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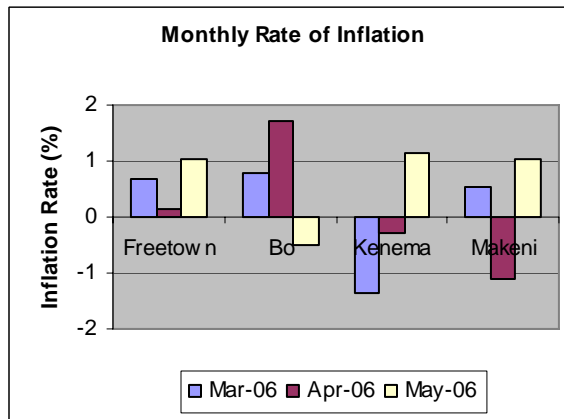
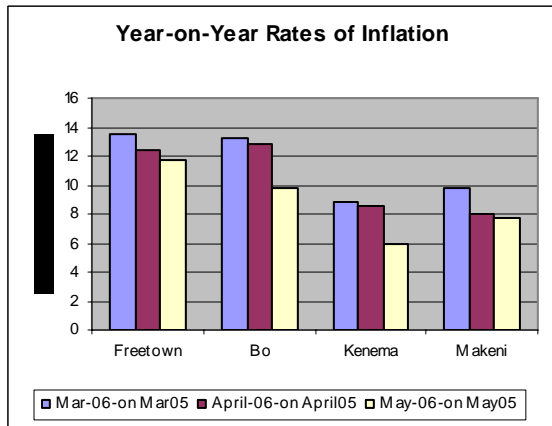
**CONSUMER PRICE INDEX (CPI) MAY 2006: PRESS RELEASE
THE RATE OF INFLATION SHOWED MIXED TRENDS**

The Consumer Price Index increased in Freetown (1.02 per cent), Kenema (1.16 per cent) and Makeni (1.05 per cent) but decreased in Bo (0.51 per cent) during the month of May 2006 when compared with the respective indices in April 2006. The analysis shows that while the year-on-year rate of inflation continued to be in the double digit in Freetown, single digits annual rates of inflation were recorded in Bo, Kenema and Makeni

There was a decrease in the annual rate of inflation in all centres during the month of May 2006: The decrease in Freetown was from 12.48 per cent in April 2006 to 11.75 per cent in May 2006, in Bo from 12.87 per cent to 9.80 per cent, in Kenema from 8.61 per cent to 5.87 per cent and in Makeni from 7.94 per cent to 7.74 per cent during the same period.

Figure 1a

Figure 1b



FACTORS INFLUENCING CHANGES IN THE MONTHLY RATE OF INFLATION

The cost of petrol, diesel and kerosene increased in all centres during the month of May 2006, which resulted in the increase in the cost of transport and essential commodities. The price of petrol increased in Freetown by 7.4% from Le11, 250 to Le12, 150 per gallon, diesel from: Le11, 250 to Le12, 150 and kerosene by 2.4% from Le10, 000 to Le10, 250 during this month. In Freetown, there were also increases in the prices of all main expenditure items namely Food by 0.38 per cent, beverages and tobacco by 0.59 per cent and Non-food products by 1.90 per cent. In Bo, the decrease in the prices of vegetables and fruits contributed largely to the decrease in the food index by 2.31 per cent, which outweighed the increase in the non-food items by 1.86 per cent.

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The all-items consumer price index (CPI) is the main measure of what is commonly called inflation. It measures the change in prices, on average, from month to month, of the goods and services bought by most households, in Freetown, Bo, Kenema and Makeni including all expenditure groups and both families and single persons. Prices are collected for 251 items. All prices collected are the prevailing retail market prices from six (6) markets in the Greater Freetown area, three (3) Markets in Bo Town, three (3) markets in Kenema Town and two (2) markets in Makeni Town for weekly prices and other outlets for monthly items whose prices are less likely to fluctuate rapidly.

For More Detailed Information: Subscribe to the Detailed CPI Report. Please Contact: The Statistician General, Statistics Sierra Leone P. O. Box 595, Tower Hill, Freetown, SIERRA LEONE Telephone: (232) 22- 223287 Call: (232) 76 – 609989 Facsimile: (232) 22- 223897 E-Mail: statistics@sierratel.sl/statistics@statistics.sl

More information can also be obtained from our website: www.statistics.sl