

**ECONOMICS & STATISTICS OFFICE
CAYMAN ISLANDS**

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AVERAGE PRICES INCREASE BY 4.4 PERCENT IN 2004

The annual average All Items Index for 2004 stood at 132.7, an increase of 4.4 percent over the 2003 figure of 127.1. The rise in the annual average was characterised by moderate increases through the first three quarters and a sharp rise in the fourth quarter of 2004.

The annual average index increased in seven of the eight major groups. The highs of 7.4 and 4.4 percent were seen in the Housing, and Household Equipment groups, respectively. Notable increases of 4.3 percent were seen in Food, Education & Medical, and Personal Goods & Services. The low of 1.4 percent was seen in the Alcohol and Tobacco 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., and mainly due to increases in rental prices and home insurance premiums as a result of Hurricane Ivan. The only group to show a decline was Clothing by 4.3 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.

The All Items Index for the quarter ending December 2004 rose by 11.1 percent moving from 128.1 in December 2003 to 142.3 (see Table 1). Seven of the eight major groups rose over end of year 2003 (see Table 3). Similar to the results noted above, the Housing group registered the highest increase (30.8%). Transport & Communications rose by 6.4 percent from 114.8 in December 2003 to 122.2 in December 2004. This was mainly due to significantly higher fuel prices. Education & Medical increased by 4.6 percent, followed by Food (4.2%), and Household Equipment with a rise of 3.5 percent. The rising cost of fish was mainly responsible for the increase in the Food group, rising by 13.1 percent over the December figure for 2003. Alcohol & Tobacco increased by 1.5 percent. Clothing decreased

between 2003 and 2004 (-14.6%) as it did on average throughout the year 2004. Additional details on subgroups are provided in Table 3.

Five of the Major Groups recorded higher index values when compared with those for the third quarter. Housing showed the sharpest increase (30.2%). As mentioned above, this increase is attributable to higher rental prices and home insurance premiums. Increases in the other groups were all significantly lower with Transport and Communications recording a growth of 3.7 percent. The other three groups decreased as follows: Clothing (-8.4%), Household Equipment (-6.1%), and Personal Goods and Services (-1.3%). The above changes resulted in an overall rise of 8.2 percent above the September 2004 All Items figure of 131.5.

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 more than 500 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.

TABLE 1

CAYMAN ISLANDS CONSUMER PRICE INDEX

DECEMBER 1995 - DECEMBER 2004

		(SEPTEMBER 1994 = 100)	Percentage change from:	
		INDEX	3 months ago	one year ago
1995	December	103.1	-0.3	2.4
1996	March	103.6	0.5	2.5
	June	104.9	1.3	3.0
	September	105.2	0.2	1.7
	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	1.2	2.1
	September	131.5	1.8	3.3
	December	142.3	8.2	11.1

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.

TABLE 2**CAYMAN ISLANDS CONSUMER PRICE INDEX****ANNUAL AVERAGES 1994 TO
2004****(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

TABLE 3: CONSUMER PRICE INDEX BY MAJOR GROUPS - DECEMBER 2004

Major Group	(Weight)	Index	Percentage change	
			3 months ago	one year ago
01 Food	119	130.3	0.6	4.2
Bread and Cereal	10	122.3	2.7	4.9
Meat	17	139.2	2.2	4.2
Fish	3	124.0	10.3	13.1
Dairy Products and Eggs	9	135.1	1.2	4.8
Oils & Fats	2	136.7	2.1	7.9
Fruit and Vegetables	12	134.4	-0.2	6.5
Drinks (non-alcoholic)	12	119.3	0.8	0.5
Sugar Products	2	126.7	6.2	9.7
Other Foods	53	129.8	-1.0	3.5
02 Alcohol and Tobacco	16	125.3	3.1	1.5
Alcoholic Drinks	13	122.5	3.5	2.0
Tobacco	3	139.3	1.6	-0.4
03 Housing	311	153.0	30.2	30.8
Rent, Maintenance, Insurance etc	258	161.9	42.2	35.8
Utilities	53	110.0	-18.9	3.3
04 Clothing	46	96.4	-8.4	-14.6
Men and Womens Clothing	29	89.0	-13.7	-19.9
Boys and Girls Clothing	6	121.5	-0.5	-9.3
Other Clothing	2	98.1	4.8	4.9
Footwear	9	104.3	0.6	-4.4
05 Household Equipment	59	133.9	-6.1	3.5
Furniture and Floor Coverings	22	130.7	-6.3	2.0
Household Appliances	13	103.2	-7.1	-0.4
Household Equipment	24	153.2	-5.5	6.3
06 Transport and Communications	168	122.2	3.7	6.4
Household Vehicles	128	130.6	3.7	8.2
Travel	7	141.3	15.4	10.2

