

# CPI CONSUMER PRICE INDEX

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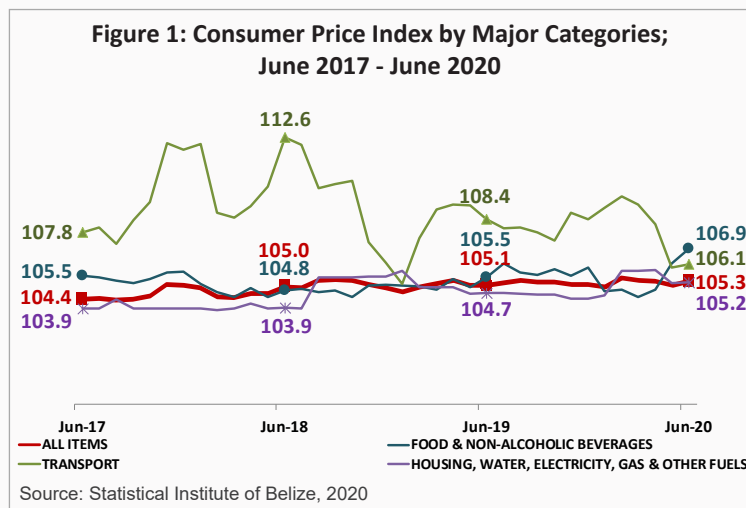
## CONSUMER PRICES UP 0.2% IN JUNE 2020: HIGHER FOOD AND HOME RENTAL COSTS OFFSET BY LOWER FUEL AND LPG PRICES

### ALL-ITEMS:

The Statistical Institute of Belize's latest figures on consumer prices showed that, for the month of June 2020, the national inflation rate stood at 0.2 percent. The All-Items Consumer Price Index (CPI) increased marginally from 105.1 in June 2019 to 105.3 in June 2020 (see Figure 1). This suggests that, on average, prices for items contained within the basket of selected goods and services commonly purchased by Belizean households were 0.2 percent higher than they were last June. This minimal overall change in comparison to June of 2019 was the net effect of rising costs for home rentals and various food items being counteracted by considerable reductions in prices for fuel and Liquefied Petroleum Gas (LPG)<sup>1</sup>.

### FOOD AND NON-ALCOHOLIC BEVERAGES:

For the second consecutive month, the 'Food and Non-Alcoholic Beverages' category, which has tended to be relatively stable in previous years, saw a notable rise in prices, increasing by 1.4 percent for the month of June 2020 when compared to June 2019 (see Figure 2). Fresh vegetables, in particular, have risen rapidly over the past three months, although price increases were seen in almost all of the food sub-categories. Significantly higher prices were seen in products such as tomatoes, cabbages, potatoes, onions, oranges, plantains, rice, and milk, while pork chops and poultry prices saw more moderate increases. Nonetheless, lower prices were recorded for some items, such as pineapples, watermelons, beef steak, and pigtail (see Table 1).



### TRANSPORT:

For the month of June 2020, the 'Transport' category saw an overall decline of 2.1 percent in comparison to June 2019 (see Figure 2). This was mainly the result of considerably lower prices in the 'Fuels and Lubricants' sub-category, which was down by 13 percent from the same month last year, due to substantial price reductions for all types of motor vehicle fuels. At the pump, the average price per gallon of Regular gasoline declined by \$1.87 from \$10.03 in June 2019 to \$8.16 in June 2020. Diesel saw the largest drop in prices as it fell by almost \$3.00 from \$10.33 to \$7.38, while Premium decreased by \$0.50 from \$11.56 in June of last year to \$11.06 in June of this year (see Table 1).

### HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS:

Prices within the 'Housing, Water, Electricity, Gas and Other Fuels' category rose by 0.5 percent for the month of June 2020 when compared to June 2019 (see Figure 2). Home rental costs, which make up one of the largest shares of the average household budget, rose by 1.1 percent, with notable increases being seen in the municipalities of Belize City, San Ignacio/Santa Elena Town and Punta Gorda Town. This was only partly offset by a reduction in LPG prices, which were 20.3 percent lower than they were in June 2019. The average cost of a 100-pound cylinder of LPG fell by \$23.40 from \$115.26 in June 2019 to \$91.86 in June 2020 (see Table 1).

**Table 1: Average Prices of Selected Foods and Fuel (BZ \$), June 2019 and June 2020**

Item	June 2019	June 2020	% Change
Ground Beef 1 Lb	5.75	5.70	↓ -0.94
Beef Steak 1 Lb	8.17	8.03	↓ -1.81
Pork Chops 1 Lb	6.73	7.00	↑ 3.98
Pig Tail 1 Lb	4.30	4.18	↓ -2.79
Whole Chicken 1 Lb	2.66	2.72	↑ 2.07
Sugar, White 1 Lb	0.80	0.79	↓ -0.98
Sugar, Brown 1 Lb	0.53	0.54	↑ 2.13
Flour (Gitana) 1 Lb	0.92	0.95	↑ 3.23
Rice 1 Lb	1.13	1.21	↑ 7.43
Eggs 1 Dozen	3.24	3.37	↑ 3.87
Natural Milk 1 Litre	2.52	2.65	↑ 5.40
Red Kidney Beans 1 Lb	1.54	1.58	↑ 2.28
Pineapple 1 Lb	1.38	1.03	↓ -25.84
Orange 1 unit	0.14	0.17	↑ 19.81
Watermelon 1 Lb	0.76	0.70	↓ -7.41
Plantain 1 unit	0.29	0.35	↑ 21.72
Sweet Pepper 1 Lb	3.88	3.86	↓ -0.52
Onions 1 Lb	1.92	2.11	↑ 9.88
Tomato 1 Lb	1.96	3.75	↑ 90.91
Cabbage 1 Lb	1.39	1.83	↑ 31.91
Limes 1 unit	0.26	0.28	↑ 5.43
Potatoes 1 Lb	1.65	1.82	↑ 10.19
Belikin Beer (w/out bottle) 284 ml	2.96	3.02	↑ 1.85
Premium Gasoline 1 Gal	11.56	11.06	↓ -4.37
Regular Gasoline 1 Gal	10.03	8.16	↓ -18.68
Diesel 1 Gal	10.33	7.38	↓ -28.57
Liquefied Petroleum Gas (LPG) 100 Lbs	115.26	91.86	↓ -20.30

