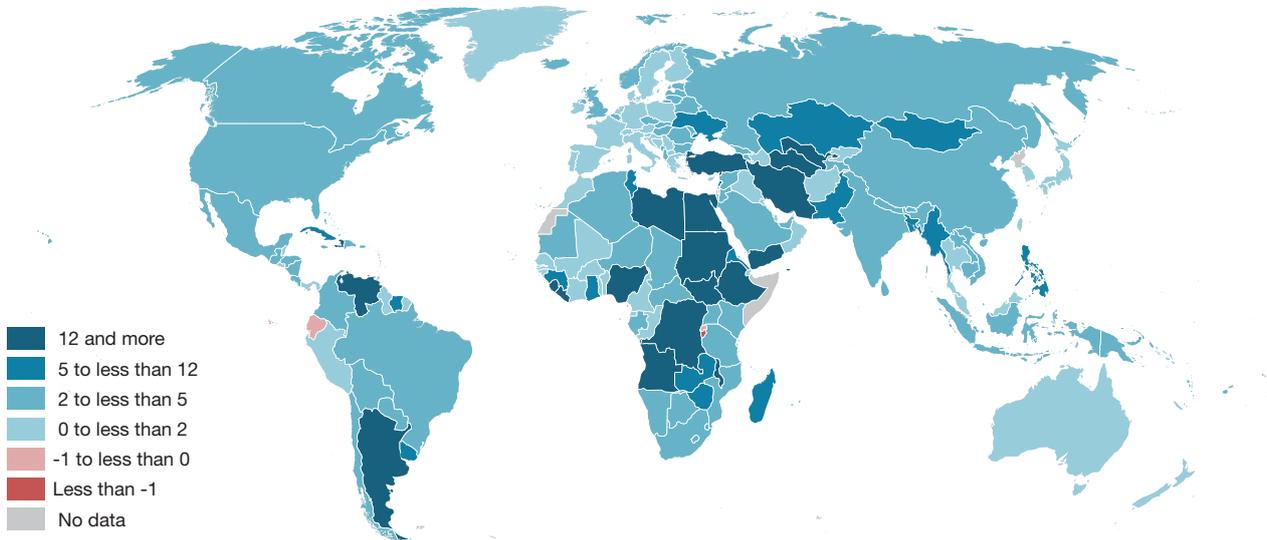




Fact sheet #10: Prices

Map 1 | Annual growth of consumer prices, 2018
(Percentage)



Concepts and definitions

Changes in consumer prices are measured by the consumer price index (CPI) that depicts the price of a basket of consumer goods and services, representing average consumption by private households during a year, relative to the base year 2010.

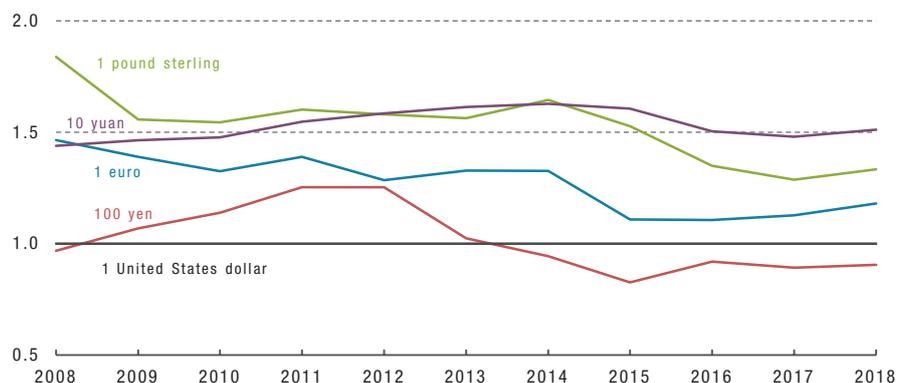
The UNCTAD free market commodity price index (FM CPI) measures the average price, in United States dollars, of main primary commodities exported by developing economies, relative to the base year 2015. The weights used in the calculation of the average price represent the shares of commodity groups in developing economies' total commodity exports, observed over three years from 2014 to 2016. The overall index is decomposed into sub-indices displaying the price movements of individual commodity groups. The basket of the FM CPI has been entirely overhauled in 2018. For details, see UNCTAD Handbook of Statistics 2019, annex 6.3 and UNCTAD (2018).

Consumer prices and exchange rates

In 2018, consumer prices rose with different speeds throughout the world. Relatively high inflation rates were widespread in the central and north-eastern regions of Africa and in Central Asia, as well as in Argentina, Yemen, Iran and Turkey, and in Venezuela where consumer prices rocketed. In developed economies, consumer prices remained relatively stable. In most economies of Europe, in Israel, Japan, Australia and New Zealand they increased at a rate lower than 2 per cent. Several developing economies in Western Africa, South-Eastern Asia and Oceania recorded equally low inflation.

