

ANGUILLA'S CONSUMER PRICE INDEX

March, June, September, December 2002

The Anguilla Consumer Price Index showed a decline of 1.8% for the quarter ending December 2002. This quarterly change in December, compares with the quarterly increases of 0.8% in March and 1.0% in June and a 0.5% decline in September 2002. The Index measured an overall annual percentage decline of 1.5% for the year Dec 2001/2002.

The major contributor to the decline in prices for the fourth quarter (Sept- Dec) was the Education component, which recorded a 10.4% decline. A drop in the price of composition books largely accounted for this decline.

Prices in the Accommodation sector during this three-month period ending December, fell 6.0% due to the drop in rental charges.

Clothing and Footwear saw a decline of 5.0% during this reporting period. Material, which falls under this component accounted for the decline in this category. The Services component showed no price change for the 4th quarter and there was little change in the Household Goods category.

Prices in the Food, Drinks and Tobacco, Fuel, Transport and Communication categories all showed slight declines during the 4th quarter. The Medical component in the Index remained stable during this quarter but had an overall annual decline of 1.8%.

Table 1: 4th Quarter CPI 2002

	Weights	Sep-02	Dec-02	% Change Dec02/Sept02
FOOD	321.20	102.4	101.7	-0.6%
DRINKS & TOBACCO	2.90	99.3	98.5	-0.8%
ACCOMMODATION	171.50	106.0	99.7	-6.0%
FUEL	68.55	94.3	94.1	-0.2%
CLOTHING & FOOTWEAR	30.65	114.0	108.3	-5.0%
HOUSEHOLD GOODS	97.30	105.0	105.4	0.4%
TRANSPORT & COMMUNICATION	235.28	101.9	100.5	-1.4%
MEDICAL	30.85	98.1	98.2	0.0%
EDUCATION	9.94	123.3	110.5	-10.4%
SERVICES	16.42	114.5	114.6	0.0%
OTHER	15.30	103.4	105.3	1.8%
ALL ITEMS	1000	103.3	101.4	-1.8%

During the first quarter (January- March) the largest movers were the Clothing and Footwear and Services components at 13.1% and 14.8% respectively. The increases in Clothing and Footwear, were due to rises in the cost of men's clothing and footwear while personal services accounted for the increase in the services category.

An increase in kindergarten fees during the first quarter of 2002 accounted for the 7.3% rise within the Education category

The food component in the Index for the second quarter (April-June) had the biggest movement of 1.8%. Pork and bakery products were the main contributors to this quarterly increase. The increase in the price of gasoline for this period accounted for the 1.2% jump in the Transport and Communication category.

The rise in the cost of school books in the 3rd quarter contributed to the 13.8% increase in the Education category. This component was the largest mover in the Consumer Price Index for this period.

Table 2: Quarterly % change for the Anguilla CPI 2002

	Weights	% Change Mar02/Dec 01	% Change Jun02/Mar02	% Change Sept02/Jun02	% Change Dec02/Sept02
FOOD	321.20	-0.6%	1.8%	-1.2%	-0.6%
DRINKS & TOBACCO	2.90	-0.8%	0.1%	0.0%	-0.8%
ACCOMMODATION	171.50	-0.2%	0.3%	-2.8%	-6.0%
FUEL	68.55	-5.8%	0.1%	0.0%	-0.2%
CLOTHING & FOOTWEAR	30.65	13.1%	0.8%	-2.8%	-5.0%
HOUSEHOLD GOODS	97.30	1.4%	0.3%	2.9%	0.4%
TRANSPORT & COMMUNICATION	235.28	-1.5%	1.2%	0.4%	-1.4%
MEDICAL	30.85	-2.2%	0.0%	0.3%	0.0%
EDUCATION	9.94	7.3%	0.0%	13.8%	-10.4%
SERVICES	16.42	14.8%	-0.2%	0.0%	0.0%
OTHER	15.30	0.3%	1.7%	-2.2%	1.8%
ALL ITEMS	1000	-0.2%	1.0%	-0.5%	-1.8%

Annually, the Education category showed a 9.4% increase in prices due to the rise in the cost of school books in the 3rd quarter and kindergarten fees in the first quarter of 2002.

The Accommodation Sector declined 8.6% for the year and thereby contributed most to the decline in the overall annual index of 1.5%. Annually, the Clothing and Footwear category measured an increase of 5.3% due to the increase in the price of boots and sandals.

Services category although showed no price change during the fourth quarter, measured an annual increase of 14.6% due to an increase in personal services during the first quarter. This category was the largest mover in the annual index.

Table 3: Annual % change for the Anguilla CPI by category 2002

	Weights	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Annual % Change Dec02/Dec01
FOOD	321.20	102.4	101.8	103.6	102.4	101.7	-0.6%
DRINKS & TOBACCO	2.90	100.0	99.2	99.3	99.3	98.5	-1.5%
ACCOMMODATION	171.50	109.1	108.8	109.1	106.0	99.7	-8.6%
FUEL	68.55	100.0	94.2	94.3	94.3	94.1	-5.9%
CLOTHING & FOOTWEAR	30.65	102.9	116.3	117.3	114.0	108.3	5.3%
HOUSEHOLD GOODS	97.30	100.4	101.7	102.0	105.0	105.4	5.0%
TRANSPORT & COMMUNICATION	235.28	101.9	100.3	101.5	101.9	100.5	-1.3%
MEDICAL	30.85	100.0	97.8	97.9	98.1	98.2	-1.8%
EDUCATION	9.94	101.0	108.4	108.4	123.3	110.5	9.4%
SERVICES	16.42	100.0	114.8	114.6	114.5	114.6	14.6%
OTHER	15.30	103.7	104.0	105.8	103.4	105.3	1.6%
ALL ITEMS	1000	102.9	102.7	103.7	103.3	101.4	-1.5%

The 1.5% decline in the CPI is consistent with the sluggish performance of the economy in 2002 in the wake of 9/11 and the US economic slowdown. Output for the year is projected to be at the same level as 2001 due to weak demand conditions in the tourism and construction industries. In times of weak economic activity actual output is below potential output resulting in the so-called “out-put gap”. When there is under-utilized capacity in an economy there is likely to be less upward pressure on wages and other

inputs. This could eventually work its way through to the retail sector in the form of lower consumer prices.

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.

For more information please contact the Statistics Department at Tel# 497-3901/5731 or visit our website at www.gov.ai/statistics.