

KADUNA STATE BUREAU OF STATISTICS



(CPI) 2020 ANNUAL REPORT

Consumer Price Index

Annual Report 2020

(BASE PERIOD DECEMBER 2009 = 100)



Report Date: January 2022

Data Source: Kaduna State Bureau of Statistics (KDBS)

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EXECUTIVE SUMMARY

The Kaduna State Consumer Price Index (CPI) 2020 annual report shows the Annual Year on Year and Month on Month Inflation Rate.

The Consumer Price Index (CPI) measures the average change in the price level of the market basket of consumer goods and services purchased by households. The CPI is an indicator of inflationary change, which measures the states of an economy.

The Kaduna State CPI report provides Kaduna State with monthly average changes of selected goods and services consumed by people for day-to-day living and the Year-on-Year Inflation rate of the State.

The annual average CPI of the Year-On-Year Inflation Rate for Kaduna State stands at 11.55% at the end of December 2020.

METHODOLOGY

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 the Kaduna state economy. The weighting occurs to capture the importance of the selected commodities in the entire index. Production of the CPI requires the skills of economists, statisticians, computer scientists, data collectors, and others.

The items in the market basket currently comprise 221 goods and services regularly priced. The first stage of the CPI generation is the collection of prices on the items (221 goods and services) in the markets and outlets in rural and urban markets. Subsequently, prices are average for each item per sector across the state, and the average price is used to find the basic index for each commodity. The base year for the calculation of CPI set by the National Bureau of Statistics (NBS) across the country is 2009.

The Laspeyres formula was adopted to compute an aggregated index for each class (which has a multitude of commodities that have similar consumption purposes). The sum of the weighted products (obtained from the expenditure survey) and their relative prices are divided by the sum of the weights of the items in the class, multiplied by 100, gives the required index number. The index number is disaggregated by location for each of the 23 local governments.

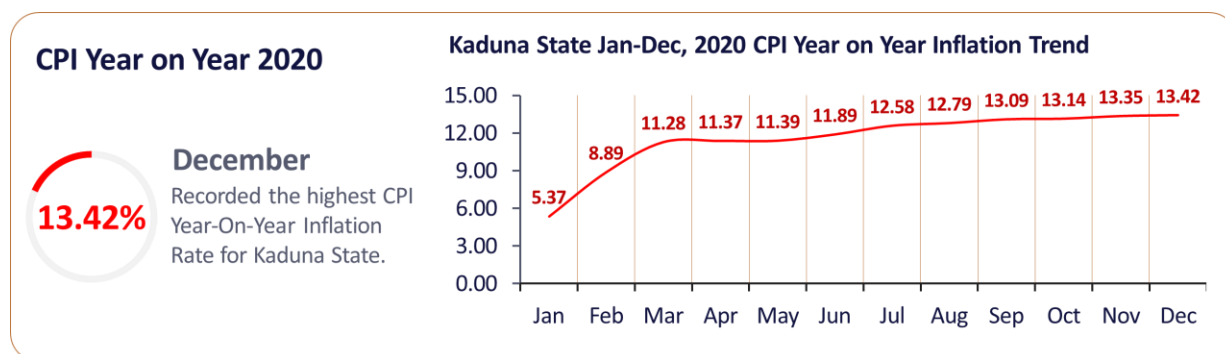
Acknowledgements

We acknowledge the efforts of all the stakeholders involved in the process of CPI Computation from the beginning to the end.

CONSUMER PRICE INDEX ANNUAL REPORT – DECEMBER 2020

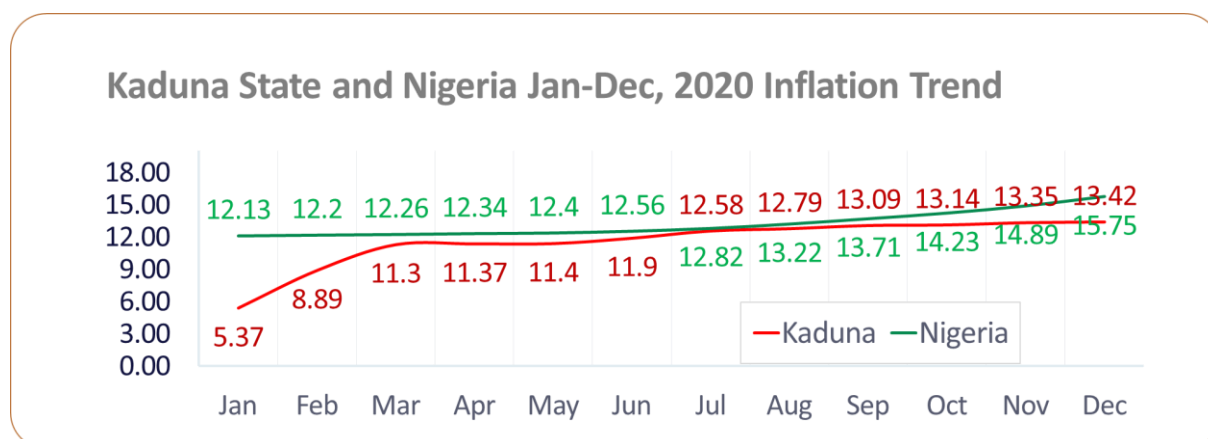
The CPI Year-On-Year Inflation Rate for Kaduna State persistently rises within January to December 2020 due to the effect of the Covid-19 Pandemic. The Inflation Rate for the state stands at 5.37% in January 8.89% in February. The Inflation Rate for the state accelerated to a two-digit inflation index of 11.28% in March, 11.37% in April, 11.39% in May, 11.89% in June 2020. The Year-on-Year Inflation rate continued in July to 12.58%, 12.79% in August, 13.09% in September, 13.14% in October, 13.35% in November, and 13.42% in December 2020. The Annual Average for the State Inflation Rate stands at 11.55%.

Kaduna State Jan-Dec. 2020 CPI Year on Year Inflation Trend



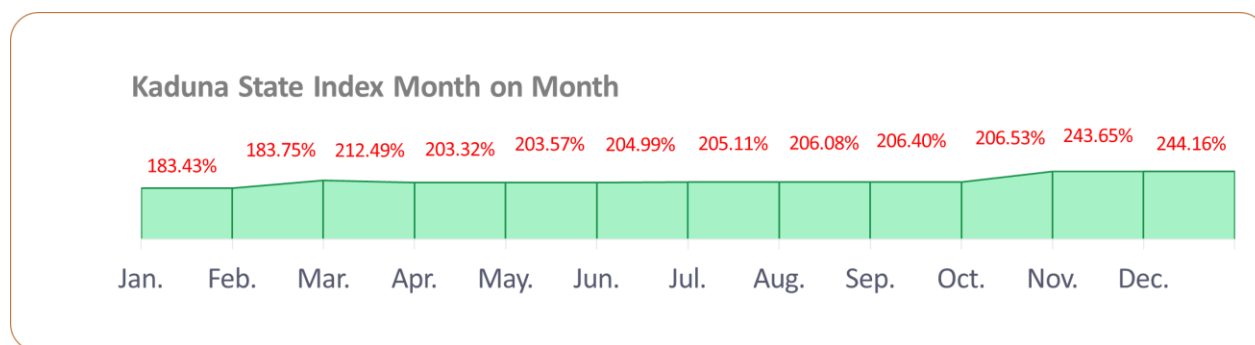
The National Inflation Rate Increased constantly from the First Quarter to Fourth Quarter of the year 2020, the National Annual Average Inflation rate stands at 13.21%. The table below depict the Inflation trend movement between Kaduna State and Nigeria in 2020:

Kaduna State and Nigeria Jan-Dec., 2020 Inflation Trend



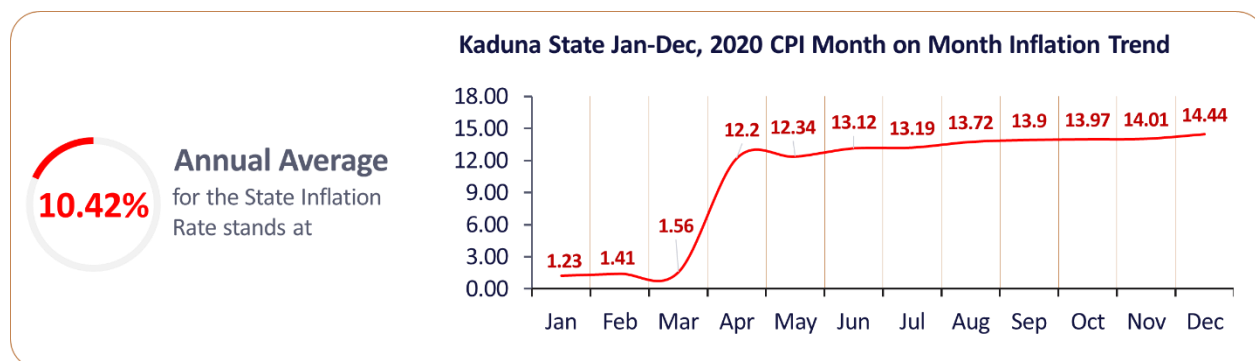
The CPI Month – on – Month basis in Kaduna State shows that the State Index stands at 183.43% in January 2020, 183.75% in February, 212.49% in March, 203.32% in April, 203.57% in May, 204.99% in June, 205.11% in July, 206.08% in August, 206.40% in September, 206.53% in October, 243.65% in November, and 244.16% in December 2021. These show that the Month-on-Month CPI 2020 increased steadily from January to December 2020.

