

News Release

Date: 22 August 2008
No. : 148/2008
Time of release: 11.00 hrs



Prices

Retail Price Index: July 2008

In July the Retail Price Index increased to 115.98 from 114.99 in June.

In July 2008, the Retail Price Index went up by 0.86 per cent over the previous month. This primarily reflected an increase of 25.76 per cent in the Water, Electricity, Gas and Fuels Index, mainly due to an increase in the surcharge rate. The Transport and Communication Index went up by 1.26 per cent, mainly due to higher prices in air transport services and fuels. The Housing Index registered an increase of 0.94 per cent, which was brought about by higher prices of services related to the repair and maintenance of dwellings. The Food Index increased by 0.59 per cent, mainly on account of rises in the prices of fruit, vegetables and chocolates. Costlier insurance policies were reflected in an upward shift of 0.37 per cent in the Other Goods and Services Index. A marginal increase was also recorded in the Beverages and Tobacco Index.

The Clothing and Footwear Index fell by 5.70 per cent, mainly as a consequence of seasonal sales. Seasonal price reductions of furniture, household textiles, articles and appliances underlay a decrease of 0.63 per cent in the Household Equipment and House Maintenance Cost Index. Slight decreases were also recorded in the Personal Care and Health Index and in the Recreation and Culture Index.

In July the twelve-month moving average rate of inflation stood at 3.28 per cent, whereas the annual rate stood at 4.80 per cent, as shown in Table 4 ■

Theme:
Economy and Finance

Compiled by:

Consumer Prices Unit
e-mail: rpi.nso@gov.mt
Tel: 25997319

The monthly calendar of NSO News Releases may be consulted on the Office's website at www.nso.gov.mt

National Statistics Office
Library & Information Unit
Lascaris, Valletta VLT 2000, Malta
Tel: (+356) 25997219
Fax: (+356) 25997205
e-mail: nso@gov.mt
<http://www.nso.gov.mt>

Kindly indicate source when quoting from this release

Table 1. RPI Group Indices
December 2002=100

| Group | Weight | Indices | | | % change July 2008/July 2007 | % change July 2008/June 2008 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------------------------|---------------------------------|
| | | Jul 2007 | Jun 2008 | Jul 2008 | | |
| Food | 23.82 | 109.26 | 117.09 | 117.78 | 7.80 | 0.59 |
| Beverages and Tobacco | 6.11 | 119.09 | 121.88 | 121.90 | 2.36 | 0.02 |
| Clothing and Footwear | 8.24 | 83.86 | 95.17 | 89.75 | 7.02 | -5.70 |
| Housing | 7.57 | 120.57 | 124.40 | 125.57 | 4.15 | 0.94 |
| Water, Electricity, Gas and Fuels | 2.25 | 143.74 | 150.05 | 188.71 | 31.29 | 25.76 |
| H/hold Equip. & House Maint. Cost | 7.65 | 105.82 | 106.01 | 105.34 | -0.45 | -0.63 |
| Transport and Communication | 23.13 | 113.90 | 116.14 | 117.60 | 3.25 | 1.26 |
| Personal Care and Health | 6.22 | 117.14 | 119.29 | 119.20 | 1.76 | -0.08 |
| Recreation and Culture | 8.84 | 103.00 | 104.03 | 104.00 | 0.97 | -0.03 |
| Other Goods and Services | 6.17 | 117.69 | 120.45 | 120.90 | 2.73 | 0.37 |
| All Items Retail Price Index | 100.00 | 110.67 | 114.99 | 115.98 | 4.80 | 0.86 |

Table 2. Retail Price Index
Rates of change (%)

