

News Release



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Prices

Retail Prices Index - December 2005

In December, the Retail Prices Index went up by 0.01 per cent to 109.02 from 109.01 in November.

The Food Items Index declined by 0.47 per cent to 104.37 from 104.86 in the previous month as a result of average price decreases in respect of fresh fish and vegetables. Higher average prices were registered for fresh fruits and unprocessed potatoes.

At 98.77, the Clothing and Footwear Index went up by 1.27 per cent from 97.53 in November. Price increases for men's, women's and girls' outerwear, and men's and women's footwear were registered.

The Housing Index increased by 0.12 per cent to 112.39 from 112.26. Higher prices were recorded for plastering and cement rendering materials.

The Transport and Communications Index registered a decrease of 0.20 per cent to 111.80 from 112.02 in November. Price drops for motor cars and fuels were recorded while an increase was registered for air transport services.

The Personal Care and Health Index rose by 0.14 per cent to 113.01 from 112.85. Price increases were registered for hygienic articles, toilet preparations and make-up articles.

Higher average prices for toys resulted in a net increase of 0.22 per cent in the Recreation and Culture index which went up to 101.91 from 101.69 in the previous month.

The Other Goods and Services Index went up by 0.51 per cent to 116.01 from 115.42 in November. Price increases were registered for jewellery, watches, clocks and non-durable household goods.

Inflation Rate

In December the inflation rate stood at 3.01 per cent ■

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

Month	2003		2004		2005		
	Index	% change	Index	% change	Index	% change	
		Monthly		Monthly		Monthly	Annual
January	99.12	-0.88	102.20	-0.18	104.70	-0.54	2.45
February	99.60	0.48	102.23	0.03	105.33	0.60	3.03
March	100.36	0.76	102.66	0.42	105.82	0.47	3.08
April	100.40	0.04	103.32	0.64	106.27	0.43	2.86
May	100.73	0.33	103.13	-0.18	106.69	0.40	3.45
June	100.88	0.15	103.62	0.48	106.65	-0.04	2.92
July	100.54	-0.34	104.14	0.50	105.77	-0.83	1.57
August	100.47	-0.07	103.25	-0.85	105.83	0.06	2.50
September	100.82	0.35	103.56	0.30	106.59	0.72	2.93
October	101.91	1.08	104.36	0.77	108.40	1.70	3.87
November	101.75	-0.16	104.96	0.57	109.01	0.56	3.86
December	102.38	0.62	105.27	0.30	109.02	0.01	3.56

Table 2. RPI Group Indices
December 2002=100

Group	Weight	Indices		% change Dec 2005 / Nov 2005
		Nov 2005	Dec 2005	
Food	23.82	104.86	104.37	-0.47
Beverages and Tobacco	6.11	115.23	115.29	0.05
Clothing and Footwear	8.24	97.53	98.77	1.27
Housing	7.57	112.26	112.39	0.12
Water, Electricity, Gas and Fuels	2.25	152.43	152.43	0.00
H/hold Equip. & House Maint. Cost	7.65	104.39	104.40	0.01
Transport and Communications	23.13	112.02	111.80	-0.20
Personal Care and Health	6.22	112.85	113.01	0.14
Recreation and Culture	8.84	101.69	101.91	0.22
Other Goods and Services	6.17	115.42	116.01	0.51
All Items Retail Prices Index	100.00	109.01	109.02	0.01

