



# THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: OCTOBER TO DECEMBER 2018

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This report presents the average CPI for 2018 and the results of the December 2018 CPI Survey.

## Average CPI in 2018

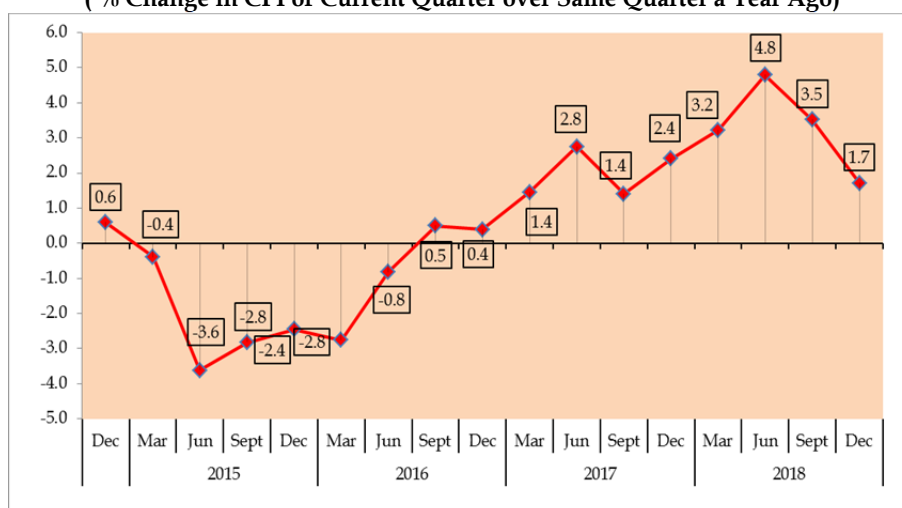
The average CPI in 2018 was **104.5**, an increase of **3.3** percent over the average CPI in 2017. This represents an acceleration of the overall index, driven mainly by price trends of fuel-related products in the transport and housing and utilities divisions, as well as the food division.

| Summary Table: Average % Change, 2016 - 2018 |                         |       |       |
|--|-------------------------|-------|-------|
| Division                                     | Annual Average % Change |       |       |
|  | 2016                    | 2017  | 2018  |
|  |                         |       |       |
| All Items                                    | (0.7)                   | 2.0   | 3.3   |
|  |                         |       |       |
| Food & Non-alcoholic beverages               | 0.1                     | 0.9   | 4.4   |
| Alcoholic Beverages & Tobacco                | 0.6                     | 2.8   | (0.1) |
| Clothing & Footwear                          | 0.7                     | 2.2   | (0.1) |
| Housing and Utilities                        | (2.7)                   | 2.3   | 3.8   |
| Household Furnishings and Equipment          | (0.3)                   | 3.4   | 2.3   |
| Health                                       | (0.1)                   | 2.4   | 3.2   |
| Transport                                    | (1.7)                   | 4.9   | 7.8   |
| Communication                                | 0.8                     | 1.2   | 2.1   |
| Recreation & Culture                         | 1.3                     | 0.6   | 0.8   |
| Education                                    | 1.5                     | 1.7   | 3.0   |
| Restaurants & Hotels                         | 1.5                     | 2.2   | (0.2) |
| Miscellaneous Goods & Services               | 0.7                     | (0.5) | 0.7   |

% change relative to the average index of the previous year

The CPI rose throughout the four quarters of 2018; however, the increases slowed from the peak of 4.8 percent in the second quarter to 3.5 percent in the third quarter and further to 1.7 percent in the fourth quarter.

**Figure 1: Inflation Rates, Dec 2014 – Dec 2018**  
(% Change in CPI of Current Quarter over Same Quarter a Year Ago)



### Annual changes: December 2018 over December 2017

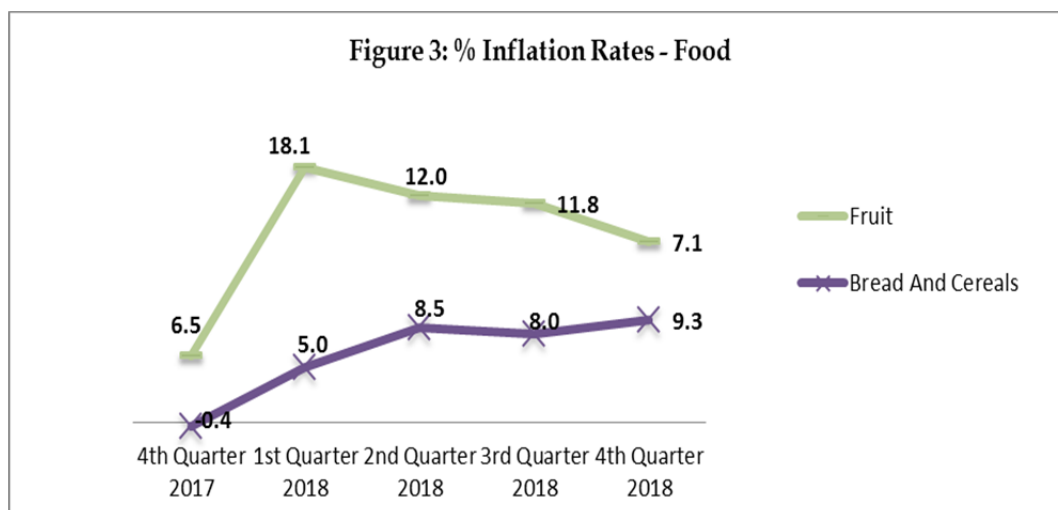
The CPI in the fourth quarter of 2018 was **104.2**, higher by **1.7** percent compared to the fourth quarter of 2017. All divisions had higher price indices, except for alcohol and tobacco, and restaurants and hotels.

