

NPPI

Namibia Producer Price Index

Second Quarter of 2022 Statistics Bulletin



**Namibia Statistics
Agency**

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Mission Statement

“Leveraging on partnerships and innovative technologies, to produce and disseminate relevant, quality, timely statistics and spatial data that are fit-for-purpose in accordance with international standards and best practice”



Vision Statement

“Be a high performance institution in quality statistics delivery”



Core Values

Integrity
Excellent Performance
Accuracy
Team Work
Accountability
Transparency

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PREFACE

This bulletin presents updates on the quarterly Producer Price Indices (PPI) for ten industries namely: Mining of uranium and thorium ores; Mining of other non-ferrous metal ores; Other mining and quarrying n.e.c.; Processing and preserving of meat; Manufacture of malt liquors and malt; Manufacture of soft drinks; production of mineral water and other bottled water; Manufacture of basic precious and other non-ferrous metals; Manufacture of cement, lime and plaster; Electric power generation, transmission and distribution; and Water collection, treatment and supply. The bulletin outlines the Producer Price Index for the period covering the second quarter of 2022 (April to June 2022).

The Producer Price Index (PPI) measures 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. Thus, the prices for monitoring changes in the PPI behavior are measured from the perspective of the local producer.

The PPI is part of a suite of price indices in Economic Statistics, Consumer Price Indices included, which are key and important price monitoring macroeconomic indicators. Price instability introduces uncertainty into economic analysis and decision making, so the main use of the PPI is to minimize such uncertainty. The other significant uses of PPI inter-alia include monitor short-term inflationary trends; deflator in the compilation of the National Accounts; and contract price adjustments as well as wage negotiations.

It is the intention of the Namibia Statistics Agency (NSA) to expand this publication by including more industries as and when the data becomes available. It is at this juncture that I would like to extend my gratitude and appreciation to all stakeholders who assisted in the production of this bulletin. In the same vein, I would like to urge our users of statistical information to send to us any comments that may enhance the quality of this report at info@nsa.org.na



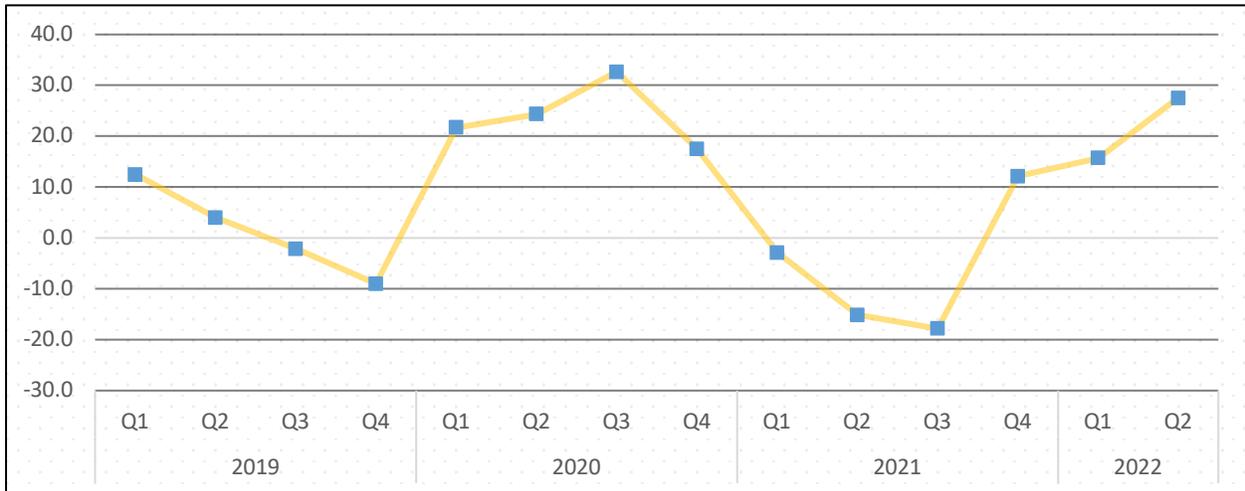
Alex Shimuafeni

Statistician-General & CEO

SECTION 1: MINING AND QUARRYING

Mining and quarrying covers section indices of uranium, non-ferrous metals (copper, gold, lead and zinc) and other mining and quarrying (diamonds). The Mining and Quarrying Producer Price Index for Quarter 2 of 2022 stood at 132.1, from 103.6 recorded in Quarter 2 of 2021, this translates into an annual inflation rate of 27.5 percent compared to -15.1 percent registered in the second quarter of 2021.

