

# Office of the Chief Government Statistician



**No.01**

Email: [zanstat@ocgs.go.tz](mailto:zanstat@ocgs.go.tz)

Website: <http://www.ocgs.go.tz>

Zanzibar Official Statistics Provider

P.O.Box 2321, Zanzibar

Telephone: 024-223186

Fax: 024-2231742

## **HOTEL PRODUCER PRICE INDEX FOR FIRST QUARTER ( JAN- MARCH 2017)**

**05<sup>TH</sup> APRIL, 2017**

### **HIGHLIGHT**

#### **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 sample 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 15<sup>th</sup> of each month and comprise of 96 quotations picked to make PPI basket.

#### **Analysis**

#### **The Annual Producer Price increased by 15.0 percent**

The Annual Producer Prices for Hotels increased by 15.0 percent. The overall recorded Producer Price Index for the first quarter 2017 is 122.8 compared with 106.8 recorded in same period 2016, (**Table 1**). This increase was attributed to the increase in prices of the following products:

- Accommodation that increased by 16.0 percent mainly due to a rise in prices of accommodation categories A (56.1 percent) and B (41.5 percent).
- Food increased by 13.9 percent mainly due to a rise in prices of Dinner (Catch of the day) and Buffet by 11.1 percent each.
- Beverages that increased by 8.8 percent.

## Quarter to Quarter Change

The Producer Price Index for Hotels in the first quarter 2017 increased by 26.2 percent compared with the previous quarter 2016 (**Table 1**). This increase was attributed to the increase in prices of the following products:

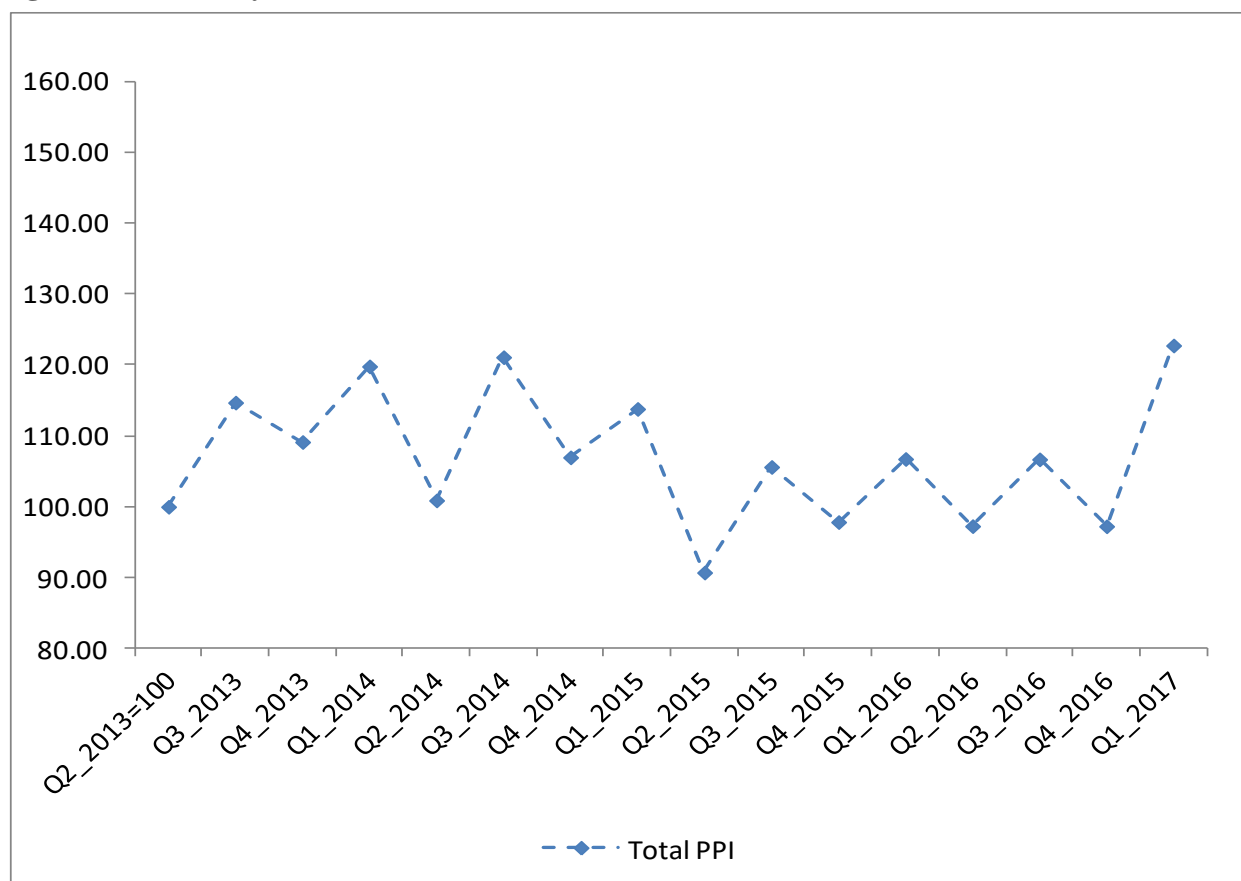
Accommodation that increased by 29.5 percent, this was driven by the increase of prices for Accommodation in categories A (55.5 percent) and B (60.1 percent).

- Food increased by 13.0 percent mainly due to a rise in prices of Dinner (Catch of the day) by 11.1 percent and Buffet by 25.4 percent.
- Beverages increased by 10.6 percent mainly due to a rise in prices of Beer - Kilimanjaro by 48.1 percent and Cocktail by 33.8 percent.

Table 1: Changes in Hotel Index for March, 2017: Base Price (Q2, 2013 = 100)

Description	Weight	INDICES			% Change (Q1_2017/Q4_2016)	% Change (Q1_2017/Q1_2016)
		Q1_2016	Q4_2016	Q1_2017		
Total PPI	<b>100.0</b>	106.8	97.2	122.8	26.2	15.0
Accommodation	<b>86.6</b>	104.4	93.5	121.1	29.5	16.0
A	<b>6.8</b>	135.5	135.9	211.5	55.5	56.1
B	<b>2.1</b>	92.8	82.0	131.3	60.1	41.5
C	<b>6.4</b>	95.1	74.4	90.0	21.0	-5.4
D	<b>5.1</b>	90.3	96.4	78.7	-18.4	-12.8
E	<b>1.7</b>	84.2	99.3	69.5	-30.0	-17.5
FB	<b>64.3</b>	104.1	90.9	119.0	30.9	14.4
Food	<b>6.7</b>	108.3	109.2	123.4	13.0	13.9
Beverage	<b>4.2</b>	123.8	121.8	134.7	10.6	8.8
Other Services	<b>2.5</b>	154.6	152.9	157.7	3.1	2.0

Figure 1: Quarterly Trend for Hotel Price Index (PPI), Q2\_2013 - Q1\_2017



**Table 2: Weighted Average Price**

Product	Unit	Q1_2016	Q4_2016	Q1_2017	% Change (Q1_2017/Q 4_2016)	% Change (Q1_2017/Q 1_2016)
<b>Accommodation (BB)</b>						
A	Per Night	139,884	140,343	218,302	55.5	56.1
B	Per Night	180,383	159,368	255,196	60.1	41.5
C	Per Night	224,718	175,712	212,576	21.0	-5.4
D	Per Night	363,180	388,119	316,539	-18.4	-12.8
E	Per Night	460,151	542,797	379,716	-30.0	-17.5
<b>Food</b>						
Lunch (Z Burger)	Per person	24,000	24,000	26,661	11.1	11.1
Dinner (Catch of the day)	Per person	24,000	24,000	26,661	11.1	11.1
Swahili Food	Per person	31,702	35,768	33,326	-6.8	5.1
Buffet	Per person	30,000	26,566	33,326	25.4	11.1
<b>Beverage</b>						
Soft Drink - Water 1ltr	1.5litre	4,000	4,000	4,443	11.1	11.1
Beer - Kilimanjaro	1 bottle	6,000	6,000	8,887	48.1	48.1
Wine - KWV	1 bottle	78,100	78,552	77,760	-1.0	-0.4
Spirits - Gordon's Gin	1 bottle	8,000	8,000	8,887	11.1	11.1
Cocktail - Monkey	1 bottle	14,000	14,000	15,552	11.1	11.1
Beverages-Salama	1 bottle	14,769	15,944	17,279	8.4	17.0
Beverages-Pool	1 bottle	8,175	8,615	9,043	5.0	10.6
Beverages-Breakers	1 bottle	11,560	11,560	11,560	0.0	0.0
Hard Drink Vodka	1 bottle	5,000	5,000	6,665	33.3	33.3
Cocktail	1 bottle	13,326	13,287	17,774	33.8	33.4
<b>Other Services</b>						
Massage (Full Body)	60 min	100,000	100,000	111,086	11.1	11.1
Facial	61 min	120,000	120,000	133,303	11.1	11.1
Pedicure	45 min	80,000	80,000	88,869	11.1	11.1
Manicure	30 min	60,000	60,000	66,652	11.1	11.1
Internet Facilities	1 hour	10,750	10,750	10,750	0.0	0.0
Hot stone massage	30 min	147,992	164,010	111,086	-32.3	-24.9
Body scrub	45 min	167,826	210,870	166,629	-21.0	-0.7
Pedicure	45 min	58,299	58,132	77,760	33.8	33.4
Manicure	45 min	58,299	58,132	77,760	33.8	33.4

## Appendix

	<b>Total PPI</b>	<b>Accommodation</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>FB</b>	<b>Food</b>	<b>Beverage</b>	<b>Other Services</b>
<b>Wt</b>	<b>100</b>	<b>86.6</b>	<b>6.8</b>	<b>2.1</b>	<b>6.4</b>	<b>5.1</b>	<b>1.7</b>	<b>64.3</b>	<b>6.7</b>	<b>4.2</b>	<b>2.5</b>
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	106.7	104.1	137.9	92.7	88.4	103.0	93.7	102.8	107.5	123.1	166.4
Q4_2016	97.2	93.5	135.9	82.0	74.4	96.4	99.3	90.9	109.2	121.8	152.9
Q1_2017	122.8	121.1	211.5	131.3	90.0	78.7	69.5	119.0	123.4	134.7	157.7

**For more clarifications please contact:**  
**OFFICE OF THE CHIEF GOVERNMENT STATISTICIAN**  
**Attention: Director of Economic Statistics Section**  
**E-mail: zanstat@ocgs.go.tz**  
**CHIEF GOVERNMENT STATISTICIAN**

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