

**CONSUMER PRICE INDEX
MONTHLY REPORT**

AUGUST 2011



PREPARED BY:

**BUREAU OF STATISTICS
DEPARTMENT OF FINANCE**

24.02.12

THE CONSUMER PRICE INDEX

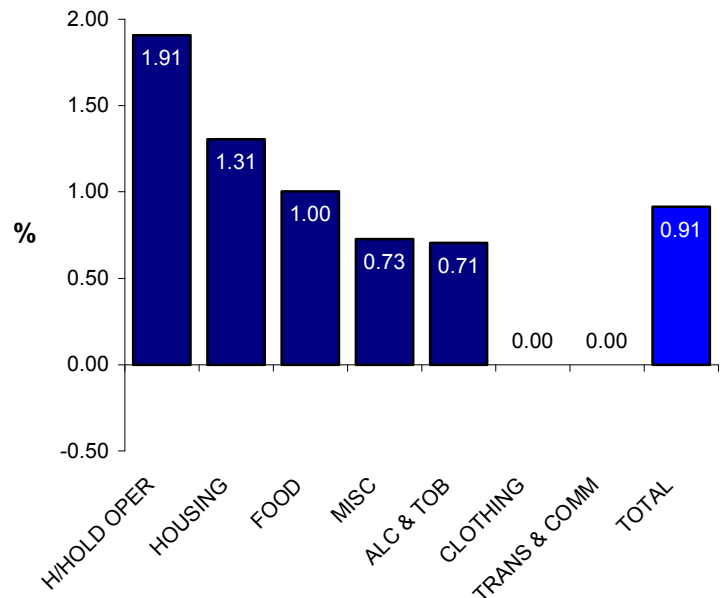
1. Monthly Change

The Index change for August 2011 registered a 98.72 which imply a 0.91 percent increase from the previous month of July after long periods of consecutive decreases since 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	JUL '11 INDEX	AUG '11 INDEX	DIFF	% INC (+) DEC (-)
FOOD	54.81	55.36	0.55	1.00
ALCOHOL & TOBACCO	15.72	15.83	0.11	0.71
CLOTHING	3.41	3.41	0.00	0.00
HOUSING	2.91	2.95	0.04	1.31
HOUSEHOLD OPERATION	8.49	8.65	0.16	1.91
TRANSPORT & COMMUNICATION	7.84	7.84	0.00	0.00
MISCELLANEOUS	4.64	4.68	0.03	0.73
TOTAL	97.82	98.72	0.89	0.91

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



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

1.1 Monthly Observation

As illustrated in Chart 1 above most indexes of the Consumer Price Index have posted increases with the exception of two which remained constant.

Leading the headline inflation is the index for Household operation with 1.91 percent after posting small increases in the June and July monthly observation. This growth is mainly attributed to surge in 15 inch TV which rose by 17.83 percent, as well as small contributors like mosquito coils and dishwashing liquid.

The Housing index also posted an increase with 1.31 percent after remaining stable since May 2011. Driving this surge is the growing index of paint which shows a 7.78 percent increase.

The Food index also rose 1.00 percent in August after consecutive decreases since February 2011. The component that increased the most is the advance of perishable products in potatoes and onions with rise of 9.23 and 6.59 percent. Other small yet impacting increases are traced to sugar, noodles, tinned tomatoes, eggs and fresh milk.

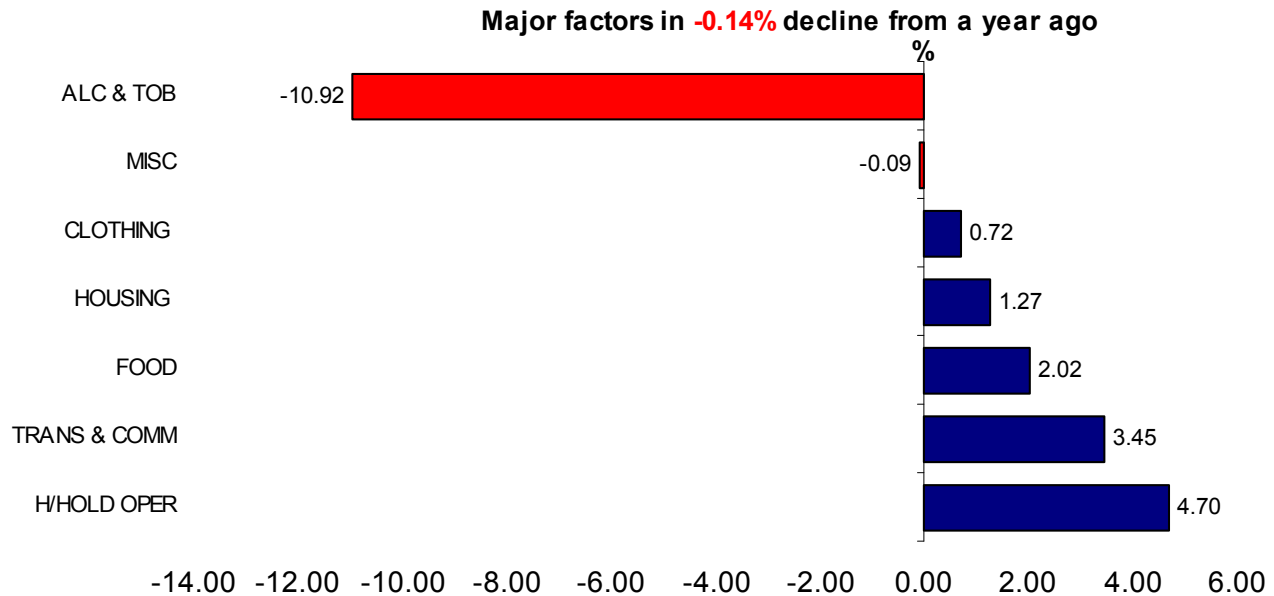
The Miscellaneous and Alcohol & Tobacco index posted the smallest increases with 0.73 and 0.71 percent respectively. Within Miscellaneous the index for bathing soap rose with 5.56 percent while minor increase for the index of cigarette has contributed to the increase of the Alcohol & Tobacco.

The index for Clothing and Transport & Communications remained constant in August.

2. Annual Change

The Year to date change reported an insignificant decrease in Nauru's CPI to **0.14** percentage compared to August 2010, with the main contributors to the annual deflations being;—Alcohol & Tobacco and Miscellaneous.

Chart 2. Annualised % change since August 2010



2.1 Annual Observation

The year to date change posted a continued deflation for goods and services as a result for decline of two out of the seven groups. Largely the 12 month decline is affected by drop of the Alcohol & Tobacco index with **10.92** percent and it's influenced by declining index of cigarettes 13.62 percent. Miscellaneous index posted the smallest and insignificant annual deflation with **0.09** percent which is virtually unchanged.

Offsetting the decline are five indexes posting growth over the 12 months with Household operations leading with **4.70** percent. The causes lead to rising index for television, mosquito coils and washing soap powder. Likewise Transport & Communications reported **3.45** percent rise which is attributed to surging index for oil with 17.06 percent. Also up were the index for diesel and petrol which increased by 5.37 and 4.70 percent respectively.

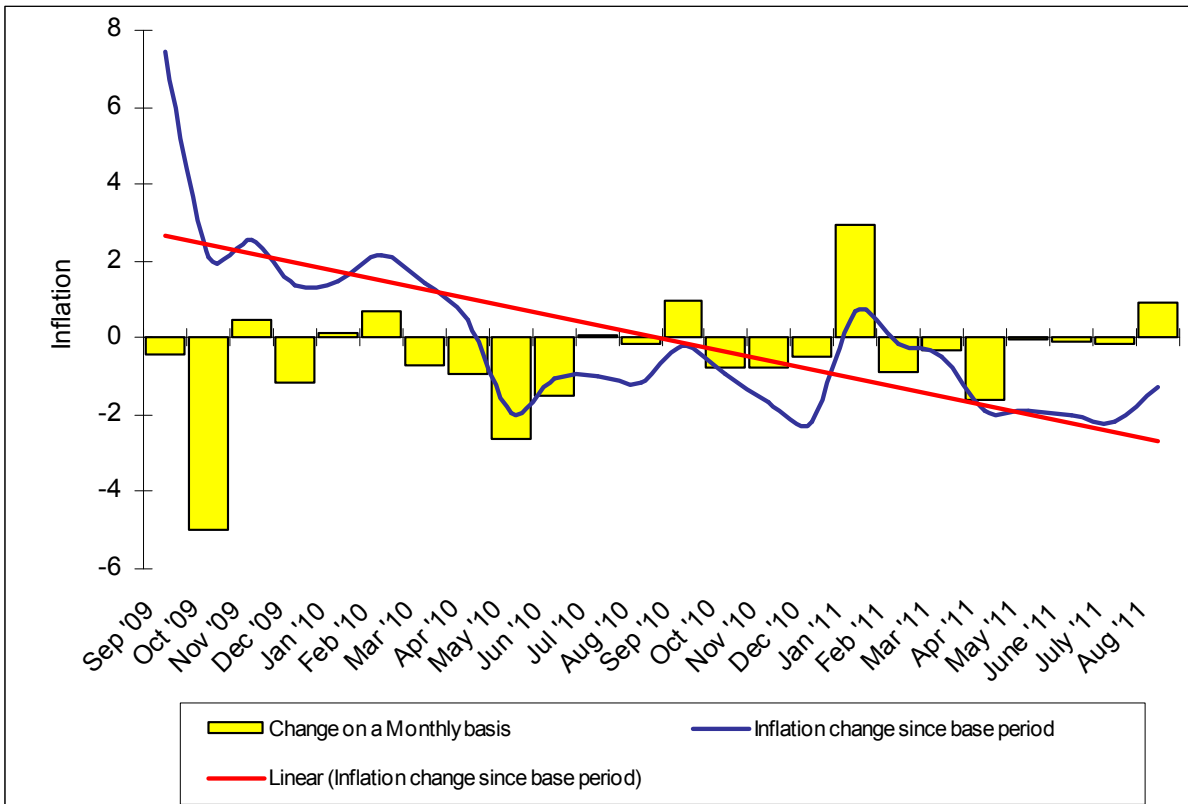
The Food index also recorded **2.02** percent increase and a broad range of commodities have been influential. Some key contributors that have made a significant impact are tinned coffee, increased by 23.39 percent, sugar, up by 14.06 percent and tinned tomatoes also up by 12.63 percent.

Likewise the index for Housing and Clothing posted the two smallest increases with **1.27** and **0.72** percent. Within Housing, the continued rise for the index of paint with 21.52 percent has individually influenced the change. As for Clothing the increase is traced to ladies slip-on shoe with 4.53 percent.

3. All Groups CPI Series

The All Groups CPI Series (Chart 3) depicts historical data for the past 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 2008) to corresponding monthly CPIs.

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



3.1 Historical Outlook

i. Change on a Monthly basis

The historical outlook for the monthly change on the All groups index shown in Chart 3 has posted slight surge in August 2011 after consecutive decreases since February 2011. The current increase is consistent with historical trend over the past 24 months where prolong downward trend is followed by a slight one off surge. This incident is entirely driven by seasonal factors whereby no monetary and fiscal policies were committed.

ii. Inflation change since base period

The inflation change since base period still remains in the negative realm in comparison to base prices with a slight surge for this month. As depicted in Chart 3 the small spike correlates with the monthly observation. On the outset, it is evident that the effective management on supply and demand overtime equates to a reasonable inflation levels for consumers without any added pressure for global commodity prices.

4. Conclusion

While inflationary growth was observed for the monthly analysis, on a broader context in terms of 1 or 2 year historical comparison the snapshot is entirely different. As far as the CPI is concerned, global supply still underpins the inflationary movement whereby inflation is imported from trading countries. Therefore the need for coordination of fiscal and monetary policies affecting the common consumers is a precedence to ensure threats to the quality of life is minimised.

				01 AUG '08	JUL'11		AUG'11	
REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	BASE PRICE	PRICE	INDEX	PRICE	INDEX
	<u>RICE & OTHER CEREALS</u>							
1010	Rice	Imported rice/sunwhite/bag/25kg	15.48	41.00	41.50	15.67	41.50	15.67
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	0.68	2.17	0.72	2.27
1040	Other bread and Biscuits	Dry biscuits/brand/250g	0.54	2.10	3.06	0.79	3.06	0.79
1050	Self raising	Imported Flour/self raising/1kg	0.39	2.50	2.94	0.46	2.94	0.46
	<u>MEAT</u>							
1060	Chicken	Imported Chicken/cuts/2kg	7.99	9.18	8.50	7.40	8.50	7.40
1070	Canned Meat	Tinned beef/corned beef/imperial/326g	3.63	4.53	4.67	3.74	4.67	3.74
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	4.00	1.67	4.00	1.67
1110	Canned Fish	Imported tinned mackerel/brand/425g	0.92	2.55	2.60	0.94	2.60	0.94
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	3.03	0.64	3.03	0.64
	<u>FOOD, FRUIT & VEGETABLES</u>							
1140	Canned Tomatoes	Tinned tomatoes/brand/400g	0.71	1.97	1.79	0.65	1.86	0.67
1150	Onions and Chives	Onions/sea feight/1kg	0.34	3.95	3.34	0.29	3.56	0.31
1160	Potatoes	Potatoes/sea freight/1kg	0.14	3.90	3.25	0.12	3.55	0.13
	<u>DAIRY</u>							
1170	Butter	Imported butter/brand/250g	1.43	2.65	2.85	1.54	2.85	1.54
1180	Milk powder	Milk powder/brand/1kg	0.99	12.87	11.20	0.86	11.20	0.86
1190	Cooking Oil	Cooking oil/brand/750ml	0.52	4.57	4.90	0.56	4.90	0.56
1200	Fresh milk	Fresh milk/full cream/1litre	0.42	2.63	2.93	0.47	2.95	0.47
1210	Eggs	Imported Eggs/dozen/600g	0.29	5.47	5.68	0.30	5.82	0.31

				01 AUG '08	JUL'11		AUG'11	
REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	BASE PRICE	PRICE	INDEX	PRICE	INDEX
	<u>OTHER FOODS</u>							
1220	Soft drink	Soft drinks/brand/1can/375ml	0.96	1.03	1.05	0.98	1.02	0.95
1230	Sugar	Imported sugar/white/brand/2kg	4.60	4.10	4.37	4.90	4.73	5.31
1240	Soya sauce	Soya sauce/light/500ml	0.58	2.90	3.06	0.61	3.06	0.61
1250	Tea	Imported tea/100 bags/180g	0.49	4.60	3.28	0.35	3.28	0.35
1260	Coffee	Imported coffee/brand/100g	0.45	7.42	5.10	0.31	5.10	0.31
1270	Baby food	Baby food/heinz/vanilla custard/110g	0.44	1.27	1.46	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			54.81		55.36
	<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	5.50	12.20	5.55	12.31
	Sub total :	(Alcohol & Tobacco group)	16.47			15.72		15.83
	<u>CLOTHING</u>							
1510	Nappies	Nappies/plastic/brand/size medium/20 per pack	0.81	17.04	13.58	0.65	13.58	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	15.00	0.70	15.00	0.70
	Sub total :	(Clothing group)	2.17			3.41		3.41
	<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

				01 AUG '08	JUL'11		AUG'11	
REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	BASE PRICE	PRICE	INDEX	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	60.00	0.49	64.67	0.53
1650	Timber	Timber/treated pine/4x2/4.8metres	0.44	47.00	32.00	0.30	32.00	0.30
	Sub total :	(Housing group)	3.48			2.91		2.95
	<u>BILLS</u>							
1710	Electricity bill	Electricity bill/kilowatt per hour	1.60	0.30	0.15	0.80	0.15	0.80
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	1527.50	0.68
1750	Television	Television/brand/15 inch	0.71	369.50	448.67	0.86	528.67	1.02
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	2.27	1.30	2.25	1.29
1800	Washing soap powder	Washing soap powder/brand/500g	0.71	5.60	4.95	0.63	4.57	0.58
1810	Mosquito coil	Mosquito coil/1packet/10coils/120g	0.69	1.14	1.22	0.74	1.32	0.80
1820	Dishwashing liquid	Dishwashing liquid/brand/500ml	0.30	3.48	2.33	0.20	2.40	0.21
1830	Batteries	Batteries/brand/1pack/2 x size D	0.17	2.52	5.43	0.37	5.43	0.37
	Sub total :	(Household Operations group)	8.82			8.49		8.65

REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	01 AUG '08 BASE PRICE	JUL'11 PRICE	INDEX	AUG'11 PRICE	INDEX
	<u>TRANSPORT & COMMUNICATIONS</u>							
1910	Petrol	Petrol/1 litre	5.34	2.00	1.63	4.36	1.63	4.36
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	10.02	0.33	10.02	0.33
1940	Deisel	Diesel/1 litre	0.43	2.05	1.62	0.34	1.62	0.34
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			7.84		7.84
	<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	0.90	0.61	0.95	0.64
2090	Toothpaste	Toothpaste/brand/90g	0.17	2.63	2.50	0.16	2.50	0.16
2100	Deodorant, body spray	Deodorant/brand/body spray/100ml	0.13	3.90	4.95	0.17	4.95	0.17
	<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	2.45	0.38	2.45	0.38
	Sub total :	(Miscellaneous group)	3.88			4.64		4.68
	GRAND TOTAL:	(all groups)	100.00			97.82		98.72

SUMMARY SHEET

GROUP	JUL'11 INDEX	AUG'11 INDEX	DIFFERENCE	% INCREASE (+) DECREASE (-)
FOOD	54.81	55.36	0.55	1.00
ALCOHOL & TOBACCO	15.72	15.83	0.11	0.71
CLOTHING	3.41	3.41	0.00	0.00
HOUSING	2.91	2.95	0.04	1.31
HOUSEHOLD OPERATIONS	8.49	8.65	0.16	1.91
TRANSPORT & COMMUNICATION	7.84	7.84	0.00	0.00
MISCELLANEOUS	4.64	4.68	0.03	0.73
TOTAL	97.82	98.72	0.89	0.91

				01 AUG '08	AUG'10		AUG'11	
REF-NO	ITEM NAME	DESCRIPTION	WEIGHT	BASE PRICE	PRICE	INDEX	PRICE	INDEX
	<u>RICE & OTHER CEREALS</u>							
1010	Rice	Imported rice/sunwhite/bag/25kg	15.48	41.00	41.40	15.63	41.50	15.67
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	0.67	2.11	0.72	2.27
1040	Other bread and Biscuits	Dry biscuits/brand/250g	0.54	2.10	2.94	0.76	3.06	0.79
1050	Self raising	Imported Flour/self raising/1kg	0.39	2.50	3.10	0.48	2.94	0.46
	<u>MEAT</u>							
1060	Chicken	Imported Chicken/cuts/2kg	7.99	9.18	7.98	6.95	8.50	7.40
1070	Canned Meat	Tinned beef/corned beef/imperial/326g	3.63	4.53	4.57	3.66	4.67	3.74
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	4.00	1.67	4.00	1.67
1110	Canned Fish	Imported tinned mackerel/brand/425g	0.92	2.55	2.73	0.98	2.60	0.94
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	3.00	0.64	3.03	0.64
	<u>FOOD, FRUIT & VEGETABLES</u>							
1140	Canned Tomatoes	Tinned tomatoes/brand/400g	0.71	1.97	1.65	0.59	1.86	0.67
1150	Onions and Chives	Onions/sea feight/1kg	0.34	3.95	4.76	0.41	3.56	0.31
1160	Potatoes	Potatoes/sea freight/1kg	0.14	3.90	4.50	0.16	3.55	0.13
	<u>DAIRY</u>							
1170	Butter	Imported butter/brand/250g	1.43	2.65	2.95	1.59	2.85	1.54
1180	Milk powder	Milk powder/brand/1kg	0.99	12.87	11.90	0.92	11.20	0.86
1190	Cooking Oil	Cooking oil/brand/750ml	0.52	4.57	5.35	0.61	4.90	0.56
1200	Fresh milk	Fresh milk/full cream/1litre	0.42	2.63	2.80	0.45	2.95	0.47
1210	Eggs	Imported Eggs/dozen/600g	0.29	5.47	6.00	0.32	5.82	0.31

<u>REF-NO</u>	<u>ITEM NAME</u>	<u>DESCRIPTION</u>	<u>WEIGHT</u>	<u>01 AUG '08 BASE PRICE</u>	<u>AUG '10 PRICE</u>	<u>INDEX</u>	<u>AUG'11 PRICE</u>	<u>INDEX</u>
	<u>OTHER FOODS</u>							
1220	Soft drink	Soft drinks//brand/1can/375ml	0.96	1.03	1.08	1.01	1.02	0.95
1230	Sugar	Imported sugar/white/brand/2kg	4.60	4.10	4.15	4.66	4.73	5.31
1240	Soya sauce	Soya sauce/light/500ml	0.58	2.90	2.98	0.60	3.06	0.61
1250	Tea	Imported tea/100 bags/180g	0.49	4.60	3.77	0.40	3.28	0.35
1260	Coffee	Imported coffee/brand/100g	0.45	7.42	4.13	0.25	5.10	0.31
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			54.26		55.36
	<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	6.43	14.25	5.55	12.31
	Sub total :	(Alcohol & Tobacco group)	16.47			17.77		15.83
	<u>CLOTHING</u>							
1510	Nappies	Nappies/plastic/brand/size medium/20 per pack	0.81	17.04	13.70	0.65	13.58	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	15.00	0.70
	Sub total :	(Clothing group)	2.17			3.39		3.41
	<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

				01 AUG '08	AUG '10		AUG'11	
<u>REF-NO</u>	<u>ITEM NAME</u>	<u>DESCRIPTION</u>	<u>WEIGHT</u>	<u>BASE PRICE</u>	<u>PRICE</u>	<u>INDEX</u>	<u>PRICE</u>	<u>INDEX</u>
	<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	53.22	0.43	64.67	0.53
1650	Timber	Timber/treated pine/4x2/metres	0.44	47.00	38.00	0.36	32.00	0.30
	Sub total :	(Housing group)	3.48			2.91		2.95
	<u>BILLS</u>							
1710	Electricity bill	Electricity bill/kilowatt per hour	1.60	0.30	0.10	0.53	0.15	0.80
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	1527.50	0.68
1750	Television	Television/brand/15 inch	0.71	369.50	448.67	0.86	528.67	1.02
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	2.03	0.23	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	2.25	1.29
1800	Washing soap powder	Washing soap powder/brand/500g	0.71	5.60	4.50	0.57	4.57	0.58
1810	Mosquito coil	Mosquito coil/1packet/10coils/120g	0.69	1.14	1.28	0.78	1.32	0.80
1820	Dishwashing liquid	Dishwashing liquid/brand/500ml	0.30	3.48	2.43	0.21	2.40	0.21
1830	Batteries	Batteries/brand/1pack/2 x size D	0.17	2.52	5.43	0.37	5.43	0.37
	Sub total :	(Household Operations group)	8.82			8.26		8.65

				01 AUG '08	AUG '10		AUG'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	1.56	4.17	1.63	4.36
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	10.02	0.33
1940	Deisel	Diesel/1 litre	0.43	2.05	1.54	0.32	1.62	0.34
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			7.58		7.84
	<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	1.02	0.69	0.95	0.64
2090	Toothpaste	Toothpaste/brand/90g	0.17	2.63	2.50	0.16	2.50	0.16
2100	Deodorant, body spray	Deodorant/brand/body spray/100ml	0.13	3.90	4.88	0.16	4.95	0.17
	<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	2.20	0.34	2.45	0.38
	Sub total :	(Miscellaneous group)	3.88			4.68		4.68
	GRAND TOTAL:	(all groups)	100.00			98.86		98.72

SUMMARY SHEET

GROUP	AUG'10 INDEX	AUG'11 INDEX	DIFFERENCE	% INCREASE (+) DECREASE (-)
FOOD	54.26	55.36	1.10	2.02
ALCOHOL & TOBACCO	17.77	15.83	-1.94	-10.92
CLOTHING	3.39	3.41	0.02	0.72
HOUSING	2.91	2.95	0.04	1.27
HOUSEHOLD OPERATIONS	8.26	8.65	0.39	4.70
TRANSPORT & COMMUNICATION	7.58	7.84	0.26	3.45
MISCELLANEOUS	4.68	4.68	0.00	-0.09
TOTAL	98.86	98.72	-0.14	-0.14

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)	