

Federal Republic of Somalia
Ministry of Planning, Investment and Economic Development
Directorate of National Statistics



CONSUMER PRICE INDEX

December 2018



Executive Summary

Over the twelve months to the month of December 2018 (the rate of inflation), the All items CPI increased 3.22 percent (index points).

The All items CPI index was 109.62 in the month of December 2018, compared with 111.85 in the month of November 2018.

The monthly change, in December 2018 compared to November 2018, was a decrease of -0.62 percent (index points). This is compared to a monthly increase of 0.21 percent in the previous month of November 2018. The most significant monthly price increases were for the Group **Restaurants & Hotels** (+3.69 percent). This was mainly due to increases in prices for Restaurants, cafés and the like(S). Most of the upwards contribution came from prices of restaurants (+5.80%) (Chart 2).

Table 1: Inflation rate according to CPI; December 2018 (Dec 2014 = 100)

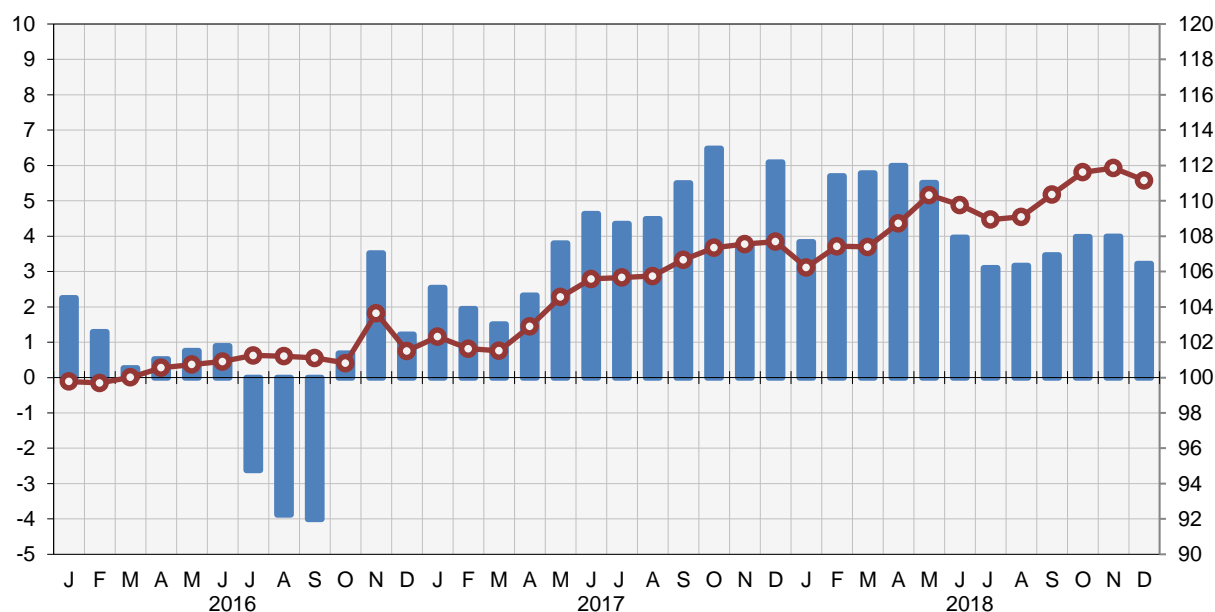
Consumer Price Index, December 2018	
Annual % change (inflation rate)	3.22%
Monthly % change	-0.62%
Index (current month)	109.62
Index (previous month)	111.85
Index (previous year, same month)	107.69

CPI Inflation rate

Percent change over twelve months

CPI Index

December 2014=100



Source: Directorate of National Statistics

A bulletin on the December 2018 CPI and more detailed data in time series format have been posted on the DNS website: <http://www.dns.org.so>. Twitter @DNS_MoPIED

Consumer Price Index (CPI) December 2018

Overall inflation rate: All items CPI, December 2018

The rate of inflation for December 2018 is the percentage change in the Consumer Price Index (CPI) over the twelve-month period, from December 2017 to December 2018.

The **All items CPI** decreased 3.22 percent over the twelve months to December 2018 compared to 3.99 percent over the twelve months to November 2018.

The **All items CPI** monthly change for December 2018 was a decrease of -0.62 percent. This is compared to an increase of 0.21 percent recorded for November 2018.

