



THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: DECEMBER 2016

(Date of release: February 2, 2017)

Average CPI Fell by 0.6% in 2016

This report presents the average CPI for 2016 and the results of the December 2016 CPI Survey.

Average CPI in 2016

The average Consumer Price Index (CPI) in 2016 was **101.8**, a decline of **0.6** percent when compared to the average CPI in 2015. In 2016, there were declines in the first and second quarters. In the first quarter, the downward movement was 2.8 percent, in the second quarter the decline was 0.8 percent. However, in the third quarter, there was an increase of 0.5 percent, and by the fourth quarter, the increase was 0.6 percent. (see Figure 1)

The major divisions of consumer goods and services in the CPI basket showed that there were average price declines in four of the twelve divisions in 2015 as indicated in the table below:

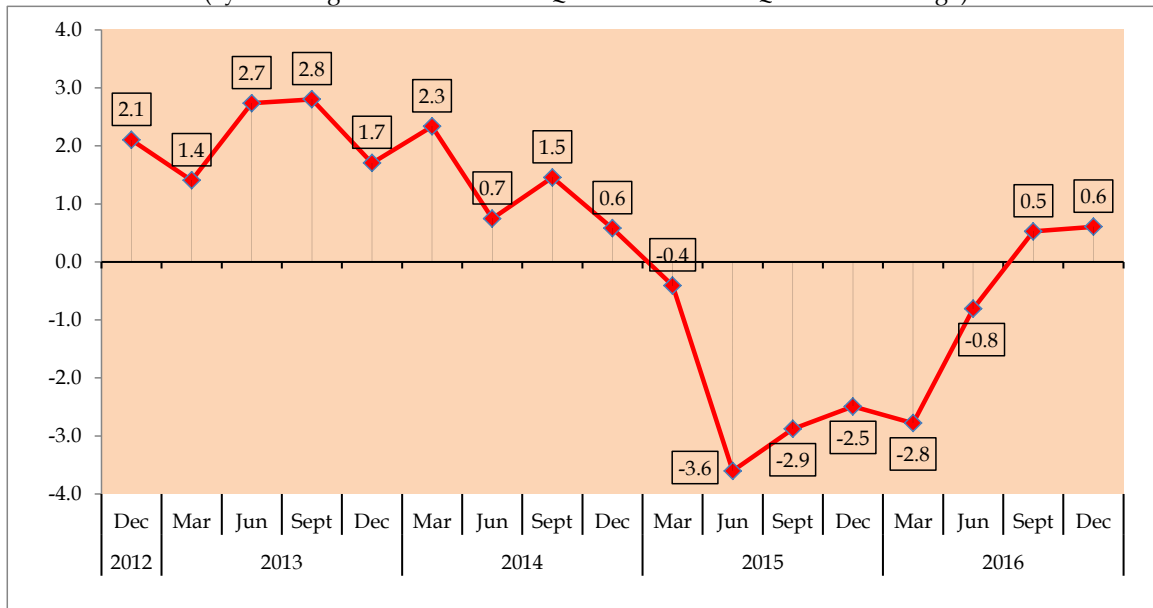
Division	Annual Average % Change		
	2014	2015	2016
All Items	1.3	(2.3)	(0.6)
Food & Non-alcoholic beverages	2.4	1.6	0.1
Alcoholic Beverages & Tobacco	0.1	0.6	0.6
Clothing & Footwear	(0.7)	3.0	1.3
Housing and Utilities	(0.4)	(6.9)	(3.0)
Household Equipment	7.4	0.2	(0.3)
Health	(0.2)	0.3	(0.1)
Transport	2.4	(4.8)	(1.9)
Communication	0.9	3.3	1.4
Recreation & Culture	2.2	1.5	1.9
Education	2.7	3.8	1.5
Restaurants & Hotels	4.5	(1.5)	2.9
Miscellaneous Goods & Services	0.7	(0.8)	0.8

% change relative to the average index of the previous year

December 2016 Consumer Price Index

Annual changes: December 2016 over December 2015

Figure 1: Inflation Rates by December 2012 – December 2016
(by % Change in CPI of Current Quarter over Same Quarter a Year Ago)



