

NAMIBIA PRODUCER PRICE INDEX- FIRST QUARTER 2020

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25 June 2020



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Outline of the presentation

- INTRODUCTION
- DEFINITION
- TYPES OF PPI
- USES OF PPI
- RESULTS FOR Q1 OF 2020
- NCPI V NPPI Water comparison

BACKGROUND

- The NPPI is the first of its kind to be produced by NSA since independent Namibia and is aimed at replacing the South African PPI which has been used to deflate the National Accounts series from to eliminate price changes.
- December 2015 as base period.
- Frequency of data collection, dissemination and publication.

DEFINITION

The Producer Price Index (PPI) measure the rate of change in the prices of goods and services bought and sold by local producers.

The PPI is designed to measure the average change in the price of goods and services either as they leave the place of production or as they enter the production process and it does not include imported products.

PPI - is defined as a measure of the change in the prices of goods and services either as they leave the place of production or as they enter the production process

TYPES OF PPI

- INPUT PPI measures the rate of change in the prices of the inputs of goods and services purchased by the producer
- OUTPUT PPI measures the rate of change in the prices of products sold as they leave the producer

NPPI is based on Output PPI

USES OF PPI

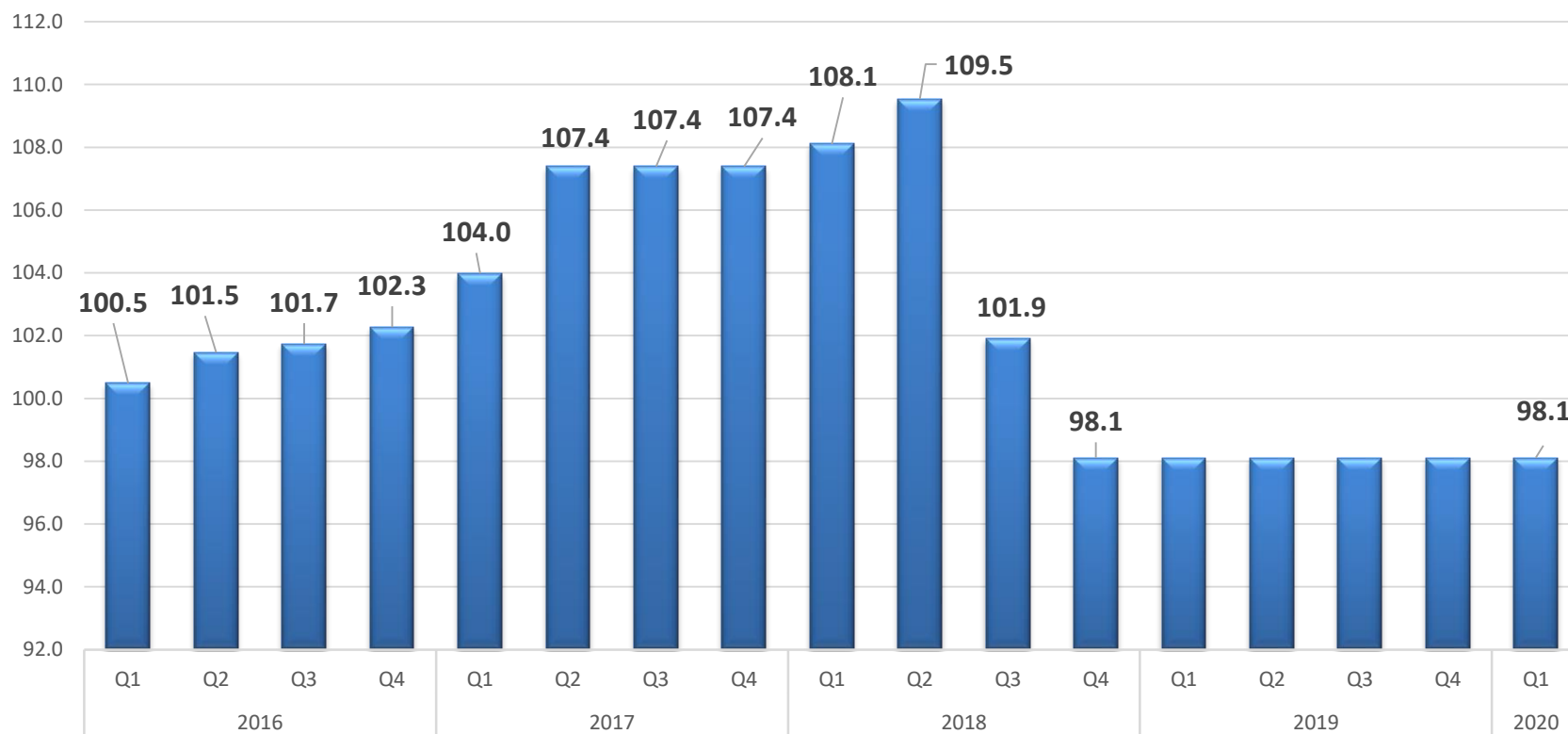
Mainly

- ❖ To monitor short and medium term inflationary trends
- ❖ A deflator in the compilation of the National Accounts
- ❖ Contract price adjustments and wage negotiations
- ❖ Required by international organization such IMF for economic monitoring and comparison purposes
- ❖ Analytical tool for businesses/researchers

