



Anguilla Government Statistics Department

ANGUILLA'S CONSUMER PRICE INDEX

4th Quarter: October - December 2010

**Inflation
Rate
0.2%**

The Anguilla Consumer Price Index (AXACPI), which measures the changes in the level of prices of goods and services acquired by households in Anguilla, showed that in the fourth quarter of 2010 (October to December) overall, prices were 0.2% higher than the previous quarter; following two successive declines of 0.1% in the earlier quarters of the year; and was up 0.8% in the past 12 months.



The change in the AXACPI for the *All Items* index is the measure adopted for the inflation rate in Anguilla. The *All Items* index moved from 141.3 to 141.6, up 0.3 points in the final quarter of 2010.

Many of the sub-indices of the AXACPI this period when compared to the earlier quarter, showed that prices were about constant, with *Food*, *Fuel*, *Medical* and *Education* costs reflecting stagnant indices.

Looking over a year's time, prices of *Food*, *Fuel*, *Household Goods*, *Transportation & Communication* and *Medical* did have inflationary pressures when compared with the same period in 2009. While *Alcoholic Drinks & Tobacco*, *Accommodation*, *Clothing & Footwear*, *Education*, *Personal Services* and *Other* items, showed signs of declining prices.

Table 1: Consumer Price Index by Category and Weights

Category	New Weights 2001	Dec '09	Sept '10	Dec '10	Quarterly % Change Dec '10/Sept '10	Annual % Change Dec '10/Dec'09
Food	321.2	147.2	148.6	148.6	0.0%	1.0%
Drinks & Tobacco	2.9	126.7	126.6	124.1	-2.0%	-2.0%
Accommodation	171.5	114.3	110.3	110.7	0.4%	-3.1%
Fuel	68.6	129.9	136.5	136.5	0.0%	5.1%
Clothing & Footwear	30.7	109.5	107.2	105.5	-1.5%	-3.6%
Household Goods	97.3	161.7	162.4	163.4	0.6%	1.0%
Transportation & Communication	235.3	138.9	141.9	142.9	0.7%	2.9%
Medical	30.9	219.0	219.3	219.3	0.0%	0.1%
Education	9.9	219.3	216.4	216.4	0.0%	-1.3%
Personal Services	16.4	135.8	135.7	135.6	-0.1%	-0.1%
Other	15.3	87.2	83.3	79.7	-4.3%	-8.6%
All Items	1000.0	140.4	141.3	141.6	0.2%	0.8%

Quarterly Analysis

In the final quarter of 2010, very small changes were seen in prices in many of the categories. Transportation & Communication sub indices, which holds the 2nd largest share of households basket; contributed the most to the overall

increase in the *All Items* index this period, increasing by 0.7 % over the previous quarter. The upward effect was caused mainly by the rise in the price of new vehicles.

The largest quarterly percentage change was seen in the *Other* category, which does not take up a large portion of household expenditure; and showed a drop in prices by 4.3%.

Categories such as *Drinks & Tobacco*, *Clothing & Footwear* and *Personal Services* also experienced a drop in the overall level of prices charged to households for the period in review, down 2.0%, 1.5% and 0.1% respectively.

While there were changes in prices posted for items in the *Food*, *Fuel*, *Medical* and *Education* categories, overall, the size and direction of these movements cancelled each other out when

compared to the previous quarter, resulting in the indices staying the same for this period.

The final two categories to be examined both had a positive contribution to the inflation rate for the quarter in review. *Accommodation* increased 0.4% for the period, partially as a result of an increase in building and repair materials such as cement.

The index for *Household Goods* has increased by 0.6%, partially as a result of an increase in the price of electrical goods, kitchenware and various household items.

Annual Analysis

The Annual CPI *All Items* index showed a year-over-year increase in the level of prices faced by households, up 0.8% for 2010 when compared to 2009. There is a measure of volatility in the prices that Anguillian consumers face in the market for goods and services when looking at the annual percentage change from December 2001 to December 2010, and in the recent years 2009 and 2010 households have experienced a more moderate inflation rate.

Table 2: Inflation in Anguilla, June 2002 – June 2010

	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10
Annual Inflation Rate	2.9%	-1.4%	7.0%	5.0%	3.4%	10.4%	3.3%	5.3%	-0.8%	0.8%

Inflation Rate: annual rate of change in the All Items Consumer Price Index (CPI)

The increase in the *All Items* index can be mainly placed on the *Transportation & Communication* category, which had increased prices in areas such as new cars; petrol or gas; and vehicle insurance coverage.

Further upward pressure came from the *Food* index, which had an average increase of 1.0%. Some goods to show a notable price increase were items like sugar, garlic, whole wheat flour, biscuits, some meats, fruits and vegetables.

The index for *Fuel* had a 5.1% increase over December 2009, with a rise in the price of LPG and electricity costs.