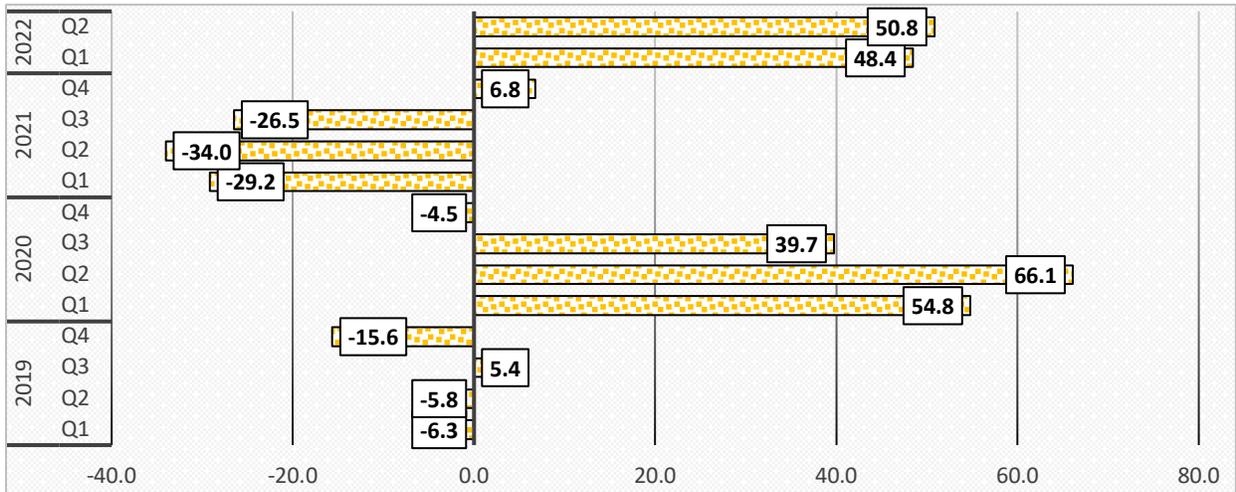
Chart 1: Annual percentage change in PPI for Mining and quarrying



1.1 PPI for Mining of uranium and thorium ores (ISIC 0721)

The index for Mining of uranium and thorium ores (ISIC 0721) increased to 90.2 basis points in the second quarter of 2022, representing an increase of 50.8 percent when compared to 59.8 basis points recorded during the same period of last year.

Chart 2: Annual percentage change in PPI for mining of uranium & thorium ores



1.2 PPI for Mining of other non-ferrous metal ores (ISIC 0729)

The index for Mining of other non-ferrous metal ores includes mining of copper, lead, zinc, and gold. This section Producer Price Index recorded an increase of 24.6 percent, from 150.3 basis points recorded in quarter 2 of 2021 to 187.2 basis points registered in quarter 2 of 2022.

