

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

CENTRAL STATISTICAL AUTHORITY

RETAIL PRICES OF GOODS AND SERVICES

**Annual Average Prices
July 2006 – June 2007 (Hamle 1998 – Sene 1999)**

**Addis Ababa
October 2007**

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I. INTRODUCTION

The monthly retail price data collection first started in Addis Ababa together with the Household Income, Consumption and Expenditure Survey of 1963 by dividing the city into four market zones (in fact, since September 1996 the city has been divided into 12 market zones). However, due to the ever increasing demand for the data, the scope and coverage of the survey was increased stage by stage. Hence, the geographical coverage of the survey was expanded to cover all the fourteen Regional capitals in 1975, twenty three urban Market Places (nine major urban Market Places were selected considering the prevalence of extensive market transaction) in 1978. Moreover, in 1996 further improvements have been made on the selection of the urban Market Places in such a way that all the regional capitals are to be included and this has increased the number to reach a total of 26 urban Market Places.

In rural areas, the retail price survey was launched together with the Rural Integrated Household Survey Program (RIHSP) in 1980/81. As part of the RIHSP, the price survey was carried out on quarterly basis starting from May 1981 to July 1987 and on monthly basis since September 1987. The survey was used to conduct in the markets of selected Farmers' Association (FAs), the then Enumeration Areas (EAs) or on nearby market places where residents of the FAs or EAs purchase most of goods and services for consumption and/or other purposes. Thus, from 1981 to 1985/6 the survey was conducted on 500 randomly selected FAs in the sedentary areas of the country except Tigray.

Between 1986/87 and 1996/97 the survey has been conducted in about 760 EAs and in the year 1997/98 the number of EAs to be covered by the survey were substantially increased to 1420. But, considering the substantial number of EA's to be covered and thereby huge amount of data to be collected, the substantial number of EA's to be covered and thereby huge amount of data to be collected, the processing and timely publishing of the data were not manageable. Hence, after conducting an intensive exercise on the quality of the data, the CSA realized that the sample EA's in which the price data are to be collected could be substantially reduced without affecting the quality of the resulting Consumer Price Index (CPI). Consequently, the CAS has

arrived at a decision to reduce the sample EA's in which the price data to be collected from 1420 to 446 EA's starting from September 1998. Note that the Regional State of Tigray was covered by the rural retail price survey since 1994.

Moreover, further improvement has been made starting from July 2001 on the number of market outlets to be covered for this exercise. As a result, the price survey data collection had been restricted and basically focused on a market based survey approach by selecting 119 representative market outlets. The shift to more representative markets was implemented with the aim of achieving acceptable coverage of urban markets for each Region by dropping many remote rural markets. As a result, unnecessary time lag in the production of the average retail price report is expected to be minimized.

This report provides average retail price of goods and services by Selected Market Places together with regional average price on the basis of the current administrative hierarchy, i.e., Killil (regional states). Due to lack of space to accommodate all Towns/Market places on one page, towns are categorized into eleven groups as follows:

Group 1: consists of Selected Market Places for Tigray, and Afar Regional State, namely: Endasilase, Endabagua, Adwa, Axum, Adigrat, Wukiro, Mai-Chew, Mekele, Ayisaeta, Dubti, Melka Were and Awash Sebat Kilo.

Group 2: consists of Selected Market Places for Amhara Regional State, namely: Chuahit, Gondar, Esete, Debre Tabor, Kobo, Weldiya, Kombolch, Dessie, Shewa Robit, Debre Birhan.

Group 3: consists of Selected Market Places for Amhara Regional State, namely: Mota, Debre Markos, Adete, Bahir Dar, Sekota, Made Work, Dangla, Chagni, Kemise, and Bati.

Group 4: consists of Selected Market Places for Oromia Regional State, namely: Ggunbu, Dembi Dolo, Shambu, Nekemte, Bedele, Metu, Jimma, Agaro, Ambo, Weliso, Ejere and Fiche.

