



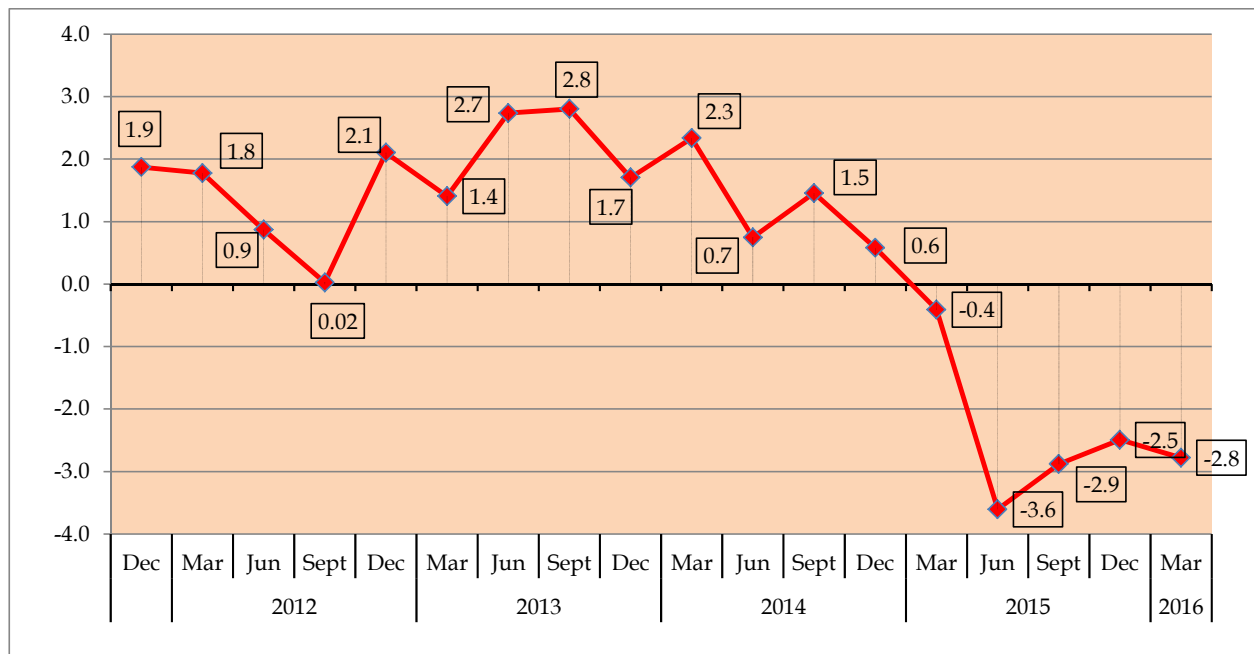
THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: MARCH 2016

(Date of release: May 13, 2016)

CPI Falls by 2.8% in the First Quarter of 2016

The overall Consumer Price Index (CPI) in the first quarter of 2016 was **101.4**, lower by **2.8** percent when compared to the same quarter in 2015. A comparison with the previous quarter ending December 2015 also indicates a decline of **0.8** percent.

Figure 1: Inflation Rates (March 2011 – March 2016)
(% Change in CPI of Current Quarter over Same Quarter a Year Ago)



Annual changes: March 2015 over March 2016

The **2.8** percent overall decline in March 2016 in comparison to March 2015 is mainly due to reductions in the price indices of the following divisions:

- **Housing and utilities:** the price index registered a fall of **8.8** percent. Charges for water supply and miscellaneous services recorded a 14.8 percent negative adjustment, while the index for electricity, gas and other fuels fell by 12.4 percent following the trend in international oil prices. Actual rentals and imputed rentals for owner-occupied housing fell by 1.6 and 11.1 percent, respectively.