| Group | Weight | Annual rate | | | Monthly rate | | |
|-----------------------------------|---------------|-------------|-------------|-------------|--------------|-------------|-------------|
| | | Jul 2007 | Jun 2008 | Jul 2008 | Jul 2007 | Jun 2008 | Jul 2008 |
| Food | 23.82 | 3.59 | 8.45 | 7.80 | 1.19 | -0.70 | 0.59 |
| Beverages and Tobacco | 6.11 | 1.33 | 2.71 | 2.36 | 0.36 | 0.69 | 0.02 |
| Clothing and Footwear | 8.24 | -0.87 | 3.61 | 7.02 | -8.70 | 0.25 | -5.70 |
| Housing | 7.57 | 3.18 | 4.12 | 4.15 | 0.91 | 0.20 | 0.94 |
| Water, Electricity, Gas and Fuels | 2.25 | -9.24 | 4.66 | 31.29 | 0.26 | 0.18 | 25.76 |
| H/hold Equip. & House Maint. Cost | 7.65 | 0.32 | 0.30 | -0.45 | 0.12 | 0.01 | -0.63 |
| Transport and Communication | 23.13 | -1.58 | 3.39 | 3.25 | 1.40 | 1.79 | 1.26 |
| Personal Care and Health | 6.22 | 1.56 | 1.83 | 1.76 | -0.01 | 0.13 | -0.08 |
| Recreation and Culture | 8.84 | 1.27 | 0.83 | 0.97 | -0.16 | 0.28 | -0.03 |
| Other Goods and Services | 6.17 | 0.04 | 2.55 | 2.73 | 0.20 | 0.08 | 0.37 |
| All Items | 100.00 | 0.65 | 4.04 | 4.80 | 0.13 | 0.36 | 0.86 |

Table 3. All Items Retail Price Index
December 2002=100

| Month | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------|-------------|-------------|-------------|-------------|-------------|
| January | 102.20 | 104.70 | 107.06 | 108.58 | 112.42 |
| February | 102.23 | 105.33 | 107.70 | 108.86 | 112.89 |
| March | 102.66 | 105.82 | 109.05 | 109.40 | 113.66 |
| April | 103.32 | 106.27 | 110.32 | 110.16 | 114.08 |
| May | 103.13 | 106.69 | 110.89 | 110.44 | 114.58 |
| June | 103.62 | 106.65 | 110.52 | 110.53 | 114.99 |
| July | 104.14 | 105.77 | 109.95 | 110.67 | 115.98 |
| August | 103.25 | 105.83 | 109.50 | 110.98 | |
| September | 103.56 | 106.59 | 110.19 | 112.21 | |
| October | 104.36 | 108.40 | 110.64 | 113.20 | |
| November | 104.96 | 109.01 | 109.88 | 113.50 | |
| December | 105.27 | 109.02 | 109.88 | 113.52 | |

Table 4. Inflation Rates

per cent

| | | 12-month moving average rate | Annual rate |
|------|-----------|-------------------------------------|--------------------|
| 2005 | January | 2.74 | 2.45 |
| | February | 2.77 | 3.03 |
| | March | 2.83 | 3.08 |
| | April | 2.83 | 2.86 |
| | May | 2.92 | 3.45 |
| | June | 2.94 | 2.92 |
| | July | 2.77 | 1.57 |
| | August | 2.74 | 2.50 |
| | September | 2.76 | 2.93 |
| | October | 2.89 | 3.87 |
| | November | 2.95 | 3.86 |
| | December | 3.01 | 3.56 |
| 2006 | January | 2.99 | 2.25 |
| | February | 2.92 | 2.25 |
| | March | 2.92 | 3.05 |
| | April | 3.00 | 3.81 |
| | May | 3.05 | 3.94 |
| | June | 3.11 | 3.63 |
| | July | 3.30 | 3.95 |
| | August | 3.38 | 3.47 |
| | September | 3.42 | 3.38 |
| | October | 3.27 | 2.07 |
| | November | 3.01 | 0.80 |
| | December | 2.77 | 0.79 |
| 2007 | January | 2.70 | 1.42 |
| | February | 2.60 | 1.08 |
| | March | 2.37 | 0.32 |
| | April | 2.04 | -0.15 |
| | May | 1.67 | -0.41 |
| | June | 1.37 | 0.01 |
| | July | 1.10 | 0.65 |
| | August | 0.93 | 1.35 |
| | September | 0.81 | 1.83 |
| | October | 0.83 | 2.31 |
| | November | 1.04 | 3.29 |
| | December | 1.25 | 3.31 |
| 2008 | January | 1.43 | 3.54 |
| | February | 1.64 | 3.70 |
| | March | 1.94 | 3.89 |
| | April | 2.25 | 3.56 |
| | May | 2.60 | 3.75 |
| | June | 2.94 | 4.04 |
| | July | 3.28 | 4.80 |
| | August | | |
| | September | | |
| | October | | |
| | November | | |
| | December | | |

Methodological Notes

1. A new Retail Price 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 one 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 Price 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 of the typical consumer on which the Index is based was derived from the Household Budgetary Survey 2000/1.
4. Each monthly News Release on the Retail Price 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 reference 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 above two rates by comparing average Retail Price 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 Price Index is available from the NSO website at www.nso.gov.mt.