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REPORT ON RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN THE LAGOS AREA—SECOND QUARTER, 1986 (Nov. 1975 = 100)

This report highlights the results obtained from the bi-monthly survey of selected consumer items, carried out in the Lagos area during the second quarter of 1986. Accordingly, Section I discusses the retail price indices of the selected

commodities, while Section II focusses on inter-market price variations. Section III summarises the report and suggests some measures to check excessive high prices.

I. Price indices of selected components and sub-components

The all-items price index which has been on the increase since the fourth quarter of 1985, rose again to a level of 856.1 during the second quarter of 1986 (See Tables 1,2 and chart 1). This figure represents increases of 5.8 and 11.0 per cent above the levels in the first quarter of 1986 and the second quarter of 1985 respectively. Factors accounting for the price hike include inadequacy in the supply of commodities, caused by rising cost of domestic production, and reduced level of imports of complementary goods, due to foreign exchange constraint.

Food component recorded an index of 955.2, representing increases of 7.7 and 5.4 per cent over the levels in the preceding quarter of 1986 and the corresponding quarter of 1985 respectively. The high prices of food items during the quarter are reflections of high costs in both the agricultural inputs, tyres and motor spare parts, coupled with the poor road net-works, which reduced the operations of the trailer drivers that transported goods from the North to the Lagos depot. The price index of Beverages & Drinks was 602.5, representing increases of 1.5 and 4.1 per cent over the levels in the preceding

quarter of 1986 and the corresponding quarter of 1985 respectively. The increase of 1.5 per cent is attributable to short-fall in the production level, caused by limited availability of raw materials, while the increase of 4.1 is traceable to increase in labour cost and production overhead expenses. There was a slight increase of 0.3 per cent in the price index of Tobacco, vis-à-vis the preceding quarter. The slight increase was due to the sales tax which the commodity attracted in the period. At 610.8, the price index of Fuel and Light was more than double the levels in the preceding quarter of 1986 and the corresponding quarter of 1985. The tanker-drivers' strike reflected in the scarcity of Kerosene which raised its price and the prices of close substitutes, namely firewood and charcoal which also serve as fuel energy for cooking. (See Table 2). The price index of Clothing and Footwear was 971.9 showing increases of 21.5 and 24.6 per cent over the levels in the second quarter of 1986 and the first quarter of 1985, respectively which was traceable to the scarcity of raw materials inputs.

II. Inter-market price variations

Some variations were noticed in the prices of commodities in the selected thirteen markets in Lagos. While commodities like yam, garri, rice, beans, eggs, palm-oil, plantain and ovaltine maintained fairly uniform prices, the price of an olodo of yam flour ranged from ₦2.50 at Sabo market to ₦4.20 at Aguda. At Festac Town market, an olodo of white maize was sold for ₦3.00, compared with ₦5.16 at Itafaji market. A kilo worth of fresh beef was sold at an average price of ₦8.00 at Alayabiagba, Awolowo, Sandgrouse, Jankara and Ikeja markets compared with ₦10.50 at Ereko market. A medium-sized live fowl which sold for ₦10.50 at Awolowo market cost ₦15.50 at Aguda market. A significant price variation was noticed in the price of fresh pepper during the period under review. While a heap was sold for ₦0.90 at Sabo market, the same quantity cost ₦2.00 at Aguda market. At ₦0.80, a tin of tomatoes sold cheapest at Oyingbo and Festac markets, while the highest price of ₦1.30 was recorded at Lawanson market. A tin of peak milk which was sold for ₦0.70

at Oyingbo cost ₦0.90 at Ikeja market. A packet of St. Louis sugar was ₦1.70 at Alayabiagba market, as against ₦2.00 at Aguda and Lawanson markets. A bag of charcoal cost ₦14.00 at Sandgrouse as against ₦24.00 at Aguda market.

Factors accounting for the prohibitive prices of some consumer items in the second quarter of 1986 included exorbitant transport fares caused by increases in the prices of motor spare parts, tyres and petroleum products. The inter-market price variation was due to shortfall in the supply of some goods from one market to another. Competitive trading was another factor behind price variations among markets. Some traders preferred to sell fast and make less profit, while a few others preferred to stock-pile and wait to exploit the situation when there was scarcity. This idea of tendency to make huge profit and the creation of artificial scarcity by traders and their agents were other forces behind price hiking in the system.

III. Summary

In summary, the movement of retail price indices of selected consumer items in the Lagos area was on the upward trend, during the second quarter of 1986 (See Table 1,2 & Chart 1). The all items price index recorded increases of 5.8 and 11.0 per cent over the levels in the preceding quarter of 1986 and the corresponding quarter of 1985 respectively.

