

PRESS RELEASE

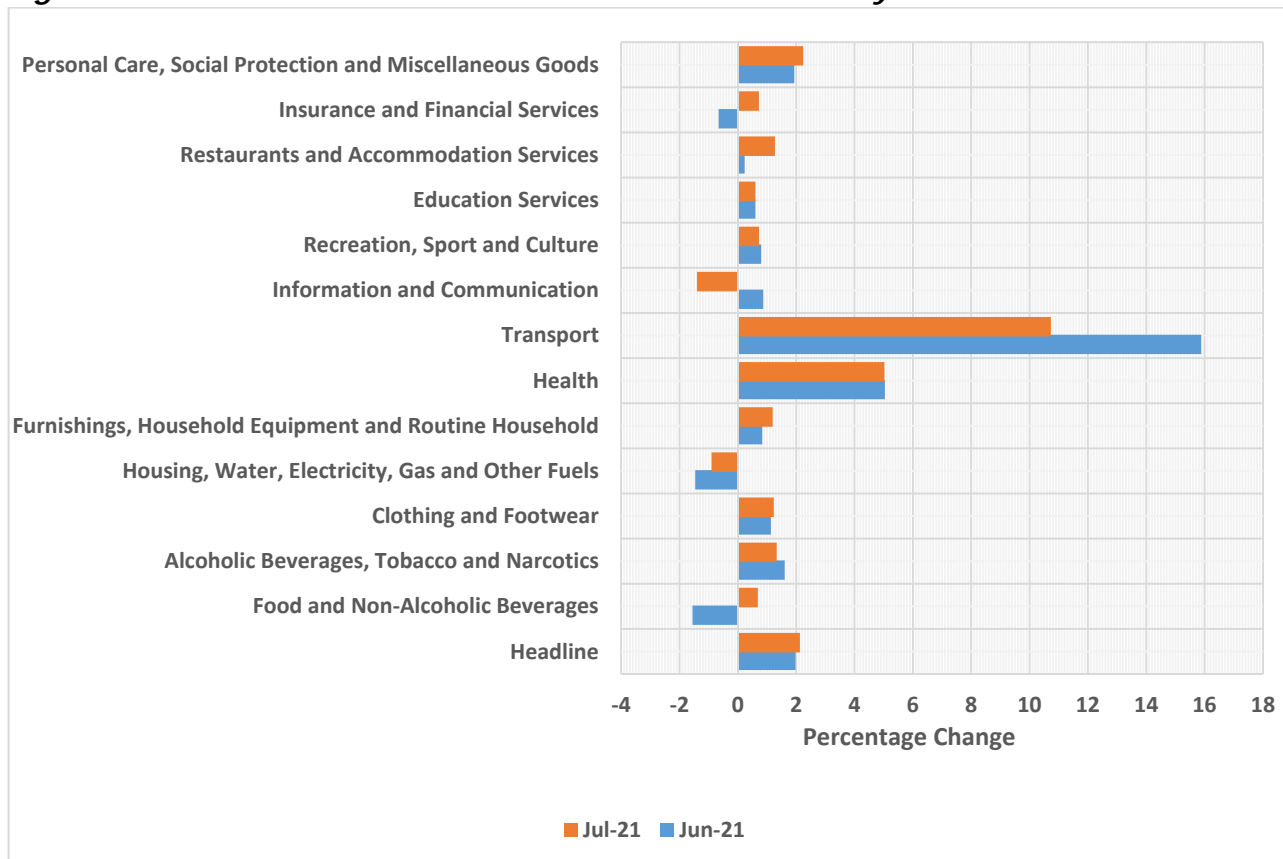
CONSUMER PRICE INDEX - JUNE 2021

1.1 Annual Headline Inflation

The Headline Inflation for Uganda for the 12 months to July 2021 rose by 2.1 percent, up from 2.0 percent in June 2021. This was mainly attributed to the Annual Food and Non-Alcoholic Beverages Inflation that increased to 0.7 percent in July 2021 from minus 1.6 percent recorded in June 2021. In addition, Annual inflation for 'Restaurants and Accommodation Services' increased to 1.3 percent in July 2021 from 0.2 percent and 'Housing, Water, Electricity, Gas and Other Fuels' increased to minus 0.9 percent in July 2021 from minus 1.5 percent in June 2021.

