

INFLATION BRIEF

April 2023

Inflation Rate
17.4%

Chart 1: Headline Consumer Price Index (Seasonally Adjusted)



Chart 2: Contributions to headline CPI, (Seasonally Adjusted)

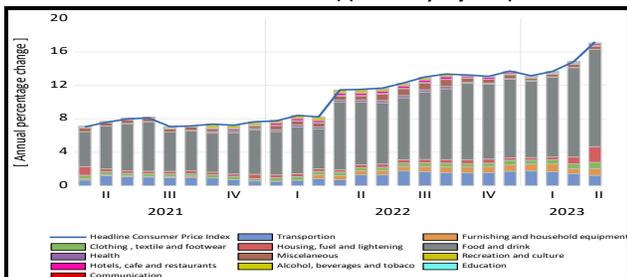


Chart 3: Contributions of Market & Administered Prices (Seasonally Adjusted)

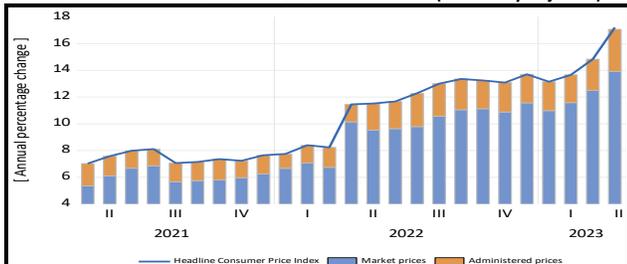


Chart 4: Monthly CPI and contributions (Seasonally Adjusted)

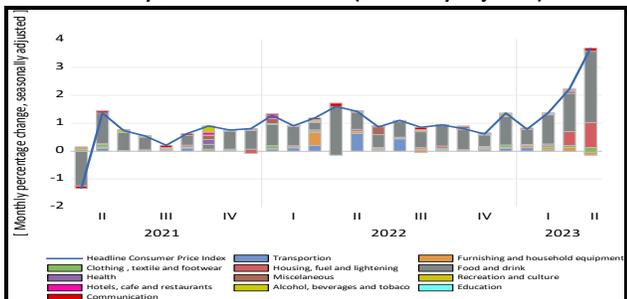
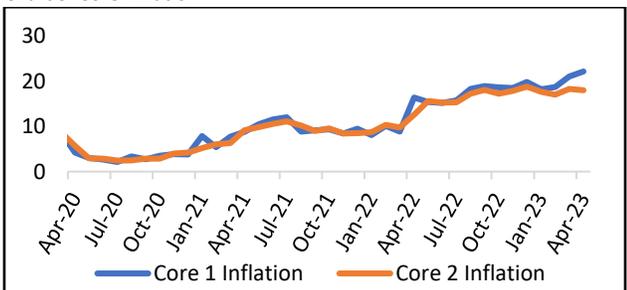


Chart 5: Core inflation



Consumer Price Index

12-Month Moving Average 4.2 ppt

Monthly Change (Year-on-year) 2.6 ppt

Headline Inflation

Inflationary pressures accelerated in April 2023 and headline inflation (year-on-year) surged to 17.4 percent from 14.8 percent in March 2023

The increase in headline inflation during the period is driven by the increase in contribution from food and non-food inflation. Food inflation increased to 22.1 percent from 20.5 percent in March 2023. Similarly, Non-Food inflation, increased from 8.9 percent to 12.3 percent during the same period.

The increase in food inflation was mainly induced by the increased contribution of Fruits & Nuts, Fish, and Other Food Products. Non-food inflation on the other hand was mainly driven by the increased electricity prices. The impact of this price hike has already begun to manifest in the hospitality sector.

Analysis in terms of the market and administered prices revealed that the increase in headline inflation (year-on-year) was predominantly driven by market-determined prices.

The Bank's core measures of inflation, which exclude food, energy, fuel, and utilities from headline inflation are core 1 and core 2. Core 1 inflation, which excludes energy, fuel, and utilities revealed an increase in underlying inflation from 21.1 percent in March 2023 to 22.2 percent in April 2023. Core 2 inflation, which further excludes volatile food items showed a decrease from 18.3 percent in March 2023 to 18.0 percent in the review period.

Month on Month, consumer price inflation also accelerated to 4.8 percent in April 2023 from 2.1 percent in March 2023.

The uncertainty surrounding the outlook remains elevated although global inflation is expected to continue its downward trajectory. However, if the current trajectory in global inflation continues and the full effect of monetary policy hits, headline inflation may return to the medium target sooner than currently anticipated.

