



JANUARY, 2021 CPI REPORT

KADUNA STATE BUREAU OF STATISTICS

CONSUMER PRICE INDEX (CPI) REPORT FOR JANUARY, 2021.

The Consumer Price Index (CPI) measures the average change over time in prices of Goods and Services consumed by people for day to day living. The construction of the CPI combines economic theory, sampling and other statistical techniques using data from other surveys to produce a weighted measure of average price changes in Kaduna State Economy. The weighting occurs to capture the importance of the selected commodities in the entire index. The production of the CPI requires skills of economists, statisticians, computer scientists, data collectors and others.

Key in the construction of Price Index is the selection of Market Basket of Goods and Services. Kaduna State Bureau of Statistics has Field Officers spread across the 23 LGAs that provide Monthly Price Data for the computation of the CPI. The market items currently comprise of 221 Goods and Services regularly priced.

The first stage in the calculation of the CPI is the collection of prices on each item (221 Goods and Services) from Markets and Outlets in each sector (Rural and Urban). Prices are then averaged for each item per sector across the state. Then the average price is used to calculate the basic index for each commodity: The current year price of each commodity is compared with a base year's (2009) price to obtain a relative price.

The Laspeyres formula was used to compute an aggregated index for each class (which has a multitude of commodities that have similar consumption purposes). The sum of the product of weights (obtained from the expenditure survey) and relative prices for each item is divided by the sum of the weight of the items in that class, and the result multiplied by 100 gives the required index number. This index number is still classified according to the urban or rural classification sector for each of the 23 LGAs of the state.



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The CPI Year-On-Year Inflation Rate for Kaduna State stands at 14.43% in January, 2021. This was 1.01% higher than the rate recorded in December, 2020 13.42%.

Accordingly, Inflation continued in January due to the rise in prices of Oil and Fat, Bread and Cereals, Potatoes, Yam and Other Tubers, Furniture & Furnishing and Major Household Applied.

Acceleration in Inflation continued, as a result of lingering disruption from the COVID-19 Pandemic and surging attacks of Bandits in Farming areas.

As a result of continued Inflation, the poor people are worse off and the gap between the rich and the poor widens.

The CPI Month – on – Month basis in Kaduna State shows that the State Index stands at 209.89% in January, 2021. The urban Index recorded 214.47% while rural index recorded 211.81% in January, 2020 respectively.

The State CPI Month – on - Month Inflation rate was 15.83% in January 2021, up by 1.39% from 14.44% recorded in December 2020. The Urban Inflation Rate was 22.61% in January 2021, increased by 0.24% from 19.93% recorded in December 2020. The Rural Inflation Rate was 15.23% in January 2021, increased by 0.13% from 14.18% recorded in December 2020.

The Increase of the Month-on-Month Inflation rate in January, 2021 was as a result of Increase in prices of Oil and Fat, Bread and Cereals, Potatoes, Yam and Other Tubers, Furniture & Furnishing and Major Household Applied.

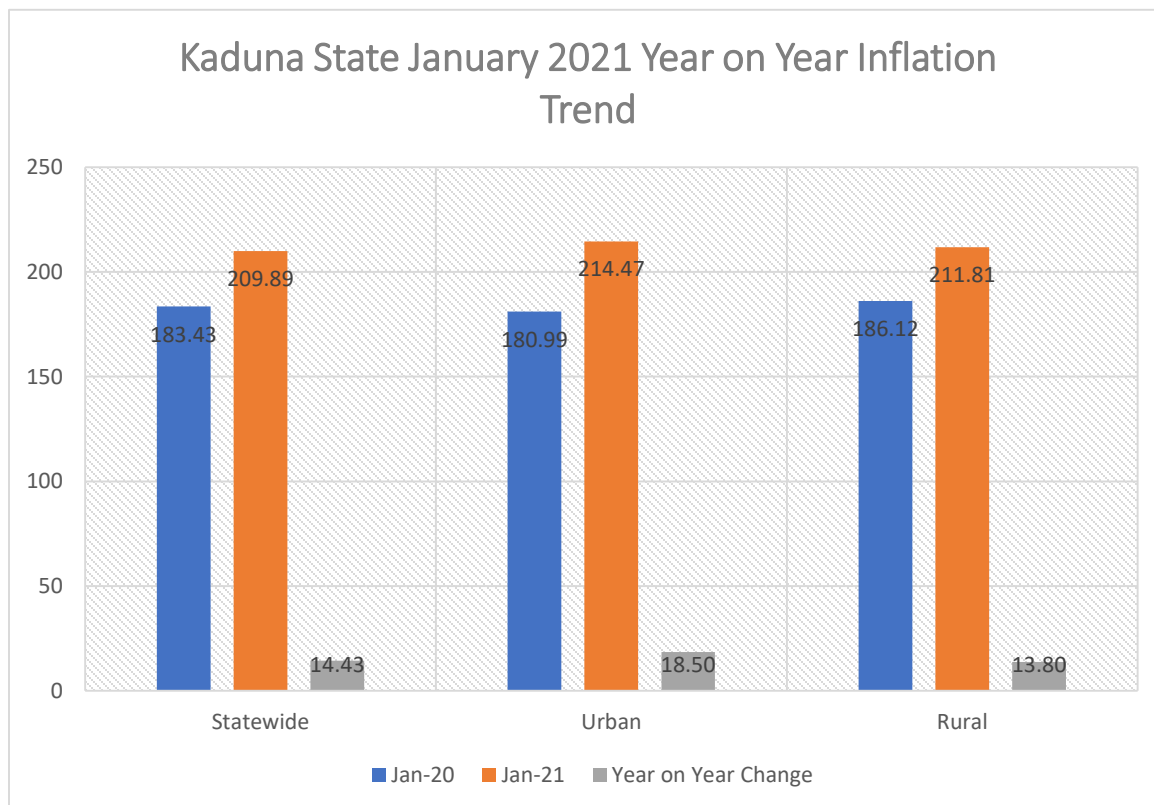
The Top Five Absolute contribution that influenced the Increase of the Month-on-Month January CPI Inflation Rate included: Oil and Fat 3.02%, Bread and Cereals 2.91%, Potatoes, Yam and Other Tubers 1.76%, Furniture & Furnishing 1.01% and Major Household Applied 0.98%.

