| | | |
|---|---|---|
| Dhiram | 967 | 995 |
| S.A.Rand | 265 | 295 |
| Japanese yen | 32 | 33.35 |
| Rwandese francs | 4.1 | 4.35 |
| Dollar old&small bills | 3580 | 3627 |

RATES ARE SUBJECT TO CHANGE

# IN BRIEF

## DROP IN FOOD PRICES EASES INFLATION

By Racheal Nabisubi

The Uganda Bureau of Statistics (UBOS) has indicated that the annual headline inflation rate dropped by 0.7% to 5.7% in July, from 6.4% recorded in June.

Inflation has continued to ease since June, from May's record of 7.4%.

Addressing journalists on Monday at the bureau offices in Kampala, Vincent Nsubuga, UBOS' principal statistician, attributed the drop to a decrease in food crops inflation, which was recorded at 12.9%, from 18.1%.

"The driver for the lower annual food crop inflation were vegetable inflation that declined to 4.9% for the year ending July compared to 9.6% recorded during the year ended June. Fruit inflation also declined to 24.2% for the year ending July compared to 32.4% recoded for the year ended June," Nsubuga stated.


The drop in food prices has led to a fall in inflation

He attributed the low inflation of fruits and vegetables to increased supply in July.

A look at the prices in the markets showed that a bunch of matooke costs sh30,000, down from sh50,000, pineapples cost sh3,000 from sh4,000 and a kilogramme of sugar goes for between sh4,000 and sh4,800 from sh6,000 in early 2017.

Dr Chris Mukiza, UBOS' director of macroeconomic statistics, said prices dropped due to seasonal changes.

"A number of crops are ripening and are being harvested across the country. This explains the drop in various prices of food crops," Mukiza said.

He explained that people are still paying more for the items, but the drop is in the rate at which prices are increasing.

At the same time, the annual core inflation rate, which excludes prices of food, fuel, metered water and electricity, dropped below the central bank's target to 4.5% in July from 4.9% that was recorded in June.

This, according to Nsubuga, was due to a drop in inflation for other good such as processed foods, clothing and footwear. However, inflation in services such as hair dressing, rent, health, education, financial and legal services and hotels and restaurants went up to 4.0% for the year ending July, compared to 3.9% for the one ending June.