

News Release



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Prices

Retail Prices Index - February 2006

In February 2006, the Retail Prices Index went up by 0.60 per cent to 107.70 from 107.06 in January.

The Food Items Index increased by 0.09 per cent to 105.19 from 105.10 in January as a result of average price increases in respect of cereals, beef and pork meat, frozen meat, unprocessed potatoes, processed vegetables, coffee and served meals. Average price reductions were recorded for fresh fish, fresh fruits and vegetables.

At 80.79, the Clothing and Footwear Index increased by 5.61 per cent from 76.50 in January. Such increase was recorded for men's, boys', women's, and girls' outdoor, women's and girls' underwear and men's footwear.

Higher prices for liquid fuels pulled the Water, Electricity, Gas and Fuels Index up by 0.20 per cent to 145.80 from 145.51 in the previous month.

The Household Equipment and House Maintenance Cost Index declined by 0.16 per cent to 104.45 from 104.62 in January. Lower prices in respect of decoration articles were registered.

The Transport and Communications Index rose by 0.65 per cent to 111.31 from 110.59 in the previous month. Price increases were recorded for fuels and air transport services.

The Personal Care and Health Index registered an increase of 1.13 per cent to stand at 114.49 from 113.21 in January. Higher average prices for therapeutic appliances and equipment, medical and dental services and hygienic articles/toilet preparations/makeup articles were registered.

The Recreation and Culture Index decreased by 0.20 per cent to 100.33 from 100.53 the other month. Lower prices were recorded in the case of audio visual equipment, sports equipment and stationery goods. At the same time price increases were recorded for books and newspapers.

The Other Goods and Services Index went up to 117.17 from 116.42, an increase of 0.64 per cent over January. Higher average prices were recorded for jewellery, watches and clocks, non-durable household goods and financial services.

Inflation Rate

In February the inflation rate stood at 2.92 per cent ■

Theme:
Economy and Finance

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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	107.70	0.60	2.25
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 February 2006/January 2006
		Jan 2006	Feb 2006	
Food	23.82	105.10	105.19	0.09
Beverages and Tobacco	6.11	115.69	115.70	0.01
Clothing and Footwear	8.24	76.50	80.79	5.61
Housing	7.57	114.70	114.66	-0.03
Water, Electricity, Gas and Fuels	2.25	145.51	145.80	0.20
H/hold Equip. & House Maint. Cost	7.65	104.62	104.45	-0.16
Transport and Communications	23.13	110.59	111.31	0.65
Personal Care and Health	6.22	113.21	114.49	1.13
Recreation and Culture	8.84	100.53	100.33	-0.20
Other Goods and Services	6.17	116.42	117.17	0.64
All Items Retail Prices Index	100.00	107.06	107.70	0.60

