

# CPI CONSUMER PRICE INDEX

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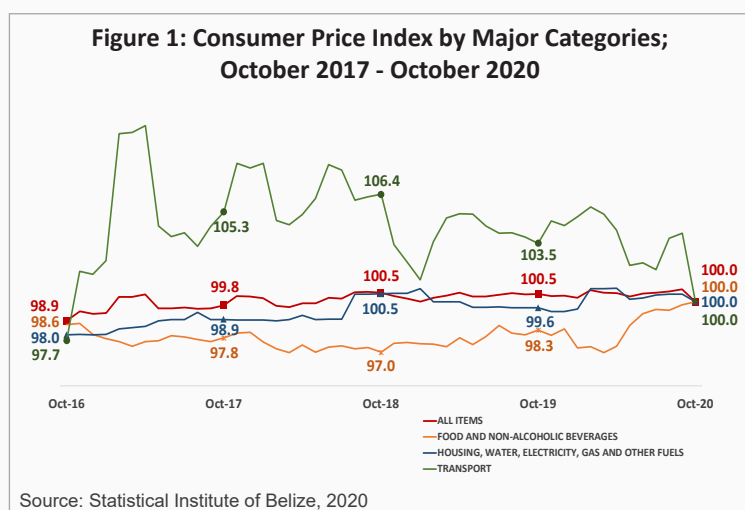
## CONSUMER PRICES DOWN 0.5% IN OCTOBER 2020 COMPARED TO LAST OCTOBER: FOOD AND HOME RENTAL COSTS UP, FUEL AND LPG PRICES DOWN

### NEW CONSUMER PRICE INDEX BASKET:

In October 2020, the Statistical Institute of Belize conducted the first round of price collection using its updated Consumer Price Index (CPI) basket<sup>1</sup>. This new basket was derived using detailed data on household spending obtained from the 2018/19 Household Budget Survey. It represents a more current list of goods and services that households in Belize frequently purchase and is an improved representation of consumer spending patterns. The new CPI basket contains a total of 409 items, compared to 260 in the previous basket. Category weights, which represent what percentage of households' incomes are spent on particular categories of goods and services, have also been updated. The distribution of household spending was generally consistent with the previous category weights. The only major shift seen was that 'Food and Non-Alcoholic Beverages' overtook 'Housing, Water, Electricity, Gas and Other Fuels' as the category with the highest weight in the basket. This means that a larger percentage of households' budgets now go towards 'Food and Non-Alcoholic Beverages' than any other category. This also means that changes in food prices will have a greater impact on the CPI and inflation rates than they did under the previous basket. The base period for the Consumer Price Index is now set at October 2020.

### ALL-ITEMS:

For the month of October 2020, the All-Items Consumer Price Index (CPI) stood at 100.0. This was an overall decrease of 0.5 percent when compared to the 100.5 recorded for October 2019 (see Figure 1)<sup>2</sup>. This does not indicate that all prices decreased during the period. Rather, it reflects the fact that notably higher prices in the 'Food and Non-Alcoholic Beverages' and 'Housing, Water, Electricity, Gas and Other Fuels' categories were balanced out by lower prices in 'Transport', and 'Clothing and Footwear', resulting in the marginal decline of 0.5 percent<sup>3</sup>.



### FOOD AND NON-ALCOHOLIC BEVERAGES:

The 'Food and Non-Alcoholic Beverages' category recorded a notable increase of 1.7 percent for the month of October 2020 when compared to October 2019 (see Figure 2), as food prices continued to trend steadily upward for the sixth consecutive month. This was mainly attributable to increased vegetable prices, which were 9.8 percent higher than they were in October of last year. Onions, tomatoes, cabbages, and red kidney beans were among the items in this category that rose substantially. Additionally, increases were seen in items across the various food sub-categories, with prices for whole chickens, rice, eggs and milk notably higher than they were in October 2019. Notwithstanding these increases, there were reductions in the prices of some food items, including pork chops, sweet peppers and pineapples (see Table 1).

