



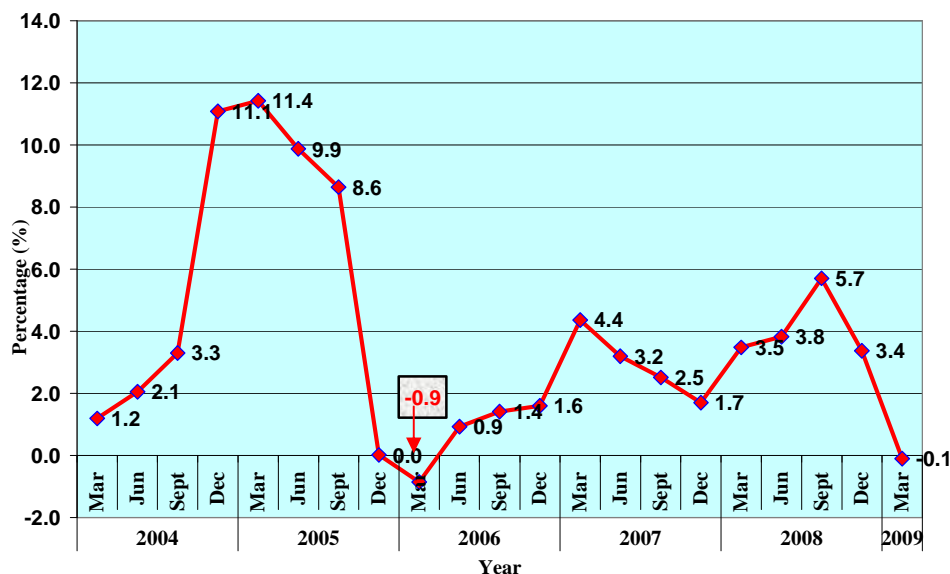
CAYMAN ISLANDS' CONSUMER PRICE REPORT: March 2009 (Date: June 12, 2009)

Consumer Price Index (CPI) Decreased by 0.1% in March 2009 Compared to March 2008

The overall weighted average Consumer Price Index (CPI) stood at **152.2** in March 2009, down by **0.1** percent in comparison to March 2008, due to downtrends in the average prices of housing (-7.6%), clothing (-5.6%) and transport and communication (-0.7%).

Figure 1: Inflation Rates

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



The March 2009 CPI increased by **0.1** percent compared to the December 2008 CPI as a result of increases in the price indices of five major categories led by personal goods and services (0.9%), alcohol and tobacco (0.6%) and education and medical (0.8%).

Annual changes

The downward movement of the CPI in the first 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 **138.9**. This was **7.6** percent below the level in March 2008 due to a decrease in the average cost of utilities by 8.0 percent, coupled with a 7.5 percent decrease in the average cost of rent, maintenance and insurance of housing. The decrease in the average costs of utilities was mainly due to a reduction in the average cost of electricity (-13.7%).
- **Clothing:** the clothing price index fell by **5.6** percent due to the average price of boys' and girls' clothing (down by 9.9%) as well as men's and women's clothing (down by 8.7%). On the other hand, there were increases in the average prices of footwear (8.2%) and other clothing (0.5 %).
- **Transportation and communication:** this price index moved down by **0.7** percent as the average cost of household vehicles and travel both fell by 0.8 percent.

Meanwhile, the following major categories rose:

- **Household equipment:** this price index moved up by **12.5** percent, mainly due to rises in the average price of other household equipment (19.1%), furniture and floor coverings (10.1%).
- **Food:** the average price of food items increased by **7.5** percent resulting from all food categories, except non-alcoholic drinks (-4.2%) and fish (-2.9%). The highest increases were recorded for fruits and vegetables (21.1%), oils and fats (20.1%), and meat (11.0%).
- **Education and medical:** this price index rose by **3.0** percent as a result of the combined surge in the average cost of both medical care (4.0%) and education (2.3%).
- **Personal goods and services:** the upward movement of this price index by **2.9** percent resulted mainly from increases for home entertainment (16.8%) and outside entertainment (8.2%).
- **Alcohol and tobacco:** this category increased by **2.7** percent due to a 6.3 percent increase in the average price of tobacco products and a 1.8 percent increase in the average cost of alcoholic drinks.

