



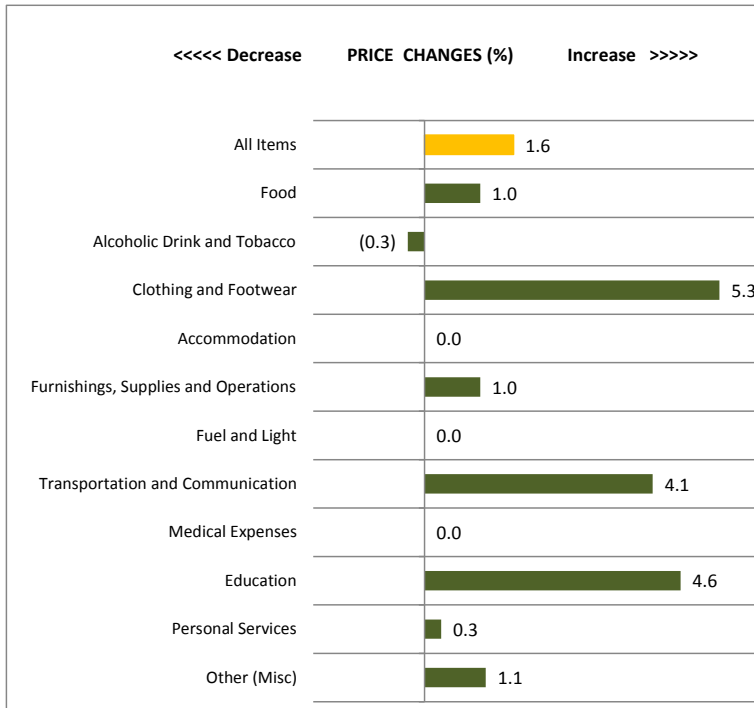
Antigua and Barbuda CONSUMER PRICE INDEX



Release date: 20 Oct 2014

Sep 2014 Inflation Rate **1.6%**

Headline Inflation: Year-on-Year Changes for Sep 2014 compared to Sep 2013



In September 2014, the Consumer Price Index increased by 1.6%.

Food prices rose by 1% over the twelve month period from September 2013 to September 2014.

Meats and Fruits and Vegetables are the dominant factors influencing the food inflation. The index for Meats increased by 1.9% over the same period. The average price increase of goat meat, beef and pork products along with preserved meat influenced this increase.

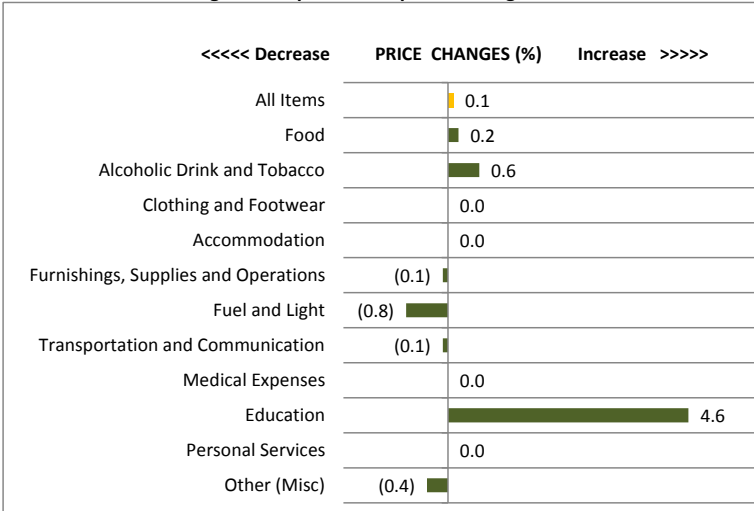
In the Fruits and Vegetables category, the index rose 4% with the vegetables sub-category contributing primarily to this increase. The average price of vegetable products increased by 11.1% during the time period.

