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NEWSLETTER CONSUMER PRICE INDEX (CPI) SEPTEMBER, 2019

INFLATION RATE FOR THE MONTH OF SEPTEMBER, 2019 WAS 30.90%

The Consumer Price Index (CPI) measures the change over time in the general price level of goods and services that households acquire for the purpose of consumption. In Liberia, it is referenced to the price level in January 2019, the new Base Year which has an index of 100. Unlike the old basket which was in use from December, 2005(base year) to December 2018, for the first time since after the civil war, Liberia is now using weights of items derived from its own survey, the 2016 HIES. Due to the lack of country-owned data to determine weights of items within the basket between this period (2005-2018), weights were partly borrowed from regional countries said to have similar consumption patterns. It is important to note that the updated basket and the previous ones are chain-linked to continue the flow of estimates.

September 2019 Rate of Inflation

The Year-on-Year Inflation Rate as measured by the CPI was 30.90 percent.

This rate of inflation for September 2019 is the percentage change in the Consumer Price Index (CPI) over the twelve-month period, from September

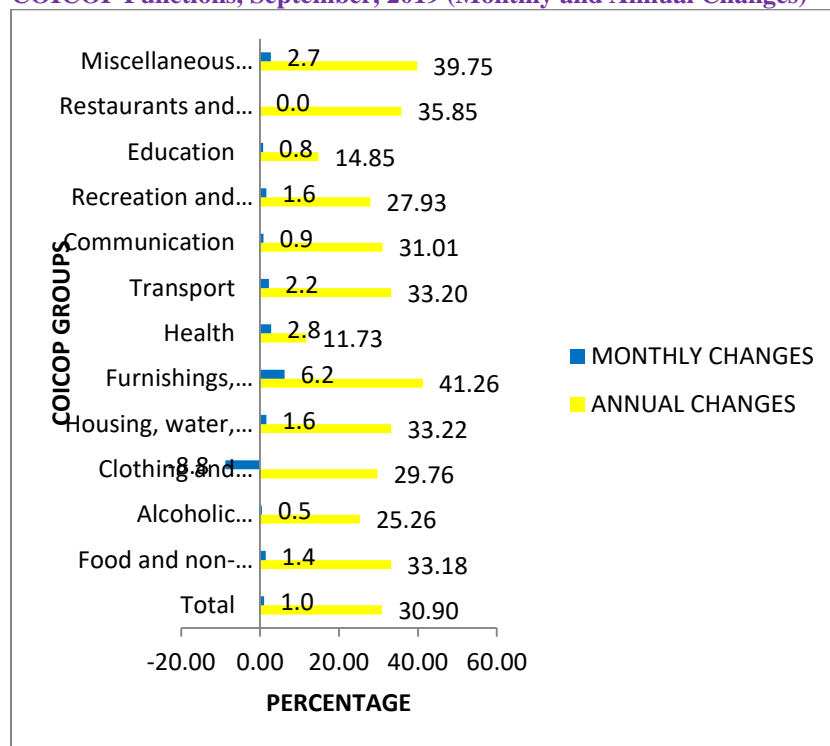
Table 1: Consumer Price Index (CPI), September, 2018 to September, 2019

Year / Month	Index Jan 2019= 100	Change rate (%)	
		Monthly (m/m)	Yearly(y/y)
Sep-18	379.44	1.4	26.3
Oct-18	382.10	0.7	26.6
Nov-18	389.59	2.0	27.1
Dec-18	398.92	2.4	28.5
Jan-19	391.87	-1.8	23.3
Feb-19	389.96	-0.5	22.0
Mar-19	410.45	5.3	25.8
Apr-19	408.01	-0.6	23.3
May-19	430.78	5.6	28.7
Jun-19	459.72	6.7	29.9
Jul-19	475.85	3.5	29.9
Aug-19	491.54	3.3	31.32
Sept-19	496.68	1.0	30.90

LISGIS, 2019

2018 to September, 2019. The monthly change rate for September, 2019 was 1percent down from 3.3 percent change recorded for August, 2019. Meanwhile, Year-on-Year Inflation rate for the month of August, 2019 was 31.32 percent. All items within the CPI Basket are grouped according to the **Classification of Individual Consumption by Purpose (COICOP)**, an international hierarchical classificatory scheme developed by the United Nations Statistics Division to classify and analyze individual consumption expenditures incurred by households.

