



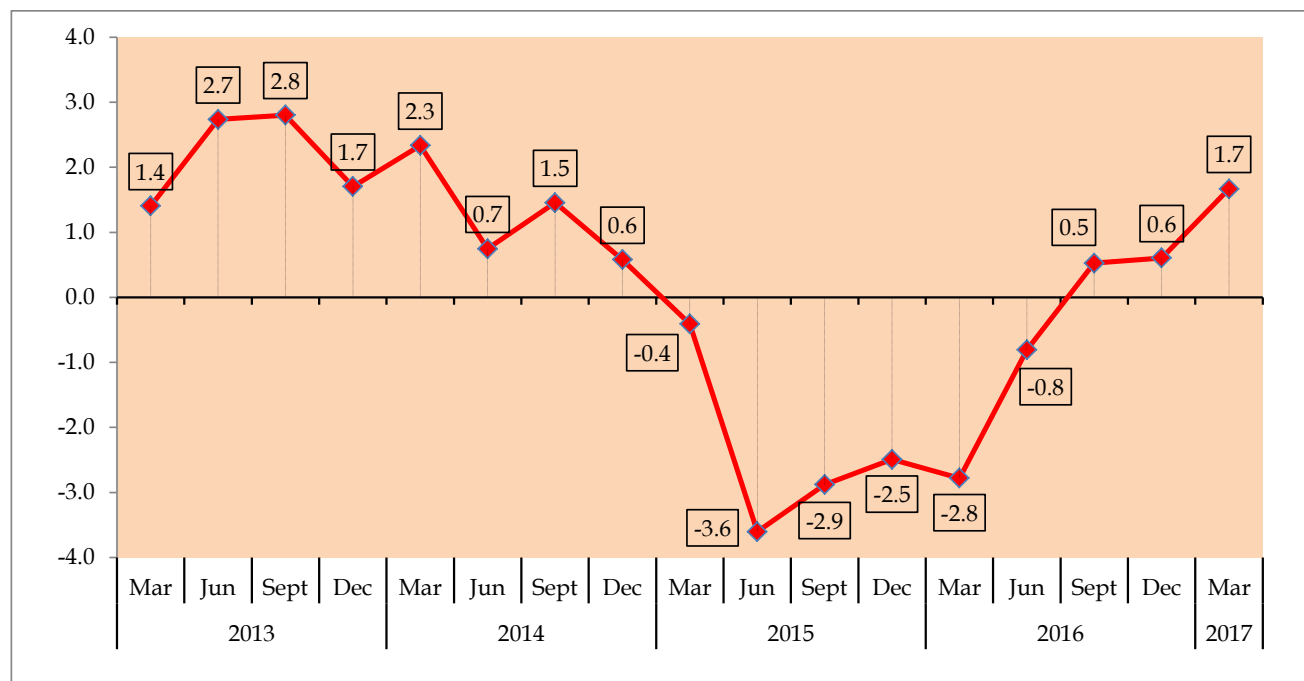
## THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: MARCH 2017

(Date of release: May 16, 2017)

### CPI Increases by 1.7% in the First Quarter of 2017

Overall Consumer Price Index (CPI) first quarter of 2017 was **103.1**, up by **1.7** percent when compared to the same quarter in 2016. A comparison with the previous quarter ending December 2016 indicates an increase of **0.3** percent.

**Figure 1: Inflation Rates (March 2013 – March 2017)**  
(% Change in CPI of Current Quarter over Same Quarter a Year Ago)



### Annual changes: March 2017 over March 2016

The **1.7** percent overall increase in March 2017 in comparison to March 2016 is mainly due to upwards movement in the price indices of the following divisions:

- **Restaurants and Hotels:** the price index rose by **9.0** percent. There was an increase in accommodation services of **29.3** percent, while the average cost of catering services rose **5.8** percent.

