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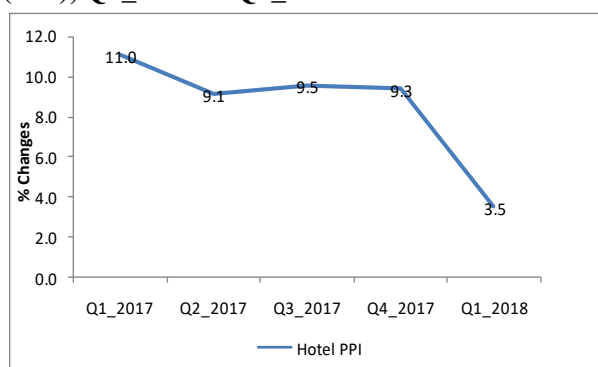
HOTELPRODUCER PRICE INDEX FOR FIRST QUARTER (JAN- MAR, 2018)

HIGHLIGHT

The Annual Producer Price increased by 3.5 percent

The Annual Producer Price for Hotels increased by 3.5 percent in 2018 compared with an increase of 11.0 percent in the same period 2017.

Fig1: Annual Changes in Hotel Price Index (PPI), Q1_2017 to Q1_2018



Major Contributors to the 3.5 percent Annual Increase

The 3.5 percentage increase was attributed by the prices of following products:

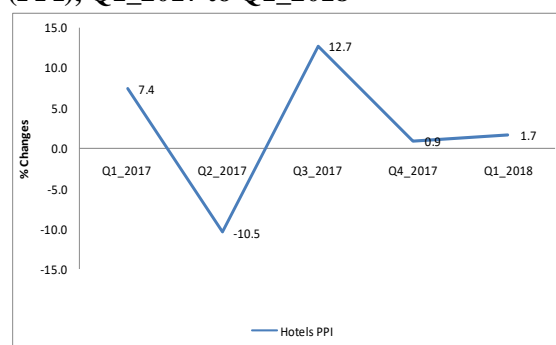
- Accommodation increased by 5.7 percent mainly due to a rise in prices of accommodation categories C (58.6 percent), D (44.9 percent) and E (25.4 percent).
- Other Services increased by 3.6 percent mainly due to a rise in prices of Manicure (5.0 percent).

However, Prices of Food and Beverage decreased by 10.0 percent and 16.6 percent respectively, (Table 1).

Quarter to Quarter Change

Fig 2 Shows that Producer Price Index for the Hotels in first quarter 2018 increased by 1.7 percent compared with an increase of 0.9 percent recorded in previous quarter.

Fig2: Quarterly Changes in Hotel Price Index (PPI), Q1_2017 to Q1_2018



Major Contributors to the 1.7 percent Quarterly Increase

This was attributed by the prices of the following products:

- The Accommodation increased by 2.9 percent mainly due to the increase in prices for Accommodation categories C (112.8 percent) and E (24.3 percent).
- Other Services increased by less than one percent (0.2 percent)
- Food and Beverages prices decreased by 7.3 percent and 7.7 percent respectively, (Table 1).

Table 1: Changes of Hotel Index in March, 2018: Base Price (Q2, 2013 = 100)