- **Transport:** the division's index fell by **6.7** percent as a result of the decrease in the price index for operations of personal transport equipment by 7.6 percent, transport services by 6.3 percent, and the purchase of vehicles by 1.6 percent.
- **Recreation and culture:** this price index moved down by **0.6** percent. Prices for audio-visual, photographic, and information process equipment generally fell, particularly television sets, radios, and computers, at an average of 15.6 percent. Newspapers, books, and stationery also recorded price reductions by 8.1 percent on average. These declines were offset by increases in recreational and cultural services by 4.6 percent and other major durables for recreation and culture by 1.9 percent.
- **Household equipment:** this division's index decreased by **0.4** percent, largely as a result of lower price indices for household textiles by 7.8 percent; glassware, tableware by 5.0 percent; and household utensils and household appliances by 2.6 percent. Tools and equipment for house and garden also fell by 1.9 percent. The price movements were moderated by increased prices for furniture and furnishings, and goods and services for routine household maintenance.

Meanwhile, the following divisions recorded increases in March 2016 compared to March 2015:

- **Miscellaneous goods and services:** there was a **3.8** percent rise in the index, mainly from a 27.8 percent increase in personal effects not elsewhere classified (n.e.c.) such as jewellery. Other services n.e.c. (for example, legal fees and passport handling fees) also rose by 8.4 percent on average while personal care and social protection increased by 4.4 and 1.5 percent, respectively.
- **Education:** there was a **2.6** percent rise above the level in March 2015 due to increases in the average school fees for secondary education by 4.7 and pre-primary and primary by 3.7 percent. (These increases were first recorded in the third quarter of 2015). Tertiary education recorded no movement in its index for the period under review.
- **Communication:** there was a **2.3** percent rise in this price index as telephone and telefax services rose by 2.3 percent. Postal services also inched up by 0.4 percent.
- **Clothing and footwear:** this division's index rose by **2.0** percent as the prices of footwear and clothing moved up by an average of 4.5 percent and 1.6 percent, respectively.
- **Alcohol and tobacco:** the index for this division moved upward by **0.6** percent due to increased prices for alcohol by 0.7 percent and tobacco by 0.5 percent on average.
- **Food and non-alcoholic beverages:** this index rose by **0.3** percent as there were increases in the average cost of the following groups: vegetables up by 7.5 percent; coffee, tea and cocoa by 5.6 percent; meat and meat products by 3.3 percent; and

mineral water, soft drinks, fruit and vegetable juices by 0.6 percent. Price declines were recorded for milk, cheese and eggs; oils and fats; food products n.ec.; and bread and cereals.

Meanwhile, the index for the divisions of **health** and **restaurants and hotels** were stable.

Quarterly changes: March 2016 compared to December 2015

The following divisions were the main contributors to the **0.8** percent quarter-on-quarter decrease in the CPI in the first quarter of 2016:

- **Restaurants and hotels:** the division's index fell by **3.2** percent largely due to the sharp decline in the accommodation services price index by 20.5 percent. However, there was a slight increase of 0.1 percent in catering services.
- **Housing and utilities:** this index, which accounts for almost 2/5 of the entire CPI basket, declined by **2.6** percent. Except for actual rentals for housing and maintenance and repair of dwelling, which showed no movement, all other components had a quarterly downturn. Declines occurred in the subgroups: electricity, gas and other fuels down by 10.8 percent; water supply and miscellaneous services by 6.3 percent; and imputed rentals for owner-occupied housing by 1.6 percent.
- **Clothing and footwear:** this division's index declined by **0.9** percent as clothing prices moved downwards by 1.2 percent. The increase of 0.9 percent in footwear moderated the overall movement of the division.
- **Transport:** this recorded a **0.5** percent decrease, coming mainly from the operation of personal transport equipment which dropped by 4.0 percent as the average price of fuel fell.
- **Household equipment:** this division's index decreased by **0.3** percent, as falling average prices were recorded for household textiles; household appliances; tools and equipment for house and garden; and furniture and furnishings. These were partly offset by an upward change for glassware, tableware, and household utensils of 1.1 percent.

The following divisions recorded notable inclines in their indices when compared to the quarter ending December 2015:

- **Miscellaneous goods and services:** this index, the second largest division in the entire CPI basket, increased by **1.9** percent. Price movements were recorded for personal effects not elsewhere classified, up by 8.4 percent; other services not elsewhere classified, by 2.1 percent; and insurance and personal care, by 1.4 percent. Social protection and financial services not elsewhere classified showed no price movement.

