

**CONSUMER PRICE INDEX
MONTHLY REPORT**

MARCH 2011



PREPARED BY:

**BUREAU OF STATISTICS
DEPARTMENT OF FINANCE**

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THE CONSUMER PRICE INDEX

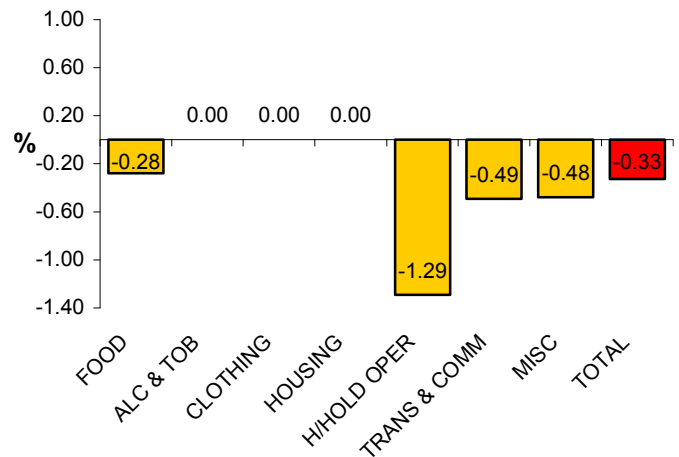
1. Monthly Change

The CPI for the month of March 2011 is reported at **99.49** which show that the index has decreased by **0.33** percent from the previous month of February 2011. The Table below validates the variations of the CPI index between the two observation periods and enclosed in Appendix 1 is the CPI market basket for comparisons. Similarly the annual CPI market basket is attached in Appendix 2 as well as Technical notes in Appendix 3 for readers/users reference.

Table **Change in Monthly Group Indices**

GROUP	FEB '11 INDEX	MAR '11 INDEX	DIFF	% INC (+) DEC (-)
FOOD	56.10	55.94	-0.16	-0.28
ALCOHOL & TOBACCO	16.67	16.67	0.00	0.00
CLOTHING	3.39	3.39	0.00	0.00
HOUSING	2.96	2.96	0.00	0.00
HOUSEHOLD OPERATION	8.34	8.23	-0.11	-1.29
TRANSPORT & COMMUNICATION	7.75	7.71	-0.04	-0.49
MISCELLANEOUS	4.61	4.59	-0.02	-0.48
TOTAL	99.82	99.49	-0.32	-0.33

Chart 1. **% change for March 2011**



Note: Discrepancy of numbers is due to calculations and rounding.

1.1 Monthly Observation

The CPI for Household consumers slightly declined **0.33** percent as a result of decreases from four of the seven major group indices in March 2011 following decreases in February. The Household operations index led the decline with a **1.29** percent drop after an increase in the previous month. Within the Household operations, the declining indexes were traced to refrigerator (19.31%) and washing soap powder (3.36%).

Transport & Communication and Miscellaneous index posted merely identical percentage decreases of **0.49** and **0.48** respectively. Last month Transport & Communications recorded the highest increase while Miscellaneous reported a moderate increase. For now, the index attributing to the easing of Transport & Communication is solely on motor oil (11.75%) after posting an increase last month. While components affecting the drop for Miscellaneous are bathing soap (3.64%) and toothpaste (0.83%).

