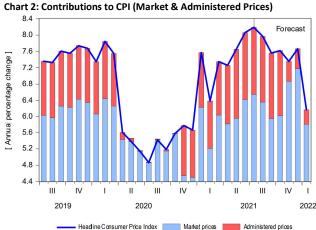
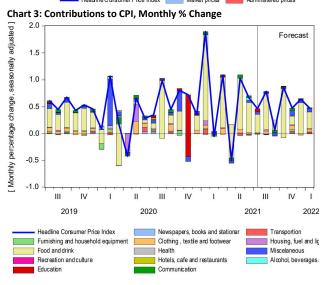
## 8.2%

## ECONOMIC BRIEF Consumer Price Index July 2021







## Consumer Price Index

12 Month Moving Average -1.1ppt Year-on-year change (%) 0.1ppt •

## **Headline Inflation**

Inflationary pressures persist with the Central Bank of The Gambia currently maintaining an accommodative monetary policy stance to promote economic recovery. Headline inflation continued a steady rise from 7.7 percent in May 2021, to 8.1 percent in June 2021 and 8.2 percent in July 2021 respectively.

The slow creep of inflation in July 2021 was mainly driven by food inflation, which month on month rose to 11.8 percent from 11.2 percent in June 2021. Non-Food inflation, on the other hand, continued to ease to 4.5 percent relative to 4.9 percent over the same comparative period.

In terms of drivers, the rise in food inflation was occasioned by the elevated contribution from meat and vegetables, root crops & tubers. Within the non-food category, on average prices moderated slightly with no standout contributors amongst its subcomponents.

Underlying inflation exhibited a similar trend to headline inflation. The core measure of inflation (which excludes energy, fuel, and utilities) reveals prices rose from 10.5 percent in May 2021 to 11.5 percent in June 2021 and moved up to 12.1 percent in July 2021.

Inflationary pressures could arise in the coming months driven by supply-side uncertainties, especially in the agricultural sectors due to uncertain weather conditions. Yet it is expected that inflation will begin to moderate in the near term.

Inflation is currently forecast to ease to 7.6 percent at the end of Q3 2021.

