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INDEX OF RETAIL PRICES – JANUARY TO SEPTEMBER, 2003 (Base: January, 2003 = 100)

The following Memorandum on the Index of Retail Prices is published for general information.

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NOTES ON THE REVISION OF THE INDEX

The Central Statistical Office has revised the Index of Retail Prices. The index base period of the revised Index is January, 2003 = 100. The weights used, and the composition of the 'basket of goods and services' have been adjusted to reflect changes in the pattern of consumption expenditures indicated in the last Household Budget Survey. The system of classification applied to the revised Index is Classification of Individual Consumption According to Purpose (COICOP). COICOP is an international classification system, which is more detailed than the previous system used, providing more information to users while allowing greater comparability with other consumer price indices throughout the world. As a consequence, the revised basket of goods and services is both larger and broader in scope than the previous basket. A summary of the changes to the sections of the Index is given below.

The section "Food" of the previous Index has been renamed "Food and Non-Alcoholic Beverages". The section "Meals Out" is now included within "Hotels, Cafes and Restaurants" of the revised Index. Clothing accessories such as handbags, watches, jewellery, and also suitcases, bags etc, previously included in the section "Clothing and Footwear" of the old Index, are now included in the section "Miscellaneous Goods and Services" of the revised Index. The section "Housing", which previously only included the sub-sections "Home Ownership" and "Rent", now also includes the sub-section "Water, Electricity and Gas". Items falling within this sub-section were previously included under "Household Operations" of the old Index. Telephone services which were also included under "Household Operations" are now included within the section "Communication". The section "Household Supplies and Services" has been renamed "Furnishings, Household Equipment and Routine Maintenance of the House". Goods and Services falling under "Health and Personal Care" of the previous Index are now allocated between two separate sections of the revised Index: "Health" and "Miscellaneous Goods and Services". The section "Transport" remains unchanged. School uniforms, and examination/tuition fees previously included in the section "Recreation, Reading and Education" are now allocated to the sections "Clothing" and "Education" respectively with the remaining items being allocated to "Recreation and Culture" of the revised Index.

The previous Index can be linked to the new or revised Index by a simple arithmetic method. As at January, 2003 (the base period of the revised Index), the previous or old Index was 150.9 with the revised Index being equal to 100.0. Thus, 1.509 units of the old Index are equivalent to 1 unit of the revised Index. Therefore, to link the revised Index to the old Index, the revised Index is multiplied by 1.509. Conversely, to link the old Index to the revised Index, the old Index is divided by 1.509. It should be noted that from the month of April onwards, the figures shown in the table of this gazette for the All Items Index (September 1993 = 100) were not derived independently but were linked to the All Items Index (January 2003 = 100) as described above.

A comprehensive report on the methodology of the revised Index will be published soon.

GENERAL INDEX

The All Items Index of Retail Prices calculated from prices collected for the month of September 2003 was 102.3 indicating an increase of 2.3% in the general price level over the 9 month period January 2003 - September 2003. However, there was no change in the All Items Index for September 2003 over the Index for August 2003.

The annual rate of inflation as measured by the percentage change in the average All Items Index for the period January - September 2003 over that for the period January - September, 2002 was 3.9%. This compares with an increase of 4.1% observed in the average All Items Index for January - September 2002 over the average All Items Index for the same period in 2001.

SECTION INDICES

FOOD AND NON-ALCOHOLIC BEVERAGES:

The Index for this section for September, 2003 was 111.0, indicating an 11.0% increase over the Index for January 2003. The Index for this section however declined by 0.1% between August 2003 and September 2003. Over the period January 2003 to September 2003, the following items contributed significantly towards the 11.0% increase: Bread, flour, chicken, fruit (particularly oranges, bananas, and paw paw), vegetables (particularly cucumbers, green peas, carrots, yams, dasheen, Irish potatoes, sweet potatoes and plantain).

Over the period January 2003 - September 2003, price changes in this section accounted for an increase of 2.0 points in the All Items Index.

OTHER SECTIONS

A further review of the data for the period January 2003 - September 2003 revealed that there were general price increases over this period for the following sections: Housing, Water, Electricity, Gas and Other Fuels (0.9%); Furnishings, Household Equipment and Routine Maintenance of the House (0.7%); Health (1.9%); Education (0.2%), Hotels, Cafes and Restaurants (0.3%); Miscellaneous Goods and Services (0.5%). There were general price decreases in the following sections: Alcoholic Beverages and Tobacco (-0.2%); Clothing and Footwear (-1.3%); and Recreation and Culture (-0.2%).

Prices changes in these sections together contributed to a net overall increase of 0.3 point in the All Items Index over the period January 2003 - September 2003.

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INDEX OF RETAIL PRICES
(Base: January, 2003 = 100)

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GENERAL INDEX AND SECTION INDICES
Figures for January - September 2003

Period	General Index		Section Indices											Miscellaneous Goods and Services			
	All Items Sept 1993 = 100	All Items Jan 2003 = 100	Food and Non-Alcoholic Beverages	Alcoholic Beverages and Tobacco	Clothing and Footwear	Housing, Water, Electricity, Gas and Other Fuels				Furnishings, Household Equipment and Routine Maintenance of the House	Health	Transport	Communication		Recreation and Culture	Education	Hotels, Cafés and Restaurants
						Total	Home-ownership	Rent	Water, Electricity, Gas and Other Fuels								
Weights	1000	1000	180	25	53	262	180	24	68	54	51	167	41	85	16	30	36
Average																	
January-September 2002	147.3																
January-September 2003	153.0	101.5	107.1	99.8	99.5	100.4	100.5	100.5	100.2	100.6	101.1	100.0	100.0	99.9	100.1	100.1	100.4
2003																	
January	150.9	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	100.0	100.0	100.0
February	150.9	100.3	101.4	99.9	100.1	100.1	100.0	100.0	100.6	100.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0
March	151.6	100.8	104.1	99.9	100.0	100.1	100.0	100.0	100.5	100.5	99.9	100.0	100.0	100.0	100.0	100.0	100.1
April	153.0	101.4	106.9	100.0	99.8	100.4	100.6	100.2	100.1	100.8	100.8	100.0	100.0	99.9	100.2	99.9	100.6
May	153.5	101.7	108.3	99.7	99.5	100.4	100.6	100.2	99.9	100.8	101.5	100.0	100.0	99.9	100.2	99.9	100.6
June	153.8	101.9	109.9	99.5	99.4	100.3	100.6	100.2	99.3	100.8	101.5	100.0	100.0	99.9	100.2	99.9	100.6
July	154.5	102.4	111.5	99.6	99.4	100.9	100.9	101.4	100.5	100.7	102.4	100.0	100.0	99.8	100.2	100.3	100.5
August	154.4	102.3	111.1	99.6	98.9	100.8	100.9	101.4	100.3	100.7	102.0	100.0	100.0	99.8	100.2	100.3	100.5
September	154.4	102.3	111.0	99.8	98.7	100.8	100.9	101.4	100.4	100.7	101.9	100.0	100.0	99.8	100.2	100.3	100.5

NOTE: From the month of April onwards, the figures for the All Items Index (September 1993 = 100) were not derived independently but were linked to the All Items Index (January 2003 = 100).