

## PRESS RELEASE

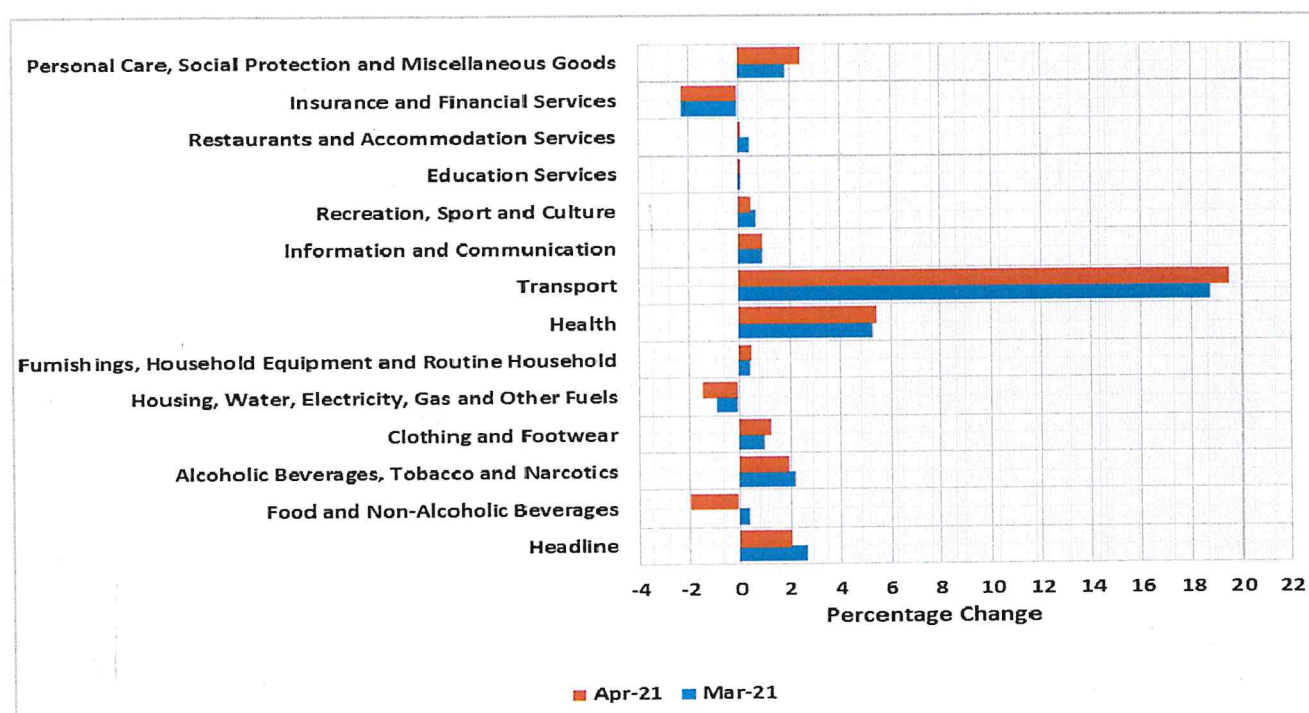
### CONSUMER PRICE INDEX - MAY 2021

#### 1.1 Annual Headline Inflation

The Annual Headline Inflation for the year ending May 2021 is recorded at 1.9 compared to the 2.1 percent recorded for the year ended April 2021. The decrease in Annual Headline inflation is mainly attributed to the Food and Non-Alcoholic Beverages Inflation that decreased to minus 3.5 percent for the year ending May 2021 compared to the minus 2.0 percent registered for the year ended April 2021. In addition, Annual inflation for 'Housing, Water, Electricity, Gas and Other Fuels' and 'Personal Care, Social Protection and Miscellaneous Goods' decreased to minus 1.7 percent and 2.3 percent for the year ending May 2021 compared to the minus 1.5 percent and 2.5 percent registered for the year ended April 2021 respectively.

However, increases in Inflation were registered in Transport at 20.9 percent for the year ending May 2021 compared to 19.6 percent recorded for the year ended April 2021. In addition, the Annual Inflation for 'Restaurants and Accommodation Services', 'Insurance and Financial Services' and Education Services increased to 0.7, -0.7 and 0.6 percent for the year ending May 2021 compared to 0.1, -2.3 and 0.0 percent for the year ended April 2021 respectively, See Figure 1 Below.

