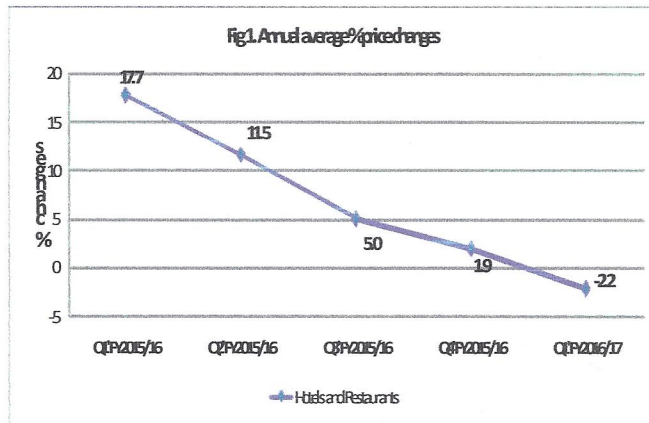


HIGHLIGHTS

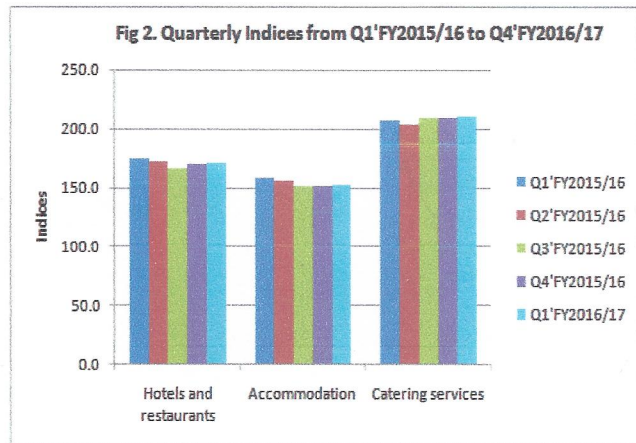
Annual change (-2.2%)

The Annual Producer Prices for the Hotels & Restaurants sector on average fell by -2.2% in quarter 1 of FY2016/17 compared to 1.9% rise in quarter 4 of FY2015/16. This was due to the decrease in prices of Accommodation Services by 3.5%.

Figure 1 shows fluctuation of prices from Quarter 1, FY2015/16 to Quarter 1, FY2016/17.



The graph below shows the price index level changes for the period under review:

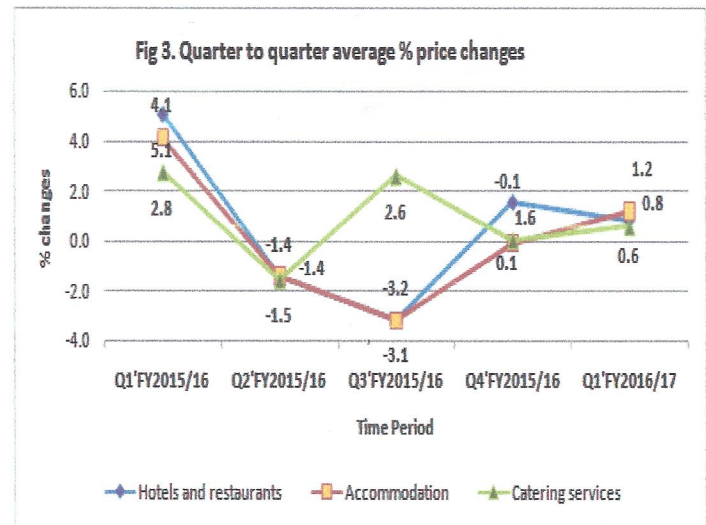


Quarter to Quarter Change

Quarter to quarter changes showed that the overall average Producer Prices for the Hotels & Restaurants sector rose by 0.8% in quarter 1 of FY2016/17, following a previous increase of 1.6% in Quarter 4 of FY2015/16. This rise in prices recorded in quarter 1 was mainly due to a rise in prices of Accommodation Services by 1.2%.

The rise in prices for Accommodation Services recorded in quarter 1 was attributed to increases in prices of Hotel Accommodation (rooms, suites, etc.) by 0.7% and Conference services by 3.1%. On the other hand, a rise in prices for Catering Services recorded in quarter 1 was driven by increases in prices of Food and Snacks and Drinks by 0.3% and 1.1% respectively.