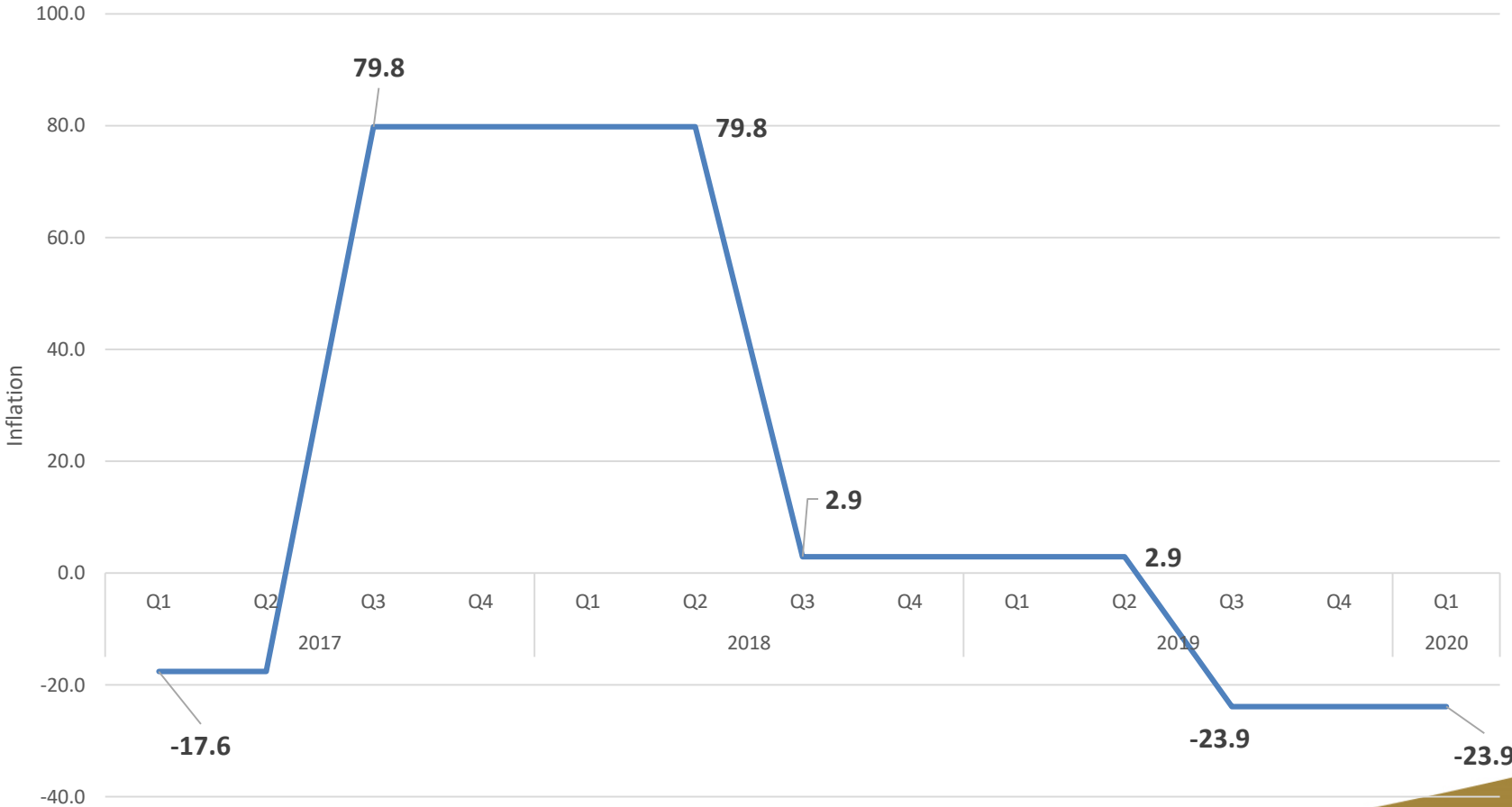
SELECTED INDUSTRIES

- Manufacturing for cement, lime and plaster
- Electric power generation, transmission and distribution