Producer Price Index -Hotel Base Period = 2013	2017				2018
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Hotels PPI	118.5	106.1	119.6	120.7	122.7
Accommodation	116.5	102.2	118.2	119.7	123.1
A	194.5	194.0	195.7	190.7	185.6
B	125.3	102.0	126.8	97.4	101.7
C	89.1	65.8	101.3	66.4	141.3
D	68.5	61.2	69.0	88.0	99.3
E	61.6	56.7	61.7	62.1	77.2
FB	115.9	100.6	116.7	122.3	118.5
Food	123.8	123.7	122.6	120.3	111.4
Beverages	130.2	128.7	121.4	117.6	108.6
Other Services	155.9	156.5	158.7	161.2	161.5
PPI Hotels - Percentage Change- Annual					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Hotels PPI	11.0	9.1	9.5	9.3	3.5
Accommodation	11.6	10.5	10.4	9.8	5.7
A	43.5	48.1	28.3	5.6	-4.6
B	35.1	23.0	24.0	-12.4	-18.9
C	-6.3	-16.2	14.6	-22.9	58.6
D	-24.1	-26.4	-33.0	-9.3	44.9
E	-26.9	-28.2	-34.2	-37.9	25.4
FB	11.4	10.3	11.4	16.7	2.2
Food	14.3	-0.4	14.0	9.1	-10.0
Beverages	5.2	7.0	-1.4	4.7	-16.6
Other Services	0.8	3.7	-5.0	3.7	3.6
PPI Hotels - Percentage Change- Quarter to Quarter					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Hotels PPI	7.4	-10.5	12.7	0.9	1.7
Accommodation	6.9	-12.2	15.6	1.3	2.9
A	7.7	-0.3	0.9	-2.5	-2.7
B	12.8	-18.6	24.3	-23.2	4.4
C	3.4	-26.2	54.0	-34.4	112.8
D	-29.4	-10.6	12.7	27.5	12.8
E	-38.5	-7.9	8.7	0.8	24.3
FB	10.6	-13.2	16.0	4.8	-3.1
Food	12.3	-0.1	-0.9	-1.9	-7.3
Beverages	15.9	-1.2	-5.6	-3.1	-7.7
Other Services	0.2	0.4	1.4	1.6	0.2

Table 2: Weighted Average Price

Product	Unit	Q1_2017	Q4_2017	Q1_2018	% Change (Q1_2018/ Q4_2017)	% Change (Q1_2018/ Q1_2017)
Accommodation (BB)						
A	Per Night	200,778	196,885	191,616	-2.7	-4.6
B	Per Night	243,625	189,316	197,690	4.4	-18.9
C	Per Night	210,482	156,881	333,788	112.8	58.6
D	Per Night	275,651	354,283	399,530	12.8	44.9
E	Per Night	336,583	339,650	422,075	24.3	25.4
Food						
Lunch (Z Burger)	Per	25,198	22,421	26,724	19.2	6.1
Dinner (Catch of the day)	Per	26,777	26,905	26,724	-0.7	-0.2
Swahili Food	Per	33,471	24,596	21,000	-14.6	-37.3
Buffet	Per	33,326	33,546	35,000	4.3	5.0
Beverage						
Soft Drink - Water 1ltr	1.5litre	4,463	4,487	4,454	-0.7	-0.2
Beer - Kilimanjaro	1 bottle	8,110	6,730	8,908	32.4	9.8
Wine - KWV Chardonnay	1 bottle	78,100	70,852	11,135	-84.3	-85.7
Spirits - Gordon's Gin	1 bottle	8,110	6,730	6,681	-0.7	-17.6
Cocktail - Monkey Business	1 bottle	14,838	13,461	13,362	-0.7	-9.9
Beverages-Salama	1 bottle	14,769	15,657	20,607	31.6	39.5
Beverages-Pool	1 bottle	9,043	8,104	7,745	-4.4	-14.4
Beverages-Breakers	1 bottle	11,457	11,406	6,072	-46.8	-47.0
Hard Drink Vodka	1 bottle	6,665	5,941	8,963	50.9	34.5
Cocktail	1 bottle	17,851	17,965	17,816	-0.8	-0.2
Other Services						
Massage (Full Body)	60 min	111,571	112,398	111,350	-0.9	-0.2
Facial	60 min	133,885	134,877	133,619	-0.9	-0.2
Pedicure	45 min	89,061	89,447	89,080	-0.4	0.0
Manicure	30 min	63,652	67,085	66,810	-0.4	5.0
Internet Facilities hour)	1 hour	10,750	10,750	10,750	0.0	0.0
Hot stone massage (30 min)	30 min	111,571	119,645	111,350	-6.9	-0.2
Body scrub	45 min	167,356	168,419	167,024	-0.8	-0.2

Glossary

- **Introduction**

The Hotel Producer Price Index (PPI) covers prices of Accommodations, Food, Beverages and Other Hotel Services. The index measures the quarter-to-quarter changes in prices of goods and services produced in Hotels. The Index is used for economic policy and analysis purposes and to assist in compilation of national accounts volume estimates. The accommodation covers two components Bed and Breakfast (Non Holiday Package) which categorized into five grouped points *A(0 - 149,000TZS)*, *B(150,000 - 249,000TZS)*, *C(250,000 - 349,000TZS)*, *D(350,000 - 449,000TZS)*, *E(450,000 and above)* and Full Board (Holiday Package).

