



MINISTRY OF PLANNING AND NATIONAL DEVELOPMENT

Central Statistics Department

Monthly Consumer Price Index

October 2022



Website: somalilandcsd.org or mopnd.gov.somaliland

Methodological Note

The Consumer Price Index (CPI) and the accompanying report are prepared monthly by the Central Statistics Department (CSD) at the Ministry of Planning and National Development (MoPND). January to December 2012 is the price reference period, for which the CPI was set to 100.

The CPI is compiled from approximately 520 product prices collected in Hargeisa, mainly from the city's two biggest open-air markets. Those product prices are weighted according to the representative consumption basket, which is calculated based on consumption data from the Somaliland Household Survey (2013) and auxiliary data sources to overcome data gaps.

The CPI is produced following international standards for price statistics. For instance, the CPI follows the Classification of Individual Consumption by Purpose (COICOP), elementary aggregate indices are calculated using the geometric average method (Jevons index), and higher-level indices are computed as weighted arithmetic averages of their sub-indices (Laspeyres index).

Time series for the CPI and its main components, annual and monthly inflation, as well as detailed information on methodology are available on the CSD website: <https://somalilandcsd.org/>

Consumer Price Index summary for October 2022

In October 2022, the overall CPI decreased by 0.7% over the previous month, and increased 11.0% over the same month in the previous year. Table 1 below summarizes the month-over-month and year-over-year changes in the overall CPI and for the main COICOP groups.

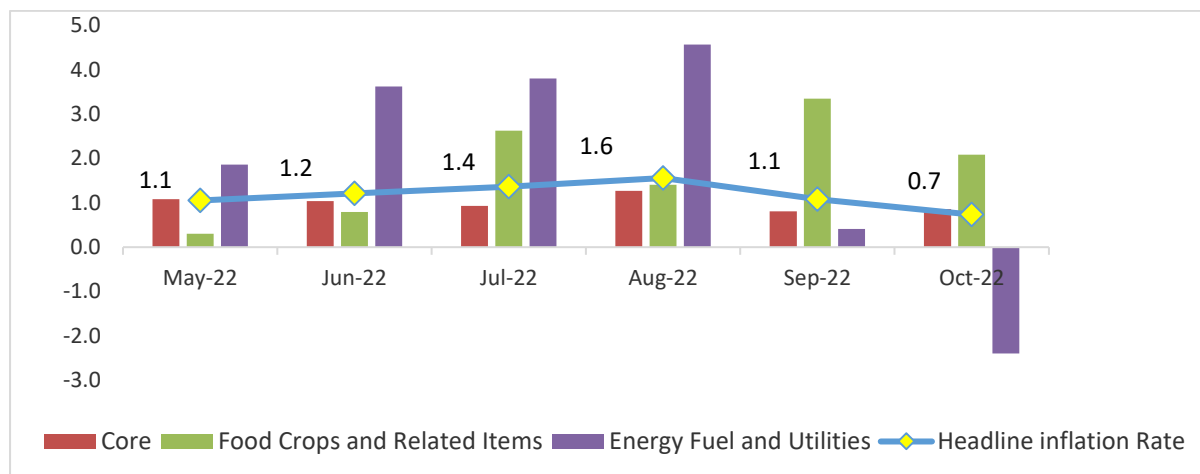
Table 1. Monthly and annual change in overall CPI and main COICOP Divisions for October 2022

Code	Main Divisions/classes	Weights	Oct_21	Sep_22	Oct_22	Month Percent change	Annual Percent change
	HEADLINE INDEX	100%	193.84	213.54	215.11	0.7	11.0
1	Food and non-alcoholic beverages	41.75%	220.42	242.59	245.01	1.0	11.2
1.1	FOOD	38.71	221.48	244.80	247.35	1.0	11.7
01.1.1	Bread and Cereals	10.48	194.13	210.76	216.07	2.5	11.3
01.1.2	Meat	6.05	236.08	263.06	263.06	0.0	11.4
01.1.3	Fish and sea food	0.37	221.96	231.73	238.41	2.9	7.4
01.1.4	Milk, cheese and eggs	4.23	221.63	257.71	253.19	-1.8	14.2
01.1.5	Oil and fats	1.54	165.03	206.05	213.54	3.6	29.4
01.1.6	Fruits	3.26	347.59	373.04	381.50	2.3	9.8
01.1.7	Vegetables	6.28	213.93	225.87	230.24	1.9	7.6
01.1.8	Sugar, Jam, Honey, chocolate and confectionery	2.53	152.34	214.03	218.02	1.9	43.1
01.1.9	Food products n.e.c	3.99	245.63	253.60	249.36	-1.7	1.5
2	Alcoholic Beverages, Tobacco and Narcotics	4.56%	234.33	278.74	280.42	0.6	19.7
3	Clothing and footwear	5.73%	190.37	195.65	198.60	1.5	4.3
4	Housing water, electricity, gas and other fuels	14.10%	181.31	205.64	205.20	-0.2	13.2
5	Furnishings household equipment and routine household maintenance	5.55%	169.52	178.55	181.08	1.4	6.8
6	Health	2.56%	201.58	211.45	214.08	1.2	6.2
7	Transport	8.85%	123.67	144.76	141.38	-2.3	14.3
8	Communication	2.99%	182.82	190.53	190.85	0.2	4.4
9	Recreation and culture	2.25%	166.24	169.36	172.65	1.9	3.9
10	Education	3.69%	147.02	153.23	156.76	2.3	6.6
11	Restaurants and hotels	3.35%	172.81	210.05	211.62	0.7	22.5
12	Miscellaneous goods and services	4.62%	188.84	195.48	199.40	2.7	5.6

Recent trends in the CPI and its main components

Decomposing inflation into the three components presented in Figure 1 allows us to see the effects on prices of the movement by typically most volatile components of the CPI, food crops increased and energy fuel prices increased. It also allows us to calculate “Core Inflation” by subtracting these volatile components, which more accurately reflects the economy-wide change in prices that influenced by aggregate demand and supply evolutions.

