



# **Consumer Price Index (CPI)**

## **Monthly CPI Report**

Ministry of Planning and International Cooperation

Department of Statistics

Garowe, Puntland, Somalia

May 2018

## Contents

Summary .....	2
1.0: CPI in Puntland .....	3
2.0: Monthly CPI Report .....	4

## 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 March 2018 to April 2018. The CPI was 100.5 percent in March 2018 and it increased to 104.3 percent in April 2018. However, the CPI for food items was 99.3 percent in March which changed to 109.8 percent in April. While the CPI for non-food items was 100.8 percent in March and it converted to 102.7 percent in April.

The monthly inflation rate for all items was 3.8 percent in April 2018, up from -0.2 percent in March 2018. The inflation rate for food items was 1.8 percent in March and it increased to 10.6 percent in April while non-food items was -0.8 percent in March and it changed to 1.9 percent in April. It indicates that there is a big change for monthly inflation rate in food items than non-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).

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.

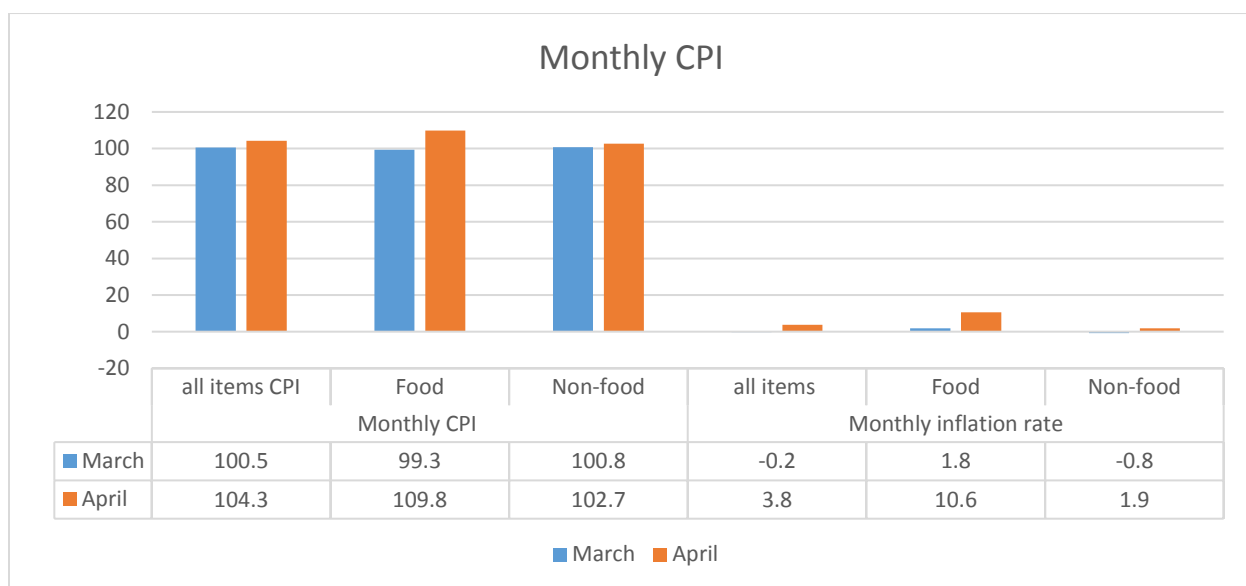
Samples in the price survey are obtained from a judgmental selection of geographical areas, representative commodities, and types and locations of retail outlets. Puntland has started approximately with a basket of 127 commodities specified to represent the price movement in 20 basic commodity classes. 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 April 2018**

		Monthly CPI			Monthly Inflation Rates		
		All CPI Items	Food	Non - Food	All Items	Food	Non - Food
Year	Month						
2018	March	100.5	99.3	100.8	-0.2	1.8	-0.8
	April	104.3	109.8	102.7	3.8	10.6	1.9



**Figure 1: CPI in April 2018**

In general, all CPI items increased from March 2018 to April 2018. The CPI was 100.5 percent in March 2018 and it increased to 104.3 percent in April 2018. However, the CPI for food items was 99.3 percent in March which changed to 109.8 percent in April. While the CPI for non-food items was 100.8 percent in March and it converted to 102.7 percent in April.

The monthly inflation rate for all items was 3.8 percent in April 2018, up from -0.2 percent in March 2018. The inflation rate for food items was 1.8 percent in March and it increased to 10.6 percent in April while non-food items was -0.8 percent in March and it changed to 1.9 percent in April. It indicates that there is a big change for monthly inflation rate in food items than non-food and all items.