



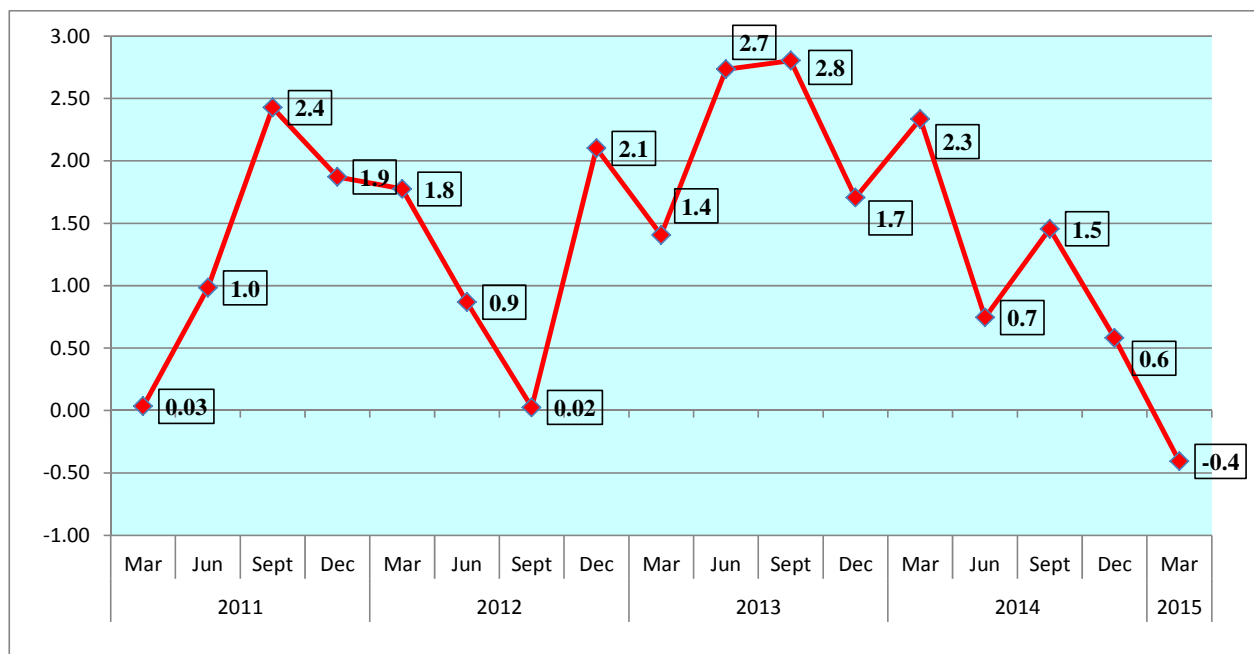
## THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: MARCH 2015

(Date of release: May 15, 2015)

### CPI Falls by 0.4% in the First Quarter of 2015

The overall Consumer Price Index (CPI) in the first quarter of 2015 was **104.3**, lower by 0.4 percent when compared to the same quarter in 2014. A comparison with the previous quarter ending December 2014 indicates a decline of 0.5 percent.

**Figure 1: Inflation Rates (March 2011 – March 2015)**  
(% Change in CPI of Current Quarter over Same Quarter a Year Ago)



### Annual changes: March 2014 over March 2015

The overall **0.4** percent decline in March 2015 in comparison to March 2014 is mainly due to reduced prices of items in the following divisions:

- **Restaurants and hotels:** the division's index fell by **8.2** percent following the fall in the accommodation services price index by 40.3 percent. However, there was a 0.5 percent increase in catering services.
- **Miscellaneous goods and services:** this price index moved down by **2.3** percent as a result of reduced prices for personal effects not elsewhere classified (-5.8%), particularly

jewellery items. Average insurance fees went down by 3.8 percent; in particular housing insurance premiums fell on average by 8.0 percent. Both outweighed the 0.8 percent increase in the price index for personal care.

- **Housing and utilities:** the price index registered a decrease of **1.1** percent year on year. Prices for electricity, gas and other fuels fell by 13.6 percent as a result of the decline in international oil prices. Actual rentals averaged lower by 1.7 percent while average imputed rentals for owner-occupied housing rose by 1.5 percent. Water supply and miscellaneous services declined by 1.7 percent.