In contrast to the above increases, decreases were recorded for Sugar, Jams and Confectionery, Fats and Oil and Bakery and Cereal Products. The decrease of these categories impacted on the overall inflation.

The Fuel and Light index remain unchanged as there was no change in the Fuel and Light category in September 2013 to September 2014. The fuel variation rate remained at 77 cents for both periods.

Education recorded an increase of 4.6%. The average school fee per term increased from \$1275 to \$ 1283.01. Additional expenses was incurred on technical drawing equipment and school supplies.

Month-to-Month Changes for Sep 2014 compared to Aug 2014



There was 0.1% increase in the All Item index between August and September 2014. The index for the Food category increase by 0.2%.

The index for Fruits and Vegetables increased by 1.6%, while the index for Meats increased by 0.5%. The index for Bakery and Cereal Products decreased by 0.2% so did the index for Dairy Products and Fats and Oil.

Alcoholic Drink and Tobacco declined by 0.6% over the same period.

The Fuel and Light index decreased by 0.8%. The fuel variation rate decreased from 78 cents in August 2014 to 77 cents in September 2014.

Transportation and Communication index declined 0.1% and Furnishings, Supplies and Operations index also declined by 0.1%. The decline in the Transportation and Communication index was influenced by the decrease cost of an airline fare to Puerto Rico while the index for Services, Household Operations and Goods contributed to the decrease in the Furnishings, Supplies and Operations index.

Chart 1: Change in Index Contribution for Sep 2014 Inflation

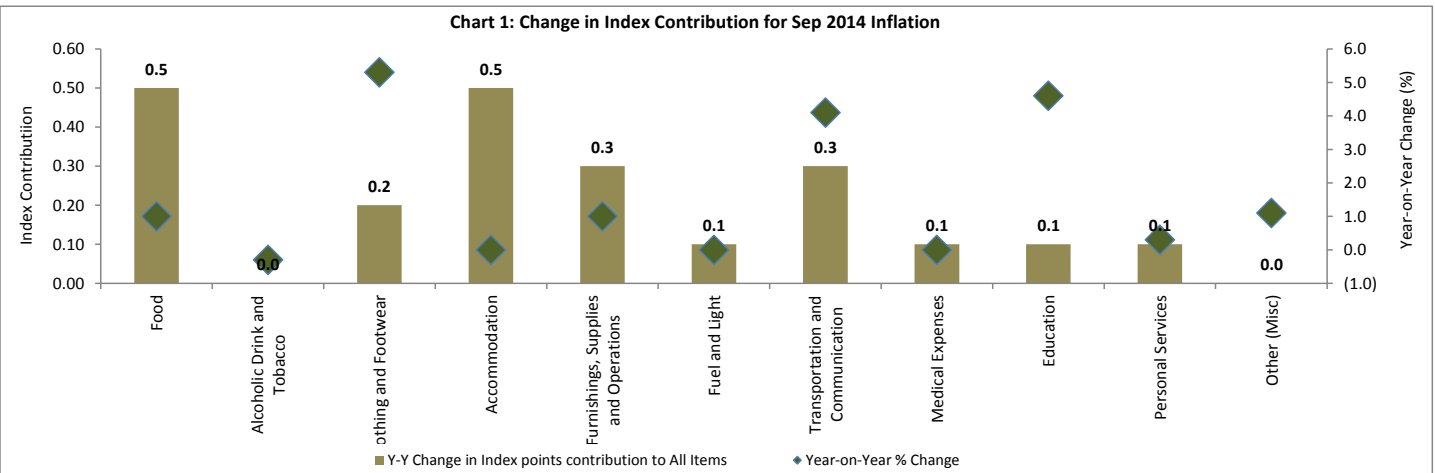


Table 1: Examples of Goods and Services in the 2001-based Consumer Shopping Basket