**Figure: 1 National Annual Inflation at Division Level for May 2021 and April 2021.**



Source: UBOS, Price Section

## 1.2 Annual Core and Non-Core Inflation

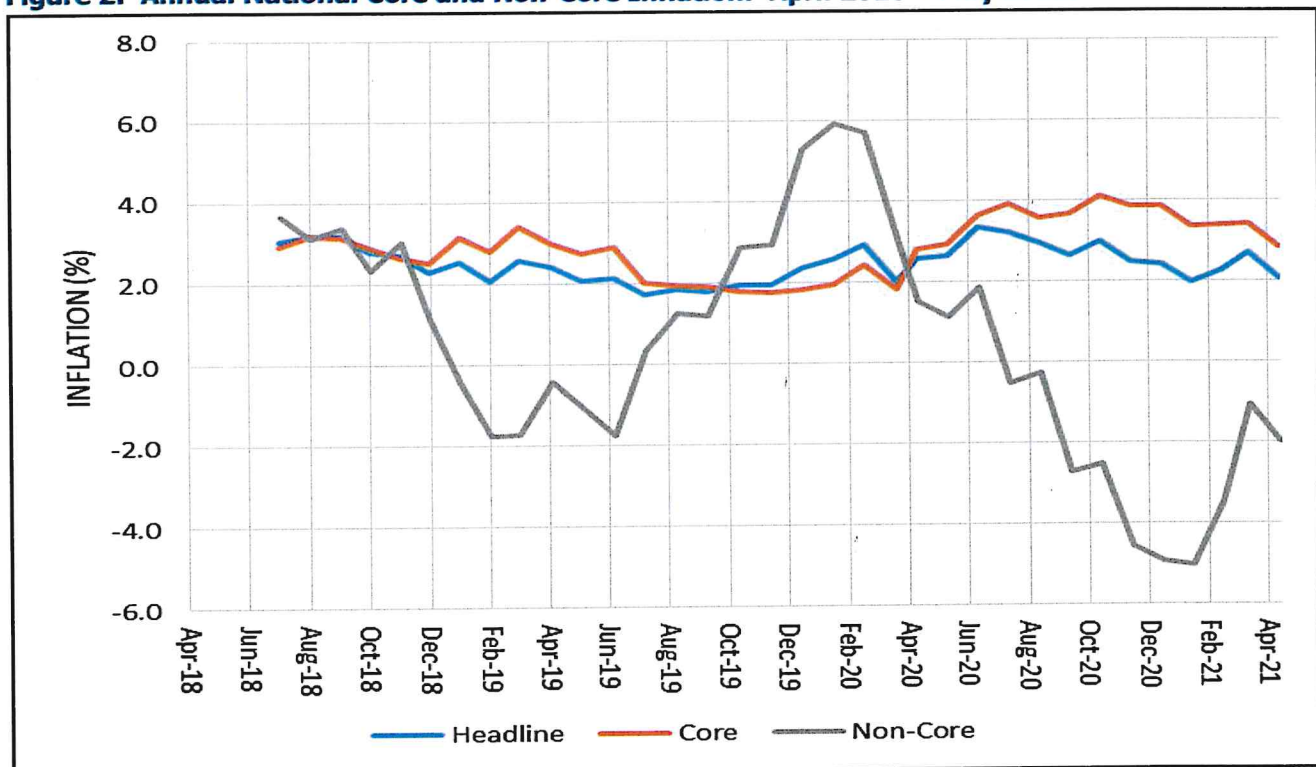
The Annual Core Inflation for the year ending May 2021 increased to 3.1 percent compared to the 2.9 percent recorded for the year ended April 2021. This is attributed to Annual Services Inflation that registered 6.7 percent for the year ending May 2021 compared to 6.0 percent recorded for the year ended April 2021. However, Annual inflation for Other Goods decreased to 0.1 percent for the year ending May 2021 compared to the 0.3 percent recorded for the year ended April 2021, Table 1.

