

REPORT ON RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN THE LAGOS AREA - FIRST QUARTER 1986: (NOV. 1974=100)

Introduction

The Central Bank of Nigeria conducts bi-monthly survey on retail prices of selected consumer items in the Lagos area. The purpose of the survey is to monitor developments in consumer prices for purposes of policy formulation.

At every bi-monthly survey, the staff of the Bank visit randomly selected thirteen (13) markets for the collection of current prices of eighty (80) selected consumer items, which are used to calculate the retail price indices. Among the markets listed for the bi-monthly survey are: Itafaji, Jankara, Ereko and Sandgrouse in the Lagos Island, Oyingbo in Ebute-Metta, Sabo and Tejuosho in Yaba respectively. Other markets include Awolowo market in Mushin, Ikeja market in Ikeja, Aguda and Lawanson markets, both in Surulere; Alayahiagba and Festac Town market along the Badagry Express-way.

This report presents in four sections the results obtained from the bi-monthly surveys conducted during the first quarter of 1986. Section one discusses the retail price indices of the selected commodities, while section two focuses on comparison of inter-market price changes/variations. Some controls as measures to check excessive high prices are highlighted, in section three, while section four summarises the report.

I: Indices of Selected Components and Sub-components

In spite of the huge efforts made by the Federal Government to control the soaring prices of some consumer items in the markets, the all items price index for the first quarter of 1986 rose to a level of 809.0, representing increases of 3.5 and 13.4 per cent over the levels in the fourth and first quarters of 1985, respectively (see Table 1). The increase over the level in the preceding quarter of 1985 was due to short-fall in the supply of some essential commodities, while the increase over the level in the corresponding quarter was traceable to problems of high cost of agricultural inputs, lack of raw materials, spare parts and machinery.

At 886.9 the Food component index recorded an increase of 3.0 per cent over the level in the fourth quarter of 1985, following high prices of Meat-Fish-&-Eggs. Compared with the level in the first quarter of 1985, high prices of Meat-Fish-&-Eggs and Vegetables-Fruits-&-Nuts reflected the 6.9 percentage increase in the price index of Food components. The short-fall in the supply of cows, caused by abuses in both the sales of cows and shady distribution net work have inevitably been reflected in the high prices of fish, eggs and chicken which served as beef substitutes. There was no significant change in the price index of Beverages & Drinks over the level in the fourth quarter of 1985. However, an increase of 3.9 per cent was recorded over the level in the first quarter of 1985, probably due to short fall in the supply of raw materials and increase in labour cost and production overhead expenses. The price index of Tobacco was 270.0, reflecting increases of 0.7 and 3.6 per cent over the levels in the fourth and first quarters of 1985, respectively. The price indices of Fuel & Light and Clothing & Footwear maintained increases of 1.9 and 2.6 per cent over the level in the fourth quarter of 1985, following high prices of cooking gas, firewood, Kerosine and clothing materials. Compared with the level in the first

quarter of 1985, the price indices of these components rose by 10.0 and 4.5 per cent, respectively (see Tables 1 & 2, and Chart 1).

II: Inter-Market Price Variations

Interesting patterns of prices have emerged from the survey. Some items maintained significant price differences, while some (especially food items) maintained fairly uniform prices. A medium sized yam was sold for ₦2.30 at Itafaji market, Lagos Island as against ₦2.50 at Festac town market. An Olodo¹ of gari was sold for ₦2.50 at Itafaji, while gari in the same unit of measurement was sold for ₦2.90 at Awolowo market, Mushin. The price of an olodo of rice ranged between ₦11.00 and ₦11.60 at Sabo market Yaba, and Lawanson market, Surulere. Beans maintained a fairly uniform price level of ₦8.00 per olodo in all the 13 selected markets and similarly, the trend was the same for some items namely: oranges, gari, fresh pepper, tinned tomatoes, plantain, vegetables, pepper and palm oil.

