



**Namibia Statistics
Agency**



NAMIBIA PRODUCER PRICE INDEX BULLETIN
FIRST QUARTER OF 2023



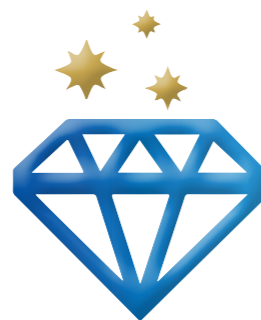
Mission Statement

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Vision Statement

“Be a high-performance institution in quality statistics delivery”



Core Values

*Integrity
Excellent Performance
Accuracy
Teamwork
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 first quarter of 2023 (January to March 2023).

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.

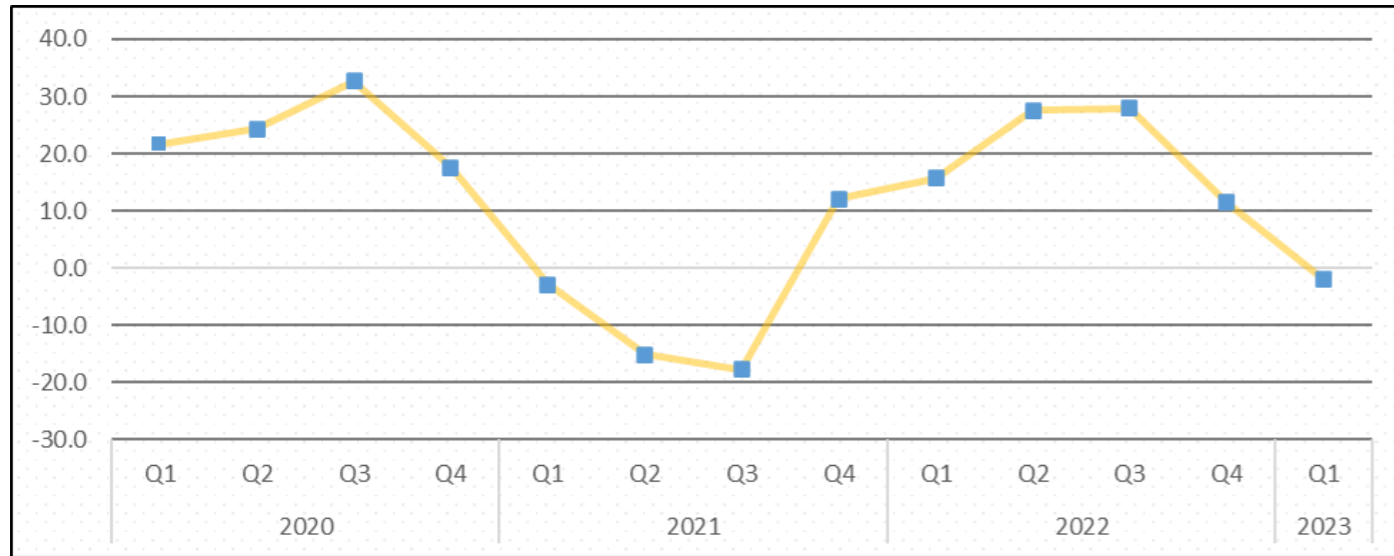
It is the intention of the Namibia Statistics Agency (NSA) to expand this publication by including more industries as and when the data becomes available. It is at this juncture that I would like to extend my gratitude and appreciation to all stakeholders who assisted in the production of this bulletin. 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). During the first quarter of 2023, the Producer Price index for Mining and Quarrying slowed to 125.8 basis points, down from 128.5 basis points recorded in the first quarter of 2022 translating into an annual deflation of 2.1 percent compared to an increase of 15.7 percent recorded during the corresponding quarter of 2022.

