



*Underlying*  
***Inflation***

*August 2024*

[ecoanalitica.com](https://ecoanalitica.com)

# Monthly inflation

## General, underlying, and items

*Inflation under the Venezuelan Central Bank (BCV) methodology<sup>1</sup>.*

During August, inflation increased with respect to the previous month, according to our estimates under the methodology of the BCV (INPC Ecoanalítica). During this period, monthly inflation was 4.6%, which leads to a year-over-year inflation for the same month of 2023 of 49.2%.

### **Ecoanalítica Inflation (BCV Methodology)**

	Index	m/m [%]	Accum. [%]	y/y [%]
Aug-23	85,148.6	15.3	134.6	393.1
Sep-23	89,414.6	5.0	146.3	350.1
Oct-23	93,098.4	4.1	156.5	337.3
Nov-23	95,090.7	2.1	162.0	267.2
Dec-23	100,491.9	5.7	176.8	176.8
Jan-24	104,391.0	3.9	3.9	130.0
Feb-24	105,424.4	1.0	4.9	100.2
Mar-24	107,258.8	1.7	6.7	94.3
Apr-24	111,109.4	3.6	10.6	90.2
May-24	114,387.2	3.0	13.8	81.1
Jun-24	118,413.6	3.5	17.8	73.0
Jul-24	121,480.5	2.6	20.9	64.5
Aug-24	127,032.2	4.6	26.4	49.2

*Sources: BCV and Ecoanalítica.*

*Note: Index was simplified (base 100 = Dec 2017), and divided by 1,000,000 in 2022.*

*\*Estimated using official weights data published by BCV in 2007.*

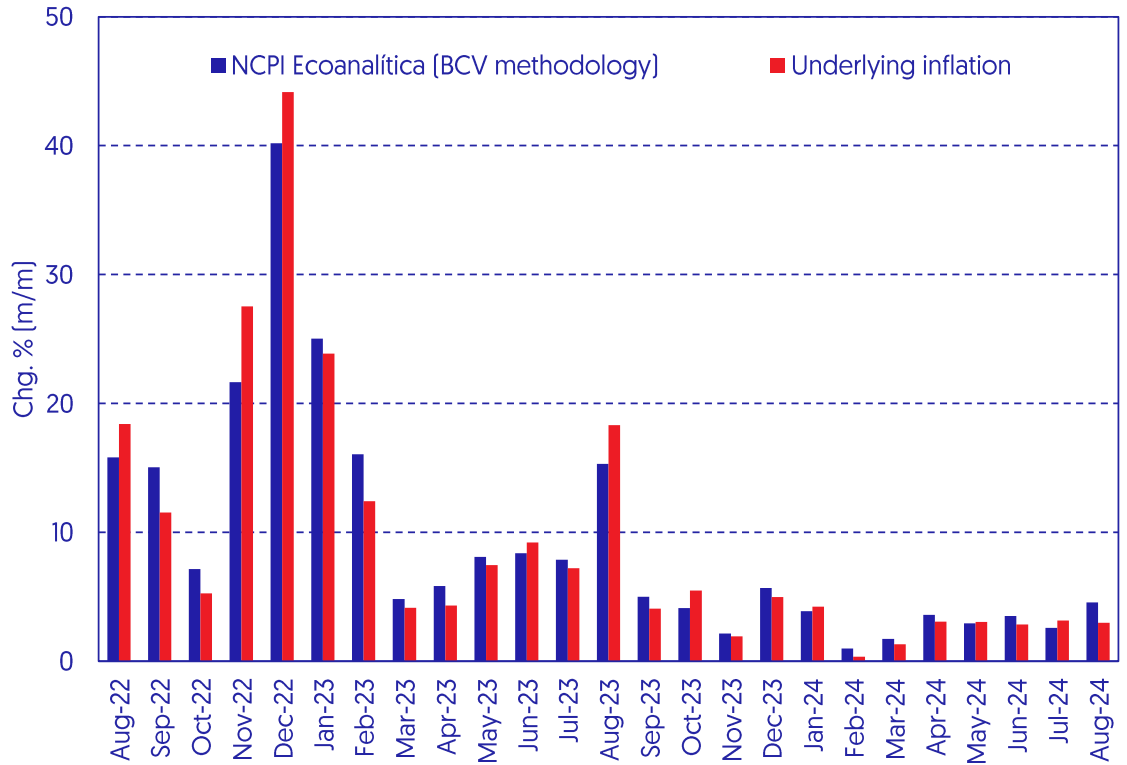
<sup>1</sup> This report is based on Ecoanalítica's own estimation. As usual, we followed the "Central Bank of Venezuela (NCPI\*) methodology," keeping the original weights over basic basket components considered on its definition. We learned that, back in June 2014, the Central Bank of Venezuela made changes to such weightings.