Among some food items with significant inter-market price variations were eggs, fowl, fresh fish, stock fish, margarine, semovita and yam flour. For instance, a crate of eggs was sold for ₦7.50 at Sabo market, Yaba, while the same quantity was sold for ₦5.10 at Ikeja market. The price of a tin of milk remained at 90k at Alayabiagba market, in Ajegunle as against ₦1.13 at Sabo market. A medium sized fowl which was sold for ₦13.20 at Alayabiagba cost ₦11.50 at Itafaji and Jankara markets. Five medium sized fresh fish were sold for ₦4.20 at Lawanson market, compared with ₦7.00 for the same size at Ikeja market. A medium sized stock fish sold for ₦14.00 at Awolowo and Tejuoso markets as against ₦10.25 at Sabo market. A tin of Blue Band margarine (420gm) which sold for ₦3.30 at Oyingbo market, Ebute-Metta was as low as ₦1.50 at Ikeja market. The 2 Kilograms of semovita sold for ₦4.00 at Festac town market was sold for ₦2.95 at Sandgrouse market, Lagos Island.

Coffee recorded a price of ₦4.83 at Aguda market and ₦3.83 at Oyingbo market. Guinness Stout (small bottle) maintained a uniform price level of ₦1.75 at Sabo, Tejuosho and Lawanson markets, while its lowest price of ₦1.44 was observed at Awolowo market. The price of tea did not show much variation from ₦2.50 in the markets, except in Festac Town and Sabo markets where a packet of 25 was sold for ₦2 and ₦2.20, respectively.

Charcoal was not available in some markets, but the price of a bag ranged between ₦10.00 and ₦18.50 at Festac Town and Ikeja markets. At the Jankara market a bundle of firewood fetched a high price of ₦1.68 as against the price of only ₦1.00 at Aguda and Lawanson markets.

Clothing material such as shirting and sleeveless singlets, recorded their highest prices of ₦5.30 per yard and ₦7.25 per piece both at Lawanson and Awolowo markets, respectively. Their lowest prices of ₦4.50 and ₦6.00 were observed at Sandgrouse and Jankara markets, respectively. The exorbitant increase in the transport fare caused by the removal of petroleum subsidy, higher prices of motor spare parts and tyres, accounted for the prohibitive prices of some consumer items

¹ A unit of measurement in the Lagos market

during the period under review. Many traders who lived far away from the supply centre or depot spent more to transport their goods from in and out of their marketing centre than they did before the removal of subsidy. The effect of this is an escalation of prices. Other factors accountable for inter-market price variations are short-fall in the supply of some goods from one market to another, individuals tendency to profiteer and the creation of artificial scarcity by traders and their agents.

III: Control

It is puzzling that price hiking is still the order of the day in some markets, inspite of the efforts made by Government to alleviate the problem. A major explanation for this, has been inadequate monitoring of the distribution system.

The distribution system should be overhauled and monitored, effectively with reduction in the number of agents in the network.

Frequent visits to the markets by the military and other law enforcement agents to check incessant and arbitrary abuses in prices should be encouraged. By so doing, lower prices could be maintained for goods and goods will pass through fewer hands before they finally reach the consumers. Black marketing should also be discouraged and stiffer penalties for those found to be engaging in this shady deal, since the practice makes the Price Control Board ineffective. More money should be allocated directly to farmers to encourage bumper harvest which can help to break the backbone of the syndicates responsible for the high prices of goods in the markets. Campaign against greed and the love for money in the society should be strengthened, while Government too should increase efforts to get a large percentage of essential goods supplied direct to the public through government agents or cooperatives. The few allocations made available to the people have helped so far. Finally approvals for importation of raw materials to the local manufacturers should be streamlined to favour those who are essentially in need of them. This will help to plug the loopholes observed in the system.

IV: Summary

The movement of retail price indices of selected consumer items in the Lagos Area trended upward during the first quarter of 1986 (see Table 1 & Chart 1). At 809.0, the all item price index recorded significant increases of 3.5 and 13.4 per cent over the levels in the fourth and first quarters of 1985, respectively, following high costs of agricultural inputs, spare parts, machinery and short-fall in the importation of raw materials.

In the quarter under review, inter-market price variations featured prominently. While some items (especially food) maintained fairly uniform price level, some other items recorded significant price differences. Some of the reasons accountable for the variations in prices included increases in transport fare caused by the removal of petroleum subsidy, profiteering, high costs of motor spare parts and tyres and short-fall in the supply of some items.

The analysis called for effective monitoring of distribution system in order to check abuses. It is also suggested that enhanced credit be extended to farmers to induce bumper harvest which will help to pull down the high prices of goods in the markets. The report also suggested that black marketing be discouraged in the system, and stiffer penalties recommended for those found in the shady deals. Other suggestions in the report relate to the call for serious campaign against greed and love for money in the country as well as the need for Government to get a large percentage of essential goods supplied direct to the public through its agents or cooperatives.