In 2018, for the first time since 2011, the four most traded currencies appreciated against the United States dollar. The value of the euro increased by 5 per cent, pound sterling by 4 per cent, and yuan and yen by 2 per cent.

Figure 1 | Exchange rates against the United States dollar
(Annual average)



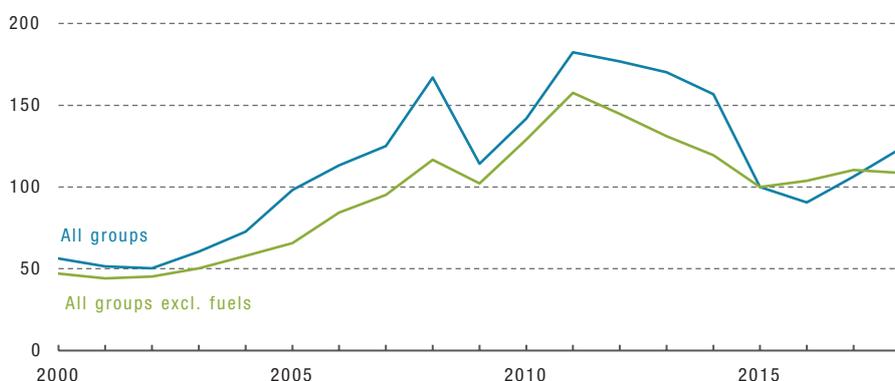


Commodity price index rising

In 2018, the FM CPI increased by 16 per cent compared with the previous year, indicating that prices of main commodities exported by developing economies continued their upward trend since 2016.

The main driver of the rise of the FM CPI in 2018 was fuels (+27.5 per cent). The index without fuels decreased slightly, by 1.5 per cent. Falling prices for food prices (-6.5 per cent), especially tropical beverages (-8.5 per cent), were the main factor behind that development.

Figure 2 Free market commodity price index (2015=100)

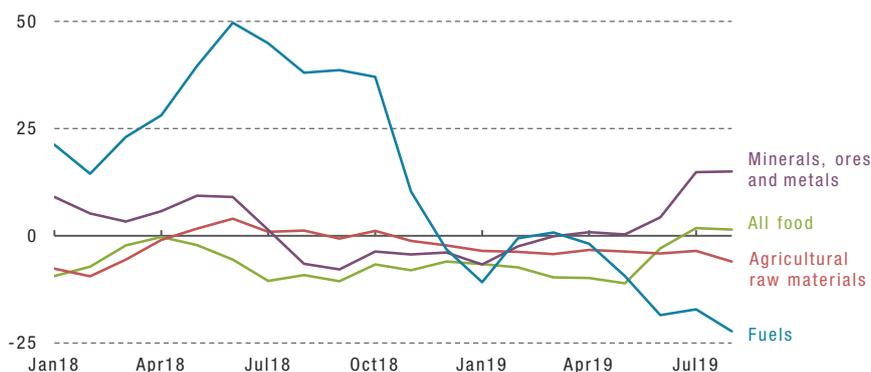


Trends of commodity prices in 2018 and 2019

Although fuel prices for 2018 as a whole increased by 27.6 per cent, in December 2018 they were almost the same as in December 2017. By May 2019, the trend had reversed, and fuel prices began steadily falling. In August, they were 22 per cent lower than the previous August 2018, suggesting that the annual increase of 2018 will be followed by a fall in 2019. Prices of agricultural raw materials in 2019 have also remained below their values of 12 months earlier. Until August that difference rose to 6 per cent.

By contrast, prices for minerals, ores and metals recovered in 2019 from a previous downturn. Between January and August, their year-on-year growth rate surged from -11 to +15 per cent. In July and August 2019, food prices returned, for the first time since mid-2017, to a positive annual trend.

Figure 3 Year-on-year growth of prices by commodity group (Percentage)



Note: Percentage change of FM CPI sub-indices, compared to the same month in the previous year.

For references, see UNCTAD Handbook of Statistics 2019, annex 6.4.