Main Expenditure Categories	No. of Items	Example of Goods and Services for which prices are collected to calculate the inflation rate	Frequency of price collection
Food	173	<i>Breakfast cereal, milk, coffee, juices, chicken, wine, vegetables, fruits, full-service meals, snacks</i>	Monthly
Alcoholic Drink and Tobacco	12	<i>Beer, stout, rum, whisky</i>	Monthly
Clothing and Footwear	65	<i>Men's pants, boys shorts, women's dresses, brassieres, underwear, infant's disposable diapers, watches, rings, bags</i>	Quarterly
Accommodation	10	<i>Rent paid, repairs and maintenance, property taxes, mortgage payments</i>	Quarterly
Furnishings, Supplies and Operations	74	<i>Sofas, mattress, kitchen cabinets, dressing table, rugs, linoleum, curtains, glassware; hourly wage rate</i>	Quarterly
Fuel and Light	2	<i>Electricity, LPG cooking gas</i>	Monthly
Transportation and Communication	27	<i>cellular phones, cars, license, gasoline, insurance, driving permit</i>	Quarterly
Medical Expenses	16	<i>doctor's bill, hospital care room rate, medicine</i>	Quarterly
Education	8	<i>Tuition fees, books, school supplies, exam fees</i>	Quarterly
Personal Services	10	<i>Hair cut, pedicure, manicure, driving lessons</i>	Quarterly
Other (Misc)	45	<i>Body lotion, toothpaste, shampoo, carnival costumes, gym membership</i>	Monthly, Quarterly
Total number of goods and services in the basket	442	Prices are collected from the second Monday to the second Thursday of every month	

¹ Outlets refer to the businesses where prices are collected (e.g supermarkets). The same outlets are used for Food, Alcoholic Drink & Tobacco, and some Other (Misc) items

What is the Consumer Price Index?

The Consumer Price Index (CPI) is a statistical indicator of changes in the general level of prices of consumer goods and services purchased by private households. The CPI measures price movements of a fixed quality and quantity of goods and services. The mix of these consumer goods and services comprising the CPI are referred to as a "shopping basket." In constructing this "shopping basket", the selected goods and services are organised first by commodity type. They are then divided into sections, then sub-groups and then assigned to a major expenditure category. The Antigua and Barbuda CPI has 26 sections, 30 sub-groups and 11 major categories.

What is the Base Period?

The base period (base year) is the time period that is used as a reference point for measuring the price change of goods and services. The base period for the Antigua and Barbuda CPI is January 2001.

The base period index is represented as 100.0. (Usually presented as 2001 = 100). So for instance, if the April 2010 CPI for chicken legs is 167.1, then it means that the price for chicken legs has gone up by 67.1% since 2001. Similarly, if the January 2010 CPI for bread is 93.1, then the price of bread has dropped by 6.9% compared to its price in 2001.

What is Inflation?

Inflation is the process of rising prices, resulting in diminishing purchasing power of a given amount of money. There are three expressions of price changes:

- year-on-year (*the inflation rate*)
- month-to-month
- annual average (or annualised average)

The annual average CPI is derived by summing the CPI for each month of the year and dividing by 12.

What are Weights?

Weights can be considered in the same way we would express how much we spend on various goods and services each month. Just like a monthly salary can be broken down as 20% on rent, 25% food, 15% mortgage, 10% on utilities and so on, the CPI weights are a collective expression of how households would generally spend their monthly income on goods and services.

The weights for this series of CPI were drawn from a survey of a sample of households in 2001 (the base period). Each household was asked to keep a record of their expenditure for one month. Once completed, the expenditures were added to determine the pattern. This pattern is what is referred to as the weights.

The current weights assume that each month, households would spend the most on *Accommodation* (218.3) followed by *Food* (214.2) and *Transportation and Communication* (153.5). Households would also spend the least on *Alcoholic Drink and Tobacco* (1.6).