The CPI for the fourth quarter of 2016, ending December 2016 rose by **0.6** percent compared to the same period a year ago. This movement was mainly due to upward movements in the indices for the following divisions:

- **Restaurants and hotels:** the division's price index increased by **5.8** percent as the price index for catering services rose by 7.6 percent due to the rise in prices for meals consumed away from home. However, accommodation services recorded a decline of 3.5 percent.
- **Recreation and culture:** this division's price index was **3.6** percent higher than it was in December 2015. The main contributors to the increase were recreational and cultural services up by 7.4 percent and newspapers, books, and stationery up by 6.8 percent. This division recorded declines for audio-visual, photographic, and information processing equipment as this group moved down by 1.4 percent while, other recreational items and equipment, gardens, and pets fell by 0.8 percent.
- **Clothing and footwear:** there was a **3.0** percent rise in the index for this division, as the prices for footwear moved up by 8.0 percent and clothing by 2.1 percent.
- **Communication:** there was a **2.8** percent rise in this price index as postal services rose by 5.3 percent as a result of an increase in private mail delivery charges. Telephone and

telefax services went up by 2.8 percent, and telephone and telefax equipment recorded no movement.

- **Education:** the index for the division moved up by **1.2** percent due to increases in the average cost of school fees for pre-primary and primary education by 2.0 percent and secondary education by 0.5 percent. Tertiary education recorded no movement in its index for the period under review.
- **Alcohol and tobacco:** the inflation rate for this division was **1.1** percent as a result of a 2.9 percent increase in the price for tobacco. On average, alcoholic beverages prices rose by 0.6 percent.
- **Transport:** the price index for the division recorded an increase of **0.4** percent as the index for transport services rose by 7.9 percent as airfares increased. The fall of 4.0 percent in the price index for the operation personal transport equipment moderated the index for the division coupled with no movement for the purchase of vehicles.

Meanwhile, the following divisions recorded declines in December 2016 compared to December 2015:

- **Miscellaneous goods and services:** this division's price index declined by **0.8** percent as the average cost of insurance fell by 3.3 percent. Despite this downward movement, there were increased prices for all the other groups that make up this division. For example, financial services not elsewhere classified went up by 8.7 percent; personal effects not elsewhere classified up by 4.4 percent; social protection up by 2.7 percent and personal care items also rose by 1.9 percent. Other services not elsewhere classified such as legal services rose by 1.7 percent.
- **Household equipment:** the price index for this division decreased by **0.4** percent, largely as a result of a 10.7 percent fall in the price index for household textiles. There were also declines in the index for tools and equipment for house and garden by 3.5 percent and goods and services for routine household maintenance by 0.6 percent. These downward price movements were tempered by increased prices for glassware, tableware and household utensils up by 5.0 percent, and household appliances up by 2.8 percent. Furniture and furnishings recorded no movement for the period under review.
- **Housing and utilities:** the index for this division registered a decline of **0.2** percent year on year. Prices for electricity, gas and other fuels fell by 18.3 percent, as a result of the reduction in international oil prices. Water supply and miscellaneous services also registered a decline of 13.2 percent due to reduced electricity costs for pumping water. Actual rentals for housing and imputed rentals for owner-occupied housing rose by 8.2 and 2.3 percent, respectively. While maintenance and repair of dwelling had an upward movement of 3.2 percent.

- **Food and non-alcoholic beverages:** this division's index decreased by **0.2** percent as the average cost of the groups meat and meat products fell by 7.3 percent; milk, cheese and egg by 4.8 percent; vegetables 3.0 percent; coffee, tea, and cocoa by 1.5 percent and oils and fats and fruits each down by 0.5 percent. However, there were increased prices for other groups; fish and seafood up by 9.1 percent; mineral water soft drinks, fruit and vegetable juices up by 5.4 percent and food products not elsewhere classified up by 1.7 percent.
- **Health:** there was a **0.2** percent decrease in this division's price index largely traced to medical products, appliances, and equipment as it went down by 1.8 percent. Outpatient services, however, rose by 0.3 percent. There was no movement for the hospital services index.

