

News Release



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Compiled by:
Consumer Prices Unit
e-mail: rpi.nso@gov.mt
Tel: 25997319

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Prices

Retail Prices Index - June 2006

In June 2006, the Retail Prices Index went down by 0.33 per cent to 110.52 from 110.89 in May.

The Food Items Index decreased by 2.11 per cent to 104.81 from 107.07 in May. This reduction resulted from price decreases in respect of fresh fruits, unprocessed potatoes and vegetables. On the other hand, higher prices were recorded for frozen meat, fresh fish and sugar.

The Beverages and Tobacco Index went up by 0.11 per cent to 117.39 from 117.26 in the previous month. Price increases for non-alcoholic beverages were registered.

A slight increase of 0.01 per cent pushed up the Clothing and Footwear Index to 95.83 from 95.82 in May. Higher prices were recorded for girls' outerwear, while a decrease for women's outerwear was registered.

The Water, Electricity, Gas and Fuels Index rose to 160.35 from 160.12 in May, an increase of 0.14 per cent which resulted from higher prices in liquid fuels.

The Household Equipment and House Maintenance Cost Index registered an increase of 0.19 to 105.47 from 105.27 in the previous month. Price increases for household textile articles were registered.

At 114.73, the Transport and Communication Index rose by 0.49 per cent over May. Higher average prices were recorded for fuels, maintenance and repair services of cars, sea transport services and air transport services. Lower prices for motor cars were registered.

Inflation Rate

In June the inflation rate stood at 3.11 per cent ■

National Statistics Office
Library & Information Unit
Lascaris, Valletta CMR 02, Malta
Tel: (+356) 25997219
Fax: (+356) 25997205
e-mail: nso@gov.mt
<http://www.nso.gov.mt>

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

Month	2004		2005		2006		
	Index	% change	Index	% change	Index	% change	
		Monthly		Monthly		Monthly	Annual
January	102.20	-0.18	104.70	-0.54	107.06	-1.80	2.25
February	102.23	0.03	105.33	0.60	107.70	0.60	2.25
March	102.66	0.42	105.82	0.47	109.05	1.25	3.05
April	103.32	0.64	106.27	0.43	110.32	1.16	3.81
May	103.13	-0.18	106.69	0.40	110.89	0.52	3.94
June	103.62	0.48	106.65	-0.04	110.52	-0.33	3.63
July	104.14	0.50	105.77	-0.83			
August	103.25	-0.85	105.83	0.06			
September	103.56	0.30	106.59	0.72			
October	104.36	0.77	108.40	1.70			
November	104.96	0.57	109.01	0.56			
December	105.27	0.30	109.02	0.01			

Table 2. RPI Group Indices
December 2002=100

Group	Weight	Indices		% change June 2006/May 2006
		May 2006	June 2006	
Food	23.82	107.07	104.81	-2.11
Beverages and Tobacco	6.11	117.26	117.39	0.11
Clothing and Footwear	8.24	95.82	95.83	0.01
Housing	7.57	116.79	116.82	0.03
Water, Electricity, Gas and Fuels	2.25	160.12	160.35	0.14
H/hold Equip. & House Maint. Cost	7.65	105.27	105.47	0.19
Transport and Communications	23.13	114.17	114.73	0.49
Personal Care and Health	6.22	115.25	115.32	0.06
Recreation and Culture	8.84	101.56	101.64	0.08
Other Goods and Services	6.17	117.95	117.86	-0.08
All Items Retail Prices Index	100.00	110.89	110.52	-0.33