Index Points Contribution

Contribution of each expenditure category (category weight over All Items weight) to the All Items index points change.

$$\begin{aligned}
 &\text{Year-on-Year Inflation} = \frac{\text{June 2010 CPI} - \text{June 2009 CPI}}{\text{June 2009 CPI}} \times 100 \\
 &\text{Month-to-Month Price Changes} = \frac{\text{June 2010 CPI} - \text{May 2010 CPI}}{\text{May 2010 CPI}} \times 100 \\
 &\text{Annualised Inflation Rate} = \frac{\text{Average 2010 CPI} - \text{Average 2009 CPI}}{\text{Average 2009 CPI}} \times 100
 \end{aligned}$$

The compilation of the CPI and the calculation of the inflation rate involve the processing of hundreds of price quotations. The Statistics Division wishes to acknowledge the cooperation of the business community in supplying the required prices and accommodating the Statistical Officers on their premises. Price collection is authorised by the *General Statistics Act, No. 13 of 1975*.

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Table 2: CPI and Inflation Rate for Main Categories, Sub-groups and Sections

Expenditure Category and Sub Groups - means zero 0.0 means negligible	Jan 2001 weights	Consumer Price Indices			Year-on-Year %	Month-to-Month
		Sep-2014	Aug-2014	Sep-2013	Change	% Change
					Sep-2014	Sep-2013
All Items	1000.00	133.64	133.49	131.50	1.6	0.1
FOOD:	214.20	152.60	152.30	151.12	1.0	0.2
Bakery & Cereal Products	199.44	117.49	117.76	119.54	(1.7)	(0.2)
Bakery	875.34	114.42	114.75	117.34	(2.5)	(0.3)
Cereal	124.66	139.00	138.85	135.01	3.0	0.1
Meats	225.02	182.68	181.80	179.21	1.9	0.5
Beef	59.92	221.03	220.86	201.64	9.6	0.1
Pork	37.71	166.43	167.16	153.37	8.5	(0.4)
Lamb	36.48	233.87	233.87	208.27	12.3	-
Mutton	51.99	218.75	224.55	194.43	12.5	(2.6)
Preserved Meat	156.39	196.63	195.44	192.28	2.3	0.6
Poultry	316.64	218.86	215.32	218.44	0.2	1.6
Fish	340.85	126.74	127.05	130.25	(2.7)	(0.2)
Dairy Products	93.37	186.56	188.62	186.12	0.2	(1.1)
Milk	614.06	191.63	193.49	188.00	1.9	(1.0)
Cheese	209.94	191.77	189.74	190.12	0.9	1.1
Eggs	176.00	162.66	170.29	174.81	(7.0)	(4.5)
Fats & Oils	33.11	169.81	171.42	175.65	(3.3)	(0.9)
Butter/Oils	1000.00	169.81	171.42	175.65	(3.3)	(0.9)
Fruits & Vegetables	185.81	144.67	142.45	139.05	4.0	1.6
Fruits	222.14	155.67	159.48	155.38	0.2	(2.4)
Fruit Juices	170.54	138.00	140.56	136.48	1.1	(1.8)
Vegetables	498.73	143.83	136.88	129.47	11.1	5.1
Starchy Foods	108.60	136.45	136.15	153.68	(11.2)	0.2
Sugars, Jams, Confectionery	39.29	161.86	161.67	168.15	(3.7)	0.1
