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RETAIL PRICES INDEX - FEBRUARY 2004

Commentary

In February 2004, the Retail Prices Index went up by 0.03 per cent to 102.23 from 102.20 in the previous month.

The Food items index decreased by 0.64 per cent to 104.49 from 105.16 in January as a result of average price decreases in respect of unprocessed potatoes and fresh vegetables.

The Beverages and Tobacco Index increased by 0.98 per cent to 111.57 from 110.49 in the previous month. The main price increases were recorded for non-alcoholic beverages, wines and served beverages.

The Clothing and Footwear index went down by 0.13 per cent to 83.67. Average price reductions were recorded for men's outerwear, and men's and women's footwear.

The Housing Index went down to 104.02, a drop of 0.18 per cent over the previous month. Lower average prices for various construction works and parts of household appliances were registered.

The water, electricity, gas and fuels Index went up by 0.32 per cent to 100.40 from 100.08 the previous month; as a result of increase in the price of Liquid Gas.

The Household equipment and household maintenance index went up by 0.15 per cent to 100.67. Higher average prices were recorded for furniture and household appliances. Price drops were also registered for carpets, household textiles and household articles.

The Transport and Communications index went up by 0.02 per cent to 101.52 from 101.50 the previous month. Higher prices in respect of motor parts, and telephone sets were recorded while a decrease was registered in Air Fares.

The Personal Care and Health index increased by 1.67 per cent to 107.37 from 105.61. This increase resulted from price changes for medical services and dental services and hygienic articles.

The Other Goods and Services Index increased by 0.24 per cent to 109.94. Price increase were recorded for non durable Household goods.

Inflation Rate

In February the inflation rate stood at 1.70 per cent.

The monthly calendar of NSO News Releases may be consulted on the Office's website at www.nso.gov.mt

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Table 1. All Items Retail Prices Index
December 2002=100

Month	2003		2004		
	Index	% change	Index	% change	
		Monthly		Monthly	Annual
January	99.12	-0.88	102.20	-0.18	3.11
February	99.60	0.48	102.23	0.03	2.64
March	100.36	0.76			
April	100.40	0.04			
May	100.73	0.33			
June	100.88	0.15			
July	100.54	-0.34			
August	100.47	-0.07			
September	100.82	0.35			
October	101.91	1.08			
November	101.75	-0.16			
December	102.38	0.62			

Table 2. RPI Group Indices
December 2002=100

Group	Weight	2004		% change January/February 2004
		Jan	Feb	
Food	23.82	105.16	104.49	-0.64
Beverages and Tobacco	6.11	110.49	111.57	0.98
Clothing and Footwear	8.24	83.78	83.67	-0.13
Housing	7.57	104.21	104.02	-0.18
Water, Electricity, Gas and Fuels	2.25	100.08	100.40	0.32
H/hold Equip. & House Maint. Cost	7.65	100.52	100.67	0.15
Transport and Communications	23.13	101.50	101.52	0.02
Personal Care and Health	6.22	105.61	107.37	1.67
Recreation and Culture	8.84	100.16	100.19	0.03
Other Goods and Services	6.17	109.68	109.94	0.24
All Items Retail Prices Index	100.00	102.20	102.23	0.03

