



## CAYMAN ISLANDS' CONSUMER PRICE REPORT: June 2009

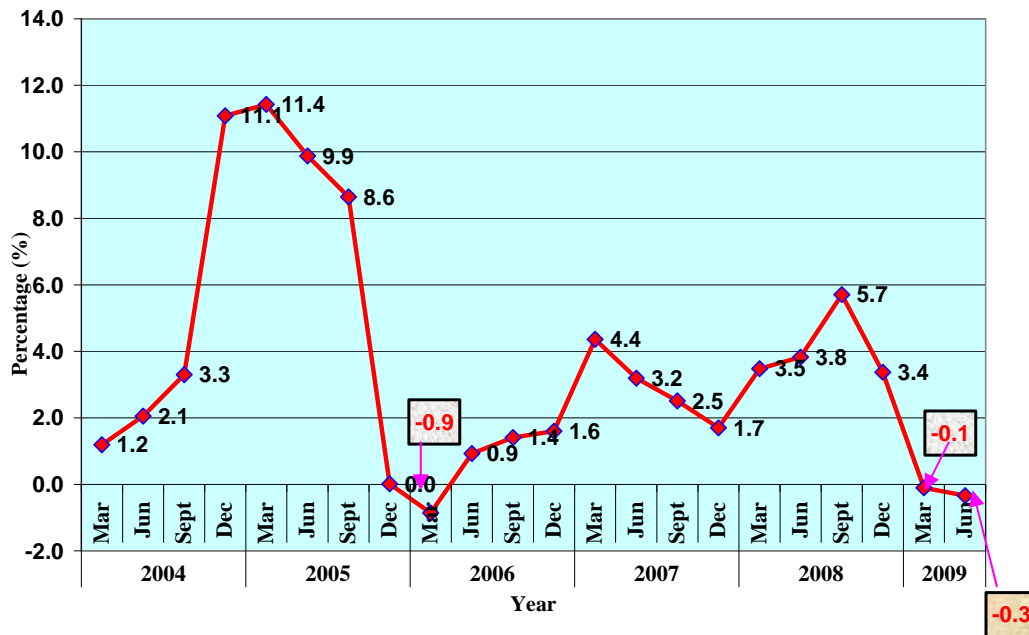
(Date: Sept 14, 2009)

### Consumer Price Index (CPI) Decreased by 0.3% in June 2009 Compared to June 2008

The overall weighted average Consumer Price Index (CPI) stood at **153.0** in June 2009, down by **0.3** percent in comparison to June 2008, due to movements in the average prices of housing (-4.8%), transport and communication (-4.2%) and clothing (-4.0%).

**Figure 1: Inflation Rates**

(% Change in CPI of Current Quarter Over Same Quarter A Year Ago)



The June 2009 CPI increased by **0.5** percent compared to the March 2009 CPI as a result of increases in the price indices of all major categories, except food. Increases were highest for clothing (2.9%), household equipment (1.9%) and education and medical (0.8%) while the food price index decreased by 0.2 percent.

## Annual changes

The downward movement of the CPI in the second quarter of 2009 compared to the CPI in the same quarter of 2008 was due to the following:

- **Housing:** the overall housing price index, which accounts for 1/3 of the entire CPI basket, stood at **139.2**. This was **4.8** percent below the level in June 2008 due to a decrease in the average cost of utilities by 20.9 percent, coupled with a 1.4 percent decrease in the average cost of rent, maintenance and insurance of housing. The decrease in utilities was mainly due to a reduction in the average cost of electricity by 29.8 percent.
- **Transportation and communication:** this price index moved down by **4.2** percent as the average cost of household vehicles and travel fell by 4.9 and 1.3 percent respectively.
- **Clothing:** the price index fell by **4.0** percent due to changes in prices of men's and women's clothing (down by 6.6%) as well as boys' and girls' clothing (down by 3.3%).