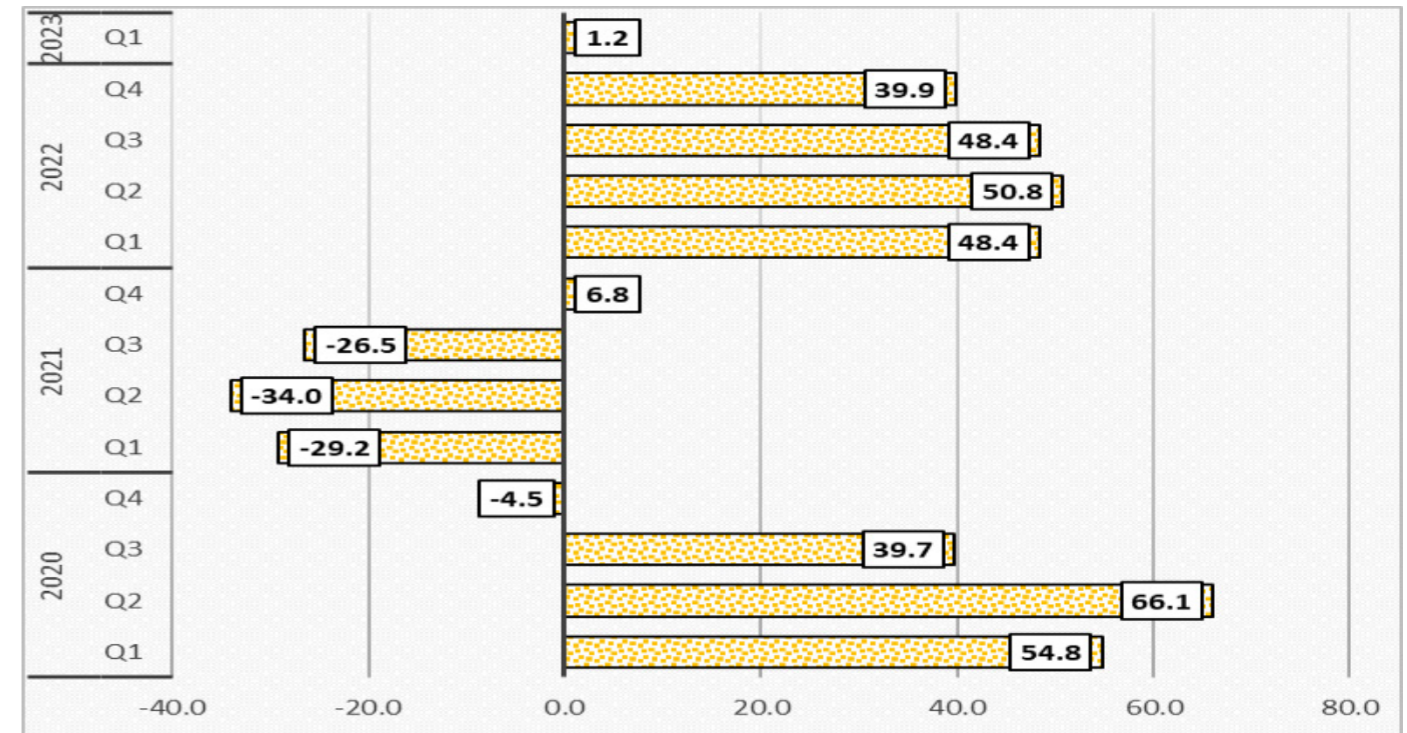
Chart 1: Annual percentage change in PPI for Mining and quarrying



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 89.0 basis points in the first quarter of 2023 compared to 88.0 basis points recorded during the same period a year earlier, resulting in an annual inflation rate of 1.2 percent.