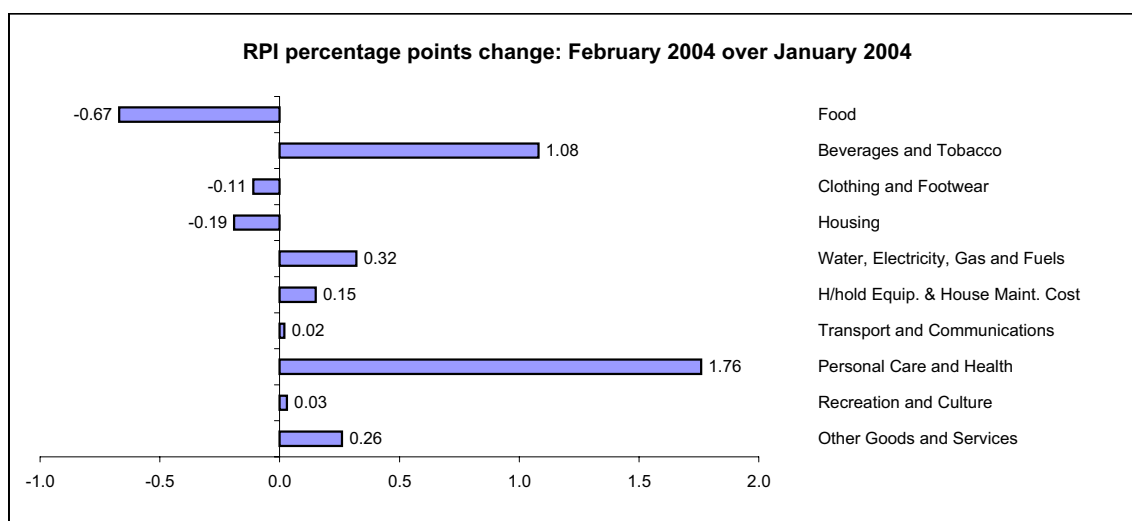


Table 3. Retail Prices Index
December 2002=100

Group	Weight	2003												2004	
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Food	23.82	102.93	103.32	101.82	102.23	101.07	99.47	101.20	102.17	104.51	103.52	104.18	105.16	104.49	
Beverages and Tobacco	6.11	101.15	101.48	102.03	102.06	102.20	102.24	102.39	102.36	102.25	102.18	107.37	110.49	111.57	
Clothing and Footwear	8.24	86.24	93.23	95.01	95.16	95.55	90.88	81.54	86.73	96.73	100.31	101.36	83.78	83.67	
Housing	7.57	100.02	99.92	100.47	100.45	104.64	104.77	104.77	102.50	102.38	102.47	102.95	104.21	104.02	
Water, Electricity, Gas and Fuels	2.25	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.08	100.40	
H/hold Equip. & House Maint. Cost	7.65	99.32	99.62	98.94	98.56	99.47	99.28	99.02	98.89	98.75	98.88	99.23	100.52	100.67	
Transport and Communication	23.13	99.74	100.05	101.24	101.44	101.43	102.27	103.51	103.00	101.71	100.68	100.22	101.50	101.52	
Personal Care and Health	6.22	100.61	100.55	100.30	103.35	103.42	103.55	103.61	103.78	103.82	103.82	104.13	105.61	107.37	
Recreation and Culture	8.84	99.83	99.81	99.42	99.35	99.07	98.91	98.88	98.60	98.97	98.91	99.49	100.16	100.19	
Other Goods and Services	6.17	100.91	100.73	100.68	101.01	101.33	105.35	105.41	105.45	105.50	105.72	106.39	109.68	109.94	
All Items	100.00	99.60	100.36	100.40	100.73	100.88	100.54	100.47	100.82	101.91	101.75	102.38	102.20	102.23	

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2003												2004	
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
Food	23.82	1.77	0.38	-1.45	0.40	-1.13	-1.58	1.74	0.96	2.29	-0.95	0.64	0.94	-0.64	
Beverages and Tobacco	6.11	0.06	0.33	0.54	0.03	0.14	0.04	0.15	-0.03	-0.11	-0.07	5.08	2.91	0.98	
Clothing and Footwear	8.24	1.21	8.11	1.91	0.16	0.41	-4.89	-10.28	6.36	11.53	3.70	1.05	-17.34	-0.13	
Housing	7.57	0.01	-0.10	0.55	-0.02	4.17	0.12	0.00	-2.17	-0.12	0.09	0.47	1.22	-0.18	
Water, Electricity, Gas and Fuels	2.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.32	
H/hold Equip. & House Maint. Cost	7.65	-0.12	0.30	-0.68	-0.38	0.92	-0.19	-0.26	-0.13	-0.14	0.13	0.35	1.30	0.15	
Transport and Communication	23.13	-0.20	0.31	1.19	0.20	-0.01	0.83	1.21	-0.49	-1.25	-1.01	-0.46	1.28	0.02	
Personal Care and Health	6.22	0.12	-0.06	-0.25	3.04	0.07	0.13	0.06	0.16	0.04	0.00	0.30	1.42	1.67	
Recreation and Culture	8.84	-0.16	-0.02	-0.39	-0.07	-0.28	-0.16	-0.03	-0.28	0.38	-0.06	0.59	0.67	0.03	
Other Goods and Services	6.17	0.44	-0.18	-0.05	0.33	0.32	3.97	0.06	0.04	0.05	0.21	0.63	3.09	0.24	
All Items	100.00	0.48	0.76	0.04	0.33	0.15	-0.34	-0.07	0.35	1.08	-0.16	0.62	-0.18	0.03	

Table 5. Inflation Rate
12 month average rate

Month	2000	2001	2002	2003	2004
January	2.29	2.15	3.27	1.79	1.57
February	2.37	2.01	3.48	1.58	1.70
March	2.43	1.92	3.62	1.46	
April	2.52	1.91	3.65	1.36	
May	2.64	1.89	3.64	1.26	
June	2.71	1.95	3.54	1.25	
July	2.76	2.04	3.39	1.20	
August	2.72	2.22	3.14	1.14	
September	2.67	2.42	2.89	1.10	
October	2.66	2.48	2.82	1.05	
November	2.56	2.64	2.55	1.13	
December	2.37	2.93	2.19	1.30	

Background Notes

1. A new Retail Prices Index series, with base December 2002, was officially introduced as from January 2003. Price quotations in respect of the goods and services in this new index series started being collected in January 2002. As a result the NSO was in a position to compile the new index series as from January 2002. This new index series may be linked to the old index series by using a linking coefficient of 1.1914.
2. The index is compiled using a large and representative selection of more than 355 separate goods and services for which price movements are regularly measured in 30 localities throughout the country. Around 9,000 separate price quotations are used each month in compiling the index.
3. The Retail Prices Index is the main measure of inflation in Malta. It measures the average change from month to month in the prices of goods and services purchased by most households in Malta. The spending pattern on which the index is based was derived from the Household Budgetary Survey 2000/1.
4. Each monthly News Release on the Retail Prices Index shall include three different measures of inflation as follows:
 - (a) The **monthly rate** compares price levels between the two latest months. Although up-to-date, this can be affected by seasonal and other effects.
 - (b) The **annual rate** measures price changes between the current month and the same month of the previous year. This measure is responsive to recent changes in price levels but can be influenced by one-off effects in either month.
 - (c) The **12-month average rate**, used officially in Malta, overcomes the volatility of the previous two rates by comparing average Retail Prices Indices in the latest 12 months to the average of the previous 12 months. This measure is less sensitive to transient changes in prices.
5. More information on the Retail Prices Index is available from the NSO website at www.nso.gov.mt.