- **Price Collection**

The samples of seventeen Hotels are selected to provide the information about the changes in prices of goods and services produced in Hotels. The prices are collected on 15th of each month and comprise of 96 quotations picked to make PPI basket.

The CPI measures the average percentage changes over time (between two time periods) in the prices of a “basket” of consumer goods and services acquired by households (the market basket) in Zanzibar. The Zanzibar CPI covers prices of 343 products collected in 641 outlets in Unguja and Pemba urban Centers. The goods and services included in the ZCPI basket are classified according to the UN COICOP (Classification of Individual Consumption According by Purpose) with 12 divisions.

The ZCPI weights are based on both monetary and non-momentary expenditures relating to consumption for households in Zanzibar for the 2014/15 Household Budget Survey (HBS). The weight is based on expenditures of both urban and rural households. Both base price and index has reference period of January 2017.

The computation of indices at elementary level based on geometric mean of the price relative while at higher level the Laspeyres formula was used to compute the aggregate indices.

Appendix

	Total PPI	Accommodation	A	B	C	D	E	FB	Food	Beverage	Other Services
Wt	100	86.6	6.8	2.1	6.4	5.1	1.7	64.3	6.7	4.2	2.5
Q2_2013=100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Q3_2013	114.7	116.1	118.1	115.2	122.1	108.0	105.9	116.2	104.2	104.2	112.4
Q4_2013	109.1	109.3	138.1	112.2	114.8	102.6	101.9	106.3	103.3	115.2	109.8
Q1_2014	119.8	121.0	155.0	119.7	131.4	105.2	103.9	118.1	103.8	125.5	112.4
Q2_2014	100.9	100.1	117.2	115.4	101.4	92.5	100.0	98.2	106.3	105.5	106.7
Q3_2014	121.1	121.6	123.4	119.3	141.3	96.9	105.9	121.9	123.8	105.2	124.0
Q4_2014	107.0	107.0	116.6	104.9	135.7	93.1	101.9	104.4	107.2	104.0	110.5
Q1_2015	113.8	114.4	123.4	111.3	139.7	96.4	105.6	112.7	107.6	107.0	121.8
Q2_2015	90.7	87.9	121.4	83.2	74.7	89.3	88.0	85.7	107.2	101.0	126.4
Q3_2015	105.6	102.7	114.7	93.3	89.9	102.1	93.2	103.3	124.9	105.6	154.9
Q4_2015	97.8	95.5	113.7	95.5	94.4	109.0	99.1	92.5	107.9	104.3	141.4
Q1_2016	106.8	104.4	135.5	92.8	95.1	90.3	84.2	104.1	108.3	123.8	154.6
Q2_2016	97.3	92.5	131.0	83.0	78.5	83.2	78.9	91.2	124.3	120.2	150.9
Q3_2016	109.2	107.0	152.6	102.3	88.4	103.0	93.7	104.8	107.5	123.1	167.1
Q4_2016	110.4	109.0	180.6	111.1	86.2	97.0	100.1	104.8	110.3	112.3	155.5
Q1_2017	118.5	116.5	194.5	125.3	89.1	68.5	61.6	115.9	123.8	130.2	155.9
Q2_2017	106.1	102.2	194.0	102.0	65.8	61.2	56.7	100.6	123.7	128.7	156.5
Q3_2017	119.6	118.2	195.7	126.8	101.3	69.0	61.7	116.7	122.6	121.4	158.7
Q4_2017	120.7	119.7	190.7	97.4	66.4	88.0	62.1	122.3	120.3	117.6	161.2
Q1_2018	122.7	123.1	185.6	101.7	141.3	99.3	77.2	118.5	111.4	108.6	161.5

For more clarifications please contact:
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