



# Market Monitor Report

MAF | GDS | WFP RAM | Food Security Analysis

## Highlights:

- The latest September monthly Consumer Price Index (CPI) of 113.9 indicates a stabilization of market prices in Q3, recording an increase of 0.1 percent since August and no movement when compared with July.
- Nevertheless, prices remain high relative to the same time last year; marking a 6.8 percent increase in CPI between September 2021 - September 2022.

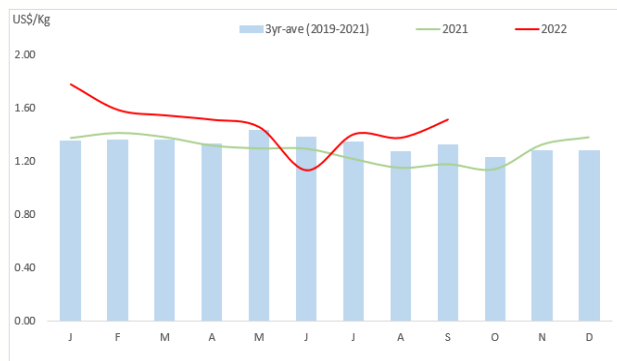
- As rice prices have globally increased by 12.3 percent since last September,<sup>1</sup> a similar increasing price trend in Timor-Leste was observed for the local and imported rice in Q3. This increase continues to be much steeper for the price of local rice.
- Cooking oil prices show a noticeable decline in Q3, possibly owing to the reduced global consumption and restrictive export measures. Since August, prices have decreased by 13 percent.

## Consumer Price Index (CPI)\*

Amid the surge in food and fuel prices throughout 2022 in Timor-Leste, the CPI rate has stabilized in Q3. According to the latest September inflation data published by the General Directorate of Statistics (GDS), the annual inflation rate between last September and this September is +7.9 percent, while the monthly inflation rate increase between August and September of this year is +0.1 percent.<sup>2</sup> This indicates a noticeable rebound from the previous year in terms of market price inflation, even when comparing this year's Q3 data against Q1 and Q2 figures.

## Price trend of cereals

Fig.1: Local rice 3-year trend (US\$/kg)

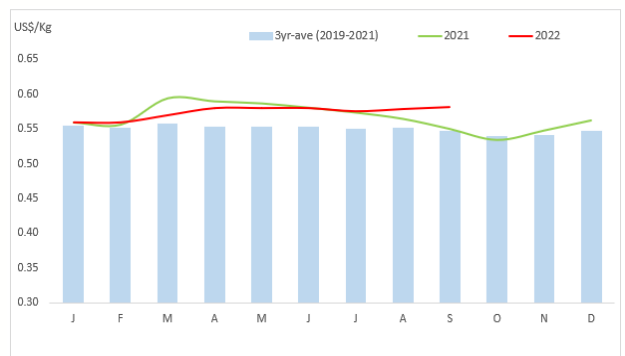


Despite the reduced fluctuation in CPI in Q3 when compared against the year-earlier level, FAO's latest

FPMA report notes that the international rice prices have increased by 12.3 percent since last September - possibly in response to the export policy changes in India and concerns about the impacts of heavy flooding in Pakistan.<sup>3</sup>

Following a similar trend, Q3 in Timor-Leste observed the average price of locally produced rice trading at US\$ 1.51/kg at the local markets. This marks a sharp increase of 9.9 percent from the previous month and 14.3 percent from the three-year average. Although the price of local rice has fluctuated throughout much of this year, the reduced movement in monthly CPI inflation rates in Q3, as well as the end of June harvest period in the beginning of Q3 suggest a steadier forecast for the price of local rice in the short term.

Fig.2: Imported rice 3-year trend (US\$/kg)

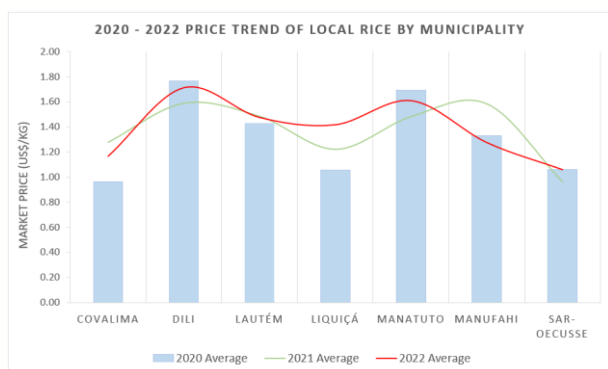


\* CPI is the rate at which prices of goods rise or fall usually over the course of one year. This allows for a comparison of the current price of goods against the previous year, to see whether there has been an inflation in the market price.

