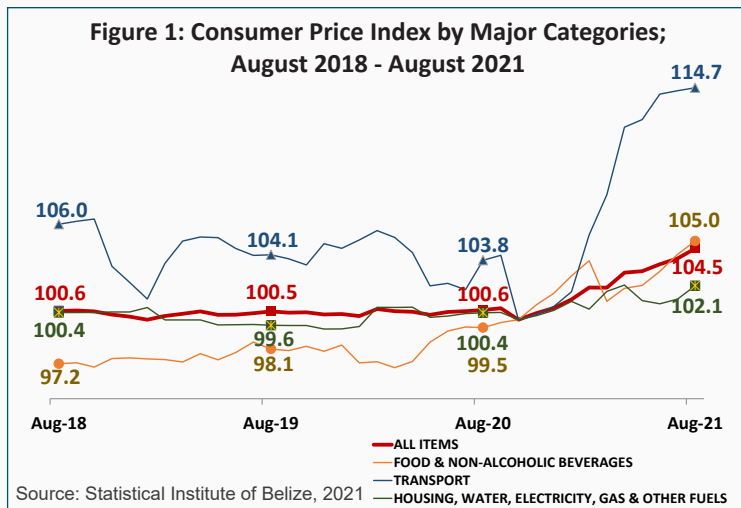




### CONSUMER PRICES UP 3.9% IN AUGUST 2021: MOTOR VEHICLE FUELS, FOOD, LPG, RESTAURANT SERVICES AND PERSONAL CARE PRODUCTS UP

#### ALL-ITEMS:

The most recent data from the Statistical Institute of Belize's monthly Consumer Price Index (CPI) survey indicated that, for August 2021, the All-items CPI stood at 104.5, an increase of 3.9 percent from the 100.6 recorded for August 2020 (see Figure 1). This indicates that, for the month of August, the country experienced an overall national inflation rate<sup>1</sup> of 3.9 percent on the cost of goods and services regularly purchased by Belizean households. This overall change was the result of higher costs for food, fuel, liquefied petroleum gas (LPG), restaurant services, and personal care products.



#### TRANSPORT:

Items within the 'Transport' category rose by a significant 10.5 percent in August 2021 when compared to August 2020. This was driven largely by higher prices in the 'Fuel and Lubricants' sub-category, as substantial increases were recorded across all types of motor vehicle fuels. At the pump, diesel registered the highest increase, with the average price per gallon rising by \$2.38, from \$8.32 in August 2020 to \$10.71 in August 2021. Regular gasoline was up by \$2.41, from \$8.86 to \$11.27, while premium gasoline rose by \$2.27, from \$9.47 in August of last year to \$11.73 in August of this year (see Table 1). Additionally, prices for new motor vehicles were 2.7 percent higher than they were in the same month last year. In contrast, international airfares went down by 17.4 percent during this period.

#### FOOD AND NON-ALCOHOLIC BEVERAGES:

For the month of August 2021, prices within the 'Food and Non-Alcoholic Beverages' category increased by 5.5 percent when compared to the same month in 2020. This was mainly driven by prices within the 'Food' sub-category, which recorded an inflation rate of 6.5 percent, as meats, fresh produce, and seafood all rose significantly for the period. Products that saw the most notable price changes compared to August of last year included, pig tails, oranges, pineapples, cabbages, potatoes, sweet peppers, onions, red kidney beans, rice, shrimp, eggs, natural milks, pork chops, and whole chickens, many of which saw price increase of well beyond 10 percent (see Table 1).

Table 1: Average Prices of Selected Foods and Fuel (BZ \$); August 2020 and August 2021

