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CONSUMER PRICE INDEX (CPI) JUNE 2006: PRESS RELEASE

The rate of inflation increases slightly

In June 2006, the monthly rate of inflation as measured by the change in the consumer price index increased slightly in all centers; Freetown (0.92 per cent), Bo (0.36 per cent) Kenema (1.94 per cent) and Makeni (1.35 per cent). However, single digit year-on-year rates of inflation were recorded in all centers, which was a reversal of the upward trend in the annual rate of inflation in Freetown in the previous months and a reinforcement of the downward trend in the annual rate of inflation in Bo, Kenema and Makeni in the last few months.

The year-on-year rate of inflation decreased in Freetown from 11.8 per cent in May 2006 to 9.2 per cent in June 2006, in Bo from 9.8 percent to 8.0 percent, in Kenema from 5.9 percent to 5.69 per cent but increased slightly in Makeni from 8.0 per cent to 8.03 per cent.

Figure 1a

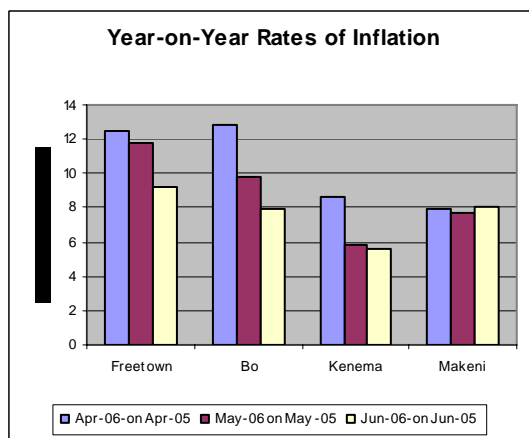
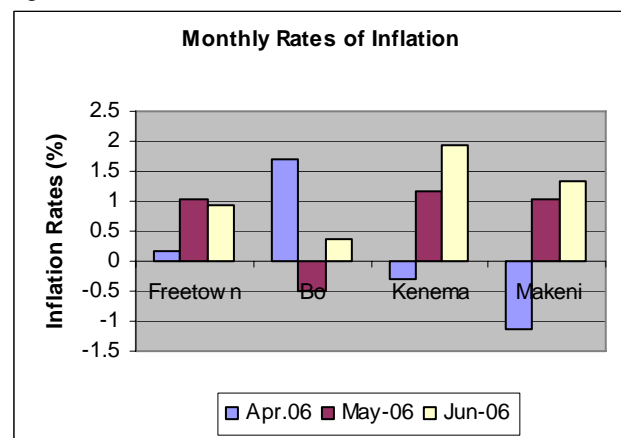


Figure 1b



FACTORS INFLUENCING CHANGES IN THE MONTHLY RATE OF INFLATION

The slight increases in the CPI in all townships in the month of June was due to the increase in the price of food in all centers especially rice and cooking oil. In Freetown, price increases were also recorded for the following food products; fish, vegetables and fruits, coffee, tea and cocoa, milk and milk products, and food taken outside. In Bo, there was an increase in the indexes for all main expenditure groups; Beverags and Tobacco(2.1 per cent), Food (0.2 per cent) and Non-Food products (0.4 per cent). The increase in the rate of inflation in Makeni was caused by increases in the cost of Food (1.7 per cent) and Non-Food products (1.3 per cent), which outweighed the decline in the cost of Beverages and tobacco (14.1 per cent). The increase in the all items index in Kenema was caused by increases in the cost of food which offset the decreases in the costs of Beverages and Tobacco (0.6 per cent) and Non-Food products (0.3 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 or statistics@statistics.sl

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