### Underlying inflation

Core inflation decreased with respect to the previous month, reaching 3% during August. Core inflation was 1.6 percentage points [pp.] below the BCV's inflation by methodology. Given August's core inflation, the year-over-year growth of this index reached 44.5%.

### Monthly inflation (%)



Source: Ecoanalítica.



### *A detailed overview*

Inflation tends not to be the same for all items. During August, the items that registered the highest inflation were "Housing services except telephone" (6.3%), "Food and non-alcoholic beverages" (6%), and "Health" (5.5%). On the other hand, the prices of "Recreation and culture" (2.7%), "Clothing and footwear" (3%), and "Household equipment" (3%) experienced the lowest variations.

### ***Inflation by item (%)***

	<i>Jun-24</i>	<i>Jul-24</i>	<i>Aug-24</i>	<i>Cumulative <sup>1</sup></i>	<i>Interannual <sup>2</sup></i>
Foodstuff and non-alcoholic beverages	3.9	3.1	6.0	24.5	56.5
Alcoholic beverages and tobacco	3.4	2.7	5.5	19.3	46.7
Clothing and footwear	2.9	1.2	3.0	13.1	27.6
Housing rent	4.7	2.0	3.3	20.1	44.5
Home services except telephone	6.0	4.4	6.3	35.0	74.7
Home equipment	2.2	1.6	3.0	11.1	25.1
Health	4.0	2.7	5.5	24.9	52.9
Transport	1.0	2.0	4.0	14.2	38.0
Communications	3.4	4.0	4.0	26.9	66.8
Entertainment and culture	5.1	4.2	2.7	33.4	76.6
Education services	5.4	6.0	4.3	27.9	57.6
Restaurants and hotels	4.4	1.4	4.5	25.6	53.5
Other goods and services	2.1	1.9	3.3	19.5	45.7
Exchange rate <sup>3</sup>	-0.6	5.0	0.3	10.8	23.2
Underlying Inflation	2.9	3.2	3.0	18.0	44.5
NCPI Ecoanalítica (BCV methodology)	3.5	2.6	4.6	21.7	49.2

*Source: Ecoanalítica.*

<sup>1</sup>*Cumulative inflation since the beginning of the year.*

<sup>2</sup>*Inflation for the last twelve months.*

<sup>3</sup>*Unofficial exchange rate.*



### Relative prices' deformation

The difference in inflation between items causes the value relationship between items to change. The following matrix shows the price changes of all items (in the left-hand rows) with respect to the price change of their counterparts (in the top columns). A positive (negative) sign indicates a relative increase (decrease) in price; in other words, the item in the row becomes more expensive (cheaper) relative to the item in the column.

The last column corresponds to the exchange appreciation (depreciation) by items, or how much they became more expensive (cheaper) with respect to the exchange rate in the unofficial market.