- **Clothing and footwear:** this index had a **4.7** percent upward movement, as a result of 6.0 percent increase in prices for footwear and clothing went up by 4.5 percent.
- **Recreation and culture:** this division's index moved upward by **2.9** percent. Other recreational items and equipment, gardens and pets rose by 4.2 percent; newspapers, books, and stationery moved up by 3.4 percent; and recreational and cultural services upward by 3.1 percent. Although, audio-visual, photographic and information processing equipment fell by 1.2 percent; and other major durables for recreation and culture recorded no movement.
- **Communication:** this division's index increased by **2.8** percent, as postal services rose by 4.9 percent while the average cost of telephone and telefax services was higher by 2.8 percent.
- **Housing and utilities:** there was a **2.8** percent rise in this index, actual rentals for housing went up by 5.0 percent, imputed rentals increased by 3.9 percent, and maintenance and repair of dwelling up by 3.6 percent. However, there was a significant decrease in water supply and miscellaneous services by 7.2 percent and electricity, gas, and other fuels by 1.7 percent.
- **Transport:** the index for this division rose by **1.8** percent. All the components of this division recorded increased prices. Transport services index expanded by 2.4 percent, while the operations of personal transport equipment went up by 1.7 percent and the purchase of vehicles moved up by 0.1 percent.
- **Alcohol and tobacco:** the index for this division moved upward by **1.6** percent. Tobacco prices increased by 2.4 percent while alcohol rose by 1.3 percent.
- **Education:** the index for the division moved up by **1.2** percent, due to an increase 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.
- **Food and non-alcoholic beverages:** this division's index increased by **0.4** percent. Average prices for fish and seafood rose by 10.0 percent; milk, cheese and egg up by 5.5 percent; mineral water, soft drinks, fruit and vegetable juices by 3.9 percent; oils and fats by 3.4 percent; and food products n.e.c. by 1.6 percent. However, there were decreased prices for vegetables down by 8.8 percent; and meat and meat products declined by 4.6 percent and prices for coffee, tea, and cocoa were lower by 1.8 percent.

- **Household equipment:** the index moved upwards by **0.3** percent. Glassware, tableware and household utensils had a significant increase of 13.1 percent as compared to 12 months ago. The average prices for household textiles rose by 4.9 percent and furniture and furnishings by 0.6 percent.

Meanwhile, the following divisions recorded decreases in March 2017 compared to March 2016:

- **Miscellaneous goods and services:** there was a **2.8** percent decline in the index, mainly the result of a 4.6 percent decline in insurance, and a 4.0 percent decrease in personal effects not elsewhere classified (n.e.c.) such as jewellery. Other services n.e.c. (for example, legal fees, and passport handling fees) fell by 0.3 percent on average. However, these declines were tempered by financial services which rose by 8.7 percent, social protection, and personal care up by 2.7 and 0.1 percent, respectively.
- **Health:** there was a **0.3** percent decline in this division's price index largely traced to reduced prices for medical products, appliances and equipment which declined by 1.6 percent.

#### Quarterly changes: March 2017 compared to December 2016

The following divisions were the main contributors to the **0.3** percent quarter-on-quarter increase in the CPI for the first quarter of 2017:

- **Food and non-alcoholic beverages:** the index had an increase **0.9** for the quarter. The main contributors were milk, cheese, and egg with an increase of 6.2 percent; fruits 4.0 percent; and meat and meat products, up 2.5 percent. There were reduced prices for vegetables of 4.3 percent; bread and cereals down by 0.2 percent; and coffee, tea and cocoa also recording a similar decline of 0.2 percent.
- **Transport:** this index increased by **0.8** percent above the December 2016 quarter. Operations of personal transport equipment average price rose 1.6 percent, and the average purchase price of vehicles moved up slightly by 0.2 percent. Transport services, however, had a downward movement of 0.2 percent.
- **Clothing and footwear:** compared to 3 months ago this division had a growth of **0.7** percent. Clothing rose by 1.1 percent while footwear moved down by 0.9 percent.
- **Alcohol and tobacco:** the index for this division grew by **0.5** percent as a result of a 0.8 percent increase in alcohol prices. However, tobacco products fell by 0.5 percent.

