

**ECONOMICS & STATISTICS OFFICE
CAYMAN ISLANDS**

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AVERAGE PRICES INCREASE BY 7.0 PERCENT IN 2005

The annual average All Items Index for 2005 stood at 142.0, an increase of 7.0 percent over the 2004 figure of 132.7. The rise in the annual average was characterised by large increases through the first three quarters and a slight decrease in the fourth quarter of 2005.

The annual average index increased in six of the eight major groups. The highs of **18.7** and **5.2** percent were seen in the Housing, and Alcohol and Tobacco groups, respectively.

Notable increases were seen in Transport & Communication (3.9 percent), Food (2.8 percent), and Personal Goods & Services (2.6 percent). The low of 2.2 percent was seen in the Education and Medical group (see Table 4). The rise in the Housing group was as a result of both sub-groups of Utilities and Rent, Maintenance, Insurance, etc. This is mainly due to increases in rental prices and home insurance premiums as a result of Hurricane Ivan.

The groups that showed a decline were Clothing by 2.3 percent and Household Equipment by 2.2 percent. It should be noted that the overall importance of each of these groups is reflected in their respective weights. Weights are shown in the attached Tables 3 and 4.

Quarter Ended December 2005 versus Quarter Ended December 2004

The All Items Index for the quarter ending December 2005 declined by 0.3 percent moving from 142.3 in December 2004 to 141.9 (see Table 1). Five of the eight major groups rose over end of year 2004 (see Table 3). The Alcohol & Tobacco group registered the highest increase (6.9%). Personal Goods & Services and Clothing rose by 6.8 percent and 6.6 percent, respectively. These increases illustrate that there is increased demand for goods and services that are generally considered to be luxury goods. Food increased by 1.7 percent, followed by Education & Medical with a rise of 1.0 percent. Housing decreased by 5.9 percent, and Household Equipment declined by 3.3 percent. Transport & Communications also showed a slight decrease of 0.3 percent. These decreases show that Post-Ivan ripple effects are steadily working through the Cayman Islands economy.

Nevertheless, prices such as Rent in the Housing group have not returned to Pre-Ivan levels. However, prices such as Rent in the Housing group are less than during the aftermath of Hurricane Ivan.

Quarter Ended December 2005 versus Quarter Ended September 2005

Four of the Major Groups recorded higher index values when compared with those for the third quarter. Personal Goods & Services showed the sharpest increase (4.8%). As mentioned above, this increase is attributable to higher demand for generally considered luxury products and services. Increases in the other groups were all lower with Clothing recording a growth of 1.2 percent. Food and Alcohol & Tobacco groups both registered growth below one percent. The other four groups decreased as follows: Housing (-3.7%), Household Equipment (-2.7%), Transport & Communications and Education & Medical both registering a decline less than one percent.

The above changes resulted in an overall decline of 0.4 percent below the September 2005 All Items figure of 142.5.

Further information and the latest statistics on the Consumer Price index can be obtained from the Government Statistics Office, located on the fourth floor of the Elizabethan Square (Phase Four) Building. The Office's telephone number is 949-0940.

NOTES ON THE INDEX COMPILATION

1. For one month in each quarter of the year namely March, June, September and December, staff of the Economics and Statistics Office collect prices for 661 different items on which consumers spend their money, from over 100 different shops and other outlets in Grand Cayman. 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 upon 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.

3. On occasion, figures are rounded to the nearest convenient unit. This may result in a total disagreeing, slightly, with the total of the individual items as shown in the tables.

TABLE 1

CAYMAN ISLANDS CONSUMER PRICE INDEX

DECEMBER 1996 - DECEMBER 2005

(SEPTEMBER 1994 = 100)

		INDEX	Percentage change from:	
			3 months ago	one year ago
1996	December	106.4	1.1	3.2
1997	March	107.4	0.9	3.6
	June	107.2	-0.2	2.2
	September	107.3	0.1	1.9
	December	109.5	2.0	2.9
1998	March	110.5	0.9	2.9
	June	110.6	0.1	3.2
	September	111.1	0.5	3.5
	December	112.1	0.8	2.3
1999	March	113.9	1.5	3.0
	June	119.9	5.3	8.4
	September	120.2	0.3	8.2
	December	120.8	0.5	7.8
2000	March	121.1	0.2	6.3
	June	121.5	0.3	1.3
	September	122.3	0.7	1.7
	December	122.6	0.2	1.5
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	2.0	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	1.1	2.0
	September	131.5	1.8	3.3
	December	142.3	8.2	11.1
2005	March	141.9	-0.3	11.1
	June	141.7	-0.1	9.7
	September	142.5	0.5	8.4

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141.9

-0.4

-0.3

NOTE:

The index changes shown in the "one year ago" column on this page reflect the period to period changes and do not take into account fluctuations in price levels which may have occurred during the interim. On occasion, figures are rounded to the nearest unit. This may result in a total disagreeing, slightly, with the total of the individual items as shown in the tables.

