



# Liberia Institute of Statistics & Geo-Information Services

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## NEWSLETTER LIBERIA CONSUMER PRICE INDEX (LCPI) FEBRUARY 2023



### THE INFLATION RATE FOR THE MONTH OF FEBRUARY, 2023 WAS 8.27 PERCENT

Inflation is a decrease in the purchasing power of money, reflected in a general increase in the prices of goods and services in an economy. In the simplest term, Inflation means consumers can buy less with the same amount of money. The Consumer Price Index (CPI) measures the change over time in the general price level of goods and services households acquire for consumption. Liberia’s CPI Basket has a Weight Reference Period of 2016 while the Price is referenced to December 2018. The Index is chain-linked to December 2005.

#### February 2023 Rate of Inflation

The Year-on-Year Inflation Rate as measured by the CPI was 8.27 Percent. This rate of Inflation for February 2023 is the percentage change in the Consumer Price Index (CPI) over the last twelve months, from February 2022 to February 2023. Simply put, the data shows that the general price level increased by 8.27 percent on a year-on-year basis. The month recorded less than one percentage point increase from a low of 7.64 percent in February 2022.

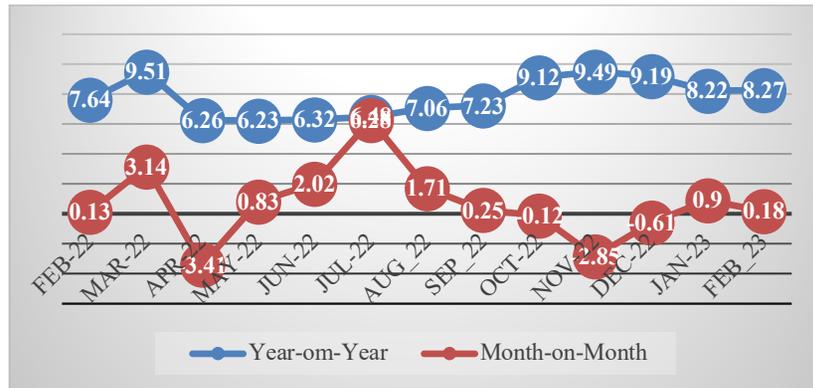
Table 1: Liberia Consumer Price Index (CPI), Feb. 2022-Feb. 2023)

Year / Month	Index Dec 2005= 100	Change rate (%)	
		Monthly (m/m)	Yearly(y/y) Inflation
Feb-22	583.32	0.13	7.64
Mar-22	601.62	3.14	9.51
Apr-22	581.08	-3.41	6.26
May-22	585.92	0.83	6.23
Jun-22	597.78	2.02	6.32
Jul-22	635.36	6.28	6.48
Aug-22	646.24	1.71	7.06
Sep-22	647.83	0.25	7.23
Oct-22	647.08	-0.12	9.12
Nov-22	628.67	-2.85	9.49
Dec-22	624.84	-0.61	9.19
Jan-23	630.46	0.9	8.22
<b>Feb-23</b>	<b>631.59</b>	<b>0.18</b>	<b>8.27</b>

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The Month-on-Month Change was 0.18 percent. Meanwhile, the Year-on-Year Inflation Rate for the previous month (January 2023) was 8.22 Percent.