- **Household equipment:** the index moved upwards by **0.4** percent. Glassware, tableware and household utensils were the main components that had the largest increase of 8.9 percent while household textiles rose by 0.3 percent and furniture and furnishings by 0.2 percent. Household appliances, however, recorded a decline of 0.5 percent. The index for tools and equipment for house and garden and goods and services for routine household maintenance each recorded declines of 0.1 percent.
- **Housing and utilities:** this index rose by **0.3** percent during the first quarter of 2017 compared to the previous quarter. Electricity, gas and other fuels rose by 7.4 percent while maintenance and repair of dwelling moved up by 0.4 percent and water supply and miscellaneous services recorded an increase of 0.2 percent. However, the average price of actual rentals for housing fell by 3.0 percent.
- **Health:** the index moved upwards by **0.1** percent, and it is due only to the increase in the average prices of the medical products, appliances and equipment by 0.5 percent. The price index for both outpatient services and hospital services remained flat.

The following divisions recorded declines in their indices when compared to the quarter ending December 2016:

- **Recreation and culture:** this division experienced a downward movement of **0.8** percent. Although there was a 0.8 percent increase in the index for audio-visual, photographic and information processing equipment other components of this division such as newspapers, books and stationery fell by 2.2 percent and other recreational items and equipment, gardens and pets fell by 2.0 percent. Other major durables for recreation and culture recorded no change.
- **Restaurants and Hotels:** this price index dropped by **0.3** percent. The main contributor to this fall was a 1.4 percent decrease in the average prices for catering services. However, accommodation services rose by 6.6 percent for the period under review.
- **Miscellaneous goods and services:** this index fell by **0.1** percent due to the fall in the average prices for personal care items, and personal effects n.e.c. both declined by 0.4 percent.
- **Communication:** this index remained stable, but the index for the group postal services recorded a decline of 0.2 percent.

Meanwhile, the index for the division **Education** remained stable for the 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
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
<b>2017</b>	<b>March</b>	<b>103.1</b>	<b>0.3</b>	<b>1.7</b>