Meanwhile, the following major categories rose:

- **Household equipment:** this price index moved up by **11.2** percent, mainly due to rises in the average price of other household equipment (24.5%) and household appliances (3.0%).
- **Food:** the average price of food items increased by **5.0** percent resulting from all food categories, except dairy products (-3.4%) and oils and fats (-2.2%). The highest increases were recorded for fruits and vegetables (16.2%), sugar products (8.4%) and bread and cereal (7.4%).
- **Alcohol and tobacco:** this category increased by **2.7** percent due to a 3.3 percent increase in the average price of tobacco products and a 2.6 percent increase in the average cost of alcoholic drinks.
- **Personal goods and services:** the upward movement of this price index by **2.0** percent resulted mainly from increases for personal goods (16.5%) and home entertainment (14.8%).
- **Education and medical:** this price index rose by **1.7** percent as a result of the combined surge in the average cost of both medical care (3.8%) and education (0.1%).

## Quarterly changes

The CPI in June 2009 increased by **0.5** percent compared to the CPI in March 2009 which is attributed to the price movements of all major groups except food, with the following categories leading:

- **Clothing:** this index increased by **2.9** percent due to increase in the average cost of men's and women's clothing (up by 4.8%) and boys' and footwear (up by 1.5%).
- **Household equipment:** the increase of **1.9** percent came from other household equipment (up by 5.1%) and household appliances (2.7%).

Meanwhile, the only major category that recorded a decrease was food (**-0.2%**) as it was weighed down mainly by meat (-4.6%) and dairy products and eggs (-1.7%).

## Special Notes

1. Overall, the benign changes in the CPI during the first half of the year compared to year ago may be associated with the downward adjustment thus far in US prices where the annual inflation rate averaged -1.4 percent for the unadjusted 12 months ended June 2009. It may be noted that approximately 80 percent of local goods are sourced from the US.
2. This report is the last edition based on the existing CPI basket. Henceforth, succeeding reports will make use of the new (2008-based) CPI basket. For more information on the new basket, please visit our website [www.eso.ky](http://www.eso.ky).

### NOTES ON THE INDEX COMPILATION

1. For one month in each quarter of the year namely March, June, September and December, staffs of the Economics and Statistics Office collect data on prices of 661 items on which consumers spend their money, from over 100 different shops and other outlets in Grand Cayman only. Outlets in Cayman Brac and Little Cayman are not included in the CPI. Every kind of spending is included, from weekly supermarket trips, school lunches, rental payments and insurance to the prices of cars and bicycles. In total about 1,800 prices are collected each quarter.
  
2. The items have been assigned weights depending on their importance in the total pattern of consumer spending based on the 1990/91 Household Income and Expenditure Survey. The item weights combined with the prices are then compiled to arrive at the published index.

### DEFINITION OF COMMON TERMS

**Consumer Price Index:** an index representing the average price of a basket of goods and services purchased in the Cayman Islands as described above. There are eight (8) major categories of items included in the CPI baskets which are listed below with their respective weights:

Major Categories	Weights*
1. Food	120
2. Alcohol & Tobacco	16
3. Housing	311
4. Clothing	46
5. Household Equipment	59
6. Transport & Communication	169
7. Education & Medical	65
8. Personal Goods & Services	216

\* Note that the weights displayed are rounded, note also that **aggregated weights = 1,000** when un-rounded figures are used.

**Inflation:** refers to the percentage change in the Consumer Price Index from one period to another. Typically, this period would be a year or a quarter.

**Annual Inflation Rate:** the percentage change of the CPI in the quarter under review over the CPI of the same quarter a year ago. In this report, the annual inflation rate refers to the increase of the CPI in June 2009 over the June 2008 CPI. This is also known as **year-on-year inflation rate**.

**Quarterly Inflation Rate:** the percentage change of the CPI in the quarter under review over the immediate previous quarter. In this report, the quarterly inflation rate refers to the increase of the CPI in June 2009 over the March 2009 CPI. This is also known as **quarter-on-quarter inflation rate**.

