

# News Release

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## RETAIL PRICES INDEX - JANUARY 2004

### Commentary

In January 2004, the Retail Prices Index went down by 0.18 per cent to 102.20 from 102.38 in the previous month.

The Food items index increased by 0.94 per cent to 105.16 from 104.18 in January as a result of average price increases in respect of poultry and rabbit meat, fresh fish, fresh vegetables, served meals and take-aways.

The Beverages and Tobacco Index increased by 2.91 per cent to 110.49 from 107.37 in the previous month. Price increases were recorded for non-alcoholic beverages, wines, served beverages and cigarettes.

The Clothing and Footwear index went down by 17.34 per cent to 83.78. Average price reductions were recorded for Clothing material, Men's, Boys', Women's, Girls', Babies outer clothing and underwear and Women's/Men's footwear.

The Housing Index went up to 104.21 a rise of 1.22 per cent over the previous month. Higher average prices for painting materials, plumbing and sanitary, materials for plastering and cement rendering, electricity equipment, dwelling maintenance and parts of household appliances were registered.

The water, electricity, gas and fuels Index went up to 100.08 from 100.00 the previous month; an increase of 0.08 per cent. An increase was recorded for liquid fuels.

The Household equipment and household maintenance index went up by 1.30 per cent to 100.52. Higher average prices were recorded for furniture and household appliances. Price drops were also registered for carpets, household textiles and household articles.

The Transport and Communications index went up by 1.28 per cent to 101.50 from 100.22. Higher prices in respect of motor parts, car parts, fuel, maintenance and repair service of cars were recorded. Lower average prices were also registered for air transport services.

The Personal care and health index increased by 1.42 per cent to 105.61 from 104.13. This increase resulted from price changes for hairdressing and personal grooming services, hygienic articles, toilet preparations and make-up articles.

At 100.16, the Recreation and Culture index increased by 0.67 per cent over the previous month. Higher average prices were recorded for parts and accessories, the hire and leasing of recreational and sports events, entertainment visits and stationery goods.

The Other Goods and Services Index increased by 3.09 per cent to 109.68. Price increase were recorded for jewellery, watches and clocks, other personal effects, non-durable household goods and insurance services.

### Inflation Rate

In January the inflation rate stood at 1.57 per cent.

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

Month	2003		2004		
	Index	% change	Index	% change	
		Monthly		Monthly	Annual
January	99.12	-0.88	102.20	-0.18	3.11
February	99.60	0.48			
March	100.36	0.76			
April	100.40	0.04			
May	100.73	0.33			
June	100.88	0.15			
July	100.54	-0.34			
August	100.47	-0.07			
September	100.82	0.35			
October	101.91	1.08			
November	101.75	-0.16			
December	102.38	0.62			

**Table 2. RPI Group Indices**  
December 2002=100

Group	Weight	2003/2004		% change December'03/January'04
		December'03	January'04	
Food	23.82	104.18	105.16	0.94
Beverages and Tobacco	6.11	107.37	110.49	2.91
Clothing and Footwear	8.24	101.36	83.78	-17.34
Housing	7.57	102.95	104.21	1.22
Water, Electricity, Gas and Fuels	2.25	100.00	100.08	0.08
H/hold Equip. & House Maint. Cost	7.65	99.23	100.52	1.30
Transport and Communications	23.13	100.22	101.50	1.28
Personal Care and Health	6.22	104.13	105.61	1.42
Recreation and Culture	8.84	99.49	100.16	0.67
Other Goods and Services	6.17	106.39	109.68	3.09
All Items Retail Prices Index	100.00	102.38	102.20	-0.18

