



*MINISRY OF NATIONAL PLANNING AND DEVELOPMENT
REPUBLIC OF SOMALILAND*

Central Statistics Department

OFFICIAL RELEASE

Monthly consumer price index

MAY 2016

**May
2016**



SOMALILAND CONSUMER PRICE INDEX

Consumer Price Index (CPI) May, 2016

- Drop in the annual Headline Inflation of May 2016, compared to previous month (Apr 2016)
- The Annual Headline inflation (Y-o-Y) for the year ending May 2016 dropped to 5.8 percent compared to 9.8 percent recorded for the month ended April 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 May 2016 (Base year 2012=100). Looking at a month on month [M-o-M] basis, the CPI of May, 2016 dropped by minus 1.5 percent as a result of a decrease in prices of 8 division, when compared to CPI of April 2016 that was a rise of 0.1 for all items..

An analysis [on M-o-M basis] of CPI for May, 2016 compared with April, 2016 CPI, shows that there are eight division (main groups) whose prices have dropped; prices for three divisions have gone up while prices of one division have remained relatively stable as given below.

Those whose prices have reduced are: “Food and Non-Alcoholic Beverages by minus 0.7 percent”; “Alcoholic Beverage, Tobacco & Narcotics by minus 5.0 percent”; “Clothing and footwear by minus 1.7 percent”; “Housing, water, Electricity and Gas by minus 3.1 percent”; “Health by minus 1.2 percent”; “Transport by minus 2.6 percent”; “Recreation and Culture by minus 0.7”; and “Miscellaneous Goods and Services by minus 2.6 percent”.

Those whose prices have risen are: “Education 0.2 percent”; “Restaurants and Hotels 0.3 percent”; and “Communication by 0.2 percent” while the only division whose prices remained relatively stable during the month is “Furnishings, Household Equipment and Routine Household Maintenance recorded at 0.0 percent,”

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

A rise in the Annual Headline Inflation was recorded at 5.8 where food inflation was 9.9 percent while the Non-food inflation was at 3.6 percent.

The [Y-o-Y] price surge is primarily due to the increase in prices recorded in the following divisions: “Food and Non-Alcoholic Beverages by 10.0 percent”; “Alcoholic Beverages, Tobacco and Narcotics by 1.7 percent”; “Clothing and Footwear by 9.0 percent”; “Furnishings, Household Equipment and Routine Household Maintenance by 5.2 percent”; “Health by 4.7 percent”; “Communication by 5.7 percent”; “Restaurants and Hotels by 3.2 percent”; “Recreation and Culture by 4.1 percent”; “Education by 3.1 percent; and “Miscellaneous Goods and Services 4.9 percent”.

On contrary, two divisions registered a drop in the annual inflation below zero percent and these were: “Transport by minus 1.9 percent”; and “Housing, Water, Electricity, Gas and Other Fuels by minus 0.1 percent”.

Table 1 below show the CPI for May, 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.

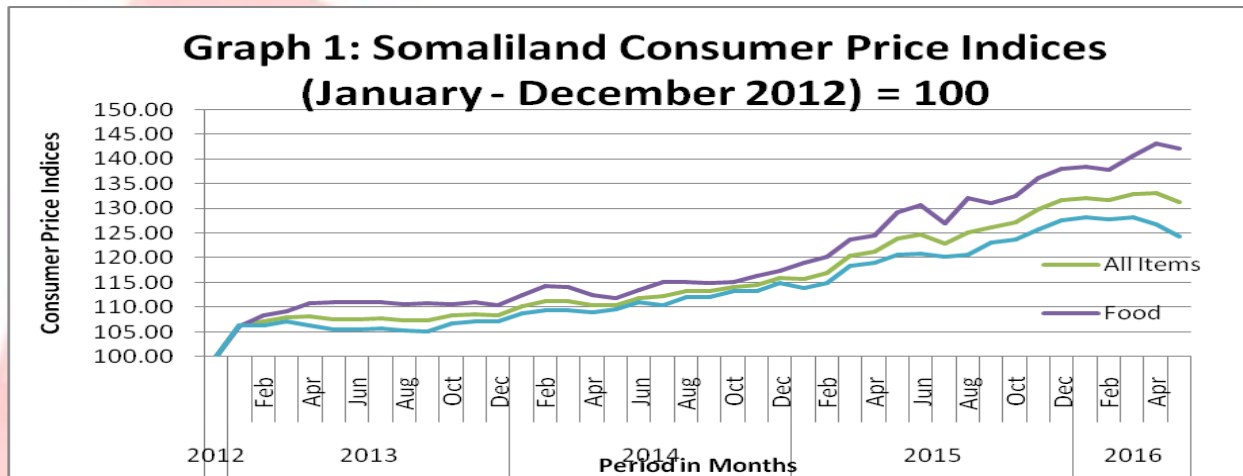
Table 1 Base year 2012=100

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COICOP Codes	Major Division	Groups	Percentage Change		May-15	Apr-16	May-16	CPI Weights 2012 Calendar Year
			Y-o-Y	M-o-M				
	All Items		5.8	-1.5	123.97	133.13	131.19	100.0000
	Food		9.9	-0.7	129.21	143.08	142.08	38.7104
	Non-Food		3.1	-2.0	120.66	126.84	124.35	61.2896
01	Food and Non-Alcoholic Beverages		10.0	-0.7	129.15	143.12	142.12	41.7492
02	Alcoholic Beverages, Tobacco and Narcotics		1.7	-5.0	166.13	172.41	163.83	4.5572
03	Clothing and Footwear		9.0	-1.7	116.27	128.95	126.74	5.7334
04	Housing, Water, Electricity, Gas and Other Fuels		-0.1	-3.1	124.72	128.22	124.27	14.1022
05	Furnishings, Household Equipment and Routine Household Maintenance		5.2	0.0	114.72	120.63	120.69	5.5487
06	Health		4.7	-1.2	115.86	122.84	121.34	2.5546
07	Transport		-1.9	-2.6	109.57	110.43	107.52	8.8513
08	Communication		5.7	0.2	114.32	120.49	120.78	2.9933
09	Recreation and Furniture		4.1	-0.7	116.91	122.54	121.72	2.2456
10	Education		3.1	0.2	115.37	118.80	118.99	3.6880
11	Restaurants and Hotels		3.2	0.3	109.74	112.89	113.21	3.3520
12	Miscellaneous Goods and Services		4.9	-2.6	118.72	127.86	124.53	4.6245

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 May 2016. During the period from December 2013 to December 2014, the gap narrowed but food price levels still remained higher and fell down only in May 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 May 2016, all the measured annual inflation is 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.

