



# UGANDA BUREAU OF STATISTICS

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## PRESS RELEASE

### CONSUMER PRICE INDEX REBASED TO 2016/17

#### HIGH LIGHTS

The Uganda Bureau of Statistics has rebased the Consumer Price Index (CPI) from 2009/10 to 2016/17. The new rebased series include a number of methodological improvements which ensure the continued accuracy and representativeness of the CPI. The rebasing has been guided by the internationally accepted best practices, as well as the Common Market for East and Southern Africa (COMESA) and the East African Community Harmonized Consumer Price Index regulations.

#### Key Improvements in the 2016/17 Rebased CPI series

The new CPI has a basket of 344 items, compared to the previous basket of 274 items. Items in the previous 2009/10 basket whose relative importance has reduced have been dropped and new items with prominent importance, identified by their share in the household consumption, have been included.

In addition, expenditure groups have been recalculated, based on the 2016/17 Uganda National Household Survey (UNHS). These Household final consumption expenditures were classified according to the recommended classification of CPI products known as the Classification of Individual Consumption According to Purpose (COICOP) of 2018, which gives more detail than COICOP of 1999.

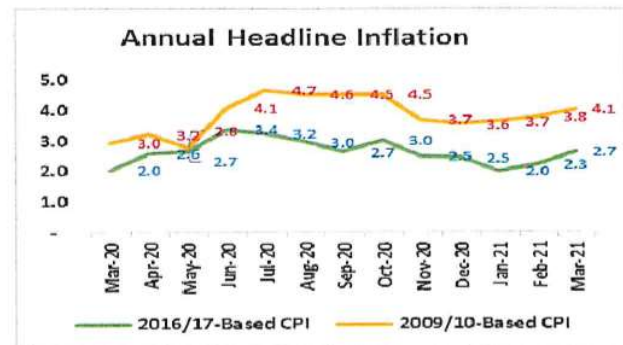
The current CPI, like the previous one, has Consumption Centres namely; Kampala High

Income, Kampala Middle Income, Kampala Low Income, Jinja, Mbale, Masaka, Mbarara, Gulu, Arua and Fort Portal.

#### The Rebased CPI Series

The rebasing exercise yielded an Annual Headline Inflation for the year ended March 2021 of 2.7 percent which is a lower rate compared to the 4.1 percent reported in March 2021 with a base period of 2009/10.

The results show that the rate of price change for the 2016/17 base are relatively lower than those of 2009/10 base, see below.



#### Rebased Series as of March 2021

Therefore, the Annual rebased Headline Inflation for the ended March 2021 was recorded at 2.7 percent compared to 2.3 percent recorded for the year ended February 2021.

**The next publication beginning with end of April 2021 will be using the 2016/17 base period until another rebasing exercise is undertaken.**

Chris N. Mukiza (PhD)  
EXECUTIVE DIRECTOR  
16 April 2021

The increase was due to the Food and Non-Alcoholic Beverages Inflation that increased to 0.2 percent for the year ended March 2021 compared to the minus 2.3 percent registered for the year ended February 2021

The Monthly Headline Inflation for March 2021 rose by 0.3 percent compared to the 0.4 percent rise recorded in February 2021

The increase in the Monthly Headline Inflation was attributed to the monthly Food and Non-Alcoholic Beverages Inflation that rose by 1.6 percent in March 2021 compared to the 0.9 percent rise recorded in February 2021.

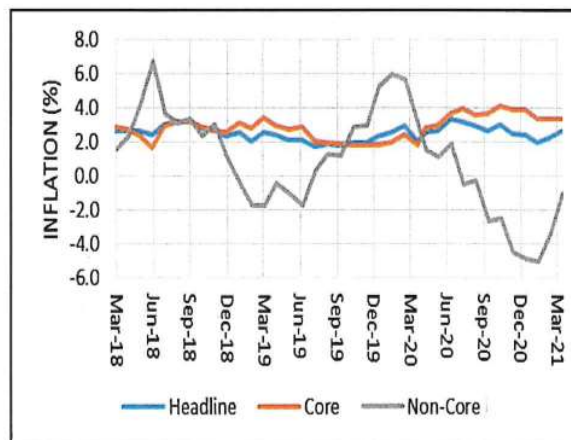
### Disseminated Components of Rebased CPI

These include the Headline Inflation, Core (Other Goods and Services) and Non-Core (Food Crops and Related items, and EFU) Inflation. Other categories brought on board include the further disaggregation of goods into Durable, Semi-Durables and Non-Durables.