Kaduna State Index (Month on Month)



The State CPI Month – on - Month Inflation rate stood at 1.23% in January, 1.41% in February, 1.56% in March, 12.20% in April, 12.34% in May, 13.12% in June, 13.19% in July, 13.72% in August, 13.90% in September, 13.97% in October, 14.01% in November and 14.44% in December 2020.

CPI Annual Average/State Jan-Dec, 2020 CPI Month on Month Inflation Trend



Accordingly, the rise in the Food index was caused by upward pressure in demand following commodities restriction by the government, and consequently an increase in prices of bread and cereal, potatoes, yam, and other tubers, fish, oil & fat, and meat. With this rise, Kaduna State residents spent more on commodities than in previous months. The inflation was mainly due to the price hike in the food item index and all items.

Analysts at Afrinvest expected exchange rate pressures and supply chain disruption with trade partners to impact domestic consumer prices in the coming months because of the covid-19 pandemic. Inflation continued in March due to recent movement restrictions, thus causing

consumers to spend primarily on essential goods and services, which led to the price hike in food items and pharmaceutical products.

The Central Bank Governor highlighted that because of the Covid 19 pandemic, there are low expectations of future income by workers in the gig economy who are engaged on a short-term contract basis, as well as the low-income earners in the informal economy.

The CPI report of April 2020 indicated a rise in the prices of overall goods and services in the economy because of the covid locked-down and the global oil crisis. The latest increase in the inflation rate signifies that the purchasing power of consumers to buy goods and services has reduced. It implied that the ability of consumers to buy the same quantity of goods with the same income level has worsened within the period, and economic activities deteriorated.

The increase in the prices of overall goods and services in the economy is caused by the partial restriction in business activities across the country. The current fluctuation in prices of goods and services sometimes compels consumers to purchase more quickly to prevent further price escalation which, could further hurt the prices of goods and services.

The effect of the Covid-19 Pandemic in Kaduna State includes; Jobs losses, a sharp drop in income of the informal workers and the poor people, food insecurity, school closures, and economic uncertainties. People are spending more on basic items despite fixed income, contraction of economic activities, and low investment capability.

In the last quarter of 2020, people faced the hardship caused by the effect of the Covid-19 lockdown and the sustained land border closure, which has caused the cost of major food items and essential services to rise persistently. Inflation continued till the end of 2020, as many people are drawn to be more aware of their health status due to the covid-19 outbreak, increased demand for medical services and health-related products has caused a significant hike in prices of health services. It indicates that the purchasing power of consumers has rapidly declined.

Appendix

TABLE 1: KADUNA STATE JAN-DEC, 2020 CPI YEAR ON YEAR INFLATION RATE

MONTHS	KADUNA STATE 2020 YEAR ON YEAR INFLATION RATE
JAN	5.37
FEB	8.89
MAR	11.28
APR	11.37
MAY	11.39
JUN	11.89
JUL	12.58
AUG	12.79
SEPT	13.09
OCT	13.14
NOV	13.35
DEC	13.42

TABLE 2: KADUNA STATE AND NIGERIA JAN-DEC, 2020 INFLATION RATE

MONTHS	Kaduna State Inflation Rate	Nigerian Inflation rate
JAN	5.37	12.13
FEB	8.89	12.2
MAR	11.3	12.26
APR	11.37	12.34
MAY	11.4	12.4
JUN	11.9	12.56
JUL	12.58	12.82
AUG	12.79	13.22
SEP	13.09	13.71
OCT	13.14	14.23
NOV	13.35	14.89
DEC	13.42	15.75

Table 3: KADUNA STATE JAN-DEC, 2020 CPI MONTH ON MONTH INFLATION RATE

MONTHS	KADUNA STATE 2020 MONTH ON MONTH INFLATION R.
JAN	1.23
FEB	1.41
MAR	1.56
APR	12.20
MAY	12.34
JUN	13.12
JUL	13.19
AUG	13.72
SEPT	13.90
OCT	13.97
NOV	14.01
DEC	14.44