



MINISTRY OF PLANNING
AND NATIONAL DEVELOPMENT



CENTRAL STATISTICS
DEPARTMENT



MONTHLY CONSUMER PRICE INDEX (CPI)

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October 2023



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• 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.

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 2023

In October 2023, the overall CPI Increased at 1.0% over the previous month, and Increased 7.6% 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.

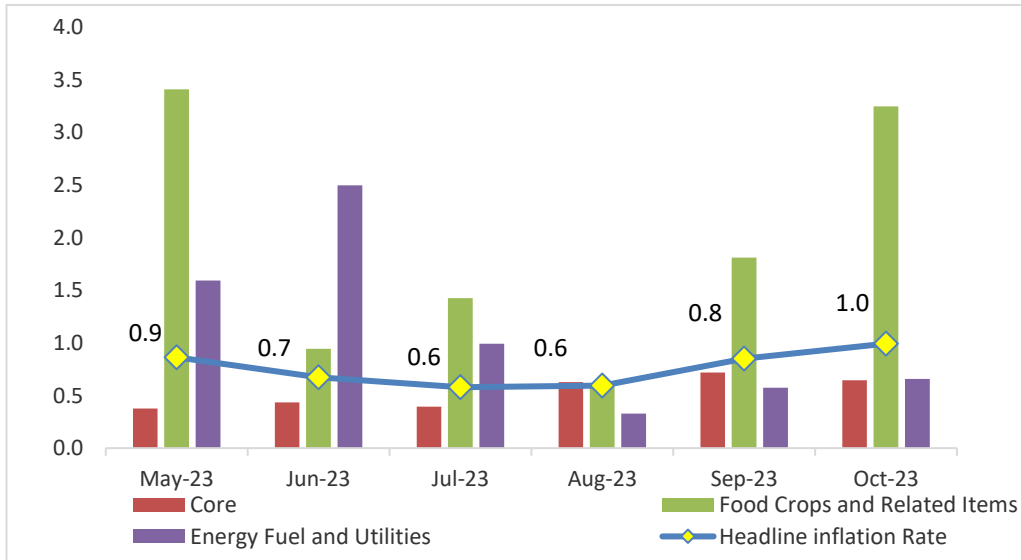
Table 1. Monthly and annual change in overall CPI and main COICOP Divisions for October 2023

Code	Main Divisions/classes	Weights	Oct_22	Sep_23	Oct_23	Month Percent change	Annual Percent change
	HEADLINE INDEX	100%	215.11	229.19	231.46	1.0	7.6
1	Food and non-alcoholic beverages	41.75%	245.01	264.60	268.44	1.5	9.6
1.1	FOOD	38.71	247.35	268.63	272.77	1.5	10.3
01.1.1	Bread and Cereals	10.48	216.07	223.54	223.84	0.1	3.6
01.1.2	Meat	6.05	263.06	302.54	308.35	1.9	17.2
01.1.3	Fish and sea food	0.37	238.41	235.01	237.90	1.2	-0.2
01.1.4	Milk, cheese and eggs	4.23	253.19	268.13	272.70	1.7	7.7
01.1.5	Oil and fats	1.54	213.54	221.38	221.89	0.2	3.9
01.1.6	Fruits	3.26	381.50	432.66	435.03	0.5	14.0
01.1.7	Vegetables	6.28	230.24	262.86	277.44	5.5	20.5
01.1.8	Sugar,Jam,Honey,chocolate and confe.	2.53	214.03	239.74	239.74	0.0	12.0
01.1.9	Food products n.e.c	3.99	253.60	250.97	251.42	0.2	-0.9
2	Alcoholic Beverages, Tobacco and Narcotics	4.56%	280.42	297.64	298.17	0.2	6.3
3	Clothing and footwear	5.73%	198.60	217.77	219.01	0.6	10.3
4	Housing water, electricity, gas and other fuels	14.10%	205.20	221.01	221.66	0.3	8.0
5	Furnishings household equipment and routine household maintenance	5.55%	181.08	187.45	187.45	0.0	3.5
6	Health	2.56%	214.08	216.48	216.54	0.0	1.1
7	Transport	8.85%	141.38	145.08	146.76	1.2	3.8
8	Communication	2.99%	190.85	192.45	192.45	0.0	0.8
9	Recreation and culture	2.25%	172.65	180.82	181.84	0.6	5.3
10	Education	3.69%	156.76	159.19	159.19	0.0	1.6
11	Restaurants and hotels	3.35%	211.62	216.60	217.73	0.5	2.9
12	Miscellaneous goods and services	4.62%	199.40	211.36	217.27	2.8	9.0

