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PRODUCER PRICE INDEX - MANUFACTURING AND MINING

JUNE QUARTER, 2022

June, 2022

HIGHLIGHTS

The Producer Price for manufacturing and mining increased by 9.5% for the quarter ending June 2022 compared to 5.3% recorded for the quarter ended March 2022. The movement of Mining and Quarrying in this quarter remained decreased by 1.3 percent compared to the previous quarter, it means that there is decrease in the price of the mining and quarrying sector. The movement of manufacturing increased by 9.9 percent from 152.8 recorded in March 2022 to 168.0 recorded in June 2022.

The year on year rate of change (annual percentage change) for the second quarter of 2022 as measured by the all items Producer Price Index, the average PPI increased by 13.0 percent, This means that prices as measured by the all items PPI increased by that value between the second quarter of 2021 and its corresponding quarter of 2022.

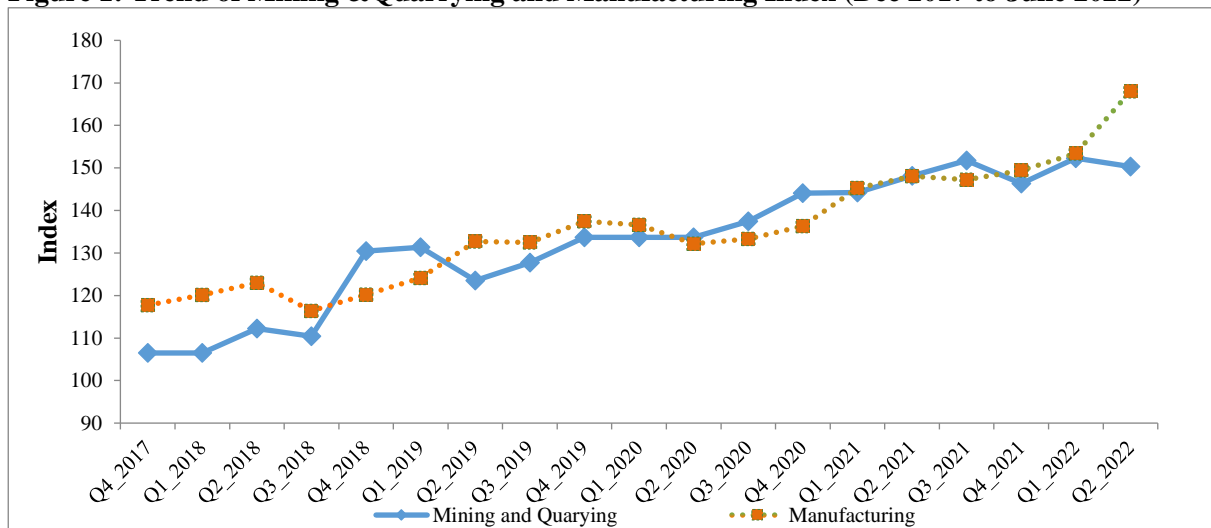
The movement of Mining and Quarrying increased to 150.3 in June 2022 from 148.1 in June 2021 marking the decrease by 1.3 percent, meaning that the Mining and Quarrying Products rate of change decreased by that value. The total annual Index of Manufacturing in June 2022 increased from 148.1 recorded in June 2021 to 168.0 recorded in June 2022, this resulted to a percentage change of 9.9 percent whilst there is no change in Manufacture of beverages in the first and second quarter of 2022. (See Table1).

Table 1: Changes in Producer Price Indices for June quarter, 2022

DESCRIPTION	Weight (2012, CIP)	Q2_2021	Q1_2022	Q2_2022	%Change from March-22 quarter (q-to-q)	% Change from June -21 (y-to-y)
TOTAL PPI	100.0	148.1	152.8	167.3	9.5	13.0
MINING AND QUARRYING	3.7	148.1	152.3	150.3	-1.3	1.5
Other Mining and quarrying	3.7	148.1	152.3	150.3	-1.3	1.5
MANUFACTURING	96.3	148.1	152.8	168.0	9.9	13.5
Manufacture of food products	48.3	148.3	160.1	189.8	18.5	28.0
Manufacture of beverages	11.0	97.3	96.7	96.7	0.0	-0.5
Manufacture of wearing apparel	3.1	114.5	121.9	107.1	-12.2	-6.5
Manufacture of Leather and related product	0.8	250.4	250.4	288.9	15.4	15.4
Printing and reproduction of recorded media	3.2	109.4	109.4	109.4	0.0	0.0
Manufacture of chemical and chemical product	5.2	154.8	152.5	152.5	0.0	-1.5
Manufacture of rubber and plastics products	0.6	114.9	114.9	114.9	0.0	0.0
Manufacture of other non-metallic mineral products	15.9	175.6	169.3	170.5	0.7	-2.9
Manufacture of furniture	8.2	178.2	176.0	179.0	1.8	0.5