The Annual Core Inflation for the year ended March 2021 was recorded at 3.4 percent the same rate recorded for the year ended February 2021. This was attributed to Annual Services Inflation that is registered at 6.0 percent for the year ended March 2021 the same rate recorded for the year ended February 2021.

The Annual Non-Core inflation for the year ended March 2021 registered a minus 1.1 percent compared to the minus 3.5 percent recorded for the year ended February 2021. The increase in Annual Non-Core Inflation was attributed to Annual Food Crops and Related Items Inflation that increased to minus 0.3 percent for the year ending March 2021 compared to the minus 5.0 percent recorded for the year ended February 2021. However, Energy Fuel and Utilities Inflation (EFU) decreased to minus 2.0 percent for the year ending March 2021 compared to the

minus 1.5 percent recorded for the year ended February 2021



### Annual Headline Inflation by Income Groups and Geographical areas

Masaka registered the highest Annual Inflation of 3.6 percent for the year ended March 2021 from 2.2 percent registered for the year ended February 2021. This was followed by Kampala Middle Income that registered an Inflation of 3.2 percent for the year ended March 2021 from the 2.6 percent registered for the year ended February 2021. The driver being Annual Food and Non-Alcoholic Beverages Inflation. Least Annual Inflation was registered in Gulu at 1.2 percent for the year ended March 2021 compared to the 2.1 percent registered for the year ended February 2021.

### The 2016/17 CPI weighting Pattern

The weighting pattern for the 2016/17-based CPI is derived from the expenditure values obtained from the Uganda National Household Survey (UNHS, 2016/17).

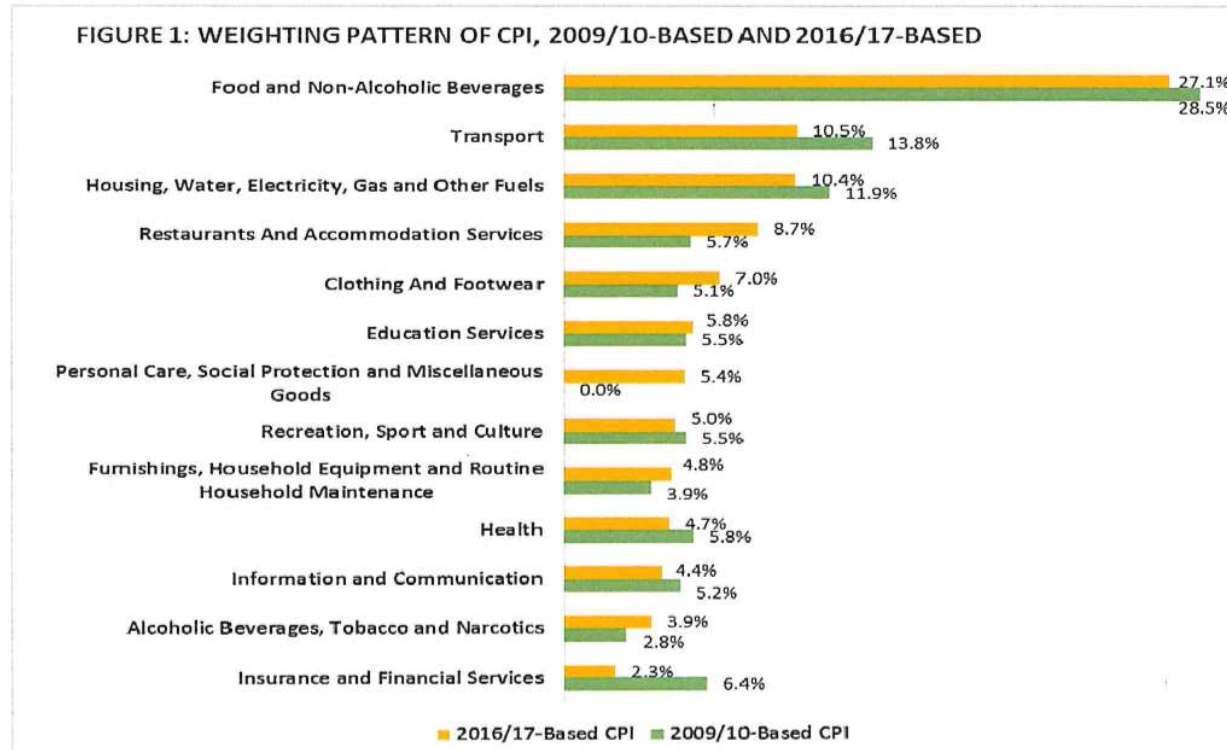
The weighting pattern for the broad categories of goods and services in the 2016/17-based CPI remained largely similar to that for the 2009/10-based CPI.