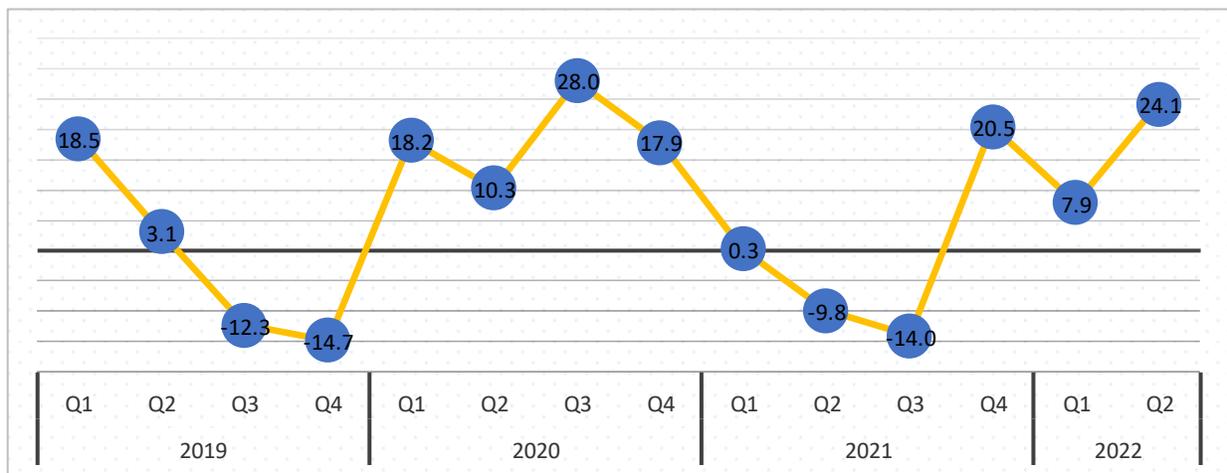
Chart 3: Annual percentage change in PPI for mining of other non-ferrous metal ores



1.3 PPI for Other mining and quarrying (ISIC 08)

The index for other mining and quarrying includes mining and extraction of diamonds, which is a significant activity in Namibia’s mining sector. In the second quarter of 2022, the index for this sector rose to 128.9 basis points from 103.9 basis points recorded during the same quarter a year ago, resulting in a year-on-year inflation rate of 24.1 percent.

Chart 4: Annual percentage change in PPI for other mining & quarrying



SECTION 2: MANUFACTURING

The index of Manufacturing encompasses Processing and preserving of meat, Manufacture of malt liquors and malt, Manufacture of soft drinks, production of mineral waters and other bottled waters, Manufacture of cement, lime and plaster and Manufacture of basic precious and other non-ferrous metals. During the quarter under review, the index for Manufacturing increased to 171.7 basis points from 153.8 basis points recorded in the same quarter of the previous year resulting in 11.6 percent growth in prices.

Chart 5: Annual percentage change in PPI for manufacturing

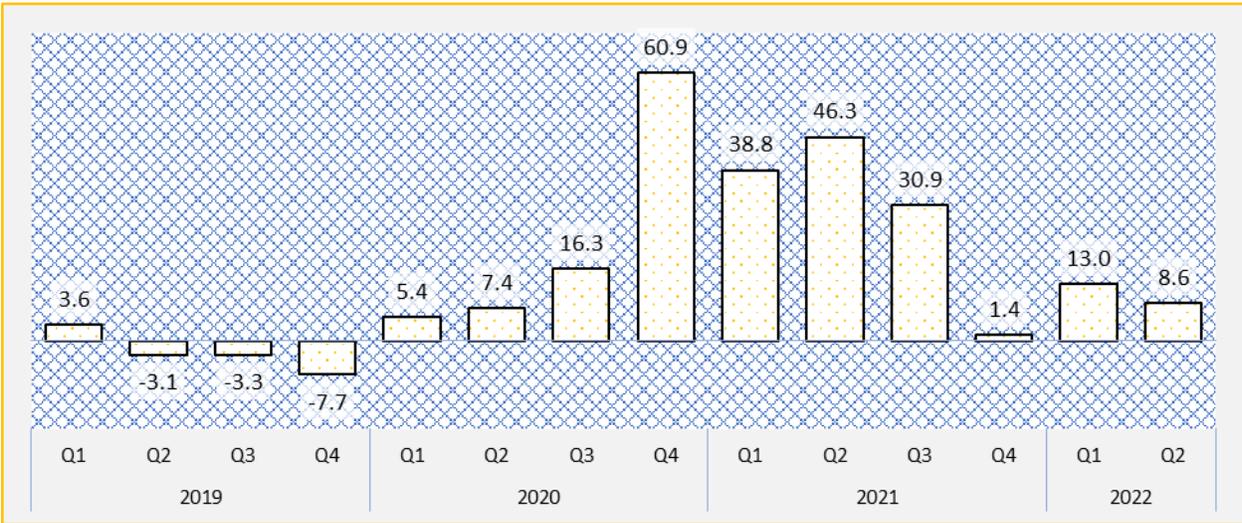


2.1 PPI for Processing and preserving of meat (ISIC 1010)

The PPI for this category covers output by producers in the processing and preserving of meat sector. This sector includes the operation of slaughterhouses including slaughtering, dressing, packing of meat and the production of fresh, chilled or frozen meat. It also includes the production of dried, salted or smoked meat and other meat products for example, sausages, salami, pâtés, and boiled ham.