While some items maintained fairly uniform price levels, others recorded significant price differences. Among the reasons advanced for variations in prices were increase in transport fares caused by high cost of motor spare parts, tyres and reduced output level. So far all the measures aimed at

controlling prices appear to have made marginal impact on the problem, owing mainly to ineffective management of the distribution system. In order to ease the long-standing problem therefore, the poor road networks which hinder transportation of goods from the farmland to market depots should be repaired while the issue of storage facilities should be properly re-examined for a permanent solution.

GENERAL ECONOMIC STATISTICS OFFICE
STATISTICS & ECONOMETRICS DIVISION
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Table 1

RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA
(NOVEMBER 1975 = 100)

Components	2nd Qtr.	1st Qtr.	2nd Qtr.	Percentage Changes	
	1985	1986	1986	(1) & (3)	(2) & (3)
	(1)	(2)	(3)	(4)	(5)
A. Food.....	906.5	886.9	955.2	+5.4	+7.7
(i) Staples.....	(801.1)	(690.4)	(690.9)	(-13.8)	(+0.1)
(ii) Meat, Fish & Eggs	(1,058.7)	(1,160.0)	(1,174.7)	(11.0)	(+1.3)
(iii) Oils & Fats.....	(795.9)	(794.5)	(662.8)	(-16.7)	(-16.6)
(iv) Veg. Fruits & Nut.	(664.4)	(699.0)	(1,024.3)	(+54.2)	(+46.5)
B. Bev. & Drinks.....	579.0	593.4	602.5	+4.1	+1.5
C. Tobacco.....	261.6	270.0	270.7	+3.5	+0.3
D. Fuel & Light.....	354.2	378.8	610.8	+72.4	+61.2
E. Clothing & Footwear.....	780.0	799.8	971.9	+24.6	+21.5
All Items.....	771.6	809.0	856.1	+11.0	+5.8

**RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA
(NOVEMBER 1975 = 100)**

Components	2nd Qtr. 1985	1st Qtr. 1986	2nd Qtr. 1986	Percentage Changes	
	(1)	(2)	(3)	(1) & (3) (4)	(2) & (3) (5)
A. Food.....	906.5	886.9	955.2	+5.4	+7.7
(i) Staples.....	(801.1)	(690.4)	690.9	(-13.6)	(+0.1)
Yam tuber.....	661.6	493.7	593.7	-10.3	+20.3
Gari — coloured.....	874.2	729.1	708.4	-19.0	-2.8
Gari — white.....	858.7	727.9	704.5	-18.0	-3.2
Rice — Uncle Bens.....	833.1	765.6	816.8	-2.0	+6.7
Rice — Local.....	725.1	721.6	716.6	-1.8	-0.7
Beans — Brown.....	850.3	550.9	685.7	-19.4	+24.5
Beans — Pewu.....	855.4	687.6	643.1	-24.8	-6.5
Beans — white.....	796.1	536.8	641.9	-19.4	+19.6
Yam flour.....	718.7	623.2	472.4	-34.3	-24.2
Millet.....	631.0	1,017.4	644.8	+2.2	-36.6
Maize — yellow grain.....	973.6	945.7	812.0	-16.6	-14.1
Maize — white grain.....	978.7	905.2	773.4	-21.0	-14.6
Plantain.....	1,050.2	1,273.6	1,212.4	+15.4	-4.8
Semovita.....	—	—	—	—	—
(ii) Meat, Fish & Eggs.....	(1,058.7)	(1,160.0)	(1,174.9)	(+11.0)	(+1.3)
Beef — fresh.....	1,269.4	1,498.3	1,493.2	+17.6	-3.4
Pork — fresh.....	751.6	827.2	—	—	—
Fowl — life.....	805.0	833.6	877.2	+9.0	+5.2
Fish — fresh.....	—	557.6	641.1	—	+15.0
Fish — dried.....	561.1	672.8	449.0	-20.0	-33.3
Stock fish.....	804.9	927.0	1,051.6	+30.6	+13.4
Corned beef.....	1,286.5	1,421.2	2,056.2	+59.8	+44.7
Sardine.....	616.7	699.5	714.6	+15.9	+2.2
Eggs.....	800.6	792.7	772.4	-3.5	-2.6
(iii) Oils & Fats.....	(795.9)	(794.5)	(662.8)	(-16.7)	(-16.6)
Palm oil.....	850.2	844.9	756.6	-11.0	-10.5
G.nut oil.....	645.9	678.4	437.5	-32.3	-35.5
Veg. oil.....	—	—	—	—	—
Margarine.....	892.8	706.7	570.3	-36.1	-19.3
(iv) Veg. Fruits & Nuts.....	(664.4)	(699.0)	(1,024.3)	(+54.2)	(+46.5)
Okro.....	668.8	771.1	880.3	+31.6	+14.2
Vegetable.....	—	—	—	—	—
(i) Efo.....	984.7	1,073.0	1,920.0	+95.0	+78.9
(ii) Ewedu.....	486.3	555.0	954.0	+96.2	+71.9
(iii) Pumpkin.....	805.7	688.6	1,247.1	+54.8	+81.1
Pepper J. dried.....	766.7	837.7	1,356.8	+77.0	+62.0
Pepper fresh.....	759.8	937.5	2,124.4	+179.6	+126.6
Mellon seeds.....	715.7	729.2	854.4	+19.4	+17.2
Tomatoes fresh.....	536.5	807.6	609.8	+12.0	-24.5
Tomatoes tinned.....	718.6	678.6	611.1	-15.0	-9.9
Onions.....	151.7	137.6	160.5	+5.8	+16.6
Pawpaw.....	552.0	606.6	942.4	+70.7	+55.4
Orange.....	953.0	1,055.2	1,454.0	+52.6	+37.8
Pineapple.....	454.9	610.4	647.5	+42.3	+6.1
Grapefruit.....	570.3	525.5	709.7	+24.4	+35.1
Ground nut.....	562.7	508.8	803.5	+42.8	+57.9
B. Beverages & Drinks.....	579.0	593.4	602.5	+4.1	+1.5
Ovaltine.....	387.1	376.3	365.5	-5.6	-2.9
Bournvita.....	367.5	344.6	358.0	-2.6	+3.9
Tea.....	1,147.1	812.0	807.1	-29.6	-0.6
Coffee.....	1,032.5	980.8	1,070.1	+3.6	+9.1
Milk peak.....	928.5	955.4	799.9	-13.9	-16.3
Milk Carnation.....	891.7	821.2	891.3	0.0	+8.6
Baby food SMA.....	510.5	337.1	490.1	-4.0	+45.4
Baby food NAN.....	—	—	—	—	—
Nido.....	—	—	—	—	—
Birds Custard.....	719.2	732.9	697.7	-3.0	-4.8
Sugar St. Louis.....	490.3	486.4	443.4	-9.6	-8.8
Sugar Tate & Lyle.....	466.2	589.8	430.7	-7.6	-27.0
Salt.....	1,049.3	1,004.7	1,024.0	-2.4	+1.9
Wine Dubonnet.....	447.6	481.8	667.4	+49.1	+38.5
Palm Wine.....	677.9	882.9	933.9	+37.8	+5.8
Star Beer.....	356.1	345.0	358.5	+0.7	+3.9
Harp Beer.....	317.6	328.7	327.5	+3.1	-0.4
Stout Guinness.....	555.3	594.5	657.1	+18.3	+10.5
Fanta.....	516.0	419.9	472.9	-8.4	+12.6
Coca-cola.....	516.0	417.1	472.9	-8.4	+13.4
C. Tobacco.....	261.6	270.0	270.7	+3.7	+0.3
Benson & Hedges.....	—	—	—	—	—
Gold leaf.....	—	—	—	—	—
Target.....	261.6	270.0	270.7	+3.7	+0.3
555 Express.....	—	—	—	—	—
D. Fuel & Light.....	354.2	378.8	610.8	+72.4	+61.2
Firewood.....	386.4	421.5	730.1	+88.9	+73.2
Charcoal.....	563.2	546.5	670.2	+19.0	+22.6
Kerosene.....	231.8	237.3	294.1	+26.9	+23.9
Matches.....	—	—	—	—	—
Candle.....	—	—	—	—	—
E. Clothing & Footwear.....	780.0	799.8	971.9	+24.6	+21.5
Standard Baft.....	665.5	680.9	1,021.4	+53.5	+50.0
Shirting.....	790.1	873.4	879.6	+11.3	+0.7
White Drill.....	991.4	961.6	1,009.4	+1.8	+5.0
Khaki Drill.....	904.3	956.1	1,171.7	+29.6	+22.5
Sleeveless Singlets.....	583.9	630.5	750.6	+28.5	+19.0
Sandals.....	—	—	—	—	—
Terylene.....	—	—	—	—	—
Silk material.....	—	—	—	—	—
Lace cotton.....	—	—	—	—	—

QUARTERLY INDICES OF RETAIL PRICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA – 2ND QUARTER 1985 – 2ND QUARTER 1986