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

Item	October 2019	October 2020	% Change
Ground Beef 1 Lb	5.56	5.58	↑ 0.26
Beef Steak 1 Lb	7.63	7.55	↓ -1.14
Pork Chops 1 Lb	6.88	6.66	↓ -3.26
Pig Tail 1 Lb	4.27	4.25	↓ -0.65
Whole Chicken 1 Lb	2.53	2.81	↑ 11.08
Sugar, White 1 Lb	0.79	0.79	0.00
Sugar, Brown 1 Lb	0.54	0.54	0.00
Flour (Gitana) 1 Lb	0.90	0.93	↑ 3.29
Rice 1 Lb	1.12	1.21	↑ 8.34
Eggs 1 Dozen	3.17	3.38	↑ 6.60
Natural Milk 1 Litre	2.54	2.67	↑ 5.11
Red Kidney Beans 1 Lb	1.51	2.13	↑ 41.58
Pineapple 1 Lb	1.25	1.19	↓ -4.57
Orange 1 unit	0.14	0.18	↑ 31.07
Watermelon 1 Lb	0.57	0.56	↓ -1.55
Plantain 1 unit	0.33	0.35	↑ 4.94
Sweet Pepper 1 Lb	4.05	3.20	↓ -21.07
Onions 1 Lb	1.94	2.42	↑ 24.77
Tomato 1 Lb	2.31	3.25	↑ 40.88
Cabbage 1 Lb	1.58	1.81	↑ 14.70
Limes 1 unit	0.20	0.24	↑ 18.47
Potatoes 1 Lb	1.69	1.72	↑ 1.46
Belikin Beer (w/out bottle) 284 ml	2.96	3.07	↑ 3.87
Premium Gasoline 1 Gal	10.70	9.46	↓ -11.54
Regular Gasoline 1 Gal	10.37	8.71	↓ -16.03
Diesel 1 Gal	10.11	8.44	↓ -16.57
Liquified Petroleum Gas (LPG) 100 Lbs	115.92	93.52	↓ -19.32

Source: Statistical Institute of Belize, 2020

### TRANSPORT:

For the month of October 2020, prices within the 'Transport' category declined by 3.3 percent, in comparison to the same month last year (see Figure 2). The decrease in this category was due primarily to a significant drop of 10.2 percent in the 'Fuels and Lubricants' sub-category, as all fuel types recorded

- The new CPI basket was developed with technical assistance from the International Monetary Fund's Caribbean Regional Technical Assistance Center and Statistics Canada, through the Government of Canada's Project for the Regional Advancement of Statistics.
- With the new base period set at October 2020, the CPI for that month is set at 100. For previous months, the CPI was rebased using a linking coefficient and was not recomputed. Inflation rates, therefore, remain unchanged for the historical series.
- 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.

price decreases for the month. At the pump, the average price per gallon of Diesel went down by \$1.68 from \$10.11 in October 2019 to \$8.44 in October of 2020, while Regular gasoline declined by \$1.66 from \$10.37 to 8.71, and Premium gasoline decreased by \$1.24 from \$10.70 to \$9.46 (see Table 1). Among the various types of passenger transport, prices for air transportation decreased while prices for transportation by road and transportation by sea were both up compared to October of last year.

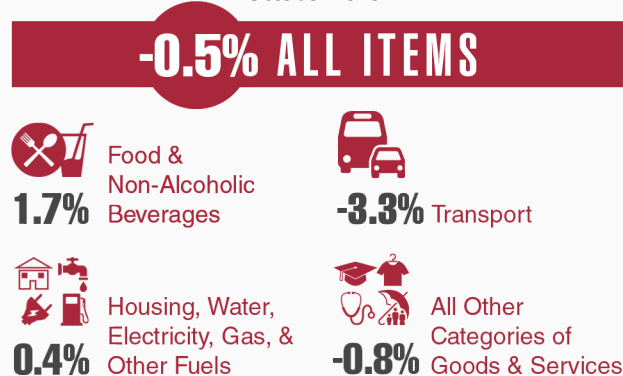
## HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS:

'Housing, Water, Electricity, Gas and Other Fuels' saw an overall increase of 0.4 percent in October of 2020. This was mainly the result of a 0.9 percent rise in average home rental costs, as higher prices were observed in the municipalities of Belize City, Belmopan, San Ignacio/Santa Elena Town and Punta Gorda Town. Nonetheless, the effect of this increase was somewhat dampened by a significant drop in Liquefied Petroleum Gas (LPG) prices for the month. The average cost of a 100-pound cylinder of LPG was down by 19.3 percent from \$115.92 in October 2019 to \$93.52 in October 2020 (see Table 1).