For the second quarter of 2022, the PPI for processing and preserving of meat was 188.2 basis points, an increase of 15.0 basis points when compared to 173.2 basis points recorded in the same quarter of 2021. Annual Inflation for the second quarter of 2022 was 8.6 percent, a decline of 37.7 percentage points on the rate of 46.3 percent recorded in the same quarter of 2021.

Chart 6: Annual percentage change in PPI for processing & preserving of meat



2.2 PPI for Manufacture of malt liquors and malt (ISIC 1103)

The index for the manufacturing of malt liquors and malt increased to 133.3 basis points in the second quarter of 2022, compared to 124.8 basis points recorded in the corresponding quarter of 2021. This translates into an annual inflation rate of 6.8 percent in the prices of goods manufactured within this sector compared to 4.9 percent obtained in the same quarter of last year.

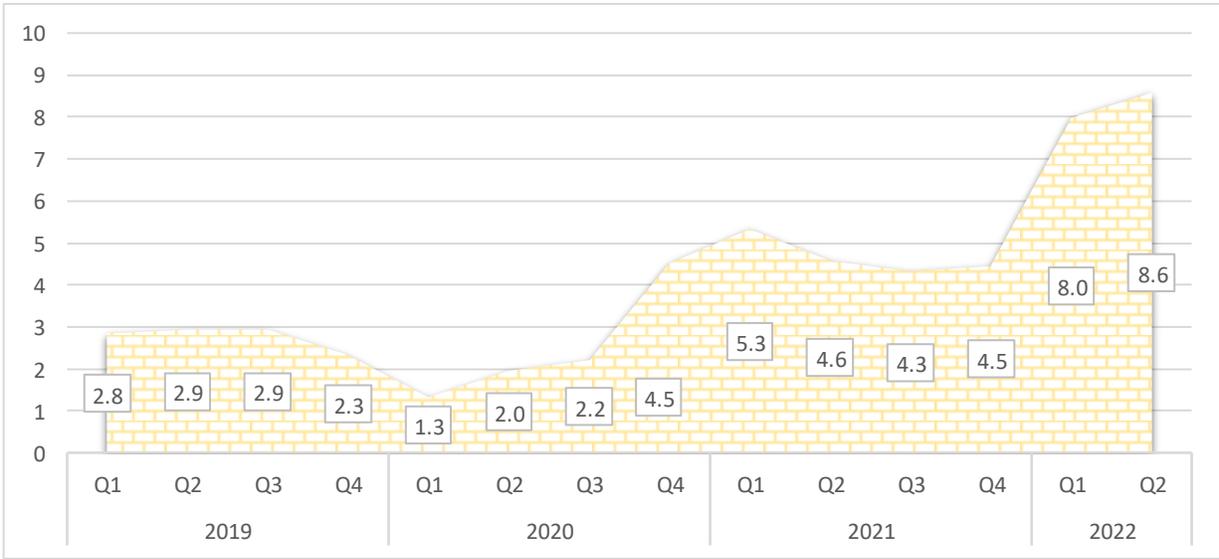
Chart 7: Annual percentage change in PPI for manufacture of malt liquors & malt



2.3 PPI for Manufacture of soft drinks; production of mineral waters and other bottled waters (ISIC 1104)

This category constitutes the PPI for the manufacture of soft drinks; production of mineral waters and other bottled waters (ISIC 1104). The index of this class increased to 125.3 basis points during the second quarter of 2022 compared to 115.4 basis points registered in the same quarter of 2021. The annual inflation rate for this category stood at 8.6 percent against that of 4.6 percent recorded in the same quarter of 2021.