- Water collection, treatment and supply

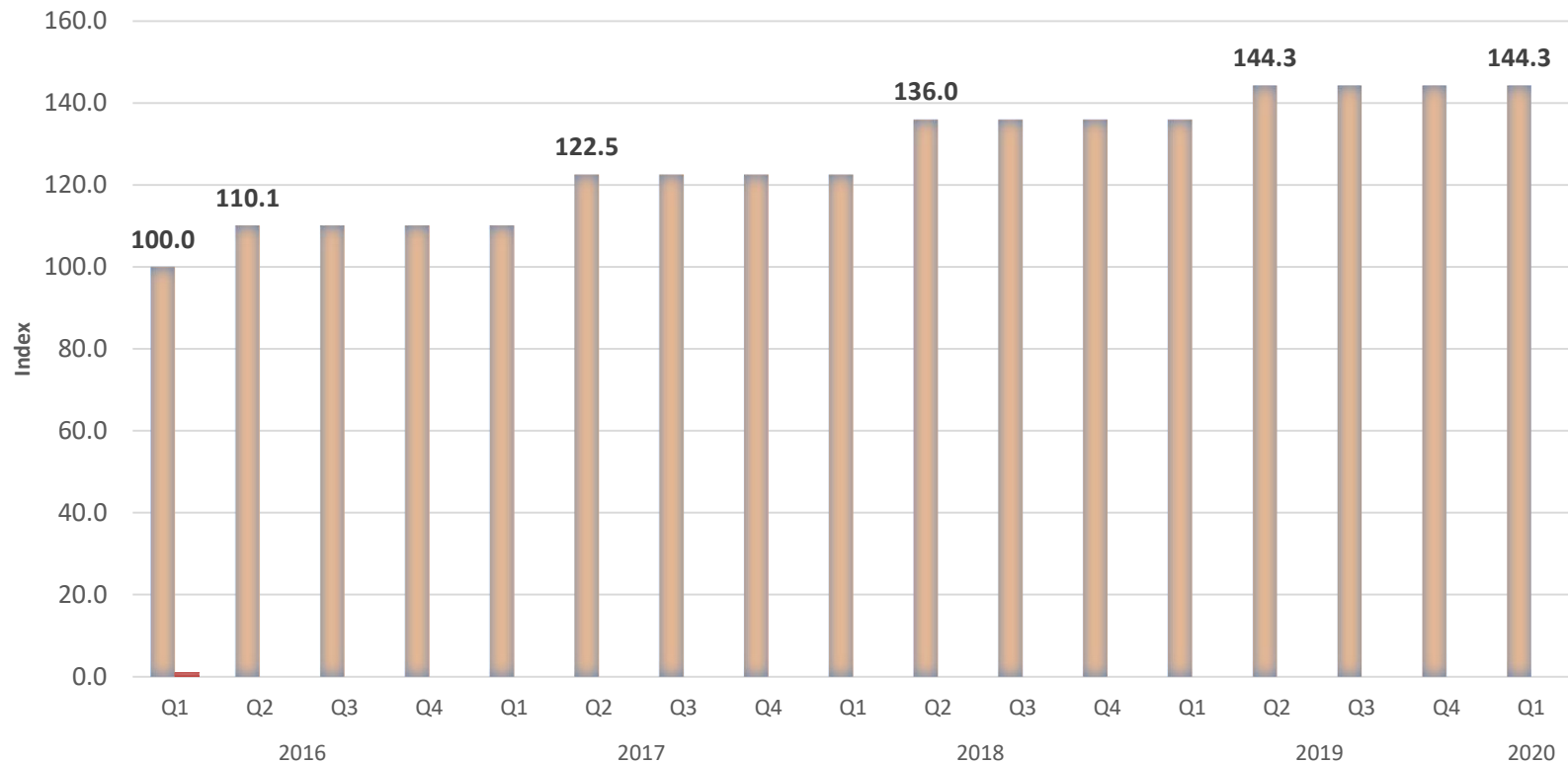
NPPI: Manufacture of cement, lime and plaster (Dec 2015 = 100)