Throughout the past three years, imported rice traded at less than three times the price of local rice. In all of Q3, imported rice sold at US\$ 0.58/kg, which marks an increase of 5.7 percent from the same period last year and no movement since August this year. Although the stable price reflects the reduced monthly and annual inflation rates, the September price of US\$ 0.58/kg remains higher than the 3-year average of US\$ 0.55/kg by 6.5 percent. The reported inflation rates in Q3 suggest that prices will continue to stabilize or make a downwards turn in the short run.

### Price trend of local rice by municipality

Fig.3: 2020 – 2022 Price trend of local rice by municipality (US\$/kg)



The seven municipalities in Fig.3 have consistently reported local rice prices in the past three years. For these municipalities, our data shows that average local rice prices in 2022 are higher by 4.5 percent when compared against that of 2020, and 1.3 percent when compared against 2021. Figure 3 also reveals municipalities which significantly impacted by covid (ex. Covalima), and those which were less impacted (ex. Oecusse).

### Price trend of non-cereals

Table 1: Percentage change of non-cereals (US\$/kg)

	Sep-22	1M	3M	1Y
Wheat	\$ 1.0 ↑	5 ↑	4 ↑	7
Sweet Potato	\$ 0.9 ↓	-2 ↓	-1 ↑	11
Potato	\$ 1.4 ↓	-4 →	0 ↓	-2
Taro	\$ 0.9 ↑	11 ↑	17 ↑	13
Beans	\$ 2.3 ↓	-12 ↓	-11 ↑	1
Egg*	\$ 0.2 ↑	15 ↓	-10 ↑	16
Chicken	\$ 3.5 ↓	-6 ↑	2 ↑	18
Tomato	\$ 1.6 ↓	-6 ↓	-16 ↑	28
Onion	\$ 2.4 ↓	-13 ↓	-9 ↑	3
Cooking Oil**	\$ 1.9 ↓	-13 ↓	-21 ↑	41
Chili	\$ 4.4 ↑	11 ↑	5 ↑	21
Sugar	\$ 1.0 ↑	3 ↑	5 ↑	4
Salt	\$ 0.6 ↓	-1 →	0 ↑	3

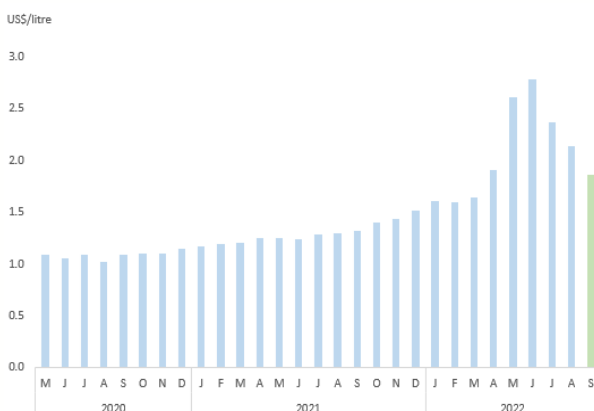
\* US\$/Unit  
\*\* US\$/Litre

**Methodology:** In order to monitor the impact of COVID-19, global conflicts, and climate change on the market price of Timor-Leste, WFP in collaboration with Ministry of Agriculture and Fisheries (MAF) and the General Directorate of Statistics (GDS) collects food price data on a weekly basis across the country's main markets from thirteen municipalities. On average, around six traders per market are surveyed, targeted food commodities weighed, and their prices averaged per kilo.

The current dollar price of non-cereal items in Q3 visibly indicates a decrease in the market prices from the previous quarters in 2022. Although Q3 continues to report higher prices when compared against what was reported in the same period last year (see Table 1, last column), the recent trend suggests that prices of non-cereals may continue to decrease in the short term.

### Price trend of cooking oil

Fig.3: Price trend of cooking oil (US\$/litre)



Throughout Q3, cooking oil prices have sharply decreased, reversing the upward trend observed until June. Despite showing higher prices than the past three years, the recent decrease of 13 percentage-point since August highlights the downwards trend in the price trend of cooking oil in Q3. The FAO attributes this decrease to the stagnation of global consumption of cooking oils due to the inflated price of household commodities, as well as heavier production of oil rather than consumption.<sup>4</sup> Compounded by the globally restrictive export measures and a reduced import demand, FAO projects that the price of cooking oil will continue decreasing; at least until there has been a moderate recovery in consumption.<sup>5</sup>

### References:

1. GDS *Monthly CPI* – Sept. 2022 [link](#)
2. GDS *Monthly CPI Timeseries* – Sept. 2022 [link](#)
3. FAO Food Price Monitoring and Analysis (FPMA) Bulletin – Oct. 2022, [link](#)
4. FAO *Newsroom* “Food Price Index drops for the sixth consecutive month” – Oct. 2022 [link](#)
5. FAO *Food Outlook – Biannual Report on Global Food Markets* – Jun. 2022 [link](#)