



ETHIOPIAN STATISTICAL SERVICE

Statistical Bulletin

MONTHLY NEWS RELEASE

Issue No. 29/2018

November EFY2018

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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 **10.9 percent** for the month of November EFY2018. A year earlier, the rate was **16.9 percent**. The month-on-month general inflation rate decreased by **-1.4 percent** for the month of November-EFY2018. It was **-0.8 percent** in November EFY2017.

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 EFY2018 compared with November EFY2017.

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** 2018 EFY stood at **10.6%**. This implies that the CPI of Food and Non-Alcoholic Beverages has, on average, increased by **10.6%** compared to November EFY2017. The major contributing factors for the rise of food inflation for November EFY2018 was the observed increase in the average prices of major food commodities such as vegetables increased by **(10.2%)**, meat increased by **(14.8%)**, Sugar, jam, honey & chocolate increased by **(18.6%)**, Milk, Cheese and Eggs increased by **(14.2%)**, Oils and Fats increased by **(18.9%)**, **Fruit** increased by **(14.1%)**, and Food products n.e.c increased by **(19.7%)**. However, bread and cereals decreased by **(-3.0%)**.



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Beginning from-EFY 2016 the magnitude of the inflation rate steadily declined overtime.

Month/Year	General	Food	Non-Food
July EFY2009 - June EFY2010	14.4	13.4	15.9
July EFY 2010 - JuneEFY2011	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 EFY2014 - June EFY2015	32.5	31.7	33.9
July EFY2015 - June EFY2017	26.6	28.1	24.3
July EFY2017 - June EFY2017	16.0	16.2	15.8
November-EFY 2017	16.9	18.5	14.5
December	17.0	18.7	14.4
January	15.5	15.8	15.0
February	15.0	14.6	15.6
March	13.5	11.7	16.2
April	14.4	12.2	17.9
May	14.4	12.1	17.8
June	13.9	11.7	17.3
July	13.7	12.1	16.1
August	13.6	12.7	15.1
September	13.2	12.1	14.8
October	11.7	10.2	14.2
November-EFY 2018	10.9	10.6	11.4

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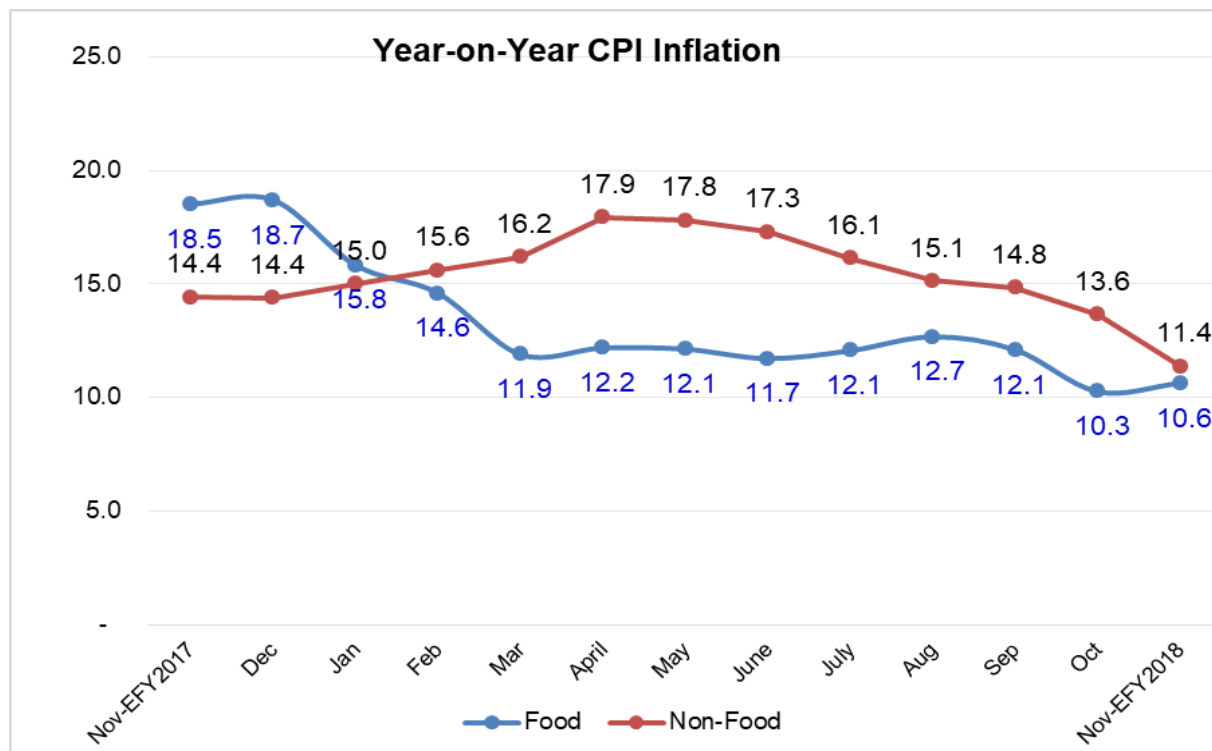
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Fig 1: Food and Non-Food Inflation (% , Year-on-Year), November EFY2017 - November EFY2018