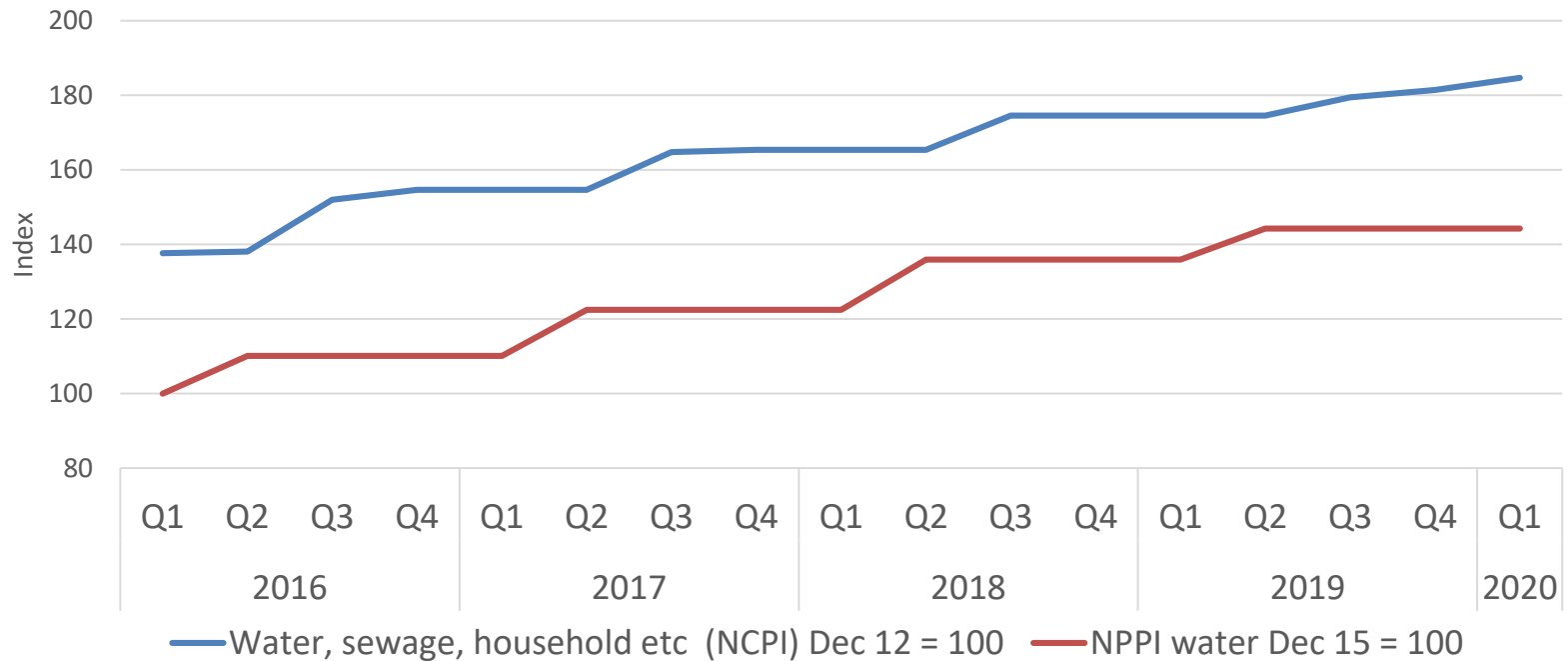
Annual inflation for Electric power generation, transmission and distribution