**Table 1: Annual National Core and Non-Core Inflation for April 2021 and May 2021.**

Description	April 2021	May 2021
<b>Headline</b>	<b>2.1</b>	<b>1.9</b>
<b>Core</b>	<b>2.9</b>	<b>3.1</b>
<i>Other Goods</i>	0.3	0.1
<i>Services</i>	6.0	6.7
<b>Non-Core</b>	<b>-2.0</b>	<b>-4.2</b>
<i>Food Crops and Related Items</i>	-1.6	-5.7
<i>Energy Fuel and Utilities (EFU)</i>	-2.4	-2.3

The Annual Non-Core inflation for the year ending May 2021 registered a minus 4.2 percent compared to the minus 2.0 percent recorded for the year ended April 2021. The decrease in Annual Non-Core Inflation is attributed to Annual Food Crops and Related Items Inflation that decreased to minus 5.7 percent for the year ending May 2021 compared to the minus 1.6 percent recorded for the year ended April 2021. However, Energy Fuel and Utilities Inflation (EFU) increased to minus 2.3 percent for the year ending May 2021 compared to the minus 2.4 percent recorded for the year ended April 2021, Table 1 and Figure 2.

**Figure 2: Annual National Core and Non-Core Inflation: April 2018 – May 2021.**





### 1.3 Annual Goods and Services Inflation

The Annual Goods inflation for the year ending May 2021 decreased to minus 1.0 percent compared to the minus 0.3 percent recorded for the year ended April 2021. The decline in Annual Goods Inflation was attributed to Annual Non-Durable (ND) Goods Inflation that decreased to minus 2.0 percent for the year ending May 2021 compared to the minus 1.1 percent recorded for the year ended April 2021. In addition, Annual Inflation for Durables (D) decreased to 2.6 percent for the year ending May 2021 compared to the 4.4 percent recorded for the year ended April 2021. However, Annual Inflation for Semi-Durable Goods (SD) increased to 2.0 percent for the year ending May 2021 compared to 1.7 percent recorded for the year ended April 2021, Table 2 below.

**Table 2: Annual National Goods and Services Inflation for April 2021 and May 2021.**

Description	April 2021	May 2021
Headline	2.1	1.9
Goods	-0.3	-1.0
Non-Durable (ND)	-1.1	-2.0
Semi-Durables (SD)	1.7	2.0
Durables (D)	4.4	2.6
Services (S)	6.0	6.7

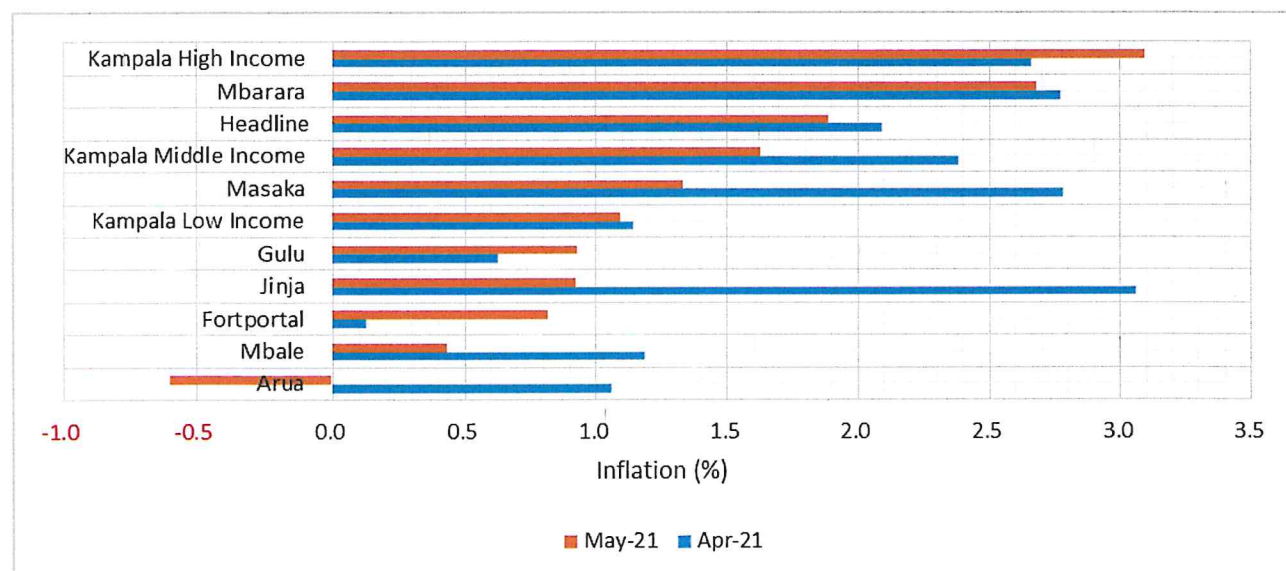
### 1.4 Annual Headline Inflation by Income Groups and Geographical areas

Analysis by geographical areas and income groups reveal that Kampala High Income registered the highest Annual Inflation of 3.1 percent for the year ending May 2021 from 2.7 percent registered for the year ended April 2021. This was driven by Transport Inflation that was registered at 18.6 percent for the year ending May 2021 from 16.3 percent registered for the year ended April 2021. In addition, Insurance and Financial Services Inflation increased to minus 1.1 percent for the year ending May 2021 from minus 2.3 percent registered for the year ended April 2021.