**Figure 2: Inflation Rates, Oct-Dec 2018 by Major Types of Goods and Services**  
(% Change in CPI of Current Quarter over Same Quarter a Year Ago)

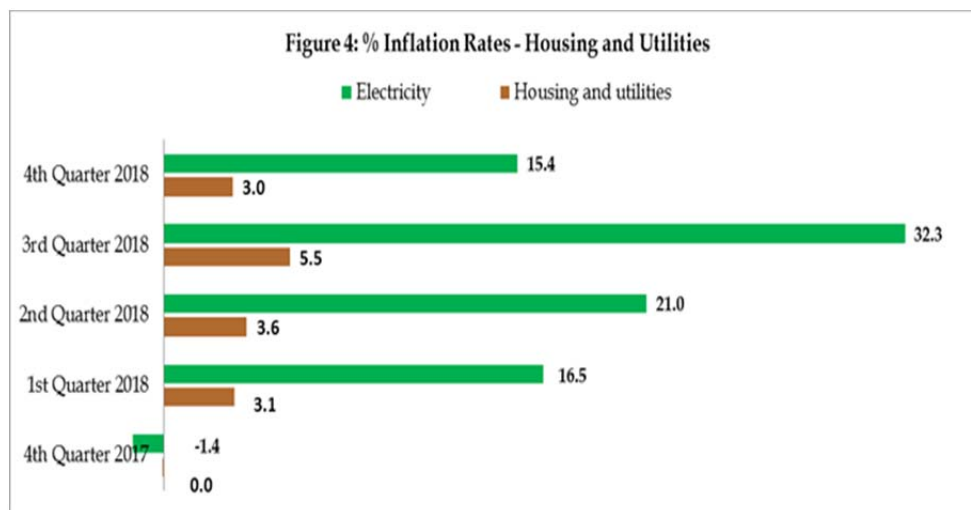


The rise in the fourth quarter CPI is traced to the following divisions:

- **Food & Non-alcoholic Beverages:** this price index was **4.6** percent higher than in December 2017, as a result of a significant increase in *bread and cereals* of 9.3 percent. *Fruits* went up by 7.1 percent, *mineral water, soft drinks, fruit and vegetable juices* by 6.9 percent and *vegetables* by 6.8 percent.



- Housing and Utilities:** the index for the division had an incline of **3.0** percent due to a significant rise in the average cost of *electricity* (15.4%), while the cost of *water* increased by 5.0 percent. *Actual rentals, services for the maintenance and repair of the dwellings and gas (LPG/Propane)* prices were stable.



- Recreation and Culture:** the price index went up by **2.5** percent. Average prices of *information processing equipment* rose by 10.7 percent, *major durables for outdoor recreation* by 7.9 percent and *reception and recording equipment* by 7.7 percent. The price index for *package holidays (abroad)* also rose by 7.0 percent.
- Communication:** the index moved up by **2.1** percent due to an increase in the average cost of *telephone and telefax services* (2.9%), while *telephone and telefax equipment* declined by 4.4 percent on average.
- Health:** there was a **2.1** percent rise in the index for this division, traced mainly to the uptrend for *other medicinal products* rising (14.5%) and *pharmaceutical products* (4.6%).
- Clothing and Footwear:** this price index was **0.8** percent higher from a year ago. The average prices for *locally purchased clothing* rose by 2.1 percent. However, *locally purchased footwear* declined by 3.3 percent.
- Education:** this division showed a **0.7** percent increase as the fees for *pre-primary and primary education* rose by 1.4 percent compared to the same period in 2017. The average prices for *secondary, tertiary education and education not definable by level* remained stable.
- Transport:** this division's price index increased by **0.5** percent. The average cost for *maintenance and repair of personal transport equipment* moved up by 10.9 percent, *fuels* by 6.5 percent and *purchase of motor vehicles* by 3.6 percent. However, the cost of *passenger transport by air* declined by 7.7 percent and *spare parts and accessories* by 0.1 percent.

- **Household Furnishings and Equipment:** this price index was **0.4** percent higher than a year ago. *Small electric household appliances* rose by 5.0 percent, *small tools and miscellaneous accessories* by 3.6 percent, *glassware, tableware and household utensils* by 3.2 and *non-durable household goods* 1.2 percent.
- **Miscellaneous Goods and Services:** the inflation rate for this division was **0.2** percent as a result of price increases for *other personal effects* (3.9%) and *hairdressing salons and personal grooming establishments* (1.8%). Price declines were recorded for *housing contents insurance* (2.2%) and *other appliances, articles and products for personal care* (0.4%).

The **alcoholic beverages and tobacco division** recorded a **0.9** percent decline in its price index. Average prices of tobacco moved up by 1.2 percent and beer by 0.4 percent. Spirits and alcoholic cordials had a price decline (8.2%) as well as wine (0.3%).

There was no change in the price index for **restaurants and hotels** in the fourth quarter of 2018 relative to the same quarter in 2017, as the slight price increases for *restaurants, cafes and the like* were offset by declines in *canteens at educational establishments or work* and *accommodation services (local & abroad)*.

#### **Quarterly changes: December 2018 compared to September 2018**

The CPI fell by 0.8 percent compared to the third quarter of 2018, with the following divisions showing reductions:

- **Housing and Utilities:** there was a 2.3 percent decrease in the index for this division, traced mainly to a downward movement for *electricity* of 12.8 percent. The price index for *water supply* also rose by 4.9 percent.
- **Alcoholic Beverages and Tobacco:** the index moved down by **1.2** percent during the quarter. The major contributor to this decline was *spirits and alcoholic cordials* that went down by 8.8 percent while the price increases were shown for *tobacco* (0.3%) and *wine* (0.1%).
- **Communication:** the index fell by **0.4** percent for the quarter. Prices of *telephone and telefax equipment* dropped by 4.5 percent while *telephone and telefax services* was stable.
- **Transport:** the index slipped by **0.2** percent. Notable price reductions were seen in *other services in respect of personal transport* (2.7%), *purchase of motor vehicles* (2.5%) and *fuels* (2.0%). However, there were increases for *passenger transport by air* (3.0%), *spare parts and accessories* (1.0%) and *maintenance and repair of personal transport* (0.4%).