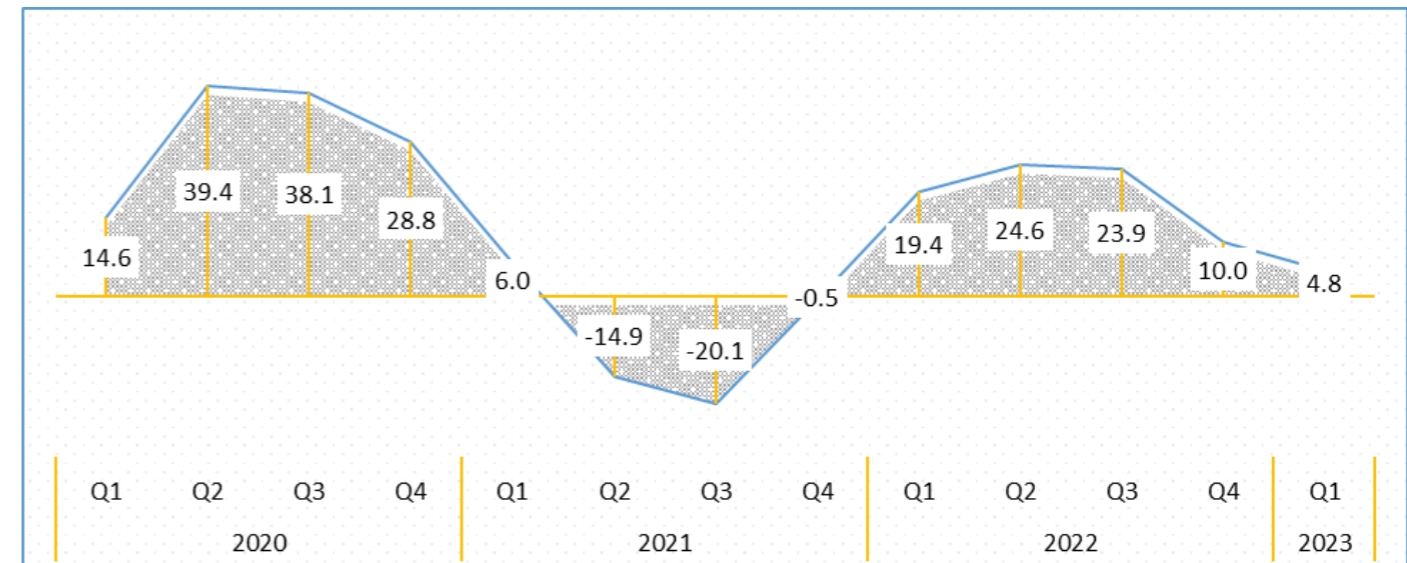
Chart 2: Annual percentage change in PPI for mining of uranium and thorium ores



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. During the period under review, this category of Producer Price Index recorded a growth of 4.8 percent, up from 185.2 basis points recorded in quarter one of 2022 to 194.1 basis points registered in the quarter under review.

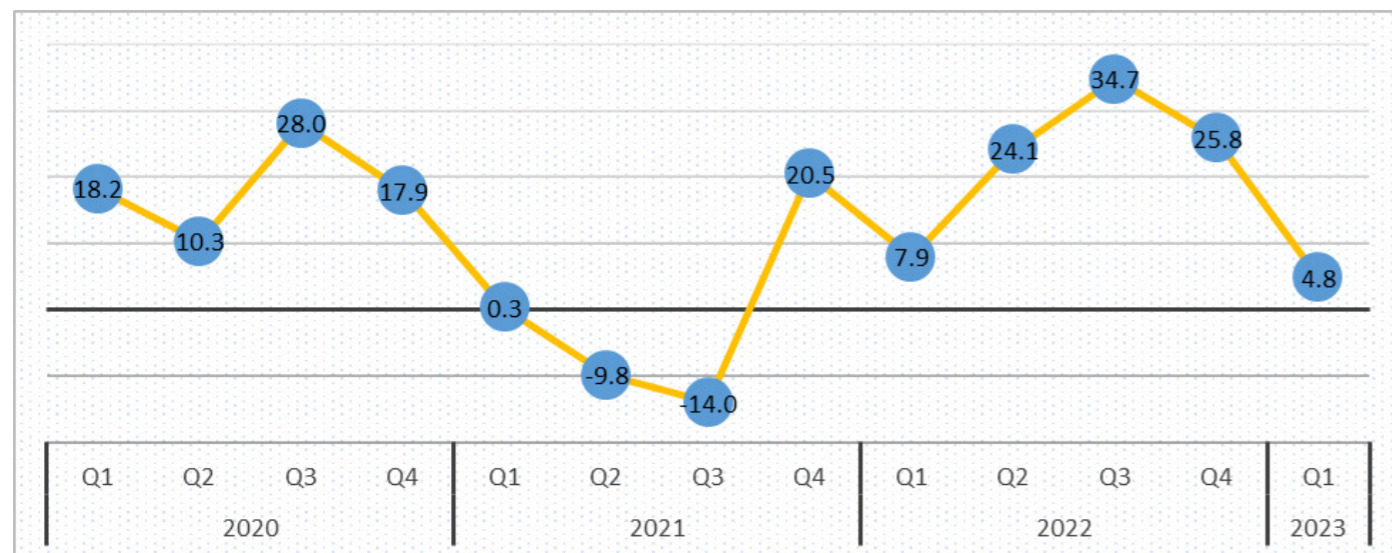
Chart 3: Annual percentage change in PPI for mining of other non-ferrous metal ores



1.3 PPI for Other mining and quarrying (ISIC 0899)

The index for Other mining and quarrying includes mining and extraction of diamonds, which is a significant economic activity in Namibia’s mining sector. For the first quarter of 2023, the index for this sector increased to 130.0 basis points from 124.1 basis points recorded during the same quarter a year ago, resulting in a year-on-year inflation rate of 4.8 percent.

