

News Release



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Prices

Retail Prices Index - March 2006

In March 2006, the Retail Prices Index went up by 1.25 per cent to 109.05 from 107.70 in February.

The Food Items Index increased by 1.63 per cent to 106.90 from 105.19 in February as a result of average price increases in respect of frozen meat, fresh fish, unprocessed potatoes, vegetables, take aways and served meals and food. Average drops were recorded in respect of fresh fruits.

Higher prices for served alcoholic and served non-alcoholic beverages pushed up the beverages and tobacco index by 0.63 per cent to 116.43 from 115.70 in the previous month.

The Clothing and Footwear Index rose by 11.98 per cent to 90.47 from 80.79 in February. Higher prices were recorded for men's, boys', women's and girls' outerwear, women's underwear, babies' garments and men's and women's footwear

The Housing Index went up to 114.82 from 114.66, an increase of 0.14 per cent over February. Price increases were recorded for electrical equipment and miscellaneous articles.

At 162.63, the Water, Electricity, Gas and Fuels Index went up by 11.54 per cent from 145.80 in the other month.

The Household Equipment and House Maintenance Cost Index registered an increase of 0.33 per cent. Higher prices were recorded for household textiles and household textile articles.

The Transport and Communications Index decreased by 1.23 per cent to 109.94 from 111.31 in February. Lower prices in respect of fuels and air transport services were registered.

The Recreation and Culture Index increased to 100.45 from 100.33, a rise of 0.12 per cent over the previous month. Higher average prices were recorded for sports equipment.

The Other Goods and Services Index declined by 0.10 per cent to 117.05 from 117.17 in February. Price drops for jewellery, watches and clocks, and insurance were registered.

Inflation Rate

In March the inflation rate stood at 2.92 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	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			
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 March 2006/February 2006
		Feb 2006	Mar 2006	
Food	23.82	105.19	106.90	1.63
Beverages and Tobacco	6.11	115.70	116.43	0.63
Clothing and Footwear	8.24	80.79	90.47	11.98
Housing	7.57	114.66	114.82	0.14
Water, Electricity, Gas and Fuels	2.25	145.80	162.63	11.54
H/hold Equip. & House Maint. Cost	7.65	104.45	104.79	0.33
Transport and Communications	23.13	111.31	109.94	-1.23
Personal Care and Health	6.22	114.49	114.51	0.02
Recreation and Culture	8.84	100.33	100.45	0.12
Other Goods and Services	6.17	117.17	117.05	-0.10
All Items Retail Prices Index	100.00	107.70	109.05	1.25

