



## CONSUMER PRICE INDEX (CPI) AUGUST 2007: PRESS RELEASE

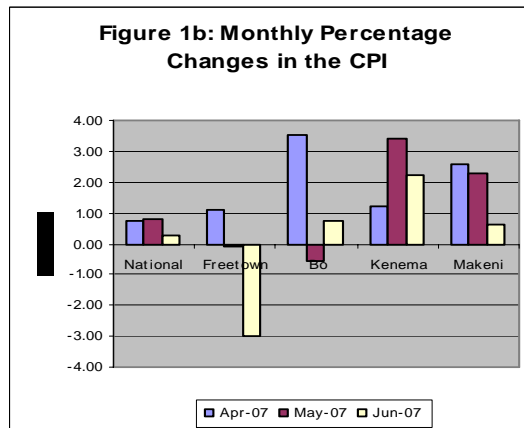
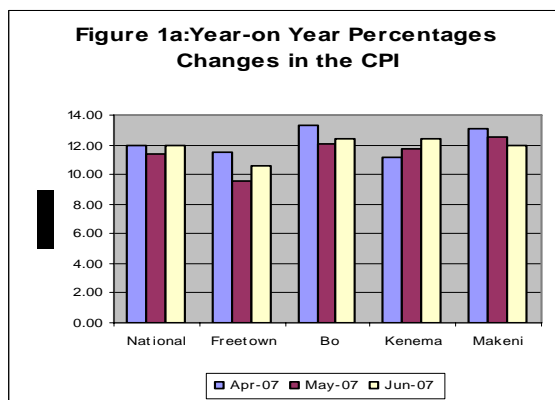
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### THE INTERIM NATIONAL RATE OF INFLATION INCREASES SLIGHTLY

The composite annual rate of inflation increased by 0.97 percentage point from 11.60 percent in July 2007 to 12.57 percent in August 2007. The Composite monthly rate of inflation for August 2007 was 2.26 percent when the CPI for August 2007 is compared with that for July. The August 2007 monthly inflation rate was therefore up to 1.68 percentage point when compared with the July 2007 inflation figure which was 0.58 percent.

During the month of August 2007, inflation rates increased in all centres. Figures 1a and 1b below illustrate the movement in the year-on-year rates of inflation and monthly rates of inflation respectively for Composite CPI and other CPI centres while Table 1 below shows Composite CPI for the months of May 2007 to June 2007 and the 12 month change in the CPI for main index groups.

Moreover, in the old CPI series (1992=100), the year-on-year rate of inflation (i.e. comparing the rate of inflation in the current month with the rate of inflation in the same month last year) increased in Freetown from 9.13 percent in July 2007 to 12.13 percent in August 2007, in Bo from 12.23 percent to 13.74 percent, in Kenema from 10.75 percent to 11.08 percent and in Makeni from 11.84 percent to 12.97 percent during the same month.



### FACTORS INFLUENCING CHANGES IN THE MONTHLY RATE OF INFLATION

The overall composite monthly CPI (2003=100) for August 2007 increased from 160.29 in July 2007 to 163.91 in August 2007 as a result of the increases in the indices for Food products like oils and fats (16.38 percent), milk, cheese and eggs (4.31 percent), fish and seafood (13.14 percent), meat (0.98 percent) and bread (6.66 percent). As a result of this, the Food index increased by 3.85 percent. Moreover, the indices for Clothing increased by 0.50 percent, Footwear by 5.61 percent, Maintenance and repair of the dwelling by 6.19 percent, Electricity, gas and other fuels by 0.14 percent, Furniture and furnishings, carpets and other floor coverings by 2.24 percent and Newspapers, books and stationery by 2.82 percent. There was a shortfall in the supply of food products in the markets in all centres during the month of August 2007 which may be due mainly to the observed lull in business activity which preceded the August 11, 2007 General Elections coupled with the seasonal decline in the production of some of these food products.

The decreases recorded in the cost of Household textiles (1.15 percent), Household appliances (0.86 percent), Operation of personal transport equipment (0.04 percent), Transport services (0.15 percent), Catering services (3.38 percent), Non-alcoholic beverages (0.27 percent), Other recreational items and equipment (1.90 percent) were not sufficient to offset the increase in the composite CPI, during the month of August 2007.

More information can also be obtained from our website: [www.statistics.sl](http://www.statistics.sl)

**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: [info@statistics.sl/statistics@statistics.sl](mailto:info@statistics.sl/statistics@statistics.sl)

Composite CPI and Year-on-Year Rates of Inflation by Main COICOP Groups (2003=100)									
		August-06	May-07	June-07	July-07	August-07			
COICOP	WEIGHT	Month Previous Year	Month M-3 for Current Year	Month M-2 for Current Year	Month M-1 for Current Year	Month M for Current Year	Monthly Change	3 Months Change	12 months Change
o	a	b	c	d	e	f	g	h	i
food & non-alcoholic bev.	50.81	141.70	156.10	157.40	158.36	164.32	3.76	5.27	15.96
alcoholic bev. tob. & narcotics	2.50	116.14	122.36	120.72	121.62	129.44	6.43	5.79	11.45
clothing and footwear	8.11	115.84	116.13	118.34	121.09	123.61	2.09	6.45	6.71
housing, water, electricity, gas & other fuels	9.63	167.61	177.61	175.46	174.55	174.75	0.12	-1.61	4.26
furnishing, h/hold equipt & h/hold maint.	4.01	132.27	145.53	146.01	147.96	150.33	1.61	3.30	13.66
health	3.55	355.68	425.87	425.40	429.59	433.30	0.86	1.74	21.82
transport	6.40	138.64	142.00	142.90	144.82	144.64	-0.12	1.86	4.33
communication	0.72	119.18	134.41	134.41	134.41	134.41	0.00	0.00	12.78
recreation and culture	5.24	129.20	138.25	139.80	139.43	141.35	1.37	2.24	9.40
education	1.62	105.28	106.38	106.38	107.23	107.96	0.68	1.48	2.54
restaurant and hotels	4.26	116.86	143.72	137.32	135.28	130.71	-3.38	-9.06	11.85
miscellaneous g&s	3.18	128.90	125.06	124.40	125.31	126.78	1.18	1.38	-1.64
all items	100.00	145.60	158.92	159.36	160.29	163.91	2.26	3.14	12.57
Column Description									
Column O : COICOP 12 Functions									
Column A : CPI Weighting									
Column B : CPI Of The Given Month (M) For Previous Year									
Column C : CPI Of The Given Month (M -3) For Current Year									
Column D : CPI Of The Given Month (M -2) For Current Year									
Column E : CPI Of The Given Month (M -1) For Current Year									
Column G : CPI Monthly Change In % $((F-E) \times 100 / E)$									
Column H : CPI 3 Months Change In % $((F-C) \times 100 / C)$									
Column I: CPI 12 Months Change In % $((F-B) \times 100 / B)$ .									

The Interim National CPI 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. The National Index was computed by aggregating the CPI for the four index towns previously published separately with different base periods. The old CPI series for Bo, Kenema, Makeni and Freetown were rebased to base year 2003. Computation methodology was changed from the Modified to the Traditional Laspeyres, and transformed into the Classification of Individual Consumption by Purpose (COICOP) with 12 functions. The separate center CPIs were aggregated at the sub-class level at which level new weights were also introduced to obtain the Interim National Index.