Inflation in many African economies among the highest



The pound sterling appreciated against the United States dollar by +4%,



the Euro by +5%

Fuel prices up by 16% in 2018,



but in spring 2019 the trend reversed

Prices for minerals, ores and metals recovering – in August: +15% year-on-year

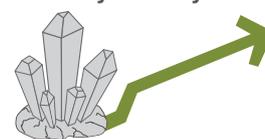



Table 1 Consumer prices by group of economies

Group of economies	Consumer price index		Annual growth rate	
	(2010=100)		(Percentage)	
	2013	2018	2013–2018	2018
World	110	126	2.6	3.2
Developing economies	118	147	4.5	5.0
Developing economies: Africa	127	205	10.1	10.9
Developing economies: America	117	163	6.9	6.3
Developing economies: Asia and Oceania	117	137	3.2	4.0
Transition economies	124	182	8.0	4.1
Developed economies	106	112	1.2	1.9
Selected groups				
Developing economies excluding China	121	161	5.8	6.5
Developing economies excluding LDCs	118	145	4.3	4.7
LDCs	136	239	11.9	13.7
LLDCs	124	191	8.9	7.9
SIDS (UNCTAD)	118	133	2.5	2.4
HIPCs (IMF)	125	170	6.3	6.3
BRICS	117	140	3.7	2.8
G20	109	122	2.2	2.7

Note: Venezuela is not considered in the aggregations.

Table 2 Exchange rate and consumer prices among main exporting economies

Economy (Ranked by share in world exports)	Exchange rate to United States dollar			Consumer price index			Share in world exports ^a
				(2010=100)			(Percentage)
	2016	2017	2018	2016	2017	2018	2018
China	0.15050	0.14796	0.15115	117	119	122	10.7
United States of America	1.00000	1.00000	1.00000	110	112	115	(e) 10.0
Germany	1.10615	1.12689	1.18038	108	109	111	(e) 7.4
Japan	0.00919	0.00892	0.00906	103	104	105	(e) 3.7
France	1.10615	1.12689	1.18038	106	107	109	(e) 3.6
United Kingdom	1.35019	1.28700	1.33408	112	115	118	(e) 3.4
Netherlands	1.10615	1.12689	1.18038	110	111	113	(e) 3.3
Korea, Republic of	0.00086	0.00088	0.00091	111	113	115	(e) 2.9
China, Hong Kong SAR	0.12883	0.12832	0.12758	126	128	131	(e) 2.7
Italy	1.10615	1.12689	1.18038	107	109	110	(e) 2.6
Singapore	0.72383	0.72415	0.74138	113	113	114	2.5
Canada	0.75437	0.77045	0.77173	110	112	115	(e) 2.2
India	0.01488	0.01536	0.01462	156	160	168	(e) 2.2
Russian Federation	0.01491	0.01714	0.01596	162	168	173	(e) 2.0
Spain	1.10615	1.12689	1.18038	106	108	110	(e) 2.0
Mexico	0.05358	0.05284	0.05196	123	130	137	(e) 1.9
Belgium	1.10615	1.12689	1.18038	111	113	115	(e) 1.9
Switzerland, Liechtenstein	1.01482	1.01555	1.02262	98	98	99	1.8
Ireland	1.10615	1.12689	1.18038	105	105	106	(e) 1.8
China, Taiwan Province of	0.03094	0.03285	0.03315	106	107	109	(e) 1.6

^a Exports of goods and services.



Table 3 Indices of free market prices of selected primary commodities
(2015=100)

Commodity group	2010	2011	2012	2013	2014	2015	2016	2017	2018
All groups	142	182	177	170	157	100	91	106	123
All food	114	141	132	120	119	100	104	102	96
Food	111	135	127	120	118	100	104	103	96
Tropical beverages	110	144	112	90	111	100	97	94	86
Vegetable oilseeds and oils	121	151	152	136	123	100	107	106	100
Agricultural raw materials	142	177	143	131	115	100	100	105	103
Minerals, ores and metals	136	164	153	138	121	100	105	116	118
Minerals, ores and non-precious metals	170	191	159	156	133	100	101	128	131
Precious metals	110	143	148	125	111	100	107	108	108
Fuels	150	198	197	194	180	100	83	104	132
Selected groups									
Tropical beverages and food	111	137	124	112	117	100	102	101	94
All groups excl. fuels	129	158	145	131	119	100	104	110	109
All groups excl. precious metals	146	188	181	176	163	100	88	106	126
All groups excl. precious metals and fuels	138	164	143	134	123	100	102	112	109

Table 4 Monthly indices of free market prices by main commodity group
(2015=100)

Period		All groups	All food	Agricultural raw materials	Minerals, ores and metals	Fuels
2018	January	123	99	105	125	129
	February	118	100	105	125	121
	March	119	102	106	122	122
	April	124	102	105	121	130
	May	128	101	105	121	138
	June	127	96	104	121	137
	July	125	92	102	114	136
	August	124	91	103	112	136
	September	130	89	102	111	146
	October	132	92	101	114	149
	November	120	91	99	114	129
	December	111	92	100	114	115
2019	January	112	93	101	116	115
	February	116	93	101	122	120
	March	118	92	101	121	123
	April	121	92	102	122	128
	May	119	90	101	121	125
	June	112	94	100	126	112
	July	114	94	99	131	113
	August	109	92	97	129	106