The following divisions recorded upward movement in their indices when compared to the quarter ending September 2018.

- **Health:** there was a **1.6** percent rise in the index for this division, traced mainly to *other medicinal products* which went up by 12.0 percent and *pharmaceutical products* by 3.8 percent.
- **Food & Non-Alcoholic Beverages:** an increase of **0.6** percent was recorded for this division's price index. Increases in average prices were shown for *vegetables* by 7.4 percent; both *bread and cereals* and *other food products* by 0.5 percent; and *mineral waters, soft drinks, fruit and vegetable juices* rose by 0.1 percent each.
- **Housing Furnishings and Equipment:** there was a **0.5** percent rise in the index for this division. Average prices of *furniture and furnishings* moved up by 1.5 percent. The indices for *household textiles, small electric household appliances, and small tools and miscellaneous accessories* also rose by 1.4 percent.
- **Clothing and Footwear:** the index had a rise of **0.1** percent for the quarter. The prices of *clothing purchased abroad* increased by 0.3 percent while *clothing purchased locally* went up by 0.2 percent. However, *footwear purchased locally* by 0.7 percent.
- **Recreation and Culture:** this index posted a **0.1** percent increase and was largely the result of a 13.2 percent incline in the index for *reception and recording equipment*. *Package holidays (abroad)* showed an average price decline by 1.5 percent and *major durables for outdoor recreation* by 1.3 percent.

The price indices for **Education, Restaurants and Hotels and Miscellaneous Goods and Services** were stable during the fourth quarter relative to the third quarter of 2018.

### Core Inflation Rate

The core inflation rate is the change in the overall CPI index excluding food and non-alcoholic beverages and all fuel-related items (piped gas and electricity, motor fuels, fuel oil and other household fuels). The core inflation rate for the quarter ending December of 2018 over the same period of 2017 is 0.4 percent.

**Table 1: Quarterly Consumer Price Index and Inflation Rates**
**September 2016 = 100**

| Year | Quarter Ending | INDEX | Percentage change in CPI: |            |
|------|----------------|-------|---------------------------|------------|
|      |                |       | 3 months ago              | 1 year ago |
| 2013 | March          | 99.7  | -0.1                      | 1.4        |
|      | June           | 101.5 | 1.8                       | 2.7        |
|      | September      | 101.0 | -0.5                      | 2.9        |
|      | December       | 101.5 | 0.5                       | 1.7        |
| 2014 | March          | 102.0 | 0.5                       | 2.3        |
|      | June           | 102.2 | 0.2                       | 0.7        |
|      | September      | 102.4 | 0.2                       | 1.4        |
|      | December       | 102.1 | -0.3                      | 0.6        |
| 2015 | March          | 101.6 | -0.5                      | -0.4       |
|      | June           | 98.5  | -3.1                      | -3.6       |
|      | September      | 99.5  | 1.0                       | -2.8       |
|      | December       | 99.6  | 0.1                       | -2.4       |
| 2016 | March          | 98.8  | -0.8                      | -2.8       |
|      | June           | 97.7  | -1.1                      | -0.8       |
|      | September      | 100.0 | 2.4                       | 0.5        |
|      | December       | 100.0 | 0.0                       | 0.4        |
| 2017 | March          | 100.2 | 0.2                       | 1.4        |
|      | June           | 100.4 | 0.2                       | 2.8        |
|      | September      | 101.4 | 1.0                       | 1.4        |
|      | December       | 102.4 | 1.0                       | 2.4        |
| 2018 | March          | 103.5 | 1.0                       | 3.2        |
|      | June           | 105.2 | 1.7                       | 4.8        |
|      | September      | 105.0 | -0.2                      | 3.5        |
|      | December       | 104.2 | -0.8                      | 1.7        |

\* The CPI series from 2013 to June 2016 were re-based to September 2016.

**Table 2: Annual Averages 2011 to 2018**
**(September 2016 = 100)**

| YEAR | INDEX | Percentage change<br>from a year ago |
|------|-------|--------------------------------------|
| 2011 | 97.6  | 1.3                                  |
| 2012 | 98.8  | 1.2                                  |
| 2013 | 100.9 | 2.2                                  |
| 2014 | 102.2 | 1.2                                  |
| 2015 | 99.8  | -2.3                                 |
| 2016 | 99.1  | -0.7                                 |
| 2017 | 101.1 | 2.0                                  |
| 2018 | 104.5 | 3.3                                  |