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

As can be seen from the above figure, both the non-food year-on-year inflation rate and Food inflation rate increased in November-ETY2018. The Non-Food inflation increased by **11.4 percent** during the same period. Particularly, Alcoholic Beverages and Tobacco increased by **(16.7%)**; Housing, water, electricity & other fuel component increased by **(3.7%)**; Furnishings, household equipment & routine maintenance of the House increased by **(13.9%)**; Health increased by **(4.8%)**; Transport increased by **(20.9%)**; Communication increased by **(16.1%)**; Education increased by **(8.0%)**; Restaurants and hotels increased by **(13.0%)** and Miscellaneous goods and services increased by **(23.9%)** have contributed for the rise in non-food inflation rate in November EFY2018.



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

When we look at major division of food and non-food commodities, which holds large share in the commodity basket, When we look at major divisions of Food and Non-Food commodities, which holds large share in the commodity market, the following results are nuanced from November EFY2018 price survey. From Food and Non-Alcoholic Beverage aspect, the highest weight is held by Bread and Cereals, Vegetables, Other-Food products, Non-Alcoholic Beverage, and Meat; whose inflation at November EFY2018 has recorded a decrease for Bread & Cereals **(-3.0%)**; Vegetables increased by **(10.2%)**; Other-Food products (Food products not elsewhere classified) increased by **(19.7%)**; Meat increased by **(14.8%)** and Non-Alcoholic Beverages & coffee increased by **(59.1%)**.

Similarly, during November 2018 EFY the year-on-year inflation rate of the major Non- Food items of Housing, Water, Electricity, Gas, & Other Fuels increased by **(3.7%)**; Restaurants and Hotels increased by **(13.0%)**; Alcoholic Beverages & Tobacco increased by **(16.7%)**; Furnishings, Household Equipment & Routine Household Maintenance of the House increased by **(13.9%)** and Clothing and Footwear increased by **(15.0%)**.

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 EFY2017 compared with November EFY2018	% change in Month-to-Month inflation October EFY2018 compared to November EFY2018
Major Food and Non-Alcoholic Beverage components	53.5	10.6	-1.3
Bread and Cereals	17.1	-3.0	-0.5
Vegetables	12.3	10.2	-2.6
Other-Food products	5.6	19.7	-2.3
Non-Alcoholic Beverage	5.1	59.1	-4.3
Meat	4.1	14.8	0.5
Major Non-Food Components	46.5	11.4	-1.6
Housing, Water, Electricity, Gas and Other Fuels	16.8	3.7	-5.3
Clothing and Footwear	5.7	15.0	0.0
Restaurants and Hotels	5.3	13.0	0.0
Alcoholic Beverages and Tobacco	4.9	16.7	0.7
Furnishings, Household Equipment and Routine Maintenance of the House	4.7	13.9	-0.4

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Month-to-Month Inflation Rate

The **month-to-month general inflation rate** for **November EFY2018** has decreased by **-1.4 percent** compared to what was observed last month. During the same month, the **food and non-alcoholic** component of the inflation decreased by at **-1.3 percent** whereas the **non-food** component for its part decreased by **-1.6 percent**.

