



Consumer Price Index (CPI)

Monthly CPI Report

Ministry of Planning and International Cooperation

Department of Statistics

Garowe, Puntland, Somalia

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Summary

CPI is obtained by comparing through time, the cost of a fixed basket of commodities purchased by consumers. Since the basket contains commodities of unchanging or equivalent quantity and quality, the index reflects only pure price movements. Price movements of the goods and services represented in the CPI are weighted according to the relative importance of commodities in the total expenditures of consumers.

In general, **Figure 1** and **Table 1** shows that all CPI items increased from Dec 2017 to Jan 2018. The CPI was 96.2 percent in Dec 2017 and it increased to 100.7 percent in Jan 2018. However, the CPI for food items was 99.2 percent in Dec which changed to 97.6 percent in Jan. While the CPI for non-food items was 95.3 percent in Dec and it converted to 101.6 percent in Jan.

The monthly inflation rate for all items was 4.7 percent in Jan 2018, up from -4.45 percent in Dec 2017. The inflation rate for food items was -0.74 percent in Dec and it decreased to -1.7 percent in Jan while non-food items was -5.56 percent in Dec and it changed to 6.6 percent in Jan. It indicates that there is a big change for monthly inflation rate in non-food items than food and all items.

1.0: CPI in Puntland

The Department of Statistics of the Ministry of Planning and International Co-operation publishes the CPI on a monthly basis. For the second week of every month, data is collected from the different markets in three cities in Puntland (Garowe, the capital of Puntland, Bossaso the main financial city, and Galkacayo the second main commercial city).

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Samples in the price survey are obtained from a judgmental selection of geographical areas, representative commodities, and types and locations of retail outlets. Puntland has started approximately with a basket of 127 commodities specified to represent the price movement in 20 basic commodity classes. Sample commodities are chosen on the basis of representative-ness and expected continuous availability. The price quotes used in the construction of the CPI are collected by personal visits to selected retail outlets in the main urban areas of Bossaso, Galkacayo, and Garowe. For details in the derivation of CPI contact the above Statistics Dept.

Generally, factors affecting the quality of the CPI include: the size and composition of the price samples of commodities and outlets the accuracy of the expenditure estimates used to assign weights, the frequency and speed of updating of the contents and weights of the CPI basket. The effectiveness of error detection and correction, and imputation methods for missing data, the application of appropriate methods of adjusting for quality change of commodities in the CPI sample. The CPI is believed to be sufficiently accurate for most practical purposes. In terms of general accuracy it is better at the Puntland level for any product index in the CPI compared to the same index at the city level.

2.0: Monthly CPI

Table 1: CPI in Jan 2018

		Monthly CPI			Monthly Inflation Rates		
		All CPI Items	Food	Non - Food	All Items	Food	Non - Food
Year	Month						
2018	Dec	96.2	99.2	95.3	-4.45	-0.74	-5.56
	Jan	100.7	97.6	101.6	4.7	-1.7	6.6

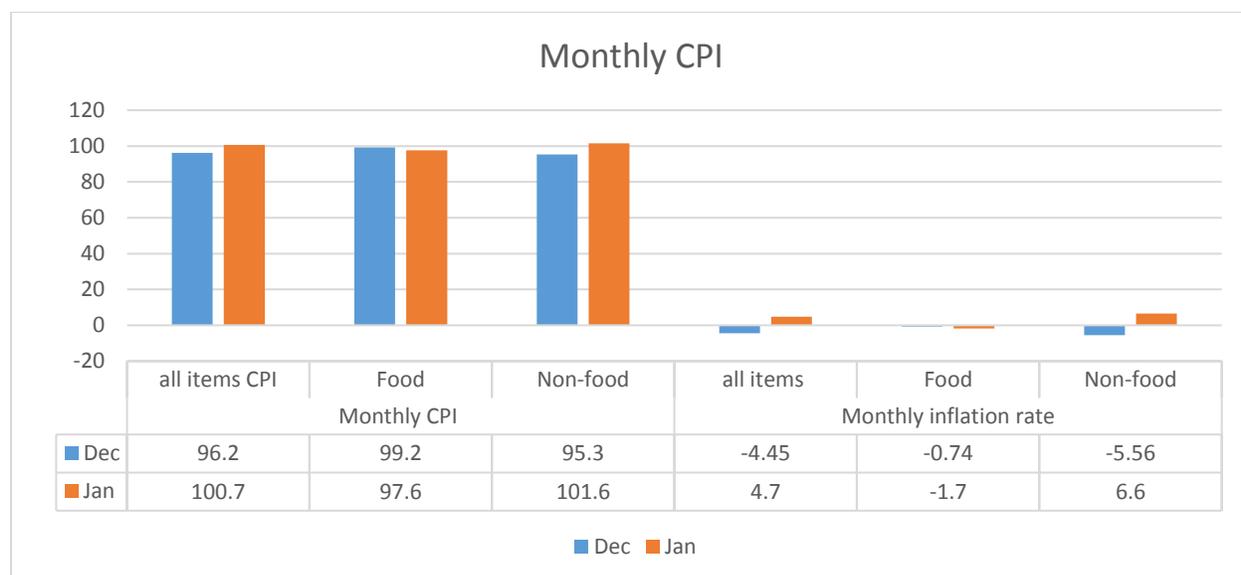


Figure 1: CPI in Jan 2018

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