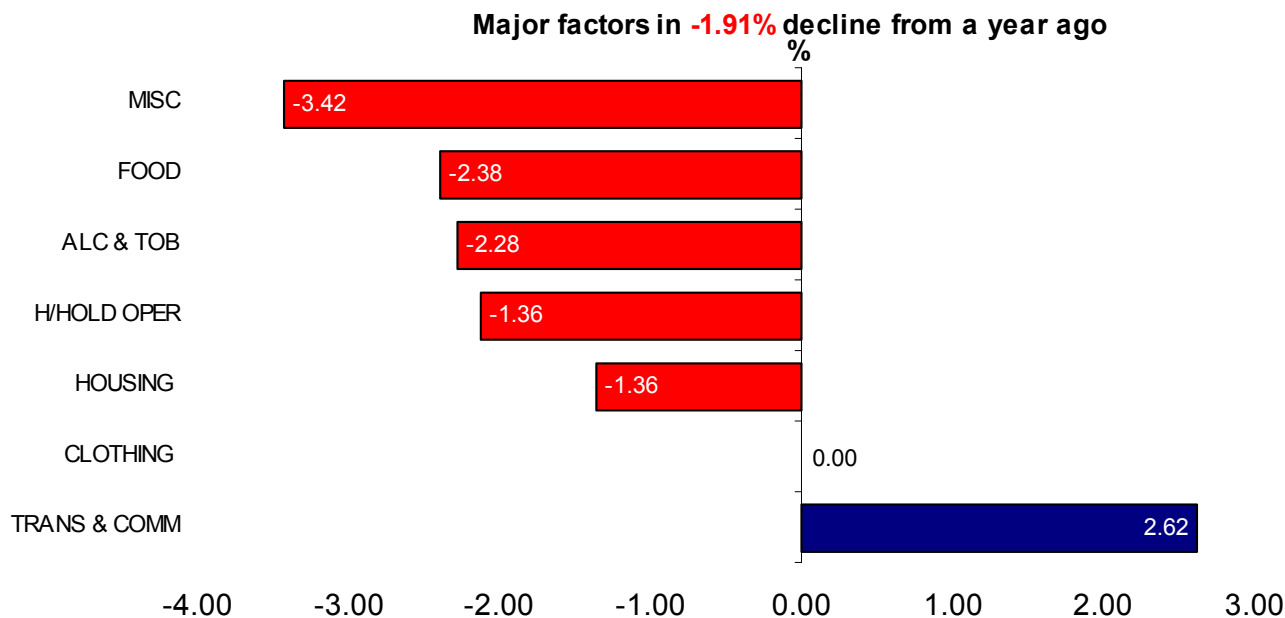
The all important Food index recorded the smallest yet influential decrease for this month with **0.28** percent following decreases since February. The key contributing factors towards the declining trend are drops in vegetable products such as potatoes (43.36%) and onions (25.43%) as well as a box of tea bags (15.65%). Small yet significant contributors to the group decline are tinned coffee (3.76%), SAO biscuit (3.18%), cooking oil (2.97%), milk powder (2.58%), baby food (1.35%), 2kg chicken (1.19) and one kg self raising flour (0.53%).

As clearly illustrated in the Table and Chart 1 above, there are three major groups posting no changes for this period and those are Alcohol & Tobacco, Clothing and Housing. The index for Clothing reported the longest and successive inflation stability since June 2010 then Alcohol & Tobacco which remained constant since December 2010. Housing began stabilizing last month.

2. Annual Change

In annual terms, continued downward trend in Nauru's CPI reduced to **1.91** percent in this month of March 2011, compared to a negative 2.31 percentage in the annualised February 2011 CPI. The main contributors to the annual deflation were; Miscellaneous, Food, Alcohol & Tobacco, Household operations and Housing, all recording decreases in the annualised CPI for March 2011.

Chart 2. Annualised % change since March 2010



2.1 Annual Observation

With a deflated annual CPI, the 12 month changes in major indexes continue to confirm successive decreases in the pattern of annual negative growth since the January CPI. In the annualised observation the decrease for goods and services is influenced by five of the seven major index.

Miscellaneous items index posted the largest drop of **3.42** percent compared to a year ago and is mainly attributed to the fall of the bathing soap index (24.29%).

Food group simultaneously contributed with **2.38** percent and key fundamentals commodities impacting the falling change in the index were; onion (40.55%), coffee (25.72%), potatoes (13.69%), tea (13%) and rice (10.87%). Smaller contributors in soft drinks (4.62%) and milk powder (2.58%) have also made a significant impact towards the overall change of the Food index.