Inflation rates: Selected Groups, December 2018

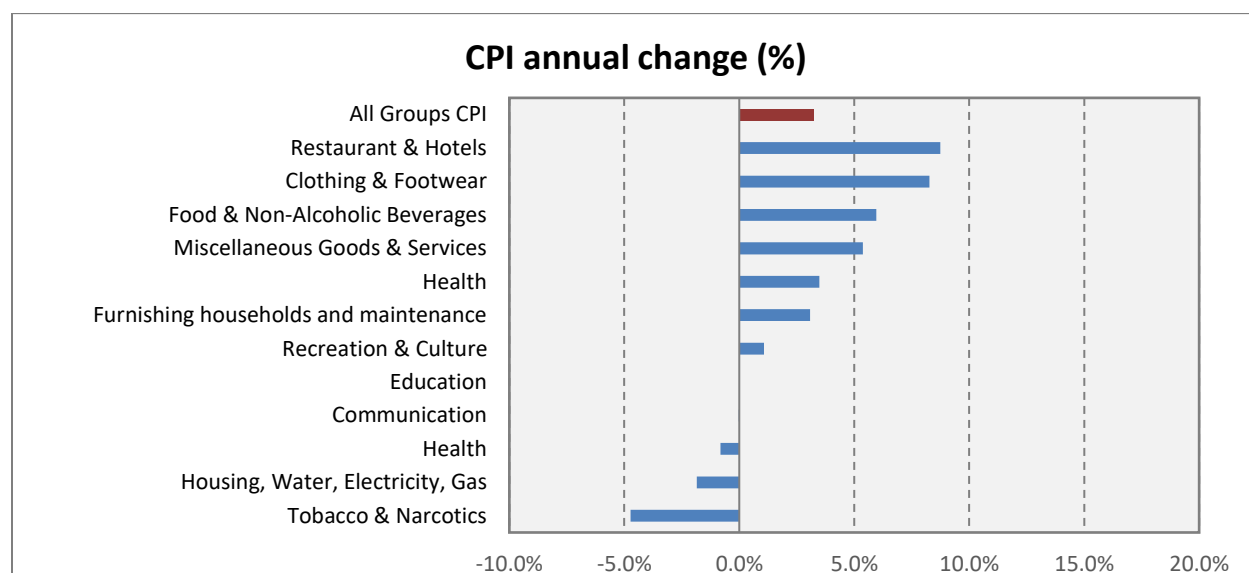
The rate of inflation for the Groups **Food and Non-Alcoholic Beverages** and **Housing, Water, Electricity, Gas** contributed most to the change in the all items inflation rate. These Groups had the largest weighted influence on the **All items CPI inflation rate**.

Food and Non-Alcoholic Beverages index experienced a month on month decrease of 0.05 percentage points. This was due to falls in the cost of some food items for example, Fruits (-4.07%) and Fish (-4.61%) As a result, the year on year inflation rate rose to 5.96 percent in December 2018. This is compared to the year on year inflation of 5.82 percent experienced in the year to November 2018.

Housing, Water, Electricity and Gas index experienced a month on month decrease of -3.35 percentage points. The year on year inflation rate decreased to -1.85 percent in December 2018. This is compared to the year on year inflation rose of 2.28 percent experienced in the year to November 2018.

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 2018 (Dec 2014 = 100)



Major contributions (positive):

- **Restaurants & Hotels** Increased by 8.75 percentage points in December 2018 compared to 7.17 percent recorded for the year November 2018. The increase was mainly the result of prices of Restaurants, cafés and the like(S). Most of the upwards contribution came from prices of restaurants (+14.42%).
- **Clothing and Footwear** recorded an increase of 8.26 percentage points compared to an annual decrease of 7.71 percent in November 2018. Most of the upwards contribution came from prices on garments (+10.13 percent) due to price increases of clothing. Many clothing stores switch stock from down priced during Holidays to newly arrived clothing between November and December.
- **Food & Non-Alcoholic Beverages** increased 5.96 percentage points over the 12-months to December 2018. This is compared of an annual decrease of 5.82 Percent in November 2018. The increase was mainly the result of higher prices of Fruits (+23.80%).
- **Miscellaneous Goods & Services** registered a rise of 5.37 percent in December 2018 from the 4.03 percentage point fall recorded in November 2018. Most of the upwards contribution came from prices on Personal care (+8.47%) Mainly due to the increase in the prices of Electrical appliances for personal care.
- **Transport** showed an annual increase of 3.48 percent for the year December 2018 compared to 3.28 percent recorded for the year November 2018. Most of the upwards contribution came from Transport services (17.71%) and Purchase of Motor cycles (4.21%).

