

News Release



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Prices

Retail Price Index: January 2008

In January 2008 the Retail Price Index decreased to 112.42 from 113.52 in December 2007.

Following the trend observed in recent years, in January 2008, the Retail Price Index went down by 0.97 per cent over the previous month. This primarily reflected a decrease of 18.07 per cent in the Clothing and Footwear Index, mainly due to seasonal price reductions. A drop in the prices of household textiles caused the Household Equipment and House Maintenance Cost Index to go down by 0.32 per cent. The Recreation and Culture Index decreased by 0.20 per cent, mainly on account of price reductions in sport accessories.

The Other Goods and Services Index increased by 1.02 per cent as a consequence of higher membership fees of organisations. Higher prices of fresh fruit, vegetables and cheese were the main factor behind a 0.59 per cent increase in the Food Index. The Housing Index went up by 0.57 per cent, mainly on account of price increases in construction works. The Transport and Communication Index went up by 0.43 per cent, mainly on account of higher prices of motor cars. Price increases in articles related to hygiene, toilet preparation and cosmetics underlay a rise of 0.28 per cent in the Personal Care and Health Index. A marginal increase was registered in the Beverages and Tobacco Index.

In January, the twelve-month moving average rate of inflation stood at 1.43 per cent, whereas the annual rate stood at 3.54 per cent, as shown in Table 4■

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Table 1. RPI Group Indices
December 2002=100

Group	Weight	Indices			% change Jan 2008/Jan 2007	% change Jan 2008/Dec 2007
		Jan 2007	Dec 2007	Jan 2008		
Food	23.82	108.35	116.03	116.71	7.72	0.59
Beverages and Tobacco	6.11	117.67	121.57	121.64	3.37	0.06
Clothing and Footwear	8.24	75.79	99.98	81.91	8.07	-18.07
Housing	7.57	118.44	121.75	122.44	3.38	0.57
Water, Electricity, Gas and Fuels	2.25	150.75	148.38	148.37	-1.58	-0.01
H/hold Equip. & House Maint. Cost	7.65	105.61	105.98	105.64	0.03	-0.32
Transport and Communication	23.13	109.76	111.53	112.01	2.05	0.43
Personal Care and Health	6.22	115.4	117.69	118.02	2.27	0.28
Recreation and Culture	8.84	102.21	103.26	103.05	0.82	-0.20
Other Goods and Services	6.17	118.32	118.5	119.71	1.17	1.02
All Items Retail Price Index	100.00	108.58	113.52	112.42	3.54	-0.97

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

Group	Weight	Annual rate			Monthly rate		
		Jan 2007	Dec 2007	Jan 2008	Jan 2007	Dec 2007	Jan 2008
Food	23.82	3.09	8.05	7.72	0.89	-0.58	0.59
Beverages and Tobacco	6.11	1.71	3.34	3.37	0.03	0.01	0.06
Clothing and Footwear	8.24	-0.93	7.57	8.07	-18.45	0.41	-18.07
Housing	7.57	3.26	3.27	3.38	0.46	0.29	0.57
Water, Electricity, Gas and Fuels	2.25	3.60	-4.51	-1.58	-2.98	0.04	-0.01
H/hold Equip. & House Maint. Cost	7.65	0.95	0.07	0.03	-0.28	0.07	-0.32
Transport and Communication	23.13	-0.75	1.31	2.05	-0.30	0.42	0.43
Personal Care and Health	6.22	1.93	1.85	2.27	-0.13	0.07	0.28
Recreation and Culture	8.84	1.67	1.20	0.82	0.17	0.02	-0.20
Other Goods and Services	6.17	1.63	0.73	1.17	0.58	0.10	1.02
All Items	100.00	1.42	3.31	3.54	-1.18	0.02	-0.97

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	
March	102.66	105.82	109.05	109.40	
April	103.32	106.27	110.32	110.16	
May	103.13	106.69	110.89	110.44	
June	103.62	106.65	110.52	110.53	
July	104.14	105.77	109.95	110.67	
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		
	March		
	April		
	May		
	June		
	July		
	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.