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In March, the annual rate of inflation based on the Retail Price Index stood at 1.11 per cent.

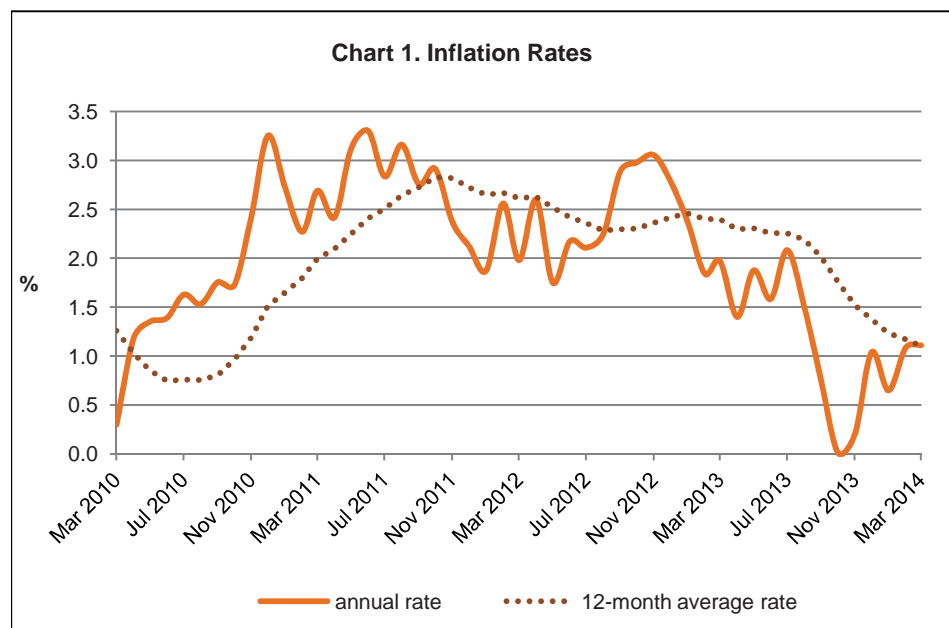
Retail Price Index: March 2014

In the month under review, the annual rate stood at 1.11 per cent, as shown in Chart 1. A year earlier the annual rate was 1.97 per cent.

Table 5 shows that the largest upward impacts on annual inflation were recorded in the Beverages and Tobacco Index (0.38 percentage points), the Recreation and Culture Index (0.21 percentage points) and the Food Index (0.18 percentage points). This was mainly due to costlier cigarettes, tuition fees and served meals respectively.

A downward impact was recorded in the Transport and Communications Index (-0.06 percentage points) mainly due to lower fuel prices, as shown in Table 5.

The twelve-month moving average rate was 1.10 per cent. ■



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Table 1. RPI Group Indices
December 2009=100

Group	Weight	Indices			Annual Rate	Monthly Rate
		Mar 2013	Feb 2014	Mar 2014	Mar 2014	Mar 2014
Food	21.23	116.04	116.61	117.05	0.87	0.38
Beverages and Tobacco	6.09	109.59	116.40	116.45	6.26	0.04
Clothing and Footwear	7.41	82.44	80.59	82.94	0.61	2.92
Housing	7.61	108.71	109.40	109.36	0.60	-0.04
Water, Electricity, Gas and Fuels	3.36	129.65	130.35	130.35	0.54	0.00
Household Equipment and House Maintenance Cost	6.59	100.87	103.58	103.53	2.64	-0.05
Transport and Communication	22.76	105.01	103.25	104.75	-0.25	1.45
Personal Care and Health	8.57	105.98	107.20	107.23	1.18	0.03
Recreation and Culture	9.28	104.50	107.17	106.81	2.21	-0.34
Other Goods and Services	7.10	110.81	110.49	110.88	0.06	0.35
All Items Retail Price Index	100.00	107.24	107.83	108.43	1.11	0.56