**Table 1: Consumer Price Index, Quarterly Averages**
**SEPTEMBER 1994 = 100**

Year	Quarter Ending	INDEX	Percentage change from:	
			3 months ago	1 year ago
2001	March	123.3	0.6	1.8
	June	123.6	0.2	1.7
	September	122.7	-0.7	0.3
	December	123.5	0.7	0.7
2002	March	125.9	1.9	2.1
	June	125.9	0.0	1.9
	September	126.3	0.3	2.9
	December	127.2	0.7	3.0
2003	March	126.2	-0.8	0.2
	June	126.6	0.3	0.6
	September	127.3	0.6	0.8
	December	128.1	0.6	0.7
2004	March	127.7	-0.3	1.2
	June	129.2	1.2	2.1
	September	131.5	1.8	3.3
	December	142.3	8.2	11.1
2005	March	142.3	0.0	11.4
	June	142.0	-0.2	9.9
	September	142.9	0.6	8.6
	December	142.3	-0.4	0.0
2006	March	141.1	-0.9	-0.9
	June	143.3	1.6	0.9
	September	144.9	1.1	1.4
	December	144.6	-0.2	1.6
2007	March	147.2	1.8	4.4
	June	147.9	0.4	3.2
	September	148.5	0.5	2.5
	December	147.1	-1.0	1.7
2008	March	152.3	3.6	3.5
	June	153.5	0.8	3.8
	September	157.0	2.3	5.7
	December	152.0	-3.2	3.4
2009	March	152.2	0.1	-0.1
	June	153.0	<b>0.5</b>	<b>-0.3</b>

**Table 2**  
**CAYMAN ISLANDS CONSUMER PRICE INDEX**  
**ANNUAL AVERAGES 1994 TO 2008**  
**(September 1994 = 100)**

YEAR	INDEX	Percentage change from a year ago
1994	99.9	
1995	102.4	2.5
1996	105.0	2.6
1997	107.9	2.7
1998	111.1	3.0
1999	118.7	6.8
2000	121.9	2.7
2001	123.3	1.1
2002	126.3	2.5
2003	127.1	0.6
2004	132.7	4.4
2005	142.4	7.3
2006	143.5	0.8
2007	147.7	2.9
2008	<b>153.7</b>	<b>4.1</b>