However, Annual headline inflation for Transport is recorded at 10.7 percent for the 12 month to July 2021 down from 15.9 percent in June 2021. In addition, Annual inflation for 'Information and Communication' decreased to minus 1.4 in July 2021, down from 0.9 percent in June 2021 and 'Alcoholic Beverages, Tobacco and Narcotics' decreased to 1.3 percent in July 2021, down from 1.6 percent in June 2021, see Figure 1 Below.

Figure: 1 National Annual Inflation at Division Level for July 2021 and June 2021.



1.2 Annual Core and Non-Core Inflation

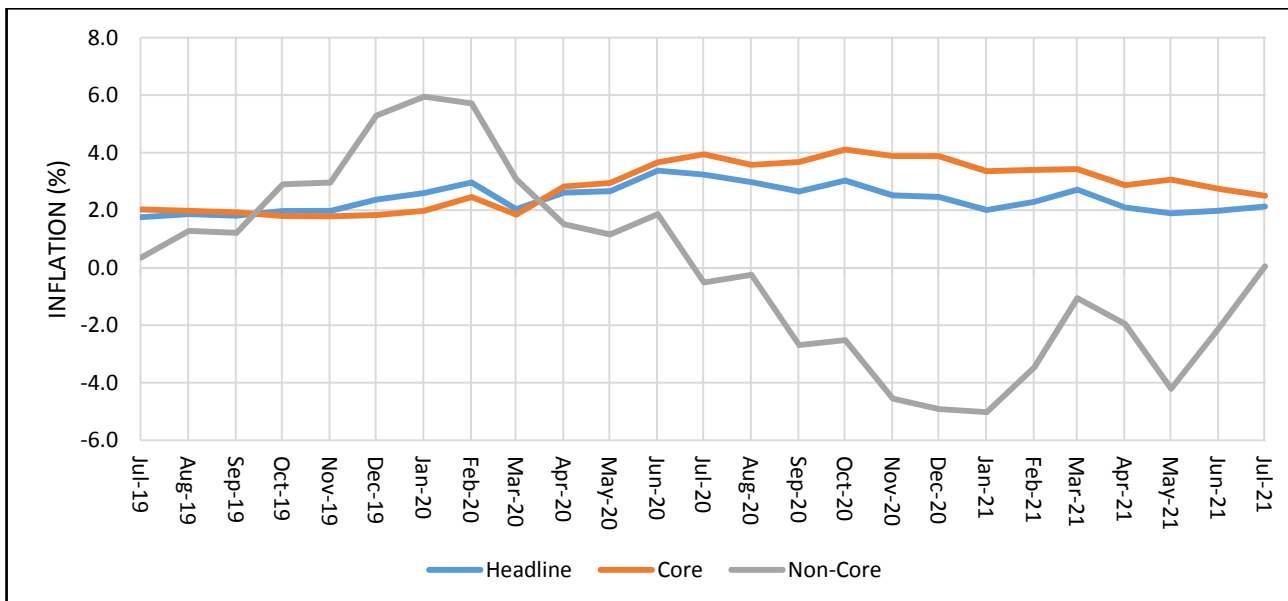
The Core Inflation for the 12 months to July 2021 decreased to 2.5 percent down from 2.7 percent in June 2021. This is attributed to Annual Services Inflation that decreased to minus 0.1 percent in July 2021 down from 1.4 percent in June 2021. However, the Other Goods Inflation for the 12 months to July 2021 increased to 0.4 percent up from minus 0.1 percent in June 2021, Table 1.

Table 1: Annual National Core and Non-Core Inflation for June 2021 and July 2021.

