

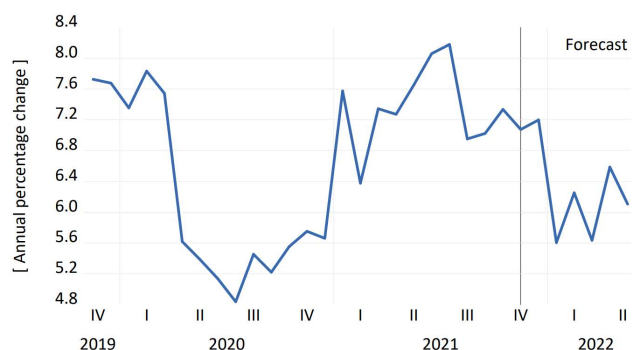
ECONOMIC BRIEF

Consumer Price Index

November 2021

Inflation Rate
7.1%

Chart 1: Headline Consumer Price Index



Consumer Price Index

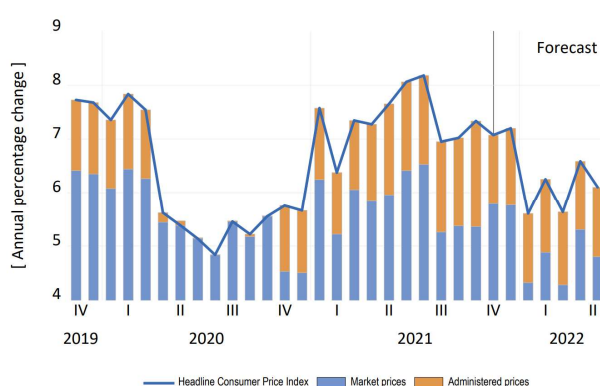
12 Month Moving Average -0.1ppt
Year-on-year change (%) -0.2ppt



Headline Inflation

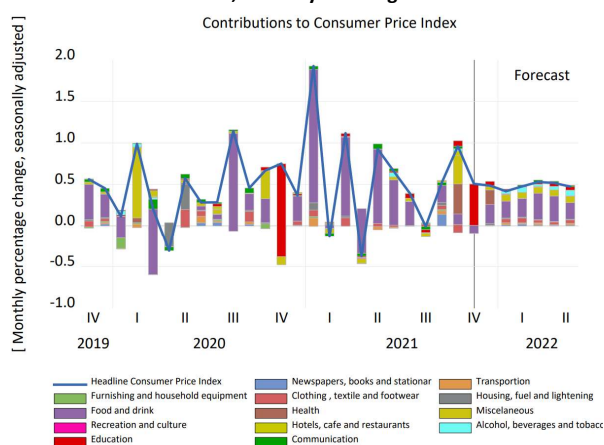
Inflationary pressures slightly subdued in November 2021. Headline inflation declined from 7.3 percent in October 2021 to 7.1 percent in November 2021. Food inflation (y-o-y) edged up from 9.0 percent in October to 9.3 percent in November 2021. Non-food inflation on the other hand declined to 4.8 percent in November 2021, from 5.7 percent in October 2021.

Chart 2: Contributions to CPI (Market & Administered Prices)



In terms of drivers, the rise in food inflation was induced by the increased contribution from oils & fats, vegetables, and non-alcoholic beverages. Within the non-food category, the decline in prices was driven by falls in the prices of transport and miscellaneous goods & services.

Chart 3: Contributions to CPI, Monthly % Change



Underlying inflation exhibited a similar trend to headline inflation over a comparative period. The Bank's core measures of inflation, (which excludes energy, fuel, and utilities), revealed that prices fell from 10.2 percent in October 2021 to 8.1 percent in November 2021.

The key risk to the inflation outlook is increases in commodity prices, rising global inflation, and possible fiscal pressures on the outlook. Barring any unanticipated shocks, CBG Staff forecasts show that inflation is currently expected to pick up briefly at the end of the 4th quarter before moderating at the end of the 1st quarter of 2022 due to a reduced contribution of food prices to inflation.