Table 3: General Inflation Rate (% , Month-to-Month), October EFY2018 - November EFY2018

Month	General month-to-month inflation
November-EFY 2017	-0.8
December	0.8
January	0.6
February	0.5
March	2.7
April	0.1
May	0.2
June	0.5
July	1.3
August	1.1
September	2.0
October	2.3
November-EFY 2018	-1.4

Month-to-Month Inflation of Food and Non-alcoholic Beverages :

In November EFY2018, among the food components of the CPI, Meat increased by **(0.5%)**, Fish and sea food increased by **(0.1%)**, Milk, Cheese and Eggs grow by **(0.9%)**, Oils and Fats increased by **(1.7%)**, and Fruit increased by **(0.4%)** on the month to month basis. The remaining major food lists of the CPI presented a decrease in their respective CPI movement.



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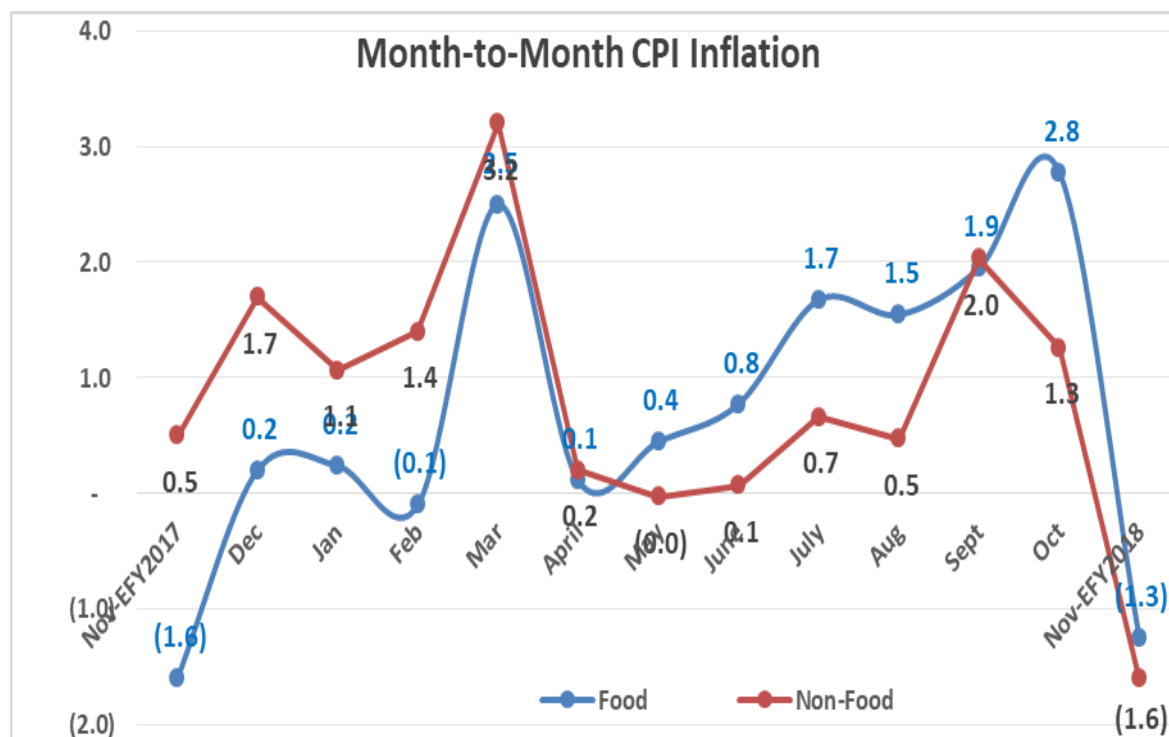
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Non-Food Inflation (% , Month-to-Month)

Looking at non-food items, the month to month CPI movement for Alcoholic beverages and tobacco increased by (0.7%), Transport increased by (0.2%) , and Miscellaneous goods and services increased by (1.9%). While non-Food items of Housing, Water, Electricity, gas and other fuels; Furnishing, Household Equipment and Routine Maintenance of the House; Communication; and Education presented a CPI growth of 5.3%, 0.4%, 0.1%, and 0.8% respectively. The remaining major food items (Clothing & Foot wear, Health, Recreation and Culture, and Restaurant and Hotels) did not show price movement in the month.