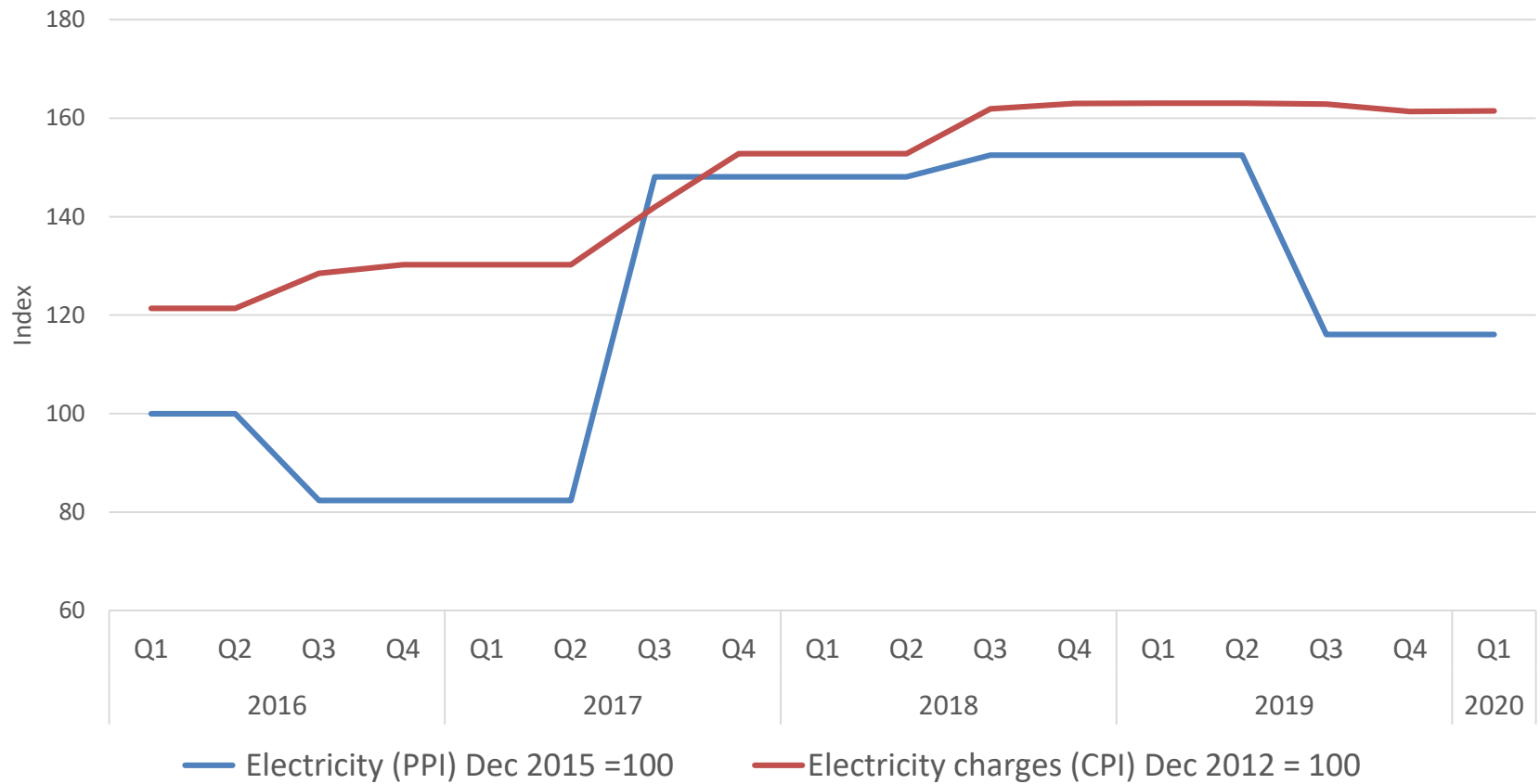
NPPI: Quarterly NPPI indices of Water collection, treatment and supply (Dec 2015 = 100)



NCPI vs NPPI: Water indices comparison



NCPI vs NPPI: Electricity indices comparison



Plan for the future

- To include other industries
- To include more establishment

Up-coming NPPI release

Next release: SEPTEMBER 2020 NPPI
FOR MORE INFORMATION

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Thank you!



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