



Anguilla Government Statistics Department

ANGUILLA'S CONSUMER PRICE INDEX

2nd Quarter: April - June 2010

**Inflation
Rate
-0.1%**

The Anguilla Consumer Price Indices (AXACPI) for the second quarter of 2010 (April to June) showed that consumer prices generally stayed the same, with a slight average fall in consumer prices by 0.1% over the first quarter of 2010 (January to March) and a rise of 1.3% in the 12 months to June 2010.

The change in the AXACPI for the *All Items* index is the measure adopted for the inflation rate in Anguilla; therefore, the quarterly rate showed deflation this period of 0.1%. The *All Items* index moved from 141.5 in the first quarter to 141.4 in the second quarter of 2010.



The greatest downward pressure was seen in *Clothing and Footwear* category and the largest upward contribution was in the *Other* items category for the quarterly period.

The annual inflation rate, which has picked up to 1.3%; reflects the price increase in items such as LPG or cooking gas, electricity usage and its associated costs, gasoline prices, insurance coverage and tutoring fees when compared with the same period in 2009.

Table 1: Consumer Price Index by Category and Weights

Category	New Weights 2001	Jun '09	Mar '10	Jun '10	Quarterly % Change Jun '10/Mar '10	Annual % Change Jun '10/ Jun '09
Food	321.2	145.8	147.9	147.2	-0.5%	0.9%
Drinks & Tobacco	2.9	126.1	126.6	126.0	-0.4%	0.0%
Accommodation	171.5	114.8	112.3	112.8	0.4%	-1.7%
Fuel	68.6	121.6	136.5	136.5	0.0%	12.3%
Clothing & Footwear	30.7	118.4	107.9	105.9	-1.9%	-10.6%
Household Goods	97.3	163.3	163.7	163.9	0.1%	0.4%
Transportation & Communication	235.3	138.2	141.9	142.0	0.0%	2.7%
Medical	30.9	218.6	218.4	219.2	0.4%	0.3%
Education	9.9	206.9	216.4	216.4	0.0%	4.6%
Personal Services	16.4	136.1	135.8	135.7	-0.1%	-0.3%
Other	15.3	89.2	82.7	87.7	6.0%	-1.6%
All Items	1000.0	139.7	141.5	141.4	-0.1%	1.3%

Quarterly Analysis

For the period in review, very modest changes were seen in most of the categories; while the *Fuel*, *Transportation & Communication* and *Education* categories saw no price changes for the period.

The largest upward contribution came from the *Other* items category which was up 6.0% from the earlier quarter this year. The upward effect came most notably from price increases in power tools and sanitary towels for women.

Household Goods registered a 0.1% increase, mainly reflecting price increases in small electrical goods.

The *Accommodation* and *Medical* categories were the only other sub-indices to have an increase in prices, both by 0.4%. In the *Accommodation* category, although many of the items saw decreases: such as the average bank lending rate for a mortgage, which was down a quarter of a percentage point, cement and wood prices fell, the price of paint had a larger offsetting increase.

The *Food* sub-index had a slight decrease by 0.5% reflecting small price movements in food and non-alcoholic beverages.

The *Drinks and Tobacco* category also declined and was down 0.4%.

Clothing & Footwear experienced the largest decline in its sub index, down 1.9% from the first quarter. The main effects came from men's clothing.

Household Goods and *Personal services* both had slight declines by 0.2% and 0.1% respectively.

Annual Analysis

From an annual outlook, the *All Items* index showed that a typical household spent 1.3% more in this period than one year ago. The inflation rate in 2010 was substantially lower than the average inflation rate from 2005 to 2008; was negative in 2009 and it remained low in 2010 with moderate increases in price levels.

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

	June 2002	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008	June 2009	June 2010
Annual Inflation Rate	2.0%	3.0%	1.8%	6.2%	5.4%	7.2%	9.0%	-1.8%	1.3%

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

The main contributor to the upward pressure on CPI 12-month rate was *Fuel*, *Education* and *Transportation & Communication*. The partially offsetting declines were in *Clothing & Footwear*, *Accommodation* and *Other* sub-indices.

By far, *Fuel* had the largest change in prices with an average 12.3% increase. The greatest effect was from LPG and electricity usage which increased by 14.0% and 12.3% respectively over the price in the same period last year.

Education increased 4.6% over June 2009, with exam fees, tutoring costs and school uniform prices higher.

Transportation & Communication was higher this period with the price per gallon of gas up \$2.25 from the corresponding period in 2009. Insurance coverage and the price for replacements parts for motor vehicles also rose.

Many of the other categories saw very modest price changes in the 12-month period with Food increasing 0.9%,

Household Goods up 0.4%, *Medical* 0.3% higher and *Personal Services* 0.3% lower.

Households, on average, did not have to pay more for *Drinks and Tobacco* compared to the same period in 2009.

