



CONSUMER PRICE INDEX (CPI) DECEMBER 2006: PRESS RELEASE

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THE MONTHLY RATE OF INFLATION INCREASES GENERALLY

In December 2006, the monthly rate of inflation increased slightly in Freetown (0.99 per cent), noticeably in Bo (1.02 per cent), slightly in Kenema (0.12 per cent) and Makeni (0.80 per cent) when compared with the respective indices in November 2006. 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 6.73 per cent in November 2006 to 8.26 per cent in December 2006, in Bo from 4.97 per cent to 6.44 per cent and in Makeni from 6.00 per cent to 7.26 per cent but decreased in Kenema from 4.39 per cent to 3.59 per cent during the same period.

The corresponding year-on-year rate of inflation in December 2005 for Freetown was 13.10 per cent, Bo 9.67 per cent, Kenema 13.27 per cent and Makeni 8.44 per cent.

Figure 1a

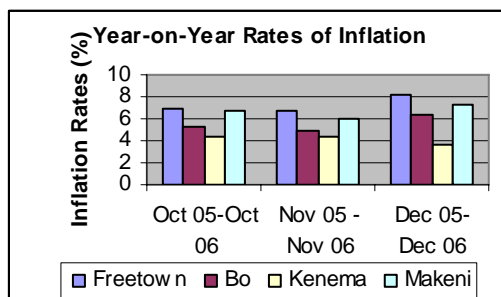
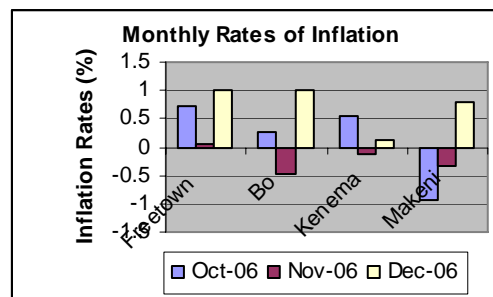


Figure 1b



FACTORS INFLUENCING CHANGES IN THE MONTHLY RATE OF INFLATION

The increases in the Consumer Price Index (CPI) for Freetown, Bo, Kenema and Makeni in December were due to increases in the prices of Non-Food products especially Education and Stationery, Medicine and Medicare, Personal Transport and Fuel and Power. In Freetown there was an increase in the prices of Non-Food products (2.54 per cent) and Beverages and Tobacco (7.57 per cent) which outweighed the decreases in the prices of Food products (0.44 per cent). In Bo and Kenema there were increases in the prices of all main expenditure items namely Food, Beverages and Tobacco and Non Food products, which consequently led to the general increase in the monthly rate of inflation. In Makeni, the increases in the prices of Kola nuts by 15.62 per cent and other Tobacco products by 16.80 per cent contributed largely to the increase in the Beverages and Tobacco index (9.75 per cent) and the over all effect was an increase in the monthly rate of inflation.

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@statistics.sl / info@statistics.sl

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