Fig 2: Food and Non-Food Inflation (% , Month-to-Month), October EFY2017 - November EFY2018





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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**) was **13.8 percent** in November EFY2018 as compared to the one observed in a similar period a year ago. Since EFY2017 inflation has been relatively eased in the country.

Table 4. Overall CPI and 12-month moving average Overall Inflation rate November EFY2018

Month	12 Months moving Average Overall CPI	12-Month Moving Average overall Inflation
November-EFY2017	457.5	22.0
December	463.4	21.0
January	469.0	19.9
February	474.4	18.9
March	479.5	17.9
April	484.9	17.1
May	490.3	16.5
June	495.6	16.0
July	500.9	15.6
August	506.2	15.3
September	511.4	15.0
October	516.3	14.3
November-EFY2018	520.7	13.8



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12-month moving average Food and Non-Food Inflation rate (November EFY2017 - November EFY2018)

Dis-aggregated, **12-month moving average food** inflation increased by **12.8 percent** as compared to the one observed a year ago and non-food inflation rate increased by **15.4 percent** in November EFY2018 as compared to the one observed in November EFY2017.

Table 5: 12-month moving average Food and Non-Food Inflation rate (November EFY2017 - November EFY2018)

Baseline: Dec, EFY2009= 100

Month	12-month moving average Food Inflation	12-month moving average Non-Food Inflation
November-EFY2017	24.4	18.4
December	23.5	17.5
January	22.1	16.7
February	20.8	16.1
March	19.3	15.7
April	18.1	15.7
May	17.0	15.7
June	16.2	15.8
July	15.5	15.8
August	15.0	15.9
September	14.4	15.9
October	13.4	15.8
November-EFY2018	12.8	15.4



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Recent Improvements in CPI Price survey

The monthly consumer price data collection first started in Addis Ababa in 1963 (1955 E.C). The consumer price survey which started in the capital city helped to prepare Consumer Price Index (CPI) for the city of Addis Ababa which was used as an indicator of national price movement for long time periods. Starting from December 2000 GC, CPI coverage expanded to 9 regions and 2 city administrations. Through this approach a number of zones were first selected and in each zone two Woredas were selected. From the 2 Woredas a list of 8 markets were prepared and ranked by size (population), importance of the market, wide variety of goods sold and, use of the market by both urban and rural households. From each zone two urban markets were selected for price data collection. However, these 120 markets selected 25 years ago and become less representative given the fast growth in regional towns and cities in terms of population, economic activities, and the creation of new administrative structures. Furthermore, complaints were raised by stakeholders from time to time that the CPI coverage has been limited to 120 urban markets for a quarter of a century in spite of big structural and economic changes in the country.

This led the Ethiopian Statistics Service to review data collection sample markets that are representative following a consistent approach applied to select the existing 120 markets. This exercise led to the selection of 80 new markets. This makes a total of 200 markets (120 old markets and 80 new markets) for price survey. To see what effect the new market selection could have on the CPI series, Pilot Surveys were conducted in the newly selected 80 markets starting from November 2024. In the subsequent piloting exercises conducted for one year CPI results showed negligible differences between 120 markets and the combined 200 markets.

This exercise was a milestone for the next CPI re-basing which is planned for December 2025=100 using the weights to be derived from 2017 EFY National Integrated Household Survey. Furthermore, these 80 new markets are important in order to include the four newly emerged regional states of Sidama, South, South West and Central Ethiopia for the future CPI compilation. Accordingly, the ESS has decided to do the price data collection and CPI production using the combined 200 markets (120 old+80 new) starting from May 2025.