Figure 3 below shows price changes across the quarters under review for the overall Hotels & Restaurants sector. It can be observed that prices for the entire Hotel and Restaurant sector and Accommodation Sub-sector follow the same trend throughout the period under review.



Imelda Atai Musana
for : Executive Director

**Table 1a: Annual Change: Quarter 1 FY2015/16 to Quarter 1 FY2016/17;
(Base period Jan-Mar 2008)**

Industry Group	FY2015/16				FY2016/17
	Q1	Q2	Q3	Q4	Q1
Hotels and Restaurants	17.7	11.5	5.0	1.9	-2.2
Accommodation	18.2	12.0	4.0	-0.7	-3.5
Catering services	7.5	5.1	6.9	3.9	1.7
Accommodation	18.2	12.0	4.0	-0.7	-3.5
Hotel Accommodation (rooms, suites etc.)	18.3	12.1	4.0	-0.8	-4.0
Other hotel services (e.g. conference halls)	10.5	6.0	10.4	6.3	-0.4
Catering Services	7.5	5.1	6.9	3.9	1.7
Food and Snacks	6.1	5.1	6.0	1.7	2.2
Buffet	5.4	3.0	-1.6	-8.6	0.3
A la carte (specific foods)	7.1	6.4	8.7	5.0	2.9
Snacks (light bites, coffee, tea)	0.0	0.6	1.1	-0.8	-0.4
Drinks	10.4	6.0	9.9	10.3	1.0
Beer	5.8	4.4	5.3	3.0	3.2
Soft drinks (sodas) & mineral water	3.5	2.7	6.4	6.3	4.1
Wines & spirits	23.8	11.4	17.4	20.8	-4.5

**Table 1b: Quarter to Quarter change: Quarter 1 FY2015/16 to Quarter 4 FY2016/17;
(Base period Jan-Mar 2008).**

Industry Group	FY2015/16				FY2016/17
	Q4	Q1	Q2	Q3	Q4
Hotels and Restaurants	5.1	-1.4	-3.1	1.6	0.8
Accommodation	4.1	-1.4	-3.2	-0.1	1.2
Catering services	2.8	-1.5	2.6	0.1	0.6
Accommodation	4.1	-1.4	-3.2	-0.1	1.2
Hotel accommodation (rooms, suites etc)	4.1	-1.4	-3.2	-0.2	0.7
Other hotel services (e.g. conference halls)	10.0	-1.7	-1.0	-0.6	3.1
Catering Services	2.8	-1.5	2.6	0.1	0.6
Food and Snacks	-0.3	0.1	2.0	-0.2	0.3
Buffet	-9.1	-2.0	0.4	2.1	-0.2
A la carte (specific foods)	2.4	0.5	2.8	-0.8	0.4
Snacks (light bites, coffee, tea)	-0.4	3.1	-3.5	0.0	0.0
Drinks	10.4	-3.9	3.5	0.4	1.1
Beer	2.3	-1.1	1.8	0.1	2.4
Soft drinks (sodas) & mineral water	3.4	-0.6	3.0	0.3	1.3
Wines & spirits	26.6	-9.8	5.1	0.6	0.1

Table 1c: Quarter to Quarter Producer Price Indices for Hotels & Restaurants: Quarter 1

**FY2015/16 to Quarter 1 FY2016/17;
(Base period Jan-Mar 2008).**

Industry Group	FY2015/16				FY2016/17
	Q1	Q2	Q3	Q4	Q1
Hotels and restaurants	174.2	171.8	166.4	169.0	170.4
Accommodation	157.8	155.6	150.7	150.5	152.3
Catering services	206.9	203.7	209.1	209.2	210.4
Accommodation	157.8	155.6	150.7	150.5	152.3
Hotel accommodation (rooms, suites etc)	158.2	155.9	151.0	150.7	151.8
Other hotel services (e.g. conference halls)	171.6	168.6	166.9	165.9	170.9
Catering services	206.9	203.7	209.1	209.2	210.4
Food and snacks	216.9	217.1	221.5	221.1	221.7
Buffet	210.7	206.5	207.3	211.7	211.3
A la carte (specific foods)	216.4	217.5	223.7	221.9	222.8
Snacks (light bites, coffee, tea)	254.8	262.7	253.7	253.7	253.7
Drinks	183.4	176.3	182.6	183.3	185.2
Beer	175.1	173.1	176.2	176.4	180.7
Soft drinks (sodas) & mineral water	170.8	169.8	174.9	175.5	177.7
Wines & spirits	207.5	187.2	196.8	198.0	198.1