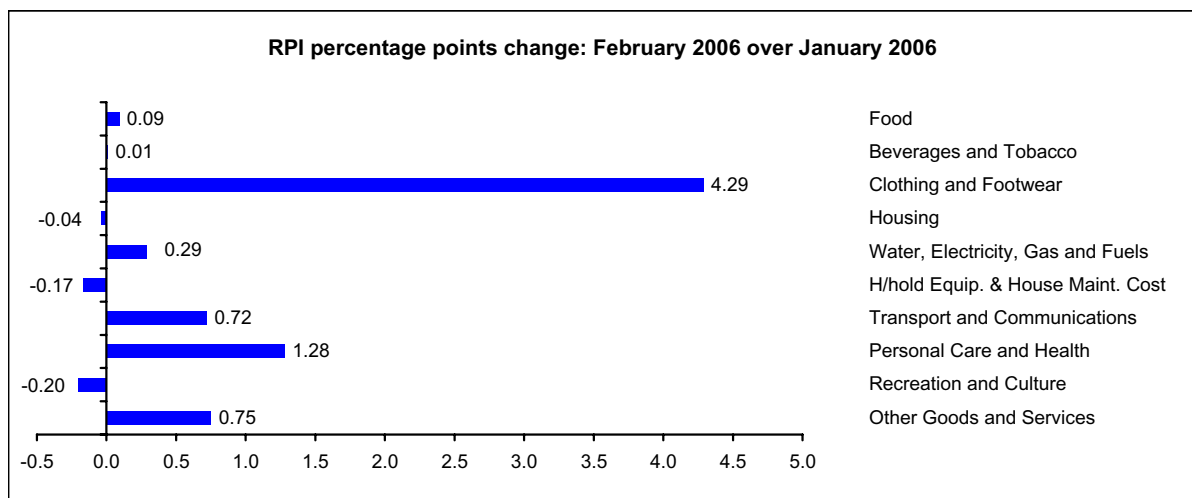


Table 3. Retail Prices Index
December 2002=100

Group	Weight	2005											2006	
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Food	23.82	106.50	105.10	104.03	105.02	103.92	102.12	102.71	103.58	105.08	104.86	104.37	105.10	105.19
Beverages and Tobacco	6.11	113.74	113.86	113.94	113.98	114.42	114.95	114.99	115.03	115.15	115.23	115.29	115.69	115.70
Clothing and Footwear	8.24	82.60	89.69	94.50	94.99	95.06	82.50	77.80	85.10	95.64	97.53	98.77	76.50	80.79
Housing	7.57	108.85	111.21	111.26	111.44	111.57	111.81	111.68	112.02	112.03	112.26	112.39	114.70	114.66
Water, Electricity, Gas and Fuels	2.25	118.86	118.86	118.92	118.92	118.92	118.92	118.92	118.92	120.16	152.43	152.43	145.51	145.80
H/hold Equip. & House Maint. Cost	7.65	102.51	102.82	103.01	103.16	103.58	103.65	103.92	103.87	103.85	104.39	104.40	104.62	104.45
Transport and Communication	23.13	106.26	106.17	107.22	107.58	108.19	110.38	111.53	111.10	113.49	112.02	111.80	110.59	111.31
Personal Care and Health	6.22	111.06	111.35	111.45	111.76	111.82	111.48	111.94	112.23	112.29	112.85	113.01	113.21	114.49
Recreation and Culture	8.84	101.07	101.15	101.36	101.53	101.57	101.62	101.59	101.62	101.60	101.69	101.91	100.53	100.33
Other Goods and Services	6.17	113.96	114.27	114.53	114.58	114.61	115.14	115.15	115.23	115.20	115.42	116.01	116.42	117.17
All Items	100.00	105.33	105.82	106.27	106.69	106.65	105.77	105.83	106.59	108.40	109.01	109.02	107.06	107.70

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2005											2006	
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Food	23.82	1.82	-1.31	-1.02	0.95	-1.05	-1.73	0.58	0.85	1.45	-0.21	-0.47	0.70	0.09
Beverages and Tobacco	6.11	0.13	0.11	0.07	0.04	0.39	0.46	0.03	0.03	0.10	0.07	0.05	0.35	0.01
Clothing and Footwear	8.24	1.89	8.58	5.36	0.52	0.07	-13.21	-5.70	9.38	12.39	1.98	1.27	-22.55	5.61
Housing	7.57	0.02	2.17	0.04	0.16	0.12	0.22	-0.12	0.30	0.01	0.21	0.12	2.06	-0.03
Water, Electricity, Gas and Fuels	2.25	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	1.04	26.86	0.00	-4.54	0.20
H/hold Equip. & House Maint. Cost	7.65	0.13	0.30	0.18	0.15	0.41	0.07	0.26	-0.05	-0.02	0.52	0.01	0.21	-0.16
Transport and Communication	23.13	-0.12	-0.08	0.99	0.34	0.57	2.02	1.04	-0.39	2.15	-1.30	-0.20	-1.08	0.65
Personal Care and Health	6.22	1.30	0.26	0.09	0.28	0.05	-0.30	0.41	0.26	0.05	0.50	0.14	0.18	1.13
Recreation and Culture	8.84	-0.29	0.08	0.21	0.17	0.04	0.05	-0.03	0.03	-0.02	0.09	0.22	-1.35	-0.20
Other Goods and Services	6.17	-0.02	0.27	0.23	0.04	0.03	0.46	0.01	0.07	-0.03	0.19	0.51	0.35	0.64
All Items	100.00	0.60	0.47	0.43	0.40	-0.04	-0.83	0.06	0.72	1.70	0.56	0.01	-1.80	0.60

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	
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.