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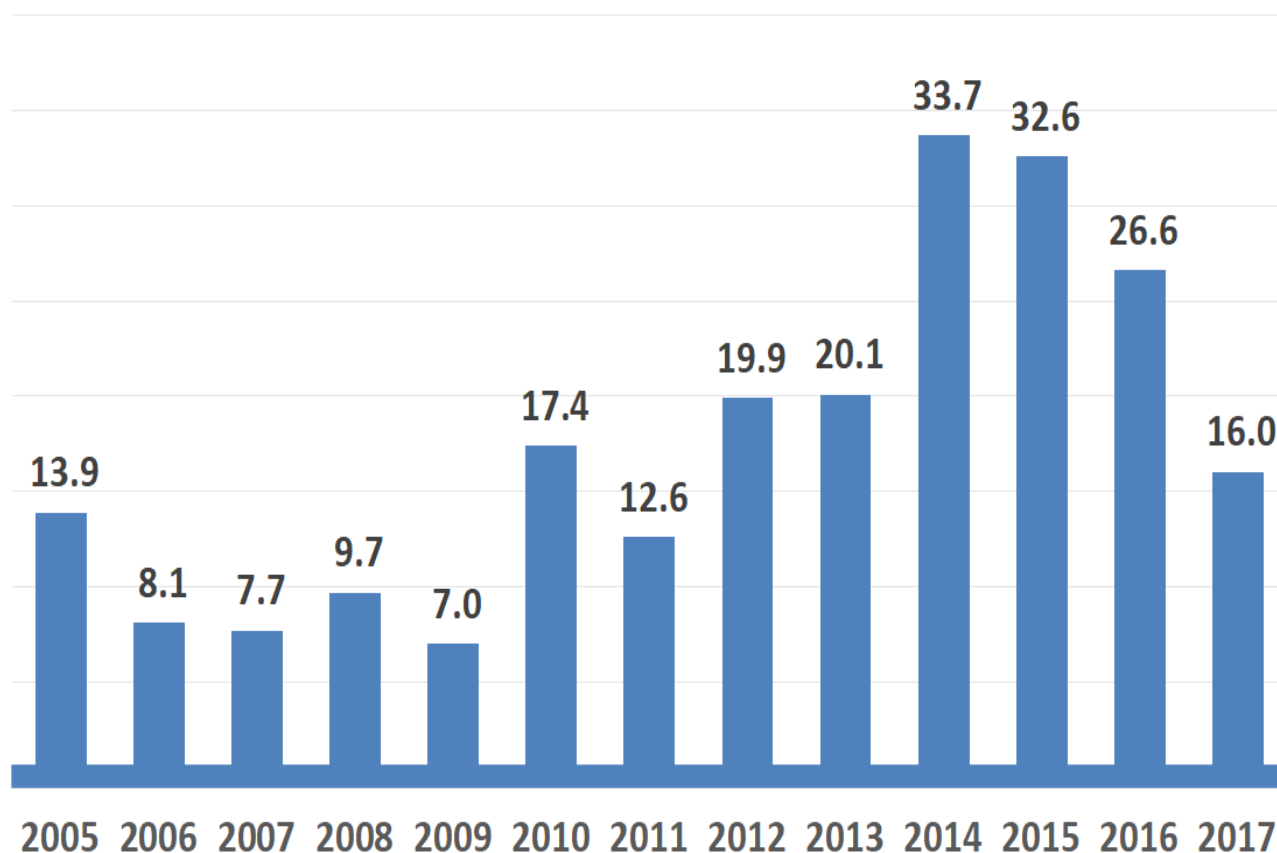
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4. Annual Inflation trend

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 since Ethiopian EFY2005 (Year-on-Year)



The **average annual general inflation rate** for the country stood at **(16.0 %)** in **EFY2017** compared to **(26.6 %)** in **EFY2016**. The past three years were 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.



