



National Bureau of Statistics

Tel: +255 (0) 22-2122722/3
Fax: +225 (0) 22-2130852
E-mail: dg@nbs.go.tz;
Website: www.nbs.go.tz

18 Kivukoni Road
P.O. Box 796
11992 Dar es Salaam,
TANZANIA



In reply please quote:
Our Ref: NBS/R.10/26/8

PRESS RELEASE

Date: 07th December, 2016

INDEX OF INDUSTRIAL PRODUCTION (IIP) FOR 2008Q1 TO 2016Q2

Definition

The Index of Industrial Production (IIP) measures the changes in the quantities (volume of goods and services) of a constant basket of goods produced by different industrial sectors. The quarterly indices of industrial production show the short term fluctuations in the economy as well as identifying the turning points in economic development at the earlier stage. Furthermore, the index is used in economic policy making and forecasting future economic performance in the industrial sector.

Scope and Coverage

The IIP follows the recommended International Standards Industrial Classification of all economic activities (ISIC) Revision 4 to enhance international comparability. IIP covers five economic zones in Tanzania Mainland and four sub sectors of the economy, namely; mining and quarrying, manufacturing; electricity, gas, steam and air conditioning supply; and water supply (sewerage, waste management and remediation activities). Moreover, IIP covers a total of 237 establishments and a basket of 87 products.

Weighting and a Reference Period

The IIP uses industrial weighting approach for aggregating the elementary indices, this approach focuses on the way industrial production is organized and data is easily accessible. Weights used in IIP are value added for specific sub sectors from the Annual Survey of Industrial Production, 2008. The reference period for IIP is first quarter (January-March) of 2008.

Index Calculation Procedures

Indices are calculated at the item level by comparing the volume of production in the current period with that in reference (base) period. The result at first stage is a set of volume ratios for the elementary items in the index series. The elementary indices are subsequently aggregated as weighted averages to obtain the indices at higher levels. The base weighted Laspeyres index is used for production index series.

Highlights

Long Term Index of Industrial Production

Long term Index compares the production index of industrial sector in the second quarter of the base year and the corresponding second quarter in the current year. This index shows the performance of the sector in a longer time period. Results indicate that the overall index of industrial production (IIP) increased from 99.0 in the second quarter of 2008 to 141.9 in the second quarter of 2016, recording a 43.3 percentage change over the period. Results further indicate that production of electricity, gas, steam and air conditioning supply subsector recorded the highest growth rate (87.1 percent) over the period followed by manufacturing sub-sector (42.8 percent); mining and quarrying (36.0 percent) and water supply; sewerage, waste management and remediation activities (28.4 percent).

In manufacturing sub-sector the increase of IIP between second quarter of 2008 and second quarter of 2016 IIP is attributed to increase in manufacture of furniture (207.6 percent) followed by manufacture of basic metals (184.9 percent) and manufacture of leather and related products (100 percent). However, during the same period the index shows a decrease in manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (-33.3 percent) and manufacture of electrical equipment (-12.9 percent).

Quarterly Index of Industrial Production

Quarterly IIP compares the index of industrial sector in the second quarter of the current year and the corresponding quarter in the previous year. Results indicate that the overall index of industrial production (IIP) increased from 133.3 in the second quarter of 2015 to 141.9 in the

second quarter of 2016, recording the annual IIP rate of 6.4. This increase is attributed to the increase in manufacturing sub-sector (7.5 percent); mining and quarrying (5.0 percent) and water supply; sewerage, waste management and remediation activities (1.3 percent). However, there is a decrease in production of electricity, gas, steam and air conditioning supply subsector (-0.3 percent).

In manufacturing sub-sector the increase is attributed to increase in manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (25.3 percent) followed by manufacture of electrical equipment (21.4 percent), manufacture of textiles (19.8 percent) and manufacture of tobacco products (19.1 percent).