Quarterly changes

The CPI in March 2009 increased by **0.1** percent compared to the CPI in December 2008 which is attributed to the price movements of the major groups listed below:

- **Personal goods and services:** this index went up by **0.9** percent mainly due to increases in the average cost of personal goods (4.1%) and home entertainment (3.3%). Meanwhile, the sub-categories with lower average prices were personal services (-0.3%) and culture, past times, hobbies (-0.2%).
- **Education and medical:** the price index rose by **0.8** percent as the average cost of medical care and education went up by 1.2 and 0.5 percent respectively. The higher index for medical care was due to higher cost for medicines and medical products (2.8%) and higher fees for visits to doctors, dentists and opticians (0.9%). For education, the increase in the index was primarily caused by a 7.7 percent increase in the average cost of books and newspapers.
- **Alcohol and tobacco:** the price index rose by **0.6** percent due to a 1.2 percent increase in the average cost of alcoholic drinks in contrast to a 1.7 percent decrease in the average cost of tobacco products and associated products.
- **Food:** the index increased by **0.4** percent as the average price for all food groups registered increases except dairy products and eggs (-3.1%), oils and fats (-2.4%) and meat (-0.8%). The food groups that registered the highest increases were fish (11.4%) and sugar products (3.2%).
- **Transport and communication:** this price index went up by **0.1** percent due to an increase in the average cost of travel (3.1%).

Meanwhile, the following major categories declined:

- **Clothing:** this index decreased by **2.4** percent due to declines in the average cost of men's and women's clothing (down by 4.1%) and boys' and girls' clothing (down by 2.9%). On the other hand, higher average costs were registered for footwear (up by 3.3%) and other clothing (up by 0.3%).
- **Household equipment:** this price index moved down by **1.2** percent, due to decreases in the average price of furniture and floor coverings (-8.3%) and household appliances (-2.2%), which offset the increase in the average cost of other household equipment (up by 6.2%).
- **Housing:** this index fell by **0.3** percent due to decreases in the average cost of utilities (-7.8%), while the average cost of rent, maintenance and insurance went up by 1.2 percent. The downward pressure for utilities was mainly due to a decline in the average cost of electricity (-11.3%). Meanwhile, rises were recorded in the average cost of rent and mortgage (10.8%) and home improvements (3.9%).

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 March 2009 over the March 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 March 2009 over the December 2008 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
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

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	153.7	4.1

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

Major Group	Weight	Index			Percentage change	
		Mar-09	Dec-08	Mar-08	3 months ago	1 year ago
01 Food	119.6	155.6	155.0	144.8	0.4	7.5
Bread and Cereal	9.6	150.8	149.6	135.9	0.8	11.0
Meat	17.3	144.2	145.3	132.8	-0.8	8.6
Fish	3.4	145.0	130.1	149.2	11.4	-2.9
Dairy Products and Eggs	8.7	159.0	164.1	155.3	-3.1	2.3
Oils & Fats	1.5	177.4	181.7	147.7	-2.4	20.1
Fruits and Vegetables	11.7	191.2	188.8	157.9	1.3	21.1
Drinks (non-alcoholic)	11.7	144.9	144.8	151.3	0.1	-4.2
Sugar Products	2.4	146.1	141.7	139.2	3.2	5.0
Other Foods	53.3	154.7	153.7	144.2	0.6	7.2
02 Alcohol and Tobacco	15.7	140.7	139.8	137.0	0.6	2.7
Alcoholic Drinks	13.0	136.6	135.0	134.1	1.2	1.8
Tobacco	2.7	160.8	163.6	151.3	-1.7	6.3
03 Housing	310.8	138.9	139.3	150.3	-0.3	-7.6
Rent, Maintenance, Insurance etc	257.9	141.8	140.1	153.3	1.2	-7.5
Utilities	52.9	125.0	135.5	135.8	-7.8	-8.0
04 Clothing	46.1	108.3	111.0	114.7	-2.4	-5.6
Men's and Women's Clothing	29.3	106.2	110.8	116.3	-4.1	-8.7
Boys' and Girls' Clothing	5.6	123.9	127.6	137.6	-2.9	-9.9
Other Clothing	1.9	83.7	83.4	83.3	0.3	0.5
Footwear	9.3	110.4	106.9	102.0	3.3	8.2
05 Household Equipment	58.7	163.0	165.0	144.9	-1.2	12.5
Furniture and Floor Coverings	22.4	167.7	182.9	152.4	-8.3	10.1
Household Appliances	12.5	116.3	118.9	114.8	-2.2	1.3
Other Household Equipment	23.8	183.1	172.4	153.7	6.2	19.1
06 Transport and Communication	168.5	135.5	135.4	136.5	0.1	-0.7
Household Vehicles	128.3	151.6	151.7	152.9	-0.1	-0.8
Travel	6.8	153.2	148.5	154.4	3.1	-0.8
Communications	33.4	70.0	70.0	70.0	0.0	0.0
07 Education and Medical	64.6	286.9	284.6	278.4	0.8	3.0
Education	24.9	414.6	412.7	405.2	0.5	2.3
Medical Care	39.7	206.6	204.2	198.7	1.2	4.0
08 Personal Goods and Services	216.0	149.4	148.1	145.2	0.9	2.9
Home Entertainment	20.9	99.3	96.1	85.0	3.3	16.8
Outside Entertainment	0.8	172.4	172.4	159.4	0.0	8.2
Culture, Pastimes, Hobbies	29.9	133.2	133.4	123.9	-0.2	7.5
Holiday Expenses	71.6	182.7	181.3	178.1	0.8	2.6
Personal Services	38.3	124.7	125.0	125.3	-0.3	-0.4
Personal Goods	15.6	143.1	137.5	144.0	4.1	-0.7
Domestic Services	38.6	153.7	152.7	152.8	0.6	0.6
Gifts and Subscriptions	0.3	158.3	158.3	158.3	0.0	0.0
ALL ITEMS	1000.0	152.2	152.0	152.3	0.1	-0.1