- **Food and non-alcoholic beverages:** the index had a quarterly increase of **0.3** percent, contributed by a number of items led by fruits which rose by 3.2 percent; vegetables by 1.8 percent; and mineral water, soft drinks, fruit and vegetables juices by 1.4 percent. Price decreases were also registered for other items such as milk, cheese and egg which dropped by 4.2 percent; and oils and fats by 3.2 percent.
- **Health:** there was a **0.3** percent increase in this division's price index directly traced to the 0.3 percent adjustment for medical products, appliances, and equipment and outpatient services. There was no movement in the index for hospital services.
- **Alcohol and tobacco:** a **0.1** percent rise in this index was recorded, resulting solely from a 0.1 percent increase in the index for alcohol. The index for tobacco remained unchanged over the quarter.

Meanwhile, two (2) divisions - **communication and education** - showed no average price changes over the previous quarter.

Table 1: Quarterly Consumer Price Index and Inflation Rates
JUNE 2008 = 100

| Year | Quarter Ending | INDEX | Percentage change in CPI: | |
|-------------|----------------|--------------|---------------------------|-------------|
| | | | 3 months ago | 1 year ago |
| 2009 | March | 98.8 | -0.8 | -0.4 |
| | June | 98.8 | 0.1 | -1.2 |
| | September | 98.7 | -0.2 | -3.1 |
| | December | 98.2 | -0.5 | -1.3 |
| 2010 | March | 99.1 | 0.9 | 0.4 |
| | June | 99.5 | 0.4 | 0.7 |
| | September | 98.4 | -1.1 | -0.3 |
| | December | 98.5 | 0.1 | 0.3 |
| 2011 | March | 99.2 | 0.7 | 0.03 |
| | June | 100.5 | 1.4 | 1.0 |
| | September | 100.8 | 0.3 | 2.4 |
| | December | 100.4 | -0.4 | 1.9 |
| 2012 | March | 100.9 | 0.6 | 1.8 |
| | June | 101.4 | 0.5 | 0.9 |
| | September | 100.8 | -0.6 | 0.02 |
| | December | 102.5 | 1.6 | 2.1 |
| 2013 | March | 102.3 | -0.1 | 1.4 |
| | June | 104.2 | 1.8 | 2.7 |
| | September | 103.7 | -0.5 | 2.8 |
| | December | 104.2 | 0.5 | 1.7 |
| 2014 | March | 104.7 | 0.5 | 2.3 |
| | June | 104.9 | 0.2 | 0.7 |
| | September | 105.2 | 0.2 | 1.5 |
| | December | 104.8 | -0.3 | 0.6 |
| 2015 | March | 104.3 | -0.5 | -0.4 |
| | June | 101.2 | -3.0 | -3.6 |
| | September | 102.1 | 1.0 | -2.9 |
| | December | 102.2 | 0.1 | -2.5 |
| 2016 | March | 101.4 | -0.8 | -2.8 |

Table 2
CAYMAN ISLANDS CONSUMER PRICE INDEX
ANNUAL AVERAGES 1995 TO 2015
 (June 2008 = 100)

| YEAR | INDEX | Percentage change from a year ago |
|-------------|--------------|--------------------------------------|
| 1995 | 66.7 | |
| 1996 | 68.4 | 2.5 |
| 1997 | 70.3 | 2.7 |
| 1998 | 72.4 | 3.0 |
| 1999 | 77.3 | 6.9 |
| 2000 | 79.4 | 2.7 |
| 2001 | 80.3 | 1.1 |
| 2002 | 82.3 | 2.5 |
| 2003 | 82.8 | 0.5 |
| 2004 | 86.5 | 4.5 |
| 2005 | 92.8 | 7.3 |
| 2006 | 93.5 | 0.8 |
| 2007 | 96.2 | 2.9 |
| 2008 | 100.1 | 4.1 |
| 2009 | 98.6 | -1.5 |
| 2010 | 98.9 | 0.3 |
| 2011 | 100.2 | 1.3 |
| 2012 | 101.4 | 1.2 |
| 2013 | 103.6 | 2.2 |
| 2014 | 104.9 | 1.3 |
| 2015 | 102.4 | -2.3 |

