**MINISTRY OF PLANNING
AND NATIONAL DEVELOPMENT**

**CENTRAL STATISTICS
DEPARTMENT**

MONTHLY CONSUMER PRICE INDEX (CPI)

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Jun 2023

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.

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 Jun 2023**

In Jun 2023, the overall CPI decreased at 0.7% over the previous month, and decreased 9.5% over the same month in the previous year.
Table One below: - summarizes the month-over-month and year-over-year changes in the overall CPI and for the main COICOP groups.
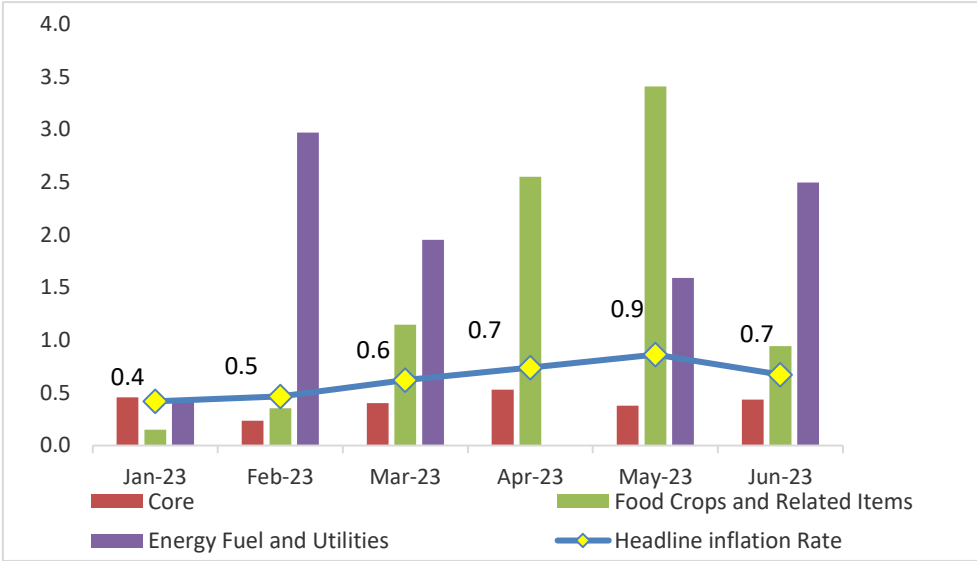
Table 1. Monthly and annual change in overall CPI and main COICOP Divisions for Jun 2023

COICOP	Main Divisions/classes	Weights	Jun_22	May_23	Jun_23	Month Percent change	Annual Percent change
	HEADLINE INDEX	*100%*	**205.19**	**223.11**	**224.61**	**0.7**	**9.5**
1	Food and non-alcoholic beverages	*41.75%*	**229.23**	**255.97**	**257.65**	**0.7**	**12.4**
1.1	FOOD	*38.71*	**230.51**	**259.32**	**261.12**	**0.7**	**13.3**
01.1.1	Bread and Cereals	*10.48*	**200.07**	**218.61**	**220.68**	**0.9**	**10.3**
01.1.2	Meat	*6.05*	**247.58**	**279.23**	**282.70**	**1.2**	**14.2**
01.1.3	Fish and sea food	*0.37*	**218.70**	**232.71**	**228.32**	**-1.9**	**4.4**
01.1.4	Milk, cheese and eggs	*4.23*	**248.09**	**266.98**	**267.41**	**0.2**	**7.8**
01.1.5	Oil and fats	*1.54*	**200.87**	**213.39**	**214.17**	**0.4**	**6.6**
01.1.6	Fruits	*3.26*	**344.12**	**411.41**	**417.05**	**1.4**	**21.2**
01.1.7	Vegetables	*6.28*	**211.40**	**251.40**	**252.86**	**0.6**	**19.6**
01.1.8	Sugar, Jam, Honey, chocolate and confessionary	*2.53*	**178.32**	**237.61**	**237.61**	**0.0**	**33.3**
01.1.9	Food products n.e.c	*3.99*	**249.01**	**250.15**	**249.74**	**-0.2**	**0.3**
2	Beverages, Tobacco and Narcotics (khat)	*4.56%*	**273.70**	**294.76**	**295.16**	**0.1**	**7.8**
3	Clothing and footwear	*5.73%*	**191.94**	**204.27**	**209.06**	**2.3**	**8.9**
4	Housing water, electricity, gas and other fuels	*14.10%*	**195.22**	**213.04**	**216.19**	**1.5**	**10.7**
5	Furnishings household equipment and routine household maintenance	*5.55%*	**171.83**	**186.08**	**186.98**	**0.5**	**8.8**
6	Health	*2.56%*	**208.99**	**214.07**	**214.18**	**0.1**	**2.5**
7	Transport	*8.85%*	**143.84**	**146.23**	**145.02**	**-0.8**	**0.8**
8	Communication	*2.99%*	**190.56**	**190.12**	**190.61**	**0.3**	**0.0**
9	Recreation and culture	*2.25%*	**168.07**	**174.87**	**177.87**	**1.7**	**5.8**
10	Education	*3.69%*	**149.60**	**160.40**	**160.53**	**0.1**	**7.3**
11	Restaurants and hotels	*3.35%*	**209.44**	**214.85**	**215.12**	**0.2**	**2.7**
12	Miscellaneous goods and services	*4.62%*	**191.48**	**207.36**	**207.81**	**-0.2**	**8.5**