**TABLE 3: CONSUMER PRICE INDICES AND INFLATION BY DIVISIONS AND GROUPS - FOURTH QUARTER 2018**

| Major Groups   | Weight         | Index        |              |              | Percentage Change |             |
|--|----------------|--------------|--------------|--------------|-------------------|-------------|
|  |                | Dec 17       | Sept 18      | Dec 18       | 3 months ago      | 1 year ago  |
| <b>Overall</b>   | <b>1,000.0</b> | <b>102.4</b> | <b>105.0</b> | <b>104.2</b> | <b>-0.8</b>       | <b>1.7</b>  |
| <b>01 Food and non-alcoholic beverages</b>                                   | <b>66.1</b>    | <b>101.1</b> | <b>105.1</b> | <b>105.7</b> | <b>0.6</b>        | <b>4.6</b>  |
| Bread and Cereals  | 8.6            | 99.1         | 107.9        | 108.3        | 0.5               | 9.3         |
| Meat & Meat Products   | 8.9            | 98.9         | 101.9        | 99.7         | -2.1              | 0.8         |
| Fish and Seafood   | 3.0            | 106.7        | 112.6        | 112.7        | 0.1               | 5.6         |
| Milk, Cheese and Eggs  | 7.2            | 108.5        | 109.3        | 108.1        | -1.1              | -0.4        |
| Oils and Fats  | 1.7            | 105.7        | 106.8        | 106.8        | 0.0               | 1.0         |
| Fruits   | 6.7            | 107.9        | 116.0        | 115.6        | -0.4              | 7.1         |
| Vegetables   | 8.4            | 100.8        | 100.2        | 107.6        | 7.4               | 6.8         |
| Sugar, Sugar Confectionary and Snacks  | 3.1            | 100.1        | 100.7        | 100.7        | 0.0               | 0.7         |
| Other Food Products (Not Elsewhere Specified)                                | 4.3            | 100.4        | 101.8        | 102.3        | 0.5               | 1.9         |
| Tea, Coffee and Cocoa  | 1.4            | 95.5         | 95.5         | 94.8         | -0.8              | -0.8        |
| Mineral Waters, Soft Drinks, Fruit and Vegetable Juices                      | 12.9           | 95.5         | 102.0        | 102.1        | 0.1               | 6.9         |
| <b>02 Alcoholic beverages and tobacco</b>                                    | <b>22.3</b>    | <b>102.8</b> | <b>103.1</b> | <b>101.9</b> | <b>-1.2</b>       | <b>-0.9</b> |
| Spirits and Alcoholic Cordials   | 3.2            | 101.9        | 102.5        | 93.5         | -8.8              | -8.2        |
| Wine   | 6.7            | 102.0        | 101.6        | 101.7        | 0.1               | -0.3        |
| Beer   | 8.5            | 103.7        | 104.1        | 104.1        | 0.0               | 0.4         |
| Tobacco  | 3.9            | 102.9        | 103.8        | 104.1        | 0.3               | 1.2         |
| <b>03 Clothing &amp; Footwear</b>  | <b>33.3</b>    | <b>101.2</b> | <b>101.9</b> | <b>102.0</b> | <b>0.1</b>        | <b>0.8</b>  |
| Clothing   | 14.4           | 100.8        | 102.7        | 102.9        | 0.2               | 2.1         |
| Footwear   | 3.9            | 100.2        | 97.5         | 96.9         | -0.7              | -3.3        |
| Clothing purchased abroad  | 11.9           | 101.8        | 102.2        | 102.5        | 0.3               | 0.7         |
| Footwear purchased abroad  | 3.0            | 101.6        | 101.8        | 101.8        | 0.0               | 0.2         |
| <b>04 Housing, water, electricity, gas and other fuels</b>                   | <b>334.5</b>   | <b>100.2</b> | <b>105.6</b> | <b>103.2</b> | <b>-2.3</b>       | <b>3.0</b>  |
| Actual Rentals paid by Tenants   | 85.7           | 101.6        | 101.6        | 101.6        | 0.0               | 0.0         |
| Imputed Rentals for Owner Occupiers  | 170.3          | 100.3        | 100.8        | 100.8        | 0.0               | 0.5         |
| Materials for the Maintenance and Repair of the Dwelling                     | 2.5            | 101.0        | 102.1        | 102.3        | 0.3               | 1.3         |
| Services for the Maintenance and Repair of the Dwelling                      | 1.1            | 100.0        | 100.0        | 100.0        | 0.0               | 0.0         |
| Water Supply   | 18.7           | 96.8         | 96.9         | 101.6        | 4.9               | 5.0         |
| Electricity  | 54.7           | 98.6         | 130.5        | 113.8        | -12.8             | 15.4        |
| Gas (LPG/Propane)  | 1.5            | 100.3        | 100.3        | 100.3        | 0.0               | 0.0         |
| <b>05 Furnishings, household equipment and routine household maintenance</b> | <b>42.7</b>    | <b>106.1</b> | <b>105.9</b> | <b>106.5</b> | <b>0.5</b>        | <b>0.4</b>  |
| Furniture and Furnishings  | 8.7            | 116.8        | 113.0        | 114.8        | 1.5               | -1.7        |
| Household Textiles   | 2.2            | 99.1         | 97.3         | 98.6         | 1.4               | -0.5        |
| Major Household Appliances   | 4.6            | 101.3        | 101.4        | 101.8        | 0.4               | 0.4         |
| Small Electric Household Appliances  | 1.0            | 100.3        | 103.8        | 105.2        | 1.4               | 5.0         |
| Repair of Household Appliances   | 2.2            | 104.6        | 104.6        | 104.6        | 0.0               | 0.0         |
| Glassware, Tableware and Household Utensils                                  | 1.8            | 105.7        | 108.9        | 109.1        | 0.2               | 3.2         |
| Small Tools and Miscellaneous Accessories                                    | 1.6            | 100.8        | 103.0        | 104.4        | 1.4               | 3.6         |
| Non-Durable Household Goods  | 11.9           | 107.3        | 108.6        | 108.6        | 0.0               | 1.2         |
| Employed Staff (Paid Staff Privately Employed)                               | 8.6            | 100.0        | 100.0        | 100.0        | 0.0               | 0.0         |
| <b>06 Health</b>   | <b>20.9</b>    | <b>105.4</b> | <b>105.8</b> | <b>107.6</b> | <b>1.6</b>        | <b>2.1</b>  |
| Pharmaceutical Products  | 6.1            | 118.6        | 119.5        | 124.1        | 3.8               | 4.6         |
| Other Medicinal Products   | 0.6            | 108.1        | 110.5        | 123.8        | 12.0              | 14.5        |
| Therapeutic Appliances and Equipment   | 2.1            | 96.9         | 96.9         | 96.9         | 0.0               | 0.0         |
| Medical Services   | 5.2            | 100.0        | 100.0        | 100.0        | 0.0               | 0.0         |
| Dental Services  | 1.7            | 100.0        | 100.0        | 100.0        | 0.0               | 0.0         |
| Paramedical Services   | 1.0            | 100.0        | 100.0        | 100.0        | 0.0               | 0.0         |
| Hospital Services  | 4.2            | 100.0        | 100.7        | 100.7        | 0.0               | 0.7         |