**Figure 1: Consumer Price Index (CPI), February 2022 to February 2023 - Monthly and Annual Changes in Time Series**



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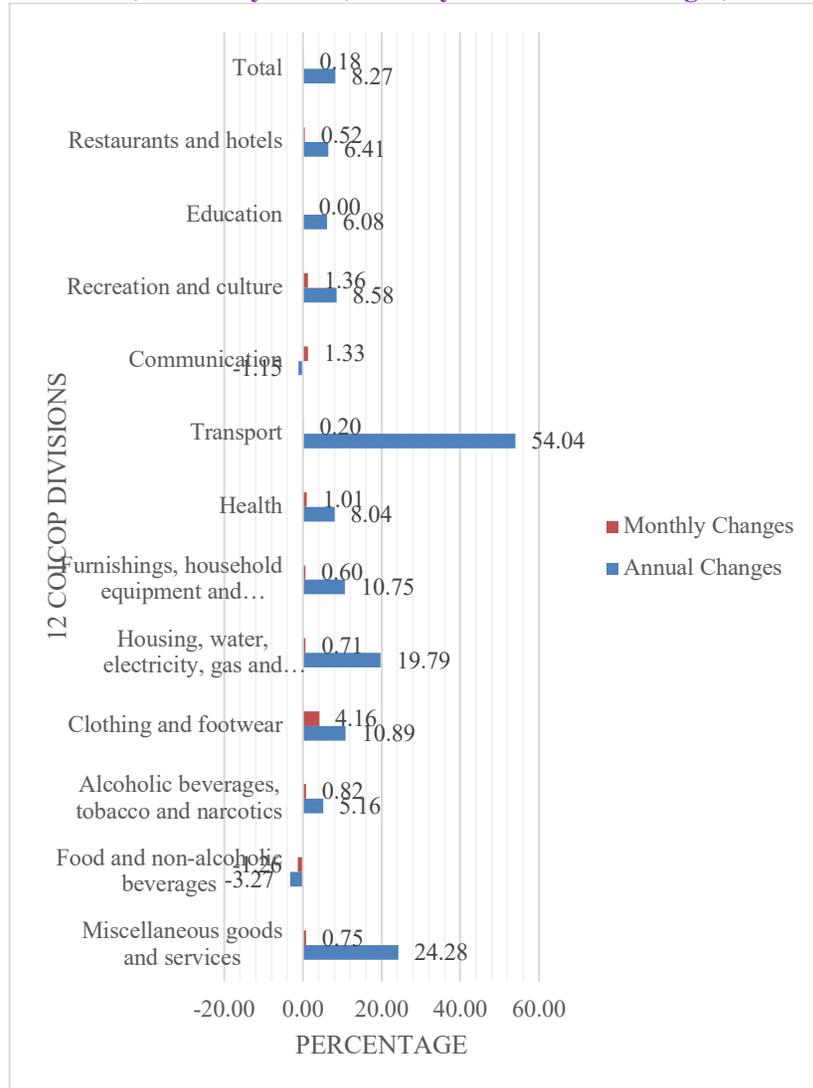
**Food and Non-food Inflation for February 2023**

**The Food and Non-alcoholic Beverages Category**, on a year-on-year basis, recorded a rate of negative 3.27 percent. The group recorded negative 1.57 percent in February 2022. In this category for the month under review, the Vegetable Class registered the lowest inflation rate of negative 35.6 percent. The Sugar, jam, honey, chocolate and confectionery Class recorded the highest of about 22.0 percent with Chocolate recording the highest of about 47.0 Percent. In the Food and Nonalcoholic Beverages Category, six (6) classes

recorded inflation rates greater than the group’s average of negative 3.27 percent. They are: Bread and cereals (15.26 percent), Meat (negative 0.13 percent), Milk, cheese and eggs (10.3 percent), Oils and fats (6.7 percent), Fruit (4.7 percent), and Sugar, jam, honey, chocolate and confectionery (22.15 percent).

**The Non-Food Category** recorded a Year-on-Year Inflation Rate of 13.70 percent in February 2023, decreasing by about one percentage point from the 12.5 percent recorded in February 2022. In the **Non-Food Category**, Transport Division recorded the highest (54.04 percent). The **Miscellaneous Goods and Services Division** recorded the second-highest inflation of 24.28 percent in the Nonfood Category. The **Communication Division** recorded the lowest of negative 1.15 percent in the Nonfood Category with Scratch Cards (Vouchers) accounting for the lowest of negative 18.75 percent which can be attributed to the appreciation of the Liberian Dollars compared to February 2022. Three out of the 11 divisions within the Non-Food category recorded inflation rates higher than the average of the nonfood category of 13.70 percent. They are: **Transport** (54.04 percent), **Miscellaneous Goods and Services** (24.28 percent), and **Housing, water, electricity, gas and other fuels** (19.79 percent).

