

Haiti closes 2021 with rising cost of living



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Port-au-Prince, January 1 (RHC)-- The Haitian Institute of Statistics and Informatics has announced that during December, the cost of living in the Caribbean country exceeded by 24.6 percent compared to November; which may worsen given the rise in oil prices and the fuel crisis facing the country.

As main conditioning factors of the current inflation in the nation, are the latest earthquake of August 14, 2021 in the southern region; as well as the persistent crises of the lack of fuel, which affected economic sectors for which this raw material is a fundamental input of the productive process.

According to the entity, the abrupt increase in the cost of living is fundamentally related to the fall of the country's Gross Domestic Product, from a minus 3.3 percent in 2020, to at least 1.8 percent at the end of 2021, a tendency to contraction manifested since 2019.

Likewise, the economist and professor of the Center for Planning Techniques and Applied Economics in Haiti, Enemy Germain, explained that the conflict with the prices of gasoline, diesel and kerosene, began after the increase of 115 percent fixed for them by the Government.

Another element influencing the critical situation, are the decrease in food supply globally, which stems from the labor shortage caused by Covid-19; as well as the increase in food prices on the international market.

On the other hand, the devaluation of the gourde, the Haitian national currency, as part of this contraction, contributes to maintain high inflationary levels, although lower than those exhibited in 2020, when the pandemic was much more severe.

In this regard, it is worth noting that the average annual exchange rate in the formal market of gourde per dollar remained at 81.13 gourdes per dollar in 2021, compared to 99.9 gourdes per dollar in 2020.

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