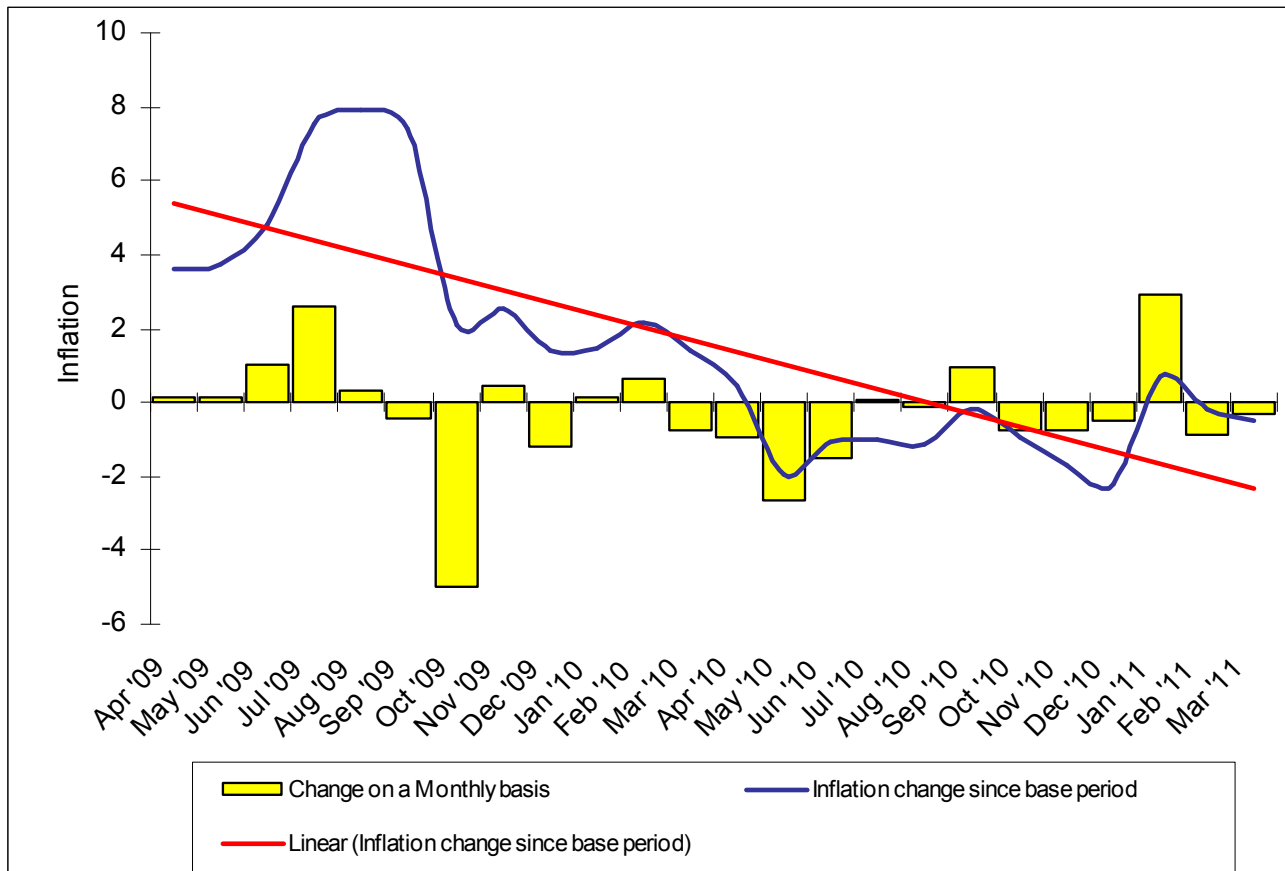
The Alcohol & Tobacco index followed suit with a drop of **2.28** percent then closely pursued by Household operation index with **1.36** percent then lastly the Housing index with **1.36** percent. Inside Alcohol & Tobacco, the solo decrease of the cigarette index has influenced the variation while key components of Household operations such as refrigerator (19.31%) and washing soap powder (12.50%) mainly driven the deceleration. In Housing the fall is attributed to the solo decline of the paint index (7.69%) compared to a year ago.

To offset the deflation, Transport & Communications index posted the only annual growth of **2.62** percent and major factors impacting the variation is traced to modest growth of transport fuel in petrol and diesel with 4.56 and 3.15 percent respectively. Clothing index remained stable from a year ago.

3. All Groups CPI Series

The All Groups CPI Series (Chart 3) presents historical data for the last 24 months which have two measuring components. First the bar graphs point out the percentage movements of the All Groups CPI from one month to the other. The line graph depicts the percentage change from CPI base period (August 2010) to corresponding monthly CPIs.

Chart 3. All Groups CPI Monthly variables and Inflation trend since base period



3.1 Historical Movement

The current CPI change since base period reflects a continual decrease of **0.51** percent after (0.18%) in February. The easing of CPI was in full swing in April 2010 with the moderation of the Food index which peaked in mid-year of 2009 as illustrated in Chart 3. Inflation since has remained below base period prices for a consecutive eight months straight with a resurgence in the New Year of 2011 due to the one off increase of the Food group albeit regained decelerating trends to present times.

Likewise, similar observations when analysing the monthly fluctuations over the past 24 months of inflation volatility, taking into consideration of the downward trends. Some of the major changes affecting the disparity have been accounted to the movement of the food index in particular to the rice index due to its overwhelming importance in the CPI market basket.

4. Conclusion

The Nauru CPI posted once again a decrease in the month by month, annual and the historical series as reported in the previous analysis. This places Nauru into deflationary times since March 2010 according to inflation change since base period. Generally a deflation is good for consumer's however lower profit margin for business may result in higher unemployment, less commodity imports and a deterioration in overall economic condition.

A lot of factors could be attributed to why deflation occurs where independent analytical research is needed and should be based on the framework that depicts the relationship of change in consumer prices. One theoretical reason would be deflation in Nauru is more closely related to the prices of imports. Price convergence between trading countries maybe one in an abundance of theories that may add value to the current situation.

Across the Asia Pacific region the present food price surge in international markets is concentrated in sugar and edible oils as well as cereals (mainly maize and wheat).

