

## RETAIL PRICE DEVELOPMENTS OF SELECTED CONSUMER ITEMS IN LAGOS AREA DURING THE FIRST QUARTER OF 1989

This report on retail price developments was compiled from data extracted from the returns on the twice-monthly market survey conducted in the thirteen markets in the Lagos Area. The indices are computed on a monthly basis and aggregated over a period of three months for the relevant quarter.

Data extracted from the survey suggest that the upsurge of prices witnessed towards the end of the fourth quarter of last year continued at a higher rate into the first quarter of 1989. Although the prices of some commodities declined below their levels in the fourth quarter of 1988, the all-item retail price index computed from the survey of the retail prices of selected consumer products in the Lagos Area rose by 20.3 per cent during the first quarter of 1989 compared with 5.1 per cent in the preceding quarter. Rising costs of production and transportation, excess demand pressure, daily depreciation in the naira exchange rate, which also heightened inflationary expectations during the review period, were the major causes of the persistent price increases during the first quarter of 1989.

The aggregate price index computed from the retail prices collected during the survey was 1678.0, indicating increases of 20.3 and 58.9 per cent above the levels in the preceding quarter and the first quarter of 1988 respectively. All the component indices contributed to the increases in the overall price index. Thus compared with their levels a quarter earlier, the price index for food, beverages and drinks, tobacco, fuel and light, and clothing rose by 16.9, 29.4, 69.1, 12.0 and 24.2 per cent respectively. The corresponding increases of these component indices over their levels in the first quarter of 1988 were food (55.3 per cent), beverages and drinks (71.3 per cent), tobacco (153.0 per cent), fuel and light (22.4 per cent) and clothing (23.1 per cent) (see Table 1).

The increase of 16.9 per cent in the index of food prices during the review period arose from increases in the index of computed staples (19.9 per cent), meat, fish and eggs (13.7 per cent), and vegetables, fruits and nuts (31.4 per cent). The only component whose price index showed a tendency to decline was oils and fats. The index for this component indicated a marginal decline of 0.2 per cent.

The prices of all the staple products rose during the first quarter of 1989. Millet recorded the least of the price increases which was 3.6 per cent. The highest price of 84.2 per cent was registered by Uncle Ben's rice. Other products recording significant price increases during the review period were local rice (47.5 per cent), yam tuber (20.7 per cent) plantain (15.3 per cent), and coloured gari (12.9 per cent).

Compared with the corresponding period of 1988 the prices of millet, yam flour, local rice and Uncle Ben's rice were more than double. The range of price increases for six other staples was between 67.0 per cent — registered by coloured gari — and 82.5 per cent — recorded by maize (yellow grain) (see Table 2).

Except for the price of fresh fish which fell by 9.0 per cent below its level in the preceding quarter, the prices of all the other food products classified under meat, fish and eggs exceeded their levels a quarter earlier. The prices of fresh beef, pork, live fowl and dried fish increased respectively by 12.1, 27.2, 4.9 and 33.9 per cent during the first quarter. Other products in this category whose prices also increased during the quarter were stock fish (26.5 per cent), corned beef (17.7 per cent), sardine (46.9 per cent) and eggs (17.6 per cent). Compared with a year ago, all the products in the meat, fish and eggs category exhibited larger price increases ranging from a minimum of 16.6 per cent for corned beef to a maximum of 110.2 per cent for sardine. For example, fresh beef, pork and fish indicated increases of 25.9, 28.3 and 20.2 per cent respectively.

In the beverages and drinks category all the commodities surveyed except palm wine and Star beer recorded substantial increases in prices during the first quarter of 1989. Compared with their prices in the first quarter of 1988, the prices of four commodities in the group were more than double while the increases in those of eight exceeded 60 per cent. All the items covered under tobacco, fuel and light, and clothing recorded similar large increases during the quarter and the comparable period of 1988.

The excessively buoyant liquidity position of the economy coupled with the initial reaction of the private sector agents to the 1989 budget announcement were the major factors in the violent price increases reported above. Following the announcement of measures affecting the foreign exchange market in the 1989 budget, inflationary expectations of private sector agents became heightened, leading to sharp increases in prices. The agents were able to sustain the high price increases because of the reinforcement which the buoyant liquidity provided to the expanding excess demand for their commodities. The increase in fuel prices also announced in the budget could have worsened the price situation through increase in the cost of transportation.