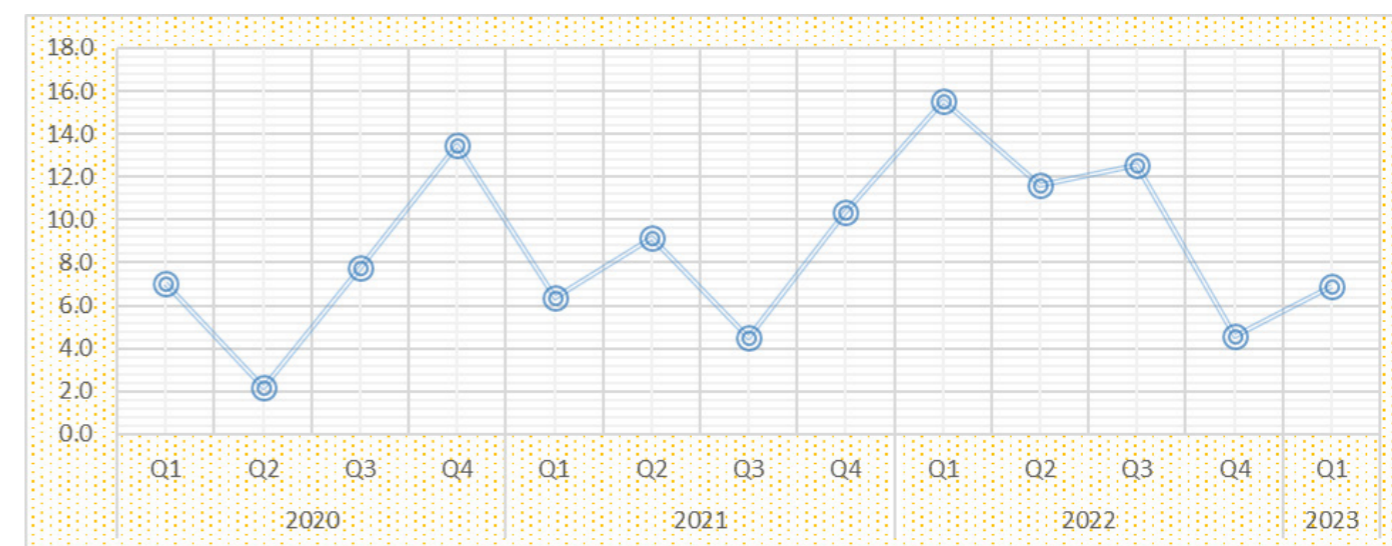
Chart 4: Annual percentage change in PPI for other mining and quarrying



SECTION 2: MANUFACTURING

The Manufacturing index 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. The index for this component stood at 181.4 basis points during the period under review up from 169.7 basis points recorded in the same quarter of the previous year resulting in a year-on-year growth in prices of 6.9 percent.