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	FEB '11 PRICE	INDEX	MAR '11 PRICE	INDEX
	<u>RICE & OTHER CEREALS</u>							
1010	Rice	Imported rice/sunwhite/bag/25kg	15.48	41.00	41.00	15.48	41.00	15.48
1020	Bread (sliced loaf)	Bread//white/local/sliced loaf	3.65	1.75	1.93	4.03	1.93	4.03
1030	Noodles	Noodles/sachet/85g	1.68	0.53	0.65	2.06	0.65	2.06
1040	Other bread and Biscuits	Dry biscuits/brand/250g	0.54	2.10	3.14	0.81	3.04	0.78
1050	Self raising	Imported Flour/self raising/1kg	0.39	2.50	3.78	0.59	3.76	0.59
	<u>MEAT</u>							
1060	Chicken	Imported Chicken/cuts/2kg	7.99	9.18	8.40	7.31	8.30	7.22
1070	Canned Meat	Tinned beef/corned beef/imperial/326g	3.63	4.53	4.88	3.91	4.92	3.94
1080	Canned Meat	Tinned meat/luncheon/397g	1.69	2.43	1.73	1.21	1.73	1.21
1090	Sausages	Sausages/1pack/pork/1kg	1.07	7.33	4.05	0.59	4.05	0.59
	<u>SEAFOOD</u>							
1100	Fish	Tuna/Skipjack(bonita)/1 kg	2.50	6.00	6.00	2.50	6.00	2.50
1110	Canned Fish	Imported tinned mackerel/brand/425g	0.92	2.55	2.70	0.97	2.70	0.97
1120	Reef fish	Reef fish/1 kg	0.75	8.00	8.00	0.75	8.00	0.75
1130	Canned Fish	Tinned sardines/sardines/425g	0.50	2.35	3.28	0.70	3.28	0.70
	<u>FOOD, FRUIT & VEGETABLES</u>							
1140	Canned Tomatoes	Tinned tomatoes/brand/400g	0.71	1.97	2.06	0.74	2.09	0.75
1150	Onions and Chives	Onions/sea feight/1kg	0.34	3.95	4.64	0.40	3.46	0.30
1160	Potatoes	Potatoes/sea freight/1kg	0.14	3.90	6.40	0.23	3.63	0.13
	<u>DAIRY</u>							
1170	Butter	Imported butter/brand/250g	1.43	2.65	2.62	1.41	2.83	1.53
1180	Milk powder	Milk powder/brand/1kg	0.99	12.87	11.63	0.89	11.33	0.87
1190	Cooking Oil	Cooking oil/brand/750ml	0.52	4.57	5.05	0.57	4.90	0.56
1200	Fresh milk	Fresh milk/full cream/1litre	0.42	2.63	2.80	0.45	2.83	0.45
1210	Eggs	Imported Eggs/dozen/600g	0.29	5.47	5.90	0.31	6.22	0.33

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	FEB '11 PRICE	INDEX	MAR '11 PRICE	INDEX
	<u>OTHER FOODS</u>							
1220	Soft drink	Soft drinks/brand/1can/375ml	0.96	1.03	1.08	1.01	1.03	0.96
1230	Sugar	Imported sugar/white/brand/2kg	4.60	4.10	4.50	5.05	4.63	5.20
1240	Soya sauce	Soya sauce/light/500ml	0.58	2.90	3.02	0.60	3.02	0.60
1250	Tea	Imported tea/100 bags/180g	0.49	4.60	3.83	0.41	3.23	0.34
1260	Coffee	Imported coffee/brand/100g	0.45	7.42	4.26	0.26	4.10	0.25
1270	Baby food	Baby food/heinz/vanilla custard/110g	0.44	1.27	1.48	0.51	1.46	0.51
	<u>TAKE AWAY</u>							
1280	Plate of food/Take away	Plate of food/take away	2.20	3.77	3.38	1.97	3.38	1.97
1290	Dinner out	Dinner for two/Formal/Reynaldo	0.36	22.50	22.50	0.36	22.50	0.36
	Sub total :	(Food group)	55.71			56.10		55.94
	<u>ALCOHOL & TOBACCO</u>							
1410	Beer	Beer/brand/1can/375ml	4.27	2.00	1.65	3.52	1.65	3.52
1420	Cigarettes	Cigarettes/Alpine brand/1packet/25 sticks	12.20	5.50	5.93	13.14	5.93	13.14
	Sub total :	(Alcohol & Tobacco group)	16.47			16.67		16.67
	<u>CLOTHING</u>							
1510	Nappies	Nappies/plastic/brand/size medium/20 per pack	0.81	17.04	13.70	0.65	13.70	0.65
1520	Mumu	Casual/imported formal dress/mumu size large	0.85	15.60	30.00	1.63	30.00	1.63
1530	T/Shirt	Imported T-shirt/duel sex/size large	0.37	10.65	12.50	0.43	12.50	0.43
	<u>FOOTWEAR</u>							
1540	Footwear	Shoes/womens slip-ons/size 9	0.14	3.00	14.35	0.67	14.35	0.67
	Sub total :	(Clothing group)	2.17			3.39		3.39
	<u>RENT</u>							
1610	Rent for dwelling per month	Rent unit/MQ/Location	0.23	75.00	75.00	0.23	75.00	0.23