## ALL OTHER CATEGORIES OF GOODS AND SERVICES:

For the month of October 2020, consumer prices across all the remaining categories of goods and services combined recorded an average decrease of 0.8 percent when compared to October 2019 (see Figure 2). The 'Clothing and Footwear' category was down by 1.8 percent, primarily due to lower prices for women's clothing, and was the main contributor to the overall reduction across this grouping of categories. Additionally, 'Communication' saw a decrease of 3.3 percent, as a result of lower prices for some telephone services, and 'Restaurants and Hotels' declined by 12.2 percent, owing to lower hotel accommodation prices.

Figure 2: Inflation Rates by Major Categories; October 2020

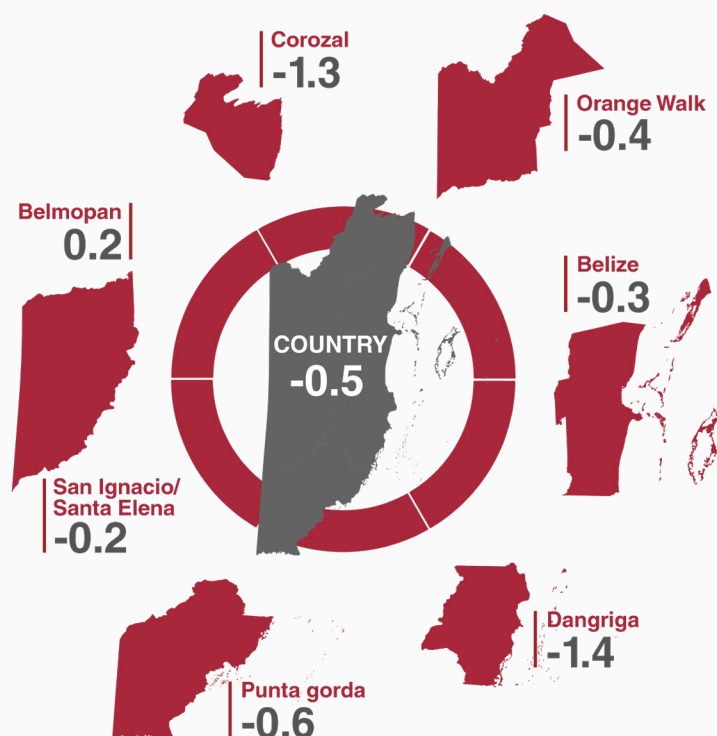


Source: Statistical Institute of Belize, 2020

## INFLATION RATES BY MUNICIPALITY:

With an inflation rate of 0.2 percent, the city of Belmopan experienced the highest increase in consumer prices for October 2020, as consumers in this municipality experienced higher prices for food, clothing and men's footwear, home rental costs and pharmaceutical products. All other municipalities recorded an overall reduction in consumer prices, the most notable being in Dangriga, which saw a decline of 1.4 percent. Consumers in this town saw greater than average price reductions in home rental costs and accommodation services.

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



Source: Statistical Institute of Belize, 2020

## YEAR TO DATE INFLATION RATES:

The year-to-date inflation rate for the first 10 months of 2020, when compared to the same period in 2019, stood at 0.1 percent (see Table 2). Among all the categories, the most significant change was seen in 'Food and Non-Alcoholic Beverages', which rose by 0.7 percent, as a result of higher prices for vegetables and various other food items. Moreover, the 'Housing, Water, Electricity, Gas and Other Fuels' category saw an increase of 0.5 percent, as higher home rental costs were counterbalanced by the significantly lower LPG prices. In contrast, the 'Transport' category declined by 0.6 percent, as a result of considerably lower prices across all types of fuels.

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

Category	Year to Date Inflation Rate
<b>All Items</b>	<b>0.1</b>
Food and Non-Alcoholic Beverages	0.7
Alcoholic Beverages, Tobacco and Narcotics	-0.4
Clothing and Footwear	-0.4
Housing, Water, Electricity, Gas and Other Fuels	0.5
Furnishings, Household Equipment And Routine Household Maintenance	-0.4
Health	0.6
Transport	-0.6
Information and Communication	0.5
Recreation, Sport and Culture	-0.9
Education Services	2.4
Restaurants And Accommodation Services	-5.8
Insurance And Financial Services	0.7
Personal Care, Social Protection And Miscellaneous Goods And Services	-0.4