TABLE 3: CONSUMER PRICE INDICES AND INFLATION BY DIVISIONS AND GROUPS - FIRST QUARTER 2016

| Major Group | Weight | Index | | | Percentage Change | |
|---|----------------|--------------|--------------|--------------|-------------------|-------------|
| | | Mar-16 | Dec-15 | Mar-15 | 3 months Ago | 1 year ago |
| All Divisions - All items | 1,000.0 | 101.4 | 102.2 | 104.3 | -0.8 | -2.8 |
| 01 Food & Non Alcoholic Beverage | 79.6 | 127.0 | 126.7 | 126.6 | 0.3 | 0.3 |
| Bread & cereals | 9.9 | 124.5 | 124.1 | 125.5 | 0.3 | -0.8 |
| Meat & meat products | 10.4 | 138.9 | 139.4 | 134.5 | -0.3 | 3.3 |
| Fish & seafood | 4.2 | 128.1 | 127.7 | 128.5 | 0.3 | -0.3 |
| Milk, cheese & egg | 8.3 | 117.8 | 123.0 | 128.8 | -4.2 | -8.5 |
| Oils & fats | 2.0 | 106.0 | 109.5 | 107.8 | -3.2 | -1.7 |
| Fruits | 6.7 | 141.4 | 137.0 | 142.1 | 3.2 | -0.5 |
| Vegetables | 8.6 | 142.6 | 140.1 | 132.6 | 1.8 | 7.5 |
| Sugars, jam, honey, chocolate & confectionery | 5.5 | 126.5 | 127.4 | 127.5 | -0.7 | -0.8 |
| Food products n.e.c. | 5.6 | 121.0 | 120.5 | 122.6 | 0.4 | -1.3 |
| Coffee, tea & cocoa | 1.6 | 121.2 | 121.1 | 114.8 | 0.1 | 5.6 |
| Mineral water, soft drinks, fruit & vegetable juices | 16.9 | 116.8 | 115.2 | 116.2 | 1.4 | 0.6 |
| 02 Alcohol and Tobacco | 6.5 | 132.9 | 132.8 | 132.0 | 0.1 | 0.6 |
| Alcohol | 5.6 | 115.2 | 115.1 | 114.5 | 0.1 | 0.7 |
| Tobacco | 0.9 | 247.2 | 247.2 | 246.0 | 0.0 | 0.5 |
| 03 Clothing and Footwear | 34.3 | 115.5 | 116.6 | 113.2 | -0.9 | 2.0 |
| Clothing | 29.5 | 113.6 | 115.0 | 111.8 | -1.2 | 1.6 |
| Footwear | 4.8 | 127.6 | 126.5 | 122.1 | 0.9 | 4.5 |
| 04 Housing and Utilities | 394.4 | 79.3 | 81.4 | 86.9 | -2.6 | -8.8 |
| Actual rentals for housing | 78.7 | 74.6 | 74.6 | 75.8 | 0.0 | -1.6 |
| Imputed rentals for owner-occupied housing | 223.4 | 72.7 | 73.8 | 81.8 | -1.6 | -11.1 |
| Maintenance and repair of dwelling | 28.5 | 125.8 | 125.8 | 125.1 | 0.0 | 0.6 |
| Water supply and miscellaneous services | 16.4 | 97.3 | 103.9 | 111.1 | -6.3 | -12.4 |
| Electricity, gas and other fuels | 47.3 | 83.8 | 93.9 | 98.4 | -10.8 | -14.8 |
| 05 Household Equipment | 56.4 | 118.0 | 118.3 | 118.6 | -0.3 | -0.4 |
| Furniture and furnishings | 5.7 | 108.5 | 108.9 | 108.3 | -0.4 | 0.2 |
| Household textiles | 1.1 | 118.8 | 127.3 | 128.9 | -6.6 | -7.8 |
| Household appliances | 2.8 | 100.9 | 103.6 | 103.6 | -2.5 | -2.6 |
| Glassware, tableware and household utensils | 2.8 | 125.3 | 123.9 | 131.9 | 1.1 | -5.0 |