**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
<b>2016</b>	<b>101.8</b>	<b>-0.6</b>

**TABLE 3: CONSUMER PRICE INDICES AND INFLATION BY DIVISIONS AND GROUPS - FIRST QUARTER 2017**

Major Group	Weight	Index			Percentage Change	
		Mar-17	Dec-16	Mar-16	3 months Ago	1 year ago
<b>All Divisions - All items</b>	<b>1,000.0</b>	<b>103.1</b>	<b>102.8</b>	<b>101.4</b>	<b>0.3</b>	<b>1.7</b>
<b>01 Food &amp; Non Alcoholic Beverage</b>	<b>79.6</b>	<b>127.5</b>	<b>126.4</b>	<b>127.0</b>	<b>0.9</b>	<b>0.4</b>
Bread & cereals	9.9	125.2	125.4	124.5	(0.2)	0.6
Meat & meat products	10.4	132.5	129.2	138.9	2.5	(4.6)
Fish & seafood	4.2	140.9	139.2	128.1	1.2	10.0
Milk, cheese & egg	8.3	124.3	117.1	117.8	6.2	5.5
Oils & fats	2.0	109.6	109.0	106.0	0.6	3.4
Fruits	6.7	141.7	136.3	141.4	4.0	0.2
Vegetables	8.6	130.1	135.9	142.6	(4.3)	(8.8)
Sugars, jam, honey, chocolate & confectionery	5.5	127.5	127.5	126.5	0.0	0.8
Food products n.e.c.	5.6	122.9	122.6	121.0	0.3	1.6
Coffee, tea & cocoa	1.6	119.0	119.3	121.2	(0.2)	(1.8)
Mineral water, soft drinks, fruit & vegetable juices	16.9	121.4	121.4	116.8	(0.0)	3.9
<b>02 Alcohol and Tobacco</b>	<b>6.5</b>	<b>134.9</b>	<b>134.3</b>	<b>132.9</b>	<b>0.5</b>	<b>1.6</b>
Alcohol	5.6	116.7	115.8	115.2	0.8	1.3
Tobacco	0.9	253.2	254.4	247.2	(0.5)	2.4
<b>03 Clothing and Footwear</b>	<b>34.3</b>	<b>121.0</b>	<b>120.1</b>	<b>115.5</b>	<b>0.7</b>	<b>4.7</b>
Clothing	29.5	118.7	117.4	113.6	1.1	4.5
Footwear	4.8	135.3	136.6	127.6	(0.9)	6.0
<b>04 Housing and Utilities</b>	<b>394.4</b>	<b>81.5</b>	<b>81.2</b>	<b>79.3</b>	<b>0.3</b>	<b>2.8</b>
Actual rentals for housing	78.7	78.3	80.7	74.6	(3.0)	5.0
Imputed rentals for owner-occupied housing	223.4	75.5	75.5	72.7	0.0	3.9
Maintenance and repair of dwelling	28.5	130.3	129.8	125.8	0.4	3.6
Water supply and miscellaneous services	16.4	90.4	90.2	97.3	0.2	(7.2)
Electricity, gas and other fuels	47.3	82.4	76.7	83.8	7.4	(1.7)
<b>05 Household Equipment</b>	<b>56.4</b>	<b>118.4</b>	<b>117.9</b>	<b>118.0</b>	<b>0.4</b>	<b>0.3</b>
Furniture and furnishings	5.7	109.2	109.0	108.5	0.2	0.6
Household textiles	1.1	114.0	113.6	118.8	0.3	(4.1)
Household appliances	2.8	105.9	106.4	100.9	(0.5)	4.9
Glassware, tableware and household utensils	2.8	141.6	130.1	125.3	8.9	13.1
Tools and equipment for house and garden	1.5	92.2	92.3	93.2	(0.1)	(1.1)
Goods and services for routine household maintenance	42.4	120.0	120.1	120.9	(0.1)	(0.7)
<b>06 Health</b>	<b>24.2</b>	<b>101.9</b>	<b>101.8</b>	<b>102.3</b>	<b>0.1</b>	<b>(0.3)</b>
Medical products, appliances and equipment	5.0	108.3	107.8	110.1	0.5	(1.6)
Outpatient services	17.9	99.1	99.1	99.1	0.0	0.0
Hospital services	1.4	115.0	115.0	115.0	0.0	0.0
<b>07 Transport</b>	<b>96.1</b>	<b>111.4</b>	<b>110.5</b>	<b>109.4</b>	<b>0.8</b>	<b>1.8</b>
Purchase of vehicles	6.1	118.9	118.6	118.8	0.2	0.1
Operations of personal transport equipment	57.4	104.8	103.2	103.1	1.6	1.7
Transport services	32.6	121.6	121.8	118.7	(0.2)	2.4
<b>08 Communication</b>	<b>69.7</b>	<b>112.8</b>	<b>112.8</b>	<b>109.7</b>	<b>(0.0)</b>	<b>2.8</b>
Postal services	0.5	101.5	101.6	96.8	(0.2)	4.9
Telephone & telefax equipment	0.3	107.6	107.6	107.6	0.0	0.0
Telephone & telefax services	68.9	112.9	112.9	109.8	0.0	2.8
<b>09 Recreation and Culture</b>	<b>40.5</b>	<b>102.5</b>	<b>103.3</b>	<b>99.6</b>	<b>(0.8)</b>	<b>2.9</b>
Audio-visual, photographic and information processing equipment	4.2	66.5	66.0	67.4	0.8	(1.2)
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	116.8	119.3	112.1	(2.0)	4.2
Recreational & cultural services	17.6	105.8	105.8	102.7	0.0	3.1
Newspapers, books and stationery	4.8	97.1	99.2	93.9	(2.2)	3.4
<b>10 Education</b>	<b>27.9</b>	<b>120.5</b>	<b>120.5</b>	<b>119.1</b>	<b>0.0</b>	<b>1.2</b>
Pre-primary and primary education	16.1	124.2	124.2	121.8	0.0	2.0
Secondary education	2.41	127.3	127.3	126.7	0.0	0.5
Tertiary education	9.4	112.5	112.5	112.5	0.0	0.0
<b>11 Restaurants and Hotels</b>	<b>40.2</b>	<b>130.6</b>	<b>131.0</b>	<b>119.8</b>	<b>(0.3)</b>	<b>9.0</b>
Catering Services	33.8	130.7	132.7	123.5	(1.4)	5.8
Accommodation Services	6.4	129.7	121.6	100.3	6.6	29.3
<b>12 Miscellaneous Goods and Services</b>	<b>130.2</b>	<b>117.6</b>	<b>117.7</b>	<b>121.0</b>	<b>(0.1)</b>	<b>(2.8)</b>
Personal care	26.5	120.1	120.6	119.9	(0.4)	0.1
Personal effects n.e.c.	7.7	147.5	148.0	153.7	(0.4)	(4.0)
Social protection	8.4	112.5	112.5	109.5	0.0	2.7
Insurance	74.8	114.2	114.2	119.8	0.0	(4.6)
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	118.7	0.0	(0.3)