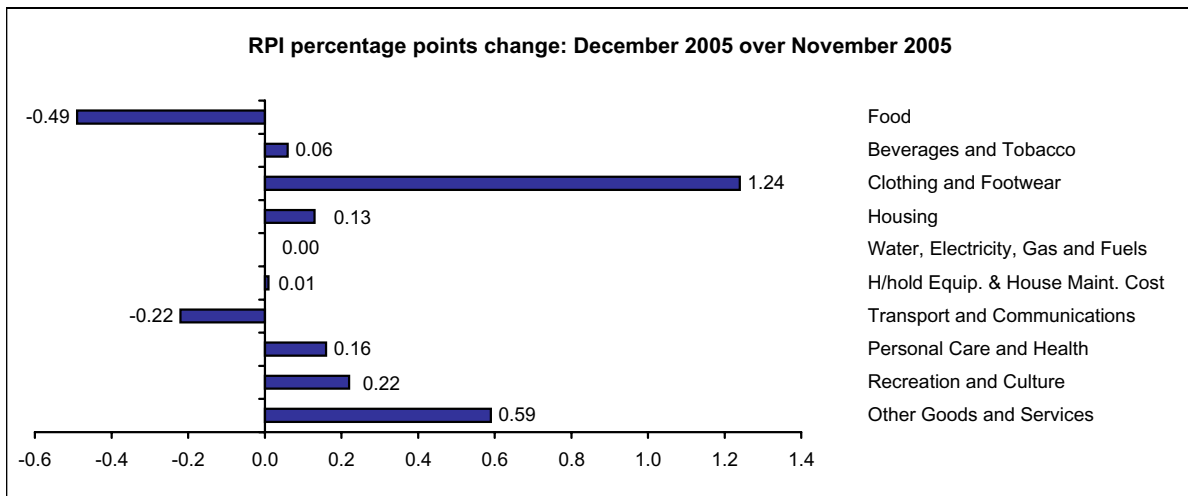


Table 3. Retail Prices Index
December 2002=100

Group	Weight	2004	2005											
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food	23.82	103.47	104.60	106.50	105.10	104.03	105.02	103.92	102.12	102.71	103.58	105.08	104.86	104.37
Beverages and Tobacco	6.11	111.94	113.59	113.74	113.86	113.94	113.98	114.42	114.95	114.99	115.03	115.15	115.23	115.29
Clothing and Footwear	8.24	98.81	81.07	82.60	89.69	94.50	94.99	95.06	82.50	77.80	85.10	95.64	97.53	98.77
Housing	7.57	107.85	108.83	108.85	111.21	111.26	111.44	111.57	111.81	111.68	112.02	112.03	112.26	112.39
Water, Electricity, Gas and Fuels	2.25	104.82	118.86	118.86	118.86	118.92	118.92	118.92	118.92	118.92	118.92	120.16	152.43	152.43
H/hold Equip. & House Maint. Cost	7.65	102.49	102.38	102.51	102.82	103.01	103.16	103.58	103.65	103.92	103.87	103.85	104.39	104.40
Transport and Communication	23.13	106.59	106.39	106.26	106.17	107.22	107.58	108.19	110.38	111.53	111.10	113.49	112.02	111.80
Personal Care and Health	6.22	108.75	109.63	111.06	111.35	111.45	111.76	111.82	111.48	111.94	112.23	112.29	112.85	113.01
Recreation and Culture	8.84	100.73	101.36	101.07	101.15	101.36	101.53	101.57	101.62	101.59	101.62	101.60	101.69	101.91
Other Goods and Services	6.17	112.76	113.98	113.96	114.27	114.53	114.58	114.61	115.14	115.15	115.23	115.20	115.42	116.01
All Items	100.00	105.27	104.70	105.33	105.82	106.27	106.69	106.65	105.77	105.83	106.59	108.40	109.01	109.02

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2004	2005											
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food	23.82	0.30	1.09	1.82	-1.31	-1.02	0.95	-1.05	-1.73	0.58	0.85	1.45	-0.21	-0.47
Beverages and Tobacco	6.11	0.01	1.47	0.13	0.11	0.07	0.04	0.39	0.46	0.03	0.03	0.10	0.07	0.05
Clothing and Footwear	8.24	2.66	-17.95	1.89	8.58	5.36	0.52	0.07	-13.21	-5.70	9.38	12.39	1.98	1.27
Housing	7.57	0.19	0.91	0.02	2.17	0.04	0.16	0.12	0.22	-0.12	0.30	0.01	0.21	0.12
Water, Electricity, Gas and Fuels	2.25	0.00	13.39	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	1.04	26.86	0.00
H/hold Equip. & House Maint. Cost	7.65	0.28	-0.11	0.13	0.30	0.18	0.15	0.41	0.07	0.26	-0.05	-0.02	0.52	0.01
Transport and Communication	23.13	-0.08	-0.19	-0.12	-0.08	0.99	0.34	0.57	2.02	1.04	-0.39	2.15	-1.30	-0.20
Personal Care and Health	6.22	0.15	0.81	1.30	0.26	0.09	0.28	0.05	-0.30	0.41	0.26	0.05	0.50	0.14
Recreation and Culture	8.84	-0.03	0.63	-0.29	0.08	0.21	0.17	0.04	0.05	-0.03	0.03	-0.02	0.09	0.22
Other Goods and Services	6.17	-0.01	1.08	-0.02	0.27	0.23	0.04	0.03	0.46	0.01	0.07	-0.03	0.19	0.51
All Items	100.00	0.30	-0.54	0.60	0.47	0.43	0.40	-0.04	-0.83	0.06	0.72	1.70	0.56	0.01

Table 5. Inflation Rate
12 month average rate

Month	2001	2002	2003	2004	2005
January	2.15	3.27	1.79	1.57	2.74
February	2.01	3.48	1.58	1.70	2.77
March	1.92	3.62	1.46	1.75	2.83
April	1.91	3.65	1.36	1.86	2.83
May	1.89	3.64	1.26	1.95	2.92
June	1.95	3.54	1.25	2.03	2.94
July	2.04	3.39	1.20	2.23	2.77
August	2.22	3.14	1.14	2.41	2.74
September	2.42	2.89	1.10	2.57	2.76
October	2.48	2.82	1.05	2.63	2.89
November	2.64	2.55	1.13	2.75	2.95
December	2.93	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.