



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

MONTHLY NEWS RELEASE

INFLATION REPORT ON NOVEMBER, EFY 2016

Issue No. 05/2016

November EFY2016

Content

- Summary
- Year-on-Year General, Food & Non-food Inflation
- Month-on-Month General, Food & Non-food Inflation
- 12-Month Moving Average General, Food and Non-food Inflation
- Annual Inflation trend
- Glossary

1. Summary

The Consumer Price Index (CPI), a key economic statistics, is surveyed, analyzed, and made available to data users on a monthly basis.

*The year-on-year, general inflation rate (**annual percentage change**) in the country stood at **28.3 percent** for the month of **November EFY2016**. A year earlier (in November EFY2015), the rate was **35.1 percent**.*

*The month-on-month general inflation rate stood at **1.2 percent** for the month of **November EFY2016**. It was **1.9 percent** in **November EFY2015**.*

General inflation encompasses of two main divisions and twenty-one groups of expenditures. These divisions registered the following price changes during the month of **November EFY2016** compared with **November EFY2015**.

2. Food & Non-alcoholic Beverages and Non-Food Inflation (Year-on-Year)

The year-on-year inflation and the month-to-month inflation rates helps to gauge the current inflation trajectory, as they capture short-term fluctuations in prices and provides an immediate indicator of inflationary pressures. Particularly, the month-to-month is also crucial for monitoring changes in consumer prices and identifying any sudden spikes or declines in inflation.

Food & Non-alcoholic Beverages index

The **year-on-year inflation rate**, also known as the annual inflation rate, measures the percentage change in overall price levels from one year to the same month in the previous year. Accordingly, the year-on-year inflation rate of the Food and Non-alcoholic component of the CPI, for the month of November 2016 EFY, stood at **30%**. This implies that the CPI of Food and Non-Alcoholic Beverages has, on average, increased by **30%** compared to November EFY2015.

The major contributing factors for the rise of food inflation for November EFY2016 was the observed increase in the average prices of major food commodities such as bread and cereals (**43.6%**), vegetables (**48.2%**), meat (**29.3%**), Sugar, jam, honey & chocolate (**32.9%**), fruit (**23.5%**), Milk, Cheese and Eggs (**25.7%**) and Food products n.e.c (**7.9%**).

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Statistical Bulletin

Issue No. 05/2016

Page 2

Accordingly, the country's **year-on-year general inflation rate**, representing the annual percentage change, decreased from **29.2 percent** in October EFY2016 to **28.3 percent** in November EFY2016. Comparatively, the inflation rate for the same month in the previous year, November EFY2015, was **35.1 percent**. Notably, for the last seven months, since March EFY2015, the inflation rate showed reduction. Reduced from 34.2 percent in March EFY2015 to 33.5 Percent in April, 30.8 percent in May, 29.3 percent in June, 28.8 percent in July, 28.2 percent in August, 28.3 Percent in September EFY2016.

Table 1: General, Food and Non-Food Inflation Rate (% , Year-on-Year) November EFY2015 - November EFY2016

Month/Year	General	Food	Non-Food
December EFY2009=100	100.0	100.0	100.0
July EFY2009 - June EFY2010	14.4	13.4	15.9
July EFY 2010 - June EFY2011	12.6	13.1	11.9
July EFY2011 - June EFY2012	19.9	23.3	15.9
July EFY2012 - June EFY2013	20.2	23.2	16.4
July EFY2013 - June EFY2014	33.8	40.3	25.2
July EFY2015 - June EFY2015	32.5	31.7	33.9
November-EFY 2015	35.1	34.2	36.5
December	33.8	32.9	35.2
January	33.9	33.6	34.5
February	32.0	29.6	35.7
March	34.2	32.8	36.3
April	33.5	31.8	36.1
May	30.8	28.5	34.4
June	29.3	28.0	31.4
July	28.8	27.3	31.1
August	28.2	26.5	30.7
September	28.3	27.1	30.0
October	29.2	29.7	28.5
November-EFY 2016	28.3	30.0	26.0