## CONSUMER PRICE REPORT MARCH 2017

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
<b>WEIGHT</b>	<b>79.6</b>	<b>6.5</b>	<b>34.3</b>	<b>394.4</b>	<b>56.4</b>	<b>24.2</b>	<b>96.1</b>	<b>69.7</b>	<b>40.5</b>	<b>27.9</b>	<b>40.2</b>	<b>130.2</b>	<b>1000</b>
<b>2011</b>													
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
<b>ANNUAL AVERAGE 2011</b>	<b>112.8</b>	<b>115.5</b>	<b>101.1</b>	<b>90.3</b>	<b>102.8</b>	<b>98.7</b>	<b>109.4</b>	<b>104.0</b>	<b>99.3</b>	<b>105.4</b>	<b>115.4</b>	<b>106.5</b>	<b>100.2</b>
<b>2012</b>													
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
<b>ANNUAL AVERAGE 2012</b>	<b>117.6</b>	<b>119.9</b>	<b>107.7</b>	<b>90.4</b>	<b>103.7</b>	<b>101.2</b>	<b>112.6</b>	<b>103.9</b>	<b>97.5</b>	<b>105.9</b>	<b>112.6</b>	<b>108.5</b>	<b>101.4</b>
<b>2013</b>													
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
<b>ANNUAL AVERAGE 2013</b>	<b>121.4</b>	<b>131.6</b>	<b>112.9</b>	<b>89.2</b>	<b>110.1</b>	<b>102.1</b>	<b>115.2</b>	<b>104.6</b>	<b>96.5</b>	<b>110.8</b>	<b>116.2</b>	<b>117.7</b>	<b>103.6</b>
<b>2014</b>													
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
<b>ANNUAL AVERAGE 2014</b>	<b>124.2</b>	<b>131.7</b>	<b>112.0</b>	<b>88.8</b>	<b>118.2</b>	<b>101.9</b>	<b>117.9</b>	<b>105.6</b>	<b>98.7</b>	<b>113.8</b>	<b>121.4</b>	<b>118.5</b>	<b>104.9</b>
<b>2015</b>													
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
<b>ANNUAL AVERAGE 2015</b>	<b>126.2</b>	<b>132.5</b>	<b>115.4</b>	<b>82.6</b>	<b>118.4</b>	<b>102.1</b>	<b>112.2</b>	<b>109.1</b>	<b>100.1</b>	<b>118.1</b>	<b>119.6</b>	<b>117.6</b>	<b>102.4</b>
<b>2016</b>													
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
<b>ANNUAL AVERAGE 2016</b>	<b>126.3</b>	<b>133.3</b>	<b>116.9</b>	<b>80.2</b>	<b>118.0</b>	<b>102.0</b>	<b>110.1</b>	<b>110.6</b>	<b>102.0</b>	<b>119.8</b>	<b>123.0</b>	<b>118.5</b>	<b>101.8</b>
<b>2017</b>													
MARCH	127.5	134.9	121.0	81.5	118.4	101.9	111.4	112.8	102.5	120.5	130.6	117.6	103.1
<b>% CHANGE PREV YEAR</b>	<b>0.4</b>	<b>1.6</b>	<b>4.7</b>	<b>2.8</b>	<b>0.3</b>	<b>-0.3</b>	<b>1.8</b>	<b>2.8</b>	<b>2.9</b>	<b>1.2</b>	<b>9.0</b>	<b>-2.8</b>	<b>1.7</b>
<b>% CHANGE PREV QTR</b>	<b>0.9</b>	<b>0.5</b>	<b>0.7</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>	<b>0.8</b>	<b>0.0</b>	<b>-0.8</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.3</b>