TABLE 2**CAYMAN ISLANDS CONSUMER PRICE INDEX** **ANNUAL AVERAGES 1994 TO 2005****(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	6.9
2000	121.9	2.7
2001	123.3	1.1
2002	126.3	2.4
2003	127.1	0.6
2004	132.7	4.4
2005	142.0	7.0

NOTE: The annual average consumer price index is the average of the March, June, September and

December index values shown in Table 1.

TABLE 3: CONSUMER PRICE INDEX BY MAJOR GROUPS - DECEMBER 2005

Major Group	(Weight)	Index	Percentage change	
			3 months ago	one year ago
01 Food	119	132.5	0.6	1.7
Bread and Cereal	10	125.8	-1.4	2.9
Meat	17	142.8	-1.2	2.6
Fish	3	118.5	1.9	-4.5
Dairy Products and Eggs	9	138.9	1.9	2.8
Oils & Fats	2	135.1	-0.5	-1.2
Fruit and Vegetables	12	129.4	1.5	-3.7
Drinks (non-alcoholic)	12	120.3	0.4	0.8
Sugar Products	2	125.6	-4.2	-0.9
Other Foods	53	133.7	1.3	3.0
02 Alcohol and Tobacco	16	134.0	0.8	6.9
Alcoholic Drinks	13	132.9	0.9	8.5
Tobacco	3	139.5	0.0	0.1
03 Housing	311	144.1	-3.7	-5.9
Rent, Maintenance, Insurance etc	258	145.0	-5.2	-10.4
Utilities	53	139.6	4.8	27.0
04 Clothing	46	102.8	1.2	6.6
Men and Womens Clothing	29	94.2	0.7	5.8
Boys and Girls Clothing	6	144.9	7.4	19.2
Other Clothing	2	90.6	-10.8	-7.7
Footwear	9	107.0	0.3	2.6
05 Household Equipment	59	129.5	-2.7	-3.3
Furniture and Floor Coverings	22	123.7	2.2	-5.4
Household Appliances	13	96.9	-4.7	-6.1
Household Equipment	24	152.2	-5.5	-0.6
06 Transport and Communications	168	121.7	-0.4	-0.3
Household Vehicles	128	133.4	0	2.1
Travel	7	141.7	10	0.2
Communications	33	72.8	-6.2	-15.1
07 Education and Medical	65	262.8	-0.5	1.0
Education	25	388.0	0.2	1.6
Medical Care	40	184.2	-1.4	0.3
08 Personal Goods and Services	216	136.0	4.8	6.8
Home Entertainment	21	95.4	1.3	1.0
Outside Entertainment	1	180.4	0.0	14.1
Culture, Pastimes, Hobbies	30	123.4	-0.8	-0.2
Holiday Expenses	71	182.1	11.5	19.1
Personal Services	38	121.7	-0.1	-3.1
Personal Goods	16	113.0	0.2	-3.6
Domestic Services	39	104.3	0.0	-0.9
Gifts and Subscriptions	1	166.7	0.0	11.1
ALL ITEMS	1,000	141.9	-0.4	-0.3