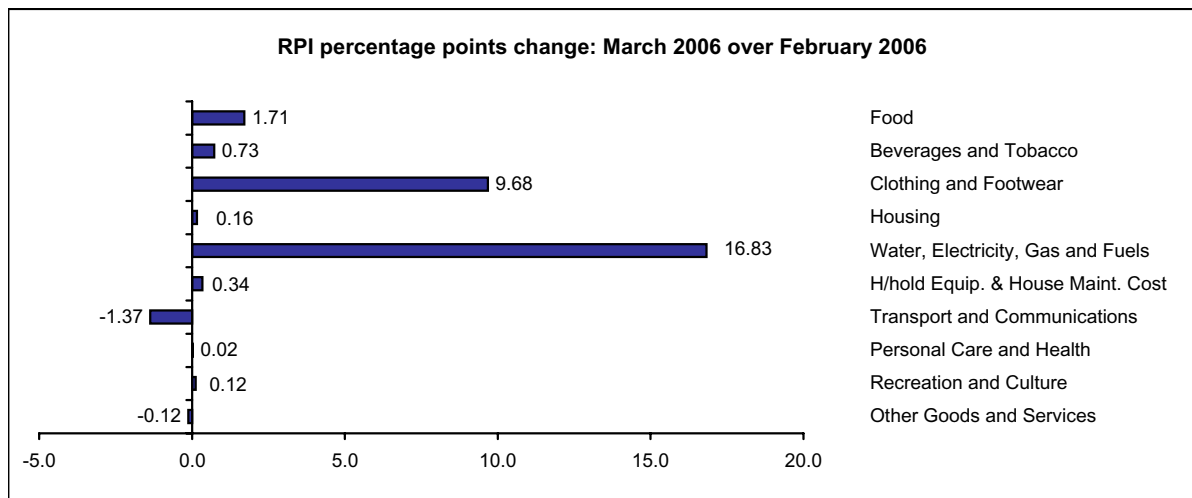


Table 3. Retail Prices Index
December 2002=100

Group	Weight	2005										2006		
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Food	23.82	105.10	104.03	105.02	103.92	102.12	102.71	103.58	105.08	104.86	104.37	105.10	105.19	106.90
Beverages and Tobacco	6.11	113.86	113.94	113.98	114.42	114.95	114.99	115.03	115.15	115.23	115.29	115.69	115.70	116.43
Clothing and Footwear	8.24	89.69	94.50	94.99	95.06	82.50	77.80	85.10	95.64	97.53	98.77	76.50	80.79	90.47
Housing	7.57	111.21	111.26	111.44	111.57	111.81	111.68	112.02	112.03	112.26	112.39	114.70	114.66	114.82
Water, Electricity, Gas and Fuels	2.25	118.86	118.92	118.92	118.92	118.92	118.92	118.92	120.16	152.43	152.43	145.51	145.80	162.63
H/hold Equip. & House Maint. Cost	7.65	102.82	103.01	103.16	103.58	103.65	103.92	103.87	103.85	104.39	104.40	104.62	104.45	104.79
Transport and Communication	23.13	106.17	107.22	107.58	108.19	110.38	111.53	111.10	113.49	112.02	111.80	110.59	111.31	109.94
Personal Care and Health	6.22	111.35	111.45	111.76	111.82	111.48	111.94	112.23	112.29	112.85	113.01	113.21	114.49	114.51
Recreation and Culture	8.84	101.15	101.36	101.53	101.57	101.62	101.59	101.62	101.60	101.69	101.91	100.53	100.33	100.45
Other Goods and Services	6.17	114.27	114.53	114.58	114.61	115.14	115.15	115.23	115.20	115.42	116.01	116.42	117.17	117.05
All Items	100.00	105.82	106.27	106.69	106.65	105.77	105.83	106.59	108.40	109.01	109.02	107.06	107.70	109.05

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2005										2006		
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Food	23.82	-1.31	-1.02	0.95	-1.05	-1.73	0.58	0.85	1.45	-0.21	-0.47	0.70	0.09	1.63
Beverages and Tobacco	6.11	0.11	0.07	0.04	0.39	0.46	0.03	0.03	0.10	0.07	0.05	0.35	0.01	0.63
Clothing and Footwear	8.24	8.58	5.36	0.52	0.07	-13.21	-5.70	9.38	12.39	1.98	1.27	-22.55	5.61	11.98
Housing	7.57	2.17	0.04	0.16	0.12	0.22	-0.12	0.30	0.01	0.21	0.12	2.06	-0.03	0.14
Water, Electricity, Gas and Fuels	2.25	0.00	0.05	0.00	0.00	0.00	0.00	0.00	1.04	26.86	0.00	-4.54	0.20	11.54
H/hold Equip. & House Maint. Cost	7.65	0.30	0.18	0.15	0.41	0.07	0.26	-0.05	-0.02	0.52	0.01	0.21	-0.16	0.33
Transport and Communication	23.13	-0.08	0.99	0.34	0.57	2.02	1.04	-0.39	2.15	-1.30	-0.20	-1.08	0.65	-1.23
Personal Care and Health	6.22	0.26	0.09	0.28	0.05	-0.30	0.41	0.26	0.05	0.50	0.14	0.18	1.13	0.02
Recreation and Culture	8.84	0.08	0.21	0.17	0.04	0.05	-0.03	0.03	-0.02	0.09	0.22	-1.35	-0.20	0.12
Other Goods and Services	6.17	0.27	0.23	0.04	0.03	0.46	0.01	0.07	-0.03	0.19	0.51	0.35	0.64	-0.10
All Items	100.00	0.47	0.43	0.40	-0.04	-0.83	0.06	0.72	1.70	0.56	0.01	-1.80	0.60	1.25

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	
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.