



# Short term Inflation Analyses and Forecasts

---

December 2010  
Bank of Jamaica

## Foreword

This report reviews recent trends in inflation and presents the outlook for the remainder of the fiscal year. The analysis is based on trends in short-term domestic demand and supply indicators as well as imported inflation. These inform the assumptions for the short term inflation forecasting model – *Monthly Inflation Sub-Index Model (MISI)*. The report ends with an assessment of the implication of inflation developments for monetary policy.

## Table of Contents

<b>1.0 Review of Outturn</b>	<b>1</b>
<b>2.0 Factors underpinning the revised forecast</b>	<b>3</b>
2.1 Trends in demand	3
2.2 Trends in supply	4
2.3 Import prices	5
2.4 Trends in Core inflation	6
<b>3.0 Revised Forecasts</b>	<b>7</b>
<b>4.0 Summary and conclusions</b>	<b>8</b>
<b>Appendices</b>	<b>9</b>

## Tables and figures

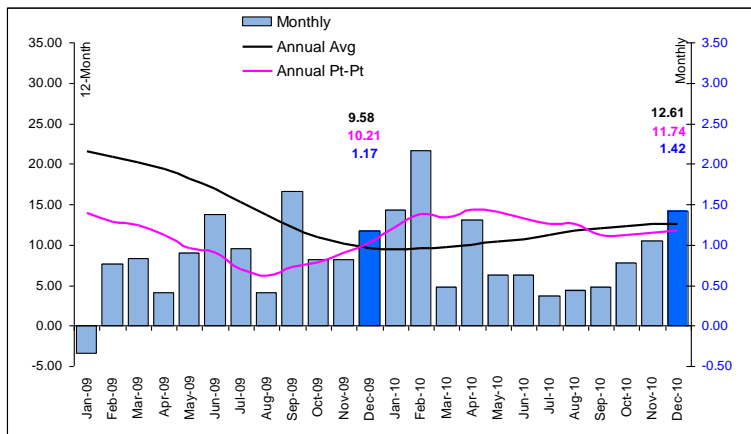
Figure 1: Trend in monthly inflation	1
Figure 2: Regional Inflation	1
Figure 3: Inflation Contribution	2
Figure 4: Short-term Indicators of Demand	3
Figure 5: Industrial Electricity Sales	4
Figure 6: International Commodity Prices	5
Figure 7: Core Inflation (12-month change)	6
Figure 8: Inflation Fan Chart	7
Figure 9: Trends in selected agricultural production	9
Figure 10: Trends in Weather related Factors	10



## 1.0 Review of Outturn

Headline inflation for December 2010 was **1.4 per cent** which was higher than the Bank’s expected range of **0.0 per cent to 1.0 per cent**. This outturn resulted in a calendar year-to-date (CYTD) inflation of **11.7 per cent**, relative to the **10.2 per cent** for the corresponding period of 2009. The fiscal year to date (FYTD) inflation rate was **7.3 per cent**, which was lower than the **8.8 per cent** recorded at the end of December 2009.

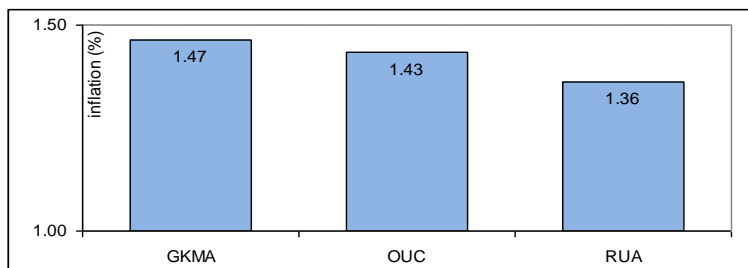
Figure 1: Trend in monthly inflation



*The inflation outturn in December was the highest monthly increase for the fiscal year.*

Inflation was strong across all regions during December 2010. In the *Greater Kingston Metropolitan Area* (GKMA) prices increased by approximately **1.5 per cent** while an increase of approximately **1.4 per cent** was recorded for both *Other Urban Centres* (OUC) and *Rural Areas* (RUA) (see Figure 2). Inflation in December was heavily influenced by the higher prices for *vegetables, electricity gas & other fuels, and transport* across all regions.

Figure 2: Regional Inflation

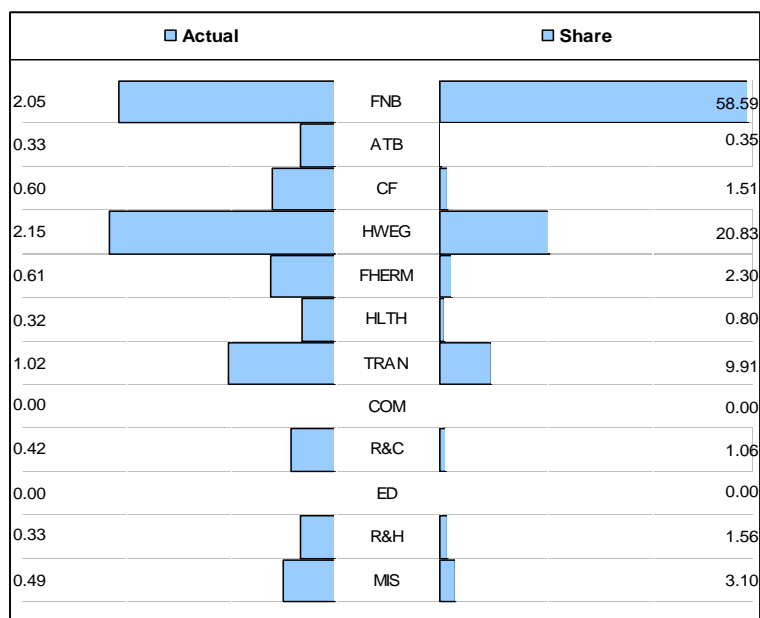




The main contributors to the overall inflation were *Food & Non-Alcoholic Beverages* (59%), *Housing, Water, Electricity Gas & Other Fuels* (21%) and *Transport* (10%) (see Figure 3). *Food* largely reflected higher prices for *Vegetables & