

News Release

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RETAIL PRICES INDEX - MARCH 2004

Commentary

In March 2004, the Retail Prices Index went up by 0.42 per cent to 102.66 from 102.23 in the previous month.

The Food items index decreased by 0.13 per cent to 104.35 from 104.49 in February as a result of average price drops in respect of unprocessed potatoes.

The Beverages and Tobacco Index increased by 0.30 per cent to 111.91 from 111.57 in the previous month. The main price increases were recorded in respect of non-alcoholic beverages.

The Clothing and Footwear index went up by 6.10 per cent to 88.77. Average price increases were recorded for men's, boys, women's and girls' outerwear, and men's and women's footwear.

The Housing Index went up to 104.12, an increase of 0.10 per cent over the previous month. Higher average prices for electrical equipment and miscellaneous articles were registered.

The Household equipment and household maintenance cost index went up by 0.33 per cent to 101.00. Higher average prices were recorded for household textiles and textile articles and household appliances.

The Transport and Communications index went down by 0.01 per cent to 101.51 from 101.52. Lower prices in respect of motor cars were recorded. An increase was also registered in Air Fares.

The Recreation and Culture index decreased by 0.16 per cent to 100.03 from 100.19. This drop resulted from price changes for Audio visual equipment.

Inflation Rate

In March the inflation rate stood at 1.75 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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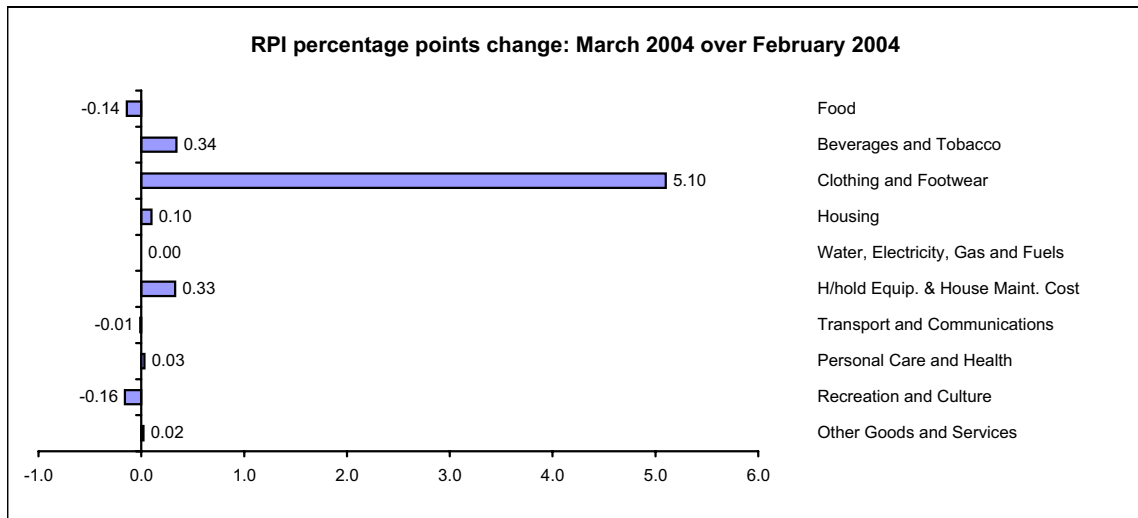
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Table 1. All Items Retail Prices Index
December 2002=100

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	102.66	0.42	2.29
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 February/March 2004
		February	March	
Food	23.82	104.49	104.35	-0.13
Beverages and Tobacco	6.11	111.57	111.91	0.30
Clothing and Footwear	8.24	83.67	88.77	6.10
Housing	7.57	104.02	104.12	0.10
Water, Electricity, Gas and Fuels	2.25	100.40	100.40	0.00
H/hold Equip. & House Maint. Cost	7.65	100.67	101.00	0.33
Transport and Communications	23.13	101.52	101.51	-0.01
Personal Care and Health	6.22	107.37	107.40	0.03
Recreation and Culture	8.84	100.19	100.03	-0.16
Other Goods and Services	6.17	109.94	109.96	0.02
All Items Retail Prices Index	100.00	102.23	102.66	0.42