Chart 5: Annual percentage change in PPI for manufacturing

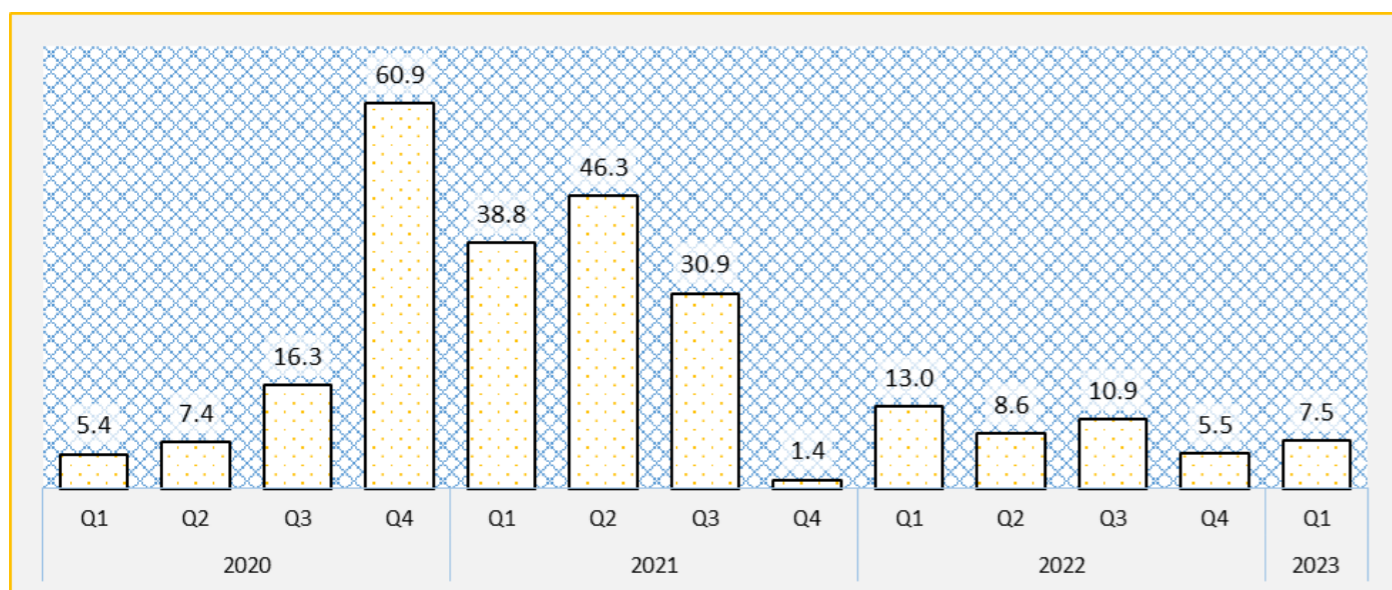


2.1 PPI for Processing and preserving of meat (ISIC 1010)

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.

During the first quarter of 2023, the PPI for processing and preserving of meat rose to 197.4 basis points compared to 183.6 basis points recorded in the same quarter of 2022. The annual inflation rate stood at for this category stood at 7.5 percent in the quarter under review, a slow growth when compared to an increase of 13.0 percent recorded in the same quarter of the preceding year.

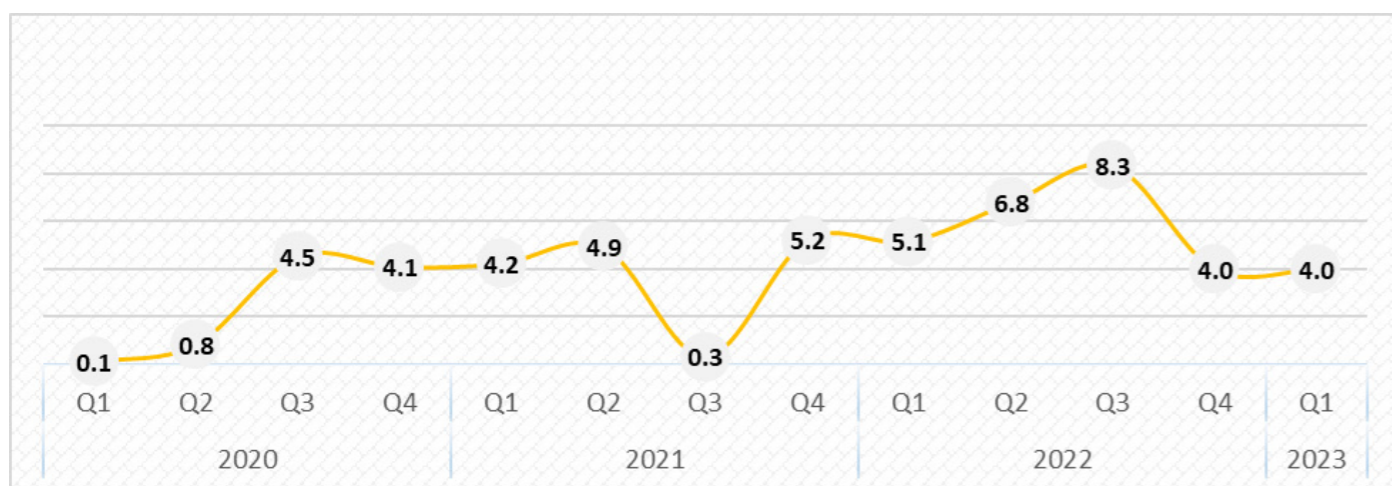
Chart 6: Annual percentage change in PPI for processing and preserving of meat



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

In the first quarter of 2023, the index for the Manufacturing of malt liquors and malt stood at 136.4 basis points compared to 131.2 basis points recorded in the corresponding quarter of 2022. This resulted into an annual inflation rate of 4.0 percent in the prices of goods manufactured within this sector compared to an increase of 5.1 percent obtained in the same quarter of last year.

