

**Ministry of Planning , Investment and Economic Development
Federal Government of Somalia**



Directorate of National Statistics

STATISTICAL RELEASE

CONSUMER PRICE INDEX

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Executive Summary

The All Groups CPI increased to 105.7 in the month of December 2017.

The monthly change, December 2017 compared to November 2017, was an increase of 0.1 percent (0.1 index points). This is compared to a monthly decrease of -0.2 percent in the previous month of November 2017.

Over the twelve months to the month of December 2017 (inflation rate), All Groups CPI increased 5.3 percent (+5.3 index points), compared with an increase of 3.4 percent over the twelve months to the month of November 2017.

The most significant monthly price increases Food (+11.4%); Tobacco (+19.1%); Housing, rent and Electricity (+9.6%); Health (+5.6%) and Hotels (+6.2%). These increases were offset by price decreases in Furnishing (-12.1%); Transport (-2.3%); and Miscellaneous (-4.7%).

The Consumer Price Index is generated by conducting a survey of purchaser prices for a representative basket of household consumption (goods and services), during the first and third weeks of the collection month. The prices are obtained from selected retail outlets in four data collection zones spread across Mogadishu.

Table 1: Inflation rate according to CPI; December 2017 (Dec 2016 = 100)

Consumer Price Index, December 2017	
Index (current month) = December 2017	105.7
Index (previous month) = November 2017	105.6
Index (previous year, same month) = December 2016	100.4
Monthly % change = December & November 2017	0.1
Annual % change (inflation rate) = Year between December 2016 & December 2017	5.3

Consumer Price Index (CPI) December 2017

General Inflation rate: All Groups CPI, December 2017

The rate of inflation for December 2017 is the percentage change in the Consumer Price Index (CPI) over the twelve-month period, from December 2016 to December 2017.

The **All Groups CPI** increased 3.4 percent (+5.3 index points) over the twelve months to December 2017 compared to 3.4 percent over the twelve months to November 2017. The monthly change rate for December 2017 was 0.1 percent compared to the -0.2 percent recorded for November 2017.

General Inflation rate: Selected Groups, December 2017

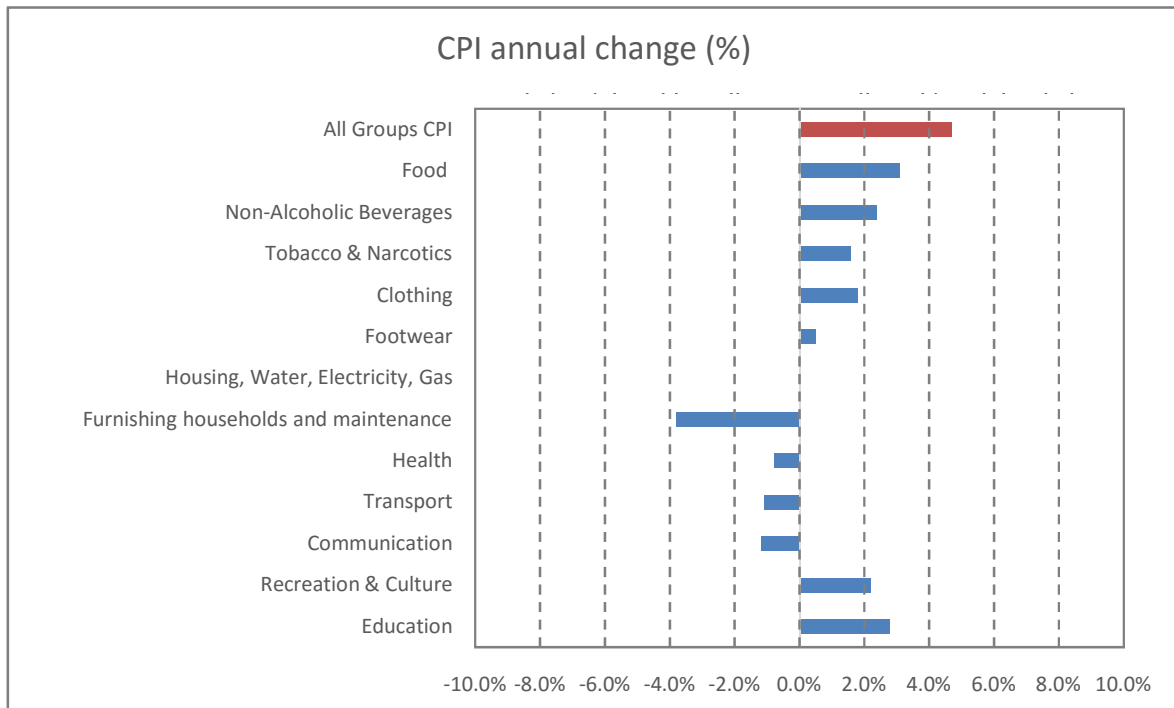
The rate of inflation for **Food and Non-Alcoholic Beverages, Tobacco** and **Housing, Water, Electricity, Gas** are the most significant items in the consumer basket in terms of expenditure and have the largest weighted influence on the **All Groups CPI**.