### Relative price change during August 2024 (%)

Item	Foodstuff and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear	Housing rent	Home services except telephone	Home equipment	Health	Transport	Communications	Entertainment and culture	Education services	Restaurants and hotels	Other goods and services	Exchange rate
Foodstuff and non-alcoholic beverages	0.0	0.5	2.9	2.7	-0.3	2.9	0.5	1.9	2.0	3.2	1.6	1.5	2.6	5.7
Alcoholic beverages and tobacco	-0.5	0.0	2.4	2.1	-0.8	2.4	0.0	1.4	1.4	2.7	1.1	1.0	2.1	5.2
Clothing and footwear	-2.9	-2.4	0.0	-0.3	-3.1	0.0	-2.4	-1.0	-0.9	0.3	-1.3	-1.4	-0.3	2.7
Housing rent	-2.6	-2.1	0.3	0.0	-2.9	0.3	-2.1	-0.7	-0.7	0.5	-1.0	-1.1	-0.1	3.0
Home services except telephone	0.3	0.8	3.2	3.0	0.0	3.2	0.8	2.2	2.3	3.5	1.9	1.8	2.9	6.0
Home equipment	-2.8	-2.3	0.0	-0.3	-3.1	0.0	-2.4	-1.0	-0.9	0.3	-1.2	-1.4	-0.3	2.7
Health	-0.5	0.0	2.4	2.1	-0.8	2.4	0.0	1.4	1.5	2.7	1.1	1.0	2.1	5.2
Transport	-1.9	-1.4	1.0	0.8	-2.1	1.0	-1.4	0.0	0.1	1.3	-0.2	-0.4	0.7	3.7
Communications	-1.9	-1.4	1.0	0.7	-2.2	0.9	-1.4	-0.1	0.0	1.2	-0.3	-0.5	0.6	3.7
Entertainment and culture	-3.1	-2.6	-0.3	-0.5	-3.4	-0.3	-2.6	-1.3	-1.2	0.0	-1.5	-1.6	-0.6	2.4
Education services	-1.6	-1.1	1.3	1.0	-1.9	1.3	-1.1	0.2	0.3	1.5	0.0	-0.1	0.9	4.0
Restaurants and hotels	-1.5	-1.0	1.4	1.2	-1.7	1.4	-1.0	0.4	0.5	1.7	0.1	0.0	1.1	4.2
Other goods and services	-2.5	-2.0	0.3	0.1	-2.8	0.3	-2.0	-0.7	-0.6	0.6	-0.9	-1.1	0.0	3.0
Exchange rate	-5.4	-4.9	-2.6	-2.9	-5.7	-2.6	-4.9	-3.6	-3.5	-2.4	-3.9	-4.0	-3.0	0.0

Source: Ecoanalítica.



### *Foreign currency inflation in Venezuela.*

Considering that the increase in the cost of living in foreign currency in Venezuela does not respond exclusively to the real appreciation of the currency<sup>2</sup>, but also to phenomena of another nature<sup>3</sup>, in October 2021 **Ecoanalítica** began a collection of prices directly fixed in foreign currency within the companies and items included in the preparation of our CPI price index.

Based on this collection, it was observed that, during August, inflation in foreign currency in Venezuela was 1.6%. This meant that inflation in dollars accelerated 1 pp. with respect to the previous month. The items with the highest variation in their prices in dollars were: "Food and non-alcoholic beverages" (2.5%), "Housing services except telephone" (2.2%), and "Transportation" (1.8%). In year-on-year terms, inflation in USD stood at 9.1%.

On the other hand, the cost of living in USD measured by the appreciation of the exchange rate, i.e., resulting from the differences between price variations and the exchange rate, stood at 4.3%, 6.6 pp. higher than the previous month.

---

<sup>2</sup> Calculated from the gap between the variation of prices measured in VES (from the INPC) and the variations of the unofficial exchange rate collected by Ecoanalítica.

<sup>3</sup> The increase in foreign currency prices in Venezuela, in addition to being influenced by monetary and exchange rate issues within a context of partial dollarization, also responds to productivity processes, supply chain frictions, real income, demand pressures, external price shocks, among others.