Sugar	776.23	164.26	164.13	174.03	(5.6)	0.1
Syrups	92.70	175.08	174.07	166.00	5.5	0.6
Jams & Jellies	17.80	105.09	105.09	105.09	-	-
Candy	113.27	143.50	143.50	139.53	2.8	-
Hot Beverages	15.30	223.27	223.27	208.72	7.0	-
Foods n.e.s	147.96	144.56	144.58	141.20	2.4	-
Condiments & Spices	230.21	195.67	195.18	197.25	(0.8)	0.3
Miscellaneous Food	159.46	120.52	121.36	120.24	0.2	(0.7)
Meals Out	610.33	131.56	131.56	125.53	4.8	-
Non-Alcoholic Beverages	60.68	114.91	115.20	119.16	(3.6)	(0.3)
ALCOHOLIC DRINK & TOBACCO:	1.60	138.59	137.81	139.07	(0.3)	0.6
Alcoholic Beverages	888.15	138.89	138.21	139.45	(0.4)	0.5
Tobacco	111.85	136.24	134.62	136.04	0.1	1.2
CLOTHING & FOOTWEAR:	110.60	101.29	101.29	96.19	5.3	-
Clothing	755.67	97.34	97.34	92.50	5.2	-
Men's	274.10	112.51	112.51	98.54	14.2	-
Boys'	70.06	122.70	122.70	110.43	11.1	-
Women's	335.61	56.42	56.42	56.36	0.1	-
Girls'	65.87	86.79	86.79	86.26	0.6	-
Infants'	33.47	108.83	108.83	108.83	-	-
Accessories & Raw Materials	220.90	134.05	134.05	133.60	0.3	-
Footwear	244.33	113.53	113.53	107.62	5.5	-
ACCOMMODATION	218.30	109.68	109.68	109.68	-	-
FURNISHINGS, SUPPLIES & OPERATIONS:	126.00	138.22	138.36	136.83	1.0	(0.1)
Furniture, Fixtures & Floor Coverings	209.17	177.52	177.52	173.24	2.5	-
Household Textiles & Furnishings/ Soft Furnishings	66.19	115.83	115.83	111.49	3.9	-
Household Utensils	6.72	150.85	150.85	128.80	17.1	-
Household Appliances	263.73	123.83	123.83	123.72	0.1	-
Services, Household Operations & Goods	454.19	131.56	131.86	131.50	-	(0.2)
FUEL & LIGHT	63.90	153.96	155.27	153.96	-	(0.8)
TRANSPORTATION & COMMUNICATION:	153.50	137.88	137.96	132.45	4.1	(0.1)
Communication Services	92.78	118.31	118.31	117.86	0.4	-
Operation of Personal Transportation	823.48	139.95	139.95	133.56	4.8	-
Repairs & Maintenance of Personal Transportation	35.48	137.43	137.43	133.11	3.2	-
Transport Services	48.26	140.51	142.17	140.96	(0.3)	(1.2)
MEDICAL EXPENSES:	27.60	134.46	134.46	134.52	-	-
Private Practitioners	829.46	133.27	133.27	133.32	-	-
Pharmaceutical	170.54	140.20	140.20	140.36	(0.1)	-
EDUCATION	23.40	201.71	192.90	192.90	4.6	4.6
PERSONAL SERVICES:	43.00	151.36	151.36	150.84	0.3	-
Personal Care	1000.00	151.36	151.36	150.84	0.3	-
OTHER (MISCELLANEOUS):	17.90	124.18	124.66	122.84	1.1	(0.4)
Personal Effects	1000.00	124.18	124.66	122.84	1.1	(0.4)
	All Items less Food	128.47	128.36	126.15	1.8	0.1
	All Items LESS Energy	130.83	130.58	128.51	1.8	0.2
	All Items less Food and Energy	124.23	123.99	121.65	2.1	0.2

