



*MINISTRY OF NATIONAL PLANNING AND DEVELOPMENT
REPUBLIC OF SOMALILAND*

Central Statistics Department

OFFICIAL RELEASE

Monthly consumer price index

June 2016



2016

SOMALILAND CONSUMER PRICE INDEX

Consumer Price Index (CPI) June, 2016

The Annual Headline inflation (Y-o-Y) for the year ending June 2016 dropped to 3.5 percent compared to 5.8 percent recorded for the month ended May 2016.

The Central Statistics Department of the Ministry of National Planning & Development (MoNP&D), has released the Consumer Price Index (CPI) for the month of June 2016 (Base year 2012=100). Month on month [M-o-M] basis, the CPI for the month of June 2016, dropped further by minus 1.6 percent compared to decline of minus 1.5 percent that was recorded for month of May 2016.

Further analysis [on M-o-M basis] of CPI for June 2016 compared with May 2016 CPI, shows that there are six divisions (main groups) whose indices have dropped; index numbers for five divisions have gone up while index numbers for one division have remained relatively stable as given below.

Those whose index numbers have reduced are: “Food and Non-Alcoholic Beverages by minus 2.5 percent”; “Alcoholic Beverage, Tobacco & Narcotics by minus 6.9 percent”; “Clothing and footwear by minus 1.1 percent”; “Furnishings, Household Equipment and Routine Household Maintenance recorded at minus 0.5 percent;”; “Transport by minus 3.3 percent”; and “Miscellaneous Goods and Services by minus 3.0 percent”.

Those whose prices have risen are: “Housing, water, Electricity and Gas by 2.4 percent”; “Health by 0.7 percent”; “Recreation and Culture by 1.1”; “Education 0.3 percent”; “Restaurants and Hotels 0.8 percent”; and while the only division whose prices remained relatively stable during the month is, “Communication by 0.0 percent.

Comparison of the CPI of June 2016 with the CPI of June 2015.

A rise in the Annual Headline Inflation was recorded at 3.5 where food inflation was 5.8 percent while the Non-food inflation was at 2.0 percent.

The 3.5 percent [Y-o-Y] inflation is primarily due to the inflation recorded in the following divisions: “Food and Non-Alcoholic Beverages by 6.2 percent”; “Alcoholic Beverages, Tobacco and Narcotics by 1.4 percent”; “Clothing and Footwear by 5.3 percent”; “Housing, Water, Electricity, Gas and Other Fuels by 1.2 percent”. “Furnishings, Household Equipment and Routine Household Maintenance by 4.1 percent”; “Health by 4.5 percent”; “Communication by 5.5 percent”; “Recreation and Culture by 5.1 percent”; “Education by 5.0 percent; “Restaurants and Hotels by 4.0 percent”; and “Miscellaneous Goods and Services 1.4 percent”.

On contrary, one division registered a drop in the annual inflation below zero percent and this is: “Transport by minus 7.7 percent”.

