

Consumer Price Index July 2022

Inflation Rate
12.3%

Chart 1: Headline Consumer Price Index

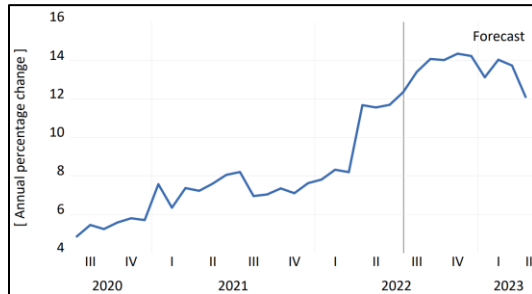


Chart 2: Contributions to CPI, Annual % Change

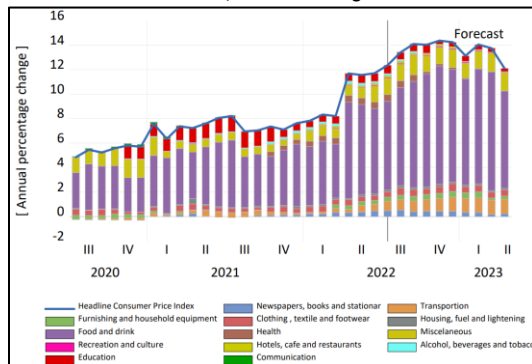


Chart 3: Contributions to CPI (Market & Administered Prices)

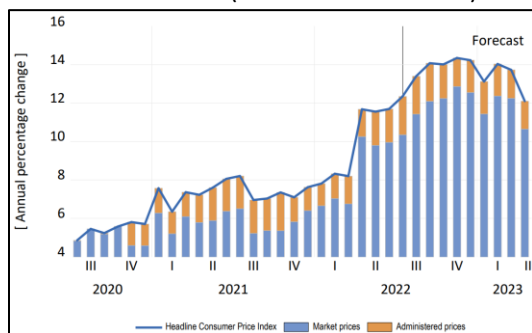
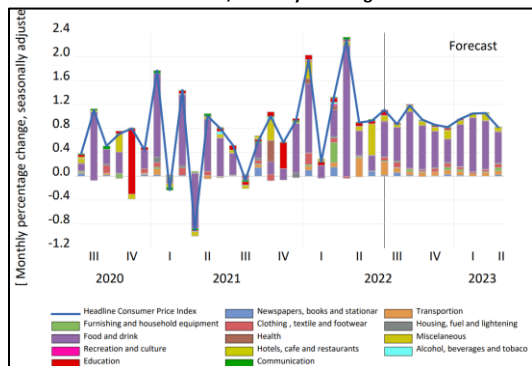




Chart 3: Contributions to CPI, Monthly % Change



Consumer Price Index

12-Month Moving Average +0.6ppt 
Year-on-year change (%) +0.8ppt 

Headline Inflation

Inflationary pressures continued its accelerating trend in July 2022 from its low base of 7.8 percent in January 2022. Headline inflation (year-on-year) reached 12.3 percent in July 2022 from 11.7 percent a month earlier.

The increase in headline inflation is mainly on account of rising non-food inflation which surged from 9.3 percent in June 2022 to 10.5 percent in July 2022. Food inflation also experienced a marginal increase of 0.2 percentage point to 14.6 percent in the review period.

The rise in non-food inflation mirrored the increased contribution from the hospitality sector and transportation.

Underlying inflation exhibited a reverse trend to headline inflation over the comparative period. The Bank's core measures of inflation, (which excludes energy, fuel, and utilities), revealed that prices rose from 15.2 percent in June 2022 to 15.8 percent at end July 2022.

The risk to the inflation outlook is on the upside. Global energy and commodity prices are expected to remain elevated while supply chain bottlenecks remain persistent. Global inflation is expected to remain high in the near term. On the other hand, many central banks have begun tightening their monetary policy stances, which in the medium term might dampen inflationary pressures. Barring any unanticipated shocks, CBG Staff forecasts year-on-year inflation to accelerate to 14 percent in the 4th quarter of 2022.