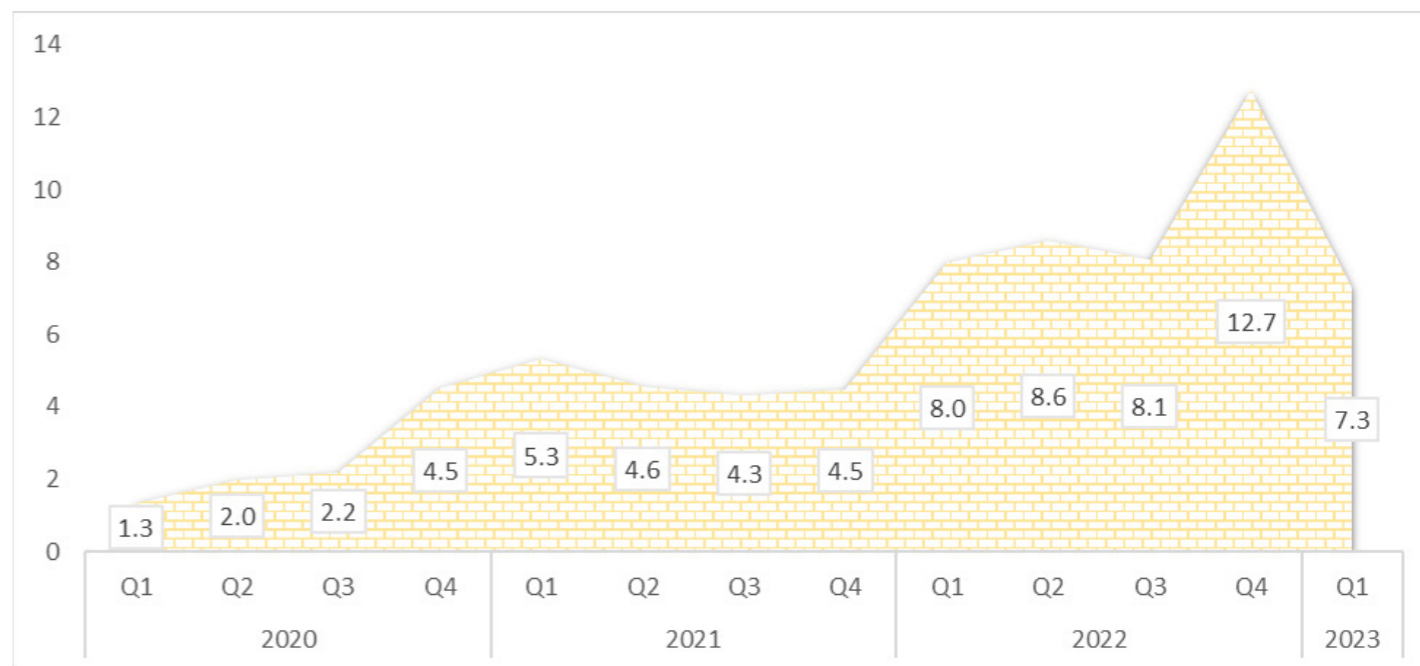
Chart 7: Annual percentage change in PPI for manufacture of malt liquors and malt



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 133.7 basis points during the first quarter of 2023 compared to 124.6 basis points registered in the same quarter of 2022. The year-on-year inflation rate for this category stood at 7.3 percent, a slow growth when compared to an increase of 8.0 percent recorded in the corresponding quarter of the preceding year.

Chart 8: Annual percentage change in PPI for manufacture of soft drinks; production of mineral waters and 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 the first quarter of 2023 dropped to 90.7 basis points registering a deflation of 5.4 percent in annual prices of these products when compared to 95.8 basis points recorded in the same quarter of last year.