Figure 1: Food and Nonfood Inflation Rate (%) by the 12 major COICOP Functions, September, 2019 (Monthly and Annual Changes)



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Items recording major decrease in price for the month of Sept., 2019

Only items within the basket recording a change of at least 15 percent are captured here due to the very long list of items. On this basis, the major price decreases were recorded in the following items: Palm nuts to -26 percent (down from 9.8 percent for the previous month); Onions to -24.9 percent (down from 39 percent for the previous month); Sweet Potatoes to -16.4 percent (down from 5.3 percent for the previous month); New garments for children and babies to -22 percent (down from 6.2 percent) from the previous month; Footwear for men (leather shoes, plastic sandals, sneakers, sports shoes etc.) to -19 percent (down from 2 percent) from the previous month; Footwear for women (sandals, heels, sneakers, etc.) to -17 percent (down from 2 percent) from the previous month.

Factors Contributing to the slight decrease in Inflation for the month of September, 2019

The slight decrease in the rate for the month of September can be associated with several factors. For Palm nuts and Sweet Potatoes, production and supply increase during the Dry Season (the current season in Liberia) which presses price downward. On the other hand, low/weak demand for wearing items listed above also contributed to a change in price (downward trend).

Method of Calculating Indices

For Elementary Indices, Jevons Geometric Average Index Formula is used while the Laspeyres Index Formula is used to compute Aggregate Index.

Composition of the CPI Basket

The current basket contains 161 items while the discarded basket contained 157. There are 317 products in the new basket whereas the old basket contained 306 and the number of quotations for market items is 4 and 3-9 for service items. There are 114 items in the service category and 47 items

in the market category of the new basket and data is collected from four markets: Red Light, Duala, Rally Time and General Market (Waterside).

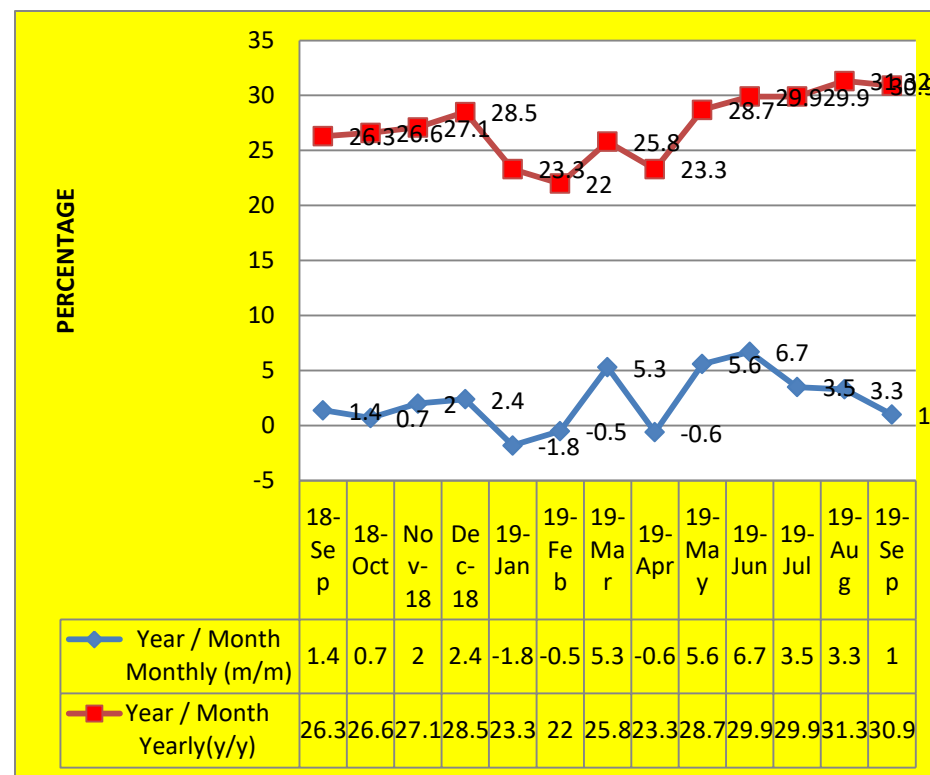
Limitations

It is important to keep our readers informed that all CPI data published are only collected from Monrovia and its suburbs due to resource constraints. Though this has been the case even in prewar Liberia, concerted efforts are now underway to widen the scope of the exercise in the soonest possible time in order to begin monitoring and reporting on country, regional and county levels, respectively.

Dissemination

A bulletin on the September, 2019 CPI and more detailed data in Excel format have been posted on the LISGIS website www.lisgis.net. The target publication date of the monthly CPI newsletter is the 10th of each month for the previous month.

Figure 2: Consumer Price Index (CPI), September, 2018 to September, 2019 - Monthly and Annual Changes in Time Series



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