Source: Office of the Chief Government Statistician

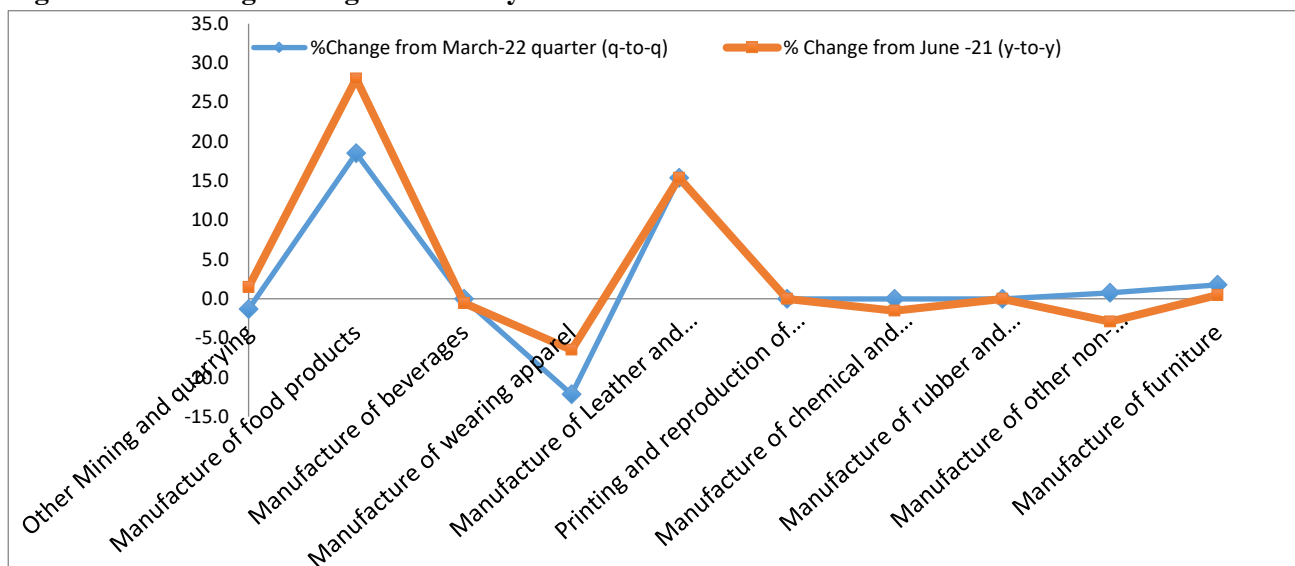
Figure 1: Trend of Mining & Quarrying and Manufacturing Index (Dec 2017 to June 2022)



Source: Office of the Chief Government Statistician

The overall Index in Mining & Quarrying and Manufacturing presented shows that the prices of goods in ex-factory or ex-mining have been change irregularly from December 2017 to June 2022.

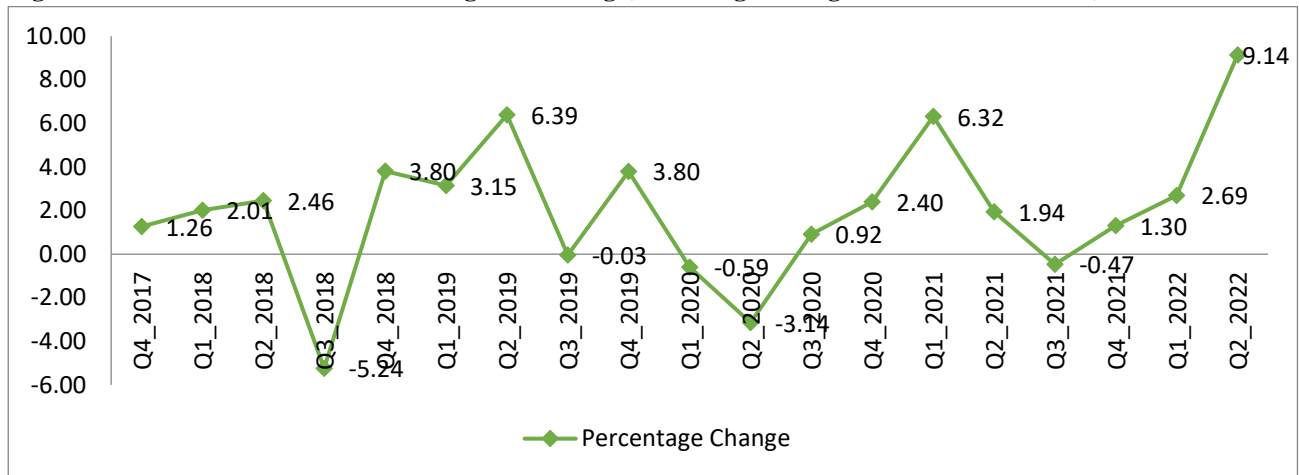
Figure 2: Percentage Change in Index by Division