Group 5: consists of Selected Market Places for Oromia Regional State, namely: Nazareth, Shashemene, Diksise, Asella, Asebe Teferi, Bedessa, Alemaya, Boreda, Adaba, Robe, Hagere Mariam and Negele Borena.

Group 6: consists of Selected Market Places for Somalie and Benishangul Gummuz Regional State, namely: Shinele, Arere, Jijiga, Hartshek, Dollo, Moyale, Mambook, Mender Sebat, Assosa, Bambasi, Kemashim and Agelo Meti.

Group 7: consists of Selected Market Places for SNNP Regional State, namely: Welkite, Butajira, Hosahna, Shone, Doyugena, Alaba, Awasa, Hagere Selam, Dilla, and Yirgacheffe.

Group 8: consists of Selected Market Places for SNNP Regional State, namely: Welayita, Sodo, Bodite, Jinka, Demeka, Masha, Tepim, Bonga, Chana, Arba Minch, and Sawla.

Group 9: consists of Selected Market Places for SNNP Regional State, namely: Shewa Bench, Mizan Teferi, Deri, Amaro Kelle, Soyama, Karat, Gidole, Waka, Beste Chere, Lasoka, and Amaya.

Group 10: consists of Selected Market Places for City of Addis Ababa Administration, namely: Merkato, Ker, Zenebe Work, Gergi, Saris, Kotebe, Ferensay Legassione, Shola/Yeka, Asko, Addisu Gebeya, Efoyita Gebeya, and Akaki.

Group 11: consists of Selected Market Places for Gambella Regional State, Harar People Regional State and Dire Dawa Administrative Council namely: Gambela, Shebo Kiro, Akashi, Harari Town, Dire Dawa and Melkajebdu.

Earlier issues on the monthly retail prices include:

Average Retail Price of Goods and Services in Selected Urban Centers (August 1975 - June 2001) Statistical Bulletin 18, 28, 32, 41, 54, 66, 71, 80,81, 114, 127, 144, 145, 146, 147, 150, 156, 165, 168, 177, 185, 187, 197, 198, 220, 221, 242, 243, 249, 252, 253, and 263.

Average Retail Price of Goods and services in Rural Areas (May 1981 – June 2001)
Statistical Bulletin 37, 45, 57, 64, 83, 91, 93, 96, 106, 107, 115, 117, 124, 138, 143,
151, 153, 157, 164, 167, 175, 186, 195-1, 195-2, 201-1, 201-2, 202-1, 202-2, 203-1,
203-2, 208-1, 208-2, 209-1, 209-2, 218-1, 218-2, 222-1, 235-1, 235-2, 236-1, 236-2,
237-1, 237-2, 238-1, 238-2, 254-1, 254-2, 255-1, 256-1, 261-1, and 261-2.

Average Retail Prices of Goods and Services in Selected Market Places Statistical
Bulletin 266, 267, 269, 270, 272, 274, 275, 276 (Volume I, II, III, IV, V, VI, VII,
VIII, IX and X), 287, 288, 289, 290, 295, 296, 297, 299, 304, 307, 308, 309, 313, 317,
320, 323, 325, 327, 330, 332, 350, 352, 355, 358, 360, 362, 366, 368, 370, 371, 375,
376, 379, 382, 385, 390, 391, 395, 396, 397, 398, 401 and 402 in their respective
order.

II. OBJECTIVES

The main objectives of the survey are to:

- Study the level of retail prices;
- Assess the disparity of prices in each Region and Market Places.
- Study changes in the economy;
- Provide data for national accounts and researchers;
- Prepare Monthly Consumer Price Indices (CPI) at Regional and Country Level.