Item	Unit of Measurement	Average Prices		% Change
		August 2020	August 2021	
Ground Beef	1 Lb	\$5.68	\$5.69	0.1%
Beef Steak	1 Lb	\$8.15	\$8.12	-0.3%
Pork Chops	1 Lb	\$6.80	\$7.13	4.8%
Pig Tail	1 Lb	\$4.20	\$5.72	36.2%
Whole Chicken	1 Lb	\$2.77	\$2.89	4.3%
Sugar, White	1 Lb	\$0.79	\$0.79	0.0%
Sugar, Brown	1 Lb	\$0.54	\$0.57	6.5%
Flour (Gitana)	1 Lb	\$0.95	\$1.00	5.3%
Rice	1 Lb	\$1.19	\$1.36	14.2%
Eggs	1 Dozen	\$3.38	\$3.49	3.4%
Natural Milk	1 Liter	\$2.67	\$2.82	5.5%
Red Kidney Beans	1 Lb	\$1.66	\$2.03	22.0%
Pineapple	1 Lb	\$1.02	\$1.26	24.0%
Orange	1 Unit	\$0.15	\$0.21	32.7%
Watermelon	1 Lb	\$0.56	\$0.60	8.3%
Plantain	1 Unit	\$0.33	\$0.32	-2.1%
Sweet Pepper	1 Lb	\$4.21	\$4.87	15.6%
Onions	1 Lb	\$2.08	\$2.35	13.1%
Tomato	1 Lb	\$3.22	\$3.36	4.5%
Cabbage	1 Lb	\$1.71	\$2.79	63.4%
Limes	1 Unit	\$0.23	\$0.25	9.2%
Potatoes	1 Lb	\$1.74	\$2.02	16.4%
Belikin Beer (w/out bottle)	284 MI	\$3.05	\$3.00	-1.7%
Premium Gasoline	1 Gallon	\$9.47	\$11.73	23.9%
Regular Gasoline	1 Gallon	\$8.86	\$11.27	27.1%
Diesel	1 Gallon	\$8.32	\$10.71	28.6%
Liquefied Petroleum Gas (LPG)	100 Lbs	\$92.28	\$123.09	33.4%

Source: Statistical Institute of Belize, 2021

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

The 'Housing, Water, Electricity, Gas and Other Fuels' category, rose by 1.7 percent on average when compared to August 2020. This was mainly due to a significant 33.4 percent jump in LPG prices. The average cost of a hundred-pound cylinder was up by more than \$30, from \$92.28 in August 2020 to \$123.09 in August 2021 (see Table 1). Nonetheless, the effect of this increase was partially offset by a 3.5 percent reduction in electricity tariffs and a 0.4 percent decline in home rental costs.

#### RESTAURANTS AND ACCOMMODATION SERVICES:

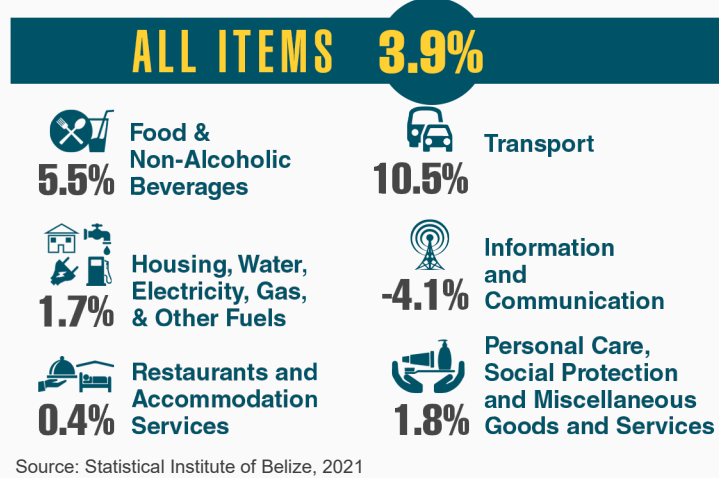
Restaurant services registered an increase of 3.1 percent for the month of August 2021 in comparison to the same month last year, while prices for accommodation services were 8.7 percent higher than they were in the same month last year.

<sup>1</sup> The national inflation rate for the month measures the percent change in prices between a given month and the same month in the previous year.

## PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES:

Prices for goods and services in the 'Personal Care, Social Protection and Miscellaneous Goods and Services' category went up by 1.8 percent compared to August of last year. This was attributed to increases in the cost of personal hygiene products, men's and women's haircuts, and personal grooming treatments.

Figure 2: Inflation Rates for Selected Major Categories; August 2021



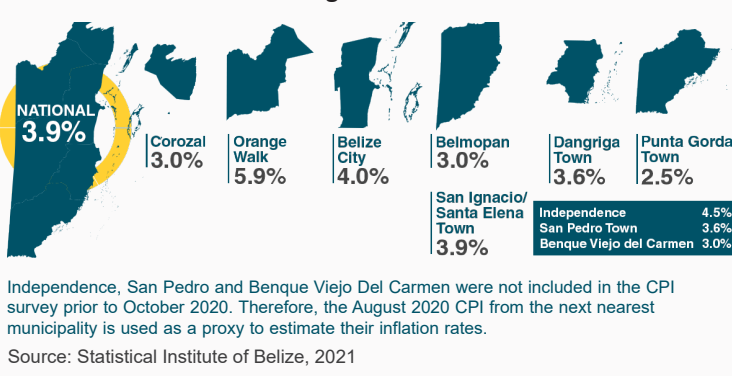
## INFORMATION AND COMMUNICATION:

'Information and Communication' was the only category for which deflation was recorded, with prices down by an average of 4.1 percent in August 2021 when compared to August 2020 (see Figure 2), due to lower prices for items such as tablets, external storage devices and television sets.