Table 3: Distribution of Changes in the Inflation Rate

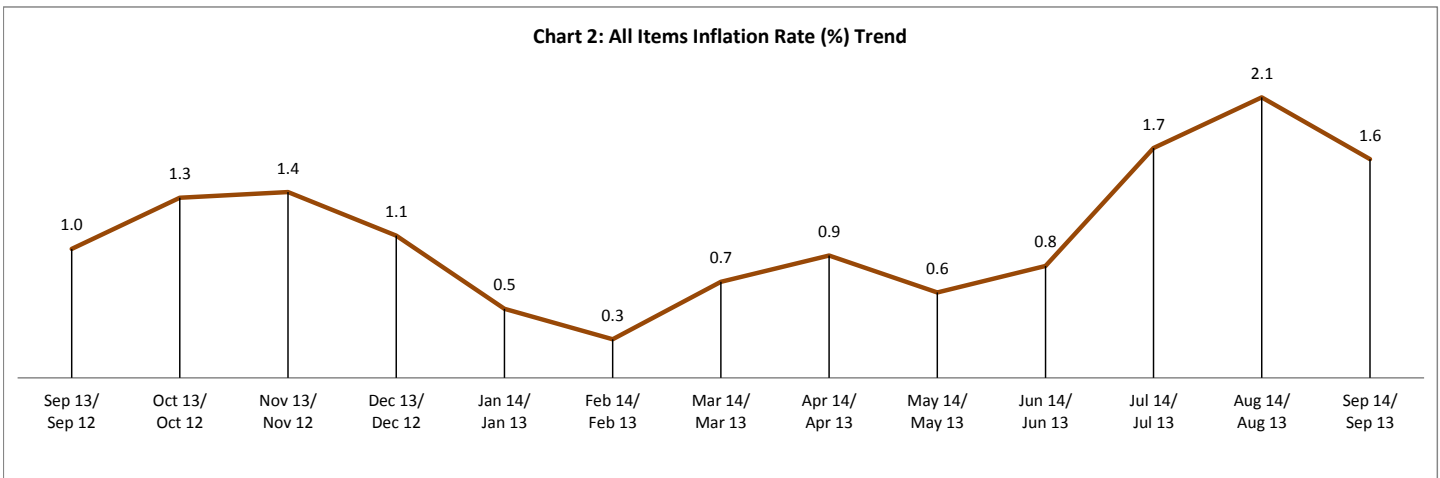
	No. of categories	No. of Decreases	No. of Increases	No. of No Changes
Sep 2014 compared to Sep 2013				
Main Expenditure Level	11	2	7	2
Sub Group Level	26	8	18	0
Section Level	30	7	21	2
Aug 2014 compared to Aug 2013				
Main Expenditure Category Level	11	2	8	1
Sub Group Level	26	7	19	0
Section Level	30	6	22	2
Jul 2014 compared to Jul 2013				
Main Expenditure Category Level	11	1	8	2
Sub Group Level	26	8	18	0
Section Level	30	7	21	2
Sep 2014 compared to Aug 2014				
Main Expenditure Category Level	11	4	3	4
Sub Group Level	26	7	5	14
Section Level	30	10	10	10

Table 3 outlines the distribution of price movements for four inflation periods:

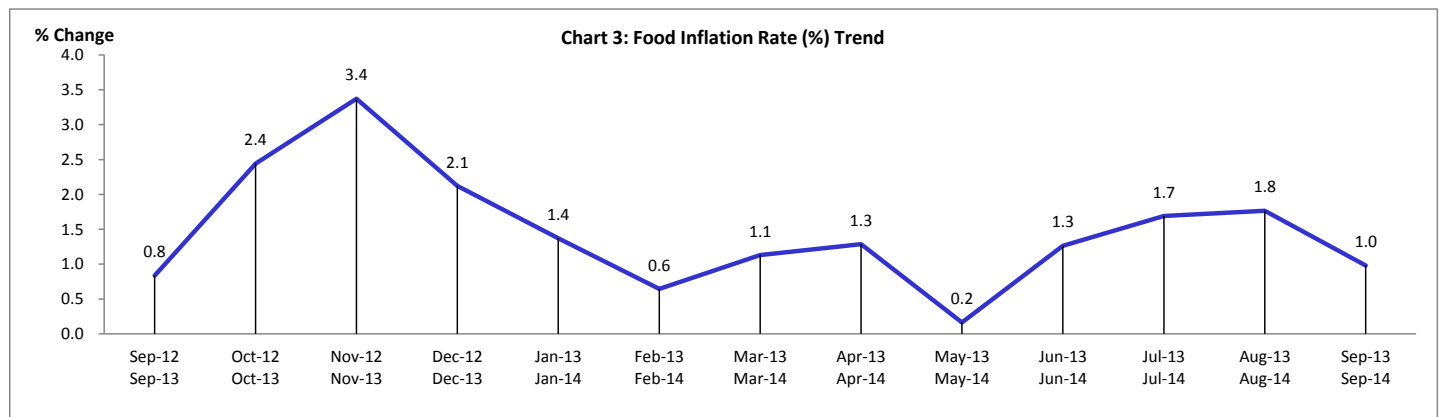
Sep 2014 compared to Sep 2013
 Aug 2014 compared to Aug 2013
 Jul 2014 compared to Jul 2013
 Sep 2014 compared to Aug 2014

