

# News Release



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## Prices

### Retail Prices Index: September 2006

*The inflation rate stood at 3.42 per cent in September 2006.*

In September 2006, the Retail Prices Index increased by 0.63 per cent to 110.19. This primarily reflected an increase of 1.93 per cent in the Food Index, as shown in Table 2, which was mainly due to a rise in prices of fresh vegetables. The Clothing and Footwear Index rose by 1.91 per cent over August. This was due to the seasonal launch of new stocks. An increase of 0.90 per cent in the Water, Electricity, Gas and Fuels Index was primarily caused by changes in the surcharge imposed on water and electricity. In the Transport and Communications Index, higher prices for air transport services and postal services were contrasted by a decrease in motor cars and fuel prices. Other indexes which increased during September 2006 included those for Housing, Other Goods and Services and Beverages and Tobacco.

Developments in other indexes mitigated the increase in the Retail Price Index. The Household Equipment and House Maintenance Cost Index registered a decrease of 0.52 per cent. Lower prices for household textile articles were recorded. Relatively smaller decreases were registered in the indexes for Personal Care and Health and Recreation and Culture.

The twelve month moving average rate of inflation stood at 3.42 per cent in September 2006, compared to 3.38 per cent in August ■

**Theme:**  
**Economy and Finance**

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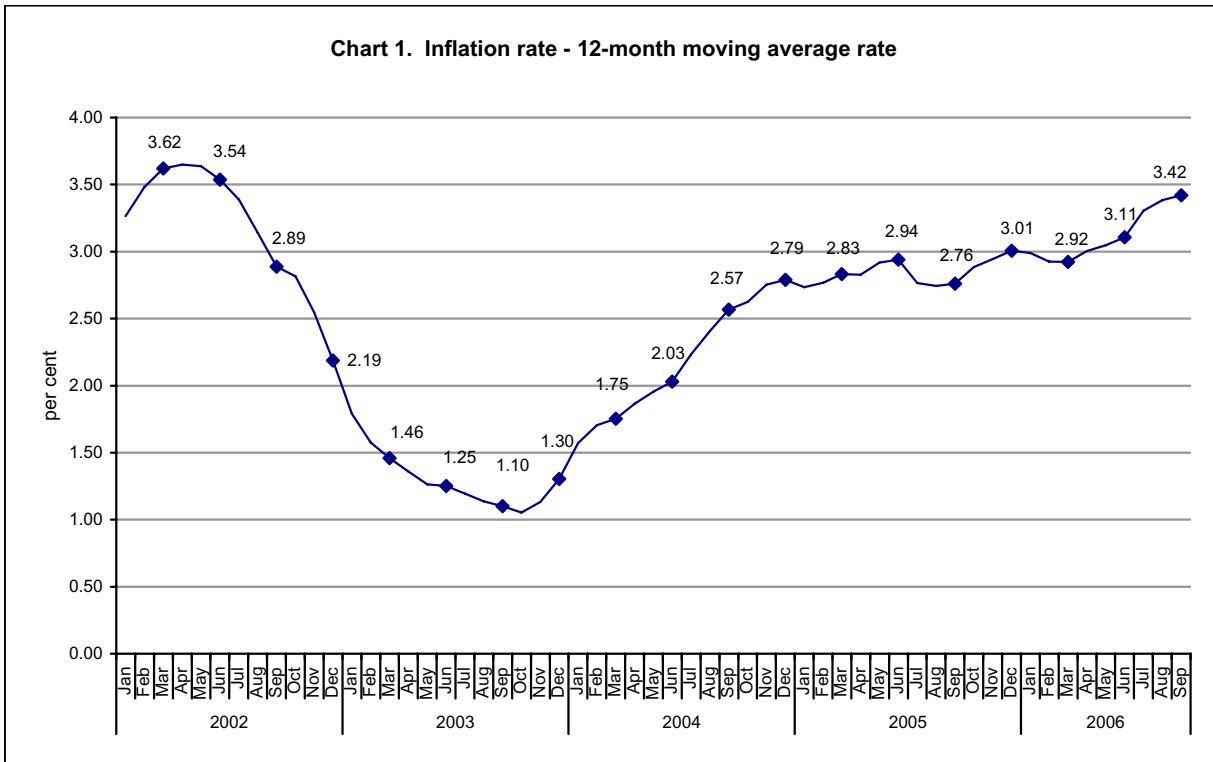
The monthly calendar of NSO News Releases may be consulted on the Office's website at [www.nso.gov.mt](http://www.nso.gov.mt)

