

News Release



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Prices

Retail Prices Index - January 2006

In January 2006, the Retail Prices Index went down by 1.80 per cent to 107.06 from 109.02 in December.

The Food Items Index increased by 0.70 per cent to 105.10 from 104.37 in the previous month. Price increases were recorded for frozen meat, prepared and processed meat, fresh fish, fresh fruits, vegetables and processed vegetables. A drop in the price of unprocessed potatoes was registered.

An increase of 0.35 per cent pushed up the Beverages and Tobacco index to 115.69 from 115.29 in the previous month. This rise was recorded for served non-alcoholic beverages.

The Clothing and Footwear Index went down by 22.55 per cent to 76.50 from 98.77 in December. Average price reductions were registered for clothing materials, men's, boys', women's and girls' outerwear, men's, women's and girls' underwear, babies' garments and men's and women's footwear. These average price drops were the result of seasonal sales.

The Housing Index went up to 114.70 from 112.39, an increase of 2.06 per cent over December. Average price increases were recorded for dwelling maintenance and repair services, various construction works and parts of household appliances.

At 145.51, the Water, Electricity, Gas and Fuels Index declined by 4.54 per cent. Lower prices were registered for liquid fuels, water and electricity charges.

The Household Equipment and House Maintenance Cost Index rose by 0.21 per cent to 104.62 from 104.40 in the previous month. Higher prices were recorded for furniture and household appliances, while a decrease in household textiles and household textile articles was registered.

The Transport and Communications Index dropped to 110.59 from 111.80 in December, a drop of 1.08 per cent. Price reductions were registered for fuels and air transport services. However, higher average prices for motor cars and maintenance and repair services of cars were recorded.

Higher average prices for hairdressing, personal grooming, hygienic articles, toilet preparations and make up articles resulted in a net increase of 0.18 per cent to 113.21 in the Personal Care and Health Index.

The Recreation and Culture Index declined by 1.35 per cent to 100.53 from 101.91 in the previous month. This drop was recorded for audio visual equipment, sports equipment, entertainment visits/photography services and licences and administrative fees. Higher prices for hire and leasing of recreational and sports events were registered.

The Other Goods and Services Index registered an increase of 0.35 per cent to 116.42 from 116.01 in December. Price increases were registered for non-durable household goods, domestic help and employed persons and financial services, while a decrease in jewellery, watches and clocks was recorded.

Inflation Rate

In January the inflation rate stood at 2.99 per cent ■

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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			
March	102.66	0.42	105.82	0.47			
April	103.32	0.64	106.27	0.43			
May	103.13	-0.18	106.69	0.40			
June	103.62	0.48	106.65	-0.04			
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 January 2006/December 2005
		Dec 2005	Jan 2006	
Food	23.82	104.37	105.10	0.70
Beverages and Tobacco	6.11	115.29	115.69	0.35
Clothing and Footwear	8.24	98.77	76.50	-22.55
Housing	7.57	112.39	114.70	2.06
Water, Electricity, Gas and Fuels	2.25	152.43	145.51	-4.54
H/hold Equip. & House Maint. Cost	7.65	104.40	104.62	0.21
Transport and Communications	23.13	111.80	110.59	-1.08
Personal Care and Health	6.22	113.01	113.21	0.18
Recreation and Culture	8.84	101.91	100.53	-1.35
Other Goods and Services	6.17	116.01	116.42	0.35
All Items Retail Prices Index	100.00	109.02	107.06	-1.80

