



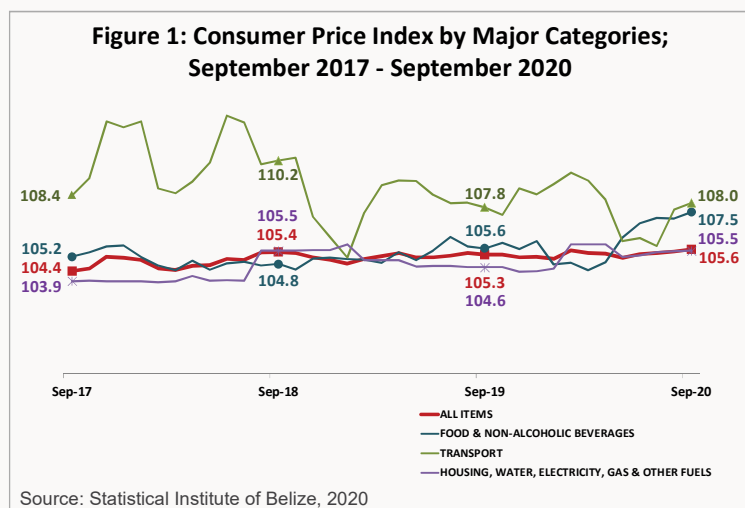
CPI CONSUMER PRICE INDEX

For the month of: **September 2020** • Published on: **October 28th, 2020**

CONSUMER PRICES UP 0.3% IN SEPTEMBER 2020: HIGHER FOOD AND HOME RENTAL COSTS OFFSET BY LOWER FUEL AND LPG PRICES

ALL-ITEMS:

The latest results from the Statistical Institute of Belize's monthly Consumer Price Index (CPI) survey showed that, for the month of September 2020, the national inflation rate stood at 0.3 percent. The All-Items Consumer Price Index, which summarizes all categories of goods and services, increased from 105.3 in September 2019 to 105.6 in September 2020 (see Figure 1). This indicated that, on average, prices for items comprising the basket of goods and services commonly purchased by Belizean households were 0.3 percent higher than they were last September. This was mainly the result of higher home rental and food costs being balanced out by substantially lower prices for fuel and Liquefied Petroleum Gas (LPG). 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 COVID-19 pandemic, may not be reflected in the CPI.



FOOD AND NON-ALCOHOLIC BEVERAGES:

For the month of September 2020, 'Food and Non-Alcoholic Beverages' continued in its generally upward trajectory, a trend observed since early 2019 but which has become more pronounced since May of this year. Prices within this category rose by 1.8 percent overall (see Figure 2), with the 'Food' sub-sector alone recording an overall increase of 2.2 percent when compared to September 2019. Fresh vegetables, while slowly moving downward after peaking in July of this year, continue to be a major driving force behind rising food prices. Additionally, notable increases were also seen in meats such as ground beef, pork chops and whole chickens, as well as milk, eggs and red kidney beans. The effect of these higher prices overshadowed decreases in the cost of other goods within the category, such as beef steak, pig tail, pineapples and sweet peppers (see Table 1).

TRANSPORT:

Prices within the 'Transport' category were up by 0.2 percent on average for the month of September 2020, when compared to September 2019. Considerably higher prices for international airfares' and an increase in costs for purchasing new motor vehicles were almost completely balanced out by a notable drop in all types of fuels during the month. The 'Fuel and Lubricants' subcategory saw prices fall by 9.8 percent, with the most significant reduction being in the average price per gallon

of Premium gasoline, which decreased by 17.4 percent from \$11.42 in September 2019 to \$9.43 in September 2020. Diesel declined by 16 percent from \$10.17 to \$8.54, while Regular gasoline fell by 12 percent from \$10.23 to \$8.99 (see Table 1). Within this sub-category, prices for motor oils also declined during the month, albeit by a less drastic 0.2 percent.