**TABLE 3 : CONSUMER PRICE INDEX BY MAJOR GROUPS as of June 2009**

Major Group	Weight	Index			Percentage change	
		June-09	Mar-09	June-08	3 months ago	1 year ago
<b>01 Food</b>	<b>119.6</b>	<b>155.3</b>	<b>155.6</b>	<b>147.9</b>	<b>-0.2</b>	<b>5.0</b>
Bread and Cereal	9.6	152.4	150.8	142.0	1.1	7.4
Meat	17.3	137.6	144.2	137.4	-4.6	0.2
Fish	3.4	146.3	145.0	141.9	0.9	3.0
Dairy Products and Eggs	8.7	156.2	159.0	161.8	-1.7	-3.4
Oils & Fats	1.5	175.8	177.4	179.8	-0.9	-2.2
Fruits and Vegetables	11.7	193.8	191.2	166.8	1.4	16.2
Drinks (non-alcoholic)	11.7	145.4	144.9	144.5	0.3	0.6
Sugar Products	2.4	152.9	146.1	141.1	4.7	8.4
Other Foods	53.3	155.2	154.7	146.4	0.4	6.0
<b>02 Alcohol and Tobacco</b>	<b>15.7</b>	<b>141.7</b>	<b>140.7</b>	<b>137.9</b>	<b>0.7</b>	<b>2.7</b>
Alcoholic Drinks	13.0	136.2	136.6	132.7	-0.3	2.6
Tobacco	2.7	168.6	160.8	163.2	4.9	3.3
<b>03 Housing</b>	<b>310.8</b>	<b>139.2</b>	<b>138.9</b>	<b>146.2</b>	<b>0.2</b>	<b>-4.8</b>
Rent, Maintenance, Insurance etc	257.9	143.5	141.8	145.5	1.2	-1.4
Utilities	52.9	118.5	125.0	149.8	-5.2	-20.9
<b>04 Clothing</b>	<b>46.1</b>	<b>111.4</b>	<b>108.3</b>	<b>116.1</b>	<b>2.9</b>	<b>-4.0</b>
Men's and Women's Clothing	29.3	111.4	106.2	119.2	4.8	-6.6
Boys' and Girls' Clothing	5.6	119.9	123.9	124.1	-3.2	-3.3
Other Clothing	1.9	83.6	83.7	83.3	-0.1	0.4
Footwear	9.3	112.1	110.4	108.1	1.5	3.7
<b>05 Household Equipment</b>	<b>58.7</b>	<b>166.1</b>	<b>163.0</b>	<b>149.4</b>	<b>1.9</b>	<b>11.2</b>
Furniture and Floor Coverings	22.4	164.2	167.7	162.5	-2.1	1.0
Household Appliances	12.5	119.4	116.3	116.0	2.7	3.0
Other Household Equipment	23.8	192.5	183.1	154.7	5.1	24.5
<b>06 Transport and Communication</b>	<b>168.5</b>	<b>135.9</b>	<b>135.5</b>	<b>141.8</b>	<b>0.3</b>	<b>-4.2</b>
Household Vehicles	128.3	152.1	151.6	159.9	0.3	-4.9
Travel	6.8	151.9	153.2	153.8	-0.8	-1.3
Communications	33.4	70.0	70.0	70.0	0.0	0.0
<b>07 Education and Medical</b>	<b>64.6</b>	<b>289.2</b>	<b>286.9</b>	<b>284.3</b>	<b>0.8</b>	<b>1.7</b>
Education	24.9	415.3	414.6	414.8	0.2	0.1
Medical Care	39.7	210.0	206.6	202.3	1.6	3.8
<b>08 Personal Goods and Services</b>	<b>216.0</b>	<b>150.3</b>	<b>149.4</b>	<b>147.3</b>	<b>0.6</b>	<b>2.0</b>
Home Entertainment	20.9	99.9	99.3	87.0	0.7	14.8
Outside Entertainment	0.8	172.4	172.4	159.4	0.0	8.2
Culture, Pastimes, Hobbies	29.9	133.1	133.2	130.3	-0.1	2.1
Holiday Expenses	71.6	182.7	182.7	184.0	0.0	-0.7
Personal Services	38.3	124.8	124.7	125.0	0.1	-0.2
Personal Goods	15.6	154.2	143.1	132.3	7.8	16.5
Domestic Services	38.6	153.7	153.7	152.9	0.0	0.5
Gifts and Subscriptions	0.3	158.3	158.3	158.3	0.0	0.0
<b>ALL ITEMS</b>	<b>1000.0</b>	<b>153.0</b>	<b>152.2</b>	<b>153.5</b>	<b>0.5</b>	<b>-0.3</b>