Source: Office of the Chief Government Statistician

The Index of Mining and Quarrying increased by 1.5 percent from June 2021 to June 2022 while the index of Manufacturing increased by 13.5 percent from June 2021 to the corresponding quarter in 2022.

Figure 3: Trend of PPI in Manufacturing and Mining (Percentage Change Dec 2017- June 2021)



Source: Office of the Chief Government Statistician

The monthly Producer Prices for Manufactured Goods and Mining & Quarrying increased by 9.5% in June 2022 compared to 2.7% that was recorded in March 2022. This was attributed to the price increase of 9.9% and decrease by 0.1% in the Manufacturing and Mining & Quarrying Sectors respectively.

Table 2: Quarterly Producer Price Indices by Division (Base, Q2_2013 = 100.0)

ISIC	A	B	8	C	10	11	14	15	18	20	22	23	31
	TOTAL PPI	MINING AND QUARRYING	Other Mining and quarrying	MANUFACTURING	Manufacture of food products	Manufacture of beverages	Manufacture of wearing apparel	Manufacture of Leather and related product	Printing and reproduction of recorded media	Manufacture of chemical and chemical product	Manufacture of rubber and plastics products	Manufacture of other non-metallic mineral products	Manufacture of furniture
Weight (2012, CIP)	100	3.7	3.7	96.3	48.3	11	3.1	0.8	3.2	5.2	0.6	15.9	8.2
Q3_2014	100.4	105.9	105.9	100.2	96	88.8	104	107.7	102.4	104.8	103.2	103.3	128
Q4_2014	100.8	111.2	111.2	100.3	96	88.8	104	107.7	102.4	104.8	103.2	103.3	129.3
Q1_2015	100.9	108.3	108.3	100.6	96.1	85.4	103.8	107.7	102.4	104.8	103.2	106.4	131
Q2_2015	102.8	106	106	102.7	99.3	85.4	106	107.7	102.4	104.8	103.2	109	130.9
Q3_2015	104.8	103.8	103.8	104.9	102.8	85.4	106.4	107.7	102.4	105.7	103.2	109.1	134.9
Q4_2015	106.7	107	107	106.7	105.9	85.4	108.2	107.7	102.4	105.7	103.2	108.3	138.7
Q1_2016	108.1	107	107	108.1	106	85.4	107.2	107.7	99.6	105.7	103.2	110.9	150.8
Q2_2016	107.4	107	107	107.4	106	85.4	107.2	107.7	99.6	85	103.2	112.1	153.5
Q3_2016	106.6	113	113	106.4	105.5	85.4	105.2	107.7	99.6	86.5	103.2	108.8	150.8
Q4_2016	107.7	115.3	115.3	107.4	105.2	85.4	104.9	107.7	101.7	97.2	103.2	109.6	155.6
Q1_2017	109	115.3	115.3	109.1	108.0	85.4	96.7	96.3	101.7	107.9	103.2	115.3	145
Q2_2017	115.4	108.6	108.6	115.7	117.3	85.4	96.7	96.3	88.5	109.6	101.7	126.6	149.6
Q3_2017	115.8	106.5	106.5	116.2	116.7	85.4	79.5	96.3	88.5	109.6	103.2	129.3	160.5
Q4_2017	117.3	106.5	106.5	117.7	118.7	85.4	86.2	96.3	88.5	109.6	103.2	130.9	161.2
Q1_2018	119.7	106.5	106.5	120.2	119.6	85.4	91.9	96.3	88.5	109.6	103.2	134.9	174.7
Q2_2018	122.2	112.2	112.2	122.8	119	85.4	91.9	96.3	106.1	109.6	103.2	165.7	142.5
Q3_2018	118.9	110.4	110.4	119.2	111.5	85.4	91	96.3	106.1	109.6	103.2	165.7	145.3
Q4_2018	120.6	130.4	130.4	120.2	117.6	85.4	93.9	96.3	109.4	121.7	103.2	147.7	145.3
Q1_2019	124.6	131.3	131.3	124.3	123.1	85.4	92.4	96.3	109.4	140.7	103.2	147.7	147.5
Q2_2019	132.5	123.5	123.5	132.9	129.6	84.9	92.7	250.4	109.4	145.5	103.2	172.4	147.5
Q3_2019	140.5	115.7	115.7	141.4	136	84.4	93	404.4	109.4	150.3	103.2	197.2	147.5
Q4_2019	137.1	133.7	133.7	137.8	129.5	113.3	99.9	250.4	109.4	131.6	103.2	176.7	159.4
Q1_2020	136.3	133.7	133.7	136.4	128.6	109.8	99.8	250.4	109.4	131.6	103.2	176.7	159.4
Q2_2020	132.1	133.7	133.7	132.0	129.7	96.2	101.5	250.4	109.4	110.7	103.2	166.3	152.4
Q3_2020	133.3	137.5	137.5	133.1	132.1	96.4	99.9	250.4	109.4	110.7	103.7	165.6	154.3
Q4_2020	136.6	144.0	144.0	136.3	131.6	97.6	98.6	250.4	109.4	152.5	124.0	166.9	161.6
Q1_2021	145.3	144.2	144.2	140.3	134.3	97.6	102.9	250.4	109.4	152.5	113.0	176.3	173.9
Q2_2021	148.1	148.1	148.1	148.1	148.3	97.3	114.5	250.4	109.4	154.8	114.9	175.6	178.2
Q3_2021	147.4	151.7	151.7	147.2	146.6	97.3	114.5	250.4	109.4	152.5	114.9	176.3	178.2
Q4_2021	149.3	146.4	146.4	149.4	150.5	96.7	114.5	250.4	109.4	152.5	114.9	177.7	179.0
Q1_2022	153.3	152.3	152.3	153.4	161.2	96.7	121.9	250.4	109.4	152.5	114.9	169.3	176.0
Q2_2022	167.3	150.3	150.3	168.0	189.8	96.7	107.1	288.9	109.4	152.5	114.9	170.5	179.0