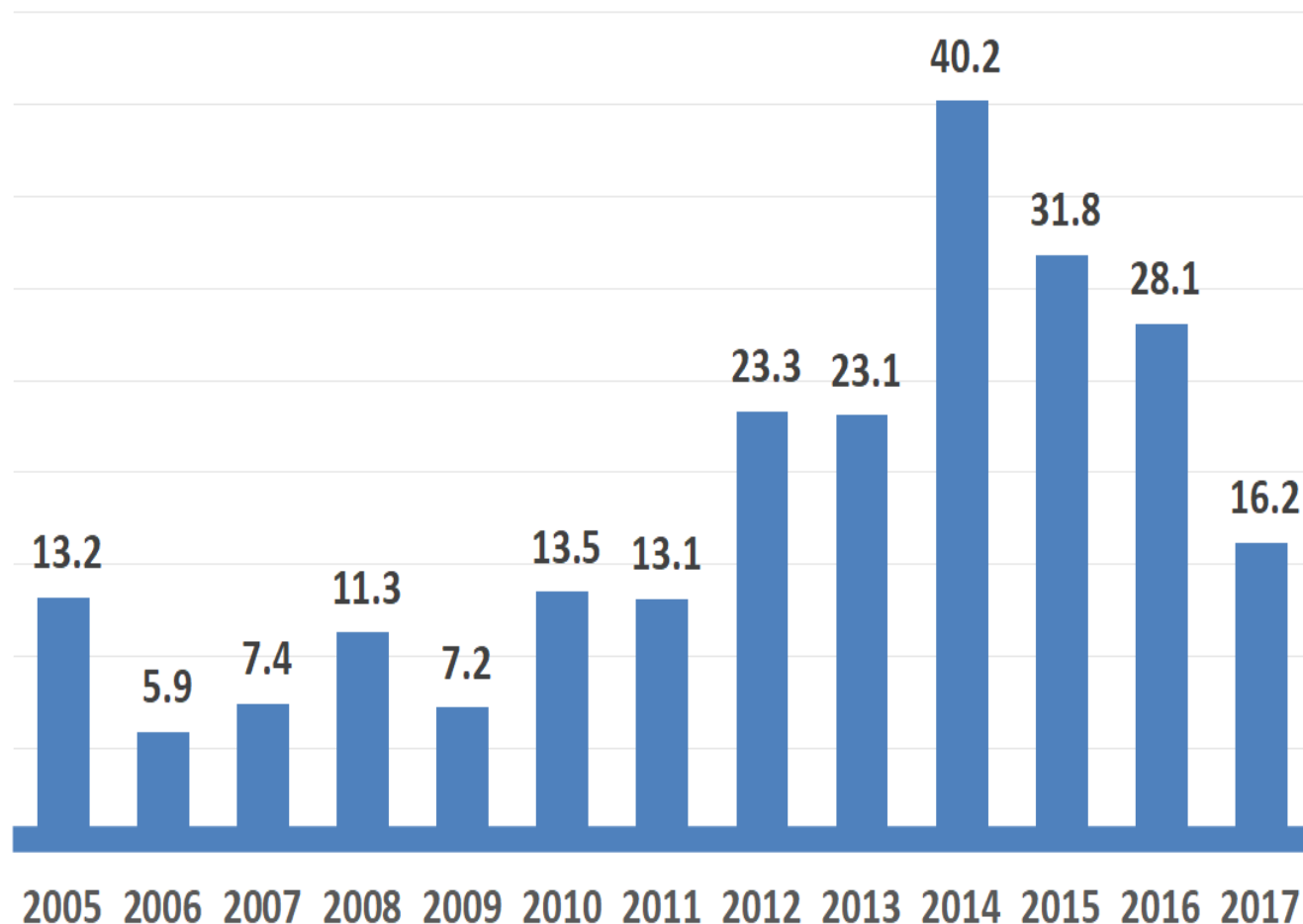
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Fig 4: Average Annual Food Inflation in Ethiopia since EFY2005 (Year-on-Year)



The **average annual food inflation** rate for the country stood at **(16.2 %)** in **EFY2017** compared to **(28.1 %)** in **EFY2016**, about twelve percentage point reduction compared to last year figure. But since 2010 the inflation rate stacked at double digit.