| Major Groups   | Index        |              |              |              | Percentage Change |            |
|--|--------------|--------------|--------------|--------------|-------------------|------------|
|  | Weight       | Dec 17       | Sept 18      | Dec 18       | 3 months          |            |
|  |              |              |              |              | ago               | 1 year ago |
| <b>07 Transport</b>  | <b>162.0</b> | <b>110.8</b> | <b>111.7</b> | <b>111.4</b> | <b>-0.2</b>       | <b>0.5</b> |
| Purchase of Motor Vehicles                                   | 35.8         | 94.8         | 100.8        | 98.3         | -2.5              | 3.6        |
| Spare Parts and Accessories for Personal Transport Equipment | 4.8          | 107.8        | 106.6        | 107.7        | 1.0               | -0.1       |
| Fuels  | 43.4         | 104.2        | 113.2        | 111.0        | -2.0              | 6.5        |
| Maintenance and Repair of Personal Transport Equipment       | 12.9         | 112.2        | 124.0        | 124.5        | 0.4               | 10.9       |
| Other Services In Respect of Personal Transport Equipment    | 11.9         | 97.7         | 100.7        | 98.0         | -2.7              | 0.3        |
| Passenger Transport by Road                                  | 3.0          | 100.0        | 100.0        | 100.0        | 0.0               | 0.0        |
| Passenger Transport by Air                                   | 46.8         | 133.5        | 119.7        | 123.2        | 3.0               | -7.7       |
| Other Purchased Transport Services                           | 3.4          | 105.2        | 105.2        | 105.2        | 0.0               | 0.0        |
| <b>08 Communication</b>                                      | <b>39.1</b>  | <b>101.3</b> | <b>103.9</b> | <b>103.4</b> | <b>-0.4</b>       | <b>2.1</b> |
| Telephone and Telefax Equipment                              | 3.4          | 115.4        | 115.5        | 110.3        | -4.5              | -4.4       |
| Telephone and Telefax Services                               | 35.7         | 99.9         | 102.8        | 102.8        | 0.0               | 2.9        |
| <b>09 Recreation and Culture</b>                             | <b>59.2</b>  | <b>98.5</b>  | <b>100.9</b> | <b>101.0</b> | <b>0.1</b>        | <b>2.5</b> |
| Reception and Recording Equipment                            | 2.3          | 95.2         | 90.6         | 102.6        | 13.2              | 7.7        |
| Information Processing Equipment                             | 1.9          | 103.9        | 115.0        | 115.0        | 0.0               | 10.7       |
| Recording Media (Audio Visual, Media)                        | 0.5          | 99.8         | 103.5        | 103.5        | 0.0               | 3.7        |
| Major Durables for Outdoor Recreation                        | 2.8          | 93.1         | 101.8        | 100.4        | -1.3              | 7.9        |
| Games, Toys and Hobbies                                      | 1.3          | 95.7         | 94.7         | 95.0         | 0.3               | -0.7       |
| Equipment for Sport, Camping and Open-Air Recreation         | 1.5          | 106.8        | 107.8        | 107.8        | 0.0               | 1.0        |
| Gardens, Plants and Flowers                                  | 1.3          | 99.6         | 99.6         | 99.6         | 0.0               | 0.0        |
| Pets and Related Products                                    | 3.1          | 100.7        | 100.8        | 100.8        | 0.0               | 0.0        |
| Veterinary and Other Services For Pets                       | 3.8          | 100.0        | 100.0        | 100.0        | 0.0               | 0.0        |
| Recreation and Sporting Services                             | 8.9          | 99.3         | 99.3         | 99.3         | 0.0               | 0.0        |
| Cultural Services  | 17.2         | 99.7         | 100.0        | 100.0        | 0.0               | 0.3        |
| Books  | 1.3          | 99.8         | 100.5        | 100.5        | 0.0               | 0.7        |
| Newspapers and Periodicals                                   | 1.3          | 100.0        | 100.0        | 100.0        | 0.0               | 0.0        |
| Package Holidays (Abroad)                                    | 12.2         | 94.8         | 103.0        | 101.5        | -1.5              | 7.0        |
| <b>10 Education</b>  | <b>38.2</b>  | <b>103.5</b> | <b>104.1</b> | <b>104.1</b> | <b>0.0</b>        | <b>0.7</b> |
| Pre Primary and Primary Education                            | 18.1         | 104.2        | 105.6        | 105.6        | 0.0               | 1.4        |
| Secondary Education  | 10.5         | 105.1        | 105.1        | 105.1        | 0.0               | 0.0        |
| Tertiary Education   | 7.1          | 100.4        | 100.4        | 100.4        | 0.0               | 0.0        |
| Education Not Definable by Level                             | 2.5          | 100.0        | 100.0        | 100.0        | 0.0               | 0.0        |
| <b>11 Restaurants and Hotels</b>                             | <b>83.5</b>  | <b>98.9</b>  | <b>98.9</b>  | <b>98.9</b>  | <b>0.0</b>        | <b>0.0</b> |
| Restaurants, Cafes and the Like                              | 64.3         | 99.5         | 99.5         | 99.6         | 0.1               | 0.1        |
| Canteens at Educational Establishments Or Work               | 8.8          | 100.7        | 100.7        | 100.5        | -0.2              | -0.2       |
| Accommodation Services (Local & Abroad)                      | 10.3         | 93.6         | 93.9         | 93.1         | -0.8              | -0.5       |
| <b>12 Miscellaneous Goods and Services</b>                   | <b>98.2</b>  | <b>100.7</b> | <b>100.9</b> | <b>100.9</b> | <b>0.0</b>        | <b>0.2</b> |
| Hairdressing Salons and Personal Grooming Establishments     | 12.8         | 101.1        | 102.8        | 102.9        | 0.2               | 1.8        |
| Other Appliances, Articles and Products for Personal Care    | 15.6         | 100.0        | 100.0        | 99.6         | -0.4              | -0.4       |
| Jewellery and Watches  | 2.3          | 113.9        | 113.9        | 113.9        | 0.0               | 0.0        |
| Other Personal Effects                                       | 1.9          | 109.8        | 111.8        | 114.1        | 2.0               | 3.9        |
| Social Protection  | 5.6          | 102.7        | 102.7        | 102.7        | 0.0               | 0.0        |
| Housing Contents Insurance                                   | 3.1          | 106.0        | 104.8        | 103.6        | -1.1              | -2.2       |
| Health Insurance   | 33.6         | 100.1        | 100.1        | 100.1        | 0.0               | 0.0        |
| Vehicle Insurance  | 11.7         | 97.1         | 97.1         | 97.1         | 0.0               | 0.0        |
| Other Financial Services                                     | 7.8          | 100.0        | 100.0        | 100.0        | 0.0               | 0.0        |
| Other Services Not Elsewhere Classified                      | 3.9          | 100.0        | 100.0        | 100.0        | 0.0               | 0.0        |