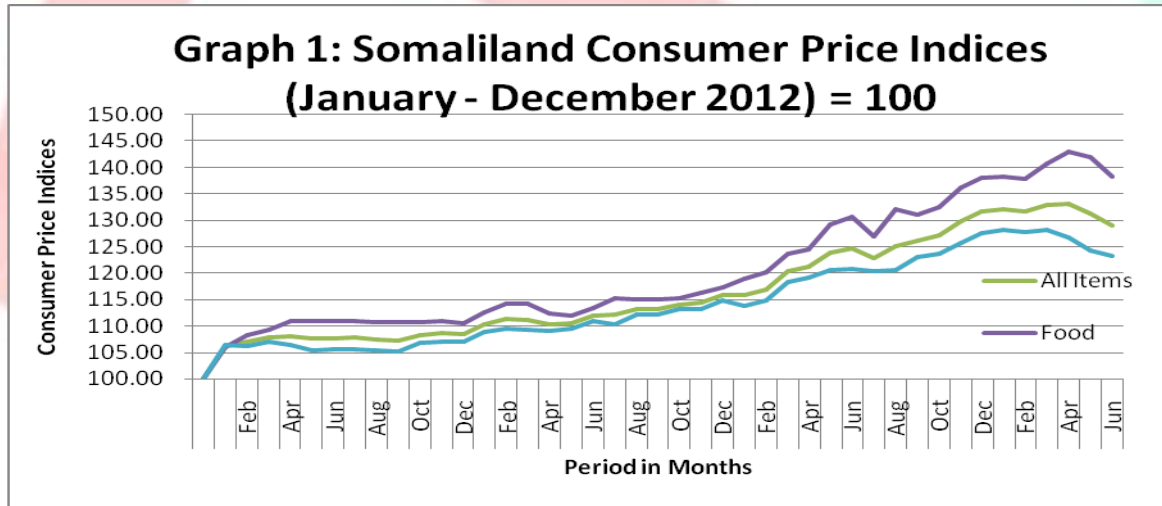
Table 1 below show the CPI for June, 2016 gives inflation and indices for all items, food, non- food and all the 12 divisions. Graph 1 shows the movement of consumer price indices and while Graph 2 shows Annual inflation.

Table 1 Base year 2012=100

COICOP Codes	Major Categories and Division	CPI Weights 2012 Calendar Year	Monthly Index Numbers			Percentage Change	
			June-15	May-16	June-16	Y-o-Y	M-o-M
	All Items	100.0000	124.70	131.19	129.12	3.5	-1.6
	Food	38.7104	130.74	142.02	138.26	5.8	-2.6
	Non-Food	61.2896	120.89	124.35	123.35	2.0	-0.8
01	Food and Non-Alcoholic Beverages	41.7492	130.57	142.12	138.61	6.2	-2.5
02	Alcoholic Beverages, Tobacco and Narcotics	4.5572	150.34	163.83	152.50	1.4	-6.9
03	Clothing and Footwear	5.7334	118.96	126.74	125.30	5.3	-1.1
04	Housing, Water, Electricity, Gas and Other Fuels	14.1022	125.66	124.27	127.20	1.2	2.4
05	Furnishings, Household Equipment and Routine Household Maintenance	5.5487	115.32	120.69	120.08	4.1	-0.5
06	Health	2.5546	116.93	121.34	122.20	4.5	0.7
07	Transport	8.8513	112.66	107.52	103.99	-7.7	-3.3
08	Communication	2.9933	114.53	120.78	120.84	5.5	0.0
09	Recreation and Furniture	2.2456	117.04	121.72	123.05	5.1	1.1
10	Education	3.6880	113.66	118.99	119.34	5.0	0.3
11	Restaurants and Hotels	3.3520	109.75	113.21	114.10	4.0	0.8
12	Miscellaneous Goods and Services	4.6245	119.18	124.53	120.82	1.4	-3.0

Graph 1: Somaliland Consumer Price Indices

Graph 1 shows that price levels for food have gradually persistently moved faster than those for the non food category through the entire period of index measurement. i.e. from January 2013 to June 2016. This implies that the food sector has gradually contributed a lot to the rising price levels of household consumer goods and services as indicated in the graph.



Graph 2: Somaliland Annual Inflation Rates

Graph 2 also demonstrates that for the entire period i.e. January 2014 to June 2016, all the measured annual inflation were positive. This is an indication of persistent increase in consumer prices within the Somaliland economy which has a negative impact on the welfare of the households more especially those with a fixed income together with those with very low income and without any savings at all. The same graph shows that food prices were volatile compared to non-food prices. Food prices changed more frequently and sharply mostly due the seasonal factors. The second factor that is likely to have affected the food prices is the depreciation of the local currency. It is assumed that a good proportion of food consumed in Somaliland is imported; hence a direct increase in prices for such products whenever there is a depreciation of the local currency.