Base year: December, EFY2009= 100

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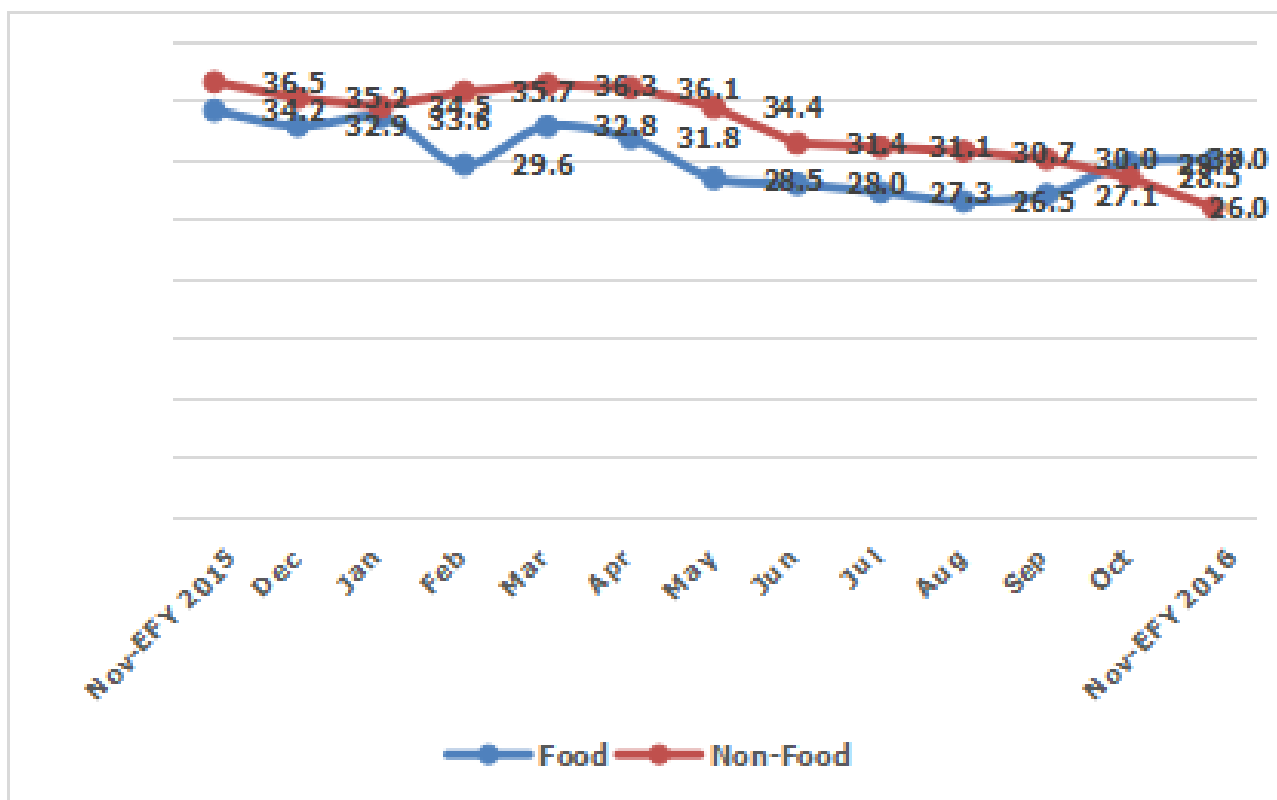
ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 05/2016

Page 3

Fig 1: Food and Non-Food Inflation (% Year-on-Year), November EFY2015 - November EFY2016



Non-Food Inflation and Alcoholic Beverages (Year-on-Year)

Non-Food & Alcoholic Beverages index

As can be seen from the above figure, both the food and the non-food year-on-year inflation have continued to be stubbornly high. Similarly, a more pronounced price increment in the major **Non-food components** of the CPI was observed. The Non-Food inflation increased by **26.0 percent** in the same period. Particularly, Alcoholic Beverages and Tobacco (26.1%); Housing, water, electricity & other fuel component (**30.1%**); Furnishings, household equipment & routine maintenance of the House (**25.9%**); Clothing and footwear (**17.5%**); Health (**40.2 %**); Education (**26.6 %**); Communication (31.1), Restaurants and hotels (**30.2%**) and Miscellaneous goods and services (**21.6 %**) have contributed for the rise in non-food inflation rate in November EFY2016.



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 05/2016

Page 4

Major sub divisions in the food and non-food commodities (year-on-Year).