	Communications	33	85.8	0.0	-3.7
07	Education and Medical	65	260.1	1.0	4.6
	Education	25	381.9	0.9	1.7
	Medical Care	40	183.6	1.2	8.7
08	Personal Goods and Services	216	127.3	-1.3	3.4
	Home Entertainment	21	94.4	-3.8	-4.4
	Outside Entertainment	1	158.2	0.0	7.4
	Culture, Pastimes, Hobbies	30	123.7	7.0	6.9
	Holiday Expenses	71	152.9	-1.1	9.5
	Personal Services	38	125.6	-10.3	-7.4
	Personal Goods	16	117.2	3.8	5.6
	Domestic Services	39	105.3	2.1	2.1
	Gifts and Subscriptions	1	150.0	0.0	20.0
ALL ITEMS		1,000	142.3	8.2	11.1

**TABLE 4: CONSUMER PRICE INDEX BY MAJOR GROUP DECEMBER 1999 - DECEMBER 2004
(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
1999									
MARCH	111.6	122.1	117.1	114.7	117.0	110.2	111.3	112.5	113.9
JUNE	109.4	123.5	118.0	114.3	118.5	111.9	200.7	112.0	119.9
SEPTEMBER	111.2	122.1	117.9	110.9	121.6	112.4	201.6	111.8	120.2
DECEMBER	110.8	120.2	120.0	114.2	121.4	110.4	200.4	112.9	120.8
ANNUAL AVERAGE % CHANGE PREV YEAR	110.8	122.0	118.3	113.5	119.6	111.2	178.5	112.3	118.7
	2.0	10.9	3.0	5.0	7.4	2.2	66.2	1.4	6.9
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 % CHANGE PREV YEAR	112.6	120.1	119.0	113.1	120.4	111.5	204.8	117.0	121.9
	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 % CHANGE PREV YEAR	116.5	119.8	117.7	111.1	122.4	113.0	212.2	119.5	123.3
	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 % CHANGE PREV YEAR	119.0	122.0	120.0	111.6	123.8	113.9	231.0	122.0	126.3
	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 % CHANGE PREV YEAR	128.2	124.3	124.9	105.5	136.1	118.0	255.2	126.7	132.7
	4.3	1.4	7.4	-4.3	4.4	2.1	4.3	4.3	4.4

TABLE 5

CAYMAN ISLANDS: AVERAGE PRICES OF SELECTED FOOD ITEMS DECEMBER, 2004

	ITEM	QUANTITY	AVERAGE PRICES (CI\$)		
			Dec 2004	Sept 2004	Dec 2003
101-04	Whole wheat bread(imported)	1 lb. 4 oz	1.88	1.88	1.89
107-01	Long grain rice	5 lb.	5.34	5.54	5.17
108-12	Cornflakes	24 oz	4.31	4.31	4.21
111-01	Stew beef	1 lb.	4.54	3.82	3.66
114-01	Bacon	1 lb.	6.32	6.32	5.71
125-02	Snapper fillets (frozen)	1 lb.	6.02	5.09	5.82
127-05	Canned Tuna in water	6.5 oz	1.08	1.08	1.18
130-02	Eggs (Grade A Large)	1 doz.	1.33	1.88	1.79
131-02	Anchor Butter	1 lb	3.36	2.65	2.66
133-05	Fresh milk (McArthur)	1 gal. 14.5	5.19	5.19	4.95
135-09	Evaporated milk	oz	0.81	0.81	0.74
139-19	Shortening	3 lb.	4.94	4.94	4.54
141-01	Plantains	1 lb.	0.82	0.82	0.79
142-07	Idaho potatoes	1 lb.	0.69	0.66	0.69
147-11	Lettuce	Head	1.91	1.76	2.92
146-15	Sweet potatoes	1 lb.	1.06	1.22	1.32
151-01	Tomatoes	1 lb.	2.49	2.16	2.25
152-03	Ripe bananas	1 lb.	0.62	0.68	0.67
153-01	Apples (Golden Delicious)	1 lb.	1.69	1.76	1.76
155-11	Oranges	each	0.56	0.63	0.48
161-01	Tea bags (Liptons)	48	2.43	2.67	2.35
163-02	Instant coffee (Maxwell House)	8 oz. 12 oz.	5.59	5.35	5.50
166-02	Soda	can	0.70	0.70	0.70
171-01	White sugar	2 kg.	1.86	1.73	1.86
172-02	Strawberry Preserves	12 ozs	2.74	2.74	2.69
181-02	Canned vegetable soup	10.5 oz	1.09	1.09	1.11
182-04	Corned beef hash	15 oz	2.14	2.04	2.13
186-16	Salt	8 oz	0.61	0.66	0.58