



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

MONTHLY NEWS RELEASE

INFLATION REPORT ON JULY, EFY 2016

Issue No. 01/2016

July EFY2016

Content

- National Price Move-

- General Inflation

- Food & Non-food Inflation

- 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 **28.8 percent** for the month of July EFY2016, down from **29.3 percent** registered in June EFY2015. A year earlier (in July EFY2015), the rate was **33.5 percent**.*

*The month-on-month general inflation rate stood at **2.6 percent** for the month of July EFY2016, a decrease of **0.7 percent** registered in June EFY2015. It was **3.1 percent** in July EFY2015.*

2. Year-on-Year General, Food & non-alcoholic beverages and Non-Food 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 July 2016 EFY, stood at **27.3%**. This implies that the CPI of Food and Non-Alcoholic Beverages has, on average, increased by **27.3%** compared to July 2015 EFY.

Year-on-Year Changes comparison shows, the **food inflation** has showed **27.3 percent** increase in **July EFY2016** as compared to the one observed in **July EFY2015**. The major contributing factors for the rise of food inflation for July EFY2016 was the observed increase in the average prices of major food commodities such as bread and cereals (**31.3%**), vegetables (**48.1%**), meat (**32.9%**), Sugar, jam, honey & chocolate (**43.6%**), and fruit (**35.0%**).

Tele: +251 111 573296
+251 111 564226
+251 111 115131
Fax: +251 111 115470

YOUR RELIABLE DATA SOURCE
ተባባሚ የመረጃ ምንጭ

Website: www.statsethiopia.gov.et
P.O.Box: 1143



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

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

Month	General	Food	Non-Food
JULY_EFY 2015	33.5	35.5	30.4
August	32.5	33.2	31.5
September	30.7	31.0	30.2
October	31.7	30.6	33.4
November	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_EFY 2016	28.8	27.3	31.1

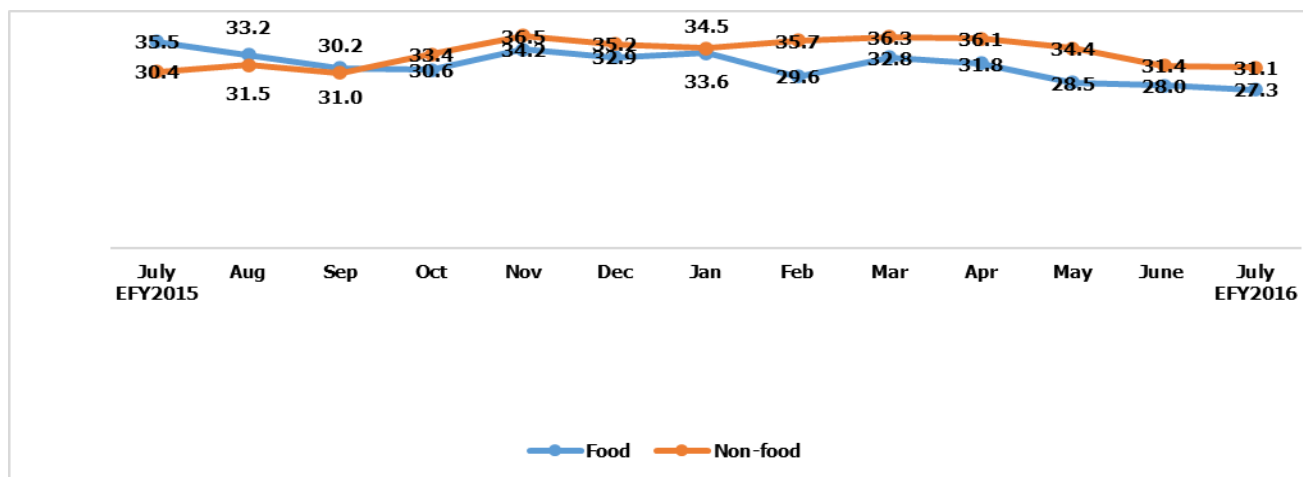
Accordingly, the country's **year-on-year general inflation rate**, representing the annual percentage change, recorded a decrease from **29.3 percent** in June EFY2015 to **28.8 percent** in July EFY2016. Comparatively, the inflation rate for the same month in the previous year, July EFY2015, was **33.5 percent**. Notably, for the last four 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 and 29.3 percent in June.



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

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



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. But, with the rate demonstrate reduction for both groups since March EFY2015.

Similarly, a more pronounced price increment in the major non-food components of the CPI was observed (Non-Food inflation increased by **31.1 percent** in the same period). Particularly, housing, water, electricity & other fuel component (**28.0%**); furnishings, household equipment & routine maintenance of the House (**35.8%**); clothing and footwear (**28.7%**); health (**42.6 %**); and restaurants and hotels (**33.5%**) have contributed for the rise in non-food inflation rate in July EFY2016.