Food experienced a monthly decrease of 0.1 percent. This was due to observed drop in the cost of several food items which was mainly attributed to favourable weather conditions. As a result, the year on year inflation increased to 11.4 percent in December 2017. This is compared to the year on year inflation of 7.8 percent experienced in November 2017.

Housing, Water, Electricity, Gas experienced a monthly increase of 0.3 percent. Despite this monthly increase the year on year inflation went up to 9.6 percent in December 2017. This is compared to the year on year inflation of 3.1 percent experienced in November 2017. The higher cost of electricity was attributed to increase in the foreign exchange adjustment charges despite the fuel cost and other charges, remaining constant.

A. Major contributions of the different groups to the annual percentage change in the CPI

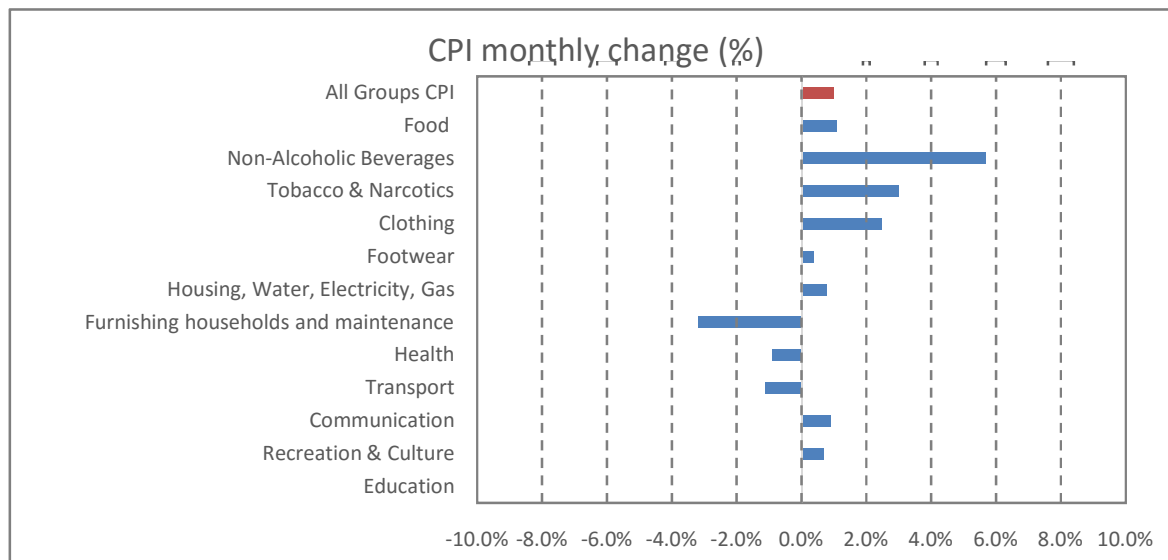
Chart 1: CPI indices, Annual inflation rate by all groups; December 2017 (Dec 2016 = 100)