Description	June 2021	July 2021
Headline	2.0	2.1
Core	2.7	2.5
<i>Other Goods</i>	-0.1	0.4
<i>Services</i>	1.4	-0.1
Non-Core	-2.1	0.0
<i>Food Crops and Related Items</i>	-2.8	0.9
<i>Energy Fuel and Utilities (EFU)</i>	-1.3	-0.9

The Non-Core inflation for the 12 months to July 2021 increased to 0.05 percent up from minus 2.1 percent in June 2021. The increase in Annual Non-Core Inflation is mainly attributed to Annual Food Crops and Related Items Inflation that increased to 0.9 percent for the 12 months to July 2021, up from minus 2.8 percent in June 2021. In addition, Annual Energy Fuel and Utilities Inflation (EFU) increased to minus 0.9 percent in July 2021 up from minus 1.3 percent in June 2021, Table 1 and Figure 2.

Figure 2: Annual National Core and Non-Core Inflation: July 2019– July 2021.



1.3 Annual Goods and Services Inflation

The Goods inflation for the 12 months to July 2021 increased to 1.0 percent up from minus 0.1 percent in June 2021. The rise in Annual Goods Inflation was attributed to Annual Non-Durable (ND) Goods Inflation that increased to 0.6 percent in July 2021 up from minus 0.9 percent in June 2021. In addition, Annual Inflation for Semi-Durable Goods (SD) increased to 1.7 percent for the 12 months to July 2021 up from 1.6 percent in June 2021. However, Annual Inflation for Durables (D) decreased to 3.4 percent for the 12 months to July 2021 down from 3.8 percent in June 2021, Table 2 below.

Table 2: Annual National Goods and Services Inflation for June 2021 and July 2021.

Description	June 2021	July 2021
Headline	2.0	2.1
Goods	-0.1	1.0
<i>Non-Durable (ND)</i>	-0.9	0.6
<i>Semi-Durables (SD)</i>	1.6	1.7
<i>Durables (D)</i>	3.8	3.4
Services (S)	5.3	4.0

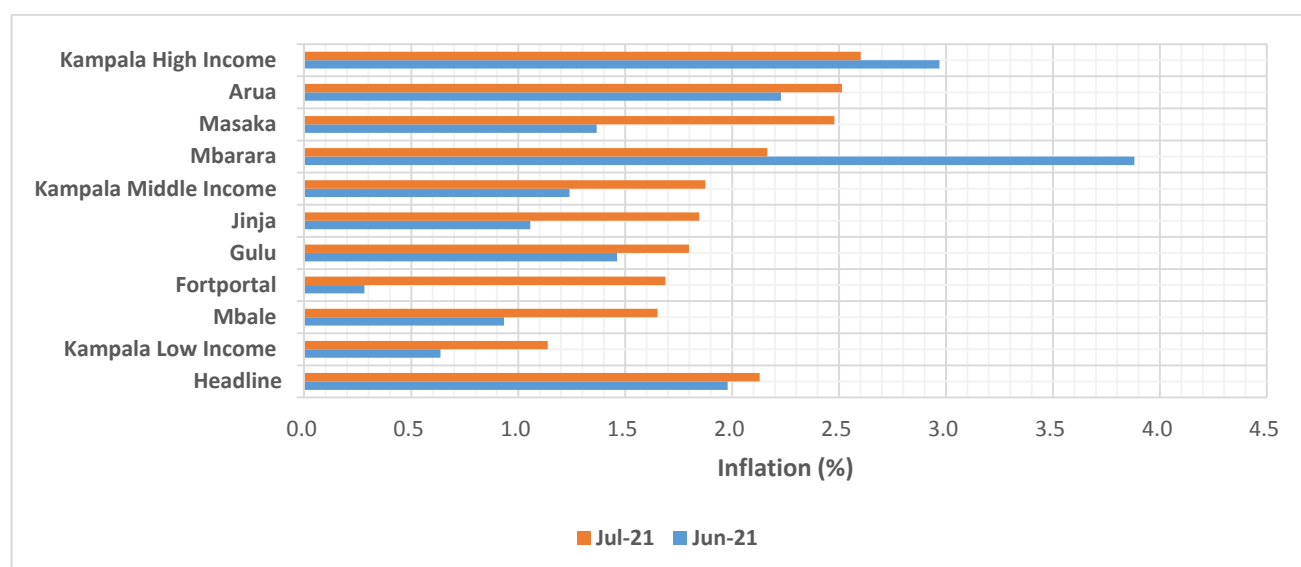
1.4 Annual Headline Inflation by Income Groups and Geographical areas

