



MINISTRY OF PLANNING
AND NATIONAL DEVELOPMENT



CENTRAL STATISTICS
DEPARTMENT



MONTHLY CONSUMER PRICE INDEX (CPI)

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Methodological Note

The Consumer Price Index (CPI) and the accompanying report are prepared monthly by the Central Statistics Department (CSD) at the Ministry of Planning and National Development (MoPND). January to December 2012 is the price reference period, for which the CPI was set to 100.

The CPI is compiled from approximately 520 product prices collected in Hargeisa, mainly from the city's two biggest open-air markets. Those product prices are weighted according to the representative consumption basket, which is calculated based on consumption data from the Somaliland Household Budget Survey (2013) and auxiliary data sources to overcome data gaps.

Standards for price statistics. For instance, the CPI follows the Classification of Individual Consumption by Purpose (COICOP), elementary aggregate indices are calculated using the geometric average method (Jevons index), and higher-level indices are computed as weighted arithmetic averages of their sub-indices (Laspeyres index).

Time series for the CPI and its main components, annual and monthly inflation, as well as detailed information on methodology are available on the **CSD website: <https://somalilandcsd.org/>**

Consumer Price Index summary for May 2024

In May 2024, the overall CPI increased at 0.7% over the previous month, and decreased 9.4% over the same month in the previous year.

Table One below: - summarizes the month-over-month and year-over-year changes in the overall CPI and for the main COICOP groups.

Table 1. Monthly and annual change in overall CPI and main COICOP Divisions for May 2024

Code	Main Divisions/classes	Weights	May_23	Apr_24	May_24	Month Percent change	Annual Percent change
	HEADLINE INDEX	100%	223.11	242.40	244.08	0.7	9.4
1	Food and non-alcoholic beverages	41.75%	255.97	287.81	290.45	0.9	13.5
1.1	FOOD	38.71	259.32	291.90	294.65	0.9	13.6
01.1.1	Bread and Cereals	10.48	218.61	226.94	228.14	0.5	4.4
01.1.2	Meat	6.05	279.23	334.44	322.22	-3.7	15.4
01.1.3	Fish and sea food	0.37	232.71	253.82	263.32	3.7	13.2
01.1.4	Milk, cheese and eggs	4.23	266.98	267.84	269.62	0.7	1.0
01.1.5	Oil and fats	1.54	213.39	216.75	221.49	2.2	3.8
01.1.6	Fruits	3.26	411.41	465.36	475.16	2.1	15.5
01.1.7	Vegetables	6.28	251.40	348.93	359.98	3.2	43.2
01.1.8	Sugar,Jam,Honey,chocolate and confe.	2.53	237.61	240.01	252.57	5.2	6.3
01.1.9	Food products n.e.c	3.99	250.15	257.59	261.72	1.6	4.6
2	Alcoholic Beverages, Tobacco and Narcotics	4.56%	294.76	289.99	273.55	-5.7	-7.2
3	Clothing and footwear	5.73%	204.27	234.92	243.96	3.8	19.4
4	Housing water, electricity, gas and other fuels	14.10%	213.04	221.29	224.56	1.5	5.4
5	Furnishings household equipment and routine household maintenance	5.55%	186.08	208.30	207.47	-0.4	11.5
6	Health	2.56%	214.07	217.30	216.32	-0.5	1.1
7	Transport	8.85%	146.23	147.25	149.41	1.5	2.2
8	Communication	2.99%	190.12	202.28	203.03	0.4	6.8
9	Recreation and culture	2.25%	174.87	189.44	191.75	1.2	9.7
10	Education	3.69%	160.40	160.51	161.31	0.5	0.6
11	Restaurants and hotels	3.35%	214.85	217.92	235.22	7.9	9.5
12	Miscellaneous goods and services	4.62%	207.36	230.90	220.95	-4.3	6.6

Headline index	0.9	0.7	0.6	0.6	0.8	1.1	0.9	1.2	1.2	0.3	0.4	0.6	0.7
Core	0.4	0.4	0.4	0.6	0.7	0.6	0.3	0.6	0.5	0.8	0.4	0.5	0.3
Food crops & related items	3.4	0.9	1.4	0.6	1.8	4.2	4.6	5.5	3.5	-1.9	0.4	3.4	2.7
EFU	1.6	2.5	1.0	0.3	0.6	0.7	0.0	0.1	2.5	-0.3	0.1	(3.6)	0.9

Table 2. Monthly percentage change in overall CPI and main components

How to interpret inflation and CPI statistics?

Movements of the indices from one month to another usually are expressed as percentage changes rather than

Component	2023							2024						
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Headline index	10.0	9.5	8.6	7.6	7.3	7.7	8.4	9.4	10.2	10.0	9.7	9.6	9.4	
Core	8.0	7.3	6.8	6.1	6.0	5.8	5.8	5.8	5.9	6.5	6.5	6.5	6.4	
Food crops & related items	20.2	20.3	18.9	18.0	16.2	18.5	23.4	29.8	34.2	31.3	30.3	31.3	30.5	
EFU	15.7	14.4	11.3	6.8	7.0	10.3	10.6	12.7	15.0	11.4	9.4	5.5	4.9	

changes in index points. For instance, one index going from 50 in one month to 55 the next month represents a 10% increase in that index, which will be typically reported as a 10% rate of monthly inflation.

Table 4. Example on how to interpret the relations between index changes and inflation

Monthly Inflation		Annual Inflation	
Current month index level	244.08	Current month index level	244.08
Less index for previous month	242.40	Less index for same month of the previous year	223.11
Index point difference	1.68	Index point difference	20.97
Divided by the previous month index	242.40	Divided by the previous year index	223.11
Equals	0.0069306931	Equals	0.0939895119
Results multiplied by 100	0.0069306931x100	Results multiplied by 100	0.0939895119x100
Equals percent change	0.7%	Equals percent change	9.4%

NB: Since in JANUARY 2024 there were two price-related incidents; The value of local currency Somaliland Shillings were increased due to of exchange rate for the months and first week of May, that affected prices of some commodities to violated , especially Food items such as Bread and Cereals & Meat, Cooking Oil and Food crop being highly decreased such fruit and vegetable, were shortage supply in the market in last April and May 2024, Alcoholic Beverages, Tobacco and Narcotics, Health Division, also the price of energy particular Energy, Fuel and Utilities of the year 2024 was being increased specially charcoal loose price were increased in the month of May 2024

Glossary

- Index reference period (Jan-Dec 2012=100): The period with which all other periods are compared (the period for which the value of the CPI is set at 100).
- Percentage change: The change in an index or other statistical series from one period to another expressed as a percentage of its value in the first of the two periods.
- Annual inflation: Percentage change between the current index number for a particular month and the index number for the same month of the previous year.
- Monthly inflation: Percentage change between the current index number for a particular month and the index number for the previous month.
- COICOP: The Classification of individual consumption by purpose, abbreviated as COICOP, is a classification developed by the United Nations Statistics Division to classify and analyses individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose.