| Tools and equipment for house and garden | 1.5 | 93.2 | 95.7 | 95.0 | -2.5 | -1.9 |
| Goods and services for routine household maintenance | 42.4 | 120.9 | 120.8 | 120.7 | 0.0 | 0.2 |
| 06 Health | 24.2 | 102.3 | 102.0 | 102.3 | 0.3 | 0.0 |
| Medical products, appliances and equipment | 5.0 | 110.1 | 109.7 | 110.2 | 0.3 | -0.1 |
| Outpatient services | 17.9 | 99.1 | 98.8 | 99.2 | 0.3 | 0.0 |
| Hospital services | 1.4 | 115.0 | 115.0 | 114.6 | 0.0 | 0.4 |
| 07 Transport | 96.1 | 109.4 | 110.0 | 117.3 | -0.5 | -6.7 |
| Purchase of vehicles | 6.1 | 118.8 | 118.6 | 120.7 | 0.2 | -1.6 |
| Operations of personal transport equipment | 57.4 | 103.1 | 107.5 | 111.6 | -4.0 | -7.6 |
| Transport services | 32.6 | 118.7 | 112.9 | 126.8 | 5.2 | -6.3 |
| 08 Communication | 69.7 | 109.7 | 109.7 | 107.3 | 0.0 | 2.3 |
| Postal services | 0.5 | 96.8 | 96.6 | 96.4 | 0.2 | 0.4 |
| Telephone & telefax equipment | 0.3 | 107.6 | 107.6 | 107.6 | 0.0 | 0.0 |
| Telephone & telefax services | 68.9 | 109.8 | 109.8 | 107.4 | 0.0 | 2.3 |
| 09 Recreation and Culture | 40.5 | 99.6 | 99.8 | 100.2 | -0.2 | -0.6 |
| Audio-visual, photographic and information processing equipment | 4.2 | 67.4 | 66.9 | 79.8 | 0.7 | -15.6 |
| Other major durables for recreation and culture | 3.4 | 93.0 | 93.0 | 91.3 | 0.0 | 1.9 |
| Other recreational items and equipment, gardens and pets | 10.5 | 112.1 | 120.2 | 113.8 | -6.7 | -1.5 |
| Recreational & cultural services | 17.6 | 102.7 | 98.6 | 98.2 | 4.2 | 4.6 |
| Newspapers, books and stationery | 4.8 | 93.9 | 92.9 | 102.2 | 1.1 | -8.1 |
| 10 Education | 27.9 | 119.1 | 119.1 | 116.0 | 0.0 | 2.6 |
| Pre-primary and primary education | 16.1 | 121.8 | 121.8 | 117.4 | 0.0 | 3.7 |
| Secondary education | 2.41 | 126.69 | 126.69 | 121.01 | 0.0 | 4.7 |
| Tertiary education | 9.4 | 112.5 | 112.5 | 112.5 | 0.0 | 0.0 |
| 11 Restaurants and Hotels | 40.2 | 119.8 | 123.8 | 119.8 | -3.2 | 0.0 |
| Catering Services | 33.8 | 123.5 | 123.4 | 122.7 | 0.1 | 0.7 |
| Accommodation Services | 6.4 | 100.3 | 126.1 | 104.7 | -20.5 | -4.2 |
| 12 Miscellaneous Goods and Services | 130.2 | 121.0 | 118.7 | 116.5 | 1.9 | 3.8 |
| Personal care | 26.5 | 119.9 | 118.3 | 114.9 | 1.4 | 4.4 |
| Personal effects n.e.c. | 7.7 | 153.7 | 141.8 | 120.2 | 8.4 | 27.8 |
| Social protection | 8.4 | 109.5 | 109.5 | 107.8 | 0.0 | 1.5 |
| Insurance | 74.8 | 119.8 | 118.1 | 119.0 | 1.4 | 0.7 |
| Financial services n.e.c. | 0.5 | 91.8 | 91.8 | 91.8 | 0.0 | 0.0 |
| Other services n.e.c. | 12.2 | 118.7 | 116.3 | 109.6 | 2.1 | 8.4 |