Quarterly changes: December 2016 compared to September 2016

Seven out of the twelve divisions contributed to the **0.2** percent CPI increase when compared to the third quarter of 2016, while two divisions (education and miscellaneous goods and services) remained stable. The main contributors to the quarterly increase were:

- **Restaurants and hotels:** this index recorded a **4.7** percent increase, which was mainly attributed to the 28.3 percent rise in the cost of accommodation services. The average cost of catering services also rose by 1.6 percent.
- **Clothing and footwear:** there was a **3.2** percent rise in the index for this division, as there was a significant increase in prices for footwear of 6.4 percent and clothing by 2.6 percent.
- **Communication:** the price index rose by **2.3** percent for the division as telephone and telefax services went up by a similar 2.3 percent. The other groups that make up this division recorded no movement.
- **Alcohol and tobacco:** there was a **0.8** percent rise in the index for this division, resulting from a 2.9 percent increase in the index for tobacco. The price index for alcohol rose by 0.1 percent over the previous quarter.
- **Recreation and culture:** the inflation rate for this division was **0.6** percent, emanating from a 2.9 percent price increase in the index for recreational and cultural services. However, the index for other recreational items and equipment, gardens and pets fell by 2.3 percent. The other groups in this division recorded no movement during this quarter.
- **Health:** an increase of **0.3** percent was recorded in this division's price index largely traced to medical products, appliances, and equipment as average prices for these rose

by 1.3 percent. However, outpatient and hospital services recorded no movement in the index.

- **Household Equipment:** the division's index went up by **0.2** percent due to a 5.0 percent increase in household appliances; furniture and furnishings up by 0.4 percent; household textiles up by 0.3 percent; and glassware, tableware and household utensils by 0.2 percent. The division also recorded a decrease of 0.1 percent in goods and services for routine household maintenance while tools and equipment for house and garden recorded no movement.

The following divisions recorded notable downward movements in their indices when compared to the quarter ending September 2016:

- **Housing and utilities:** this index, which accounts for almost 2/5 of the entire CPI basket, declined by **1.1** percent. The two indices that recorded decreases were electricity, gas and other fuels by 2.0 percent; maintenance and repair of dwelling down by 1.9 percent; and imputed rentals for owner-occupied housing by 1.1 percent. The other groups making up this division recorded no price movement.
- **Transport:** this recorded a **0.6** percent decrease as transport services fell by 1.2 percent, and operations of personal transport equipment by 0.3 percent. The index for the purchase of vehicles remained constant over the period of review.
- **Food and non-alcoholic beverages:** the index had a downward movement of **0.3** percent for the quarter. The main contributors were: Meat and meat products down by 5.2 percent; coffee, tea, and cocoa by 4.1 percent; mineral water, soft drinks, fruit and vegetable juices by 0.4 percent; fruits by 0.4 percent; oils and fats 0.3 percent; and sugars, jam, honey, chocolate and confectionery by 0.2 percent. The index was moderated by increased prices for fish and seafood 3.7 percent; milk, cheese and egg by 1.2 percent; and food products not elsewhere classified by 0.5 percent.

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
	June	100.3	-1.0	-0.8
	September	102.7	2.3	0.5
	December	102.8	0.2	0.6

Table 2
CAYMAN ISLANDS CONSUMER PRICE INDEX
ANNUAL AVERAGES 2008 TO 2016
(June 2008 = 100)

YEAR	INDEX	Percentage change from a year ago
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
2016	101.8	-0.6