- **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 May the Inflation rate increased at 0.9% while June 2023 inflation rate Decreased at 0.7% and July the inflation rate decreased at 0.6% while in August the Inflation rate is constant at 0.6%, while in September the inflation rate Increased at 0.8% where the following October increased at **1.0%**

The biggest monthly increments were measured for the “Food Crop & Related items” component, in May increased at 3.4% whereas the inflation rate in June 2023 Decreased 0.9%

And the inflation rate at July Increased at 1.4% and the inflation rate of August Decreased 0.6% in September the Inflation rate Increased at 1.8% while inflation at October increased at 3.2%

On the other hand, the “Energy, Fuel and Utilities” component monthly were in May the inflation rate increased at 1.6%

Were June 2023 the inflation rate increased at 2.5% while the July inflation rate Decreased at 1.0%, and the inflation rate of August decreased at 0.3% and September inflation rate Increased at 0.6% while in October increased at 0.7%

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 Inflation rate Decreased at 0.4%, and the inflation rate in June 2023 the inflation rate is constant at 0.4%, also the inflation rate of July is constant at 0.4% and the inflation rate of August Increased at 0.6% and also September the inflation rate increased at 0.7% were t in October inflation rate Decreased at 0.6% “Core Inflation” as the more volatile components varied less than in previous months.

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

2022												2023	
Component	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Headline index	0.7	0.3	0.3	0.4	0.5	0.6	0.7	0.9	0.7	0.6	0.6	0.8	1.0
Core	0.9	0.3	0.5	0.5	0.2	0.4	0.5	0.4	0.4	0.4	0.6	0.7	0.6
Food crops & related items	2.1	0.5	0.2	0.2	0.4	1.1	2.5	3.4	0.9	1.4	0.6	1.8	3.2
EFU	-2.4	-0.2	-1.8	0.5	3.0	2.0	0.0	1.6	2.5	1.0	0.3	0.6	0.7

2022												2023	
Component	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Headline index	11.0	10.8	10.7	10.7	10.5	10.4	10.2	10.0	9.5	8.6	7.6	7.3	7.6
Core	10.2	10.0	10.1	10.2	9.3	9.1	8.7	8.0	7.3	6.8	6.1	6.0	5.8
Food crops & related items	8.6	9.1	10.7	9.9	14.4	14.4	16.6	20.2	20.3	18.9	18.0	16.2	17.3
EFU	23.1	22.8	17.6	16.9	16.9	18.2	16.0	15.7	14.4	11.3	6.8	7.0	10.3

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

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	231.46	Current month index level	231.46
Less index for previous month	229.19	Less index for same month of the previous year	215.11
Index point difference	2.27	Index point difference	16.35
Divided by the previous month index	229.19	Divided by the previous year index	215.11
Equals	0.0099044461	Equals	0.076007624
Results multiplied by 100	0.0099044461x100	Results multiplied by 100	0.076007624x100
	0		0

NB: In October there were two price-related incidents; The value of local currency Somaliland Shillings were decreased due to increase of exchange rate for the months September and October, that affected prices of some commodities to rise, especially Food crops being highly increased such Onions were shortage supply in the market in October 2023 were the reason of onion's price increment. Food division, and Alcoholic Beverages, Tobacco and Narcotics Transportation, also the price of energy particular Energy, Fuel and Utilities since August to October of the year 2023 was being increasing.

Equals percent change	1.0%	Equals percent change	7.6%
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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 analyses individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose