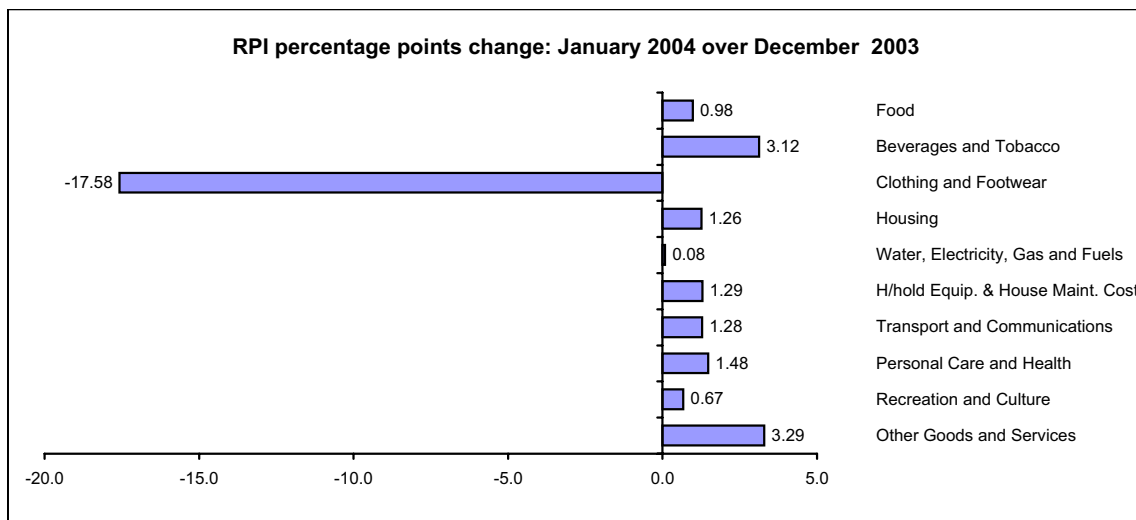


Table 3. Retail Prices Index  
December 2002=100

Group	Weight	2003												2004	
		Jan	Feb	Mar	Apr	May	June	July	August	September	October	November	December	January	February
Food	23.82	101.14	102.93	103.32	101.82	102.23	101.07	99.47	101.20	102.17	104.51	103.52	104.18	105.16	110.49
Beverages and Tobacco	6.11	101.09	101.15	101.48	102.03	102.06	102.20	102.24	102.39	102.36	102.25	102.18	107.37	83.78	104.21
Clothing and Footwear	8.24	85.21	86.24	93.23	95.01	95.16	95.55	90.88	81.54	86.73	96.73	100.31	101.36	100.08	100.52
Housing	7.57	100.01	100.02	99.92	100.47	100.45	104.64	104.77	104.77	102.50	102.38	102.47	102.95	100.16	109.68
Water, Electricity, Gas and Fuels	2.25	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
H/hold Equip. & House Maint. Cost	7.65	99.44	99.32	99.62	98.94	98.56	99.47	99.28	99.02	98.89	98.75	98.88	99.23	101.5	105.61
Transport and Communication	23.13	99.94	99.74	100.05	101.24	101.44	101.43	102.27	103.51	103.00	101.71	100.68	100.22	101.6	109.68
Personal Care and Health	6.22	100.49	100.61	100.55	100.30	103.35	103.42	103.55	103.61	103.78	103.82	103.82	104.13	100.16	109.68
Recreation and Culture	8.84	99.99	99.83	99.81	99.42	99.35	99.07	98.91	98.88	98.60	98.97	98.91	99.49	100.16	109.68
Other Goods and Services	6.17	100.47	100.91	100.73	100.68	101.01	101.33	105.35	105.41	105.45	105.50	105.72	106.39	100.16	109.68
<b>All Items</b>	<b>100.00</b>	<b>99.12</b>	<b>99.60</b>	<b>100.36</b>	<b>100.40</b>	<b>100.73</b>	<b>100.88</b>	<b>100.54</b>	<b>100.47</b>	<b>100.82</b>	<b>101.91</b>	<b>101.75</b>	<b>102.38</b>	<b>102.20</b>	<b>109.68</b>

Table 4. Monthly percentage changes in the Retail Prices Index

Group	Weight	2003												2004	
		Jan	Feb	Mar	Apr	May	June	July	August	September	October	November	December	January	February
Food	23.82	1.14	1.77	0.38	-1.45	0.40	-1.13	-1.58	1.74	0.96	2.29	-0.95	0.64	0.94	2.91
Beverages and Tobacco	6.11	1.09	0.06	0.33	0.54	0.03	0.14	0.04	0.15	-0.03	-0.11	-0.07	5.08	2.91	-17.34
Clothing and Footwear	8.24	-14.79	1.21	8.11	1.91	0.16	0.41	-4.89	-10.28	6.36	11.53	3.70	1.05	-17.34	1.22
Housing	7.57	0.01	0.01	-0.10	0.55	-0.02	4.17	0.12	0.00	-2.17	-0.12	0.09	0.47	1.22	0.08
Water, Electricity, Gas and Fuels	2.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08	1.30
H/hold Equip. & House Maint. Cost	7.65	-0.56	-0.12	0.30	-0.68	-0.38	0.92	-0.19	-0.26	-0.13	-0.14	0.13	0.35	1.28	1.42
Transport and Communication	23.13	-0.06	-0.20	0.31	1.19	0.20	-0.01	0.83	1.21	-0.49	-1.25	-1.01	-0.46	1.28	1.42
Personal Care and Health	6.22	0.49	0.12	-0.06	-0.25	3.04	0.07	0.13	0.06	0.16	0.04	0.00	0.30	1.42	0.67
Recreation and Culture	8.84	-0.01	-0.16	-0.02	-0.39	-0.07	-0.28	-0.16	-0.03	-0.28	0.38	-0.06	0.59	0.67	3.09
Other Goods and Services	6.17	0.47	0.44	-0.18	-0.05	0.33	0.32	3.97	0.06	0.04	0.05	0.21	0.63	3.09	-0.18
<b>All Items</b>	<b>100.00</b>	<b>0.88</b>	<b>0.48</b>	<b>0.76</b>	<b>0.04</b>	<b>0.33</b>	<b>0.15</b>	<b>-0.34</b>	<b>-0.07</b>	<b>0.35</b>	<b>1.08</b>	<b>-0.16</b>	<b>0.62</b>	<b>-0.18</b>	<b>3.09</b>

**Table 5. Inflation Rate**  
*12 month average rate*

<b>Month</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
January	2.29	2.15	3.27	1.79	1.57
February	2.37	2.01	3.48	1.58	
March	2.43	1.92	3.62	1.46	
April	2.52	1.91	3.65	1.36	
May	2.64	1.89	3.64	1.26	
June	2.71	1.95	3.54	1.25	
July	2.76	2.04	3.39	1.20	
August	2.72	2.22	3.14	1.14	
September	2.67	2.42	2.89	1.10	
October	2.66	2.48	2.82	1.05	
November	2.56	2.64	2.55	1.13	
December	2.37	2.93	2.19	1.30	

## Background 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. More information on the Retail Prices Index is available from the NSO website at [www.nso.gov.mt](http://www.nso.gov.mt).