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	FEB '11 PRICE	INDEX	MAR '11 PRICE	INDEX
	<u>MAINTENANCE</u>							
1620	Ceramic tiles	Tiles/plastic tiles/size square cm/lcase()	1.54	68.80	46.50	1.04	46.50	1.04
1630	Cement	Cement/bag/40 kg	0.76	20.60	23.00	0.85	23.00	0.85
1640	Paint	Paint/brand/enamel/4litre	0.51	62.63	60.00	0.49	60.00	0.49
1650	Timber	Timber/treated pine/4x2/4.8metres	0.44	47.00	38.00	0.36	38.00	0.36
	Sub total :	(Housing group)	3.48			2.96		2.96
	<u>BILLS</u>							
1710	Electricity bill	Electricity bill/kilowatt per hour	1.60	0.30	0.10	0.53	0.10	0.53
1720	Water bill	Water Bill/per 10 litre	0.35	0.03	0.03	0.35	0.03	0.35
	<u>APPLIANCES</u>							
1730	Freezer	Freezer	1.12	750.00	1016.25	1.52	1016.25	1.52
1740	Refridgerator	Refridgerator	0.73	1635.00	1527.50	0.68	1232.50	0.55
1750	Television	Television/brand/15 inch	0.71	369.50	448.67	0.86	448.67	0.86
1760	Washing machine	Washing machine/brand/5kg capacity	0.68	1195.00	993.17	0.57	993.17	0.57
	<u>FURNITURE</u>							
1770	Light fitting	Light fitting/brand/60watt globe	0.28	2.50	1.94	0.22	1.94	0.22
1780	Beds	Beds/single/foam-sponge	0.25	400.00	425.00	0.27	425.00	0.27
	<u>SUPPLIES</u>							
1790	Toilet paper	Toilet Paper/brand/1000 sheets	1.23	2.15	2.42	1.38	2.42	1.38
1800	Washing soap powder	Washing soap powder/brand/500g	0.71	5.60	4.47	0.57	4.32	0.55
1810	Mosquito coil	Mosquito coil/1packet/10coils/120g	0.69	1.14	1.27	0.77	1.27	0.77
1820	Dishwashing liquid	Dishwashing liquid/brand/500ml	0.30	3.48	2.98	0.26	3.48	0.30
1830	Batteries	Batteries/brand/1pack/2 x size D	0.17	2.52	5.53	0.37	5.53	0.37
	Sub total :	(Household Operations group)	8.82			8.34		8.23

				01 AUG '08	FEB '11		MAR '11	
REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	BASE PRICE	PRICE	INDEX	PRICE	INDEX
	<u>TRANSPORT & COMMUNICATIONS</u>							
1910	Petrol	Petrol/1 litre	5.34	2.00	1.61	4.29	1.61	4.29
1920	Airfair	Return ticket/Australia	2.88	1468.00	1258.00	2.47	1258.00	2.47
1930	Oil	Oil/brand/multi-grade/1litre	0.48	14.37	9.70	0.32	8.56	0.29
1940	Deisel	Diesel/1 litre	0.43	2.05	1.58	0.33	1.58	0.33
1950	Departure tax	Departure Tax	0.22	50.00	50.00	0.22	50.00	0.22
1960	Other communication	International call card to Australia/rate per hour	0.12	6.00	6.00	0.12	6.00	0.12
	Sub total :	(Transport & Communication group)	9.47			7.75		7.71
	<u>HEALTH</u>							
2010	Hospital charges	Hospital charges/Minor surgery	0.35	20.00	20.00	0.35	20.00	0.35
2020	Doctors/dentists fees	Doctors/dentist/Consultation fees	0.33	10.00	10.00	0.33	10.00	0.33
	<u>EDUCATION</u>							
2030	School clothing	School clothing/Shirts/shorts	0.34	10.00	10.00	0.34	10.00	0.34
2040	Books & schooling supplies	Exercise Books/brand/64pages	0.16	0.85	1.00	0.19	1.00	0.19
	<u>RECREATION</u>							
2050	Records, Cassettes,CD's	Blank CDR/brand/single/700mb	0.64	1.25	1.47	0.75	1.47	0.75
2060	Fishing equipment and supplies	Fishing hook/brand/Nickel coated/size 7/0	0.34	0.20	0.50	0.85	0.50	0.85
2070	DVD hire	DVD hire	0.16	2.00	2.00	0.16	2.00	0.16
	<u>PERSONAL PRODUCTS</u>							
2080	Bathing soap (liquid/bar)	Soap/bar/brand/100g	0.60	0.89	0.92	0.62	0.88	0.60
2090	Toothpaste	Toothpaste/brand/90g	0.17	2.63	2.40	0.16	2.38	0.15
2100	Deodorant, body spray	Deodorant/brand/body spray/100ml	0.13	3.90	4.88	0.16	4.93	0.16
	<u>MISCELANEOUS</u>							
2110	Overseas, Newspaper, Jounals	Magazine/PIM	0.36	4.95	5.00	0.36	5.00	0.36
2120	Dog food	Dog food/canned/700g	0.30	1.95	2.25	0.35	2.25	0.35
	Sub total :	(Miscellaneous group)	3.88			4.61		4.59
	GRAND TOTAL:	(all groups)	100.00			99.82		99.49