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Table 1
RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA:
SUMMARY (BASE: NOV. 1974=100)

Components	1st Quarter	4th Quarter	1st Quarter	Percentage Changes	
	1985 (1)	1985 (2)	1986 (3)	(1) & (3) (4)	(2) & (3) (5)
A. Food.....	829.9	860.7	886.9	+6.9	+3.0
(i) Staples.....	(795.7)	(789.4)	(690.4)	(-13.2)	(-12.5)
(ii) Meat, Fish & Eggs.....	(1,025.3)	(1,106.0)	(1,160.0)	(+13.1)	(+4.9)
(iii) Oils & Fats.....	(795.7)	(810.3)	(794.5)	(-0.2)	(-1.9)
(iv) Veg. Fruits & Nut.....	(666.5)	(703.3)	(699.0)	(+4.9)	(-0.6)
B. Bev. & Drinks.....	571.4	593.5	593.4	+3.9	0.0
C. Tobacco.....	260.6	268.1	270.0	+3.6	+0.7
D. Fuel & Light.....	344.4	371.9	378.8	+10.0	+1.9
E. Clothing & Footwear.....	765.6	779.2	799.8	+4.5	+2.6
All Items.....	713.5	781.5	809.0	+13.4	+3.5

Table 2
RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA
(NOVEMBER 1974=100)

Component	1st Quarter	4th Quarter	1st Quarter	Percentage Changes	
	1985 (1)	1985 (2)	1986 (3)	(1) & (3) (4)	(2) & (3) (5)
A. FOOD.....	829.9	860.7	886.9	+6.9	+3.0
(i) Staples.....	(795.7)	(789.4)	(690.4)	(-13.2)	(-12.5)
Yam tuber.....	635.1	627.2	493.7	-22.3	-21.3
Gari - coloured.....	868.3	863.3	729.1	-16.0	-15.5
Gari - white.....	870.3	856.3	727.9	-16.4	-15.0
Rice - Uncle Bens.....	863.9	838.3	765.6	-11.4	-8.7
Rice - local.....	758.8	713.2	721.6	-4.9	+1.2
Beans - brown.....	822.5	539.2	550.9	-33.0	+2.2
Beans - Pewu.....	830.2	680.9	687.6	-17.2	+1.0
Beans - white.....	746.4	548.9	536.8	-28.1	-2.2
Yam flour.....	717.1	615.3	623.2	-13.1	+1.3
Millet.....	542.5	1,002.3	1,017.4	+87.5	+1.5
Maize - yellow grain.....	854.1	932.1	945.7	+10.7	+1.5
Maize - white.....	874.7	927.7	905.2	+3.5	-2.4
Plantain.....	962.1	1,250.0	1,273.6	+32.4	+1.9
Semovita.....	—	—	—	—	—
(ii) Meat, Fish & Eggs.....	(1,025.3)	(1,106.0)	(1,160.0)	(+13.1)	(+4.9)
Beef - fresh.....	1,244.4	1,385.0	1,498.3	+20.4	+8.2
Pork - fresh.....	821.7	799.9	827.2	+0.7	+3.4
Fowl - live.....	770.3	840.4	833.6	+8.2	-0.8
Fish - fresh.....	—	551.6	557.6	—	—
Fish - dried.....	549.2	647.9	672.8	+22.5	+3.8
Stock fish.....	709.3	871.6	927.0	+30.7	+6.4
Corned beef.....	1,318.6	1,398.9	1,421.2	+7.8	+1.6
Sardine.....	605.3	664.8	699.5	+15.6	+5.2
Eggs.....	787.4	803.6	792.7	+0.7	-1.4
(iii) Oils & Fats.....	(795.7)	(810.3)	(794.5)	(-0.2)	(-1.9)
Palm oil.....	846.3	849.2	844.9	-0.2	-0.5
G. nut oil.....	659.3	704.9	678.4	+2.9	-3.8
Veg. oil.....	—	—	—	—	—
Margarine.....	860.3	863.5	706.7	-17.9	-18.2
(iv) Veg. Fruits & Nut.....	(666.5)	(703.3)	(699.0)	(+4.9)	(-0.6)
Okro.....	661.2	771.1	771.1	+16.6	0.0
Vegetable.....	—	—	—	—	—
(i) Efo.....	936.0	1,115.3	1,073.0	+14.6	-3.8
(ii) Ewedu.....	462.7	556.7	555.0	+19.9	-0.3
(iii) Pumpkin.....	850.5	705.7	688.6	-19.0	-2.4
Pepper J. dried.....	773.8	845.3	837.7	+8.3	-0.9
Pepper fresh.....	777.6	836.4	937.5	+20.6	+12.1
Mellon seeds.....	690.7	711.1	729.2	+5.6	+2.5
Tomatoes fresh.....	566.5	720.4	807.6	+42.6	+12.1
Tomatoes tinned.....	748.5	673.5	678.6	-9.3	+0.8
Onions.....	162.0	132.7	137.6	15.1	+3.7
Pawpaw.....	557.9	628.6	606.6	+8.7	-3.5
Orange.....	807.8	1,057.2	1,055.2	+30.6	-0.2
Pineapple.....	439.5	572.3	610.4	+38.9	+6.7
Grapefruit.....	514.5	555.2	525.5	+2.1	-5.3
Ground nut.....	530.5	474.4	508.8	-4.1	+7.3