When we look at the dis-aggregated year-on-year inflation rate of Food and Non-Alcoholic Beverages: Bread & Cereals (**31.3%**); Meat (**32.9%**); Fish & Seafood (**0.6%**); Milk, cheese & eggs (**18.0%**); Oils & fats (**3.1%**); Fruit (**35.0%**); Vegetables (**48.1%**); Sugar, jam, honey, chocolate (**43.6%**); Food products not elsewhere classified (**11.3%**); Non-Alcoholic Beverages & coffee (**7.8%**).

Non-Food Index

Similarly, during July 2016 EFY the year-on-year inflation rate of the Non- Food Index of the CPI was **31.1%**. In particular, Alcoholic Beverages & Tobacco (**39.8%**); Clothing & Footwear (**28.7%**); Housing, Water, Electricity, Gas, & Other Fuels (**28.0%**); Furnishings, Household Equipment & Routine Household



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 01/2016

Page 4

Maintenance (35.8%); Health (42.6%); Transport (15.2%); Communication (19.8%); Recreation & Culture .

Similarly, the **month-to-month general inflation rate** for July EFY2016 has increased by **2.6 percent** compared to what was in **June EFY2015**. During the same month, the **food and non-alcoholic** component of the inflation has increased by **3.2 percent** whereas the **non-food** component for its part increased by **1.9 percent**.

Table 2: General Inflation Rate (% , Month-to-Month), July EFY2015 - July EFY2016

August_EFY 2015	2.9
September	2.5
October	0.8
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_EFY 2016	2.6

Month-to-Month Inflation: In July 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 **4.8 percent**. Followed by increases in the prices of **bread and cereals**, with a rise of **3.4 percent**. Similarly, the prices of **Other Food Products** saw a significant increase of **2.6 percent**, while the cost of **milk, cheese, & eggs** rose by **1.6 percent**. These notable price movements underscore the impact on consumers and highlight the challenges faced in the food sector during the month.

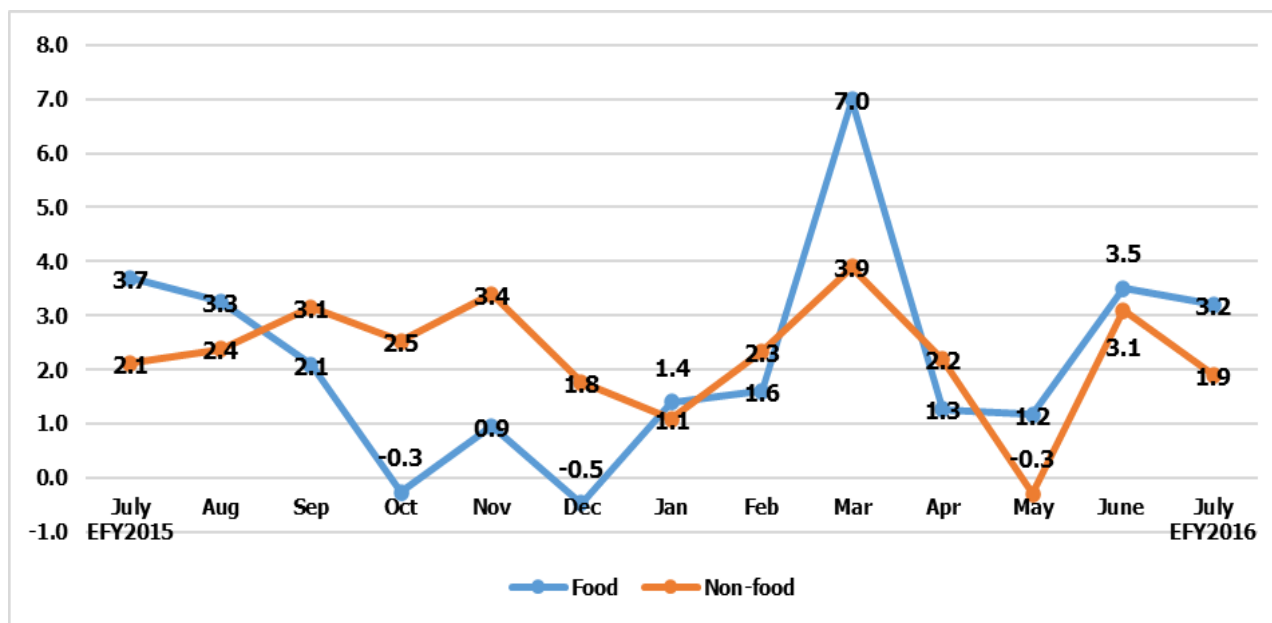


ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

On the other hand, looking at non-food items, the biggest increase in month-to-month comparison was observed in **Communication (12.5 %)** followed by **Health (4.7 %)**. 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 **2.9 percent** between June EFY2015 and July EFY2016. Further, **Clothing and Foot Wear, Housing, Water, Electricity, Gas and Other Fuels** with highest weight price also increased in the month.