**TABLE 5: AVERAGE PRICES OF SELECTED ITEMS**  
**Quarter Ending March 2017**

Item	Quantity	Average Prices (CIS)		
		Mar-16	Dec-16	Mar-17
Loaf - Harddough	2 lb	3.95	4.13	4.05
Long Grain Rice	5 lb	2.49	2.49	2.49
Cornflakes (original)	24 oz	5.22	5.39	5.39
Stew Beef	per lb	5.69	4.54	4.58
Bacon	12 oz	5.32	5.66	5.66
Snapper Fillets (frozen)	per lb	8.91	12.65	12.26
Canned Tuna in water	6 oz	1.86	1.64	1.66
Eggs (Grade A Large)	1 doz	3.26	3.06	3.06
Margarine -Shedds Spread	45 oz	5.79	5.22	5.22
Fresh Milk (McArthur - Regular Vitamin D)	1 gal	6.51	6.42	6.42
Evaporated milk (Nestle Carnation)	14 oz	1.46	1.47	1.59
Vegetable Oil	24 oz	4.29	4.46	4.46
Plantain	per lb	1.29	1.13	1.13
Potatoes - Irish	per lb	0.96	0.98	0.96
Lettuce - Iceburg	each	2.21	2.32	1.82
Sweet Potatoes	per lb	3.91	3.42	3.01
Tomatoes - Slicing	per lb	3.42	2.79	2.84
Bananas - Ripe	per lb	0.93	0.97	1.07
Apple - Golden Delicious	per lb	2.73	2.26	2.35
Grapes - Red Seedless	per lb	4.58	3.41	3.83
Tea (Lipton Decaffeinated)	48 bags	4.59	4.66	4.66
Coffee - Instant -Classic Roast - Bottle	8 oz	6.82	6.82	7.09
Soda	12 oz	0.79	0.79	0.79
Sugar - Light Brown (Bag)	2 lb	3.12	3.03	3.03
Corned Beef - regular	340 g	4.13	3.89	4.09
Iodized Salt	26 oz	0.99	1.06	1.06
Petrol - Regular Full Service	per gal	3.92	4.10	4.17
Petrol - Premium Full Service	per gal	4.17	4.36	4.42
Diesel - Full Service	per gal	3.94	4.03	4.15

**Table 6: Core Inflation\***

<b>Period</b>	<b>INDEX</b>	<b>Percentage change 1 year</b>
Dec-08	100.7	
Dec-09	98.9	(1.8)
Dec-10	97.6	(1.4)
Dec-11	97.6	0.1
Dec-12	99.3	1.6
Dec-13	101.2	2.0
Dec-14	102.2	0.9
Dec-15	100.9	(1.2)
<b>Dec-16</b>	102.8	1.9

\*CPI Inflation excluding food, gas (piped) and electricity, fuel oil and other household fuels, and motor fuels.

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
<b>Total</b>		<b>1,393</b>

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, PLo, 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