When we look at the dis-aggregated year-on-year inflation rate of Food and Non-Alcoholic Beverages: Bread & Cereals (**43.6%**); Meat (**29.3%**); Milk, cheese & eggs (**25.7%**); Fruit (**23.5%**); Vegetables (**48.2%**); Sugar, jam, honey, chocolate (**32.9%**) and Food products not elsewhere classified (**7.9%**). Non-Alcoholic Beverages & coffee declined by (**1.1%**) and Oils & fats declined by (**-4.7%**). Similarly, during November 2016 EFY the year-on-year inflation rate of the Non- Food Index of the CPI was **26.0%**. In particular, Alcoholic Beverages & Tobacco (**26.1%**); Housing, Water, Electricity, Gas, & Other Fuels (**30.1%**); Furnishings, Household Equipment & Routine Household Maintenance of the House (**25.9%**); clothing and footwear (**17.5%**); Health (**40.2 %**) and Restaurants and Hotels (**30.2%**) have contributed for the rise in non-food inflation rate in November EFY2016.

Table 2. Major sub divisions in the food and non-food commodities (year-on-Year).

CPI Items	Items Wight in CPI (%)	% change on Year-on-Year Inflation November EFY2015 compared with November EFY2016	% change in Month-to-Month inflation November EFY2016 compared to October EFY2016
Major Food and Non-Alcoholic Beverage components	53.5	28.3	1.2
Bread and Cereals	17.1	43.6	0.6
Vegetables	12.3	48.2	4.2
Other-Food products	5.6	7.9	0.2
Non-Alcoholic Beverage	5.1	-1.1	-0.6
Meat	4.1	29.3	0.9
Major Non-Food Components	46.5	26.0	1.4
Housing, Water, Electricity, Gas and Other Fuels	16.8	30.1	1.4
Clothing and Footwear	5.7	17.5	0.4
Restaurants and Hotels	5.3	30.2	0.4
Alcoholic Beverages and Tobacco	4.9	26.1	1.4
Furnishings, Household Equipment and Routine Maintenance of the House	4.7	25.9	1.5



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 05/2016

Page 5

Month-to-Month Inflation Rate

The **month-to-month general inflation rate** for **November EFY2016** has increased by **1.2 percent** compared to what was in **October EFY2016**. During the same month, the **food and non-alcoholic** component of the inflation has increased by **1.1 percent** whereas the **non-food** component for its part increased by **1.4 percent**.

Table 3: General Inflation Rate (% , Month-to-Month), November EFY2015 - November EFY2016

Month	General month-to-month inflation
November	1.9
December	0.4
January	1.3
February	1.9
March	5.7
April	1.6
May	0.6
June	3.3
July	2.6
August	2.4
September	2.6
October	2.1
November-EFY 2016	1.2

Month-to-Month Inflation of Food and Non-Food categories: In November EFY2016, among the food components of the CPI, **Vegetables** experienced the most significant increase on a month-to-month basis; showed a substantial jump of **4.2 percent** followed by increases in the prices of **Milk, cheese, & eggs 3.6 percent**. Similarly, the prices of **Fruit** saw a significant increase of **1.4 percent**, Bread and Cereals **0.6 Percent** and **Meat** rose by **0.9 percent**. These notable price movements underscore the impact on consumers and highlight the challenges faced in the food sector during the month. However, decline was observed in the indices of Oil and Fats (**3.7%**), Sugar Jam, Honey and Chocolate declined by (**0.2%**) and Non-alcoholic beverages and coffee declined by (**0.6%**).