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



3. National Price Movement

3:1. 12-Month Moving Average General, Food and Non-food Inflation

Dis-aggregated, the 12-month moving average food inflation increased by 31.0 percent as compared to the one observed a year ago and non-food inflation rate increased by 33.8 percent in July EFY2016 as compared to the one observed in July2015.



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Table 3. 12-month moving average Inflation rate July EFY2016

Month	Food	Non-Food
July EFY2015	40.4	26.1
August	39.9	27.0
September	38.8	27.5
October	37.9	28.1
November	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 EFY2016	31.0	33.8

As it is indicated in Table below the country level overall inflation rate (annual change based on **12 months Moving Average**) rose by 32.1 percent in July 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 Inflation rate (July EFY2015 - July EFY2016)

Month	Overall CPI	12-Month Moving Average Inflation
July EFY2015	261.0	34.3
August	267.3	34.5
September	273.6	34.0
October	280.0	33.8
November	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 EFY2016	344.8	32.1

Baseline: Dec, EFY2009= 100

While the 12-month moving average figures provides a broader perspective on inflation trends over a longer period, it is the year-on-year inflation and the month-to-month inflation rates helps to gauge the current inflation trajectory, as the captures short-term fluctuations in prices and provides an immediate indicator of inflationary pressures.



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

Issue No. 01/2016

Page 7

Particularly, the month-to-month is also crucial for monitoring changes in consumer prices and identifying any sudden spikes or declines in inflation.

Table 5. Major sub divisions in the food and non-food commodities

	Items Wight in CPI (%)	% change on Year-on-Year Inflation July EFY2015 compared with July EFY2016	% change in Month-to-Month inflation July EFY2016 compared to June EFY2015
Major Food and Non-Alcoholic Beverage components	53.5	27.3	3.2
Bread and Cereals	17.1	31.3	3.4
Vegetables	12.3	48.1	4.8
Other-Food products	5.6	11.3	2.6
Non-Alcoholic Beverage	5.1	7.8	1.7
Meat	4.1	32.9	1.1
Major Non-Food Components	46.5	31.1	1.9
Housing, Water, Electricity, Gas and Other Fuels	16.8	28.0	1.9
Clothing and Footwear	5.7	28.7	3.6
Restaurants and Hotels	5.3	33.5	0.0
Alcoholic Beverages and Tobacco	4.9	39.8	2.9
Furnishings, Household Equipment and Routine Maintenance of the House	4.7	35.8	0.9

4. Inflation trend

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

Tele: +251 111 573296
 +251 111 564226
 +251 111 115131
 Fax: +251 111 115470

YOUR RELIABLE DATA SOURCE
 ተዳማኒ የመረጃ ምንጭ

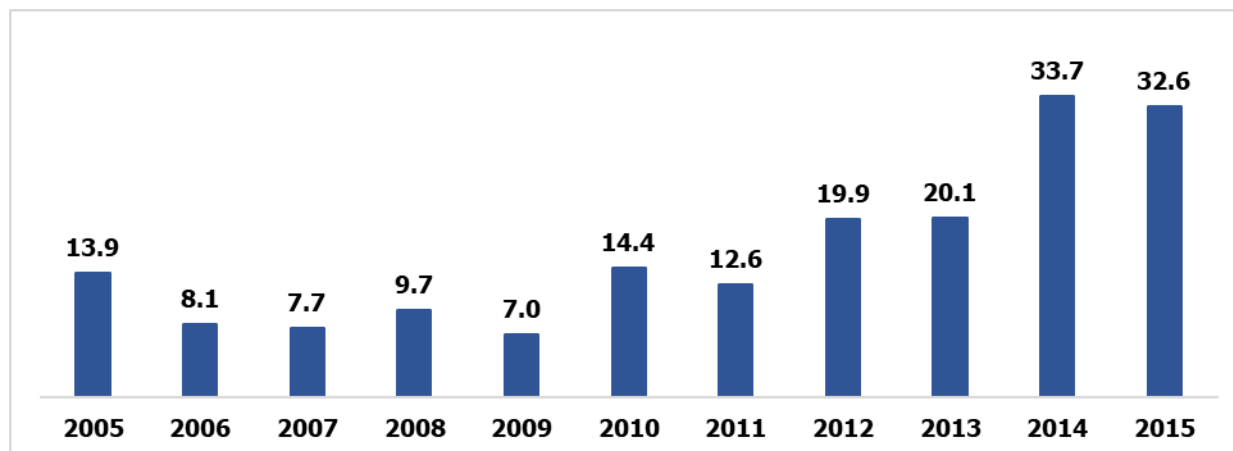
Website: www.statsethiopia.gov.et
 P.O.Box: 1143