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

Item	September 2019	September 2020	% Change
Ground Beef (1 Lb)	5.50	5.91	↑ 7.28
Beef Steak (1 Lb)	7.88	7.87	↓ -0.12
Pork Chops (1 Lb)	6.70	6.90	↑ 3.02
Pig Tail (1 Lb)	4.28	4.24	↓ -0.92
Whole Chicken (1 Lb)	2.70	2.80	↑ 3.68
Sugar, White (1 Lb)	0.79	0.79	0.00
Sugar, Brown (1 Lb)	0.54	0.54	0.00
Flour (Gitana) (1 Lb)	0.92	0.94	↑ 2.47
Rice (1 Lb)	1.16	1.21	↑ 4.46
Eggs (1 Dozen)	3.18	3.39	↑ 6.54
Natural Milk (1 Litre)	2.54	2.68	↑ 5.59
Red Kidney Beans (1 Lb)	1.50	1.76	↑ 17.43
Pineapple (1 Lb)	1.19	1.06	↓ -11.08
Orange (1 unit)	0.15	0.16	↑ 10.71
Watermelon (1 Lb)	0.51	0.54	↑ 4.81
Plantain (1 unit)	0.32	0.33	↑ 2.96
Sweet Pepper (1 Lb)	4.47	4.12	↓ -7.69
Onions (1 Lb)	1.95	1.97	↑ 1.05
Tomato (1 Lb)	2.12	3.25	↑ 53.17
Cabbage (1 Lb)	1.64	1.90	↑ 16.12
Limes (1 unit)	0.21	0.23	↑ 6.56
Potatoes (1 Lb)	1.69	1.76	↑ 4.06
Belikin Beer (w/out bottle) (284 ml)	2.98	3.02	↑ 1.54
Premium Gasoline (1 Gal)	11.42	9.43	↓ -17.41
Regular Gasoline (1 Gal)	10.23	8.99	↓ -12.03
Diesel (1 Gal)	10.17	8.54	↓ -15.98
Liquefied Petroleum Gas (LPG) (100 Lbs)	115.93	92.52	↓ -20.19

Source: Statistical Institute of Belize, 2020

HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS:

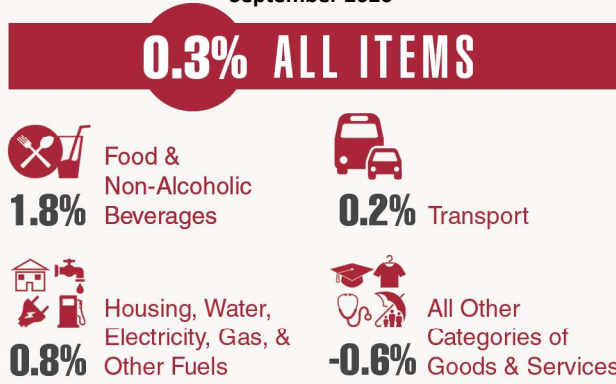
In comparison to September 2019, the 'Housing, Water, Electricity, Gas and Other Fuels' category saw an overall increase of 0.8 percent for the month of September 2020. This was attributed to a 1.5 percent increase in home rental costs, as higher rental prices were recorded in the municipalities of Belize City, Belmopan, San Ignacio/Santa Elena Town and Punta Gorda Town. This was only partly offset by a reduction in LPG prices, as the average cost of a 100-pound cylinder of LPG fell by \$23.41, from \$115.93 in September 2019 to \$92.52 in September 2020 (see Table 1).

ALL OTHER CATEGORIES OF GOODS AND SERVICES:

As a group, the remaining categories of goods and services recorded an average decrease of 0.6 percent in September 2020 compared to the same month in 2019 (see Figure 2). This decline was driven mainly by lower prices in 'Clothing and Footwear', which was down by 1.2 percent due to lower prices for both women's and men's clothing, and 'Recreation and

1 Since not all airlines had resumed flights to and from Belize at the time of price collection, the change for this category was estimated based on actual prices for flights that were operating at the time.