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

Major Group	Weight	Index			Percentage Change	
		Dec-16	Sept-16	Dec-15	3 months Ago	1 year ago
All Divisions - All items	1,000.0	102.8	102.7	102.2	0.2	0.6
01 Food & Non Alcoholic Beverage	79.6	126.4	126.8	126.7	-0.3	-0.2
Bread & cereals	9.9	125.4	125.3	124.1	0.1	1.0
Meat & meat products	10.4	129.2	136.3	139.4	-5.2	-7.3
Fish & seafood	4.2	139.2	134.3	127.7	3.7	9.1
Milk, cheese & egg	8.3	117.1	115.7	123.0	1.2	-4.8
Oils & fats	2.0	109.0	109.3	109.5	-0.3	-0.5
Fruits	6.7	136.3	136.8	137.0	-0.4	-0.5
Vegetables	8.6	135.9	132.7	140.1	2.5	-3.0
Sugars, jam, honey, chocolate & confectionery	5.5	127.5	127.7	127.4	-0.2	0.1
Food products n.e.c.	5.6	122.6	122.0	120.5	0.5	1.7
Coffee, tea & cocoa	1.6	119.3	124.4	121.1	-4.1	-1.5
Mineral water, soft drinks, fruit & vegetable juices	16.9	121.4	121.9	115.2	-0.4	5.4
02 Alcohol and Tobacco	6.5	134.3	133.3	132.8	0.8	1.1
Alcohol	5.6	115.8	115.7	115.1	0.1	0.6
Tobacco	0.9	254.4	247.2	247.2	2.9	2.9
03 Clothing and Footwear	34.3	120.1	116.4	116.6	3.2	3.0
Clothing	29.5	117.4	114.5	115.0	2.6	2.1
Footwear	4.8	136.6	128.3	126.5	6.4	8.0
04 Housing and Utilities	394.4	81.2	82.1	81.4	-1.1	-0.2
Actual rentals for housing	78.7	80.7	80.7	74.6	0.0	8.2
Imputed rentals for owner-occupied housing	223.4	75.5	76.4	73.8	-1.1	2.3
Maintenance and repair of dwelling	28.5	129.8	132.4	125.8	-1.9	3.2
Water supply and miscellaneous services	16.4	90.2	90.2	103.9	0.0	-13.2
Electricity, gas and other fuels	47.3	76.7	78.3	93.9	-2.0	-18.3
05 Household Equipment	56.4	117.9	117.7	118.3	0.2	-0.4
Furniture and furnishings	5.7	109.0	108.5	108.9	0.4	0.0
Household textiles	1.1	113.6	113.2	127.3	0.3	-10.7
Household appliances	2.8	106.4	101.4	103.6	5.0	2.8
Glassware, tableware and household utensils	2.8	130.1	129.9	123.9	0.2	5.0
Tools and equipment for house and garden	1.5	92.3	92.3	95.7	0.0	-3.5
Goods and services for routine household maintenance	42.4	120.1	120.3	120.8	-0.1	-0.6
06 Health	24.2	101.8	101.5	102.0	0.3	-0.2
Medical products, appliances and equipment	5.0	107.8	106.4	109.7	1.3	-1.8
Outpatient services	17.9	99.1	99.1	98.8	0.0	0.3
Hospital services	1.4	115.0	115.0	115.0	0.0	0.0
07 Transport	96.1	110.5	111.2	110.0	-0.6	0.4
Purchase of vehicles	6.1	118.6	118.5	118.6	0.0	0.0
Operations of personal transport equipment	57.4	103.2	103.5	107.5	-0.3	-4.0
Transport services	32.6	121.8	123.3	112.9	-1.2	7.9
08 Communication	69.7	112.8	110.2	109.7	2.3	2.8
Postal services	0.5	101.6	101.6	96.6	0.0	5.3
Telephone & telefax equipment	0.3	107.6	107.6	107.6	0.0	0.0
Telephone & telefax services	68.9	112.9	110.3	109.8	2.3	2.8
09 Recreation and Culture	40.5	103.3	102.7	99.8	0.6	3.6
Audio-visual, photographic and information processing equipment	4.2	66.0	66.0	66.9	0.0	-1.4
Other major durables for recreation and culture	3.4	93.0	93.0	93.0	0.0	0.0
Other recreational items and equipment, gardens and pets	10.5	119.3	122.0	120.2	-2.3	-0.8
Recreational & cultural services	17.6	105.8	102.8	98.6	2.9	7.4
Newspapers, books and stationery	4.8	99.2	99.2	92.9	0.0	6.8
10 Education	27.9	120.5	120.5	119.1	0.0	1.2
Pre-primary and primary education	16.1	124.2	124.2	121.8	0.0	2.0
Secondary education	2.41	127.33	127.33	126.69	0.0	0.5
Tertiary education	9.4	112.5	112.5	112.5	0.0	0.0
11 Restaurants and Hotels	40.2	131.0	125.1	123.8	4.7	5.8
Catering Services	33.8	132.7	130.8	123.4	1.6	7.6
Accommodation Services	6.4	121.6	94.8	126.1	28.3	-3.5
12 Miscellaneous Goods and Services	130.2	117.7	117.7	118.7	0.0	-0.8
Personal care	26.5	120.6	119.7	118.3	0.7	1.9
Personal effects n.e.c.	7.7	148.0	148.1	141.8	0.0	4.4
Social protection	8.4	112.5	112.5	109.5	0.0	2.7
Insurance	74.8	114.2	114.5	118.1	-0.2	-3.3
Financial services n.e.c.	0.5	99.8	99.8	91.8	0.0	8.7
Other services n.e.c.	12.2	118.3	118.3	116.3	0.0	1.7