**Figure 2: Inflation Rates (%) by the 12 major COICOP Functions, February 2023 (Monthly and Annual Changes)**

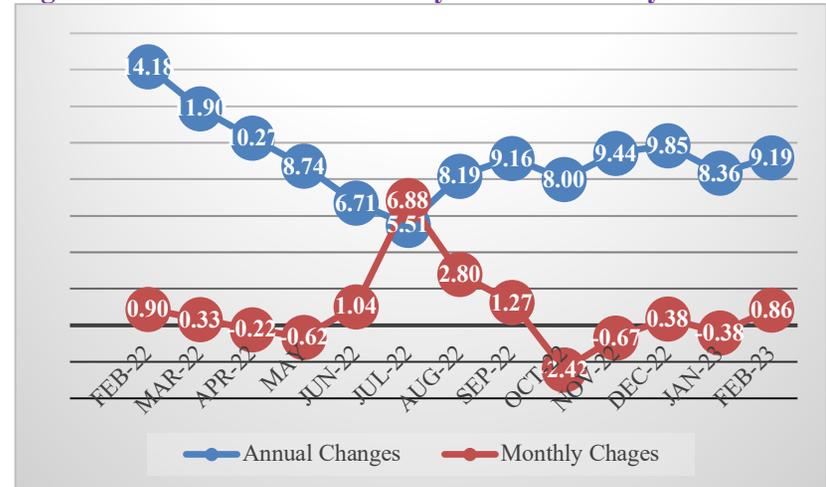


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**Core Inflation**

As depicted in Figure 3 below, Core Inflation, that is, General Inflation less food and transport recorded an annual rate of 9.19 percent in February 2023, about five percentage points lower than the 14.18 percent recorded in February 2022. Month-on-Month Change was less than negative one percent.

**Figure 3: Core Inflation- February 2022 – February 2023**

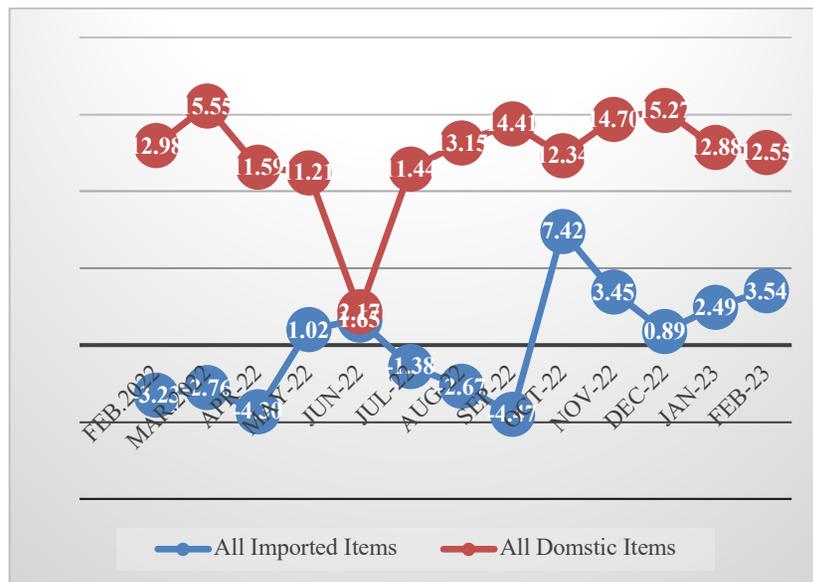


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Figure 4 below presents data for all imported and domestically produced items respectively, covering the period February 2022 to February 2023. As depicted, the month of February 2023 recorded a rate of 3.54 percent for all imported items combined within the Basket and on an annual basis. In February 2022, the rate was negative 3.23