## ***Inflation in USD in Venezuela (%)***

	<i>Jun-24</i>	<i>Jul-24</i>	<i>Aug-24</i>	<b>Cumulative Inflation<sup>1</sup></b>	<b>Interannual Inflation<sup>2</sup></b>
Foodstuff and non-alcoholic beverages	3.0	0.9	2.5	9.3	14.7
Alcoholic beverages and tobacco	1.2	0.5	0.7	4.1	7.1
Clothing and footwear	0.9	-0.8	0.6	-0.4	0.3
Housing rent	0.2	0.5	0.4	3.3	5.9
Home services except telephone	2.6	1.9	2.2	9.6	14.7
Home equipment	1.2	0.3	0.9	0.7	-4.4
Health	2.0	1.0	1.5	6.7	9.9
Transport	0.1	0.3	1.8	4.5	9.1
Communications	0.2	0.4	0.9	4.0	6.1
Entertainment and culture	2.9	2.0	1.2	11.8	19.2
Education services	2.3	3.0	0.4	9.2	10.9
Restaurants and hotels	1.5	0.0	1.2	3.1	5.8
Other goods and services	0.5	0.3	1.5	5.9	8.0
General inflation in foreign currency <sup>3</sup>	1.6	0.6	1.6	5.8	9.1
Exchange rate appreciation <sup>4</sup>	4.1	-2.3	4.3	9.9	21.1

*Source: Ecoanalitica.*

<sup>1</sup>*Cumulative variation since the start of the year.*

<sup>2</sup>*Last twelve months' variation.*

<sup>3</sup>*Using weights from Ecoanalitica's NCPI (BCV methodology).*

<sup>4</sup>*Additional cost-of-living metric in USD based on CPI/ER differences.*



### *Official inflation published by BCV.*

According to official figures from the BCV, inflation for August 2024 stood at 1.39%, 0.64 pp. above the previous month. On the other hand, the information indicates an interannual inflation for this date of 35.5%.

### **BCV inflation**

	<i>Index</i>	<i>m/m (%)</i>	<i>Accum. (%)</i>	<i>y/y (%)</i>
Aug-23	20,470,345,755.2	7.4	137.7	394.8
Sep-23	22,244,633,245.8	8.7	158.3	317.6
Oct-23	23,547,066,398.0	5.9	173.5	316.5
Nov-23	24,361,617,825.7	3.5	182.9	282.8
Dec-23	24,952,896,762.7	2.4	189.8	189.8
Jan-24	25,379,624,724.7	1.7	1.7	107.4
Feb-24	25,684,975,429.0	1.2	2.9	75.9
Mar-24	25,986,417,377.8	1.2	4.1	67.8
Apr-24	26,516,834,159.2	2.0	6.3	64.9
May-24	26,903,972,496.9	1.5	7.8	59.2
Jun-24	27,162,536,873.5	1.0	8.9	51.4
Jul-24	27,366,064,708.3	0.7	9.7	43.6
Aug-24	27,746,667,522.4	1.4	11.2	35.5

*Sources: BCV and Ecoanalítica.*

*Note: Index was simplified (base 100 = Dec 2017) and divided by 1,000,000 in 2022.*



### *Forecasts of different inflation indicators.*

In order to provide our clients with clear and accurate information, **Ecoanalítica** has included in this report the projections of the three inflation indicators. Econometrically, we have reproduced the underestimation of the BCV's official inflation, in order to obtain an approximation of the new figures that the issuing entity will publish in the short term.

It is important to highlight that, in an environment of high or chronic inflation, slight increases in the weekly inflation rate generate large shocks in monthly inflation. For this reason, it cannot be ruled out that in the coming months inflation will be higher than in previous months. On the other hand, even in the absence of hyperinflation, chronic inflations are volatile processes, and apparent stabilizations may be followed by unanticipated price accelerations (or lower growth).

Additionally, it is important to remember that the State is empowered to publish inflation figures and, therefore, official data must be taken as valid for the presentation of any report to government entities. However, at **Ecoanalítica** we consider that for internal use and as a planning tool, the best indicator that measures the evolution of prices in Venezuela is our "BCV methodology" indicator.

