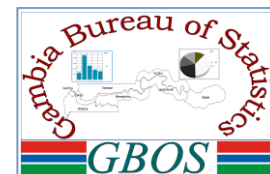




REPUBLIC OF THE GAMBIA

## DRAFT THE GAMBIA PRODUCER PRICE INDEX (PPI) MARCH 2010



The Gambia Bureau of Statistics is very pleased to deliver to users the new Producer Price Index (PPI) 2009 = 100  
The PPI is published every Quarter by the ending of the first month of the following quarter .

### PRODUCER PRICE INDEX ON DOMESTIC MARKET METHODOLOGY

#### **Purpose, nature and use**

Producer Price Index (PPI) is one of the main short-term business indicators; it is regarded as one of the important measures of the economic situation in a Country. Producer price indexes conventionally relate to the output of domestic industries, at basic prices, either inclusive or exclusive of exports. As the main focus is on domestic inflation, exports are generally excluded from the PPI.

Indexes for particular economic activity measure the average change in the prices of products which are produced and sold by enterprises. This is done through monitoring price changes of a representative and constant sample of group of products produced by different economic activities. In the Gambia monitoring of the price charges will be done on a monthly basis and their economic activities identified is in conformity with the classification employed by GBoS for its Gross Domestic Product estimation which is in-line with International Standard Industrial Classification (ISIC) revision 3.1

#### **The definition and concepts, Coverage and classifications**

The definition and concepts employed are in conformity with other International Economic Standard; but adapted to Gambia specification (ISIC, Rev 3.1 of 1990). The basket of goods and services are drawn from the list of manufacturing establishments covered during the 2005/2006 Economic Census comprising of 108 large manufacturing enterprises employing at least 10 people, whose output is mainly sold on the domestic market or for export. Currently, the PPI is covering 182 items of goods and service, out of which 32 percent are food and 68 percent are non-food.

#### **Producer Price data collection**

The point of pricing is the establishment and the price is the selling price received by the producer for the selected product as it leaves the factory gate, hence the index should not reflect any change due to change in tax rates of excise duties and sales or value added taxes. Prices quoted are exclusive of all taxes on products and inclusive of subsidies.

Prices are obtained from representative manufacturers of selected products. In general, prices are collected at *mid-point of each month*. As far as possible, actual transaction prices are used, that is, the prices actually paid by buyers- exclusive of any discounts, rebates, etc.

### INFLATIONARY TREND

ALL ITEMS(NEW SERIES; 2004=100)	Weights	Mar	Dec	Jan	Feb	Mar	Changes in % over	
		2009	2009	2010	2010	2010	1 month	Month to Months
Cereals	5.18	100	97	103	103	104	0.94	3.93
Bread	100.06	100	100	103	103	103	0	3.01
Meat	60.17	100	105	110	114	114	0.14	13.86
Fish	14.00	100	100	102	122	130	6.64	29.88
Milk, Cheese and Eggs	33.50	100	108	108	108	116	6.73	15.52
Oil and Fats	1536.42	100	103	105	105	105	0	5.3
Process fruits / fruits /Nuts	551.78	108	100	108	119	133	11.9	22.76
Vegetables / Processed and Tuber Veg.	14.37	107	107	108	110	124	12.76	15.95
Index Sugar /Jam /Honey /Syrups /Chocolate and Confectionery	0.74	100	100	100	100	100	0	0
Food Products n,e,c.	4.66	100	109	109	109	105	-3.41	5.33
Non-alcoholic beverages	867.70	100	100	100	102	103	1.24	2.78
Index (Alcoholic Beverages)	555.24	100	111	120	120	134	11.69	34.04
Textiles and textile products	10.35	100	100	100	100	100	0	0
Ornaments	1.97	100	128	127	127	127	0	26.5
Manufacture of footwear	1.60	100	100	100	100	100	0	0
Construction Items	5561.93	100	116	111	109	106	-2.23	6.19
Plumbing Items	90.93	100	101	101	101	101	0	1.41
Gas and Other Fuels	193.05	98	90	90	90	90	0	-9.83
Index (Furniture)	158.16	100	121	137	137	132	-3.7	33.6
Cooking and Household Items	20.64	100	126	126	126	122	-2.76	22.21
Index (household Goods and Household Maintenance	28.25	100	110	110	124	124	0	23.86
Transport	7.35	100	117	117	117	117	0	17.37
Newspapers, Books and Printing	181.87	100	100	100	100	100	0	0
Fertilizer	0.09	100	100	100	100	100	0	0
<b>12 MONTH MOVING AVERAGE</b>		100	104	104	105	106	0.91	5.34
<b>OVERALL INDEX</b>		<b>101</b>	<b>106</b>	<b>108</b>	<b>110</b>	<b>112</b>	1.71	9.9
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>		<b>101</b>	104	104	105	106	3.53	10.88
<b>NON-FOOD PRODUCTS AND SERVICES</b>		<b>100</b>	104	105	106	107	0.85	11.94

Annual Inflation measured on month -to- month basis, has slightly gone up in March 2010. The National Producer Price Index (NPPI) shows an inflationary rate of 11.46 for the month in comparison with the figures for the previous year. The March 2010 inflation went up by 1.86 percent, compared with February same year, which was 1.43 percent.

Using the 12 months-moving-average measure, inflation rate is 6.19 percent (March 2010) compared to the 5.23 percent that was recorded for February 2010, hence inflationary pressure has increased by 0.96 percent during the months, February to March 2010.

These inflationary trends are mainly the results of prices increase in both food and non-food. The food index increased from 109 to 112.5 and the main contributors were fish, fresh milk and sour milk, process *'fruits and nuts, and vegetables which* have shown an Increased of 6.64, 6.73; 11.90, and 12.76 percent respectively. In the non-food side the major contributor was *alcoholic beverage*, showing an increase of 11.69 percent.

#### CONTACTS

The Gambia Bureau of Statistics (GBOS)  
Kanifing Institutional Layout  
P.O.Box 3504 Serekunda  
Tel. (220) 439 4529  
Fax. (220) 437 7848  
Web site: [www.gbos.gm](http://www.gbos.gm)

Publication Director: Mr. Alieu Ndow, Statistician- General  
Publication Editor: Mr Ousman Dibba, Director Prices and Government Finance Statistics GBOS  
email: [ousman\\_dibba@yahoo.co.uk](mailto:ousman_dibba@yahoo.co.uk)  
Statistician in charge of PPI: Ansu Kanyi, GBOS  
email: [kanyi.ansu@yahoo.com](mailto:kanyi.ansu@yahoo.com)