ETHIOPIAN STATISTICAL SERVICE

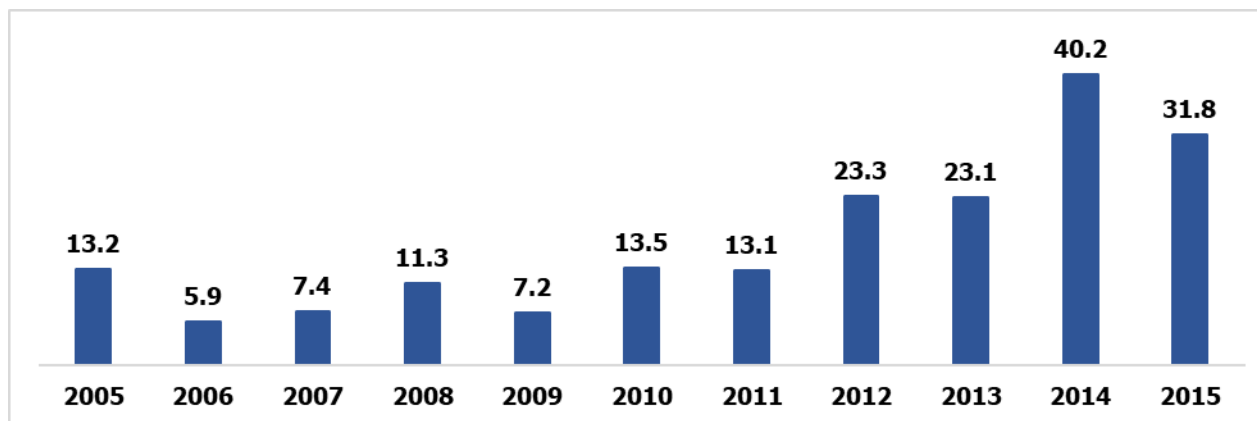
Statistical Bulletin

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.

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



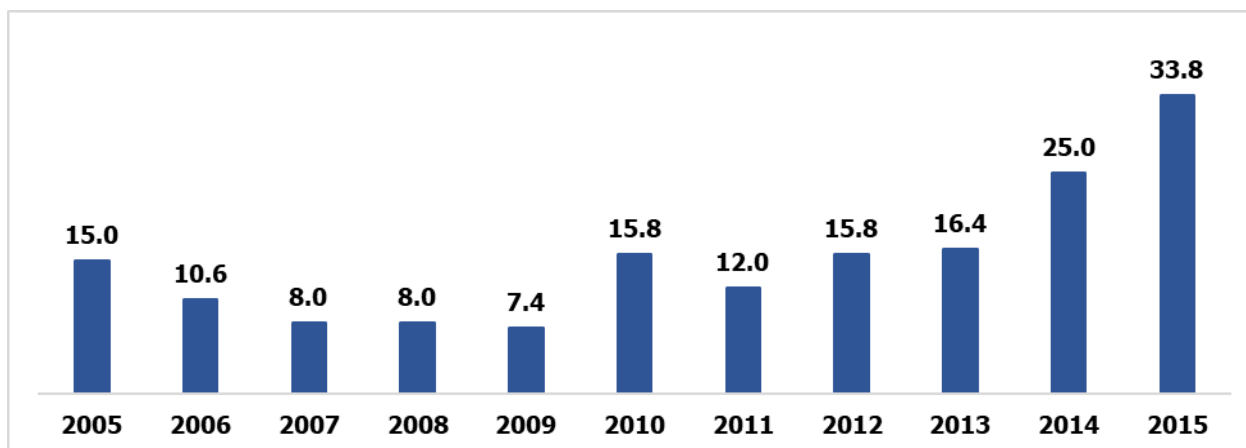
The **average annual food inflation rate** for the country stood at **(31.8 %)** in **EFY2015** compared to **(40.2 %)** in **EFY2014**, about eight percentage point reduction compared to last year figure. But since 2010 the inflation rate stacked at double digit.



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

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. 01/2016

Page 10

Enquiries

Telephone number
+251 111 568458

Email: alemteferig@gmail.com

Postal address : 1143

You can visit us on the Website at:
<http://www.statsethiopia.gov.et/>

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).

Tele: +251 111 573296
+251 111 564226
+251 111 115131
Fax: +251 111 115470

YOUR RELIABLE DATA SOURCE
ተባባሚ የመረጃ ምንጭ

Website: www.statsethiopia.gov.et
P.O.Box: 1143