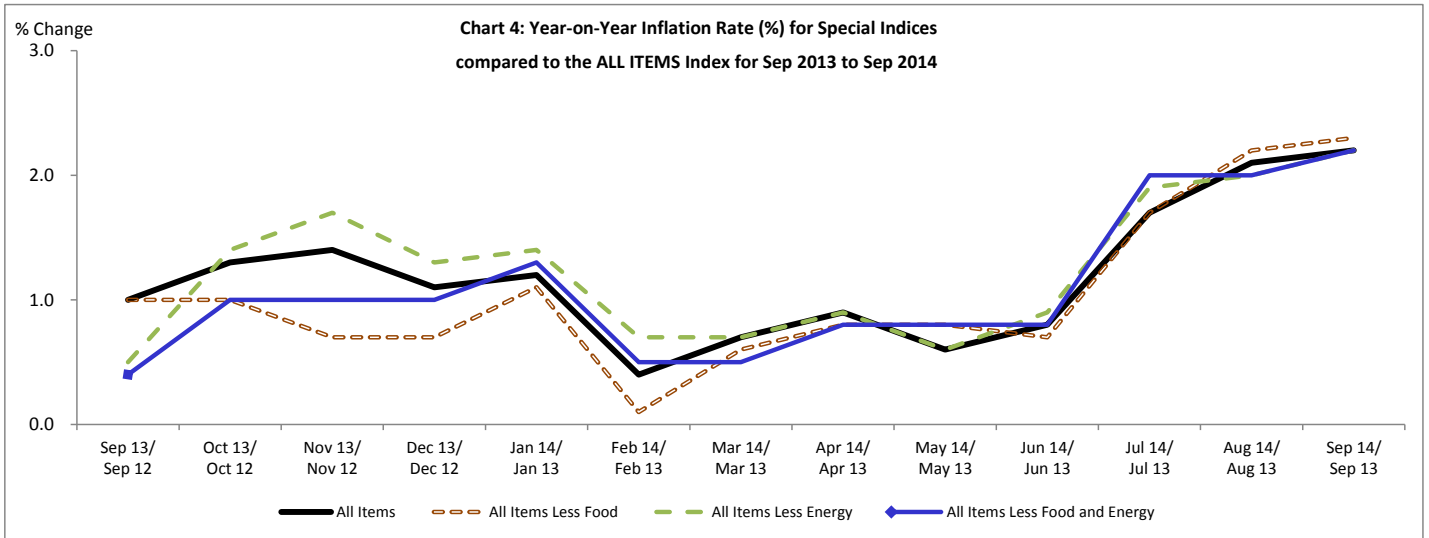
In Sep 2014 compared to Sep 2013, 2 of the 11 main expenditure categories recorded price decreases, while 7 recorded price increases. 18 of the 26 sub-group levels also recorded price increases for some of the items that fall in that level. These collective increases and decreases would account for the magnitude and direction of the current inflation rate. 2 of the 11 main expenditure categories recorded no price changes.

Graphical Analysis of the Consumer Price Index



Featured Expenditure Category





Energy includes: Fuel & Light (Electricity ; LPG/Cooking Gas) Gasoline at the pump