III. SCOPE AND COVERAGE

The retail price survey, covers the collection of prices of major agricultural and industrial goods including food, drinks, drink constituents, tobacco, clothing and footwear, building materials, energy, household equipment, medical care, transportation, education, recreation, farm equipment, hotel services (food and accommodation) and other goods and service obtained from various outlets, Hence, about 400 items (above 140,000 price quotations) were covered by the survey monthly.

In Addis Ababa, retail prices were collected from four major market areas, i.e., Merkato, Kirkos, Silasie and Piazza Markets until 1998. However, starting from September 1998 considering the population increase from 443, 728 in 1961 to 2,354,000 in 1998 and subsequent expansion of Addis Ababa in terms of surface area, 12 markets are selected out of the potential 27 market places in the city. Retail prices are collected from these markets and the average represents Addis Ababa's price data. On the other hand, in Harar prices are collected in Shewa Ber and Arategna. Meanwhile, the market places for Dire Dawa Administrative council are Kefira, Sabian and Melka Jebdu.

IV. METHOD OF DATA COLLECTION

The retail price of goods and services are collected from major outlets in selected urban Market Places/market places by enumerator with the use of kitchen balance and measuring tape. The outlets include open markets, kiosks, groceries, butcheries, pharmacies, super markets and other service giving establishments where households purchase most of their goods and service for household consumption and other purposes.

Retail Prices of goods and services are collected from traders. However, sometimes prices are also obtained from consumers at the time of purchase. In addition wages of domestic servants and Daily Laborer charges are obtained from households. For each item a maximum of three price quotations are collected from three retailers on the same day. The enumerators always collect the monthly retail price of goods and services by interviewing the retailers and by actually measuring the weight of the items on the spot for about 15 days. Starting from September 2002, an attempt was made to reduce the time lag between the data collection and the CPI data dissemination at Country and regional level by adjusting slightly the period of data collection. That is, instead of collecting price data from 8th through 22nd days of the month in question, the newly adjusted time frame is the 1st day through 15th days of European Calendar month under consideration.

Since an interview method of data collection is utilized rather than actual purchase and recording of price, it may result, in some instances, in exaggeration or under estimation of price. However, since enumerators are well-trained and permanently assigned to every market place and reside there, they have a good chance to familiarize themselves with the market and be on friendly terms with traders, owners of establishment and households. Thus, it can be expected that respondents were cooperative and provide reliable information over time.

Finally, it has to be recalled that, since the start of the collection of price data in 1963, retail prices in this Bulletin as well as in previous Bulletins indicate the free market prices prevailing in the market places under study.

V. DEFINITIONS

Urban Market place: it is generally defined as a locality with 2,000 or more inhabitants. However, for the purpose of the 1994 Population and Housing Census Map Work, urban Market Places include the following regardless of the number of inhabitants.

- a) All administrative capitals,
 - i. regional capitals,
 - ii. zone capitals not included in (i)
 - iii. wreda capitals not included in (i) and (ii)
 - iv. localities with urban development associations not included in (i), (iii), and (iii).
- b) Municipal towns not included in (a) above,
- c) All localities that are not included either in (a) or (b) above, having a population of 1,000 or more persons, and whose inhabitants are primarily engaged in non-agricultural activities.

Note that localities with population of less than 1,000 persons should be considered as rural. However, for the purpose of this survey the selected urban Market Places in general satisfy the following conditions:

- A capital of an administrative region,
- An industrial Market Places and/or
- A market Places for trade and commercial activities.

Retail Price: A retail price is the money cost to the final purchaser of a specified unit of sale. It is inclusive of all sales and excise taxes.

VI. NOTE

1. The minimum that the balance can weigh is 10 grams, Thus, items that are sold in small quantities like spices and whose weight fall below 10 grams can not be weighed as accurately as possible and as a result may affect the reliability of prices of these items in some respect.
2. The average column is a simple Arithmetic Mean prices for each item.
3. The symbol "-" is used for data not available or doubtful.
4. SNNP stands for Southern Nations, Nationalities and Peoples.