**Table 3. Retail Prices Index
December 2002=100**

Group	Weight	2003												2004		
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March		
Food	23.82	103.32	101.82	102.23	101.07	99.47	101.20	102.17	104.51	103.52	104.18	105.16	104.49	104.35		
Beverages and Tobacco	6.11	101.48	102.03	102.06	102.20	102.24	102.39	102.36	102.25	102.18	107.37	110.49	111.57	111.91		
Clothing and Footwear	8.24	93.23	95.01	95.16	95.55	90.88	81.54	86.73	96.73	100.31	101.36	83.78	83.67	88.77		
Housing	7.57	99.92	100.47	100.45	104.64	104.77	102.50	102.38	102.38	102.47	102.95	104.21	104.02	104.12		
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	100.08	100.40	100.40		
H/hold Equip. & House Maint. Cost	7.65	99.62	98.94	98.56	99.47	99.28	99.02	98.89	98.75	98.88	99.23	100.52	100.67	101.00		
Transport and Communication	23.13	100.05	101.24	101.44	101.43	102.27	103.51	103.00	101.71	100.68	100.22	101.50	101.52	101.51		
Personal Care and Health	6.22	100.55	100.30	103.35	103.42	103.55	103.61	103.78	103.82	103.82	104.13	105.61	107.37	107.40		
Recreation and Culture	8.84	99.81	99.42	99.35	99.07	98.91	98.88	98.60	98.97	98.91	99.49	100.16	100.19	100.03		
Other Goods and Services	6.17	100.73	100.68	101.01	101.33	105.35	105.41	105.45	105.50	105.72	106.39	109.68	109.94	109.96		
All Items	100.00	100.36	100.40	100.73	100.88	100.54	100.47	100.82	101.91	101.75	102.38	102.20	102.23	102.66		

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2003												2004		
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March		
Food	23.82	0.38	-1.45	0.40	-1.13	-1.58	1.74	0.96	2.29	-0.95	0.64	0.94	-0.64	-0.13		
Beverages and Tobacco	6.11	0.33	0.54	0.03	0.14	0.04	0.15	-0.03	-0.11	-0.07	5.08	2.91	0.98	0.30		
Clothing and Footwear	8.24	8.11	1.91	0.16	0.41	-4.89	-10.28	6.36	11.53	3.70	1.05	-17.34	-0.13	6.10		
Housing	7.57	-0.10	0.55	-0.02	4.17	0.12	0.00	-2.17	-0.12	0.09	0.47	1.22	-0.18	0.10		
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	0.08	0.32	0.00		
H/hold Equip. & House Maint. Cost	7.65	0.30	-0.68	-0.38	0.92	-0.19	-0.26	-0.13	-0.14	0.13	0.35	1.30	0.15	0.33		
Transport and Communication	23.13	0.31	1.19	0.20	-0.01	0.83	1.21	-0.49	-1.25	-1.01	-0.46	1.28	0.02	-0.01		
Personal Care and Health	6.22	-0.06	-0.25	3.04	0.07	0.13	0.06	0.16	0.04	0.00	0.30	1.42	1.67	0.03		
Recreation and Culture	8.84	-0.02	-0.39	-0.07	-0.28	-0.16	-0.03	-0.28	0.38	-0.06	0.59	0.67	0.03	-0.16		
Other Goods and Services	6.17	-0.18	-0.05	0.33	0.32	3.97	0.06	0.04	0.05	0.21	0.63	3.09	0.24	0.02		
All Items	100.00	0.76	0.04	0.33	0.15	-0.34	-0.07	0.35	1.08	-0.16	0.62	-0.18	0.03	0.42		

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	1.75
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.