Figure 1. Monthly headline inflation and its main components, trailing 6 months



Annual and monthly inflation rates over 6 months

Over the past 6 months, monthly headline inflation has slightly decelerated in the following months, before almost stopping in May at 1.1% and increased in and Jun at 1.2%, the inflation of July increased at 1.4 % while August inflation an increased at 1.6% and September 2022 inflation rate decreased at 1.1% and following October decreased 0.7 %.

The biggest monthly increments were measured for the “Food crop & related items” component, in May, decreased at 0.3% while June increased at 0.8% and also the inflation rate in July increased at 2.6% however the inflation rate in August decreased at 1.4%. Whereas the inflation rate increased at September is 3.4% but in October decreased at 2.1%.

On the other hand, the “Energy, Fuel and Utilities “component monthly were in May by increased 1.9% And inflation rate in June increased at 3.6% were July the inflation rate increased at 3.8 %, and the inflation rate of August increased at 4.6 %. While the inflation rate in September decreased at 0.4% while the inflation rate at October decreased at minus 2.4%.

The “Core Inflation” component, which reflects change in prices of goods in the consumption goods belonging to one of the other two components, was the least volatile of the three in May the inflation rate reached at 1.1%, and the June inflation rate decreased at 1.0%, and July the inflation rate decreased at 0.9%, and also August the inflation rate increased at 1.3%, but in September the inflation rate by reached at 0.8% and the inflation of October is increased at 0.9%. “Core Inflation” as the more volatile components varied less than in previous months.

Table 2. Monthly percentage change in overall CPI and main components

Component	2021			2022									
	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Jul	Aug	Sep	Oct
Headline index	-0.6	0.4	0.4	0.5	0.6	0.7	0.9	1.1	1.2	1.4	1.6	1.1	0.7
Core	-0.8	0.5	0.5	0.3	1.0	0.6	0.9	1.1	1.0	0.9	1.3	0.8	0.9
Food crops & related items	1.6	0.0	-1.2	0.8	-3.6	1.1	0.7	0.3	0.8	2.6	1.4	3.4	2.1
EFU	-2.1	-0.1	2.6	1.0	3.0	0.8	1.9	1.9	3.6	3.8	4.6	0.4	-2.4

Table 3. Annual percentage change in overall CPI and main components

Component	2021			2022									
	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Jul	Aug	Sep	Oct
Headline index	5.2	5.3	6.0	6.1	6.5	6.8	6.9	7.0	7.3	7.7	8.8	9.5	11.0
Core	4.2	4.4	5.2	5.1	5.9	6.6	6.4	6.8	6.9	7.1	8.1	8.4	10.2
Food crops & related items	13.7	13.6	12.3	13.9	9.8	8.2	7.3	6.9	6.2	5.1	4.7	8.1	8.6
EFU	3.7	2.0	4.7	5.5	7.3	6.8	10.5	9.3	13.3	17.6	22.9	23.4	23.1

NB: In October, there were two price-related incidents; one of the periods of global inflation, that caused some commodities to rise and the second was the burning of the main market in Hargeisa (Waheen Market) severely affected the prices of some commodities.

On the other hand, the inflation of October 2022 at aggregate a monthly decline the reason was reviewed the price of some commodities and services, also the price of energy particular (Petrol and Diesel) decreased September and October 2022.

Glossary

Index reference period (Jan-Dec 2012=100): The period with which all other periods are compared (the period for which the value of the CPI is set at 100).

Percentage change: The change in an index or other statistical series from one period to another expressed as a percentage of its value in the first of the two periods.

Annual inflation: Percentage change between the current index number for a particular month and the index number for the same month of the previous year.

Monthly inflation: Percentage change between the current index number for a particular month and the index number for the previous month.

COICOP: The Classification of individual consumption by purpose, abbreviated as COICOP, is a classification developed by the United Nations Statistics Division to classify and analyse individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose.

How to interpret inflation and CPI statistics?

Movements of the indices from one month to another usually are expressed as percentage changes rather than changes in index points. For instance, one index going from 50 in one month to 55 the next month represents a 10% increase in that index, which will be typically reported as a 10% rate of monthly inflation.

Table 4 below illustrates in more detail how to calculate monthly and annual inflation rates from index changes.

Table 4. Example on how to interpret the relations between index changes and inflation

Monthly Inflation		Annual Inflation	
Current month index level	215.11	Current month index level	215.11
Less index for previous month	213.54	Less index for same month of the previous year	193.84
Index point difference	1.6	Index point difference	21.3
Divided by the previous month index	213.54	Divided by the previous year index	193.84
Equals	0.0073522525	Equals	0.109729674
Results multiplied by 100	0.0073522525x100	Results multiplied by 100	0.109729674x100
Equals percent change	0.7%	Equals percent change	11.0%