**Table 4: Consumer Price Index, Averages by Major Groups
(JUNE 2008 = 100)**

| PERIOD / DIVISION | Food & Non-alcoholic beverages | Alcoholic Beverages & Tobacco | Clothing & Footwear | Housing and Utilities | Household Equipment | Health | Transport | Communication | Recreation & Culture | Education | Restaurants & Hotels | Miscellaneous Goods & Services | ALL ITEMS |
|--------------------------------|--------------------------------|-------------------------------|---------------------|-----------------------|---------------------|--------------|--------------|---------------|----------------------|--------------|----------------------|--------------------------------|--------------|
| WEIGHT | 79.6 | 6.5 | 34.3 | 394.4 | 56.4 | 24.2 | 96.1 | 69.7 | 40.5 | 27.9 | 40.2 | 130.2 | 1000 |
| 2011 | | | | | | | | | | | | | |
| MARCH | 110.4 | 115.0 | 100.2 | 89.2 | 102.5 | 97.9 | 105.0 | 102.1 | 99.5 | 105.4 | 117.5 | 107.2 | 99.2 |
| JUNE | 112.4 | 115.7 | 100.9 | 90.4 | 102.2 | 99.1 | 110.3 | 105.4 | 99.4 | 105.4 | 115.5 | 107.4 | 100.5 |
| SEPTEMBER | 113.6 | 115.5 | 101.0 | 91.2 | 103.5 | 98.9 | 111.5 | 104.1 | 99.2 | 105.4 | 115.7 | 105.6 | 100.8 |
| DECEMBER | 114.7 | 115.7 | 102.2 | 90.1 | 103.3 | 98.9 | 110.7 | 104.4 | 99.3 | 105.4 | 112.8 | 106.0 | 100.4 |
| ANNUAL AVERAGE 2011 | 112.8 | 115.5 | 101.1 | 90.3 | 102.8 | 98.7 | 109.4 | 104.0 | 99.3 | 105.4 | 115.4 | 106.5 | 100.2 |
| 2012 | | | | | | | | | | | | | |
| MARCH | 116.3 | 115.6 | 103.8 | 90.0 | 102.9 | 100.5 | 111.8 | 104.4 | 98.1 | 105.4 | 117.8 | 107.3 | 100.9 |
| JUNE | 116.7 | 116.2 | 106.4 | 90.5 | 103.1 | 100.4 | 114.0 | 103.6 | 98.6 | 105.4 | 114.5 | 107.7 | 101.4 |
| SEPTEMBER | 118.3 | 116.2 | 110.0 | 89.7 | 104.6 | 101.8 | 110.4 | 103.6 | 96.9 | 106.4 | 108.0 | 108.3 | 100.8 |
| DECEMBER | 119.0 | 131.6 | 110.6 | 91.5 | 104.3 | 101.9 | 114.2 | 104.0 | 96.4 | 106.4 | 110.1 | 110.6 | 102.5 |
| ANNUAL AVERAGE 2012 | 117.6 | 119.9 | 107.7 | 90.4 | 103.7 | 101.2 | 112.6 | 103.9 | 97.5 | 105.9 | 112.6 | 108.5 | 101.4 |
| 2013 | | | | | | | | | | | | | |
| MARCH | 120.1 | 131.8 | 112.5 | 89.4 | 110.2 | 102.1 | 113.1 | 104.0 | 96.6 | 106.4 | 116.9 | 110.8 | 102.3 |