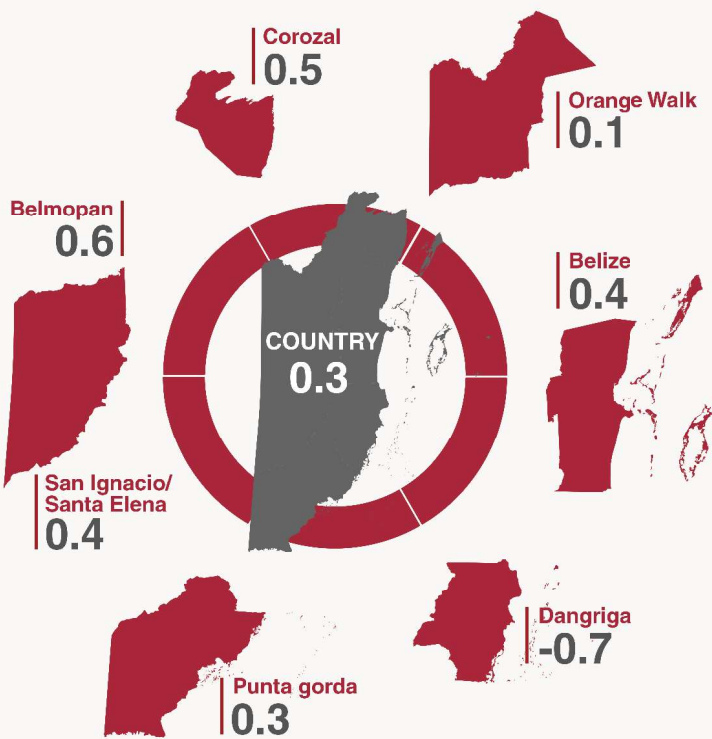
**Figure 2: Inflation Rates by Major Categories;
September 2020**



Source: Statistical Institute of Belize, 2020

Culture', which saw a 1.5 percent decrease as a result of lower prices for audio-visual devices. In addition, the 'Restaurants and Hotels' category declined by 8.9 percent, due to lower prices for hotel accommodations. On the other hand, the 'Health' category rose by 0.9 percent, the result of higher prices for several pharmaceutical products.

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



Source: Statistical Institute of Belize, 2020

INFLATION RATES BY MUNICIPALITY:

With an inflation rate of 0.6 percent, the City of Belmopan experienced the highest rate of increase in consumer prices for September 2020. Consumers in this municipality saw above average increases in prices for food, home rentals, and pharmaceutical products. On the other hand, Dangriga Town reported the only decline in consumer prices for the month of September 2020 when compared to September 2019, with a deflation of 0.7 percent, which was attributed to a reduction in home rental prices. All other municipalities recorded a marginal increase in consumer prices for the month of September 2020 (see Figure 3).

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

Category	Year to Date Inflation Rate
All Items	0.2
Food & Non-Alcoholic Beverages	0.6
Alcoholic Beverages & Tobacco	-0.3
Clothing & Footwear	-0.3
Housing, Water, Electricity, Gas & Other Fuels	0.5
Furnishing Household Equipment & Routine Household maintenance	-0.3
Health	0.6
Transport	-0.3
Communication	0.9
Recreation & Culture	-1.0
Education	2.6
Restaurants & Hotels	-5.0
Miscellaneous Goods & Services	0.5

Source: Statistical Institute of Belize, 2020

YEAR TO DATE INFLATION RATES:

The year-to-date inflation rate for the first nine months of 2020, when compared to the same period in 2019, stood at 0.2 percent (see Table 2). The most significant change was seen in the 'Housing, Water, Electricity, Gas and Other Fuels' category, which rose by 0.5 percent compared to the same nine-month period in 2019. This was the net result of higher home rental costs across four of the country's municipalities combined with a significant decrease in LPG prices. Additionally, the 'Food and Non-Alcoholic Beverages' category increased by 0.6 percent, mainly due to higher prices for fresh vegetables. The 'Education' category was up by 2.6 percent compared to the first nine months of 2019, reflecting an increase in tuition fees at the tertiary level for the 2019/2020 school year. The effects of these increases were largely neutralized by a reduction in the 'Transport' category, as fuel prices fell during the period, and the 'Recreation and Culture' category, which saw lower prices for audio-visual devices.