- ## Recent trends in the CPI and its main components
  Decomposing inflation into the three components presented in Figure one 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 and Utilities 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 Six months

- ## 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 January the Inflation rate was constant at 0.4% while February 2023 inflation rate increased at 0.5% and March the inflation rate Increased at 0.6% similarly increased at 0.7% in April Increased, also at May 0.9% where the following Jun decreased at **0.7%**

The biggest monthly increments were measured for the "Food Crop & Related items" component, in January decreased at 0.2% whereas the inflation rate at February 2023 increased 0.4% And the inflation rate at March increased at 1.1% and the inflation rate of April increased 2.5% also May increased at 3.4% and inflation at Jun decreased 0.9%

On the other hand, the "Energy, Fuel and Utilities "component monthly were in January increased at 0.5%

Were February 2023 the inflation rate increased at 3.0% While the March the inflation rate decreased at 2.0%, And the inflation rate of April decreased at 2.0% and May inflation rate decreased at 1.6% while in Jun Increased at 2.5%

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 January Inflation rate reached at 0.5%, and the inflation rate February 2023 is decreased at 0.2%, while the inflation rate of March increased at 0.4% and the inflation rate of April increased at 0.5% and also May inflation rate is slightly decreased at 0.4% similarly the inflation rate of Jun were constant at 0.4% "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		2022										2023	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Headline index	1.2	1.4	1.6	1.1	0.7	0.3	0.3	0.4	0.5	0.6	0.7	0.9	0.7
Core	1.0	0.9	1.3	0.8	0.9	0.3	0.5	0.5	0.2	0.4	0.5	0.4	0.4
Food crops & related items	0.8	2.6	1.4	3.4	2.1	0.5	0.2	0.2	0.4	1.1	2.5	3.4	0.9
EFU	3.6	3.8	4.6	0.4	-2.4	-0.2	-1.8	0.5	3.0	2.0	0.0	1.6	2.5

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

Component		2022										2023	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Headline index	7.3	7.7	8.8	9.5	11.0	10.8	10.7	10.7	10.5	10.4	10.2	10.0	9.5
Core	6.9	7.1	8.1	8.4	10.2	10.0	10.1	10.2	9.3	9.1	8.7	8.0	7.3
Food crops & related items	6.2	5.1	4.7	8.1	8.6	9.1	10.7	9.9	14.4	14.4	16.6	20.2	20.3
EFU	13.3	17.6	22.9	23.4	23.1	22.8	17.6	16.9	16.9	18.2	16.0	15.7	14.4

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

Monthly Inflation		Annual Inflation	
Current month index level	224.61	Current month index level	224.61
Less index for previous month	223.11	Less index for same month of the previous year	205.19
Index point difference	1.5	Index point difference	19.42
Divided by the previous month index	223.11	Divided by the previous year index	205.19
Equals	0.0067231	Equals	0.094644
Results multiplied by 100	0.0067231x100	Results multiplied by 100	0.094644x100
Equals percent change	0.7%	Equals percent change	9.5%

NB: In Jun 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. Were some food commodities being decreased such as Tomatoes – Imported and Tomatoes –local were more for supply increments and the previous months Tomatoes was shortage supplies at Hargeisa market. On the other hand, the inflation of Jun 2023 at aggregate a monthly were slightly decreased that reviewed the price of some commodities and divisions such Food and Non-alcoholic beverage, Transportation, Health and Furniture Household equipment's, also the price of energy particular (Petrol and Diesel and Kerosene) since Last four months of the year 2023 was being stable.

Glossary

- Index reference period (Jan-Dec 2012=100): The period with which all other periods at 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 analyses individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose