

**CONSUMER PRICE INDEX
MONTHLY REPORT**

NOVEMBER 2009



PREPARED BY:

**BUREAU OF STATISTICS
DEPARTMENT OF FINANCE**

31/12/09

THE CONSUMER PRICE INDEX

1. Monthly Change

The CPI for the month of November of this Fiscal Year 2009/10 is calculated at **102.54** which indicate that the price index has slightly increased by **0.44** percent from the previous month of October. Table 1 below illustrates the variant changes of the index between the two observation periods and attached herein is the CPI Basket depicting the variation for each observation.

Table 1. % change in Group Indices and Overall Consumer Price Index

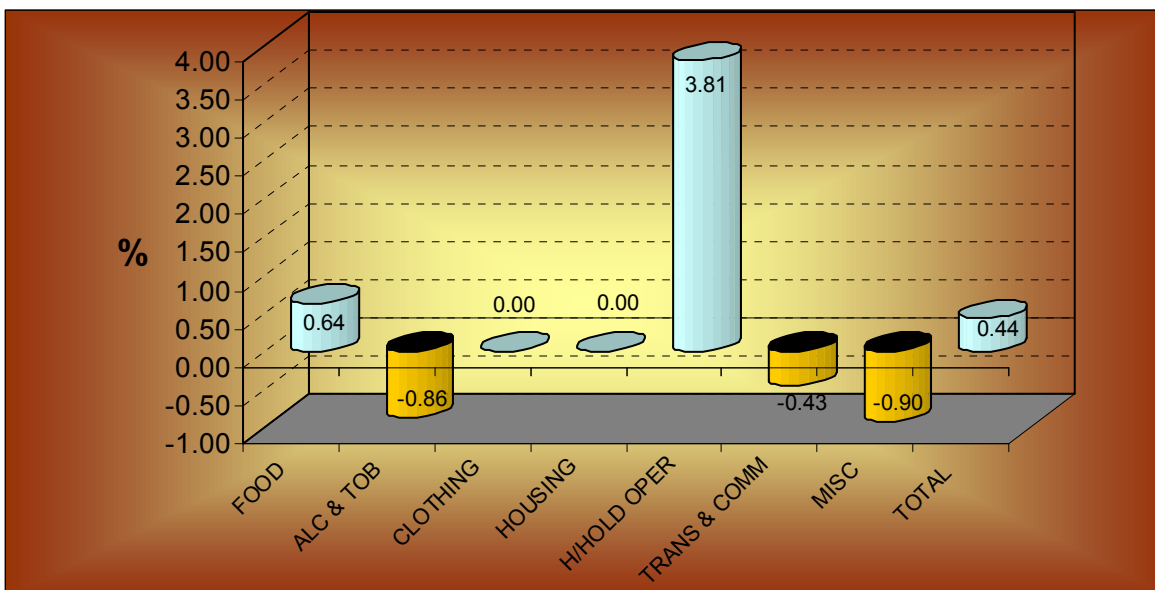
GROUP	OCT '09 INDEX	NOV '09 INDEX	DIFFERENCE	% INCREASE (+) DECREASE (-)
FOOD	57.44	57.81	0.37	0.64
ALCOHOL & TOBACCO	18.52	18.36	-0.16	-0.86
CLOTHING	3.61	3.61	0.00	0.00
HOUSING	2.99	2.99	0.00	0.00
HOUSEHOLD OPERATIONS	8.13	8.44	0.31	3.81
TRANSPORT & COMMUNICATION	6.97	6.94	-0.03	-0.43
MISCELLANEOUS	4.43	4.39	-0.04	-0.90
TOTAL	102.09	102.54	0.45	0.44

1.1 Monthly Observation

The CPI or goods and services have recorded a slight increase as a result of increases from two of the seven group indices. It's evident in Table 1 and Chart 1 that the Household operation's index leads the growth with **3.80** percent after a slight decrease in October of 0.12 percent. The index is driven by the slight increase of electricity bills where consumers are now paying the second phase of the price increment of 20 cents per kilo watt hour (kwh) compared to the previous rate which is 10 cents per kwh. Likewise the growing index for mosquito coils also contributed to the group index. This is then followed by the Food index of **0.64** percent after a drop of 8.07 percent in October. Contributing to this increases were advances in the indexes of a 2kg assorted chicken, canned fish, canned tomatoes, onions, butter, sugar, soya sauce and coffee.

Despite the overall growth, a majority of the indexes have experienced decreases but to a small and insignificant proportion. Leading the decline is the Miscellaneous index with **0.90** percent then followed by the Alcohol & Tobacco and Transport & Communications with **0.86** and **0.43** respectively. A slight deviation for the price of bath soap as affected the fluctuation of the miscellaneous index and the small decline for a packet of cigarette has impacted the drop for the Alcohol & Tobacco index. Lastly, the slight decrease for a canister of oil has solely affected the Transport & Communications index. The Clothing remained unchanged for the third consecutive month since September as well as the Housing index which remained stable in November.

Chart 1. Monthly % change for the period ending September 30th, 2009.

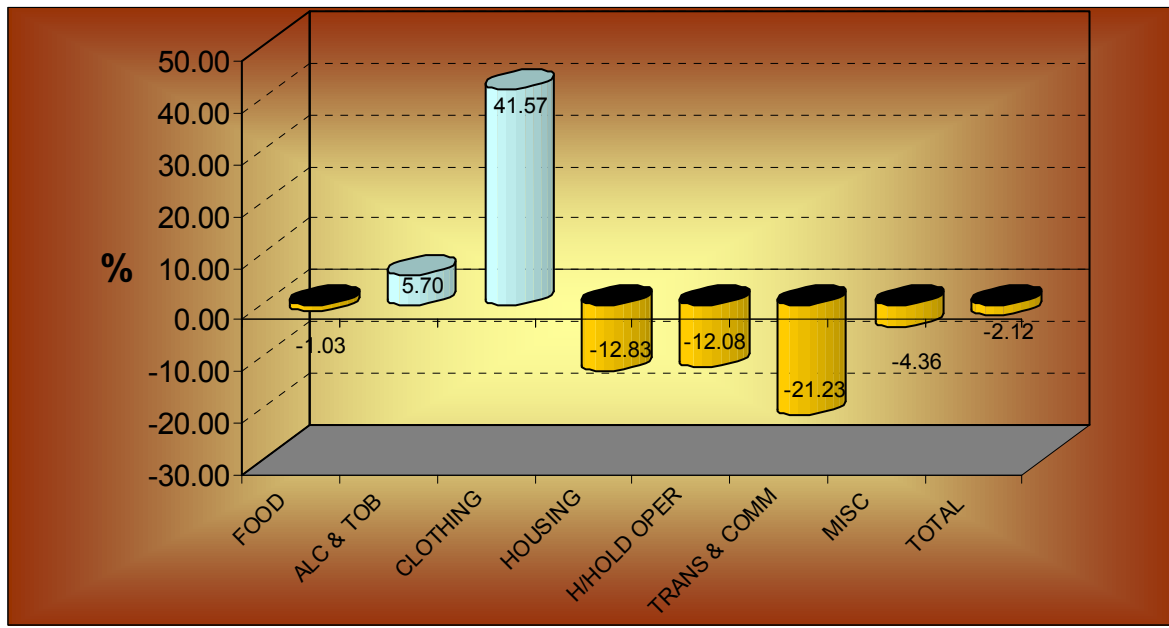


2. Annual Change

Chart 2 depicts the CPI variation of goods and services since November 2008 and the results indicate that the overall cost of goods and services has declined by 2.12 percent. The negative effect is influenced by decreases from five of the major group indices which is lead by the Transport & Communications index with 21.23 percent and the main source for this variance is the declining prices of fuel (petrol & diesel) which is estimated a fall of 37.51 percent on fuel only. The active regulatory measures in maintaining prices of wholesale fuel with a combination of robust control of market prices has converged to the significant decreases over the twelve month period. Furthermore, the significant reduction of airfare of approximately 35.02 percent has also contributed to the group decline mainly due to operation of special fares to Australia for the upcoming festive season. Subsequently the Housing index recorded the second largest decrease with an estimated decrease of 12.83 percent. This decrease is driven by the declining prices of floor tiles which have dropped 32.00 percent from a year ago and similarly with paint which also recorded a significant decrease of 10.00 percent. Contributing to the deceleration of the index is the Household operations with a estimated decline of 12.08 percent and the main sources for the decline are electricity bills with a significant 66.67 percent reduction due to the current rate of the cash prepaid power, as well as freezer, television, washing machines and dishwashing liquids which all recorded over 10.00 percent decreases from a year ago. Miscellaneous and Food reported the two smallest decreases from the broad spectrum of the index with 4.36 and 1.03 percent respectively with primary sources linking to the drop is tinned dog food for Miscellaneous and rice for Food.

On the other hand, indices that counterbalance the inflation are increases from Clothing and Alcohol & Tobacco with 41.57, and 5.70 respectively. The main commodities driving the growth of the Clothing group is the variant price of ladies dress and infant nappies. Likewise, commodities' contributing to the increase of the Alcohol & Tobacco group is a slight yet influential increase of beer and cigarettes.

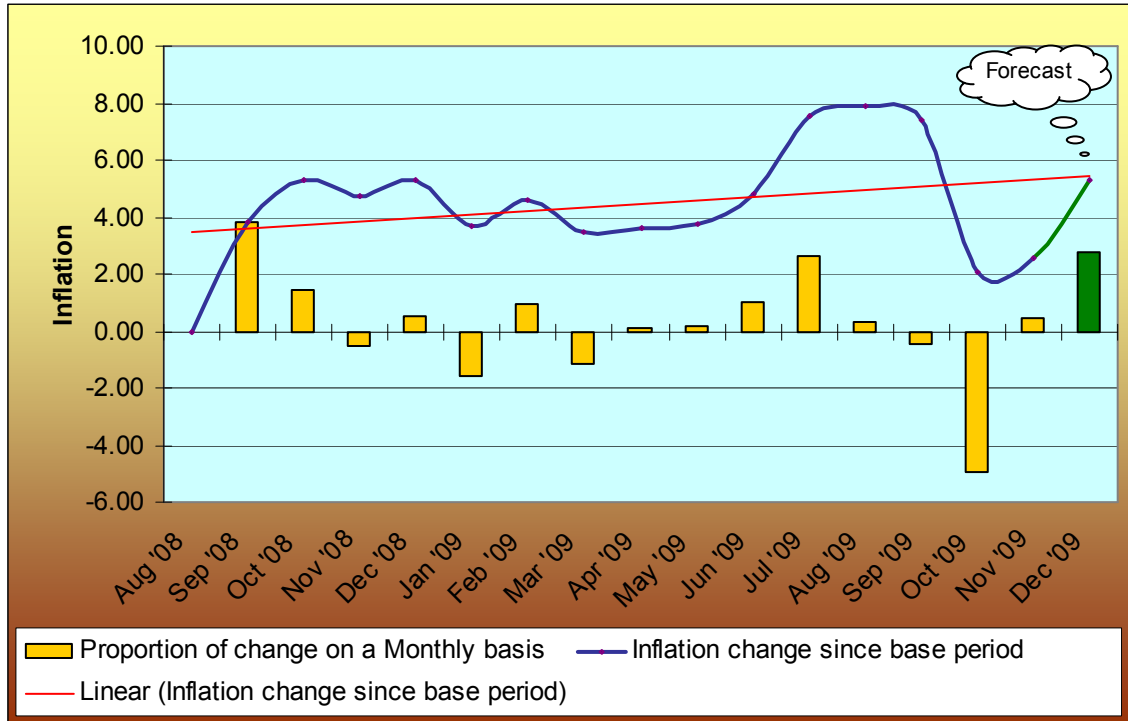
Chart 2. Annualised % change since November 30th, 2008



3. CPI Series

Chart 3 below illustrates the pattern of monthly proportion of change in percentage and the pattern of inflation and trend since the base period August 2008. After the significant decline in October the index has slightly regained momentum due to the current growth. As previously mentioned in paragraph 1.1 the sudden increase of all the group index is influenced by growth in the Household operations and Food index.

Chart 3. CPI Monthly variables and Inflation trend since base period including forecast



4. Conclusion

The index proceeding for November is slightly higher with approximately 0.44 percent compared to October while the annual comparison the index declined at 2.12 percent since November 2008. Current inflation is at a moderate of 2.54 percent and according to current trend the index is estimated to increase at 2.79 percent.

				01 AUG '08	OCT '09		NOV '09	
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	48.00	18.12	48.00	18.12
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	3.08	0.79	3.08	0.79
1050	Self raising	Imported Flour/self raising/1kg	0.39	2.50	3.10	0.48	3.10	0.48
	<u>MEAT</u>							
1060	Chicken	Imported Chicken/cuts/2kg	7.99	9.18	7.58	6.60	7.78	6.77
1070	Canned Meat	Tinned beef/corned beef/imperial/326g	3.63	4.53	4.83	3.87	4.73	3.79
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	2.83	1.02	3.10	1.12
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	2.98	0.63	2.83	0.60
	<u>FOOD, FRUIT & VEGETABLES</u>							
1140	Canned Tomatoes	Tinned tomatoes/brand/400g	0.71	1.97	2.06	0.74	2.13	0.77
1150	Onions and Chives	Onions/sea feight/1kg	0.34	3.95	4.72	0.41	4.90	0.42
1160	Potatoes	Potatoes/sea freight/1kg	0.14	3.90	4.06	0.15	4.00	0.14
	<u>DAIRY</u>							
1170	Butter	Imported butter/brand/250g	1.43	2.65	2.82	1.52	3.32	1.79
1180	Milk powder	Milk powder/brand/1kg	0.99	12.87	11.52	0.89	11.18	0.86
1190	Cooking Oil	Cooking oil/brand/750ml	0.52	4.57	4.90	0.56	4.70	0.53
1200	Fresh milk	Fresh milk/full cream/1litre	0.42	2.63	2.83	0.45	2.77	0.44
1210	Eggs	Imported Eggs/dozen/600g	0.29	5.47	6.10	0.32	5.60	0.30