**TABLE 4: CONSUMER PRICE INDEX BY MAJOR GROUP DECEMBER 2000 - DECEMBER 2005
(SEPTEMBER 1994=100)**

PERIOD/MAJOR GROUP	FOOD	ALCOHOL & TOBACCO	HOUSING	CLOTHING	HOUSEHOLD EQUIPMENT	TRANSPORT & COMMUNICATION	EDUCATION & MEDICAL	PERSONAL GOODS & SERVICES.	ALL ITEMS
WEIGHT	119	16	311	46	59	168	65	216	1,000
2000									
MARCH	111.7	120.6	119.8	112.6	118.7	111.1	200.1	114.9	121.1
JUNE	112.7	118.8	119.6	113.8	119.1	110.4	202.1	116.2	121.5
SEPTEMBER	111.9	120.3	118.2	113.8	121.9	111.6	207.4	119.1	122.3
DECEMBER	114.1	120.8	118.4	112.1	121.9	112.9	209.4	117.7	122.6
ANNUAL AVERAGE	112.6	120.1	119.0	113.1	120.4	111.5	204.8	117.0	121.9
% CHANGE PREV YEAR	1.7	-1.5	0.6	-0.4	0.6	0.2	14.7	4.2	2.7
2001									
MARCH	114.4	120.2	118.5	111.6	121.5	113.6	211.5	119.4	123.3
JUNE	117.6	119.8	116.7	112.1	122.6	113.4	211.0	121.4	123.6
SEPTEMBER	117.3	119.5	117.1	110.8	121.9	112.0	212.8	118.3	122.7
DECEMBER	116.7	119.8	118.6	110.0	123.7	112.8	213.5	119.0	123.5
ANNUAL AVERAGE	116.5	119.8	117.7	111.1	122.4	113.0	212.2	119.5	123.3
% CHANGE PREV YEAR	3.5	-0.2	-1.1	-1.7	1.7	1.3	3.6	2.2	1.1
2002									
MARCH	116.5	122.3	119.0	113.6	124.0	114.1	227.6	123.3	125.9
JUNE	118.5	121.6	119.4	114.1	122.7	114.2	228.2	121.5	125.9
SEPTEMBER	120.2	122.6	121.3	109.4	125.9	113.3	230.8	119.9	126.3
DECEMBER	120.9	121.4	120.4	109.1	122.7	114.0	237.4	123.1	127.2
ANNUAL AVERAGE	119.0	122.0	120.0	111.6	123.8	113.9	231.0	122.0	126.3
% CHANGE PREV YEAR	2.2	1.8	2.0	0.4	1.1	0.8	8.9	2.0	2.4
2003									
MARCH	122.1	123.1	116.4	109.2	130.1	117.0	240.0	118.7	126.2
JUNE	122.2	121.5	115.8	109.4	133.1	115.6	241.1	120.9	126.6
SEPTEMBER	122.2	122.5	116.0	109.8	129.1	114.9	248.8	123.3	127.3
DECEMBER	125.0	123.4	117.0	112.8	129.4	114.8	248.7	123.1	128.1
ANNUAL AVERAGE	122.9	122.6	116.3	110.3	130.4	115.6	244.7	121.5	127.1
% CHANGE PREV YEAR	3.2	0.5	-3.1	-1.1	5.3	1.5	5.9	-0.4	0.6
2004									
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	153.0	96.4	133.9	122.2	260.1	127.3	142.3
ANNUAL AVERAGE	128.2	124.3	124.9	105.5	136.1	118.0	255.2	126.7	132.7
% CHANGE PREV YEAR	4.3	1.4	7.4	-4.3	4.4	2.1	4.3	4.3	4.4
2005									
MARCH	130.1	127.3	150.3	106.1	134.3	124.6	256.2	126.4	141.9
JUNE	132.6	128.9	149.0	102.2	135.5	122.0	260.0	127.6	141.7
SEPTEMBER	131.7	133.0	149.6	101.5	133.1	122.2	264.1	129.8	142.5
DECEMBER	132.5	134.0	144.1	102.8	129.5	121.7	262.8	136.0	141.9
ANNUAL AVERAGE	131.7	130.8	148.2	103.1	133.1	122.6	260.8	129.9	142.0
% CHANGE PREV YEAR	2.8	5.2	18.7	-2.3	-2.2	3.9	2.2	2.6	7.0

TABLE 5

CAYMAN ISLANDS: AVERAGE PRICES OF SELECTED FOOD ITEMS DECEMBER, 2005

ITEM	QUANTITY	AVERAGE PRICES (CI\$)		
		Dec 2005	Sept 2005	Dec 2004
Wholewheat bread(imported)	1 lb. 4 oz	1.98	1.94	1.88
Long grain rice	5 lb.	6.34	6.34	5.34
Cornflakes	24 oz	4.46	4.54	4.31
Stew beef	1 lb.	4.12	4.12	4.54
Bacon	1 lb.	5.98	5.98	6.32
Snapper fillets (frozen)	1 lb.	5.36	5.36	6.02
Canned Tuna in water	6.5 oz	1.46	1.46	1.08
Eggs(Grade A Large)	1 doz.	1.43	1.53	1.33
Anchor Butter	1 lb	3.36	3.36	3.36
Fresh milk(McArthur)	1 gal.	5.26	5.19	5.19
Evaporated milk	14.5 oz	1.02	0.91	0.81
Shortening	3 lb.	4.91	4.91	4.94
Plantains	1 lb.	0.86	0.86	0.82
Idaho potatoes	1 lb.	0.79	0.69	0.69
Lettuce	Head	1.79	1.69	1.91
Sweet potatoes	1 lb.	1.39	0.92	1.06
Tomatoes	1 lb.	2.16	1.82	2.49
Ripe bananas	1 lb.	0.62	0.68	0.62
Apples(Golden Delicious)	1 lb.	1.52	1.42	1.69
Oranges	each	0.40	0.38	0.56
Tea bags(Liptons)	48	2.55	2.44	2.43
Instant coffee(Maxwell House)	8 oz. 12 oz.	5.19	5.19	5.59
Soda	can	0.67	0.70	0.70
White sugar	2 kg.	2.09	2.09	1.86
Strawberry Preserves	12 ozs	3.14	3.14	2.74
Canned vegetable soup	10.5 oz	1.30	1.24	1.09
Corned beef hash	15 oz	2.49	2.18	2.14
Salt	8 oz	0.63	0.56	0.61