**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
WEIGHT	119.6	15.7	310.8	46.1	58.7	168.5	64.6	216.0	1000.0
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	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	2.2	4.3	4.2	4.4
2005									
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
ANNUAL AVERAGE	131.7	130.8	148.1	103.1	133.1	124.1	262.8	129.9	142.4
% CHANGE PREV YEAR	2.8	5.2	18.6	-2.3	-2.2	5.1	3.0	2.6	7.3
2006									
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
ANNUAL AVERAGE	135.3	133.2	141.9	108.3	133.0	129.9	267.0	134.9	143.5
% CHANGE PREV YEAR	2.7	1.9	-4.2	5.0	-0.1	4.7	1.6	3.8	0.8
2007									
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
ANNUAL AVERAGE 2007	142.3	136.1	141.6	112.4	143.4	133.3	271.7	143.0	147.7
% CHANGE PREV YEAR	5.2	2.2	-0.2	3.8	7.8	2.6	1.8	6.0	2.9
2008									
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	155.0	139.8	139.3	111.0	165.0	135.4	284.6	148.1	152.0
ANNUAL AVERAGE 2008	150.2	139.1	147.6	112.5	154.1	138.7	283.1	147.1	153.7
%CHANGE PREV YEAR	5.6	2.2	4.3	0.0	7.5	4.1	4.2	2.9	4.1
2009									
MARCH	155.6	140.7	138.9	108.3	163.0	135.5	286.9	149.4	152.2
%CHANGE PREV YEAR	7.5	2.7	-7.6	-5.6	12.5	-0.7	3.0	2.9	-0.1
% CHANGE PREV QTR	0.4	0.6	-0.3	-2.4	-1.2	0.1	0.8	0.9	0.1

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

ITEM	QUANTITY	AVERAGE PRICES (C\$)			
		Mar 2009	Dec 2008	Mar 2008	
101-04	Whole-wheat bread (imported)	1 lb. 4 oz	2.29	2.36	2.22
107-01	Long grain rice	5 lb.	7.52	7.52	6.82
108-12	Cornflakes	24 oz	4.74	4.68	4.59
111-01	Stew beef	1 lb.	4.12	4.12	3.72
114-01	Bacon	1 lb.	6.56	6.48	6.24
125-02	Snapper fillets (frozen)	1 lb.	7.99	8.66	8.66
127-05	Canned Tuna in water	6.5 oz	1.41	1.36	1.46
130-02	Eggs (Grade A Large)	1 doz.	2.26	2.32	2.46
131-02	Anchor Butter	1 lb	3.76	3.76	3.36
133-05	Fresh milk (McArthur)	1 gal.	6.09	6.29	5.76
135-09	Evaporated milk	14.5 oz	1.16	1.28	1.11
139-19	Shortening	3 lb.	7.04	7.21	5.82
141-01	Plantains	1 lb.	1.02	1.02	0.86
142-07	Idaho potatoes	1 lb.	1.02	1.06	0.76
147-11	Lettuce	Head	1.86	1.52	1.42
146-15	Sweet potatoes	1 lb.	2.19	2.16	1.26
151-01	Tomatoes	1 lb.	2.76	3.16	2.19
152-03	Ripe bananas	1 lb.	0.84	0.71	0.64
153-01	Apples (Golden Delicious)	1 lb.	2.09	2.26	1.89
155-11	Oranges	each	1.19	1.26	0.71
161-01	Tea bags (Lipton)	48	3.76	3.69	3.15
163-02	Instant coffee (Maxwell House)	8 oz.	5.54	5.41	5.29
166-02	Soda	12 oz. can	0.68	0.69	0.75
171-01	White sugar	2 kg.	2.54	3.12	3.19
172-02	Strawberry Preserves	12 ozs	2.84	2.84	2.81
181-02	Canned vegetable soup	10.5 oz	1.79	1.70	1.46
182-04	Corned beef hash	15 oz	3.09	2.89	2.56
186-16	Salt	8 oz	0.78	0.78	0.79
521-01	Petrol (Full Service)	1 gallon	2.97	3.34	4.32
280-90	Electricity	First 200 kWh	47.68	53.80	55.25