



CONSUMER PRICE INDEX (CPI) OCTOBER 2006: PRESS RELEASE
Released on Thursday November 9th, 2006: at 1:00 pm

The monthly rate of inflation increases slightly

The inflation rate for October 2006, as measured on a month –to-month basis increased slightly in Freetown (0.73 per cent), Bo (0.27 per cent) and Kenema (0.53 per cent) but decreased in Makeni (0.95 per cent) when compared with the respective indices in September 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 6.63 per cent in September 2006 to 6.91 per cent in October 2006, in Kenema from 3.48 per cent to 4.37 per cent and in Makeni from 3.62 per cent to 6.77 per cent during the same period. However, the year-on-year rate of inflation in Bo decreased from 6.68 per cent in September 2006 to 5.27 per cent in October 2006. The corresponding year – on – year rate of inflation in October 2005 for Freetown was 14.45 per cent, Bo 8.90 per cent, Kenema 11.16 per cent, and Makeni 8.12 per cent.

Figure 1a

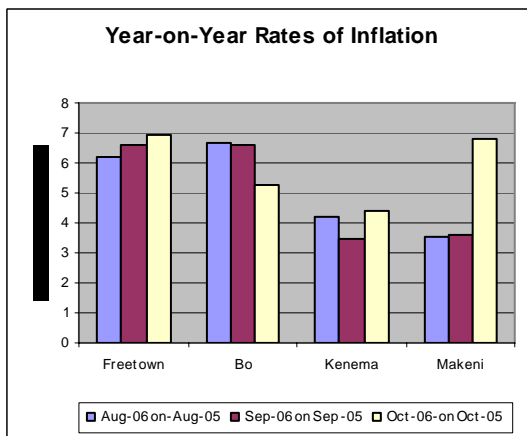
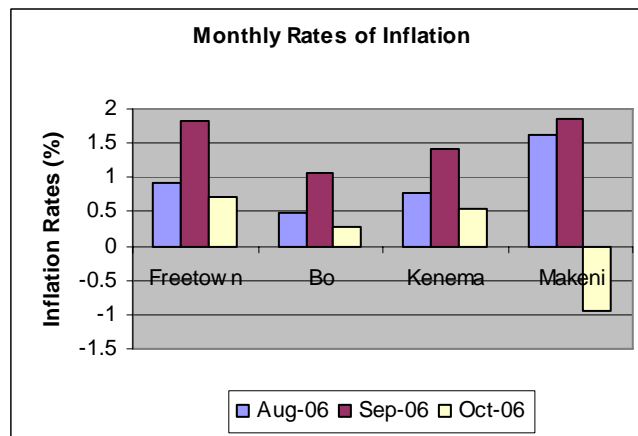


Figure 1b



FACTORS INFLUENCING CHANGES IN THE MONTHLY RATE OF INFLATION

Slight monthly increases were recorded in Freetown, Bo and Kenema during the month of October 2006 due to increases in the prices of Non-Food products, especially fuel and power, clothing and footwear, expendable goods and services and the cost of educational materials. The increase in the fuel and power index was influenced by increases in the prices of charcoal and fire wood which outweighed the minimal decreases in the prices of petrol, diesel and kerosene in all centres. There were also increases in the prices of food products such as rice, garri, palm oil, bananas, eggs, condensed milk and bread. The increase in the price of locally produced rice was influenced by the increased demand for the product at the start of the new harvest season.

However, the Food price index decreased in Freetown (0.47 per cent), Bo (0.10 per cent) and Makeni (3.11 per cent) but increased in Kenema (0.63 per cent). Food prices decreased during the month because there were sufficient supplies of most food products especially fish, condiments and vegetables in the markets in all centers.

.....
 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*

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