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
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
JUNE	125.2	132.8	115.6	78.2	118.3	102.3	109.4	109.7	102.2	119.1	116.0	117.5	100.3
SEPTEMBER	126.8	133.3	116.4	82.1	117.7	101.5	111.2	110.2	102.7	120.5	125.1	117.7	102.7
DECEMBER	126.4	134.3	120.1	81.2	117.9	101.8	110.5	112.8	103.3	120.5	131.0	117.7	102.8
ANNUAL AVERAGE 2016	126.3	133.3	116.9	80.2	118.0	102.0	110.1	110.6	102.0	119.8	123.0	118.5	101.8
% CHANGE ANNUAL AVERAGE	0.1	0.6	1.3	-3.0	-0.3	-0.1	-1.9	1.4	1.9	1.5	2.9	0.8	-0.6
% CHANGE PREV YEAR	-0.2	1.1	3.0	-0.2	-0.4	-0.2	0.4	2.8	3.6	1.2	5.8	-0.8	0.6
% CHANGE PREV QTR	-0.3	0.8	3.2	-1.1	0.2	0.3	-0.6	2.3	0.6	0.0	4.7	0.0	0.2

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

Item	Quantity	Average Prices (CIS)		
		Dec-15	Sept-16	Dec-16
Loaf - Harddough	2 lb	3.90	4.02	4.13
Long Grain Rice	5 lb	2.49	2.46	2.49
Cornflakes (original)	24 oz	5.22	5.46	5.39
Stew Beef	per lb	5.09	4.92	4.54
Bacon	12 oz	5.66	5.32	5.66
Snapper Fillets (frozen)	per lb	8.92	10.67	12.65
Canned Tuna in water	6 oz	1.79	1.66	1.64
Eggs (Grade A Large)	1 doz	4.36	2.79	3.06
Margarine -Shedds Spread	45 oz	5.79	5.79	5.22
Fresh Milk (McArthur - Regular Vitamin D)	1 gal	6.51	6.42	6.42
Evaporated milk (Nestle Carnation)	14 oz	1.46	1.46	1.47
Vegetable Oil	24 oz	4.46	4.46	4.46
Plantain	per lb	1.11	1.22	1.13
Potatoes - Irish	per lb	0.99	1.01	0.98
Lettuce - Iceburg	each	2.93	2.18	2.32
Sweet Potatoes	per lb	3.36	3.47	3.42
Tomatoes - Slicing	per lb	3.01	2.59	2.79
Bananas - Ripe	per lb	0.92	0.94	0.97
Apple - Golden Delicious	per lb	2.54	2.67	2.26
Grapes - Red Seedless	per lb	3.88	3.60	3.41
Tea (Lipton Decaffeinated)	48 bags	4.76	4.78	4.66
Coffee - Instant -Classic Roast - Bottle	8 oz	6.82	6.82	6.82
Soda	12 oz	0.78	0.79	0.79
Sugar - Light Brown (Bag)	2 lb	3.30	3.12	3.03
Corned Beef - regular	340 g	4.15	4.01	3.89
Iodized Salt	26 oz	0.99	0.99	1.06
Petrol - Regular Full Service	per gal	4.31	4.12	4.10
Petrol - Premium Full Service	per gal	4.58	4.40	4.36
Diesel - Full Service	per gal	4.27	3.95	4.03

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, P_{Lo}, 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 by 2004, p. 2). Consumer price index manual

² Ibid, p.3