

Rwanda's year-on-year inflation rate jumped to 5.8% in May 2024, exceeding April's 4.5% according to the National Institute of Statistics Rwanda. This rise in the Consumer Price Index (CPI) reflects a general increase in the cost of living for Rwandans.

The data pinpoints key drivers of this inflation. Transportation costs, which make up 12% of the CPI, surged significantly by 24.7% year-on-year, with a slight monthly rise of 0.6%, potentially impacting commutes. Additionally, the cost of imported goods spiked by 10.6% year-on-year, although there was a small monthly decline of 0.8%.

Food prices, a major concern for many Rwandans, presented a mixed picture. The "Food and non-alcoholic beverages" category increased by 4.7% year-on-year, but saw a slight monthly decrease of 0.8%. However, "fresh food" prices, known for volatility, exhibited a 3.2% year-on-year increase with a monthly rise of 0.6%.

Specific food items showed further variation. Bread and cereals saw a 4.6% decrease in price last month, but a 5.4% increase over the year. Meat prices rose by 0.8% last month and a significant 12.0% year-on-year. Milk, cheese, and eggs witnessed slight increases in price both monthly (0.4%) and annually (22.0%). Vegetable prices, while up 3.3% last month, decreased by 2.3% over the year.

"Clothing and Footwear" (5% of the CPI) experienced a 6.1% year-on-year rise, while the "Health" category (1% of the CPI) saw a moderate increase of 3.9% year-on-year. Education costs also showed a slight year-on-year increase of 1.6%.

Locally produced goods displayed a more moderate increase of 4.3% year-on-year, with a small monthly rise of 0.3%. Meanwhile, energy prices rose by 5.8% year-on-year, with a more notable monthly increase of 2%.

An intriguing detail emerges when examining the "general index excluding fresh products and energy." This category, offering a more stable picture of inflation by excluding volatile items, saw a steeper year-on-year increase of 6.7%, though there was a slight decrease of 0.4% on a monthly basis.

Analysts suggest this inflation trend indicates Rwandans are paying more for various goods and services, particularly in transportation and imported items. The government may need to take measures to address these rising costs and ensure essential goods remain affordable for citizens.