Food and Non-Alcoholic Beverages, Transport, and Housing, Water, Electricity, Gas and Other Fuels continued



to be the top three expenditure categories for the 2016/17-based CPI, Figure 1.

Collectively, they made up about 48.0 per cent of the total expenditure weight in the 2016/17-based CPI, lower than the corresponding 54.2 per cent in the 2009/10-based CPI.



**Note:** In the latest COICOP 2018, Division 12 was split in 2 divisions: 12 Insurance and finance services and 13 Personal care, social protection, and miscellaneous goods and services.

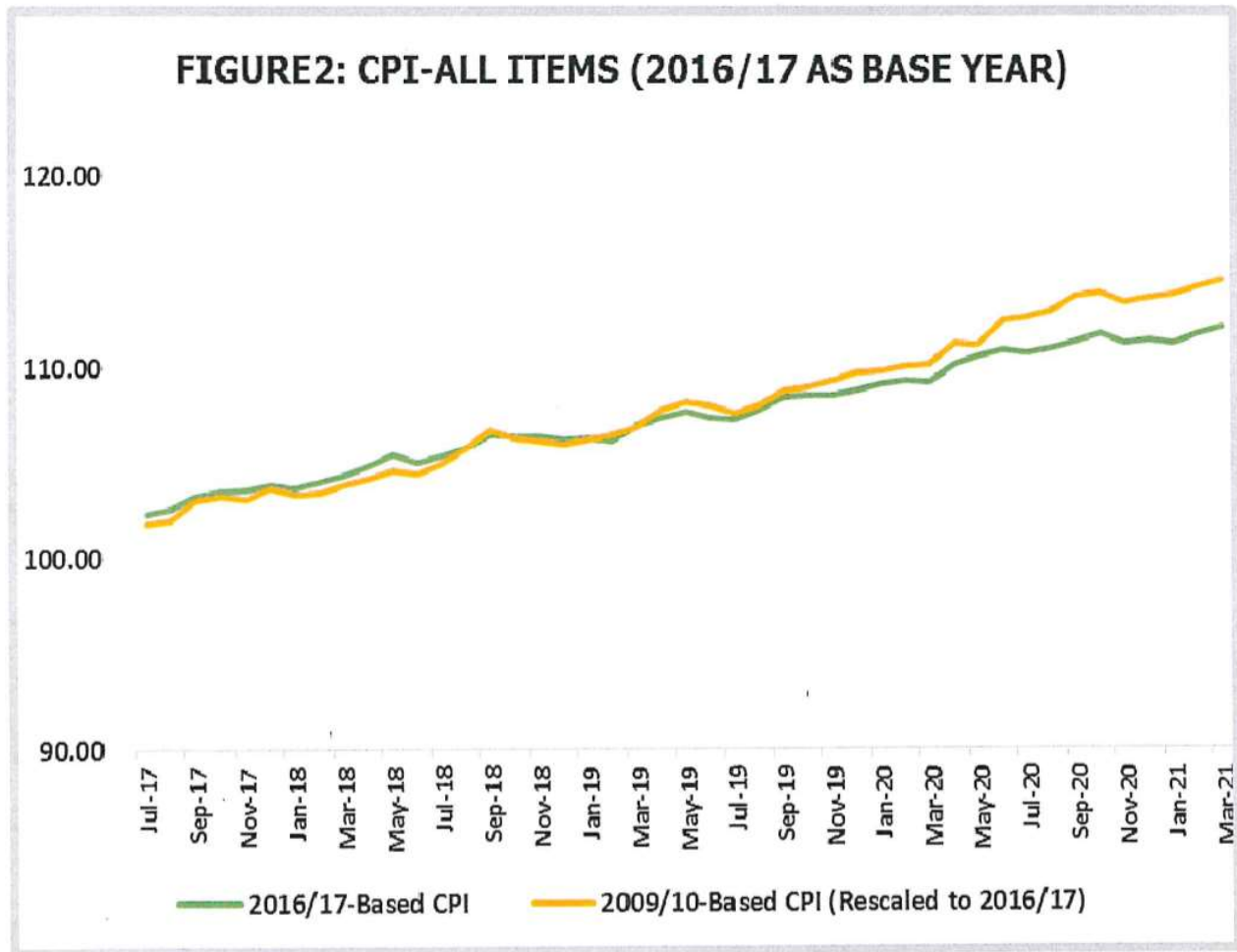
From the figure above, the weighting pattern reflects the relative importance of an item in the basket of goods and services consumed by households (i. e., expenditure on the item as a share of total household expenditure). Changes in the prices of items with larger weights will have a relatively greater impact on the index than those with smaller weights.