SUMMARY SHEET

GROUP	FEB '11 INDEX	MAR '11 INDEX	DIFFERENCE	% INCREASE (+) DECREASE (-)
FOOD	56.10	55.94	-0.16	-0.28
ALCOHOL & TOBACCO	16.67	16.67	0.00	0.00
CLOTHING	3.39	3.39	0.00	0.00
HOUSING	2.96	2.96	0.00	0.00
HOUSEHOLD OPERATIONS	8.34	8.23	-0.11	-1.29
TRANSPORT & COMMUNICATION	7.75	7.71	-0.04	-0.49
MISCELLANEOUS	4.61	4.59	-0.02	-0.48
TOTAL	99.82	99.49	-0.32	-0.33

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	MAR '10 PRICE	INDEX	MAR '11 PRICE	INDEX
	<u>RICE & OTHER CEREALS</u>							
1010	Rice	Imported rice/sunwhite/bag/25kg	15.48	41.00	46.00	17.37	41.00	15.48
1020	Bread (sliced loaf)	Bread//white/local/sliced loaf	3.65	1.75	1.93	4.03	1.93	4.03
1030	Noodles	Noodles/sachet/85g	1.68	0.53	0.63	2.00	0.65	2.06
1040	Other bread and Biscuits	Dry biscuits/brand/250g	0.54	2.10	2.80	0.72	3.04	0.78
1050	Self raising	Imported Flour/self raising/1kg	0.39	2.50	2.98	0.46	3.76	0.59
	<u>MEAT</u>							
1060	Chicken	Imported Chicken/cuts/2kg	7.99	9.18	7.98	6.95	8.30	7.22
1070	Canned Meat	Tinned beef/corned beef/imperial/326g	3.63	4.53	4.67	3.74	4.92	3.94
1080	Canned Meat	Tinned meat/luncheon/397g	1.69	2.43	1.73	1.20	1.73	1.21
1090	Sausages	Sausages/1pack/pork/1kg	1.07	7.33	4.05	0.59	4.05	0.59
	<u>SEAFOOD</u>							
1100	Fish	Tuna/Skipjack(bonita)/1 kg	2.50	6.00	6.00	2.50	6.00	2.50
1110	Canned Fish	Imported tinned mackerel/brand/425g	0.92	2.55	2.70	0.97	2.70	0.97
1120	Reef fish	Reef fish/1 kg	0.75	8.00	8.00	0.75	8.00	0.75
1130	Canned Fish	Tinned sardines/sardines/425g	0.50	2.35	3.25	0.69	3.28	0.70
	<u>FOOD, FRUIT & VEGETABLES</u>							
1140	Canned Tomatoes	Tinned tomatoes/brand/400g	0.71	1.97	2.04	0.74	2.09	0.75
1150	Onions and Chives	Onions/sea feight/1kg	0.34	3.95	5.82	0.50	3.46	0.30
1160	Potatoes	Potatoes/sea freight/1kg	0.14	3.90	4.20	0.15	3.63	0.13
	<u>DAIRY</u>							
1170	Butter	Imported butter/brand/250g	1.43	2.65	2.80	1.51	2.83	1.53
1180	Milk powder	Milk powder/brand/1kg	0.99	12.87	11.63	0.89	11.33	0.87
1190	Cooking Oil	Cooking oil/brand/750ml	0.52	4.57	4.65	0.53	4.90	0.56
1200	Fresh milk	Fresh milk/full cream/1litre	0.42	2.63	2.82	0.45	2.83	0.45
1210	Eggs	Imported Eggs/dozen/600g	0.29	5.47	5.88	0.31	6.22	0.33