**TABLE 4: CONSUMER PRICE INDEX, AVERAGES BY MAJOR GROUPS  
(SEPTEMBER 2016=100)**

| PERIOD / DIVISION                   | Food & Non-alcoholic beverages | Alcoholic Beverages & Tobacco | Clothing & Footwear | Housing and Utilities | Household Furnishings & Equipment | Health       | Transport    | Communication | Recreation & Culture | Education    | Restaurants & Hotels | Miscellaneous Goods & Services | ALL ITEMS    |
|-------------------------------------|--------------------------------|-------------------------------|---------------------|-----------------------|-----------------------------------|--------------|--------------|---------------|----------------------|--------------|----------------------|--------------------------------|--------------|
| <b>WEIGHT</b>                       | <b>66.1</b>                    | <b>22.3</b>                   | <b>33.3</b>         | <b>334.5</b>          | <b>42.7</b>                       | <b>20.9</b>  | <b>162.0</b> | <b>39.1</b>   | <b>59.2</b>          | <b>38.2</b>  | <b>83.5</b>          | <b>98.2</b>                    | <b>1000</b>  |
| <b>2014</b>                         |                                |                               |                     |                       |                                   |              |              |               |                      |              |                      |                                |              |
| MARCH                               | 97.1                           | 98.8                          | 95.6                | 107.0                 | 99.9                              | 100.4        | 105.6        | 95.0          | 95.8                 | 93.8         | 104.3                | 101.4                          | 102.0        |
| JUNE                                | 97.7                           | 98.6                          | 96.2                | 108.3                 | 100.3                             | 100.3        | 106.5        | 96.5          | 95.8                 | 93.8         | 95.0                 | 101.1                          | 102.2        |
| SEPTEMBER                           | 98.1                           | 99.0                          | 96.5                | 109.1                 | 100.7                             | 100.3        | 106.4        | 96.4          | 95.8                 | 93.8         | 93.4                 | 101.0                          | 102.4        |
| DECEMBER                            | 99.1                           | 99.0                          | 96.8                | 108.3                 | 100.7                             | 100.2        | 105.8        | 95.3          | 96.7                 | 96.3         | 95.2                 | 99.4                           | 102.1        |
| <b>ANNUAL AVERAGE 2014</b>          | <b>98.0</b>                    | <b>98.8</b>                   | <b>96.2</b>         | <b>108.2</b>          | <b>100.4</b>                      | <b>100.3</b> | <b>106.1</b> | <b>95.8</b>   | <b>96.0</b>          | <b>94.4</b>  | <b>97.0</b>          | <b>100.7</b>                   | <b>102.2</b> |
| <b>2015</b>                         |                                |                               |                     |                       |                                   |              |              |               |                      |              |                      |                                |              |
| MARCH                               | 99.9                           | 99.1                          | 97.3                | 105.9                 | 100.7                             | 100.8        | 105.5        | 97.3          | 97.6                 | 96.3         | 95.8                 | 99.0                           | 101.6        |
| JUNE                                | 98.8                           | 99.4                          | 98.8                | 98.1                  | 100.5                             | 100.5        | 98.3         | 99.4          | 97.6                 | 98.0         | 93.7                 | 99.5                           | 98.5         |
| SEPTEMBER                           | 99.7                           | 99.5                          | 100.2               | 99.5                  | 100.5                             | 100.6        | 100.8        | 99.5          | 97.5                 | 98.8         | 93.8                 | 100.2                          | 99.5         |
| DECEMBER                            | 99.9                           | 99.6                          | 100.2               | 99.1                  | 100.5                             | 100.5        | 98.9         | 99.5          | 97.1                 | 98.8         | 99.0                 | 100.9                          | 99.6         |
| <b>ANNUAL AVERAGE 2015</b>          | <b>99.6</b>                    | <b>99.4</b>                   | <b>99.1</b>         | <b>100.7</b>          | <b>100.6</b>                      | <b>100.6</b> | <b>100.9</b> | <b>98.9</b>   | <b>97.4</b>          | <b>98.0</b>  | <b>95.6</b>          | <b>99.9</b>                    | <b>99.8</b>  |
| <b>2016</b>                         |                                |                               |                     |                       |                                   |              |              |               |                      |              |                      |                                |              |
| MARCH                               | 100.2                          | 99.7                          | 99.2                | 96.5                  | 100.3                             | 100.7        | 98.4         | 99.5          | 97.0                 | 98.8         | 95.8                 | 102.8                          | 98.8         |
| JUNE                                | 98.7                           | 99.7                          | 99.3                | 95.2                  | 100.5                             | 100.7        | 98.4         | 99.5          | 99.5                 | 98.8         | 92.7                 | 99.8                           | 97.7         |
| SEPTEMBER                           | 100.0                          | 100.0                         | 100.0               | 100.0                 | 100.0                             | 100.0        | 100.0        | 100.0         | 100.0                | 100.0        | 100.0                | 100.0                          | 100.0        |