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**Table 1. Inflation Rate**  
12-month average rate

per cent

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	3.30
August	3.14	1.14	2.41	2.74	3.38
September	2.89	1.10	2.57	2.76	3.42
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	



**Table 2. RPI Group Indices**  
*December 2002=100*

Group	Weight	Indices			% change Sep06/Sep05	% change Sep06/Aug06
		Sep 2005	Aug 2006	Sep 2006		
Food	23.82	103.58	104.75	106.77	3.08	1.93
Beverages and Tobacco	6.11	115.03	117.52	117.57	2.21	0.04
Clothing and Footwear	8.24	85.10	81.61	83.17	-2.27	1.91
Housing	7.57	112.02	117.10	117.20	4.62	0.09
Water, Electricity, Gas and Fuels	2.25	118.92	158.44	159.87	34.43	0.90
H/hold Equip. & House Maint. Cost	7.65	103.87	105.15	104.60	0.70	-0.52
Transport and Communications	23.13	111.10	115.77	116.12	4.52	0.30
Personal Care and Health	6.22	112.23	115.41	115.27	2.71	-0.12
Recreation and Culture	8.84	101.62	101.48	101.43	-0.19	-0.05
Other Goods and Services	6.17	115.23	117.41	117.52	1.99	0.09
All Items Retail Prices Index	100.00	106.59	109.50	110.19	3.38	0.63

**Table 3. Retail Prices Index**  
*Rates of change (%)*

Group	Weight	Annual rate			Monthly rate		
		Sep 2005	Aug 2006	Sep 2006	Sep 2005	Aug 2006	Sep 2006
Food	<b>23.82</b>	2.45	1.99	3.08	0.85	-0.68	1.93
Beverages and Tobacco	<b>6.11</b>	2.76	2.20	2.21	0.03	-0.01	0.04
Clothing and Footwear	<b>8.24</b>	4.05	4.90	-2.27	9.38	-3.53	1.91
Housing	<b>7.57</b>	4.36	4.85	4.62	0.30	0.21	0.09
Water, Electricity, Gas and Fuels	<b>2.25</b>	17.98	33.23	34.43	0.00	0.04	0.90
H/hold Equip. & House Maint. Cost	<b>7.65</b>	2.22	1.18	0.70	-0.05	-0.31	-0.52
Transport and Communication	<b>23.13</b>	2.17	3.80	4.52	-0.39	0.03	0.30
Personal Care and Health	<b>6.22</b>	3.50	3.10	2.71	0.26	0.06	-0.12
Recreation and Culture	<b>8.84</b>	0.91	-0.11	-0.19	0.03	-0.23	-0.05
Other Goods and Services	<b>6.17</b>	2.64	1.96	1.99	0.07	-0.20	0.09
<b>All Items</b>	<b>100.00</b>	<b>2.93</b>	<b>3.47</b>	<b>3.38</b>	<b>0.72</b>	<b>-0.41</b>	<b>0.63</b>

**Table 4. All Items Retail Prices Index**  
*December 2002=100*

<b>Month</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
January	99.24	99.12	102.20	104.70	107.06
February	98.57	99.60	102.23	105.33	107.70
March	98.67	100.36	102.66	105.82	109.05
April	98.83	100.40	103.32	106.27	110.32
May	99.44	100.73	103.13	106.69	110.89
June	99.07	100.88	103.62	106.65	110.52
July	99.41	100.54	104.14	105.77	109.95
August	99.80	100.47	103.25	105.83	109.50
September	100.03	100.82	103.56	106.59	110.19
October	100.22	101.91	104.36	108.40	
November	100.13	101.75	104.96	109.01	
December	100.00	102.38	105.27	109.02	

## 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](http://www.nso.gov.mt).