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	MAR '10 PRICE	INDEX	MAR '11 PRICE	INDEX
	<u>OTHER FOODS</u>							
1220	Soft drink	Soft drinks//brand/1can/375ml	0.96	1.03	1.08	1.01	1.03	0.96
1230	Sugar	Imported sugar/white/brand/2kg	4.60	4.10	4.53	5.09	4.63	5.20
1240	Soya sauce	Soya sauce/light/500ml	0.58	2.90	2.92	0.58	3.02	0.60
1250	Tea	Imported tea/100 bags/180g	0.49	4.60	3.72	0.40	3.23	0.34
1260	Coffee	Imported coffee/brand/100g	0.45	7.42	5.52	0.33	4.10	0.25
1270	Baby food	Baby food/heinz/vanilla custard/110g	0.44	1.27	1.44	0.50	1.46	0.51
	<u>TAKE AWAY</u>							
1280	Plate of food/Take away	Plate of food/take away	2.20	3.77	3.38	1.97	3.38	1.97
1290	Dinner out	Dinner for two/Formal/Reynaldo	0.36	22.50	22.50	0.36	22.50	0.36
	Sub total :	(Food group)	55.71			57.30		55.94
	<u>ALCOHOL & TOBACCO</u>							
1410	Beer	Beer/brand/1can/375ml	4.27	2.00	1.65	3.52	1.65	3.52
1420	Cigarettes	Cigarettes/Alpine brand/1packet/25 sticks	12.20	5.50	6.10	13.53	5.93	13.14
	Sub total :	(Alcohol & Tobacco group)	16.47			17.05		16.67
	<u>CLOTHING</u>							
1510	Nappies	Nappies/plastic/brand/size medium/20 per pack	0.81	17.04	13.70	0.65	13.70	0.65
1520	Mumu	Casual/imported formal dress/mumu size large	0.85	15.60	30.00	1.63	30.00	1.63
1530	T/Shirt	Imported T-shirt/duel sex/size large	0.37	10.65	12.50	0.43	12.50	0.43
	<u>FOOTWEAR</u>							
1540	Footwear	Shoes/womens slip-ons/size 9	0.14	3.00	14.35	0.67	14.35	0.67
	Sub total :	(Clothing group)	2.17			3.39		3.39
	<u>RENT</u>							
1610	Rent for dwelling per month	Rent unit/MQ/Location	0.23	75.00	75.00	0.23	75.00	0.23

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	MAR '10 PRICE	INDEX	MAR '11 PRICE	INDEX
	<u>MAINTENANCE</u>							
1620	Ceramic tiles	Tiles/plastic tiles/size square cm/1case()	1.54	68.80	46.50	1.04	46.50	1.04
1630	Cement	Cement/bag/40 kg	0.76	20.60	23.00	0.85	23.00	0.85
1640	Paint	Paint/brand/enamel/4litre	0.51	62.63	65.00	0.53	60.00	0.49
1650	Timber	Timber/treated pine/4x2/metres	0.44	47.00	38.00	0.36	38.00	0.36
	Sub total :	(Housing group)	3.48			3.00		2.96
	<u>BILLS</u>							
1710	Electricity bill	Electricity bill/kilowatt per hour	1.60	0.30	0.10	0.53	0.10	0.53
1720	Water bill	Water Bill/per 10 litre	0.35	0.03	0.03	0.35	0.03	0.35
	<u>APPLIANCES</u>							
1730	Freezer	Freezer	1.12	750.00	1016.25	1.52	1016.25	1.52
1740	Refridgerator	Refridgerator	0.73	1635.00	1527.50	0.68	1232.50	0.55
1750	Television	Television/brand/15 inch	0.71	369.50	448.67	0.86	448.67	0.86
1760	Washing machine	Washing machine/brand/5kg capacity	0.68	1195.00	993.17	0.57	993.17	0.57
	<u>FURNITURE</u>							
1770	Light fitting	Light fitting/brand/60watt globe	0.28	2.50	1.94	0.22	1.94	0.22
1780	Beds	Beds/single/foam-sponge	0.25	400.00	425.00	0.27	425.00	0.27
	<u>SUPPLIES</u>							
1790	Toilet paper	Toilet Paper/brand/1000 sheets	1.23	2.15	2.33	1.33	2.42	1.38
1800	Washing soap powder	Washing soap powder/brand/500g	0.71	5.60	4.93	0.63	4.32	0.55
1810	Mosquito coil	Mosquito coil/1packet/10coils/120g	0.69	1.14	1.28	0.78	1.27	0.77
1820	Dishwashing liquid	Dishwashing liquid/brand/500ml	0.30	3.48	3.53	0.30	3.48	0.30
1830	Batteries	Batteries/brand/1pack/2 x size D	0.17	2.52	5.53	0.37	5.53	0.37
	Sub total :	(Household Operations group)	8.82			8.41		8.23