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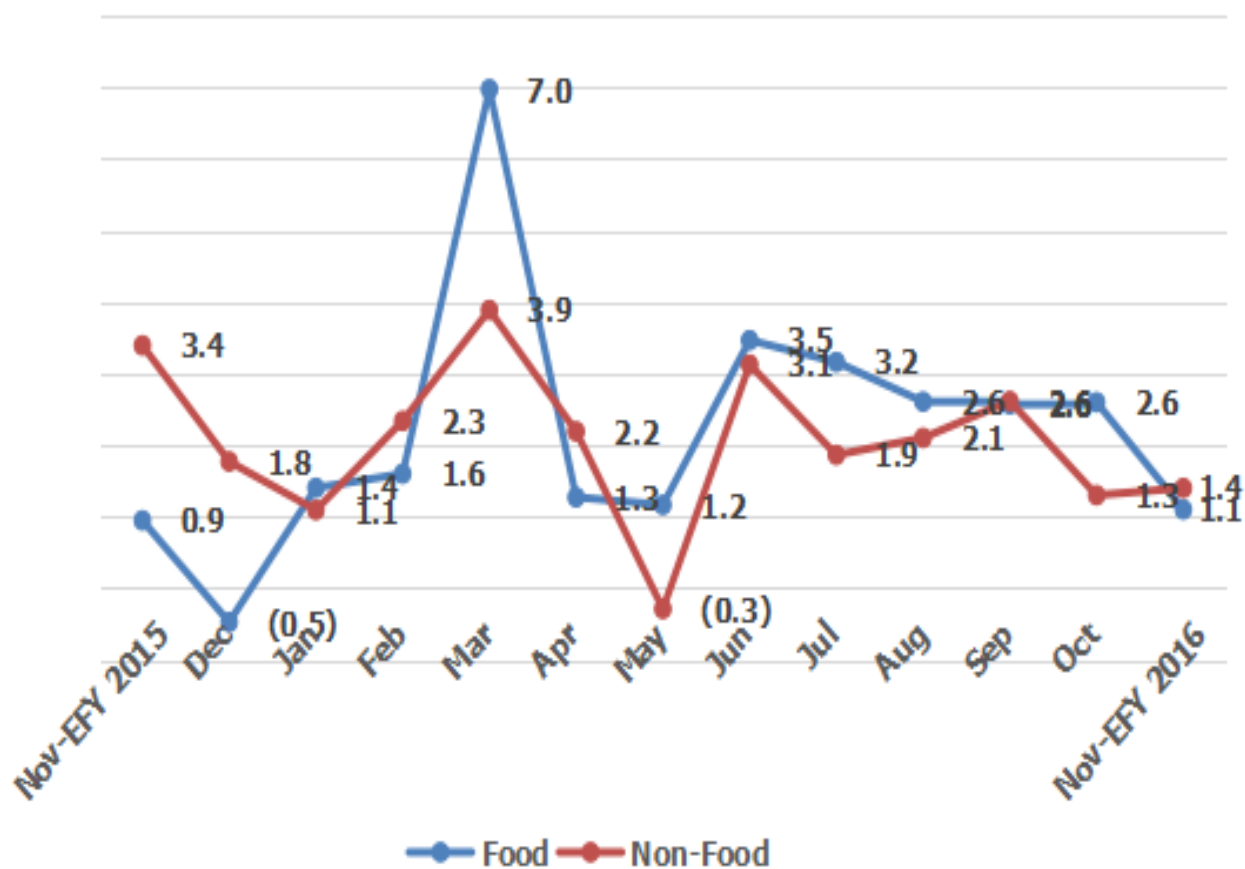
Statistical Bulletin

Issue No. 05/2016

Page 6

On the other hand, looking at non-food items, the biggest increase in month-to-month comparison was observed in **Education (6.4)%**, followed by **Transport (5.7)%**, **Communication (1.9)%**, **Housing, Water, Electricity, Gas and Other Fuels (1.4)%** and **Restaurants and Hotels (0.4 %)**. Moreover, increase in growth rate of price for **Alcoholic Beverages and Tobacco**, which is among the highest weight in the non-food basket, contributed to increase of month-to-month non-food items. **Alcoholic Beverages and Tobacco** price increased by **1.4 percent** between October EFY2016 and November EFY2016. Further, Increase were observed in **Clothing and Footwear (0.4)** and **Miscellaneous Goods and Services (1.9 %)**

Fig 2: Food and Non-Food Inflation (% , Month-to-Month), November EFY2015 - November EFY2016





ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Page 7

3: 12-Month Moving Average General, Food and Non-food Inflation

The 12-month moving average figures provides a broader perspective on inflation trends over a longer period. As it is indicated in Table below the country level overall inflation rate (annual change based on **12 months Moving Average**) rose by 30.6 percent in November EFY2016 as compared to the one observed in a similar period a year ago. Since March inflation has been relatively eased in the country.