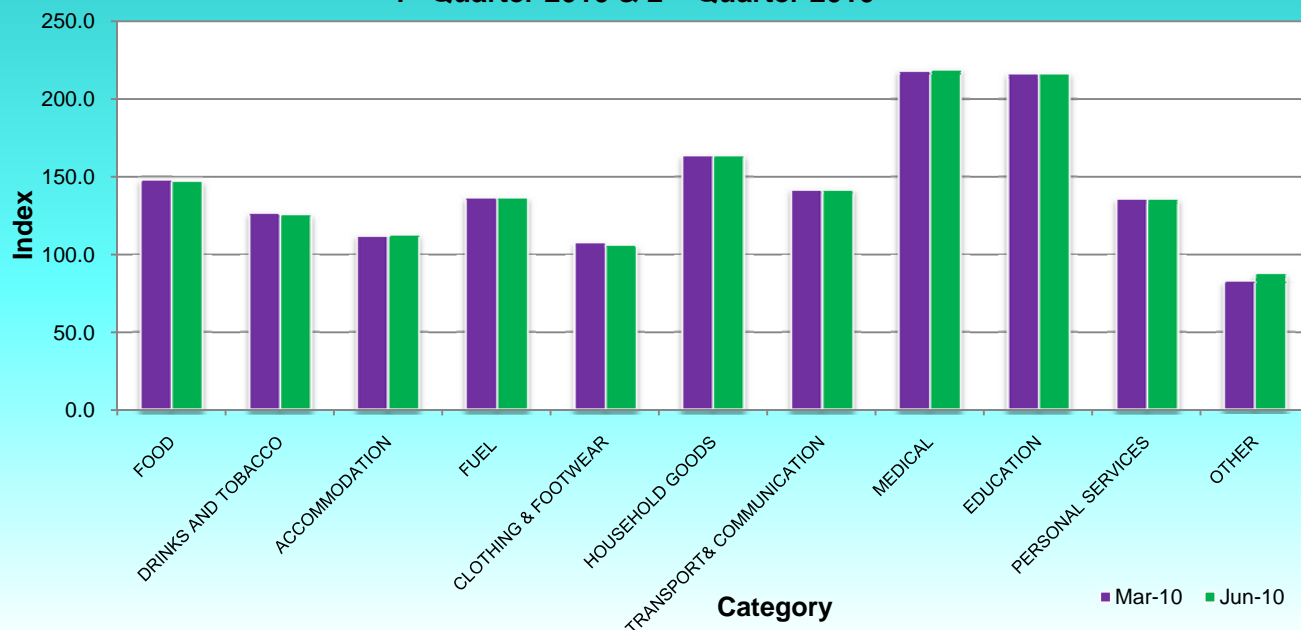
Clothing & Footwear index was 10.6% lower this period, this decline was mainly due to changes in the weighted price relatives in the compilation of the index rather than lower prices in many of the items, as prices in general, were very stable in this category. Changes in the prices of items with larger weights will have a relatively greater impact than those with smaller weights.

Accommodation was down 1.7% partially because of lower bank interest rates for a mortgage, cement prices and so on.

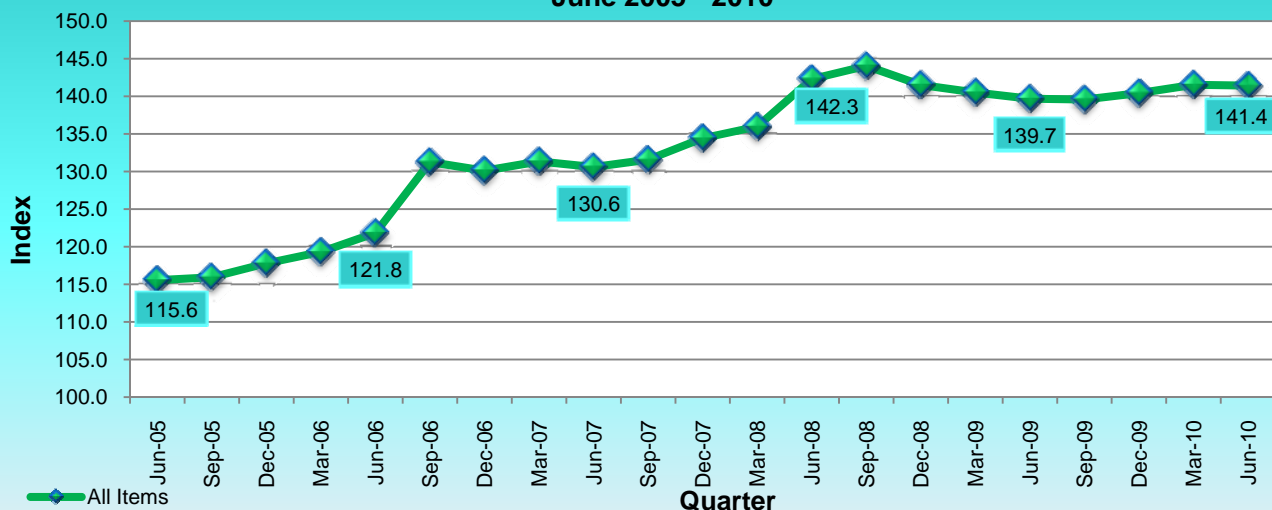
Other items index declined 1.6% reflecting lower prices for miscellaneous personal hygiene items like toothpaste and deodorant.



Anguilla Consumer Price Index by Category 1st Quarter 2010 & 2nd Quarter 2010



Anguilla Consumer Price Index (All Items) by Quarter June 2005 - 2010



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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