Source: Statistical Institute of Belize, 2020

### ALL OTHER CATEGORIES OF GOODS AND SERVICES:

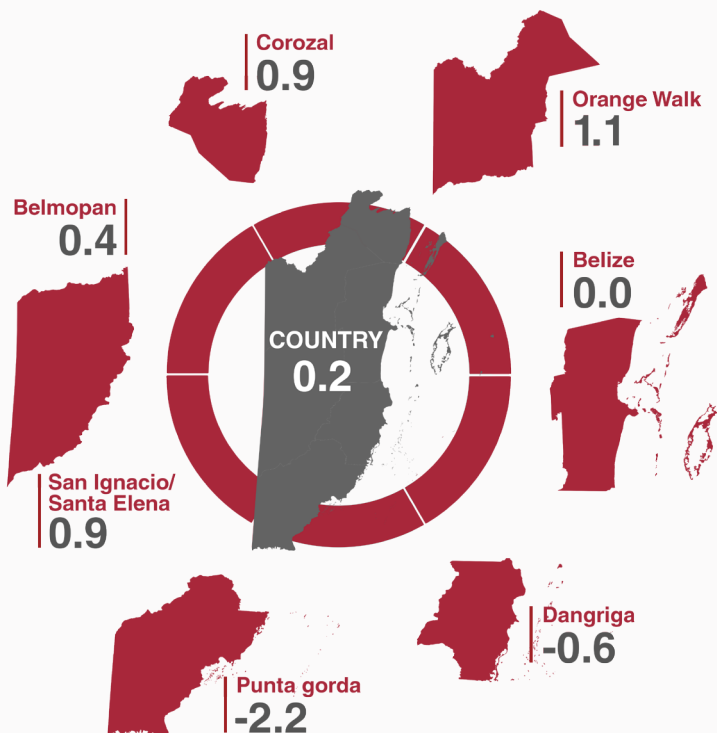
Together, the remaining categories of goods and services recorded a minimal increase of 0.2 percent in June 2020 compared to the same month in 2019 (see Figure 2). This increase was due mainly to the 'Education' category, which was 2.8 percent higher than it was in June 2019. Although schools in Belize have been closed for several months due to COVID-19, the rise in this category reflects an increase in tuition implemented by several tertiary education institutions at the start of the 2019/2020 school year. In contrast, there was a notable decrease of 10 percent in the 'Restaurants and Hotels' category, which recorded lower prices for international hotel accommodations in June 2020 when compared to the same month last year.

<sup>1</sup> It should be noted that price changes occurring in goods and services not normally purchased by households in Belize, but which have seen an increase in demand due to the pandemic COVID 19, may not be reflected in the CPI.

## INFLATION RATES BY MUNICIPALITY:

Consistent with trends observed for the past few months, Orange Walk Town saw the highest monthly increase in consumer prices, with an inflation rate of 1.1 percent for the month of June 2020. During the month, consumers in this municipality experienced higher prices for various food items, children's footwear, telephones, and maintenance and repair of motor vehicles compared to June 2019. On the other hand, the two southern municipalities recorded overall reductions in consumer prices. Punta Gorda Town experienced a 2.2 percent deflation, while Dangriga saw consumer prices down on average by 0.6 percent for the month (see Figure 3).

**Figure 3: Inflation Rates by Municipality (Percent); June 2020**



Source: Statistical Institute of Belize, 2020

**Figure 2: Inflation Rates by Major Categories; June 2020**



Source: Statistical Institute of Belize, 2020

## YEAR TO DATE INFLATION RATES:

The first six months of 2020 saw a year-to-date inflation of 0.2 percent, when compared to the same period last year (see Table 2). Across the various categories, the most notable change was seen in the 'Education' category which increased by 3.5 percent due to higher tertiary education tuition costs for the 2019/2020 school year. The 'Housing, Water, Electricity, Gas and Other Fuels' category also reported a modest increase of 0.4 percent as a result of higher home rental costs, which was partially offset by a considerable dip in LPG prices. In contrast, prices in the 'Recreation and Culture' category declined during the first six months of the year, due to reductions in the cost of audiovisual equipment such as television sets.

**Table 2: Year to Date Inflation Rates by Category (%) January to June 2020**

Category	Year to Date Inflation Rate
<b>All Items</b>	<b>0.2</b>
Food & Non-Alcoholic Beverages	0.2
Alcoholic Beverages & Tobacco	-0.3
Clothing & Footwear	0.0
Housing, Water, Electricity, Gas & Other Fuels	0.4
Furnishing Household Equipment & Routine Household maintenance	-0.1
Health	0.4
Transport	0.0
Communication	0.8
Recreation & Culture	-0.8
Education	3.5
Restaurants & Hotels	-2.9
Miscellaneous Goods & Services	0.6

Source: Statistical Institute of Belize, 2020