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

Group	Weight	Annual rate			Monthly rate		
		Mar 2013	Feb 2014	Mar 2014	Mar 2013	Feb 2014	Mar 2014
Food	21.23	4.55	-0.01	0.87	-0.50	-0.27	0.38
Beverages and Tobacco	6.09	2.91	6.67	6.26	0.43	0.38	0.04
Clothing and Footwear	7.41	0.08	0.79	0.61	3.10	5.97	2.92
Housing	7.61	1.90	0.63	0.60	0.00	0.24	-0.04
Water, Electricity, Gas and Fuels	3.36	0.09	0.46	0.54	-0.08	0.00	0.00
Household Equipment and House Maintenance Cost	6.59	1.98	2.36	2.64	-0.32	0.06	-0.05
Transport and Communication	22.76	-0.41	0.31	-0.25	2.02	0.72	1.45
Personal Care and Health	8.57	2.53	1.26	1.18	0.10	-0.01	0.03
Recreation and Culture	9.28	2.83	2.97	2.21	0.40	0.48	-0.34
Other Goods and Services	7.10	1.60	-0.50	0.06	-0.22	0.23	0.35
All Items	100.00	1.97	1.08	1.11	0.53	0.52	0.56

Table 3. All Items Retail Price Index
December 2009=100

Month	2010	2011	2012	2013	2014
January	99.49	102.20	104.11	106.58	107.27
February	99.86	102.13	104.74	106.67	107.83
March	100.43	103.13	105.17	107.24	108.43
April	101.44	103.89	106.59	108.08	
May	101.61	104.78	106.61	108.61	
June	101.21	104.55	106.82	108.51	
July	101.07	103.94	106.13	108.34	
August	100.96	104.15	106.49	108.08	
September	101.65	104.45	107.47	108.26	
October	102.39	105.37	108.51	108.52	
November	102.70	105.13	108.34	108.56	
December	103.25	105.44	108.38	109.50	

Table 4. Inflation Rates

		Annual rate (%)	12-month moving average rate (%)
2011	January	2.72	1.65
	February	2.27	1.79
	March	2.69	1.99
	April	2.42	2.10
	May	3.12	2.25
	June	3.30	2.41
	July	2.83	2.50
	August	3.16	2.64
	September	2.76	2.73
	October	2.91	2.82
	November	2.37	2.82
	December	2.12	2.72
2012	January	1.87	2.65
	February	2.56	2.67
	March	1.98	2.61
	April	2.60	2.63
	May	1.75	2.51
	June	2.17	2.42
	July	2.11	2.36
	August	2.25	2.28
	September	2.89	2.30
	October	2.98	2.30
	November	3.05	2.36
	December	2.79	2.42
2013	January	2.37	2.46
	February	1.84	2.40
	March	1.97	2.40
	April	1.40	2.30
	May	1.88	2.31
	June	1.58	2.26
	July	2.08	2.25
	August	1.50	2.19
	September	0.74	2.01
	October	0.01	1.76
	November	0.20	1.52
	December	1.04	1.38
2014	January	0.65	1.23
	February	1.08	1.17
	March	1.11	1.10
	April		
	May		
	June		
	July		
	August		
	September		
	October		
	November		
	December		

Table 5. Impact on annual inflation *

Group	Weight	Annual Rate March 2014	Impact (percentage points) March 2014
Food	21.23	0.87	0.18
Beverages and Tobacco	6.09	6.26	0.38
Clothing and Footwear	7.41	0.61	0.04
Housing	7.61	0.60	0.05
Water, Electricity, Gas and Fuels	3.36	0.54	0.02
Household Equipment and House Maintenance Cost	6.59	2.64	0.17
Transport and Communication	22.76	-0.25	-0.06
Personal Care and Health	8.57	1.18	0.10
Recreation and Culture	9.28	2.21	0.21
Other Goods and Services	7.10	0.06	0.00

* See methodological note 7

Methodological Notes

1. 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.
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 monitored. Over 9,000 separate price quotations are used each month in compiling the Index.
3. Price quotations in respect of the goods and services in the latest index series started being collected in December 2009. This latest index series may be linked to the previous one by using a linking coefficient of 1.1835.
4. Each monthly News Release on the Retail Price Index shall include three different measures of inflation as follows:
 - (a) The **monthly inflation** compares price levels between the two latest months. Although up to date, this can be affected by seasonal and other effects.
 - (b) The **annual inflation** 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** 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
7. An impact is a measure showing the change in the inflation due to the inclusion of an index. The impact takes account of both the weight and the annual rate of inflation by sub-index. Figures may not add up due to rounding.