The overall level of the price of *Household Goods* increased 1.0% for the period. The

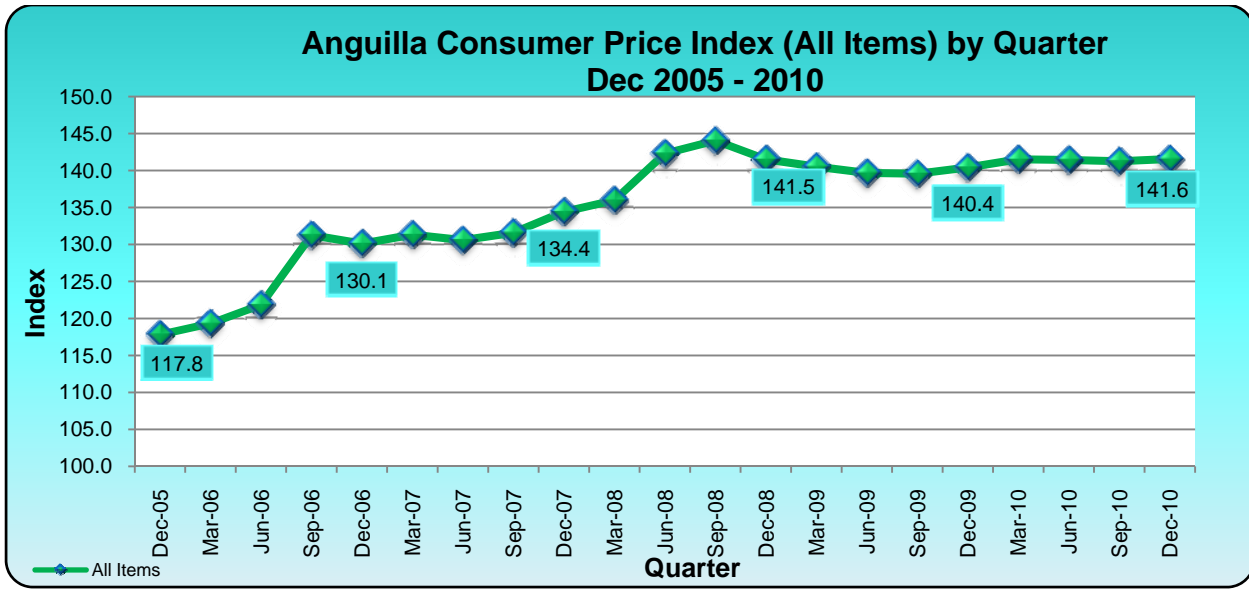
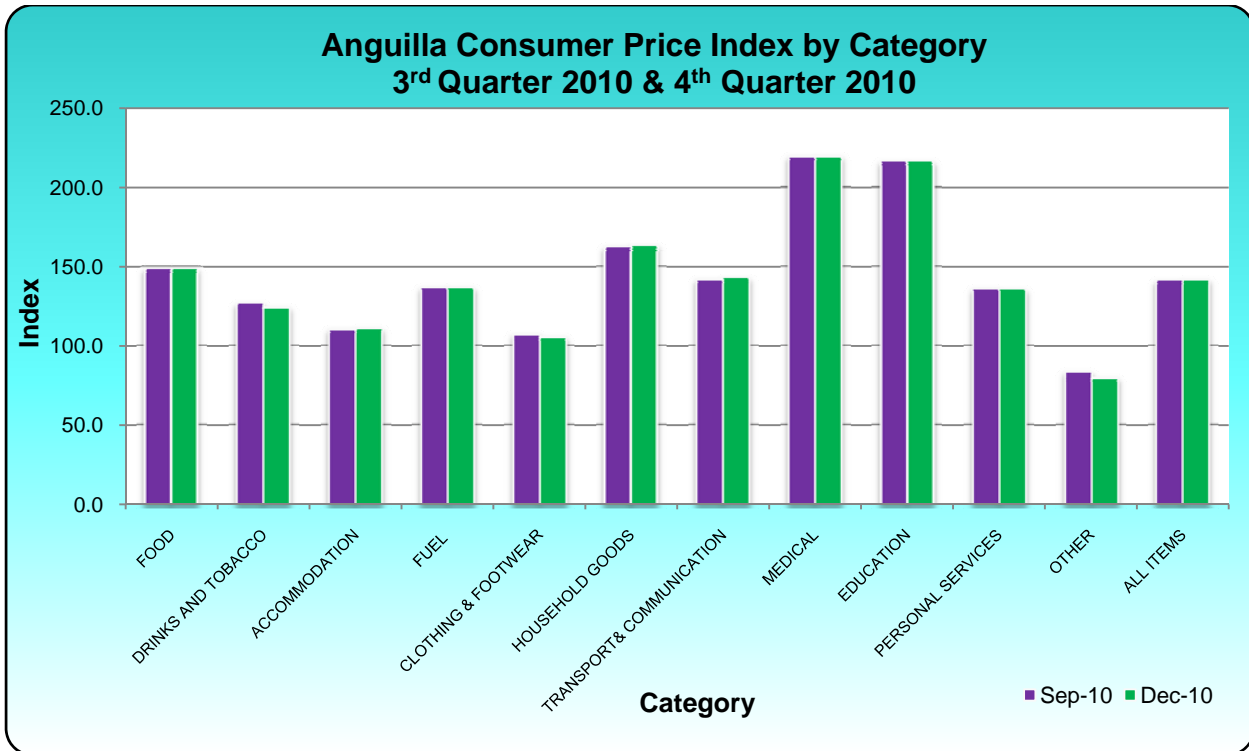
Medical category also had an increase, up 0.1% largely as a result in the price of medicines rather than an increase in the cost of medical services.

The *Accommodation* category offset quite a bit of the upward pressures with declines seen in the bank interest rate and prices of building and maintenance materials like paint, cement and wood.

All other categories had offsetting declines, resulting in a negative pressure on the *All Items* index in spite of their relatively small weight to the consumer basket.

Alcoholic *Drinks & Tobacco* fell 2.0%, *Clothing & Footwear* was down 3.6% ; *Education* costs dropped by 1.3% ; *Personal Services* were 0.1% lower and the *Other* category was down 8.6% over the period 12 months before.





The CPI can be used in employer and employee contract negotiations to adjust wages; in rental agreements and child support agreements; pensions; and other contractual price setting arrangements.

This report, along with similar reports for CPI, is available at the Government of Anguilla Statistics Department's website: www.gov.ai/statistics

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