Quarterly Index of Industrial Production by Subsector (2008Q1 = 100)

| Industrial Activity | Q2_2008 | Q2_2015 | Q2_2016 | Percentage change over the same quarter in previous year | Percentage change over the same quarter in 2008Q2 to 2016Q2 |
|---|----------------|----------------|----------------|---|--|
| Overall index | 99.0 | 133.3 | 141.9 | 6.4 | 43.3 |
| Mining and quarrying | 102.5 | 132.8 | 139.5 | 5.0 | 36.0 |
| Manufacturing | 97.7 | 129.7 | 139.4 | 7.5 | 42.8 |
| Electricity, gas, steam and air conditioning supply | 104.5 | 196.0 | 195.4 | (0.3) | 87.1 |
| Water supply; sewerage, waste management and remediation activities | 99.5 | 126.2 | 127.8 | 1.3 | 28.4 |

Index of Industrial Production, Two digit level (2008Q1 = 100)

| ISIC Rev.4 | Industrial Activity | Q2_2008 | Q2_2015 | Q2_2016 | Percentage change between 2015Q2 and 2016Q2 | Percentage change between 2008Q2 and 2016Q2 |
|------------|---|---------|---------|---------|---|---|
| 07 | Mining of metal ores | 103.3 | 133.7 | 140.1 | 4.8 | 35.6 |
| 08 | Other mining and quarrying | 73.0 | 99.2 | 114.8 | 15.7 | 57.2 |
| 10 | Manufacture of food products | 99.1 | 105.0 | 110.6 | 5.3 | 11.6 |
| 11 | Manufacture of beverages | 101.5 | 165.2 | 187.7 | 13.6 | 85.0 |
| 12 | Manufacture of tobacco products | 74.5 | 70.7 | 84.2 | 19.1 | 13.0 |
| 13 | Manufacture of textiles | 104.7 | 96.9 | 116.0 | 19.8 | 10.8 |
| 14 | Manufacture of wearing apparel | 86.6 | 147.6 | 152.4 | 3.3 | 76.1 |
| 15 | Manufacture of leather and related products | 180.0 | 340.0 | 360.0 | 5.9 | 100.0 |
| 16 | Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 118.8 | 63.2 | 79.2 | 25.3 | -33.3 |
| 17 | Manufacture of paper and paper products | 89.9 | 141.8 | 155.7 | 9.8 | 73.3 |
| 18 | Printing and reproduction of recorded media | 98.4 | 151.7 | 156.3 | 3.0 | 58.8 |
| 20 | Manufacture of chemicals and chemical products | 106.0 | 102.2 | 110.8 | 8.5 | 4.5 |
| 21 | Manufacture of basic pharmaceuticals, medicinal chemical and botanical products | 94.4 | 229.3 | 153.6 | -33.0 | 62.8 |
| 22 | Manufacture of rubber and plastics products | 136.1 | 175.7 | 202.2 | 15.1 | 48.6 |
| 23 | Manufacture of other non-metallic mineral products | 102.2 | 164.1 | 168.9 | 3.0 | 65.3 |
| 24 | Manufacture of basic metals | 62.3 | 170.8 | 177.6 | 3.9 | 184.9 |
| 25 | Manufacture of fabricated metal products, except machinery and equipment | 103.8 | 118.2 | 120.8 | 2.2 | 16.4 |
| 27 | Manufacture of electrical equipment | 79.4 | 57.0 | 69.2 | 21.4 | -12.9 |
| 29 | Manufacture of motor vehicles, trailers and semi-trailers | 83.9 | 100.0 | 108.1 | 8.1 | 28.8 |
| 31 | Manufacture of furniture | 90.6 | 314.8 | 278.6 | -11.5 | 207.6 |
| 32 | Other manufacturing | 102.0 | 141.0 | 159.5 | 13.1 | 56.5 |
| 35 | Electricity, gas, steam and air conditioning supply | 104.5 | 196.0 | 195.4 | -0.3 | 87.1 |
| 36 | Water collection, treatment and supply | 99.2 | 125.3 | 125.5 | 0.2 | 26.5 |

