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## PRESS RELEASE

*In reply please quote :*  
Our Ref: BD.50/156/01/56

Date: 18<sup>th</sup> May, 2020

### PRODUCER PRICE INDICES FOR THE QUARTER ENDING MARCH, 2020

#### Introduction

The National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the first quarter January-March of 2020. The Producer Price Index measures the average change over time in the prices received by selected domestic producers for the production of their goods. A basket includes a list of selected commodities of goods that are being priced on quarterly basis. The producer prices collected as at 15<sup>th</sup> of the mid-month of every quarter that is; (Q1: January-March), (Q2: April-June), (Q3: July-September) and (Q4: October-December).

#### Weights and a Reference Period

The index weights are based on gross output derived from the 2015 Annual Survey of Industrial Production (ASIP 2015). The Producer Price Index on this release reports the indices with reference to Fourth Quarter (October-December) of the year 2018(2018Q4=100). It shows the producer price changes since December 2018 up to first quarter of 2020.

#### Classification

Industrial Classification follows the International Standard Industrial Classification of All Economic Activities (ISIC) Rev.4.

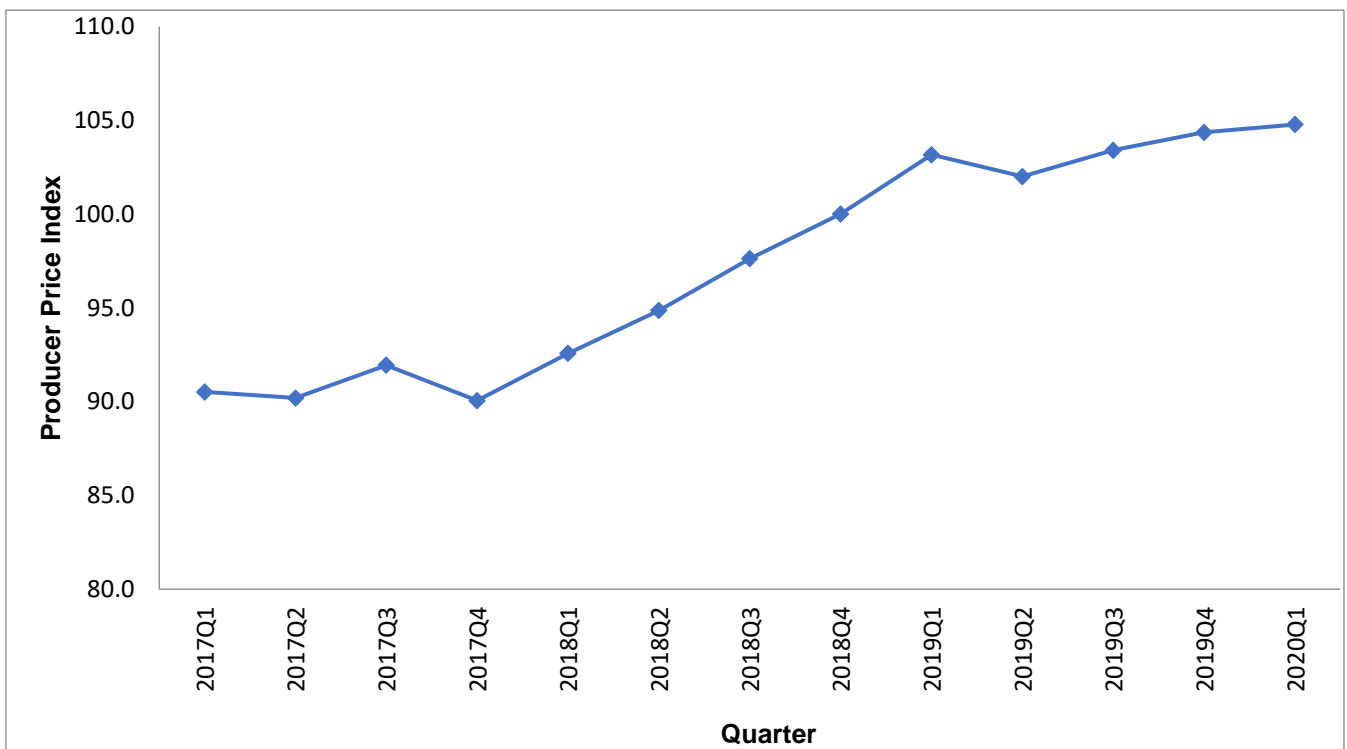
#### Methodology

In the process of deriving the structure and weights, a top-down approach was adopted in order to maximize the indirect representation of industries and items. The basket was selected and base weights were calculated from Gross Output (GO) based on The Annual Survey of Industrial Production of 2015. During the process of weights calculation, establishments with a contribution of at least 80% of Gross Output were selected in each ISIC Rev.4 Group.

A sample of establishments for inclusion in the price survey was then selected using cut-off sampling procedures.

The first level of aggregation is the class 4-digit ISIC; these indices are the un-weighted Elementary Aggregates (EA) and are being compiled using the Jevons geometric mean aggregation formula which refers to the Geometric Mean of the price relatives. The Elementary Aggregates indices are then being progressively combined with higher levels within the index structure (i.e. Group 3-digit, 2-digit division and 1-digit Section levels of the ISIC, and then the all-groups levels) using the standard base-weighted Laspeyres formula.