Table 4. Overall CPI and 12-month moving average Overall Inflation rate

onth	12 Months moving Average CPI	Overall	12-Month Moving Average overall Inflation
November-EFY 2015	287.1		34.0
December	294.0		33.9
January	301.1		33.9
February	307.9		33.7
March	315.6		33.7
April	323.2		33.5
May	330.4		33.0
June	337.6		32.5
July	344.8		32.1
August	352.1		31.7
September	359.6		31.4
October	367.3		31.2
November-EFY2016	375.0		30.6



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 05/2016

Page 8

12-month moving average Food and Non-Food Inflation rate (September EFY2015 - November EFY2016)

Dis-aggregated, 12-month moving average food inflation increased by 29.5 percent as compared to the one observed a year ago and non-food inflation rate increased by 32.2 percent in November EFY2016 as compared to the one observed in November EFY2015.

Table 5: 12-month moving average Food and Non-Food Inflation rate (November EFY2015 - November

Month	12-month moving average Food Inflation	12-month moving average Non-Food Inflation
November EFY 2015	37.5	29.1
December	36.8	29.8
January	36.2	30.4
February	35.2	31.5
March	34.5	32.5
April	33.7	33.2
May	32.5	33.7
June	31.7	33.9
July	31.0	33.9
August	30.4	33.7
September	30.0	33.6
October	29.8	33.2
November-EFY2016	29.5	32.2

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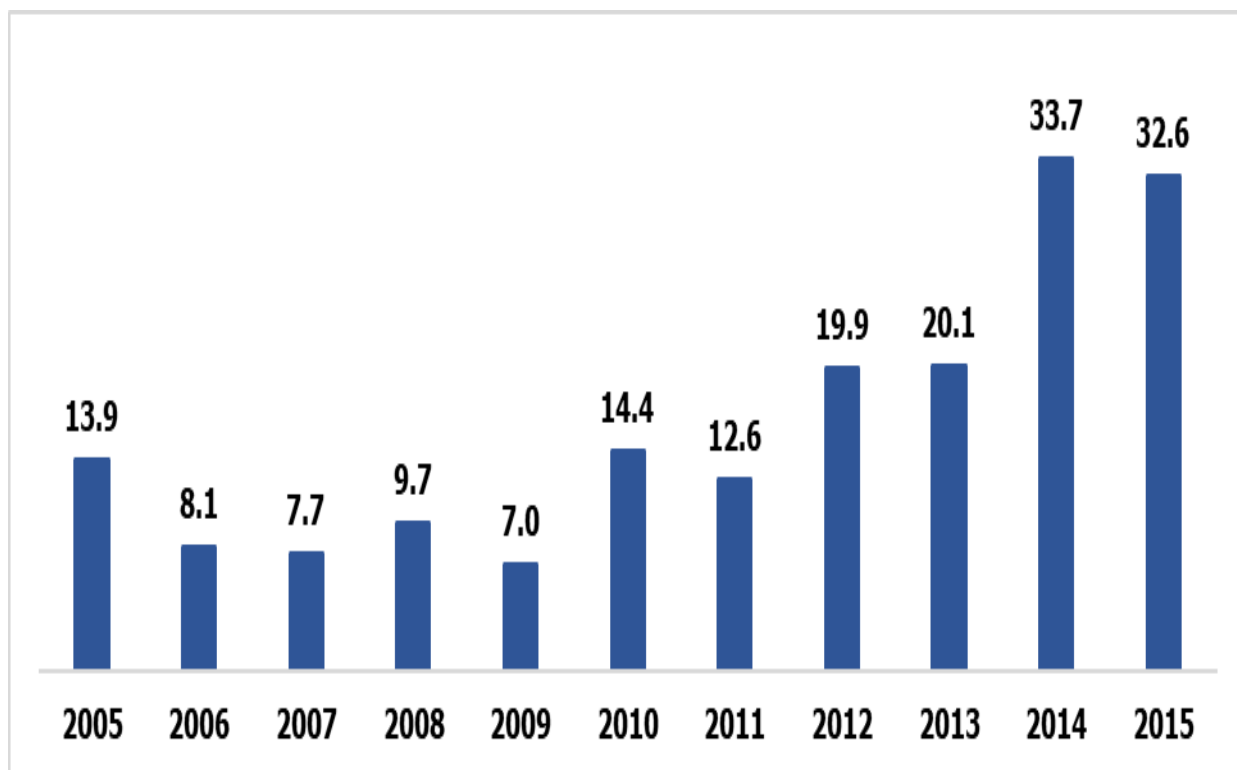
Issue No. 05/2016

Page 9

4. Annual Inflation trend

Relatively low and reduction in inflation rate was observed between 2005 and 2009. Since EFY2010 inflation rate stick to double digit.

