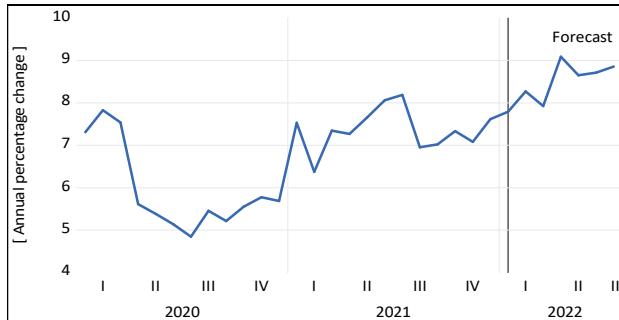


Consumer Price Index January 2022

Inflation Rate 7.8%

Chart 1: Headline Consumer Price Index



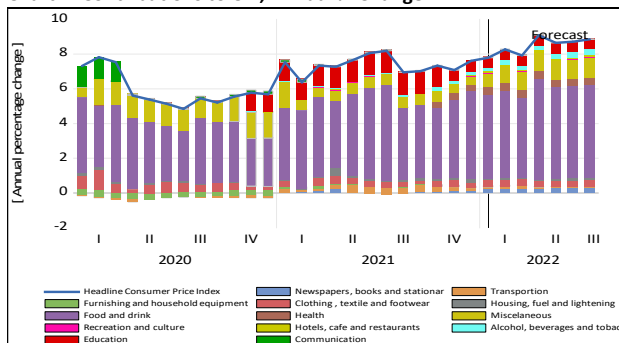
Consumer Price Index

12 Month Moving Average +2.3ppt ↑
 Year-on-year change (%) +0.2ppt ↑

Headline Inflation

Inflationary pressures picked up in January 2022. Headline inflation (year-on-year) edged up from 7.6 percent in December 2021 to 7.8 percent in January 2022.

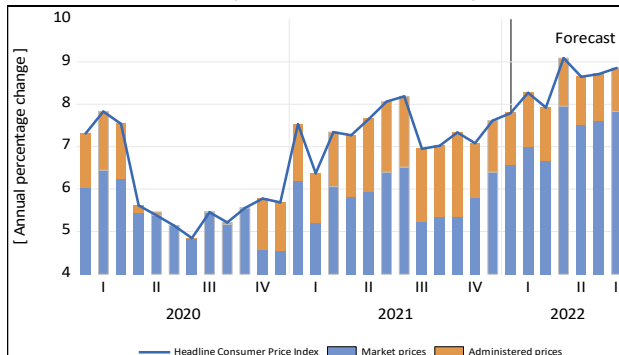
Chart 2: Contributions to CPI, Annual % Change



The rise in headline inflation is driven primarily by non-food inflation which surged from 4.9 percent in December 2021 to 5.4 percent in January 2022. Food inflation on the other hand remained stable at 10.2 percent during the review period.

The rise in non-food inflation was occasioned by the increased contribution from transportation, hotels, cafés and restaurants and miscellaneous goods and services.

Chart 3: Contributions to CPI (Market & Administered Prices)



Underlying inflation exhibited an opposite trend to headline inflation over the comparative period. The Bank's core measures of inflation, (which excludes energy, fuel, and utilities), revealed that prices declined from 9.5 percent in December 2021 to 8.1 percent as at end January 2022.

The risk to the inflation outlook is elevated. Global energy and commodity prices are expected to increase even faster than previously anticipated amid the Russia war in Ukraine. This in addition to the persistence of global supply-side constraints could pose further risks to inflation in the near term. Barring any unanticipated shocks, CBG Staff forecasts year-on-year inflation to accelerate beyond 9 percent by end-April this year.

Chart 3: Contributions to CPI, Monthly % Change

