

INFLATION BRIEF

April 2022

Chart 1: Headline Consumer Price Index (Seasonally Adjusted)



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

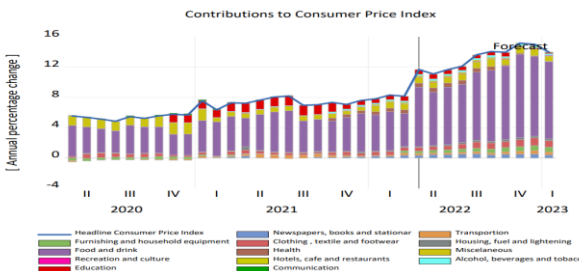


Chart 3: Contributions to CPI in terms of Market & Administered Prices (Seasonally Adjusted)

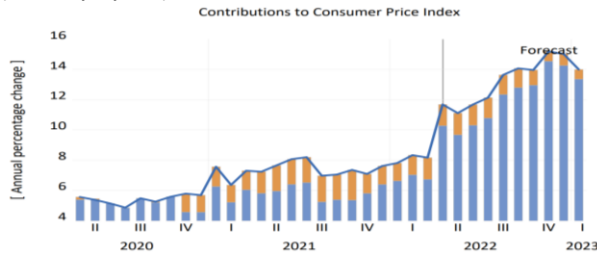


Chart 4: Monthly CPI and contributions (Seasonally Adjusted)

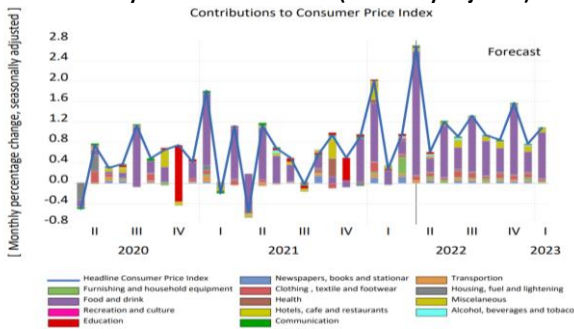
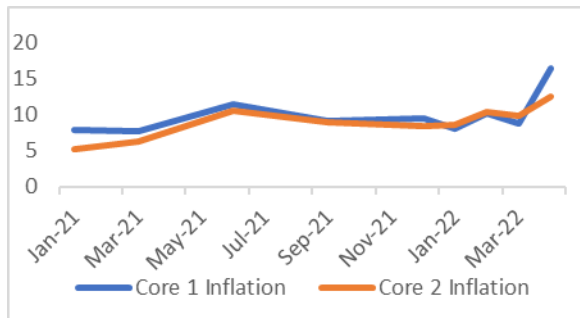


Chart 5: Core inflation



Consumer Price Index

12 Month Moving Average +1.5ppt

Economic Research Department
CENTRAL BANK OF THE GAMBIA

Inflation Rate

11.7%

Year-on-year change (%) +3.5ppt

Headline Inflation

Inflationary pressures continue to persist with headline inflation (year-on-year) accelerating (to double digit) to 11.7 percent in April 2022 from 8.2 percent in March 2022.

The surge in headline inflation is primarily driven by the increase in food inflation, which surge from 9.2 percent in March 2022 to 16.3 percent in April 2022. Non-Food inflation, on the other hand, decelerated to 7.3 percent from 7.5 percent during the same period.

The decline in non-food inflation was occasioned by the decreased contribution from transportation, communication and Electricity, gas and other fuel, despite the surge in global energy prices.

Further analysis of market and administered prices revealed that the increase in headline inflation (year-on-year) was driven by the rise in the contribution of market prices.

The Bank's core measures of inflation, which excludes energy, fuel, and utilities, exhibited similar trend to headline inflation over the comparative period. Core 1 inflation revealed a increase in underlying inflation from 8.9 percent in March 2022 to 16.4 percent as at end-April 2022.

On monthly basis, consumer prices inflation accelerated to 2.7 percent in April 2022 from 1.0 percent in March 2022, driven mainly by the increase in contributions of food items.

The risk to inflation outlook is elevated. Global inflation accelerated due to rising food and energy prices compounded by the war in Ukraine. Domestic inflation is expected to accelerate in the short to medium term.

The near-term outlook for inflation is unfavorable. CBG Staff forecasts shows year-on-year inflation (seasonally adjusted) accelerating above 10 percent by May this year.