| DECEMBER                            | 99.8                           | 100.5                         | 100.7               | 100.2                 | 100.3                             | 100.3        | 100.1        | 100.0         | 98.5                 | 100.0        | 99.5                 | 100.0                          | 100.0        |
| <b>ANNUAL AVERAGE 2016</b>          | <b>99.7</b>                    | <b>100.0</b>                  | <b>99.8</b>         | <b>98.0</b>           | <b>100.3</b>                      | <b>100.4</b> | <b>99.2</b>  | <b>99.8</b>   | <b>98.7</b>          | <b>99.4</b>  | <b>97.0</b>          | <b>100.6</b>                   | <b>99.1</b>  |
| <b>2017</b>                         |                                |                               |                     |                       |                                   |              |              |               |                      |              |                      |                                |              |
| MARCH                               | 99.7                           | 101.7                         | 101.5               | 100.2                 | 102.6                             | 99.8         | 101.3        | 100.0         | 97.9                 | 100.0        | 99.1                 | 99.7                           | 100.2        |
| JUNE                                | 100.6                          | 103.3                         | 101.9               | 100.4                 | 102.7                             | 101.5        | 99.3         | 102.2         | 100.4                | 100.0        | 99.3                 | 100.0                          | 100.4        |
| SEPTEMBER                           | 100.8                          | 103.3                         | 103.6               | 100.1                 | 103.5                             | 104.7        | 105.0        | 100.3         | 100.5                | 100.9        | 99.5                 | 100.1                          | 101.4        |
| DECEMBER                            | 101.1                          | 102.8                         | 101.2               | 100.2                 | 106.1                             | 105.4        | 110.8        | 101.3         | 98.5                 | 103.5        | 98.9                 | 100.7                          | 102.4        |
| <b>ANNUAL AVERAGE 2017</b>          | <b>100.6</b>                   | <b>102.8</b>                  | <b>102.0</b>        | <b>100.2</b>          | <b>103.7</b>                      | <b>102.8</b> | <b>104.1</b> | <b>100.9</b>  | <b>99.3</b>          | <b>101.1</b> | <b>99.2</b>          | <b>100.1</b>                   | <b>101.1</b> |
| <b>2018</b>                         |                                |                               |                     |                       |                                   |              |              |               |                      |              |                      |                                |              |
| MARCH                               | 104.5                          | 102.7                         | 102.2               | 103.3                 | 106.4                             | 105.3        | 108.9        | 101.2         | 98.3                 | 104.1        | 99.3                 | 100.7                          | 103.5        |
| JUNE                                | 104.8                          | 102.9                         | 101.6               | 104.0                 | 105.8                             | 105.8        | 116.9        | 103.9         | 100.2                | 104.1        | 98.9                 | 100.8                          | 105.2        |
| SEPTEMBER                           | 105.1                          | 103.1                         | 101.9               | 105.6                 | 105.9                             | 105.8        | 111.7        | 103.9         | 100.9                | 104.1        | 98.9                 | 100.9                          | 105.0        |
| DECEMBER                            | 105.7                          | 101.9                         | 102.0               | 103.2                 | 106.5                             | 107.6        | 111.4        | 103.4         | 101.0                | 104.1        | 98.9                 | 100.9                          | 104.2        |
| <b>ANNUAL AVERAGE 2018</b>          | <b>105.0</b>                   | <b>102.6</b>                  | <b>101.9</b>        | <b>104.0</b>          | <b>106.1</b>                      | <b>106.1</b> | <b>112.2</b> | <b>103.1</b>  | <b>100.1</b>         | <b>104.1</b> | <b>99.0</b>          | <b>100.8</b>                   | <b>104.5</b> |
| <b>% CHANGE OVER PREV YEAR</b>      | <b>4.6</b>                     | <b>-0.9</b>                   | <b>0.8</b>          | <b>3.0</b>            | <b>0.4</b>                        | <b>2.1</b>   | <b>0.5</b>   | <b>2.1</b>    | <b>2.5</b>           | <b>0.7</b>   | <b>0.0</b>           | <b>0.2</b>                     | <b>1.7</b>   |
| <b>% CHANGE OVER PREV QTR</b>       | <b>0.6</b>                     | <b>-1.2</b>                   | <b>0.1</b>          | <b>-2.3</b>           | <b>0.5</b>                        | <b>1.6</b>   | <b>-0.2</b>  | <b>-0.4</b>   | <b>0.1</b>           | <b>0.0</b>   | <b>0.0</b>           | <b>0.0</b>                     | <b>-0.8</b>  |
| <b>ANNUAL AVERAGE % CHANGE 2015</b> | <b>1.6</b>                     | <b>0.6</b>                    | <b>3.0</b>          | <b>-6.9</b>           | <b>0.2</b>                        | <b>0.3</b>   | <b>-4.8</b>  | <b>3.3</b>    | <b>1.5</b>           | <b>3.8</b>   | <b>-1.5</b>          | <b>-0.8</b>                    | <b>-2.3</b>  |
| <b>ANNUAL AVERAGE % CHANGE 2016</b> | <b>0.1</b>                     | <b>0.6</b>                    | <b>0.7</b>          | <b>-2.7</b>           | <b>-0.3</b>                       | <b>-0.1</b>  | <b>-1.7</b>  | <b>0.8</b>    | <b>1.3</b>           | <b>1.5</b>   | <b>1.5</b>           | <b>0.7</b>                     | <b>-0.7</b>  |
| <b>ANNUAL AVERAGE % CHANGE 2017</b> | <b>0.9</b>                     | <b>2.8</b>                    | <b>2.2</b>          | <b>2.3</b>            | <b>3.4</b>                        | <b>2.4</b>   | <b>4.9</b>   | <b>1.2</b>    | <b>0.6</b>           | <b>1.7</b>   | <b>2.2</b>           | <b>-0.5</b>                    | <b>2.0</b>   |
| <b>ANNUAL AVERAGE % CHANGE 2018</b> | <b>4.4</b>                     | <b>-0.1</b>                   | <b>-0.1</b>         | <b>3.8</b>            | <b>2.3</b>                        | <b>3.2</b>   | <b>7.8</b>   | <b>2.1</b>    | <b>0.8</b>           | <b>3.0</b>   | <b>-0.2</b>          | <b>0.7</b>                     | <b>3.3</b>   |