**Table 4: Consumer Price Index, Averages by Major Groups  
(SEPTEMBER 1994=100)**

PERIOD/MAJOR GROUP	FOOD	ALCOHOL & TOBACCO	HOUSING	CLOTHING	HOUSEHOLD EQUIPMENT	TRANSPORT & COMMUNICATION	EDUCATION & MEDICAL	PERSONAL GOODS & SERVICES	ALL ITEMS
<b>WEIGHT</b>	<b>119.6</b>	<b>15.7</b>	<b>310.8</b>	<b>46.1</b>	<b>58.7</b>	<b>168.5</b>	<b>64.6</b>	<b>216.0</b>	<b>1000.0</b>
<b>2004</b>									
MARCH	125.9	123.8	116.6	111.9	133.3	113.1	250.2	121.7	127.7
JUNE	127.1	126.7	112.4	108.6	134.6	118.9	253.0	128.7	129.2
SEPTEMBER	129.5	121.5	117.5	105.2	142.6	117.9	257.5	129.0	131.5
DECEMBER	130.3	125.3	153	96.4	133.9	122.2	260.1	127.3	142.3
<b>ANNUAL AVERAGE</b>	<b>128.2</b>	<b>124.3</b>	<b>124.9</b>	<b>105.5</b>	<b>136.1</b>	<b>118.0</b>	<b>255.2</b>	<b>126.7</b>	<b>132.7</b>
<b>% CHANGE PREV YEAR</b>	<b>4.3</b>	<b>1.4</b>	<b>7.4</b>	<b>-4.3</b>	<b>4.4</b>	<b>2.2</b>	<b>4.3</b>	<b>4.2</b>	<b>4.4</b>
<b>2005</b>									
MARCH	130.1	127.3	150.3	106.1	134.3	126.1	258.4	126.4	142.3
JUNE	132.6	128.9	148.4	102.2	135.5	123.4	262.1	127.6	142.0
SEPTEMBER	131.7	133.0	149.6	101.5	133.1	123.6	265.7	129.8	142.9
DECEMBER	132.5	134.0	144.1	102.8	129.5	123.2	265.0	136.0	142.3
<b>ANNUAL AVERAGE</b>	<b>131.7</b>	<b>130.8</b>	<b>148.1</b>	<b>103.1</b>	<b>133.1</b>	<b>124.1</b>	<b>262.8</b>	<b>129.9</b>	<b>142.4</b>
<b>% CHANGE PREV YEAR</b>	<b>2.8</b>	<b>5.2</b>	<b>18.6</b>	<b>-2.3</b>	<b>-2.2</b>	<b>5.1</b>	<b>3.0</b>	<b>2.6</b>	<b>7.3</b>
<b>2006</b>									
MARCH	133.6	132.2	138.1	106.9	128.0	129.1	261.8	134.1	141.1
JUNE	133.1	132.7	141.0	109.2	132.2	128.1	269.9	137.2	143.3
SEPTEMBER	135.9	133.6	144.7	105.6	135.1	131.5	268.7	135.3	144.9
DECEMBER	138.4	134.6	143.8	111.4	136.8	131.1	267.5	132.8	144.6
<b>ANNUAL AVERAGE</b>	<b>135.3</b>	<b>133.2</b>	<b>141.9</b>	<b>108.3</b>	<b>133.0</b>	<b>129.9</b>	<b>267.0</b>	<b>134.9</b>	<b>143.5</b>
<b>% CHANGE PREV YEAR</b>	<b>2.7</b>	<b>1.9</b>	<b>-4.2</b>	<b>5.0</b>	<b>-0.1</b>	<b>4.7</b>	<b>1.6</b>	<b>3.8</b>	<b>0.8</b>
<b>2007</b>									
MARCH	139.9	135.9	144.2	109.0	136.4	131.4	267.6	143.8	147.2
JUNE	142.7	137.5	140.9	112.9	137.4	132.9	272.2	146.2	147.9
SEPTEMBER	142.2	136.7	145.9	114.3	151.6	133.7	272.6	137.6	148.5
DECEMBER	144.2	134.4	135.4	113.5	148.1	135.1	274.5	144.4	147.1
<b>ANNUAL AVERAGE 2007</b>	<b>142.3</b>	<b>136.1</b>	<b>141.6</b>	<b>112.4</b>	<b>143.4</b>	<b>133.3</b>	<b>271.7</b>	<b>143.0</b>	<b>147.7</b>
<b>% CHANGE PREV YEAR</b>	<b>5.2</b>	<b>2.2</b>	<b>-0.2</b>	<b>3.8</b>	<b>7.8</b>	<b>2.6</b>	<b>1.8</b>	<b>6.0</b>	<b>2.9</b>
<b>2008</b>									
MARCH	144.8	137.0	150.3	114.7	144.9	136.5	278.4	145.2	152.3
JUNE	147.9	137.9	146.2	116.1	149.4	141.8	284.3	147.3	153.5
SEPTEMBER	153.1	141.5	154.7	108.1	157.2	141.2	285.1	147.9	157.0
DECEMBER	<b>155.0</b>	<b>139.8</b>	<b>139.3</b>	<b>111.0</b>	<b>165.0</b>	<b>135.4</b>	<b>284.6</b>	<b>148.1</b>	<b>152.0</b>
<b>ANNUAL AVERAGE 2008</b>	<b>150.2</b>	<b>139.1</b>	<b>147.6</b>	<b>112.5</b>	<b>154.1</b>	<b>138.7</b>	<b>283.1</b>	<b>147.1</b>	<b>153.7</b>
<b>%CHANGE PREV YEAR</b>	<b>7.4</b>	<b>4.0</b>	<b>2.9</b>	<b>-2.2</b>	<b>11.4</b>	<b>0.2</b>	<b>3.7</b>	<b>2.6</b>	<b>3.4</b>
<b>2009</b>									
MARCH	<b>155.6</b>	<b>140.7</b>	<b>138.9</b>	<b>108.3</b>	<b>163.0</b>	<b>135.5</b>	<b>286.9</b>	<b>149.4</b>	<b>152.2</b>
JUNE	155.3	141.7	139.2	111.4	166.1	135.9	289.2	150.3	153.0
<b>%CHANGE PREV YEAR</b>	<b>5.0</b>	<b>2.7</b>	<b>-4.8</b>	<b>-4.0</b>	<b>11.2</b>	<b>-4.2</b>	<b>1.7</b>	<b>2.0</b>	<b>-0.3</b>
<b>% CHANGE PREV QTR</b>	<b>-0.2</b>	<b>0.7</b>	<b>0.2</b>	<b>2.9</b>	<b>1.9</b>	<b>0.3</b>	<b>0.8</b>	<b>0.6</b>	<b>0.5</b>