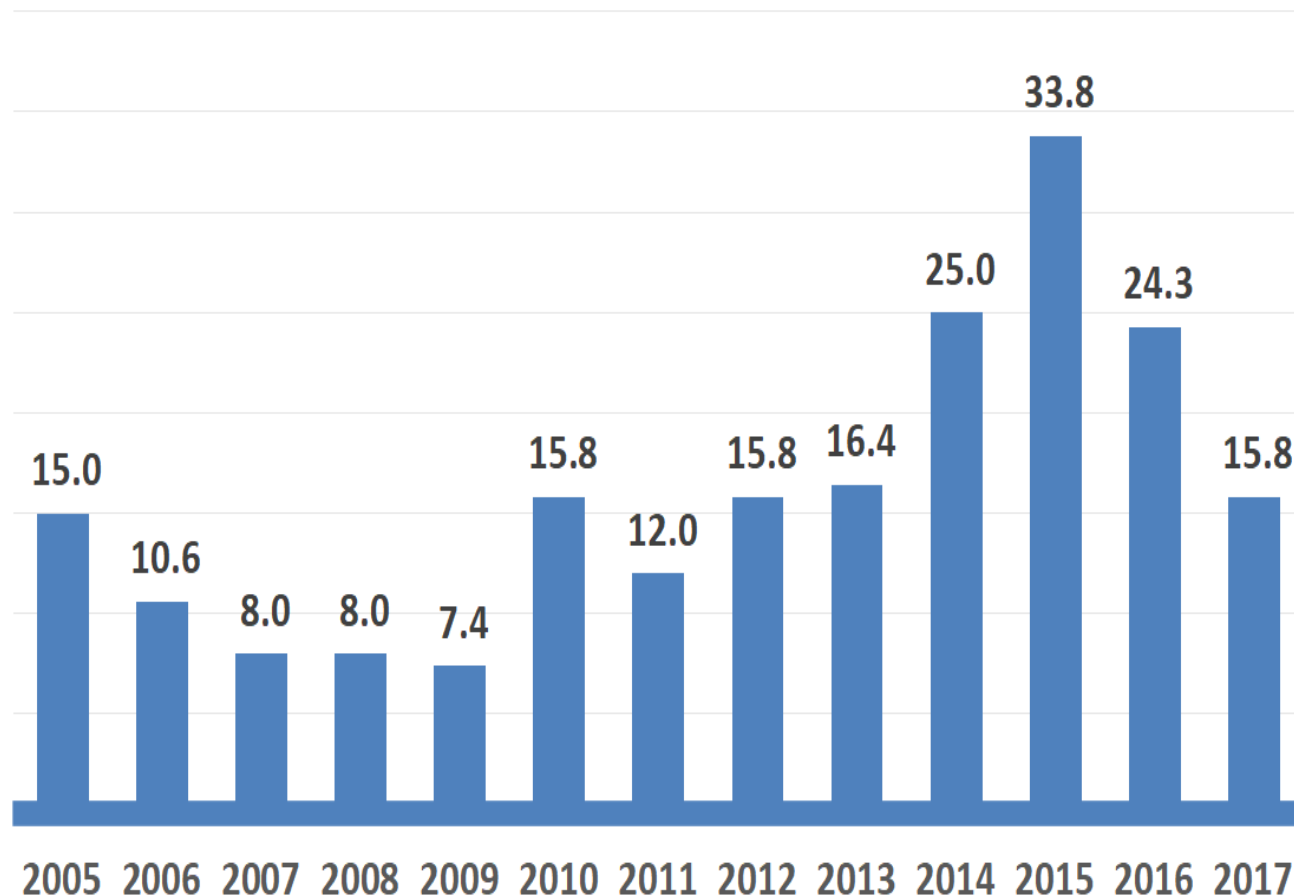
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Fig 5: Average Annual Non-Food Inflation in Ethiopia since EFY2005 (Year-on-Year)



The average annual non-food inflation rate for the country stood at **(15.8 %)** in **EFY2017** compared to **(24.3 %)** in **EFY2016**. Non-food inflation movement, in the past ten year is divided into two. Between 2005 and 2009 non-food inflation showed reduction and since then the rate demonstrate increasing trend until 2015. This is could 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. Relative easing of the non-food inflation for EFY2016 and 2017 is observed as a result of tight monetary policy in place to reduce bank credit.



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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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