### Comparison of 2009/10-Based and 2016/17-Based CPI-All Items

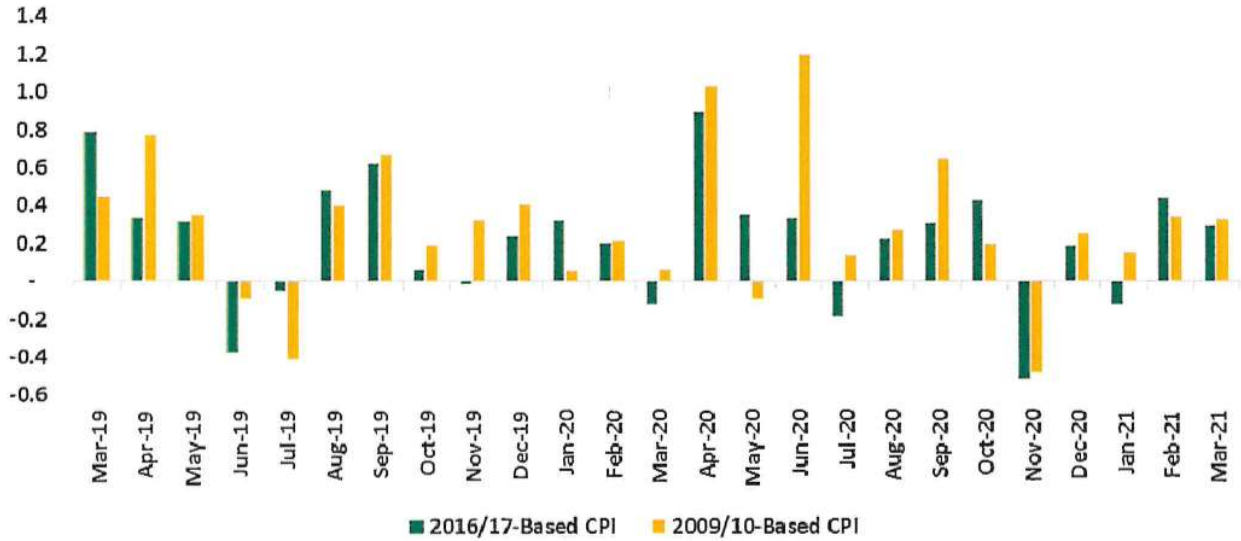
July 2016 to June 2017 was the overlapping period between the two base years. Trends in the 2009/10-based and 2016/17-based CPI-All Items over this period generally showed a similar movement pattern, with those of 2016/17-based reflecting a lower price change for prices paid by the consumers

compared to those of 2009/10-based, see Figures 2 to 4 below.

The differences in magnitudes of change between the two series were due mainly to differences in the weighting pattern, the basket of goods and services, associated price changes and changes in COICOP 2018 compared to the previous 1999 version.



**FIGURE 3: MONTH-ON-MONTH PERCENT CHANGE (%) IN CPI-ALL ITEMS**



**FIGURE 3: YEAR-ON-YEAR PERCENT CHANGE (%) IN CPI-ALL ITEMS**

