



# Liberia Institute of Statistics & Geo-Information Services

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## NEWSLETTER CONSUMER PRICE INDEX (CPI) JULY, 2019

### INFLATION RATE FOR THE MONTH OF JULY, 2019 WAS 29.9%

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 2019, the new Base Year which has an index of 100. Unlike the old basket which ran 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.

#### July 2019 Rate of Inflation

The Year-on-Year Inflation Rate as measured by the CPI was 29.9 percent. This rate of inflation for July 2019 is the percentage change in the Consumer Price Index (CPI) over the twelve-month period, from July,

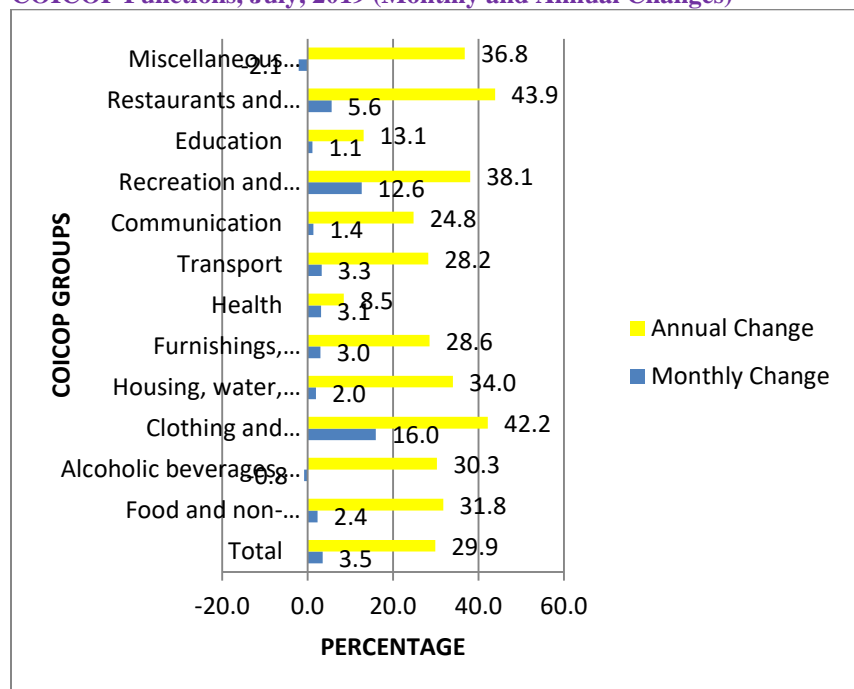
Table 1: Consumer Price Index (CPI), July, 2018 to July, 2019

Year / Month	Index Jan 2019= 100	Change rate (%)	
		Monthly (m/m)	Yearly(y/y)
Jul-18	366.41	3.5	26.1
Aug-18	374.31	2.2	26.1
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
<b>Jul-19</b>	<b>475.85</b>	<b>3.5</b>	<b>29.9</b>

LISGIS, 2019

2018 to July, 2019. The monthly change rate for July, 2019 was 3.5 percent down from 6.7 percent change recorded for June 2019. Meanwhile, Year-on-Year Inflation rate for the month of June, 2019 was 29.9 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, July, 2019 (Monthly and Annual Changes)**



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### Items recording major increases in price for the month of July, 2019

Only items within the basket recording a change of at least 20 percent were captured due to the very long list of items. On this basis, the major price increases were recorded in the following: Palm nut to 27.9 percent (up from 20.5 percent for the previous month); Footwear (children, women, and men to 28 percent, 51 percent and 33 percent, respectively (up from 9 percent, -2 percent and 34 percent, respectively); Shoe shining to 33.3 percent (up from 0 percent for the previous month).

### Factors Contributing to the constant rate of Inflation for the months of June and July, 2019

Though the exchange rate is a key variable within the equation that determines Liberia's Inflation Rate, the major factor for the constant rate of inflation for the months of June and July, 2019 can be attributed to weak/low demands for products/services even though the exchange rate slightly increased.

For items such as shoes (children, women and men) recording increases in price, the graduation season for Kindergarten, High Schools and Universities places high demand which leads to price increase. For Palm Oil, a locally produced commodity, the Rainy Season brings scarcity as production significantly drops if not equaling zero.

### 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.

### Limitations

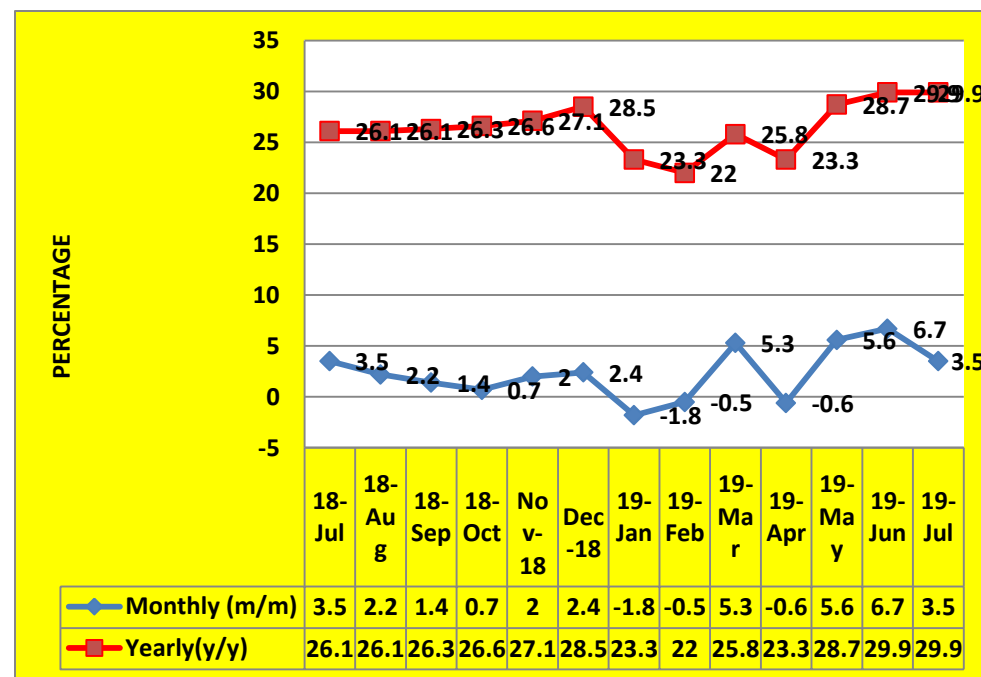
It is important to keep our readers informed that all CPI data published are only collected from Monrovia and its suburbs due to resource constraints. Though this has been the case even in prewar Liberia, efforts are now

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.

**Dissemination**

A bulletin on the July, 2019 CPI and more detailed data in Excel 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 for the previous month.

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



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