INDUSTRIAL PRODUCTION MOVEMENT

Chart 1: Quarterly Indices of Industrial Production by Subsector, (2008Q1=100): 2008 to 2016Q2

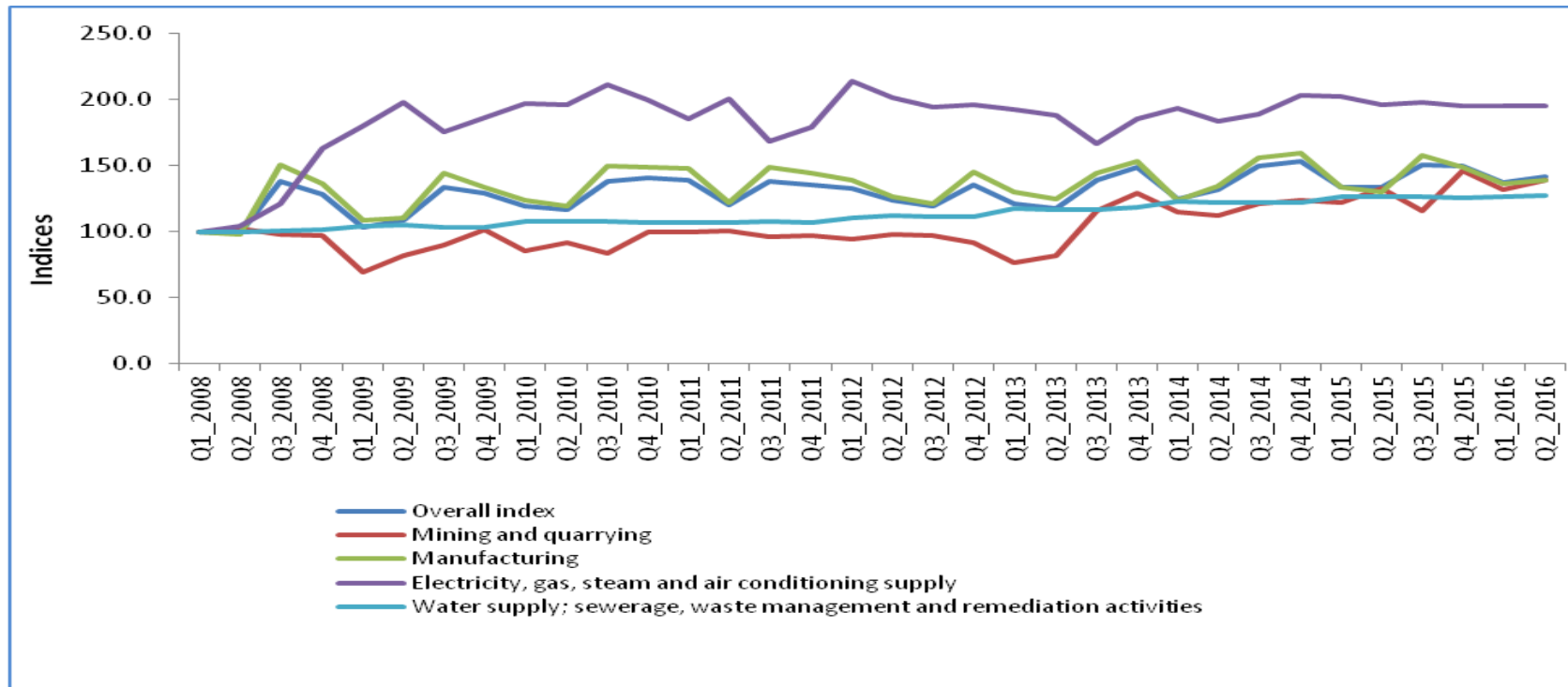


Chart number 1 reveals that electricity, gas, steam and air conditioning supply and manufacturing subsectors had a relatively higher production above the overall average while mining and quarrying and; water supply; sewerage, waste management and remediation activities portrayed a low production compared to overall average over the period from 2008 to second quarter of 2016.

Contact person:
Director General
National Bureau of Statistics.