Analysis by geographical areas and income groups reveal that Kampala High Income registered the highest Inflation of 2.6 percent for the 12 months to July 2021 down from 3.0 percent in June 2021. This was driven by Annual 'Restaurants and Accommodation Services' Inflation that increased to 0.5 percent in July 2021 up from minus 0.8 percent registered in June 2021. In addition Annual 'Housing, Water, Electricity, Gas and Other Fuels' Inflation increased to minus 0.3 percent in July 2021 up from minus 1.1 percent in June 2021.

The second highest Inflation was registered in the basket of Arua at 2.5 percent for the 12 months to July 2021 up from 2.2 percent in June 2021. The main driver was the Annual Food and Non-Alcoholic Beverages Inflation that increased to 3.3 percent in July 2021, up from minus 0.3 percent in June 2021. In addition, 'Restaurants and Accommodation Services' Inflation increased to 3.7 percent for the 12 months to July 2021 up from minus 0.3 percent in June 2021.

The least Annual Inflation was registered in Kampala Low Income at 1.1 percent for the 12 months to July 2021 up from 0.6 percent in June 2021. The low inflation in the Centre was due to Transport Inflation that declined to 12.2 Percent for the 12 months to July 2021 down from 20.8 percent in June 2021. In addition, Annual 'Information and Communication' Inflation declined to minus 4.6 percent in July 2021 down from 0.7 percent in June 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 12 months to June 2021 and July 2021



1.5 Monthly Inflation

The Monthly Headline Inflation for July 2021 registered 0.0 percent compared to the 0.4 percent rise recorded in June 2021. This is attributed to the monthly Information and Communication Inflation which dropped by 2.1 percent in the month of July 2021 compared to the 0.1 percent rise recorded in the month of June 2021. In addition, the monthly Inflation for Food and Non-Alcoholic Beverages decreased by 0.1 percent in July 2021 compared to the 0.8 percent drop recorded in the month of June 2021. Transport monthly Inflation decreased by 0.3 percent in July 2021 compared to the 4.6 percent rise recorded in June 2021.

However, these decreases in the monthly inflation were offset by increases in 'Restaurants and Accommodation Services' Inflation that rose by 0.6 percent in July 2021 compared to the 0.6 percent drop recorded in June 2021. In addition monthly Insurance and Financial Services monthly Inflation increased by 1.4 percent compared to the 0.0 percent recorded in June 2021. Personal Care, Social Protection and Miscellaneous Goods inflation rose by 0.5 percent in July 2021 compared to the 0.2 percent drop in June 2021. Health monthly Inflation increased by 0.3 percent compared to the 0.0 percent recorded in June 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 June 2021 and July 2021.

	Division	June 2021	July 2021
	All Items (Headline)	0.4	0.0
01	Food and Non-Alcoholic Beverages	-0.8	-0.1
02	Alcoholic Beverages, Tobacco and Narcotics	-0.3	0.0
03	Clothing and Footwear	0.1	-0.0
04	Housing, Water, Electricity, Gas and Other Fuels	0.6	-0.0
05	Furnishings, Household Equipment and Routine Household	0.4	0.3
06	Health	0.0	0.3
07	Transport	4.6	-0.3
08	Information and Communication	0.1	-2.1
09	Recreation, Sport and Culture	0.2	-0.3
10	Education Services	0.0	0.0
11	Restaurants and Accommodation Services	-0.6	0.6
12	Insurance and Financial Services	0.0	1.4
13	Personal Care, Social Protection and Miscellaneous Goods	-0.2	0.5



Imelda Atai Musana (PhD)

For: EXECUTIVE DIRECTOR