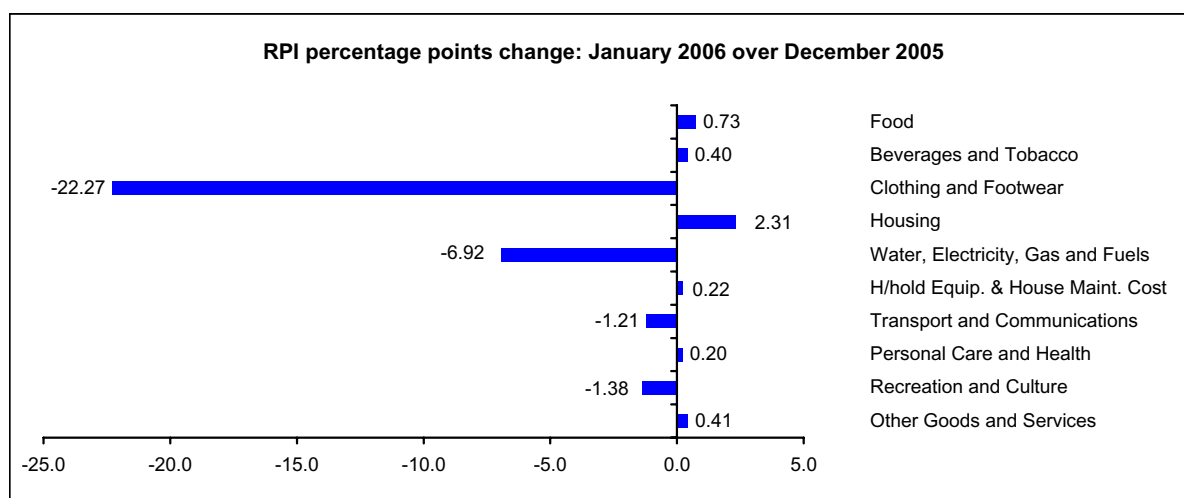


Table 3. Retail Prices Index
December 2002=100

Group	Weight	2005												2006
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Food	23.82	104.60	106.50	105.10	104.03	105.02	103.92	102.12	102.71	103.58	105.08	104.86	104.37	105.10
Beverages and Tobacco	6.11	113.59	113.74	113.86	113.94	113.98	114.42	114.95	114.99	115.03	115.15	115.23	115.29	115.69
Clothing and Footwear	8.24	81.07	82.60	89.69	94.50	94.99	95.06	82.50	77.80	85.10	95.64	97.53	98.77	76.50
Housing	7.57	108.83	108.85	111.21	111.26	111.44	111.57	111.81	111.68	112.02	112.03	112.26	112.39	114.70
Water, Electricity, Gas and Fuels	2.25	118.86	118.86	118.86	118.92	118.92	118.92	118.92	118.92	118.92	120.16	152.43	152.43	145.51
H/hold Equip. & House Maint. Cost	7.65	102.38	102.51	102.82	103.01	103.16	103.58	103.65	103.92	103.87	103.85	104.39	104.40	104.62
Transport and Communication	23.13	106.39	106.26	106.17	107.22	107.58	108.19	110.38	111.53	111.10	113.49	112.02	111.80	110.59
Personal Care and Health	6.22	109.63	111.06	111.35	111.45	111.76	111.82	111.48	111.94	112.23	112.29	112.85	113.01	113.21
Recreation and Culture	8.84	101.36	101.07	101.15	101.36	101.53	101.57	101.62	101.59	101.62	101.60	101.69	101.91	100.53
Other Goods and Services	6.17	113.98	113.96	114.27	114.53	114.58	114.61	115.14	115.15	115.23	115.20	115.42	116.01	116.42
All Items	100.00	104.70	105.33	105.82	106.27	106.69	106.65	105.77	105.83	106.59	108.40	109.01	109.02	107.06

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2005												2006
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Food	23.82	1.09	1.82	-1.31	-1.02	0.95	-1.05	-1.73	0.58	0.85	1.45	-0.21	-0.47	0.70
Beverages and Tobacco	6.11	1.47	0.13	0.11	0.07	0.04	0.39	0.46	0.03	0.03	0.10	0.07	0.05	0.35
Clothing and Footwear	8.24	-17.95	1.89	8.58	5.36	0.52	0.07	-13.21	-5.70	9.38	12.39	1.98	1.27	-22.55
Housing	7.57	0.91	0.02	2.17	0.04	0.16	0.12	0.22	-0.12	0.30	0.01	0.21	0.12	2.06
Water, Electricity, Gas and Fuels	2.25	13.39	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	1.04	26.86	0.00	-4.54
H/hold Equip. & House Maint. Cost	7.65	-0.11	0.13	0.30	0.18	0.15	0.41	0.07	0.26	-0.05	-0.02	0.52	0.01	0.21
Transport and Communication	23.13	-0.19	-0.12	-0.08	0.99	0.34	0.57	2.02	1.04	-0.39	2.15	-1.30	-0.20	-1.08
Personal Care and Health	6.22	0.81	1.30	0.26	0.09	0.28	0.05	-0.30	0.41	0.26	0.05	0.50	0.14	0.18
Recreation and Culture	8.84	0.63	-0.29	0.08	0.21	0.17	0.04	0.05	-0.03	0.03	-0.02	0.09	0.22	-1.35
Other Goods and Services	6.17	1.08	-0.02	0.27	0.23	0.04	0.03	0.46	0.01	0.07	-0.03	0.19	0.51	0.35
All Items	100.00	-0.54	0.60	0.47	0.43	0.40	-0.04	-0.83	0.06	0.72	1.70	0.56	0.01	-1.80

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	
March	3.62	1.46	1.75	2.83	
April	3.65	1.36	1.86	2.83	
May	3.64	1.26	1.95	2.92	
June	3.54	1.25	2.03	2.94	
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.