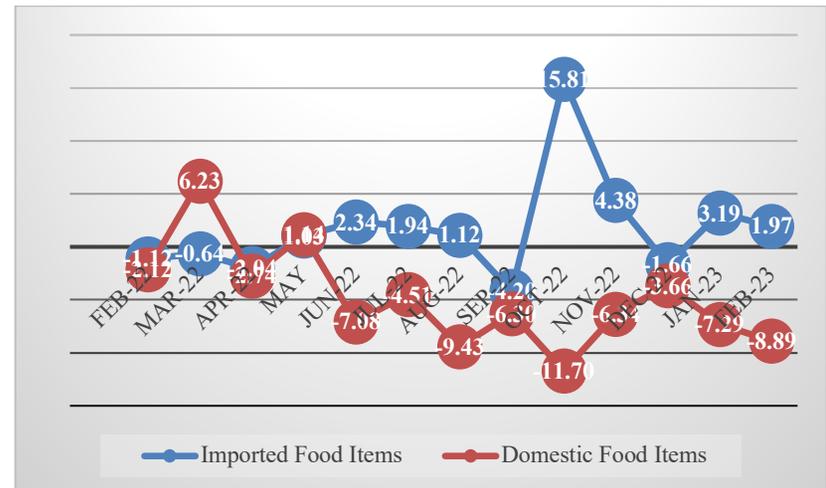
percent. All domestically produced items within the Basket grouped as a unit continued a positive and strong trend, still reporting in double digits with February 2023 reporting at 12.55 percent. The group slightly decreased by less than one percentage point from the 12.98 percent recorded in February, 2022. It is important to note that Liberia is hugely import-reliant with a competitive market system. It is observed that the appreciation of the Liberian Dollars over the period is likely to be a contributing factor to this trend.

**Figure 4: Inflation Rate: All Imported and Domestic Items (February 2022 – February 2023)**



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**Figure 5: Inflation Rate: Imported and Domestic Food Items (February 2022 to February 2023)**



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Figure 5 above presents data for imported and domestically produced food items, respectively. As depicted, imported food items (as a group) reported a rate of 1.97 percent while domestically produced food items (as a group) reported a rate of negative 8.89 percent for the month of February, 2023. In February, 2022 imported food items were at negative 1.12 percent while domestically produced food items reported negative 2.12 percent.

### **Key factors contributing to the slight increase in Inflation for February 2023**

For February 2023, the Annual Inflation Rate was recorded at 8.27 percent from 8.22 percent in the previous month, that is, January 2023. This slight increase was primarily driven by exchange rate variations.

### **Method of Calculating Indices**

For the computation of indices, two methods are used: For Elementary Indices, Jevons Geometric Average Index Formula is used while the modified Laspeyres Index Formula is used to compute Aggregate Index.

All items within the 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. The 12 functions are being used for Liberia's CPI Compilation.

### **Composition of the CPI Basket**

The current basket contains 161 items while the discarded basket contained 157. There are 317 products in the new basket whereas the old basket contained 306 and the number of quotations for market data items is 4 and 3-9 for service items. There are 114 items in the service category and 47 items in the market category of the new basket and

market data are being collected from four markets only: Red Light, Duala, Rally Time, and General Market (Waterside).

### **Limitations of the CPI**

Liberia's CPI Data for market items are only collected in the four major markets of Monrovia and its immediate environs of Paynesville and Bushrod Island. For service items, data is collected in all major supermarkets, shops, stores, restaurants and hotels in Monrovia and its immediate environs.

### **Dissemination**

A bulletin on the February 2023 CPI and more detailed data in Excel format have been posted on the LISGIS website [www.lisgis.gov.lr](http://www.lisgis.gov.lr). The target publication date of the monthly CPI Report is the 10<sup>th</sup> of each month for the previous month's report.

For comments/inquiries, please contact the followings:

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