General Economic Statistics Office,  
Statistics & Econometrics Division,  
Research Department.

**SUMMARY OF RETAIL PRICE INDICES OF SELECTED CONSUMER  
ITEMS IN LAGOS AREA FOR FIRST QUARTER 1989**  
(November 1975 = 100)

Table 1

COMPONENT	1st Quarter 1988 (1)	4th Quarter 1988 (2)	1st Quarter 1989 (3)	Percentage Change Between	
				(1) & (2) (4)	(2) & (3) (5)
<b>A. Food</b>	1,212.2	1,611.1	1,882.7	55.3	16.9
(i) Staples	1,010.7	1,587.1	1,903.5	88.3	19.9
(ii) Meat, Fish and Eggs	1,556.7	1,808.7	2,055.8	32.1	13.7
(iii) Oils and Fats	760.5	1,504.3	1,501.8	97.5	- 0.2
(iv) Veg. Fruits and Nuts	957.0	1,020.0	1,340.4	40.1	31.4
<b>B. Bev. and Drinks</b>	758.5	1,004.7	1,299.6	71.3	29.4
<b>C. Tobacco</b>	433.0	647.6	1,095.4	153.0	69.1
<b>D. Fuel &amp; Light</b>	619.4	676.9	758.4	22.4	12.0
<b>E. Clothing</b>	1,508.3	1,495.7	1,857.1	23.1	24.2
<b>All Items</b>	1,055.9	1,395.0	1,678.0	58.9	20.3

**RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS  
AREA FOR FIRST QUARTER 1989**  
(November 1975 = 100)

Table 2

COMPONENT	1st Quarter 1988 (1)	4th Quarter 1988 (2)	1st Quarter 1989 (3)	Percentage Change between	
				(1) & (3) (4)	(2) & (3) (5)
<b>A. FOOD</b>	1,212.2	1,611.1	1,882.7	55.3	16.9
<b>(i) STAPLES</b>	1,010.7	1,587.1	1,903.5	88.3	19.9
Yam Tuber	658.9	929.9	1,122.8	70.4	20.7
Gari: coloured	1,160.3	1,715.1	1,937.2	67.0	12.9
Gari: white	1,150.8	1,704.7	1,904.0	65.5	11.7
Rice — Uncle Ben's	966.6	1,389.3	2,559.7	164.8	84.2
Rice — Local	868.4	1,220.4	1,800.3	107.3	47.5
Beans — Brown	1,046.9	1,033.2	1,132.0	8.1	9.6
Beans — White	1,031.9	1,073.9	1,131.3	9.6	5.3
Yam — flour	651.5	1,342.8	1,425.0	118.7	6.1
Millet	820.6	1,658.0	1,716.9	109.2	3.6
Maize — Yellow Grain	963.5	1,643.6	1,758.0	82.5	7.0
Maize — White Grain	990.4	1,549.2	1,716.0	73.3	10.8
Plantain	1,104.5	1,619.8	1,868.3	69.2	15.3
<b>(ii) MEAT, FISH &amp; EGGS</b>	1,556.7	1,808.7	2,055.8	32.1	13.7
Beef — fresh	2,026.1	2,273.9	2,590.0	25.9	12.1
Pork — fresh	1,842.3	1,858.6	2,363.3	28.3	27.2
Fowl — live	1,062.7	1,523.8	1,598.4	50.4	4.9
Fish — fresh	963.8	1,272.1	1,158.1	20.2	- 9.0
Fish — dried	902.0	919.1	1,230.6	36.4	33.9

**RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS-IN LAGOS  
AREA FOR FIRST QUARTER 1989**

(November 1975 = 100)

Table 2 (Continued)