- **Tobacco & Narcotics** increased to 19.1 percent for the year ending December 2017 compared to 18.8 percent recorded for the year ended November 2017.
- **Food** increased by 11.4 percent between December 2016 and December 2017 prices. The increase was mainly the result of higher prices of fruits and vegetables. The increase was due to a rise in Annual Food Inflation to 11.4 percent for the year ending December 2017 compared to 7.8 percent recorded during the year ended November 2017.
- **Transport** recorded an annual increase of -2.3 percent compared to an annual decrease of -9.4 percent in November. Most of upwards contribution came from prices on new and second hand cars than a year ago and was mainly due to price buying some motor vehicles rose.. Price decreases were also observed in pump prices of petrol and diesel.
- **Clothing and Footwear** showed an annual inflation rate of -1.0 percent and 1.7 percent respectively in December compared to 18.8 percent and -2.6 percent registered in November. The decrease was mainly attributed to **Clothing** which registered at -1.0 percent. In addition, clothing Inflation declined to -1.0 percent for the year ending December 2017 compared to 18.8 percent recorded during the year ended November 2017.

B. Major contributions of the different groups to the monthly percentage change in the CPI

Chart 2: CPI; Monthly inflation rate by all groups; December 2017 (Dec 2016 = 100)



- **Transport** registered an increase of 0.0 percent for the month of December 2017 from the -0.3 percent rise recorded during the month of November 2017. Most of the downwards contribution came from prices on new and second-hand cars.
- **Education** recorded a 0.0 percent decrease during the month of December 2017 from the 0.1 percent increase recorded for the month ended November 2017. This was mainly due to secondary education that registered a 0.6 percent rise for the month of November 2017 from the flat movement recorded for the month ended December 2017.
- **Health** The Monthly Inflation for Health registered a 0.0 percent increase during the month of December 2017 from the stable inflation registered for the month November 2017.
- **Tobacco & Narcotics** registered an increase of 0.0 percent during the month of December 2017 from the stable inflation registered for the month November 2017. The increase was impacted by normal volatility in prices for khat.
- **Recreation & Culture** decreased by 0.0 percent during the month of December 2017 following an increase of 0.1 percent recorded for the month of November 2017. The decrease was mainly attributed to Audio-visual, photographic & information processing equipment (0.08%) and books & stationery (0.12%).

Table 2: Changes in the Price Indices for December 2017 by main COICOP groups (Dec 2016=100)

COICOP Classification Group	CPI Weight	Dec-2016 Index	Nov-2017 Index	Dec-2017 Index	% change on previous month and current month	% change on same month of previous year (yr on yr)
All Groups CPI	100.00	100.4	105.6	105.7	0.1	5.3
Food	40.25	102.1	113.7	113.8	0.1	11.4
Non-Alcoholic Beverages		100.8	99.0	98.5	-0.5	-2.4
Tobacco & Narcotics	1.80	102.1	121.6	121.6	0.0	19.1
Clothing	8.00	100.7	99.7	99.6	0.0	-1.0
Footwear		100.7	98.9	98.9	0.0	-1.7
Housing, Water, Electricity, Gas	21.20	98.6	107.6	108.0	0.3	9.6
Furnishing households and maintenance	5.00	117.2	103.1	103.0	-0.1	-12.1
Health	5.00	62.7	66.2	66.2	0.0	5.6
Transport	4.50	98.6	96.3	96.3	0.0	-2.3
Communication	3.00	94.3	93.6	93.6	0.0	-0.8
Recreation & Culture	1.25	106.0	110.9	110.9	0.0	4.6
Education	5.00	97.8	100.5	100.4	0.0	2.7
Restaurant & Hotels	2.00	118.0	123.5	125.4	1.5	6.2
Miscellaneous Goods & Services	3.00	125.9	120.8	120.1	-0.6	-4.7