## INFLATION RATES BY MUNICIPALITY:

With an inflation rate of 5.9 percent, Orange Walk Town experienced the highest rate of increase in consumer prices for August 2021. Consumers in this town saw above average increases in prices for food items, home rentals, restaurant and cafe services, laundry, and personal hygiene products. In contrast, Punta Gorda Town recorded the lowest inflation rate of 2.5 percent, as consumers in this town saw lower than average increases in prices for food, laundry, and pharmaceutical products (see Figure 3).

Figure 3: Inflation Rates by Municipality (%); August 2021



## MONTH TO MONTH INFLATION RATES:

While inflation rates are generally calculated as the percent change in prices for specific items between the current time period and the same period of the previous year, another useful measure for tracking short-term changes in consumer prices is the month-over-month inflation rate, which measures the percent change in prices between the previous month and the current month.

The month-over-month inflation rate<sup>2</sup> for August 2021, when compared to July 2021, stood at 0.6 percent. The categories of 'Food and Non-Alcoholic Beverages' and 'Housing, Water, Electricity, Gas and Other Fuels' contributed the most to the overall increase, with both recording inflation rates of 0.8 percent (see

Table 2: Month to Month Inflation Rates by Category (%); August 2021

	August 2021
<b>ALL ITEMS</b>	<b>0.6%</b>
Food and Non-Alcoholic Beverages	0.8%
Alcoholic Beverages, Tobacco and Narcotics	0.2%
Clothing and Footwear	0.1%
Housing, Water, Electricity, Gas and Other Fuels	0.8%
Furnishings, Household Equipment and Routine Household Maintenance	1.1%
Health	0.5%
Transport	0.2%
Information and Communication	0.2%
Recreation, Sport and Culture	0.1%
Education Services	0.0%
Restaurants and Accommodation Services	1.6%
Insurance and Financial Services	0.0%
Personal Care, Social Protection and Miscellaneous Goods and Services	0.2%

Source: Statistical Institute of Belize, 2021

Table 2). Within the former category, fresh vegetables saw the greatest increase, rising by 5.1 percent over the one-month period. Within the latter, higher LPG prices and home rental costs were the main drivers of inflation.

## YEAR-TO-DATE INFLATION RATE:

The year-to-date inflation rate<sup>3</sup> for the first eight months in 2021, when compared to the same period in 2020, stood at 2.4 percent. 'Food and Non-Alcoholic Beverages', with an increase of 4.7 percent, was the category exerting the greatest upward pressure on the overall cumulative inflation rate, mainly due to higher prices within the 'Food' sub-category. Prices in the 'Transport' category were up by 6.4 percent, as a result of higher prices for all motor vehicle fuels. The 'Housing, Water, Electricity, Gas and Other Fuels' category had a year-to-date inflation rate of 1.1 percent, due to higher LPG prices and home rental costs for the period. The 'Personal Care, Social Protection and Miscellaneous Goods and Services' category rose by 1.8 percent, mainly due to increases in prices for personal hygiene items and men's and women's haircuts. Nonetheless, these increases were offset in part by lower prices in the 'Restaurants and Accommodation Services' category, which went down by 6.7 percent, as lower hotel accommodation rates were recorded for the period (see Table 3).

Table 3: Year to Date Inflation Rates by Category (%); August 2021

	August 2021
<b>ALL ITEMS</b>	<b>2.4%</b>
Food and Non-Alcoholic Beverages	4.7%
Alcoholic Beverages, Tobacco and Narcotics	0.0%
Clothing and Footwear	-0.7%
Housing, Water, Electricity, Gas and Other Fuels	1.1%
Furnishings, Household Equipment and Routine Household Maintenance	-0.5%
Health	1.4%
Transport	6.4%
Information and Communication	-3.9%
Recreation, Sport and Culture	1.3%
Education Services	0.3%
Restaurants and Accommodation Services	-6.7%
Insurance and Financial Services	0.0%
Personal Care, Social Protection and Miscellaneous Goods and Services	1.8%

Source: Statistical Institute of Belize, 2021

<sup>2</sup> The month-over-month inflation rate measures the percentage change in prices between the previous month and the current month. It is useful for capturing short-term price changes but is also affected by seasonal price movements.

<sup>3</sup> The year-to-date inflation rate as of August 2021 measures the percent change in the average CPI for the first eight months of 2020 compared to the average CPI for the first eight months of 2021.