Fig 3: Average Annual General inflation in Ethiopia at the end of EFY2015 (Year-on-Year)



The **average annual general inflation rate** for the country stood at (**32.6 %**) in EFY2015 compared to (**33.7 %**) in EFY2014. The past four years are unfavorable for the households, due to high inflation in the country. Specially, in the year EFY2014 and EFY2015, the inflation rate has been over 30 percent for most months. Internal and external factors forced the inflation to be at higher level; COVID19, internal conflict, and Russia-Ukraine War were the major factors.



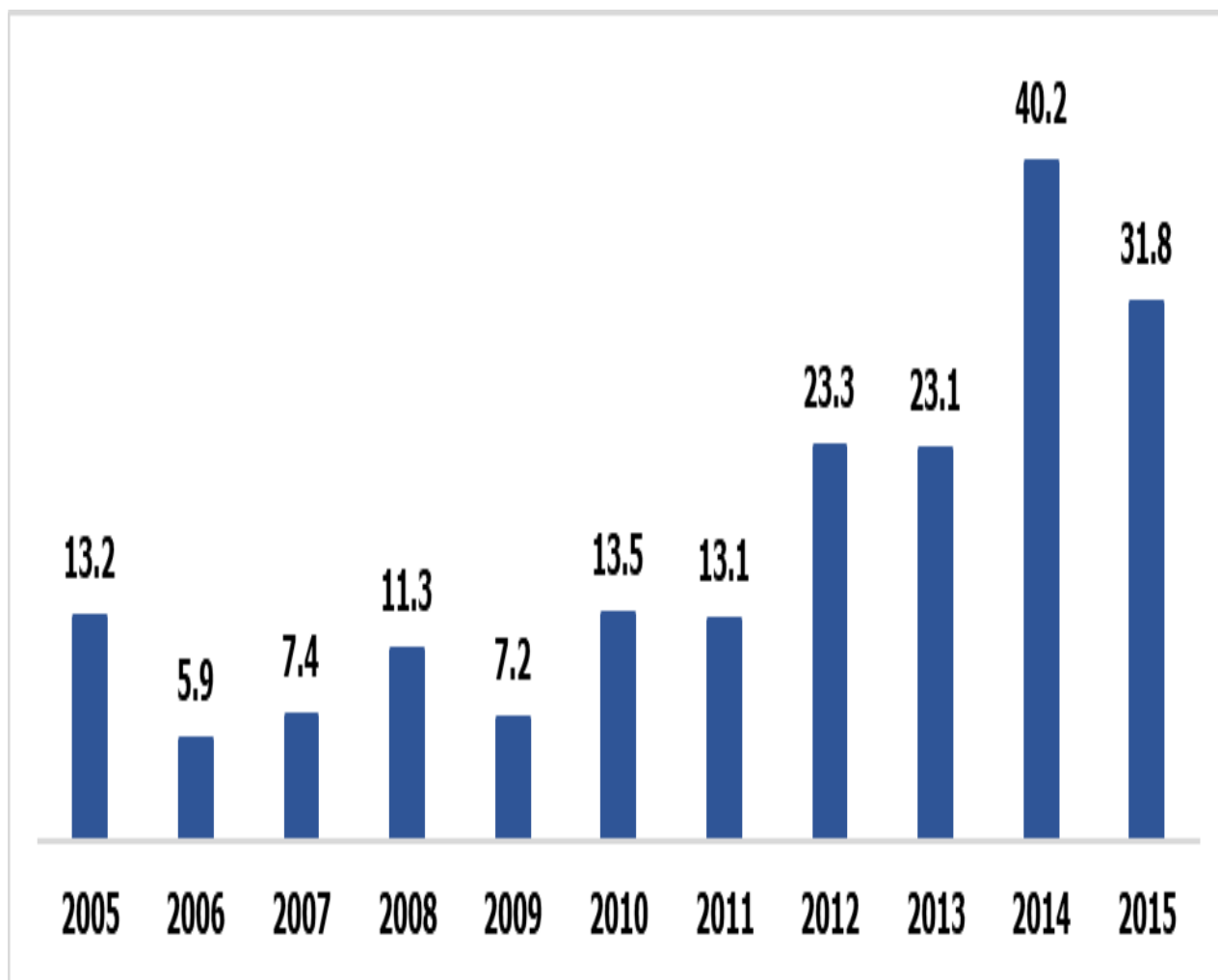
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Statistical Bulletin