### ***Inflation rate forecast***

<i>Inflation (%)</i>	<i>2023E (y/y)</i>	<i>2023E (m/m average)</i>	<i>2024F (y/y)</i>	<i>2024F (m/m average)</i>
Official BCV Inflation Rate	190.0	9.3	34.0	2.5
BCV Methodology Inflation Rate <sup>1/</sup>	176.9	8.9	57.8	3.9
Underlying Inflation Rate	164.6	8.4	51.8	3.5

*Sources: BCV and Ecoanalítica.*

*<sup>1/</sup> Ecoanalítica's own estimation, since 2015.*

*Monthly averages are geometric, not arithmetic, to reflect price variations with greater precision.*

*For more information on our scenarios read our Perspectives Report.*

At **Ecoanalítica**, we try to ensure that our forecasts accurately guide our clients' decisions, and we adjust them when the facts provide new information that changes our perspective. For this reason, we make monthly alterations, which in a context of high inflation may seem substantial, but in reality, differ relatively little in terms of orders of magnitude.



## **Weighted Exchange Rate of the Venezuelan Consumer (VES/USD)**

	Jun-24	Jul-24	Aug-24	y/y (%)	Depreciation. % (m/m)	m/m (%)
Foodstuff and non-alcoholic beverages	40.6	41.8	42.6	25.6	-2.0	2.0
Alcoholic beverages and tobacco	40.7	41.9	42.8	25.9	-2.0	2.1
Clothing and footwear	40.8	42.0	42.9	26.0	-2.0	2.1
Housing rent	39.8	40.8	41.5	24.1	-1.7	1.7
Home services except telephone	39.6	40.5	41.2	23.6	-1.6	1.7
Home equipment	40.7	41.9	42.8	25.9	-2.0	2.1
Health	38.6	39.2	39.7	21.4	-1.2	1.2
Transport	39.6	40.5	41.2	23.6	-1.6	1.6
Communications	37.7	38.1	38.5	19.6	-0.9	0.9
Entertainment and culture	38.2	38.8	39.2	20.7	-1.1	1.1
Education services	37.0	37.2	37.5	18.0	-0.6	0.6
Restaurants and hotels	40.6	41.8	42.7	25.7	-2.0	2.0
Other goods and services	39.5	40.4	41.0	23.4	-1.6	1.6
Total	39.9	40.9	41.7	24.4	-1.7	1.8
Unofficial Exchange Rate	39.5	40.4	41.0	23.4	-1.6	1.6

*Sources: BCV and Ecoanalítica.*

*Unofficial exchange rate is a weighted average between the corporate and conventional rate.  
The published exchange rates represent a monthly average, not their values at the end of the month.*

## **Detailed Underlying Inflation**

	Index	m/m (%)	Accum. (%)	y/y (%)
Aug-23	633,107	18.3	125.2	386.0
Sep-23	658,938	4.1	134.4	353.5
Oct-23	695,047	5.5	147.2	354.5
Nov-23	708,531	1.9	152.0	263.3
Dec-23	743,816	5.0	164.6	164.6
Jan-24	775,280	4.2	4.2	122.6
Feb-24	778,071	0.4	4.6	98.7
Mar-24	788,341	1.3	6.0	93.4
Apr-24	812,543	3.1	9.2	91.0
May-24	837,244	3.0	12.6	83.2
Jun-24	861,190	2.9	15.8	72.5
Jul-24	888,403	3.2	19.4	66.0
Aug-24	914,878	3.0	23.0	44.5

*Sources: BCV and Ecoanalítica.*

*Note: Index was simplified (base 100 = Dec 2017) and divided by 1,000,000 in 2022.*





***Directors***

Alejandro Grisanti, Pedro Palma, Asdrúbal Oliveros,  
Armando Grisanti, Reinaldo Planchart.

***Research Team***

Luis Arturo Bárcenas, Jesús Palacios Chacín, Graciela Urdaneta,  
José Antonio Medina, Paola Medina.

***Research Assistants***

Naomi Silva, Isabel Ávila, Julio Rodríguez, Sebastián León.

---

***Venezuela***

C.C. Mata de Coco, 5th floor, office 5-E, La Castellana,  
Caracas 1060, Venezuela.

J-31130403-7

+58 212-266.9080

---

***República Dominicana***

Torre Da Silva IV, 19th floor, La Esperilla,  
Santo Domingo 10107, Dominican Republic.

RNC 132303352

+1 809-895.0227

---