Meanwhile, the following divisions recorded increases in March 2015 compared to March 2014:

- **Food and non-alcoholic beverages:** this index rose by **2.9** percent as the average cost of items in most groups increased, led by milk, cheese and egg (7.8%); meat and meat products (5.8%); bread and cereals (5.3%); fish and seafood (5.1%); fruits (3.4%); and coffee, tea and cocoa (3.0%). Price declines were recorded for oils and fats; and mineral water, soft drinks, fruit and vegetables juices.
- **Education:** there was a **2.7** percent rise above the level in March 2014 due to increases in the average school fees for pre-primary and primary (4.3%) and secondary education (2.2%). Tertiary education recorded no movement in its index.
- **Communication:** there was a **2.4** percent rise in this price index as all sub-groups except postal services registered at higher levels. Telephone and telefax equipment rose by 27.5 percent reflecting the impact of new mobile phone models in the market. Telephone and telefax services also inched up by 2.3 percent.
- **Recreation and culture:** the division inflation rate is recorded at **1.9** percent, coming mainly from audio-visual, photographic and information processing equipment (7.9%), newspapers, books and stationery (7.8%), and other major durables for recreation and culture (1.2%).
- **Clothing and footwear:** this division's index rose by **1.8** percent as clothing prices moved up by 2.2 percent on average. The decline of 0.9 percent in footwear moderated the overall movement for the division.
- **Household equipment and routine maintenance:** the index for this division increased by **0.8** percent, largely the result of higher prices for furniture and furnishings (5.6%). On the other hand, the index for glassware, tableware and household utensils fell (-8.8%).

- **Health:** there was a **0.4** percent increase in this division's price index largely traced to hospital services (2.5%) and medical products, appliances, and equipment (0.9%). There was no movement in the index for outpatient services.
- **Alcohol and tobacco:** the index for this division moved upward by **0.3** percent due to alcohol price increases (0.4%). Tobacco prices were stable on average.

Meanwhile, the **transport** division price index was stable as costs associated with the operation of personal transport equipment fell by 6.6 percent.

### Quarterly changes: March 2015 compared to December 2014

The following divisions were the main contributors to the **0.5** percent CPI decrease over the last quarter of 2014:

- **Housing and utilities:** this index, which accounts for almost 2/5 of the entire CPI basket, declined by **2.2** percent. Except for imputed rentals for owner-occupied housing which increased by 1.5 percent, all other components had a quarterly downturn: electricity, gas and other fuels (-13.2%), and water supply and miscellaneous services (-5.0%). Average actual rental for housing declined by 3.3 percent and was driven particularly by movements in rents for one and two bedroom units.
- **Miscellaneous goods and services:** this index, the second largest weighted group in the entire CPI basket, decreased by **0.3** percent. Price movements were recorded for insurance (-1.0%) and personal effects not elsewhere classified (-0.4%). These declines were moderated by price increases in personal care (0.9%) and other services not elsewhere classified (0.8%).
- **Transport:** this recorded a **0.2 percent** decrease, contributed mainly from the operation of personal transport equipment (-7.9%) as the average price of fuel fell by 17.6 percent. However, transport services went up by 13.9 percent due to approved bus fare adjustments as well as air fare increases.

The following divisions recorded notable inclines in their indices when compared to the quarter ending December 2014:

- **Communication:** this experienced a price increase of **2.1** percent which is traced to telephone and telefax services (2.1%).
- **Recreation and culture:** the index moved upwards by **0.9** percent as audio-visual, photographic and information processing recorded a significant average price increase (11.4%). Other groups maintained their average prices as in the previous quarter.

- **Food and non-alcoholic beverages:** the index had a quarterly increase of **0.8** percent, contributed by a number of items led by milk, cheese and egg (3.7%); fish and seafood (2.8%); meat and meat products (2.2%); and, sugars, jam, honey, chocolate and confectionery (2.1%). Decreases were registered in the price indices for vegetables (-3.5%) and oils and fats (-1.1%).