The second highest Inflation was registered in the basket of Mbarara that registered an Inflation of 2.7 percent for the year ending May 2021 from the 2.8 percent registered for the year ended April 2021. The main driver was Annual Restaurants and Accommodation Services Inflation that registered 0.9 percent for the year ending May 2021 compared to the minus 0.5 percent registered for the year ended April 2021. In addition, Annual Recreation, Sport and Culture Inflation increased to 0.7 percent for the year ending May 2021 compared to the minus 0.9 percent registered for the year ended April 2021.

The least Annual Inflation was registered in Arua at minus 0.6 percent for the year ending May 2021 compared to the 1.1 percent registered for the year ended April 2021. The low inflation in the Centre was due to Food and Non-Alcoholic Beverages Inflation that declined to minus 3.1 Percent for the year ending May 2021 compared to the 1.1 percent registered for the year ended April 2021. In addition, Annual Restaurants and Accommodation Services Inflation declined to minus 3.6 percent for the year ending May 2021 compared to the minus 1.5 percent registered for the year ended April 2021. *Annual Inflation figures for all the ten consumption baskets are shown in Figure 3 and Table 12*

**Figure 3: Annual Inflation by Income Groups and Geographical Areas for the year ending April 2021 and May 2021**



## 1.5 Monthly Inflation

The Monthly Headline Inflation for May 2021 rose by 0.2 percent compared to the 0.3 percent rise recorded in April 2021.

The increase in the Monthly Headline Inflation is attributed to the monthly Transport Inflation that rose by 1.0 percent in May 2021 compared to the 0.7 percent rise recorded in April 2021. In addition monthly Restaurants and Accommodation Services inflation rose by 0.7 percent in May 2021 compared to the 0.1 percent drop recorded in April 2021. Education Services monthly Inflation increased by 0.6 percent from the 0.0 percent recorded in April 2021.

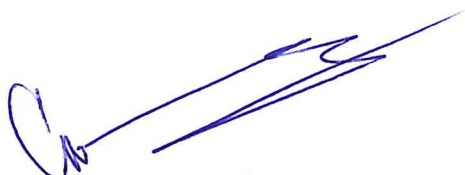
However, decreases in the monthly Inflation were registered in Food and Non-Alcoholic Beverages which dropped by 0.4 percent for the year ending May 2021 compared to the 0.7 percent rise recorded for the year ended April 2021. In addition, the monthly Inflation for Insurance and Financial Services decreased by 0.3 percent for the year ending May 2021 compared to the 0.0 percent recorded for the year ended April 2021. Housing, Water, Electricity, Gas and Other Fuels monthly Inflation decreased by 0.1 percent for the year ending May 2021 compared to the 0.4 percent drop recorded for the year ended April 2021. See Tables 3, 4 & 7.

*The detailed Monthly Inflation figures by COICOP Division are presented in Annex 2 of the explanatory notes.*



**Table 3: Monthly Inflation by COICOP division for April 2021 and May 2021.**

	Division	April 2021	May 2021
	<b>All Items (Headline)</b>	<b>0.3</b>	<b>0.1</b>
01	Food and Non-Alcoholic Beverages	0.7	-0.4
02	Alcoholic Beverages, Tobacco and Narcotics	-0.0	-0.2
03	Clothing and Footwear	0.4	0.1
04	Housing, Water, Electricity, Gas and Other Fuels	-0.4	-0.1
05	Furnishings, Household Equipment and Routine Household	0.4	0.4
06	Health	0.3	0.0
07	Transport	0.7	1.0
08	Information and Communication	-0.0	0.2
09	Recreation, Sport and Culture	-0.2	0.0
10	Education Services	0.0	0.6
11	Restaurants and Accommodation Services	-0.1	0.7
12	Insurance and Financial Services	0.0	-0.3
13	Personal Care, Social Protection and Miscellaneous Goods	0.6	0.3



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