



# Liberia Institute of Statistics & Geo-Information Services

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## NEWSLETTER CONSUMER PRICE INDEX (CPI) NOVEMBER, 2018

### INFLATION RATE FOR THE MONTH OF NOVEMBER, 2018 WAS 27.1%

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, with reference to the price level in 2005, the base year for Liberia, which has an index of 100.

#### November 2018 rate of inflation

The year-on-year inflation rate as measured by the CPI was 27.1 percent. This rate of inflation for November 2018 is the percentage change in the Consumer Price Index (CPI) over the twelve-month period, from November, 2017 to November, 2018. The monthly change rate for November, 2018 was 2 percent compared to the 0.7 percent change recorded for October, 2018. Meanwhile, year-on-year Inflation rate for the month of October, 2018 was 26.6 percent. All items within the CPI Basket are grouped according to the **Classification of Individual Consumption by Purpose (COICOP)**, an international classificatory scheme developed by

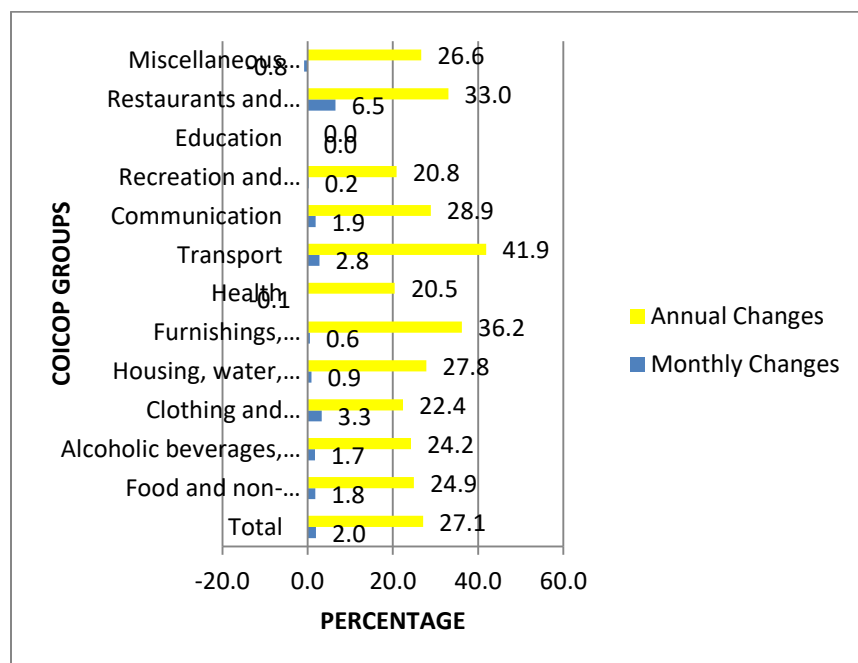
**Table 1: Consumer Price Index (CPI), November, 2017 to November, 2018**

Year / Month	Index Dec 2005 = 100	Change rate (%)	
		Monthly (m/m)	Yearly(y/y)
Nov-17	<b>306.61</b>	1.6	13.1
Dec-17	<b>310.38</b>	1.2	13.9
Jan-18	<b>317.87</b>	2.4	15.4
Feb-18	<b>319.64</b>	0.6	17.8
Mar-18	<b>326.30</b>	2.1	19.5
Apr-18	<b>330.94</b>	1.4	21.4
May-18	<b>334.62</b>	1.1	21.3
Jun-18	<b>353.88</b>	5.8	24.6
Jul-18	<b>366.41</b>	3.5	26.1
Aug-18	<b>374.31</b>	2.2	26.1
Sep-18	<b>379.44</b>	1.4	26.3
Oct-18	<b>382.10</b>	0.7	26.6
<b>Nov-18</b>	<b>389.59</b>	<b>2.0</b>	<b>27.1</b>

LISGIS, 2018

the United Nations Statistics Division to classify and analyze individual consumption expenditures incurred by households.

**Figure 1: Food and Nonfood Inflation rate (%) by major subgroups, November 2018 (Monthly and Annual Changes)**



LISGIS, 2018

**Major Drivers of Inflation for the month of November, 2018**

Only items within the basket recording a change in increment of at least 20 percent were captured as major drivers of inflation due to the very long list of items. On this basis, the major drivers of inflation for the month of November were recorded in the following areas: Index for Palm Oil and Palm Nut increased by 25 percent and 24 percent, respectively while index for cabbage and lettuce recorded a 31 percent increase for the month. Similarly, index for baby food (rice based/wheat based) increased by 35

percent. The index for chairs (local and imported) also increased by 20 percent. Finally, index for repair/pumping of tyres and wheels increased by 33 percent.

**Factors Contributing to Inflation**

The associational factors to the increase in the inflation rate are multidimensional. Each item within the basket may experience an increase with a factor somewhat different from the other. For the month of November, the increase in the index for Palm Oil can be tied to the high demand of the commodity by transatlantic traders. This causes an upward price movement as the market is now experiencing high export in the commodity and exporters are willing to pay high prices to discourage local buyers. Also, transportation from rural areas to Monrovia like almost all areas across the country using vehicular/motorcycle means of transport has experienced some form of increment in fare in recent time. For cabbage and lettuce, demand comes with seasonality. During festive seasons, consumption of these commodities turn to be very high in Liberia. The increase in the index for repair and inflating tyres cannot be separable from the high price of petroleum products on the Liberian market.

Though it is not an item within the CPI Basket, the exchange rate which has witnessed the constant depreciation of the Liberian Dollar since this year is a factor, amongst others that greatly influences prices of imported items and this even cascades to most local items too, and potentially affected the indexes for Baby food and imported chairs as well even though during festive seasons, demands for household durables such as chairs and other furniture increases as households are most likely to refurnish their homes.

The Inflation Rate of Liberia, by a greater extend is determined by the exchange rate of the Liberian Dollars to the United State Dollars, ceteris

paribus. Prices of major CPI items are quoted in United States Dollar and later converted to Liberian Dollar at the Period Average Rate published by the Central Bank of Liberia and experience over the years has recorded exchange rate and the price of goods strongly correlated on the Liberian Market, all else equal.

**Dissemination**

A bulletin on the November 2018 CPI and more detailed data in time series format have been posted on the LISGIS website [www.lisgis.net](http://www.lisgis.net). The target publication date of the monthly CPI newsletter is the 10<sup>th</sup> of each month.

**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, 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.

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**Figure 2: Consumer Price Index (CPI), November, 2017 to November, 2018 - Monthly and Annual Changes in Time Series**