**Chart 1: Overall Producer Price Indices for the Quarter Ending March, 2020 (Dec 2018 = 100)**



**Table 1: Producer Price Indices by Sub-sectors and Major Groups**

ISIC Rev.4	Industrial Activity	Weight	Index (Dec 2018=100)			Percentage Change	
			Jan-Mar 2019	Oct-Dec 2019	Jan-Mar 2020	2020Q1 vs 2019Q4	2020Q1 vs 2019Q1
07	Mining of metal ores	15.7	126.9	128.9	128.5	-0.3	1.3
08	Other mining and quarrying	3.4	100.0	100.2	100.2	0.0	0.2
<b>B</b>	<b>Mining and Quarrying</b>	<b>19.1</b>	<b>122.2</b>	<b>123.9</b>	<b>123.5</b>	<b>-0.3</b>	<b>1.1</b>
10	Manufacture of food products	19.4	99.2	98.0	98.9	0.9	-0.3
11	Manufacture of beverages	12.0	93.3	103.7	103.8	0.1	11.3
12	Manufacture of tobacco products	3.3	100.0	111.6	105.2	-5.7	5.2
13	Manufacture of textiles	3.2	100.1	100.9	100.1	-0.8	0.0
14	Manufacture of wearing apparel	0.1	100.0	100.0	100.0	0.0	0.0
15	Manufacture of leather and related products	0.3	101.1	104.9	104.9	0.0	3.8
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.3	100.0	100.3	100.3	0.0	0.3
17	Manufacture of paper and paper products	2.3	100.0	99.7	100.5	0.8	0.5
18	Printing and reproduction of recorded media	1.2	100.0	98.8	97.3	-1.5	-2.7
19	Manufacture of coke and refined petroleum products	0.3	100.0	96.7	95.5	-1.2	-4.5
20	Manufacture of chemicals and chemical products	3.0	99.5	101.2	100.4	-0.8	0.9
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	0.4	100.0	111.9	107.2	-4.2	7.2
22	Manufacture of rubber and plastics products	2.7	99.7	92.5	93.0	0.5	-6.7
23	Manufacture of other non-metallic mineral products	5.7	100.3	99.9	95.9	-4.0	-4.4
24	Manufacture of basic metals	3.2	96.2	96.0	96.9	0.9	0.7
25	Manufacture of fabricated metal products, except machinery and equipment	0.4	100.0	101.2	102.1	0.9	2.1
26	Manufacture of computer, electronic and optical products	0.1	81.6	81.6	81.6	0.0	0.0
27	Manufacture of electrical equipment	0.7	99.9	99.7	99.7	0.0	-0.2
28	Manufacture of machinery and equipment n.e.c.	0.0	100.0	94.7	94.7	0.0	-5.3
29	Manufacture of motor vehicles, trailers and semi-trailers	0.6	100.0	87.8	92.0	4.8	-8.0
31	Manufacture of furniture	2.3	100.0	100.0	100.0	0.0	0.0
32	Other manufacturing	0.6	100.0	99.1	99.1	0.0	-0.9
33	Repair and installation of machinery and equipment	0.1	112.6	112.6	112.6	0.0	0.0
<b>C</b>	<b>Manufacturing</b>	<b>62.8</b>	<b>98.3</b>	<b>100.2</b>	<b>99.8</b>	<b>-0.4</b>	<b>1.5</b>
35	Electricity, gas, steam and air conditioning supply	17.0	100.0	101.8	101.8	0.0	1.8
36	Water collection, treatment and supply	1.2	100.0	102.2	109.3	6.9	9.3
<b>35&amp;36</b>	<b>Utility</b>	<b>18.1</b>	<b>100.0</b>	<b>101.8</b>	<b>102.2</b>	<b>0.4</b>	<b>2.2</b>
	<b>Overall Index</b>	<b>100.0</b>	<b>103.2</b>	<b>105.0</b>	<b>104.8</b>	<b>-0.2</b>	<b>1.6</b>

\*Utilities includes; Electric power generation, transmission and distribution and Water collection, treatment and supply

Overall index recorded a decrease of 0.2 percent from 105.0 of fourth quarter 2019 to 104.8 of first quarter 2020. A decrease was attributed by manufacture of tobacco products by 5.7 percent followed by manufacture of pharmaceuticals, medicinal chemical and botanical

products by 4.2 percent and manufacture of other non-metallic mineral products by 4.0 percent. On the other hand, water collection, treatment and supply increased by 6.9 percent followed by manufacture of motor vehicles, trailers and semi-trailers 4.8 percent and manufacture of food products, manufacture of basic metals and manufacture of fabricated metal products, except machinery and equipment by 0.9 percent each.

Looking at percentage change on the same quarter (first quarter 2019 to first quarter 2020), the overall index recorded an increase of 1.6 percent from 103.2 first quarter 2019 to 104.8 first quarter 2020. An increase was attributed by manufacture of beverages by 11.3 percent followed by water collection, treatment and supply by 9.3 percent and manufacture of pharmaceuticals, medicinal chemical and botanical products by 7.2 percent. On the other hand, manufacture of motor vehicles, trailers and semi-trailers decreased by 8.0 percent followed by manufacture of rubber and plastics products by 6.7 percent and manufacture of machinery and equipment n.e.c with a decrease of 5.3 percent.

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