COMPONENT	1st Quarter	4th Quarter	1st Quarter	Percentage Change between	
	1988 (1)	1988 (2)	1989 (3)	(1) & (3) (4)	(2) & (3) (5)
Stock fish	870.0	1,271.3	1,608.7	84.9	26.5
Corned Beef	2,148.7	2,127.9	2,505.2	16.6	17.7
Sardine	752.5	1,077.2	1,582.1	110.2	46.9
Eggs	967.4	1,350.8	1,587.9	64.1	17.6
(iii) OILS & FATS	760.5	1,504.3	1,501.9	97.5	- 0.2
Palm Oil	844.4	1,679.6	1,618.6	91.7	- 3.6
Ground nut Oil	534.3	1,119.4	1,182.4	121.3	5.6
Margarine	871.8	1,048.2	1,690.9	94.0	61.3
(iv) VEG. FRUITS & NUTS	957.0	1,020.0	1,340.4	40.1	31.4
Okro	1,375.7	1,606.4	1,865.1	35.6	16.1
Efo	1,840.0	1,880.0	2,506.7	36.2	33.3
Ewoda	903.3	933.3	1,296.7	43.6	38.9
Pumpkin	1,376.2	1,519.0	1,900.0	38.1	23.9
Pepper — Joe dried	907.9	873.6	902.6	-0.6	3.3
Pepper fresh	1,770.9	1,832.1	2,126.2	20.9	16.1
Mellon Seeds	795.7	948.3	1,210.0	52.1	27.6
Tomato fresh	502.7	619.7	614.0	22.1	- 0.9
Tomato Tinned	998.9	1,114.1	2,054.2	105.6	84.4
Onion	187.4	293.3	318.6	70.0	8.6
Papaw	1,001.6	1,301.4	1,240.3	23.8	- 4.7
Orange	1,656.4	1,452.0	1,942.7	17.3	33.8
Pine Apple	711.7	807.5	910.0	27.9	12.7
Grape Fruit	806.1	781.8	775.8	- 3.8	-0.8
Groundnut	750.3	793.1	1,200.5	60.0	51.4
B. BEV. & DRINKS	758.5	1,004.7	1,299.6	71.3	29.4
Ovaltine	979.5	1,470.7	1,813.6	85.2	23.3
Bournvita	875.1	1,010.0	1,238.8	41.6	22.7
Tea	746.9	786.5	826.0	10.6	5.0
Coffee Nescafe	1,386.7	1,880.9	2,885.9	108.1	53.4
Milk — Peak	1,255.3	1,609.7	2,422.8	93.0	50.5
Baby food — SMA	992.5	1,712.8	2,499.6	151.8	45.9
Bird's Custard	996.4	1,512.1	1,956.0	96.3	29.4
Nido	—	—	—	—	—
St. Louis Sugar	433.1	754.2	1,110.1	156.3	47.2
Tate & Lyle Sugar	—	—	—	—	—
Salt	1,233.3	1,133.3	1,420.0	15.1	25.3
Dubonnet Wine	710.0	910.5	1,303.4	83.3	43.2
Palm Wine	720.0	845.3	810.7	12.6	-4.1
Star Beer	354.3	490.7	408.7	15.4	-16.7
Harp Beer	368.8	513.5	617.2	67.4	20.2
Stout — Guinness	617.0	837.6	949.1	53.8	13.3
Panta	524.0	620.5	844.6	61.2	36.1
Coca-Cola	524.0	620.5	841.1	60.5	35.6
C. TOBACCO	433.0	647.6	1,095.4	153.0	69.1
Target	476.9	555.9	617.6	29.5	11.1
Gold Leaf	588.9	1,090.8	2,255.9	283.1	106.8
Benson & Hedges	1,468.3	1,915.5	2,733.0	86.1	42.7
D. FUEL & LIGHT	619.4	676.9	758.4	22.4	12.0
Firewood	745.8	815.6	907.5	21.7	11.3
Charcoal	547.3	782.4	831.1	51.9	6.2
Kerosine	309.8	301.9	363.2	17.2	20.3
E. CLOTHING	1,508.3	1,495.7	1,857.1	23.1	24.2
Standard Baft	1,720.4	1,662.8	2,031.9	18.1	22.2
Shirting	1,227.2	1,378.7	1,726.0	40.6	28.9
White Drill	1,508.2	1,516.2	1,894.4	25.6	24.9
Khaki Drill	1,437.6	1,388.7	1,766.6	22.9	27.2
Sleeveless Singlets	946.8	1,087.9	1,350.4	42.6	24.1
ALL ITEMS	1,055.9	1,395.0	1,678.0	58.9	20.3

**RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS**  
**FIRST QUARTER 1987 – FIRST QUARTER 1989 (NOV 1975 = 100)**