| JUNE | 121.0 | 131.6 | 111.2 | 90.2 | 109.8 | 102.1 | 114.4 | 104.9 | 96.6 | 110.6 | 109.7 | 122.3 | 104.2 |
| SEPTEMBER | 121.9 | 131.5 | 114.5 | 88.4 | 110.0 | 102.4 | 115.3 | 104.8 | 96.8 | 113.0 | 116.1 | 119.2 | 103.7 |
| DECEMBER | 122.7 | 131.6 | 113.3 | 88.8 | 110.4 | 101.8 | 117.8 | 104.7 | 96.1 | 113.0 | 121.9 | 118.5 | 104.2 |
| ANNUAL AVERAGE 2013 | 121.4 | 131.6 | 112.9 | 89.2 | 110.1 | 102.1 | 115.2 | 104.6 | 96.5 | 110.8 | 116.2 | 117.7 | 103.6 |
| 2014 | | | | | | | | | | | | | |
| MARCH | 123.1 | 131.7 | 111.3 | 87.9 | 117.6 | 102.0 | 117.3 | 104.7 | 98.4 | 113.0 | 130.5 | 119.3 | 104.7 |
| JUNE | 123.8 | 131.4 | 112.0 | 88.9 | 118.0 | 101.8 | 118.4 | 106.4 | 98.5 | 113.0 | 118.9 | 119.0 | 104.9 |
| SEPTEMBER | 124.4 | 131.9 | 112.3 | 89.6 | 118.6 | 101.9 | 118.3 | 106.2 | 98.4 | 113.0 | 116.9 | 118.8 | 105.2 |
| DECEMBER | 125.6 | 131.9 | 112.6 | 88.9 | 118.5 | 101.8 | 117.6 | 105.1 | 99.4 | 116.0 | 119.2 | 116.9 | 104.8 |
| ANNUAL AVERAGE 2014 | 124.2 | 131.7 | 112.0 | 88.8 | 118.2 | 101.9 | 117.9 | 105.6 | 98.7 | 113.8 | 121.4 | 118.5 | 104.9 |
| 2015 | | | | | | | | | | | | | |
| MARCH | 126.6 | 132.0 | 113.2 | 86.9 | 118.6 | 102.3 | 117.3 | 107.3 | 100.2 | 116.0 | 119.8 | 116.5 | 104.3 |
| JUNE | 125.3 | 132.4 | 115.0 | 80.6 | 118.3 | 102.0 | 109.3 | 109.6 | 100.3 | 118.1 | 117.3 | 117.1 | 101.2 |
| SEPTEMBER | 126.3 | 132.6 | 116.6 | 81.7 | 118.3 | 102.1 | 112.1 | 109.7 | 100.1 | 119.1 | 117.4 | 117.9 | 102.1 |
| DECEMBER | 126.7 | 132.8 | 116.6 | 81.4 | 118.3 | 102.0 | 110.0 | 109.7 | 99.8 | 119.1 | 123.8 | 118.7 | 102.2 |
| ANNUAL AVERAGE 2015 | 126.2 | 132.5 | 115.4 | 82.6 | 118.4 | 102.1 | 112.2 | 109.1 | 100.1 | 118.1 | 119.6 | 117.6 | 102.4 |
| % CHANGE ANNUAL AVERAGE | 1.6 | 0.6 | 3.0 | -6.9 | 0.2 | 0.3 | -4.8 | 3.3 | 1.5 | 3.8 | -1.5 | -0.8 | -2.3 |
| 2016 | | | | | | | | | | | | | |
| MARCH | 127.0 | 132.9 | 115.5 | 79.3 | 118.0 | 102.3 | 109.4 | 109.7 | 99.6 | 119.1 | 119.8 | 121.0 | 101.4 |
| % CHANGE PREV YEAR | 0.3 | 0.6 | 2.0 | -8.8 | -0.4 | 0.0 | -6.7 | 2.3 | -0.6 | 2.6 | 0.0 | 3.8 | -2.8 |
| % CHANGE PREV QTR | 0.3 | 0.1 | -0.9 | -2.6 | -0.3 | 0.3 | -0.5 | 0.0 | -0.2 | 0.0 | -3.2 | 1.9 | -0.8 |

