

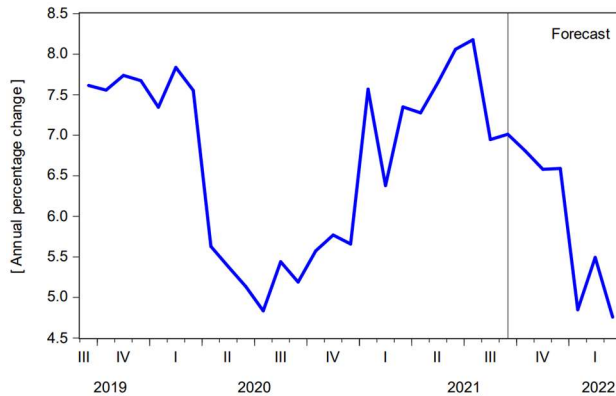
# ECONOMIC BRIEF

## Consumer Price Index

### September 2021

Inflation Rate  
**7.0%**

**Chart 1: Headline Consumer Price Index**



### Consumer Price Index

12 Month Moving Average -0.5ppt ↓  
Year-on-year change (%) +0.1ppt ↑

### Headline Inflation

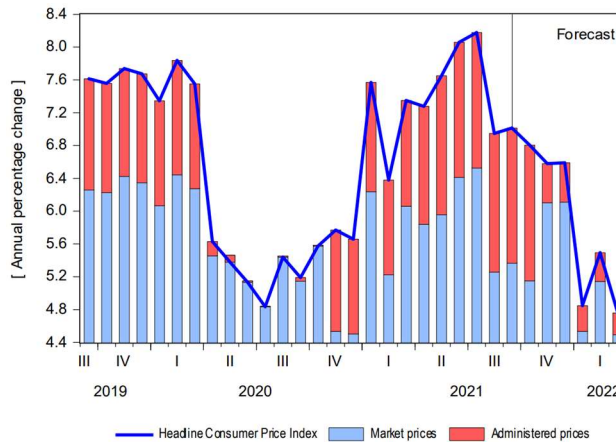
Inflationary pressures ticked up slightly in September 2021. Headline inflation crept up from 6.9 percent in August 2021 to 7.0 percent in September 2021. However, this uptick remains within the range of forecast with the expected trajectory of inflation remaining on track. Food inflation (y-o-y) edged up from 9.0 percent in August to 9.2 percent in September 2021. Non-food inflation on the other hand subdued to 4.75 percent in September 2021, from 4.84 percent in August 2021.

In terms of drivers, the rise in food inflation was occasioned 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 communication and clothing & footwear.

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 rose from 8.9 percent in August 2021 to 9.2 percent in September 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 moderate to 6.6 percent at the end of the 4<sup>th</sup> quarter and further deceleration in the early months of 2022 due partly to favorable base-drift effects.

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



**Chart 3: Contributions to CPI, Monthly % Change**