The highest contribution to the Increase of January 2021 Month-on-Month Inflation rate was recorded in Oil and Fat 3.02%.



**TOP FIVE ABSOLUTE CONTRIBUTIONS TO KADUNA STATE JANUARY, 2021
MONTH-ON-MONTH INFLATION RATE**

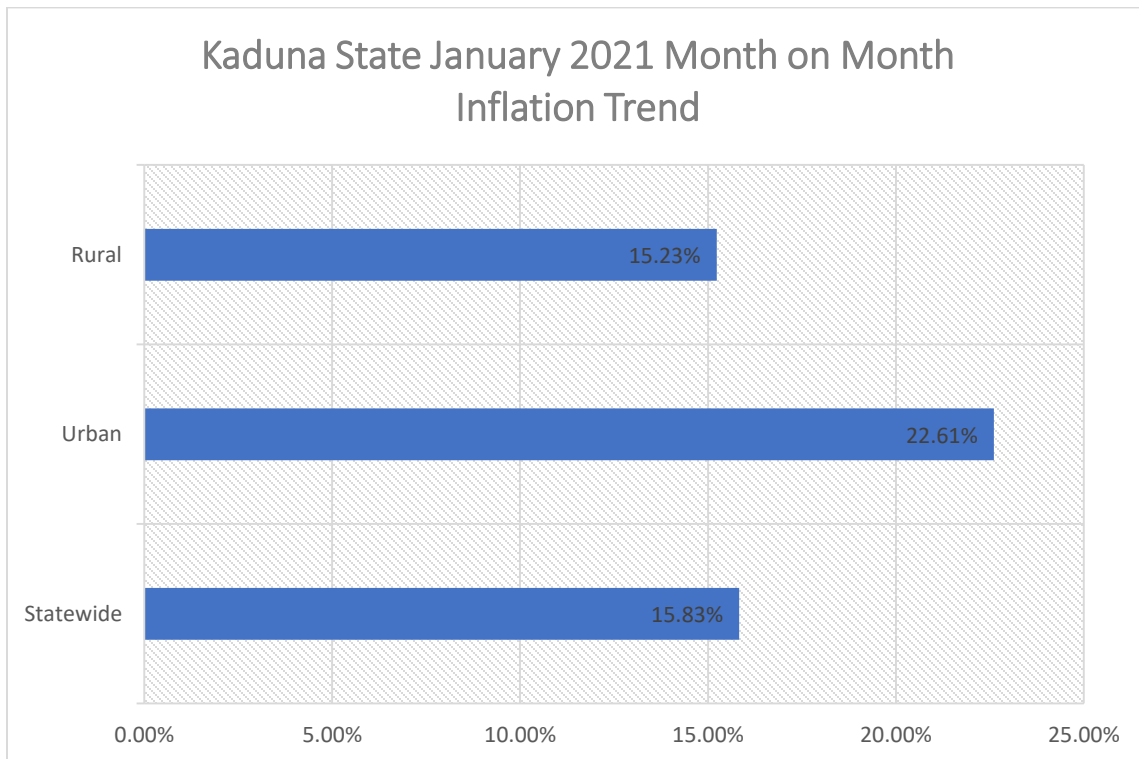
Top Five Absolute Contributions to Month-on-Month Inflation Rate		% Contribution
1	Oil and Fat	3.02%
2	Bread and Cereals	2.91%
3	Potatoes, Yam and Other Tubers	1.76%
4	Furniture & Furnishing	1.01%
5	Major Household Applied	0.98%





KADUNA STATE JANUARY 2021 CPI YEAR ON YEAR INFLATION RATE

	Jan-20	Jan-21	Year on Year Change
Statewide	183.43	209.89	14.43
Urban	180.99	214.47	18.50
Rural	186.12	211.81	13.80





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KADUNA STATE JANUARY 2021 CPI MONTH ON MONTH INFLATION RATE

	Current Index this Month:	Month-on-Month Inflation Rate from Previous Month to this Month:
Statewide	209.89	15.83%
Urban	214.47	22.61%
Rural	211.81	15.23%