				01 AUG '08	OCT '09		NOV '09	
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	1.15	1.07	1.15	1.07
1230	Sugar	Imported sugar/white/brand/2kg	4.60	4.10	4.07	4.56	4.10	4.60
1240	Soya sauce	Soya sauce/light/500ml	0.58	2.90	2.88	0.58	2.92	0.58
1250	Tea	Imported tea/100 bags/180g	0.49	4.60	3.68	0.39	3.68	0.39
1260	Coffee	Imported coffee/brand/100g	0.45	7.42	4.42	0.27	4.44	0.27
1270	Baby food	Baby food/heinz/vanilla custard/110g	0.44	1.27	1.40	0.49	1.40	0.49
	<u>TAKE AWAY</u>							
1280	Plate of food/Take away	Plate of food/take away	2.20	3.77	3.48	2.03	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			57.44		57.81
	<u>ALCOHOL & TOBACCO</u>							
1410	Beer	Beer/brand/1can/375ml	4.27	2.00	2.00	4.27	2.00	4.27
1420	Cigarettes	Cigarettes/Alpine brand/1packet/25 sticks	12.20	5.50	6.43	14.25	6.35	14.09
	Sub total :	(Alcohol & Tobacco group)	16.47			18.52		18.36
	<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	35.00	1.91	35.00	1.91
1530	T/Shirt	Imported T-shirt/duel sex/size large	0.37	10.65	11.00	0.38	11.00	0.38
	<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			3.61		3.61
	<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	OCT '09		NOV '09	
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	63.00	0.51	63.00	0.51
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			2.99		2.99
	<u>BILLS</u>							
1710	Electricity bill	Electricity bill/kilowatt per hour	1.60	0.30	0.05	0.27	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	1101.67	1.65	1101.67	1.65
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	411.33	0.79	411.33	0.79
1760	Washing machine	Washing machine/brand/5kg capacity	0.68	1195.00	928.00	0.53	928.00	0.53
	<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	2.35	1.34	2.38	1.36
1800	Washing soap powder	Washing soap powder/brand/500g	0.71	5.60	4.83	0.61	4.67	0.59
1810	Mosquito coil	Mosquito coil/1packet/10coils/120g	0.69	1.14	1.35	0.82	1.45	0.88
1820	Dishwashing liquid	Dishwashing liquid/brand/500ml	0.30	3.48	2.73	0.24	2.53	0.22
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			8.13		8.44

<u>REF-NO</u>	<u>ITEM NAME</u>	<u>DESCRIPTION</u>	<u>WEIGHT</u>	<u>01 AUG '08 BASE PRICE</u>	<u>OCT '09 PRICE</u>	<u>INDEX</u>	<u>NOV '09 PRICE</u>	<u>INDEX</u>
	<u>TRANSPORT & COMMUNICATIONS</u>							
1910	Petrol	Petrol/1 litre	5.34	2.00	1.64	4.38	1.64	4.38
1920	Airfair	Return ticket/Australia	2.88	1468.00	798.00	1.57	798.00	1.57
1930	Oil	Oil/brand/multi-grade/1litre	0.48	14.37	10.04	0.34	9.12	0.30
1940	Deisel	Diesel/1 litre	0.43	2.05	1.65	0.35	1.65	0.35
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			6.97		6.94
	<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	1.20	0.61	1.20	0.61
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	0.88	0.60	0.83	0.56
2090	Toothpaste	Toothpaste/brand/90g	0.17	2.63	2.40	0.16	2.40	0.16
2100	Deodorant, body spray	Deodorant/brand/body spray/100ml	0.13	3.90	4.90	0.16	4.90	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	2.05	0.32	2.05	0.32
	Sub total :	(Miscellaneous group)	3.88			4.43		4.39
	GRAND TOTAL:	(all groups)	100.00			102.09		102.54

SUMMARY SHEET

GROUP	OCT '09 INDEX	NOV '09 INDEX	DIFFERENCE	% INCREASE (+) DECREASE (-)
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