Meanwhile, two (2) divisions - **household equipment 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
2008	March	99.2	3.5	3.4
	June	100.0	0.8	3.8
	September	101.8	1.8	5.3
	December	99.5	-2.3	3.9
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	<b>March</b>	<b>104.3</b>	<b>-0.5</b>	<b>-0.4</b>

**Table 2**  
**CAYMAN ISLANDS CONSUMER PRICE INDEX**  
 ANNUAL AVERAGES 1995 TO 2014  
 (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



**TABLE 3: CONSUMER PRICE INDICES AND INFLATION BY DIVISIONS AND GROUPS - FIRST QUARTER 2015**

Major Group	Weight	Index			Percentage Change	
		Mar-15	Dec- 14	Mar-14	3 months Ago	1 year ago
<b>All Divisions - All items</b>	<b>1,000.0</b>	<b>104.3</b>	<b>104.8</b>	<b>104.7</b>	<b>(0.5)</b>	<b>(0.4)</b>
<b>01 Food &amp; Non Alcoholic Beverage</b>	<b>79.6</b>	<b>126.6</b>	<b>125.6</b>	<b>123.1</b>	<b>0.8</b>	<b>2.9</b>
Bread & cereals	9.9	125.5	124.7	119.2	0.7	5.3
Meat & meat products	10.4	134.5	131.5	127.1	2.2	5.8
Fish & seafood	4.2	128.5	124.9	122.2	2.8	5.1
Milk, cheese & egg	8.3	128.8	124.3	119.5	3.7	7.8
Oils & fats	2.0	107.8	109.0	111.7	(1.1)	(3.5)
Fruits	6.7	142.1	139.0	137.4	2.2	3.4
Vegetables	8.6	132.6	137.5	130.8	(3.5)	1.3
Sugars, jam, honey, chocolate & confectionery	5.5	127.5	124.9	125.8	2.1	1.4
Food products n.e.c.	5.6	122.6	121.3	119.1	1.0	2.9
Coffee, tea & cocoa	1.6	114.8	114.3	111.5	0.5	3.0
Mineral water, soft drinks, fruit & vegetable juices	16.9	116.2	116.7	118.2	(0.4)	(1.7)
<b>02 Alcohol and Tobacco</b>	<b>6.5</b>	<b>132.0</b>	<b>131.9</b>	<b>131.7</b>	<b>0.1</b>	<b>0.3</b>
Alcohol	5.6	114.5	114.3	114.0	0.1	0.4
Tobacco	0.9	246.0	246.0	246.0	-	-
<b>03 Clothing and Footwear</b>	<b>34.3</b>	<b>113.2</b>	<b>112.6</b>	<b>111.3</b>	<b>0.5</b>	<b>1.8</b>
Clothing	29.5	111.8	111.5	109.3	0.3	2.2
Footwear	4.8	122.1	119.9	123.3	1.9	(0.9)
<b>04 Housing and Utilities</b>	<b>394.4</b>	<b>86.9</b>	<b>88.9</b>	<b>87.9</b>	<b>(2.2)</b>	<b>(1.1)</b>
Actual rentals for housing	78.7	75.8	78.4	77.0	(3.3)	(1.7)
Imputed rentals for owner-occupied housing	223.4	81.8	80.6	80.6	1.5	1.5
Maintenance and repair of dwelling	28.5	125.1	125.9	117.3	(0.6)	6.6
Water supply and miscellaneous services	16.4	111.1	117.0	113.1	(5.0)	(1.7)
Electricity, gas and other fuels	47.3	98.4	113.4	113.9	(13.2)	(13.6)
<b>05 Household Equipment</b>	<b>56.4</b>	<b>118.6</b>	<b>118.5</b>	<b>117.6</b>	<b>0.0</b>	<b>0.8</b>
Furniture and furnishings	5.7	108.3	107.0	102.5	1.2	5.6
Household textiles	1.1	128.9	128.3	126.8	0.5	1.7
Household appliances	2.8	103.6	103.5	102.8	0.1	0.8
Glassware, tableware and household utensils	2.8	131.9	131.7	144.7	0.1	(8.8)
Tools and equipment for house and garden	1.5	95.0	95.0	93.6	(0.0)	1.6
Goods and services for routine household maintenance	42.4	120.7	120.8	119.5	(0.1)	1.0
<b>06 Health</b>	<b>24.2</b>	<b>102.3</b>	<b>101.8</b>	<b>102.0</b>	<b>0.5</b>	<b>0.4</b>
Medical products, appliances and equipment	5.0	110.2	107.5	109.2	2.5	0.9
Outpatient services	17.9	99.2	99.2	99.2	-	-
Hospital services	1.4	114.6	114.6	111.8	-	2.5
<b>07 Transport</b>	<b>96.1</b>	<b>117.3</b>	<b>117.6</b>	<b>117.3</b>	<b>(0.2)</b>	<b>(0.0)</b>
Purchase of vehicles	6.1	120.7	116.9	118.8	3.3	1.7
Operations of personal transport equipment	57.4	111.6	121.2	119.4	(7.9)	(6.6)
Transport services	32.6	126.8	111.3	113.4	13.9	11.8
<b>08 Communication</b>	<b>69.7</b>	<b>107.3</b>	<b>105.1</b>	<b>104.7</b>	<b>2.1</b>	<b>2.4</b>
Postal services	0.5	96.4	96.4	96.4	0.0	(0.0)
Telephone & telefax equipment	0.3	107.6	107.6	84.4	-	27.5
Telephone & telefax services	68.9	107.4	105.2	104.9	2.1	2.3
<b>09 Recreation and Culture</b>	<b>40.5</b>	<b>100.2</b>	<b>99.4</b>	<b>98.4</b>	<b>0.9</b>	<b>1.9</b>
Audio-visual, photographic and information processing equipment	4.2	79.8	71.7	74.0	11.4	7.9
Other major durables for recreation and culture	3.4	91.3	91.3	90.1	-	1.2
Other recreational items and equipment, gardens and pets	10.5	113.8	113.8	114.1	-	(0.2)
Recreational & cultural services	17.6	98.2	98.2	97.4	-	0.8
Newspapers, books and stationery	4.8	102.2	102.2	94.9	-	7.8
<b>10 Education</b>	<b>27.9</b>	<b>116.0</b>	<b>116.0</b>	<b>113.0</b>	<b>-</b>	<b>2.7</b>
Pre-primary and primary education	16.1	117.4	117.4	112.5	-	4.3
Secondary education	2.41	121.01	121.01	118.36	-	2.2
Tertiary education	9.4	112.5	112.5	112.5	-	-
<b>11 Restaurants and Hotels</b>	<b>40.2</b>	<b>119.8</b>	<b>119.2</b>	<b>130.5</b>	<b>0.5</b>	<b>(8.2)</b>
Catering Services	33.8	122.7	122.2	122.0	0.4	0.5
Accommodation Services	6.4	104.7	103.1	175.5	1.6	(40.3)
<b>12 Miscellaneous Goods and Services</b>	<b>130.2</b>	<b>116.5</b>	<b>116.9</b>	<b>119.3</b>	<b>(0.3)</b>	<b>(2.3)</b>
Personal care	26.5	114.9	113.9	113.1	0.9	1.6
Personal effects n.e.c.	7.7	120.2	120.7	127.7	(0.4)	(5.8)
Social protection	8.4	107.8	107.8	104.8	-	2.9
Insurance	74.8	119.0	120.2	123.7	(1.0)	(3.8)
Financial services n.e.c.	0.5	91.8	91.8	91.8	-	-
Other services n.e.c.	12.2	109.6	108.7	111.7	0.8	(1.9)