TABLE 5: AVERAGE PRICES OF SELECTED ITEMS
Quarter Ending March 2016

| Item | Quantity | Average Prices (CIS) | | |
|---|----------|----------------------|--------|--------|
| | | Mar-15 | Dec-15 | Mar-16 |
| Loaf - Harddough | 2 lb | 4.05 | 3.90 | 3.95 |
| Long Grain Rice | 5 lb | 2.46 | 2.49 | 2.49 |
| Cornflakes (original) | 24 oz | 5.16 | 5.22 | 5.22 |
| Stew Beef | per lb | 4.33 | 5.09 | 5.69 |
| Bacon | 12 oz | 6.66 | 5.66 | 5.32 |
| Snapper Fillets (frozen) | per lb | 10.41 | 8.92 | 8.91 |
| Canned Tuna in water | 6 oz | 1.79 | 1.79 | 1.86 |
| Eggs (Grade A Large) | 1 doz | 4.20 | 4.36 | 3.26 |
| Margarine -Shedds Spread | 45 oz | 5.79 | 5.79 | 5.79 |
| Fresh Milk (McArthur - Regular Vitamin D) | 1 gal | 6.72 | 6.51 | 6.51 |
| Evaporated milk (Nestle Carnation) | 14 oz | 1.46 | 1.46 | 1.46 |
| Vegetable Oil | 24 oz | 4.46 | 4.46 | 4.29 |
| Plantain | per lb | 1.15 | 1.11 | 1.29 |
| Potatoes - Irish | per lb | 0.98 | 0.99 | 0.96 |
| Lettuce - Iceburg | each | 2.58 | 2.93 | 2.21 |
| Sweet Potatoes | per lb | 2.47 | 3.36 | 3.91 |
| Tomatoes - Slicing | per lb | 2.83 | 3.01 | 3.42 |
| Bananas - Ripe | per lb | 0.98 | 0.92 | 0.93 |
| Apple - Golden Delicious | per lb | 2.31 | 2.54 | 2.73 |
| Grapes - Red Seedless | per lb | 4.48 | 3.88 | 4.58 |
| Tea (Lipton Decaffeinated) | 48 bags | 4.02 | 4.76 | 4.59 |
| Coffee - Instant -Classic Roast - Bottle | 8 oz | 6.86 | 6.82 | 6.82 |
| Soda | 12 oz | 0.78 | 0.78 | 0.79 |
| Sugar - Light Brown (Bag) | 2 lb | 3.24 | 3.30 | 3.12 |
| Corned Beef - regular | 340 g | 4.15 | 4.15 | 4.13 |
| Iodized Salt | 26 oz | 1.09 | 0.99 | 0.99 |
| Petrol - Regular Full Service | per gal | 4.46 | 4.31 | 3.92 |
| Petrol - Premium Full Service | per gal | 4.60 | 4.58 | 4.17 |
| Diesel - Full Service | per gal | 4.75 | 4.27 | 3.94 |

NOTES ON THE INDEX COMPILATION

1. Data collection

This report uses the 2008 CPI basket based on the results of the 2007 Survey of Living Conditions/Household Budget Survey (HBS) as updated in June 2008. The goods and services in the basket are classified into twelve (12) divisions using the United Nations’ Classification of Individual Consumption According to Purpose (COICOP). In all, there are 1,393 items (7th-digit COICOP level) included in the basket collected from 147 providers/outlets in Grand Cayman, classified as follows:

Number of Items in the 2008 CPI Basket

| Division | | |
|--------------|---|--------------|
| 1 | Food and non-alcoholic beverages | 47 |
| 2 | Alcoholic beverages and tobacco | 5 |
| 3 | Clothing and footwear | 13 |
| 4 | Housing, utilities and fuels | 6 |
| 5 | Furnishings, household equipment and routine household maintenance. | 19 |
| 6 | Health | 4 |
| 7 | Transport | 7 |
| 8 | Communication | 4 |
| 9 | Recreation and Culture | 6 |
| 1 | Education | 1 |
| 1 | Restaurants and hotels | 13 |
| 1 | Miscellaneous goods and services | 9 |
| Total | | 1,393 |

ESO also adopted new collection periods and price averaging methodologies in accordance with updated international standards and as advised by the Caribbean Technical Assistance Centre (CARTAC). Beginning in the fourth quarter of 2009, price data for all items are collected every second month of the quarter (whereas they were previously collected every third month). Prices of selected items that are vulnerable to monthly changes such as vegetables and fruits, fish and meat, and gas are now also collected on a monthly basis. Prices across outlets are averaged using the geometric mean formula to reduce the impact of extreme or outlier prices (please see below).

2. CPI formula

The CPI is computed using Lowe’s formula. The Lowe indices is one of the widest and popular class of price indices which is obtained by defining the index as the percentage change, between the periods

compared, in the total cost of purchasing a given set of quantities, generally described as a “basket”.¹ The Lowe index, PLo, is defined as follows²:

$$P_{Lo} = \frac{\sum_{i=1}^n p_i^t q_i}{\sum_{i=1}^n p_i^0 q_i}$$

Where n = number of products in the basket with prices p_i and quantities q_i

0 = base period

t = later period being compared

Geometric mean

The price p = [p₁, p₂, . . . , p_n] for each item from different outlets is the average of prices of the outlets using geometric mean or the formula:

$$p = \left(\prod_{i=1}^n p_i \right)^{1/n} = \sqrt[n]{p_1, p_2, \dots, p_n}$$

Inflation: this 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. 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. This is also known as **quarter-on-quarter inflation rate**.

¹ ILO (2004, p. 2). Consumer price index manual

² Ibid, p.3