Sources: Office of the Chief Government Statistician

Explanatory notes

Brief Explanation of Producer Price Indexes

The Producer Price Index (PPI) is a family of indexes that measures the quarterly average change over time in prices of goods produced by Manufacturing and Mining Industries. PPIs measure price change from the perspective of the seller. This contrasts with other measures, such as the Consumer Price Index (CPI). CPIs measure price change from the purchaser's perspective. The pricing point is ex-factory or ex-mining and excludes trade and transport margin and taxes. The PPI can be used as an economic indicator of inflation, as an escalator in contracts and as a deflator in the calculation of the national accounts.

OCGS publishes PPI data for Mining and Manufacturing, and it will continue to be published quarterly. The establishments are classified according to ISIC rev. 4; and the classification is determined by their main output.

The year-on-year rate of change is given by the percentage change in the index of the relevant month of the current year compared with the index of the same month in the previous year.

An initial PPI was compiled on a reference base of September quarter 2011 and with weights derived from the 2008 Census of Industrial Production (CIP). The index has since been rebased to June quarter 2013 and weights derived from 2012 CIP.

In this publication, the rebased series have been linked to the initial index at the Division and Section level of the International Standard Industrial Classification (ISIC) rev 4, and for the total PPI, at June quarter 2013. Continuous indices are presented for the period September quarter 2011 to June quarter 2013. It should be noted that indices for two of the divisions contained in the new index were not included in the initial index; indices for these divisions start with June quarter 2013.

Price Collection

In the new PPI, Prices are collected from 34 establishments in Zanzibar, nine from Pemba and twenty-five from Unguja. A sample of five establishments was selected to represent quarrying and 29 for manufacturing making 34 establishments.

The formula used in the PPI calculation is the geometric modified Laspeyres.

**For more clarifications, please contact:
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