Mining and quarrying contributed positively 1.07 percentage points
- Beverages contributed positively 0.38 percentage points

## 4. 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
	Apr.	May	Jun.	Apr.	May	Jun.	Q2	Q2
Local sales index	109.80	109.87	112.16	112.16	111.94	111.92	110.61	112.00
Monthly/quarterly change (%)	-0.42	0.06	2.08	0.54	-0.19	-0.02	0.29	0.35
Annual change (%)	3.94	3.72	5.70	2.15	1.88	-0.21	4.46	1.26

Source: NISR

As the table above shows, on a monthly basis, in April 2014, the index increased by 0.54 percent compared to March 2014. The index of May 2014 decreased by 0.19 percent compared to April 2014, while the index of June 2014 decreased by 0.02 percent compared to May 2014.

On a quarterly basis, the index for the second quarter 2014 increased by 0.35 percent compared to the index for the first quarter 2014.

On an annual basis, the index for the second quarter 2014 increased by 1.26 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 April 2014 (0.54%):

- Sugar contributed positively 0.43 percentage points
- Metal products, except machinery and equipment contributed positively 0.31 percentage points
- Beverages 0.15 percentage points
- Grain mill products contributed negatively 0.44 percentage points

In May 2014 (-0.19%):

- Beverages contributed negatively 0.17 percentage points

In June 2014 (-0.02%):

- Sugar contributed negatively 0.08 percentage points
- Beverages contributed negatively 0.05 percentage points
- Grain mill products contributed negatively 0.02 percentage points
- Metal products , except machinery and equipment contributed positively 0.14 percentage points
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On a quarterly basis, the main contributors to the index change (0.35%):

- Metal products , except machinery and equipment contributed positively 0.28 percentage points
- Furniture contributed positively 0.10 percentage points
- Sugar contributed positively 0.08 percentage points
- Grain mill products contributed negatively 0.17 percentage points

On an annual basis, the main contributors to the index change (1.26%):

- Beverages contributed positively 2.68 percentage points
- Grain mill products contributed negatively 1.15 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**

	2013			2014			2013	2014
	Apr.	May	Jun.	Apr.	May	Jun.	Q2	Q2
Exports index	109.46	106.11	110.23	116.52	110.17	109.39	108.60	112.03
Monthly/quarterly change (%)	-7.69	-3.06	3.89	-7.54	-5.45	-0.71	-12.33	-8.05
Annual change (%)	-15.91	-19.03	-12.17	6.46	3.83	-0.77	-15.75	3.16

Source: NISR

As the table above shows, on a monthly basis, in April 2014, the index decreased by 7.54 percent compared to March 2014. The index for May 2014 decreased by 5.45 percent, while the index for June 2014 decreased by 0.71 percent.

On a quarterly basis, the index for the second quarter 2014 decreased by 8.05 percent compared to the index for the first quarter 2014.

On an annual basis, the index for the second quarter 2014 increased by 3.16 percent compared to the index for the same quarter in 2013.

### Main contributors to change

On a monthly basis,

In April 2014 (-7.54%):

- Coffee products contributed negatively 3.80 percentage points
- Tea products contributed negatively 3.46 percentage points

In May 2014 (-5.45%):

- Non-ferrous metal ores contributed negatively 2.51 percentage points
- Tea products contributed negatively 1.71 percentage points
- Coffee products contributed negatively 1.17 percentage points

In June 2014 (-0.71%):

- Tea products contributed negatively 1.04 percentage points

- Non-ferrous metal ores contributed positively 0.53 percentage points

On a quarterly basis, the main contributors to the index change of the second quarter 2014 (-8.05%) are:

- Coffee products contributed negatively 4.26 percentage points
- Tea products contributed negatively 3.74 percentage points

On an annual basis, the main contributors to the index change of second quarter 2014 (3.16%) are:

- Non-ferrous metal ores contributed positively 6.91 percentage points
- Coffee products contributed negatively 2.68 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](http://www.statistics.gov.rw) /CPI Indexes

Publication Director: MURANGWA Yusuf, Director General, NISR;  
[yusuf.murangwa@statistics.gov.rw](mailto:yusuf.murangwa@statistics.gov.rw),

MANZI Sébastien. Director of Economic Statistics Department, NISR;  
[sebastien.manzi@statistics.gov.rw](mailto:sebastien.manzi@statistics.gov.rw),

Oscar SIBOMANA, Principal Research Statistician in charge of Prices, NISR;  
[oscar.sibomana@statistics.gov.rw](mailto:oscar.sibomana@statistics.gov.rw)