**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
2009													
MARCH	105.9	104.4	102.4	96.2	101.8	95.6	89.3	98.4	98.3	101.8	108.8	104.1	98.8
JUNE	106.9	104.5	102.4	95.2	101.6	96.3	90.8	101.6	98.5	102.0	107.1	104.3	98.8
SEPTEMBER	105.6	104.1	100.3	94.9	100.9	97.2	92.7	99.5	97.6	103.5	109.7	104.5	98.7
DECEMBER	105.1	104.7	99.9	93.8	100.5	97.1	93.2	102.7	96.7	103.5	109.2	103.1	98.2
ANNUAL AVERAGE 2009	105.9	104.5	101.2	95.0	101.2	96.6	91.5	100.5	97.7	102.7	108.7	104.0	98.6
2010													
MARCH	107.5	114.5	99.8	93.5	100.8	97.4	96.1	102.8	98.1	103.5	116.4	104.1	99.1
JUNE	110.6	115.3	102.1	93.1	102.9	97.7	97.4	102.7	97.5	103.5	113.6	105.0	99.5
SEPTEMBER	109.3	115.5	101.1	89.1	101.8	97.8	100.5	102.9	100.1	105.4	113.4	106.4	98.4
DECEMBER	108.6	115.1	101.1	89.2	101.7	97.8	101.8	102.1	99.7	105.4	113.3	107.1	98.5
ANNUAL AVERAGE 2010	109.0	115.1	101.0	91.2	101.8	97.7	98.9	102.6	98.9	104.5	114.2	105.6	98.9
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	115.5	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	131.5	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	131.3	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	131.5	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	131.5	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	131.5	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
% CHANGE PREV YEAR	2.9	0.3	1.8	-1.1	0.8	0.4	0.0	2.4	1.9	2.7	-8.2	-2.3	-0.4
% CHANGE PREV QTR	0.8	0.1	0.5	-2.2	0.0	0.5	-0.2	2.1	0.9	0.0	0.5	-0.3	-0.5