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	MAR '10 PRICE	INDEX	MAR '11 PRICE	INDEX
	TRANSPORT & COMMUNICATIONS							
1910	Petrol	Petrol/1 litre	5.34	2.00	1.54	4.10	1.61	4.29
1920	Airfair	Return ticket/Australia	2.88	1468.00	1258.00	2.47	1258.00	2.47
1930	Oil	Oil/brand/multi-grade/1litre	0.48	14.37	8.56	0.29	8.56	0.29
1940	Deisel	Diesel/1 litre	0.43	2.05	1.54	0.32	1.58	0.33
1950	Departure tax	Departure Tax	0.22	50.00	50.00	0.22	50.00	0.22
1960	Other communication	International call card to Australia/rate per hour	0.12	6.00	6.00	0.12	6.00	0.12
	Sub total :	(Transport & Communication group)	9.47			7.51		7.71
	HEALTH							
2010	Hospital charges	Hospital charges/Minor surgery	0.35	20.00	20.00	0.35	20.00	0.35
2020	Doctors/dentists fees	Doctors/dentist/Consultation fees	0.33	10.00	10.00	0.33	10.00	0.33
	EDUCATION							
2030	School clothing	School clothing/Shirts/shorts	0.34	10.00	10.00	0.34	10.00	0.34
2040	Books & schooling supplies	Exercise Books/brand/64pages	0.16	0.85	1.00	0.19	1.00	0.19
	RECREATION							
2050	Records, Cassettes,CD's	Blank CDR/brand/single/700mb	0.64	1.25	1.47	0.75	1.47	0.75
2060	Fishing equipment and supplies	Fishing hook/brand/Nickel coated/size 7/0	0.34	0.20	0.50	0.85	0.50	0.85
2070	DVD hire	DVD hire	0.16	2.00	2.00	0.16	2.00	0.16
	PERSONAL PRODUCTS							
2080	Bathing soap (liquid/bar)	Soap/bar/brand/100g	0.60	0.89	1.17	0.79	0.88	0.60
2090	Toothpaste	Toothpaste/brand/90g	0.17	2.63	2.40	0.15	2.38	0.15
2100	Deodorant, body spray	Deodorant/brand/body spray/100ml	0.13	3.90	4.90	0.16	4.93	0.16
	MISCELANEOUS							
2110	Overseas, Newspaper, Jounals	Magazine/PIM	0.36	4.95	5.00	0.36	5.00	0.36
2120	Dog food	Dog food/canned/700g	0.30	1.95	2.05	0.32	2.25	0.35
	Sub total :	(Miscellaneous group)	3.88			4.76		4.59
	GRAND TOTAL:	(all groups)	100.00			101.43		99.49

SUMMARY SHEET

GROUP	MAR '10 INDEX	MAR '11 INDEX	DIFFERENCE	% INCREASE (+) DECREASE (-)
FOOD	57.30	55.94	-1.37	-2.38
ALCOHOL & TOBACCO	17.05	16.67	-0.39	-2.28
CLOTHING	3.39	3.39	0.00	0.00
HOUSING	3.00	2.96	-0.04	-1.36
HOUSEHOLD OPERATIONS	8.41	8.23	-0.18	-2.12
TRANSPORT & COMMUNICATION	7.51	7.71	0.20	2.62
MISCELLANEOUS	4.76	4.59	-0.16	-3.42
TOTAL	101.43	99.49	-1.94	-1.91

Technical Notes

Brief Explanation of the CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time of goods and services purchased by households. The basis of goods and services included in the CPI market basket is subsequently the basis for analysis of consumer spending from the Household Income & Expenditure Survey (HIES) carried out by the Bureau of Statistics in 2006. The bureau is mandated to publish monthly CPIs.

The CPIs are based on prices of food, clothing, beverages, fuels, transportation fares, household supplies and other goods and services that people buy for day-to-day living. Prices are collected each month across the island from 6 retail establishments, and other service providers associated within the CPI market basket. Prices of most goods and services are obtained through personal visits by Statistics staff and additional publications such as the Fuel Watch and public notices that reflect the goods and services within the CPI market basket. In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance. Local data are then combined to obtain a national average.

The index measures price change from a designated reference date. For the CPI, the reference base is 2008= 100.00. An increase of 16.5 percent from the reference base, for example, is shown as 116.5. This change also can be expressed in dollars as follows: the price of a base-period market basket of goods and services in the CPI has risen from \$10 in 2008 to \$11.65. For further details, contact the government operator at 557 3133 and ask for the Bureau of Statistics or extension 255.

Calculating index changes

Movements of the indexes from one month to another usually are expressed as percent changes, rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period, whereas percent changes are not. The example shown in the box on this page illustrates the computation of index point and percent changes.

Percent changes within the CPI publication reflects for (1) monthly, (2) annual and (3) historical trends since base period are computed according to the standard formula for compound growth rates. These data indicate what the percent change would be if the current rate were maintained for the 3 periods specified in the latter.

Index point change		Visual calculation
CPI	202.416 (a)	(b) - (a) = (c)
Less previous index	201.8 (b)	
Equals index point change	0.616 (c)	
Percent change		
Index point difference	0.616	(c) ÷ (b) = (e)
Divided by the previous index	201.8 (d)	
Equals	0.003 (e)	
Results multiplied by one hundred	0.003 x 100	(e) x 100 = (f)
Equals percent change	0.3 (f)	