



REPUBLIC OF RWANDA



# PRODUCER PRICE INDEX (PPI)

## THIRD QUARTER 2015

NOVEMBER 2015

## 1. SUMMARY

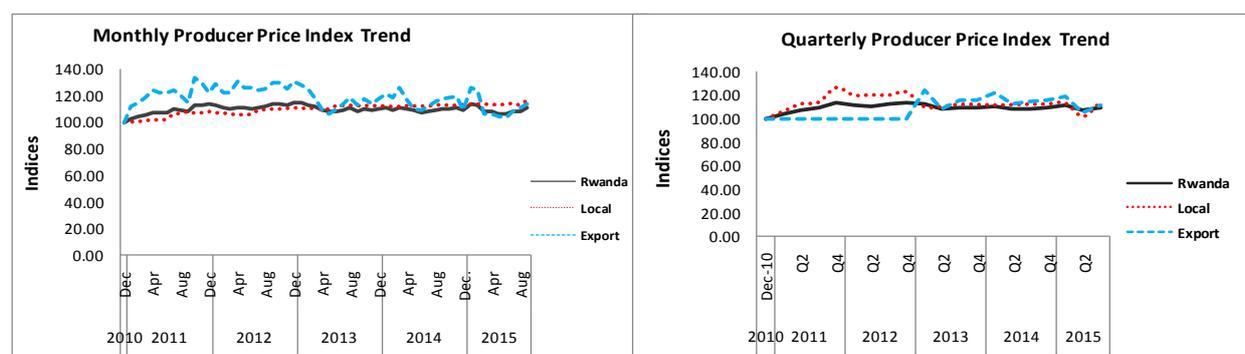
- The annual change in PPI for all Rwanda, third quarter 2015 compared to third quarter 2014 is 0.42 percent
- The annual change in PPI for local products, third quarter 2015 compared to third quarter 2014 is 1.63 percent
- The annual change in PPI for exports, third quarter 2015 compared to third quarter 2014 is -3.50 percent
- The quarterly change in PPI for all Rwanda, third quarter 2015 compared to second quarter 2015 is 2.01 percent
- The quarterly change in PPI for local products, third quarter 2015 compared to second quarter 2015 is 1.10 percent
- The quarterly change in PPI for exports, third quarter 2015 compared to second quarter 2015 is 5.73 percent

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

	Quarterly change (Q3.15-Q2.15)	Annual change (Q3.15-Q3.14)
PPI for All Rwanda	2.01	0.42
PPI for local products	1.10	1.63
PPI for export products	5.73	-3.50

Source: NISR

**Figure1. PPI for All Rwanda, local products and exports**



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			Q3
	July	August	September	
Monthly change	1.81	-0.06	1.97	
Quartely change				2.01
Annual change	0.73	-0.14	0.67	0.42

*Source: NISR*

As the table 2 shows, on a monthly basis, in July 2015, the index increased by 1.81 percent compared to June 2015. The index for August 2015 decreased by 0.06 percent, while the index for September 2015 increased by 1.97 percent.

On a quarterly basis, the index for the third quarter 2015 increased by 2.01 percent compared to the index for the second quarter 2015.

On an annual basis, the index for the third quarter 2015 increased by 0.42 percent compared to the index for the same quarter in 2014.

#### **Main contributors to change**

On a monthly basis,

In July 2015 (1.81%):

- Coffee and tea products contributed positively by 1.16 percentage points
- Sugar contributed positively by 0.87 percentage points

In August 2015 (-0.06%):

- Sugar contributed negatively 0.29 percentage points.
- Coffee and tea products contributed positively by 0.52 percentage points

In September 2015 (1.97%)

- Coffee and tea products contributed positively by 2.46 percentage points
- Sugar contributed negatively by 0.53 percentage points

On a quarterly basis, the main contributors to the index change of the third quarter 2015 (2.01%) are:

- Coffee and tea products contributed positively by 3.01 percentage points
- Non-ferrous metal ores contributed negatively by 1.67 percentage points

On an annual basis, the main contributors to the index change of the third quarter 2015 (0.42%) are:

- Coffee and tea contributed positively by 1.59 percentage points
- Non-ferrous metal ores contributed negatively by 1.98 percentage points
- Electricity, gas, steam and air conditioning contributed positively by 0.25 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			Q3
	July	August	September	
Monthly change	0.61	-0.88	0.04	
Quarterly change				1.10
Annual change	1.67	0.20	3.03	1.63

Source: NISR

As the table above shows, on a monthly basis, in July 2015, the index increased by 0.61 percent compared to June 2015. The index of August 2015 decreased by 0.88 compared to July 2015, while the index of September 2015 increased by 0.04 percent.

On a quarterly basis, the index for the third quarter 2015 increased by 1.10 percent compared to the index for the second quarter 2015.

On an annual basis, the index for the third quarter 2015 increased by 1.63 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 July 2015 (0.61%):

- Sugar contributed positively by 0.19 percentage points

- Bakery products contributed positively by 0.12 percentage points

In August 2015 (-0.88%):

- Non-metallic products contributed negatively by 0.49 percentage points
- Tobacco products contributed negatively by 0.39 percentage points

In September 2015 (0.04%):

- Tobacco products contributed positively by 0.07 percentage points
- Metal products, except machinery and equipment contributed negatively by 0.03 percentage points
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On a quarterly basis, the main contributors to the index change (1.10%):

- Electric power generation, transmission and distribution products contributed positively by 0.88 percentage points
- Bakery products contributed positively by 0.28 percentage points

On an annual basis, the main contributors to the index change (1.63%):

- Electric power generation, transmission and distribution products contributed positively by 0.91 percentage points
- Metal products, except machinery and equipment contributed positively by 0.60 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			Q3
	July	August	September	
Monthly change	3.94	2.68	2.52	
Quarterly change				5.73
Annual change	-3.31	-4.14	-3.05	-3.50

*Source: NISR*

As the table above shows, on a monthly basis, in July 2015, the index increased by 3.94 percent compared to June 2015. The index for August 2015 increased by 2.68 percent, and the index for September 2015 also increased by 2.52 percent.

On a quarterly basis, the index for the third quarter 2015 increased by 5.73 percent compared to the index for the second quarter 2015.

On an annual basis, the index for the third quarter 2015 decreased by 3.50 percent compared to the index for the same quarter in 2014.

## **Main contributors to change**

On a monthly basis,

In July 2015 (3.94%):

- Tea products contributed positively by 6.70 percentage points
- Non-ferrous metal ores contributed negatively by 4.17 percentage points

In August 2015 (2.68%):

- Tea products contributed positively by 2.31 percentage points
- Non-ferrous metal ores contributed positively by 1.54 percentage points
- Coffee products contributed negatively by 1.17 percentage points

In September 2015 (2.52%):

- Non-ferrous metal ores contributed positively by 11.04 percentage points
- Tea products contributed negatively by 8.09 percentage points

On a quarterly basis, the main contributors to the index change of the third quarter 2015 (5.73%) are:

- Tea products contributed positively by 46.35 percentage points
- Non-ferrous metal ores contributed negatively by 33.37 percentage points

On an annual basis, the main contributors to the index change of third quarter 2015 (-3.50%) are:

- Non-ferrous metal ores contributed negatively by 15.86 percentage points
- Coffee products contributed negatively by 6.36 percentage points.
- Tea products contributed positively by 18.76 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, 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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