**TABLE 5: AVERAGE PRICES OF SELECTED ITEMS**  
**Quarter Ending Mar 2015**

Item	Quantity	Average Prices (C\$)		
		Mar-14	Dec-14	Mar-15
Loaf - Harddough	2 lb	3.66	4.05	4.05
Long Grain Rice	5 lb	2.49	2.46	2.46
Cornflakes (original)	24 oz	5.39	5.16	5.16
Stew Beef	per lb	4.43	4.67	4.33
Bacon	12 oz	5.39	6.66	6.66
Snapper Fillets (frozen)	per lb	9.53	8.86	10.41
Canned Tuna in water	6 oz	1.76	1.79	1.79
Eggs (Grade A Large)	1 doz	2.82	3.32	4.20
Margarine -Shedds Spread	45 oz	5.94	5.79	5.79
Fresh Milk (McArthur - Regular Vitamin D)	1 gal	6.46	6.72	6.72
Evaporated milk (Nestle Carnation)	14 oz	1.59	1.46	1.46
Vegetable Oil	24 oz	4.66	4.66	4.46
Plantain	per lb	1.16	1.19	1.15
Potatoes - Irish	per lb	1.06	0.98	0.98
Lettuce - Iceburg	each	2.18	2.65	2.58
Sweet Potatoes	per lb	2.40	2.51	2.47
Tomatoes - Slicing	per lb	2.77	3.20	2.83
Bananas - Ripe	per lb	0.92	0.90	0.98
Apple - Golden Delicious	per lb	2.50	2.80	2.31
Grapes - Red Seedless	per lb	4.00	3.94	4.48
Tea (Lipton Decaffeinated)	48 bags	3.89	4.02	4.02
Coffee - Instant -Classic Roast - Bottle	8 oz	6.72	6.86	6.86
Soda	12 oz	0.78	0.78	0.78
Sugar - Light Brown (Bag)	2 lb	2.09	2.10	3.24
Corned Beef - regular	340 g	3.99	3.97	4.15
Iodized Salt	26 oz	0.91	1.06	1.09
Petrol - Regular Full Service	per gal	5.47	5.48	4.46
Petrol - Premium Full Service	per gal	5.60	5.61	4.60
Diesel - Full Service	per gal	5.68	5.61	4.75

## 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”.<sup>1</sup> The Lowe index, P<sub>Lo</sub>, is defined as follows<sup>2</sup>:

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

Where n = number of products in the basket with prices p<sub>i</sub> and quantities q<sub>i</sub>

0 = base period

t = later period being compared

### Geometric mean

The price p = [p<sub>1</sub>, p<sub>2</sub>, . . . , p<sub>n</sub>] 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**.

<sup>1</sup> ILO (2004, p. 2). Consumer price index manual

<sup>2</sup> Ibid, p.3