Issue No. 05/2016

Page 10

Fig 4: Average Annual Food Inflation in Ethiopia at the end of EFY2015 (Year-on-Year)



The **average annual food inflation** rate for the country stood at **(31.8 %)** in EFY2015 compared to **(40.2 %)** in EFY2014, about eight percentage point reduction compared to last year figure. But since 2010 the inflation rate stacked at double digit.



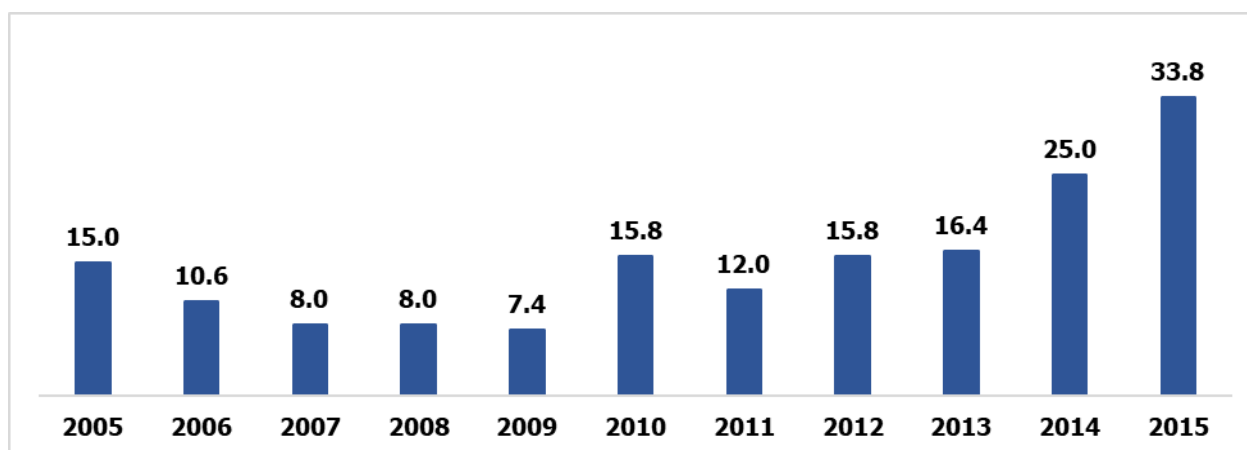
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Statistical Bulletin

Issue No. 05/2016

Page 11

Fig 5: Average Annual Non-Food Inflation in Ethiopia at the end of EFY2015 (Year-on-Year)



The average annual non-food inflation rate for the country stood at **(33.8 %)** in **EFY2015** compared to **(25.0 %)** in **EFY2014**. Non-food inflation movement, the past ten year divided into two. Between 2005 and 2009 non-food inflation showed reduction and since then the rate demonstrate increasing trend. This is may be attached to Birr devaluation against USD, Russia-Ukraine War, and increase of international price of gasoline, as most of non-food items are imported or utilize imported raw materials whose price can be affected by exchange rate, Russia-Ukraine War, and increase of international price.



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 05/2016

Page 12

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5. GLOSSARY

- **General Inflation:** The highest level of aggregation of inflation which covers all the items within the scope of the inflation.
- **Food Inflation:** inflation which covers all food items within the scope of the inflation.
- **Non-food Inflation:** inflation which covers all non-food items within the scope of the inflation.
- **Year-on-Year percentage change:** The Yearly percentage change is the change in the index of the relevant month of the current year compared with the index of the same month in the previous year expressed as a percentage.
- **Month-to-Month percentage change:** The monthly percentage change is the change in the index of the relevant month compared with the index of the previous month expressed as a percentage.
- **Index reference period (December EFY2009=100):** The period with which all other periods are compared (the period for which the value of the CPI is set at 100).

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