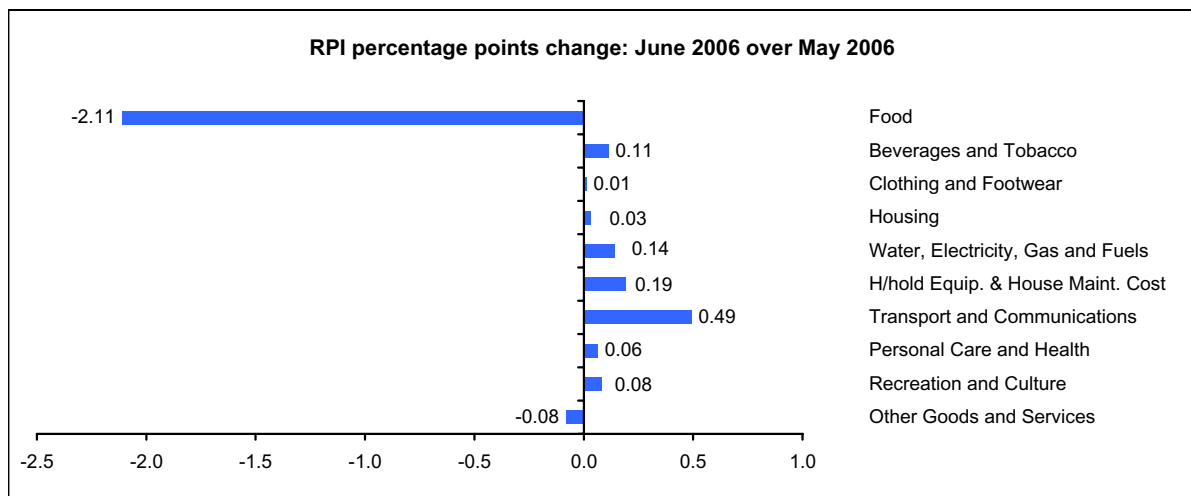


Table 3. Retail Prices Index
December 2002=100

Group	Weight	2005							2006					
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Food	23.82	103.92	102.12	102.71	103.58	105.08	104.86	104.37	105.10	105.19	106.90	107.42	107.07	104.81
Beverages and Tobacco	6.11	114.42	114.95	114.99	115.03	115.15	115.23	115.29	115.69	115.70	116.43	116.64	117.26	117.39
Clothing and Footwear	8.24	95.06	82.50	77.80	85.10	95.64	97.53	98.77	76.50	80.79	90.47	93.54	95.82	95.83
Housing	7.57	111.57	111.81	111.68	112.02	112.03	112.26	112.39	114.70	114.66	114.82	116.76	116.79	116.82
Water, Electricity, Gas and Fuels	2.25	118.92	118.92	118.92	118.92	120.16	152.43	152.43	145.51	145.80	162.63	162.73	160.12	160.35
H/hold Equip. & House Maint. Cost	7.65	103.58	103.65	103.92	103.87	103.85	104.39	104.40	104.62	104.45	104.79	104.87	105.27	105.47
Transport and Communication	23.13	108.19	110.38	111.53	111.10	113.49	112.02	111.80	110.59	111.31	109.94	112.54	114.17	114.73
Personal Care and Health	6.22	111.82	111.48	111.94	112.23	112.29	112.85	113.01	113.21	114.49	114.51	115.15	115.25	115.32
Recreation and Culture	8.84	101.57	101.62	101.59	101.62	101.60	101.69	101.91	100.53	100.33	100.45	101.14	101.56	101.64
Other Goods and Services	6.17	114.61	115.14	115.15	115.23	115.20	115.42	116.01	116.42	117.17	117.05	117.44	117.95	117.86
All Items	100.00	106.65	105.77	105.83	106.59	108.40	109.01	109.02	107.06	107.70	109.05	110.32	110.89	110.52

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Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2005							2006					
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Food	23.82	-1.05	-1.73	0.58	0.85	1.45	-0.21	-0.47	0.70	0.09	1.63	0.49	-0.33	-2.11
Beverages and Tobacco	6.11	0.39	0.46	0.03	0.03	0.10	0.07	0.05	0.35	0.01	0.63	0.18	0.53	0.11
Clothing and Footwear	8.24	0.07	-13.21	-5.70	9.38	12.39	1.98	1.27	-22.55	5.61	11.98	3.39	2.44	0.01
Housing	7.57	0.12	0.22	-0.12	0.30	0.01	0.21	0.12	2.06	-0.03	0.14	1.69	0.03	0.03
Water, Electricity, Gas and Fuels	2.25	0.00	0.00	0.00	0.00	1.04	26.86	0.00	-4.54	0.20	11.54	0.06	-1.60	0.14
H/hold Equip. & House Maint. Cost	7.65	0.41	0.07	0.26	-0.05	-0.02	0.52	0.01	0.21	-0.16	0.33	0.08	0.38	0.19
Transport and Communication	23.13	0.57	2.02	1.04	-0.39	2.15	-1.30	-0.20	-1.08	0.65	-1.23	2.36	1.45	0.49
Personal Care and Health	6.22	0.05	-0.30	0.41	0.26	0.05	0.50	0.14	0.18	1.13	0.02	0.56	0.09	0.06
Recreation and Culture	8.84	0.04	0.05	-0.03	0.03	-0.02	0.09	0.22	-1.35	-0.20	0.12	0.69	0.42	0.08
Other Goods and Services	6.17	0.03	0.46	0.01	0.07	-0.03	0.19	0.51	0.35	0.64	-0.10	0.33	0.43	-0.08
All Items	100.00	-0.04	-0.83	0.06	0.72	1.70	0.56	0.01	-1.80	0.60	1.25	1.16	0.52	-0.33

Table 5. Inflation Rate
12 month average rate

Month	2002	2003	2004	2005	2006
January	3.27	1.79	1.57	2.74	2.99
February	3.48	1.58	1.70	2.77	2.92
March	3.62	1.46	1.75	2.83	2.92
April	3.65	1.36	1.86	2.83	3.00
May	3.64	1.26	1.95	2.92	3.05
June	3.54	1.25	2.03	2.94	3.11
July	3.39	1.20	2.23	2.77	
August	3.14	1.14	2.41	2.74	
September	2.89	1.10	2.57	2.76	
October	2.82	1.05	2.63	2.89	
November	2.55	1.13	2.75	2.95	
December	2.19	1.30	2.79	3.01	

Methodological 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. The data in this release are not normally subject to revision.
6. More information on the Retail Prices Index is available from the NSO website at www.nso.gov.mt.