**TABLE 5: Average Prices of Selected Items  
Quarter Ending December 2018**

| Item                                     | Quantity | Average Prices |         |        |
|--|----------|----------------|---------|--------|
|  |          | Dec 17         | Sept 18 | Dec 18 |
| Sliced Brown Bread                       | 20 oz    | 2.69           | 2.87    | 2.87   |
| Enriched Parboiled Long Grain Rice       | 5 lb     | 6.62           | 9.62    | 9.62   |
| Cornflakes (original)                    | 24 oz    | 5.46           | 5.46    | 5.76   |
| Stew Beef                                | per lb   | 4.97           | 4.83    | 5.29   |
| Comed Beef - regular                     | 340 g    | 4.19           | 4.49    | 4.49   |
| Salmon Steaks - Fresh                    | per lb   | 12.37          | 14.09   | 12.89  |
| Canned Tuna in water                     | 5 oz     | 1.71           | 1.69    | 1.69   |
| Eggs (Grade A Extra Large)               | 1 doz    | 3.30           | 3.23    | 3.23   |
| Butter - Salted                          | 227 g    | 4.26           | 4.42    | 4.42   |
| Condensed Milk                           | 395 g    | 1.99           | 2.02    | 2.02   |
| Vegetable Oil                            | 48 oz    | 6.46           | 5.96    | 5.96   |
| Plantain                                 | per lb   | 1.12           | 0.99    | 1.12   |
| Potatoes - Irish                         | 5lb bag  | 3.29           | 3.78    | 4.09   |
| Lettuce - Iceberg                        | each     | 2.09           | 2.42    | 3.92   |
| Sweet Potatoes                           | per lb   | 3.09           | 3.19    | 3.05   |
| Tomatoes - Slicing                       | per lb   | 2.82           | 3.25    | 3.25   |
| Bananas - Ripe                           | per lb   | 0.96           | 0.99    | 0.91   |
| Apple - Red Delicious                    | per lb   | 1.84           | 2.16    | 2.25   |
| Grapes - Red Seedless                    | per lb   | 4.07           | 4.29    | 3.72   |
| Tea - 100% Natural                       | 100 bags | 5.68           | 5.68    | 5.69   |
| Coffee - Instant -Classic Roast - Bottle | 7 oz     | 8.12           | 8.12    | 8.12   |
| Soda                                     | 20 oz    | 1.24           | 1.24    | 1.24   |
| Cane Sugar                               | 4 lb     | 2.66           | 2.59    | 2.59   |
| Iodized Salt                             | 26 oz    | 1.06           | 1.16    | 1.19   |
| Petrol - Regular Full Service            | per gal  | 4.35           | 4.76    | 4.63   |
| Petrol - Premium Full Service            | per gal  | 4.58           | 4.94    | 4.87   |
| Diesel - Full Service                    | per gal  | 4.18           | 4.51    | 4.53   |

**Table 6: Core Consumer Price Index  
and Inflation Rates\***

**September 2016 = 100**

| <b>Period</b> | <b>INDEX</b> | <b>Percentage change<br/>1 year ago</b> |
|---------------|--------------|---|
| Dec-16        | 100.1        | 0.1                                     |
| <b>Dec-17</b> | 102.7        | 2.5                                     |
| Dec-18        | 103.1        | 0.4                                     |

\*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 2016 CPI basket based on the results of the 2015 Household Budget Survey (HBS) as updated between August 2016 and August 2017. 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 **2,227** items (7th-digit COICOP level) included in the basket collected from **203** providers/outlets in Grand Cayman, compared to 2008 when there were **1,647** items collected from **147** providers/outlets. The items are classified as follows:

**Summary Table: Number of Items and Weights for the CPI Baskets of 2008 and 2016**

|   | 2008            |              | 2016            |              |
|---|-----------------|--------------|-----------------|--------------|
|   | Number of Items | Weights      | Number of Items | Weights      |
| <b>Total</b>                                | <b>1,647</b>    | <b>1,000</b> | <b>2,227</b>    | <b>1,000</b> |
| <b>01.</b> Food & Non Alcoholic Beverage    | 540             | 79.6         | 551             | 66.1         |
| <b>02.</b> Alcohol and Tobacco              | 66              | 6.5          | 153             | 22.3         |
| <b>03.</b> Clothing and Footwear            | 153             | 34.3         | 273             | 33.3         |
| <b>04.</b> Housing and Utilities            | 59              | 394.4        | 153             | 334.5        |
| <b>05.</b> Household Equipment              | 212             | 56.4         | 316             | 42.7         |
| <b>06.</b> Health                           | 111             | 24.2         | 124             | 20.9         |
| <b>07.</b> Transport                        | 107             | 96.1         | 198             | 162.0        |
| <b>08.</b> Communication                    | 62              | 69.7         | 40              | 39.1         |
| <b>09.</b> Recreation and Culture           | 75              | 40.5         | 94              | 59.2         |
| <b>10.</b> Education                        | 18              | 27.9         | 46              | 38.2         |
| <b>11.</b> Restaurants and Hotels           | 57              | 40.2         | 103             | 83.5         |
| <b>12.</b> Miscellaneous Goods and Services | 187             | 130.2        | 176             | 98.2         |

All price indices for goods and services purchased abroad were taken from price indices published by the US Bureau of Labour Statistics.

ESO collection periods and price averaging methodologies follow updated international standards, in particular the *Consumer Price Index Manual: Theory and Practice* (August 2004) published by the International Labour Organization (ILO). Prices of selected items are collected every second month of the quarter. Vulnerable items which change monthly, such as vegetables and fruits, fish and meat, and gas are 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 by 2004, p. 2). Consumer price index manual

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