



REPUBLIC OF RWANDA



PRODUCER PRICE INDEX (PPI)

FIRST QUARTER 2015

MAY 2015

1. SUMMARY

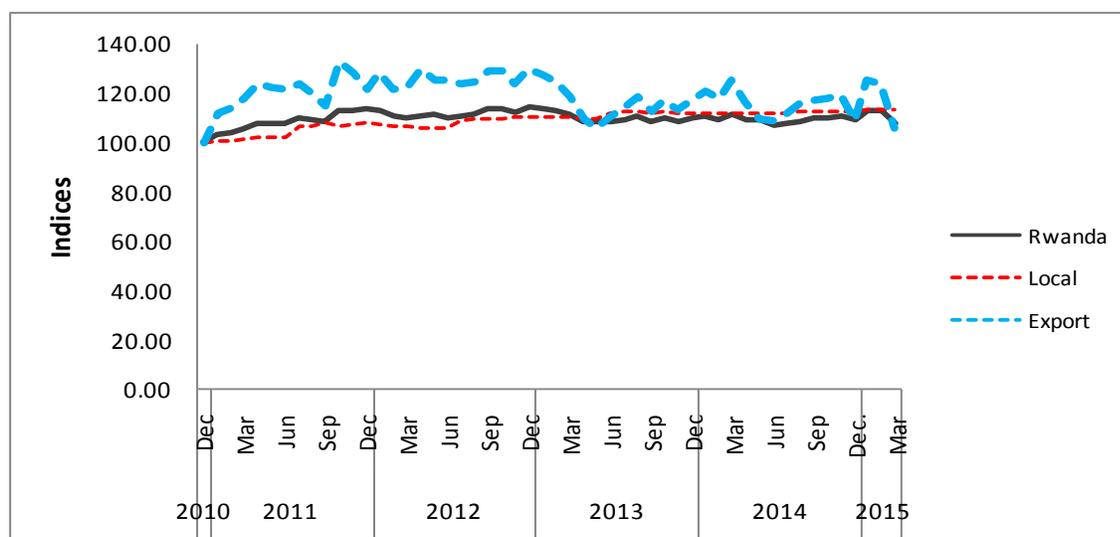
- The annual change in PPI for all Rwanda, first quarter 2015 compared to first quarter 2014 is 1.00 percent
- The annual change in PPI for local products, first quarter 2015 compared to first quarter 2014 is 1.44 percent
- The annual change in PPI for exports, first quarter 2015 compared to fourth quarter 2014 is -2.48 percent
- The quarterly change in PPI for all Rwanda, first quarter 2015 compared to fourth quarter 2014 is 1.39 percent
- The quarterly change in PPI for local products, first quarter 2015 compared to fourth quarter 2014 is 0.61 percent
- The quarterly change in PPI for exports, first quarter 2015 compared to fourth quarter 2014 is 2.89 percent

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

| | Quarterly change (Q1.15-Q4.14) | Annual change (Q1.15-Q1.14) |
|-------------------------|--------------------------------|-----------------------------|
| PPI for All Rwanda | 1.39 | 1.00 |
| PPI for local products | 0.61 | 1.44 |
| PPI for export products | 2.89 | -2.48 |

Source: NISR

Figure1. PPI for All Rwanda, local products and exports (2011-Q1 2015)



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

| | 2015 | | | |
|-------------------------|------|-------|-------|--------|
| | Jan. | Fév. | Mar. | 1erTr. |
| Variation mensuelle | 3,95 | -0,06 | -4,84 | |
| Variation trimestrielle | | | | 1,39 |
| Variation annuelle | 2,33 | 3,92 | -3,18 | 1,00 |

Source: NISR

As the table 2 shows, on a monthly basis, in January 2015, the index increased by 3.95 percent compared to December 2015. The index for February 2015 decreased by 0.06 percent, while the index for March 2015 decreased by 4.84 percent.

On a quarterly basis, the index for the first quarter 2015 increased by 1.39 percent compared to the index for the fourth quarter 2014.

On an annual basis, the index for the first quarter 2015 increased by 1.00 percent compared to the index for the same quarter in 2014.