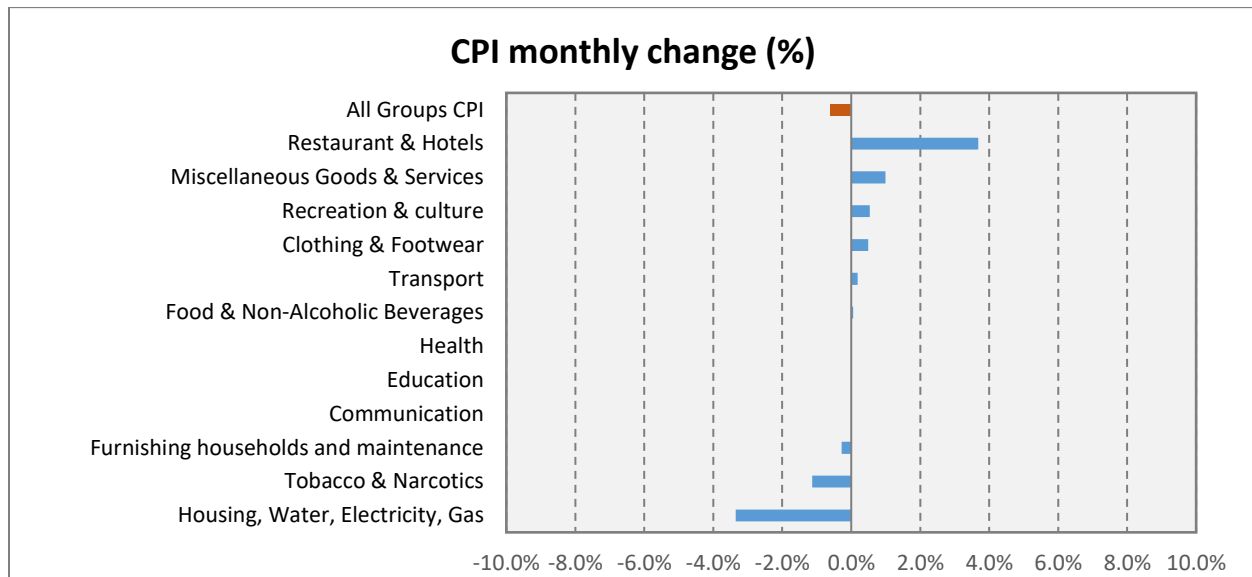
Major contributions (negative):

- **Tobacco & Narcotics** recorded an annual decrease of -4.73 percent in December 2018 compared to an annual decrease of -2.25 percent in November 2018. Most of the downwards contribution came from prices on chewing Miraa/Khat (-10.00%). The decrease was impacted by normal volatility in prices for khat.

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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 2018 (Dec 2014 = 100)



Major contributions (positive):

- **Restaurants & Hotels** Increased by 3.69 percentage points in December 2018 compared to 0.02 percent recorded for the Month of November 2018. The increase was mainly the result of prices of Restaurants, cafés and the like(S). Most of the upwards contribution came from prices of restaurants (+5.80%).

Major contributions (negative):

- In general, no groups showed a significant negative monthly change for the month of December 2018.

Table 2: Changes in the Price Indices for December 2018 by main COICOP groups (Dec 2014=100)

COICOP Classification Group		CPI Weight	December 2017 Index	November 2018 Index	December 2018 Index	% change on previous month and current month	% change on same month of previous year (yr on yr)
	All Groups CPI	100.00	107.69	111.85	109.62	-0.62%	3.22%
01	Food & Non-Alcoholic Beverages	46.04	110.32	116.83	113.62	0.05%	5.96%
02	Tobacco & Narcotics	1.25	130.57	125.81	127.68	-1.13%	-4.73%
03	Clothing & Footwear	5.03	100.57	108.35	108.85	0.49%	8.26%
04	Housing, Water, Electricity & Gas	23.41	107.61	109.28	105.69	-3.35%	-1.85%
05	Furnishing, Households and Maintenance	2.93	101.17	104.58	104.30	-0.28%	3.08%
06	Health	5.00	103.62	102.77	102.55	0.00%	-0.81%
07	Transport	3.77	102.02	105.38	105.64	0.18%	3.48%
08	Communication	2.80	94.38	94.37	94.37	0.00%	-0.02%
09	Recreation & Culture	1.00	101.41	101.95	102.55	0.54%	1.08%
10	Education	4.00	100.43	100.45	100.45	0.00%	0.02%
11	Restaurant & Hotels	2.00	126.56	132.74	132.96	3.69%	8.75%
12	Miscellaneous Goods & Services	2.77	101.96	106.38	107.68	1.00%	5.37%

Note:

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.

The CPI weights (relative shares of average household spending) are based on Somali High Frequency Survey (Wave 1) conducted 2016.

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