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

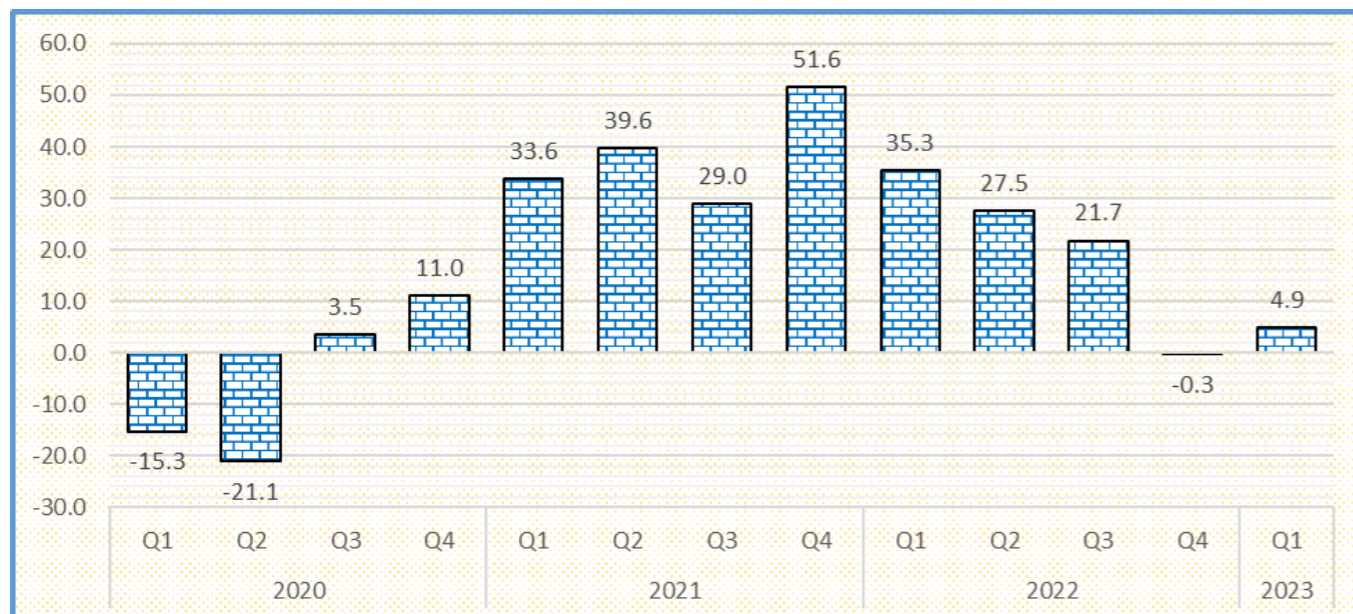


2.5 PPI for Manufacture of basic precious and other non-ferrous metals (ISIC 2420)

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 ores 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.

The index for the Manufacture of basic precious and non-ferrous metals rose to 251.0 basis points during the quarter under review, an increase of 11.8 basis points when compared to 239.2 basis points recorded in the first quarter of the preceding year. The annual inflation rate for this sector stood at 4.9 percent in the quarter under review compared to an increase of 35.3 percent recorded during the same period of last year.