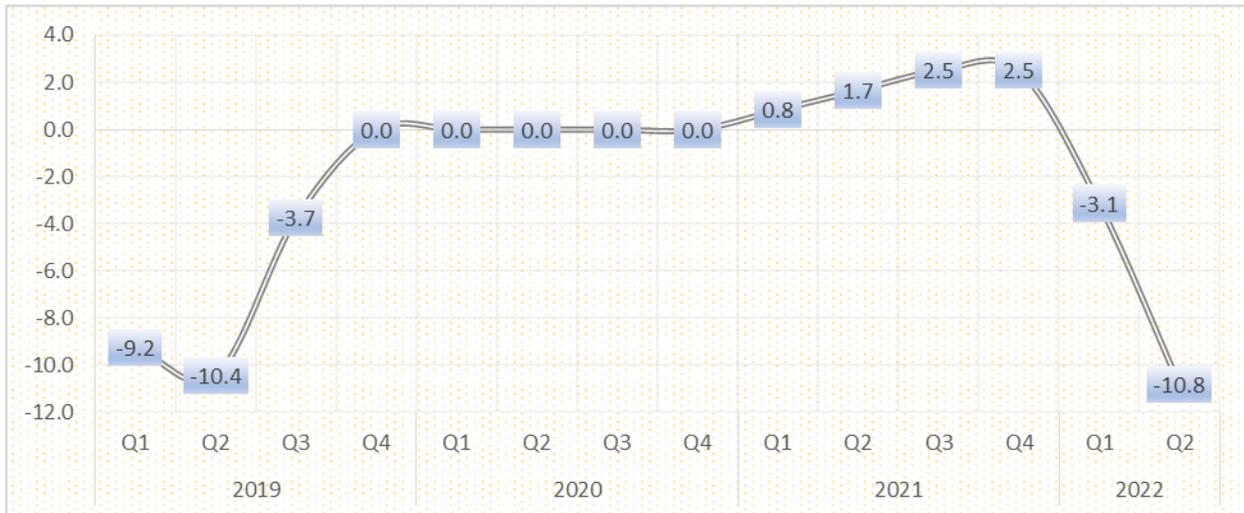
Chart 8: Annual percentage change in PPI for manufacture of soft drinks; production of mineral waters & other bottled waters



2.4 PPI for Manufacture of cement, lime and plaster (ISIC 2394)

The Manufacture of cement, lime, and plaster Producer Price Index for Quarter 2 of 2022 stood at 89.0 basis points registering a drop of 10.8 percent in prices of these products, when compared to 99.7 basis points recorded in quarter 2 of 2021.

Chart 9: Annual percentage change in PPI for manufacture of cement; lime & plaster