Table 2 (continued)
RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA
(NOVEMBER 1974=100)

Component	1st Quarter	4th Quarter	1st Quarter	Percentage Changes	
	1985 (1)	1985 (2)	1986 (3)	(1) & (3) (4)	(2) & (3) (5)
B. BEVERAGES & DRINKS.....	571.4	593.5	593.4	+3.9	0.0
Ovaltine.....	409.3	375.2	376.3	-8.1	+0.3
Bournvita.....	392.5	350.0	344.6	-12.2	-1.5
Tea.....	1,242.0	1,124.6	812.0	-34.6	-27.8
Coffee.....	1,107.6	1,012.1	980.8	-11.4	-3.1
Milk peak.....	967.2	1,039.0	955.4	-1.2	-8.0
Milk Carnation.....	899.8	940.5	821.2	-8.7	-12.7
Baby food SMA.....	1,141.6	291.8	337.1	-70.5	+15.5
Baby food NAN.....	—	—	—	—	—
NIDO.....	—	—	—	—	—
Birds Custard.....	665.8	735.1	732.9	+10.1	-0.3
Sugar St. Louis.....	517.6	504.3	486.4	-6.0	-3.5
Sugar Tate & Lyle.....	460.3	441.9	589.8	+28.1	+33.5
Salt.....	1,213.3	940.0	1,004.7	-17.2	+6.9
Wine Dubonnet.....	456.0	468.2	481.8	+5.7	+2.9
Palm Wine.....	444.3	803.2	882.9	+98.7	+9.9
Star Beer.....	369.2	326.3	345.0	-6.6	+5.7
Harp Beer.....	330.3	305.0	328.7	-0.5	+7.8
Stout Guinness.....	619.9	582.4	594.5	-4.1	+2.1
Fanta.....	431.9	458.1	419.9	-2.8	-8.3
Coca-Cola.....	431.9	458.1	417.1	-3.4	-9.0
C. TOBACCO.....	260.6	268.1	270.0	+3.6	+0.7
Benson & Hedges.....	—	—	—	—	—
Gold Leaf.....	—	—	—	—	—
Target.....	260.6	268.1	270.0	+3.6	+0.7
555 Express.....	—	—	—	—	—
D. FUEL & LIGHT.....	344.4	371.9	378.8	+10.0	+1.9
Firewood.....	371.3	412.7	421.5	+13.5	+2.1
Charcoal.....	557.3	559.3	546.5	-1.9	-2.3
Kerosine.....	234.9	231.8	237.3	+1.0	+2.4
Candle.....	—	—	—	—	—
E. CLOTHING & FOOTWEAR.....	765.6	779.2	799.8	+4.5	+2.6
Standard Bafi.....	635.3	668.3	680.9	+7.2	+1.9
Shirting.....	812.9	829.4	873.4	+7.4	+5.3
White Drill.....	970.6	935.2	961.6	-0.9	+2.8
Khaki Drill.....	925.0	920.9	956.1	+3.4	+3.8
Sleeveless Singlet.....	562.6	626.6	630.5	+12.1	+0.6

QUARTERLY INDICES OF RETAIL PRICES OF SELECTED CONSUMER ITEMS – 1985 – 1st QUARTER 1986