Main contributors to change

On a monthly basis,

In January 2015 (3.95%):

- Coffee products and tea contributed positively by 3.74 percentage points
- Other non-ferrous metal ores contributed positively by 0.07 percentage points
- Printing and service activities related to printing contributed positively by 0.07 percentage points

In February 2015 (-0.06%):

- Coffee and tea products contributed positively by 3.84 percentage points
- Sugar contributed negatively by 2.14 percentage points
- Other non-ferrous metal ores contributed negatively by 1.97 percentage points

In March 2015 (-4.48%):

- Coffee and tea products contributed negatively by 4.58 percentage points
- Sugar contributed negatively by 0.88 percentage points
- Other non-ferrous metal ores contributed positively by 0.55 percentage points

On a quarterly basis, the main contributors to the index change of the first quarter 2015 (1.39%) are:

- Coffee and tea products contributed positively by 1.05 percentage points
- Sugar contributed positively by 0.63 percentage points
- Other non-ferrous metal ores contributed negatively by 0.45 percentage points

On an annual basis, the main contributors to the index change of the first quarter 2015 (1.00%) are:

- Sugar contributed positively by 1.07 percentage points
- Plastic products contributed positively by 0.63 percentage points
- Other non-ferrous metal ores contributed negatively by 0.98 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

| | 2015 | | | |
|-------------------------|------|------|-------|--------|
| | Jan. | Fév. | Mar. | 1erTr. |
| Variation mensuelle | 0,31 | 0,08 | -0,02 | |
| Variation trimestrielle | | | | 0,61 |
| Variation annuelle | 1,25 | 1,56 | 1,50 | 1,44 |

Source: NISR

As the table above shows, on a monthly basis, in January 2015, the index increased by 0.31 percent compared to December 2014. The index of February 2015 increased by 0.08 percent compared to January 2015, while the index of March 2015 decreased by 0.02 percent compared to February 2014.

On a quarterly basis, the index for the first quarter 2015 increased by 0.61 percent compared to the index for the fourth quarter 2014.

On an annual basis, the index for the first quarter 2015 increased by 1.44 percent compared to the same quarter in 2014.

Main contributors to change

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

In January 2015 (0.31%):

- Bakery products contributed positively by 0.13 percentage points
- Printing and service activities related to printing contributed positively by 0.13 percentage points

In February 2015 (0.08%):

- Grain mill products contributed positively by 0.10 percentage points

In March 2015 (-0.02%):

- Metal products, except machinery and equipment contributed positively by 1.60 percentage points
- Sugar contributed negatively by 1.00 percentage points
- Paints, varnishes and similar coatings, printing ink and mastics contributed negatively by 0.86 percentage points

On a quarterly basis, the main contributors to the index change (0.61%):

- Sugar contributed positively by 0.20 percentage points
- Printing and service activities related to printing contributed positively by 0.13 percentage points
- Malt liquors and malt Beverages contributed positively by 0.08 percentage points

On an annual basis, the main contributors to the index change (1.44%):

- Sugar contributed positively by 0.81 percentage points
- Bakery products contributed positively by 0.67 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 | | | |
|-------------------------|-------|-------|--------|--------|
| | Jan. | Fév. | Mar. | 1erTr. |
| Variation mensuelle | 15,73 | -1,25 | -14,74 | |
| Variation trimestrielle | | | | 2,89 |
| Variation annuelle | 3,79 | 5,34 | -15,84 | -2,48 |

Source: NISR

As the table above shows, on a monthly basis, in January 2015, the index increased by 15.73 percent compared to December 2014. The index for February 2015 decreased by 1.25 percent, while the index for March 2015 decreased by 14.74 percent.

On a quarterly basis, the index for the first quarter 2015 increased by 2.89 percent compared to the index for the fourth quarter 2014.

On an annual basis, the index for the first quarter 2015 decreased by 2.48 percent compared to the index for the same quarter in 2014.

Main contributors to change

On a monthly basis,

In January 2015 (15.73%):

- Tea products contributed positively by 9.54 percentage points
- Coffee products contributed positively by 6.17 percentage points

In February 2015 (-1.25%):

- Non-ferrous metal ores contributed negatively by 1.70 percentage points
- Coffee products contributed positively by 0.39 percentage points

In March 2015 (-14.74%):

- Non-ferrous metal ores contributed negatively by 24.99 percentage points
- Coffee products contributed positively by 9.51 percentage points

On a quarterly basis, the main contributors to the index change of the first quarter 2015 (2.89%) are:

- Coffee products contributed positively by 2.58 percentage points
- Tea products contributed positively by 1.48 percentage points
- Non-ferrous metal ores contributed negatively by 1.03 percentage points

On an annual basis, the main contributors to the index change of first quarter 2015 (-2.48%) are:

- Non-ferrous metal ores contributed negatively by 8.80 percentage points
- Tea products contributed negatively by 4.46 percentage points
- Coffee products contributed positively by 11.40 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 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 (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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