



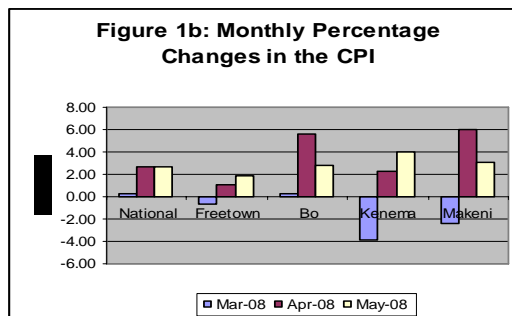
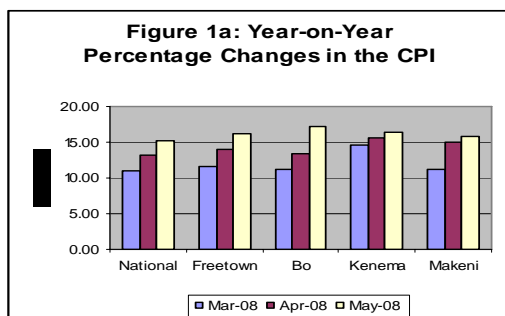
CONSUMER PRICE INDEX (CPI) MAY, 2008: PRESS RELEASE
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MAY 2008 ANNUAL INFLATION RATE INCREASES SIGNIFICANTLY

The annual Inflation rate for May 2008 increased significantly. According to the composite Consumer Price Index (NCPI), inflation rate for May 2008 is 15.28 per cent when compared with the CPI figures for May 2007. The May 2008 inflation rate has increased by 3.92 percentage points when compared with May 2007 inflation figure which was 11.36 per cent as measured on a year-on-year basis.

Alternatively, the monthly inflation rate increased by 2.70 per cent when the combined CPI for May 2008 is compared with that for April 2008. Figures 1a & 1b below illustrate the movement in year-on-year rates of inflation and monthly rates of inflation respectively for National CPI and other CPI centers while table 1 below shows National CPI for the months of February 2008 to April 2008 and the 12 month change in the CPI for main index groups.

In the old CPI series (1992=100), the year-on-year rate of inflation increased in Freetown from 14.35 per cent in April 2008 to 16.50 per cent in May 2008, in Bo from 11.61 per cent to 15.54, in Kenema from 15.61 per cent to 17.76 per cent and in Makeni from 14.03 per cent to 16.04 per cent during the same period.



FACTORS INFLUENCING CHANGES IN THE MONTHLY RATE OF INFLATION

The combined monthly CPI for May 2008 increased from 178.38 per cent in April 2008 to 183.21 per cent in May 2008. Significant increases were recorded for all main CPI groups except communication and recreation and culture which declined by 0.08 per cent and 0.32 per cent respectively. The increase in both the monthly and annual rates of inflation this month were mainly due to the increase in petroleum product prices reinforced by the increasing cost of food. The price of petrol, diesel and kerosene increased by 13.79 per cent (i.e. from Le14, 500 to Le16, 500 per gallon). This resulted into the increase in the cost of transport services and an increase in the transport index by 4.98 per cent. The increase in the price of petroleum products also brought about increases in the prices of most goods and services as producers responded to the increase in the cost of production by increasing prices. The increase on the food index (2.70 per cent) was due to a shortfall in the supply of products such as palm oil, onions, fish, vegetables etc in the market. The political crisis in Guinea which is an important trading partner, also added pressure on the market. The effect was a significant rise in the price level by 2.70 per cent during the month of May 2008. Alternatively, there were decreases in the cost of fruit (-10.88 per cent), coffee, tea and cocoa (-0.67 per cent), spirits (-0.84 per cent) and books (-2.50 per cent) which were not sufficient to offset the increase in the composite CPI during the month of May 2008.

More information can also be obtained from our website: 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: statistics@statistics.sl/info@statistics.sl

National CPI and Year-on- Year Rates of Inflation by Main COICOP Groups (2003=100)									
		May-07	Feb-08	Mar-08	Apr-08	May-08			
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	156.10	173.70	172.78	180.43	185.30	2.70	6.67	18.70
Alcoholic Bev. Tob. & Narcotics	2.50	122.36	137.72	136.58	144.24	144.35	0.08	4.81	17.98
Clothing And Footwear	8.11	116.13	126.13	128.22	128.18	130.22	1.59	3.24	12.14
Housing, Water, Electricity, Gas & Other Fuels	9.63	177.61	186.56	192.49	206.18	212.32	2.98	13.81	19.54
Furnishing, H/ Hold Equipt & H/ Hold Maint.	4.01	145.53	157.18	159.01	159.43	160.31	0.55	1.99	10.15
Health	3.55	425.87	448.84	452.32	464.76	479.88	3.25	6.91	12.68
Transport	6.40	142.00	157.66	158.92	155.24	162.97	4.98	3.37	14.77
Communication	0.72	134.41	124.19	134.51	134.51	134.41	-0.08	8.23	0.00
Recreation And Culture	5.24	138.25	136.66	133.13	134.05	133.63	-0.32	-2.22	-3.35
Education	1.62	106.38	100.91	102.09	101.99	106.61	4.53	5.65	0.21
Restaurant And Hotels	4.26	143.72	151.99	153.41	143.08	150.59	5.25	-0.92	4.78
Miscellaneous G&S	3.18	125.06	153.03	152.72	136.62	141.34	3.45	-7.64	13.02
All Items	100.00	158.92	173.20	173.67	178.39	183.21	2.70	5.78	15.28

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 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.