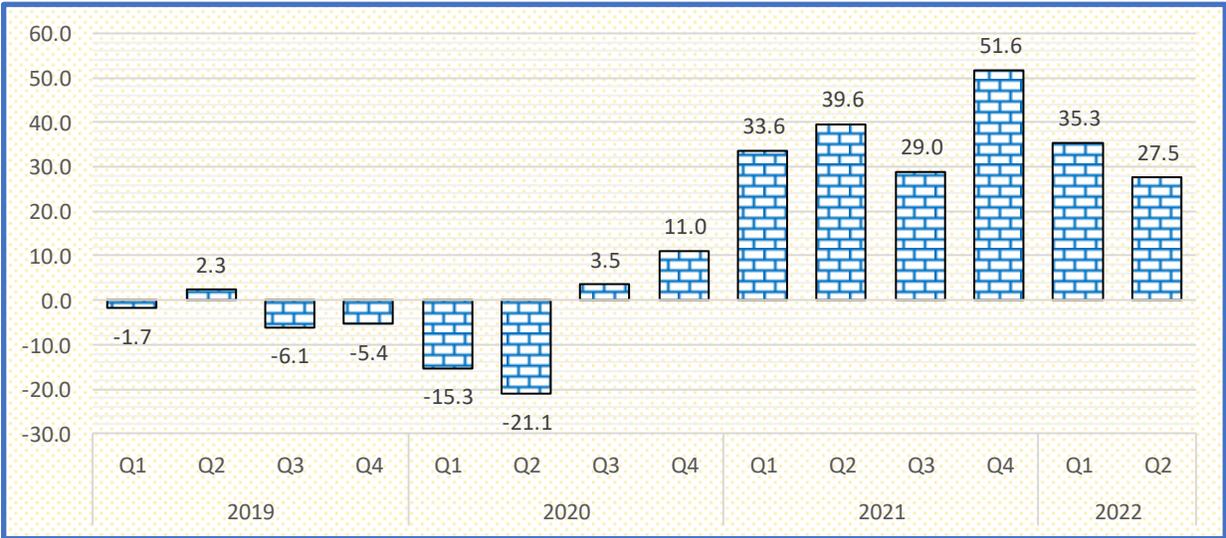


2.5 PPI for Manufacture of basic precious and other non-ferrous metals (ISIC 2420)

The producer price index for the manufacturing of basic precious metals and other non-ferrous metals includes the production of basic precious metals such as gold, silver, platinum from ore and scrap excluding extraction of ores, which is covered under the index of mining of other non-ferrous metals. It also covers the production and semi-manufacturing of lead, zinc and tin or their alloys from ores and scrap.

For the second quarter of 2022, the index value for the manufacture of basic precious and non-ferrous metals stood at 233.4 basis points, up from 183.0 basis points recorded in the same quarter of the previous year. The annual inflation rate for this sector slowed to 27.5 percent in the quarter under review compared to 39.6 percent recorded during the same period of last year.

Chart 10: Annual percentage change in PPI for manufacture of basic precious & other non-ferrous metals

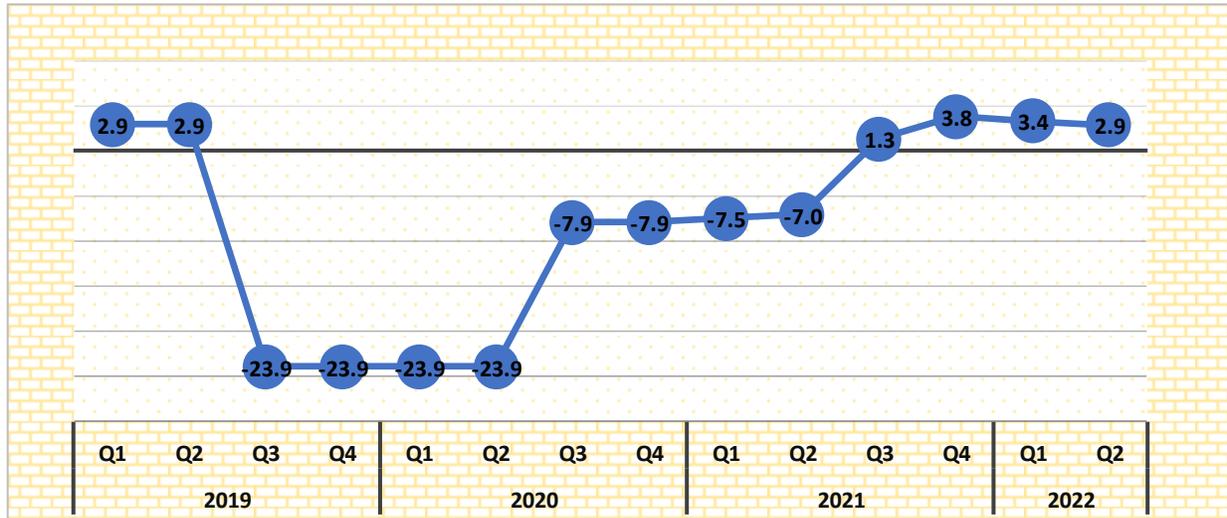


SECTION 3: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY

3.1 PPI for Electric power generation, transmission, and distribution (ISIC 3510)

During the second quarter of 2022, the index for Electric power generation, transmission and distribution increased to 111.0 basis points as opposed to 107.9 basis points registered in the same quarter of 2021. The annual inflation rate for local Electric power generation, transmission and distribution increased to 2.9 percent in the second quarter of 2022 as opposed to a decline of 7.0 percent recorded in the same quarter of 2021.