**TABLE 5: AVERAGE PRICES OF SELECTED ITEMS  
JUNE 2009**

ITEM	QUANTITY	AVERAGE PRICES (CI\$)			
		June 2009	Mar 2008	June 2008	
101-04	Whole-wheat bread (imported)	1 lb. 4 oz	2.31	2.29	2.22
107-01	Long grain rice	5 lb.	8.79	7.52	6.86
108-12	Cornflakes	24 oz	5.10	4.74	4.68
111-01	Stew beef	1 lb.	4.06	4.12	3.92
114-01	Bacon	1 lb.	6.66	6.56	6.38
125-02	Snapper fillets (frozen)	1 lb.	8.49	7.99	9.32
127-05	Canned Tuna in water	6.5 oz	1.41	1.41	1.21
130-02	Eggs (Grade A Large)	1 doz.	1.99	2.26	2.36
131-02	Anchor Butter	1 lb	3.76	3.76	3.36
133-05	Fresh milk (McArthur)	1 gal.	6.09	6.09	5.99
135-09	Evaporated milk	14.5 oz	1.16	1.16	1.11
139-19	Shortening	3 lb.	7.08	7.04	6.21
141-01	Plantains	1 lb.	0.99	1.02	0.86
142-07	Idaho potatoes	1 lb.	1.02	1.02	0.92
147-11	Lettuce	Head	1.76	1.86	1.82
146-15	Sweet potatoes	1 lb.	2.09	2.19	1.56
151-01	Tomatoes	1 lb.	2.79	2.76	2.89
152-03	Ripe bananas	1 lb.	0.82	0.84	0.71
153-01	Apples (Golden Delicious)	1 lb.	2.12	2.09	1.79
155-11	Oranges	each	1.22	1.19	0.72
161-01	Tea bags (Lipton)	48	3.76	3.76	3.79
163-02	Instant coffee (Maxwell House)	8 oz.	5.54	5.54	5.29
166-02	Soda	12 oz. can	0.68	0.68	0.75
171-01	White sugar	2 kg.	2.98	2.54	3.19
172-02	Strawberry Preserves	12 ozs	2.86	2.84	2.86
181-02	Canned vegetable soup	10.5 oz	1.82	1.79	1.78
182-04	Corned beef hash	15 oz	3.16	3.09	2.49
186-16	Salt	8 oz	0.78	0.78	0.82
521-01	Petrol (Full Service)	1 gallon	3.40	2.97	4.89
280-90	Electricity	First 200 kWh	44.27	47.68	63.06