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

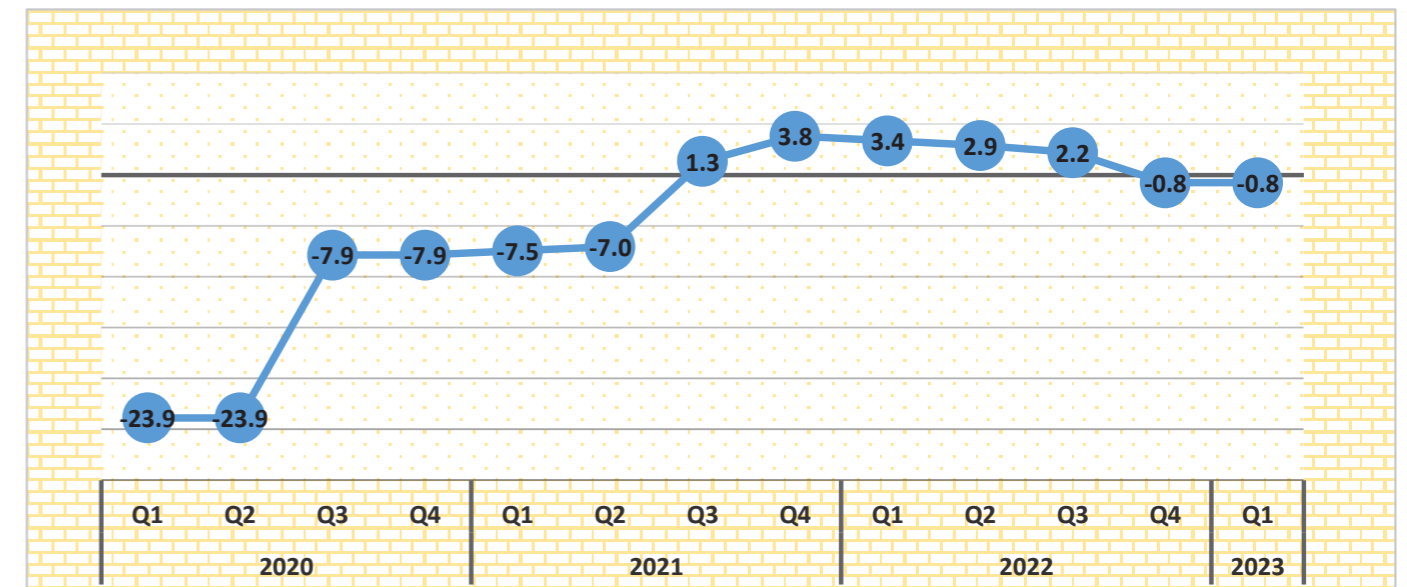


SECTION 3: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY

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

For the first quarter of 2023, the index for Electric power generation, transmission and distribution slowed to 110.2 basis points as opposed to 111.0 basis points registered in the same quarter of 2022. This translated in a deflation of 0.8 percent year-on-year in the first quarter of 2023 compared to an increase of 3.4 percent recorded in the same quarter of 2022.

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

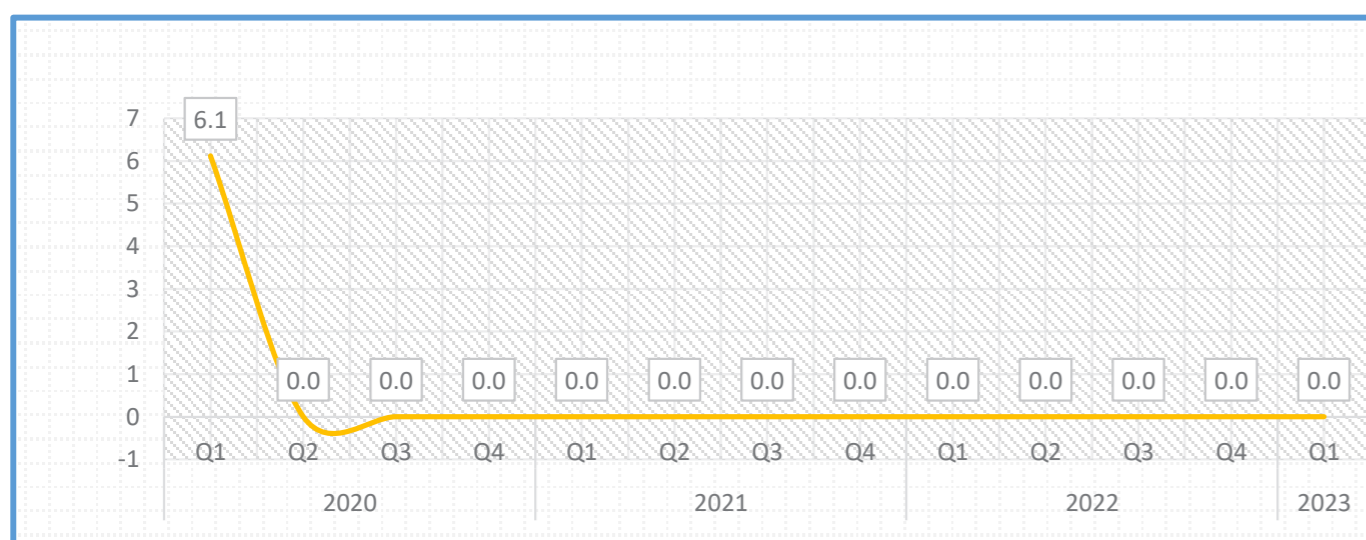


SECTION 4: WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES

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 and supply



SECTION 5: 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 ten 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.

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