Chart 11: Annual percentage change in PPI for electric generation, transmission & distribution

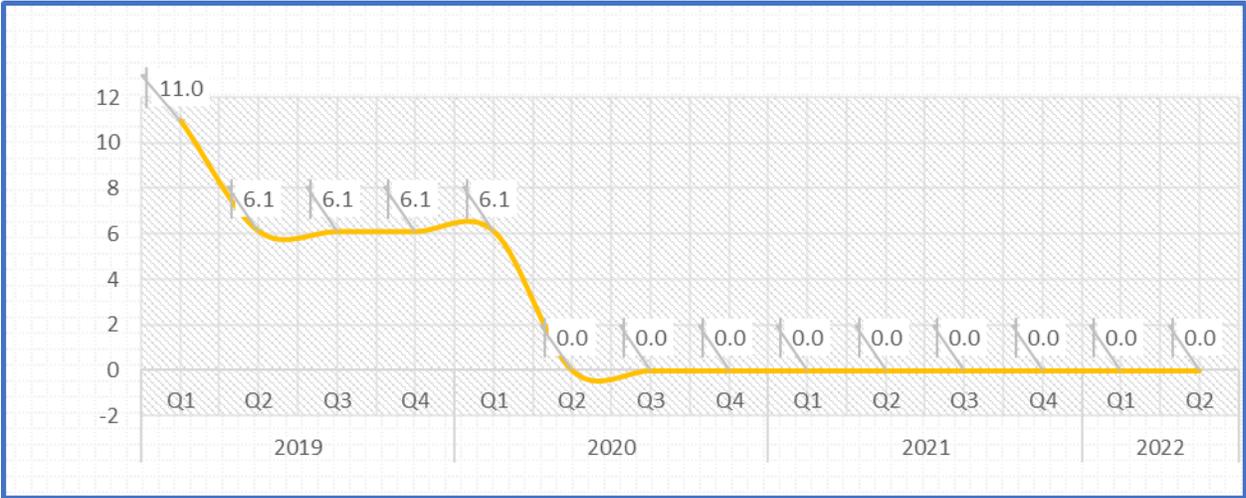


SECTION 4: WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES

4.1 PPI for Water collection, treatment, and supply (ISIC 3600)

The index for the PPI for water collection, treatment and supply continued to be stagnant at 144.3 basis points since the second quarter of 2019. The annual percentage change in the producer prices index for this category remained unchanged at 0.0 percent since the second quarter of 2020.

Chart 12: Annual percentage change in PPI for water collection, treatment & supply



5.0 TECHNICAL NOTES

5.1 Definition

The Producer Price Index (PPI) measures the average changes in the prices of goods and services received by domestic producers for the output which is sold on the domestic market as well as on export market. The PPIs that are produced by NSA are based on output indices. The concepts and definitions of the PPI largely follow the guidelines provided in the “IMF Producer Price Index Manual Theory and Practice”.

5.2 Scope of PPI

The PPI includes all goods and services produced within Namibia economic territory imports excluded. Prices collected for the compilation and production of the PPI are the basic prices received by the producers for the sale of the products on the local market as well as at international markets (exports). These prices exclude all taxes on products such as excise duty, value added tax (VAT) and transport. Subsidies on products received by the producers are included. In the absence of a Statistical Business Register in Namibia, the selection of establishments was based on a judgmental sample from a list of known businesses maintained by NSA, and experts’ opinion.

5.3 Classification of selected industries

Industries are classified according to International Standard Industrial Classification of All Economic Activities (ISIC rev 4).

5.4 Determination of the weights and items

Establishment weights are based on 2015 production sales values for the sampled establishments. The selection of items was done using a cut off sampling, products were ranked in order of the value of sales by category and 80% was used to select the products while in the case of establishments producing five products and below all products were selected for inclusion in the NPPI compilation.

5.5 Base period

The base period is December 2015=100.

