

South Sudan annual inflation registers slight drop

Wednesday 10 October 2012

October 9, 2012 (JUBA) - South Sudan's annual inflation rate slightly fell to 42.9% in September compared to the 43.3% registered in August, the country's National Bureau of Statistics (NBS) said in its latest briefing.

The sudden drop in annual inflation, according to NBS, mainly resulted from a fall in prices of food and non-alcoholic beverages, while the Consumer Price Index (CPI) rose by 0.3% in September compared to that of the previous month.

CPI is an index which tracks the price of a representative basket of goods and services consumed by households, with composition of the goods and services in the basket reflecting consumption of the average household in the country.

However, while the cost of food and non-alcoholic beverages rose by 0.1% last month, that on healthcare surged to 32.5% in September.

South Sudan, which heavily relies on oil, still imports the majority of its food from neighbouring countries, despite food security being one of the government's top priorities.

In July last year, the country succeeded from neighbouring Sudan, taking with it nearly 75% of oil resources. However, a dispute over oil with its northern neighbour early this year prompted the young nation to shutdown of its oil production, leaving it reliant on non-oil revenues.

Since then South Sudan's economy has suffered severely with its inflation reaching up to 80% in May. The oil-producing nation has, on several occasions, experienced fuel crisis, in turn leading to an upsurge in prices of food and non-alcoholic beverages.

A deal reached last month between the two countries could see oil production and export resume in a few months, hence boosting both countries' economies.

(ST)