5.6 Methodology

The NPPI is calculated using a short-term Laspeyres formula. The major advantage of using modified Laspeyres is that it allows for substitution in elementary indices. The short-term Laspeyres index compares the previous period sales revenue for a set of goods to the current period revenue for the same set of goods.

The indices are weighted separately, and it is not possible to combine them to produce an 'average' PPI for all three industries.

Release date:

22 September 2022

Next release date:

08 December 2022

Table 1: Namibia Producer Price Indices by Industry (Dec 2015=100)

ISIC	Description	2020				2021				2022	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
B	Mining and quarrying	114.3	122.1	124.2	109.1	111.0	103.6	102.1	122.3	128.5	132.1
0721	Mining of uranium and thorium ores	83.7	90.7	93.9	64.9	59.3	59.8	69.0	69.3	88.0	90.2
0729	Mining of other non-ferrous metal ores	146.3	176.6	186.6	173.8	155.1	150.3	149.1	172.9	185.2	187.2
0899	Other mining and quarrying n.e.c.	114.7	115.2	114.3	103.5	115.1	103.9	98.3	124.6	124.1	128.9
C	Manufacturing	138.1	140.8	149.4	153.1	146.9	153.8	156.1	168.9	169.7	171.7
1010	Processing and preserving of meat	117.1	118.4	133.6	177.9	162.5	173.2	174.9	180.4	183.6	188.2
1103	Manufacture of malt liquors and malt	119.8	119.0	124.5	124.7	124.8	124.8	124.8	131.2	131.2	133.3
1104	Manufacture of soft drinks; production of mineral waters and other bottled waters	109.6	110.4	110.6	113.6	115.4	115.4	115.4	118.6	124.6	125.3
2394	Manufacture of cement, lime and plaster	98.1	98.1	98.1	98.1	98.9	99.7	100.6	100.6	95.8	89.0
2420	Manufacture of basic precious and other non-ferrous metals	132.3	131.1	150.8	163.4	176.8	183.0	194.5	247.8	239.2	233.4
3510	Electric power generation, transmission and distribution	116.1	116.1	106.9	106.9	107.4	107.9	108.4	111.0	111.0	111.0
3600	Water collection, treatment and supply	144.3	144.3	144.3	144.3	144.3	144.3	144.3	144.3	144.3	144.3

Table 2: Annual percentage change in Producer Prices per Industry

ISIC	Description	2020				2021				2022	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
B	Mining and quarrying	21.7	24.4	32.7	17.5	-2.9	-15.1	-17.8	12.1	15.7	27.5
0721	Mining of uranium and thorium ores	54.8	66.1	39.7	-4.5	-29.2	-34.0	-26.5	6.8	48.4	50.8
0729	Mining of other non-ferrous metal ores	14.6	39.4	38.1	28.8	6.0	-14.9	-20.1	-0.5	19.4	24.6
0899	Other mining and quarrying n.e.c.	18.2	10.3	28.0	17.9	0.3	-9.8	-14.0	20.5	7.9	24.1
C	Manufacturing	7.0	2.2	7.8	13.5	6.4	9.2	4.5	10.3	15.5	11.6
1010	Processing and preserving of meat	5.4	7.4	16.3	60.9	38.8	46.3	30.9	1.4	13.0	8.6
1103	Manufacture of malt liquors and malt	0.1	0.8	4.5	4.1	4.2	4.9	0.3	5.2	5.1	6.8
1104	Manufacture of soft drinks; production of mineral waters and other bottled waters	1.3	2.0	2.2	4.5	5.3	4.6	4.3	4.5	8.0	8.6
2394	Manufacture of cement, lime and plaster	0.0	0.0	0.0	0.0	0.8	1.7	2.5	2.5	-3.1	-10.8
2420	Manufacture of basic precious and other non-ferrous metals	-15.3	-21.1	3.5	11.0	33.6	39.6	29.0	51.6	35.3	27.5
3510	Electric power generation, transmission and distribution	-23.9	-23.9	-7.9	-7.9	-7.5	-7.0	1.3	3.8	3.4	2.9
3600	Water collection, treatment and supply	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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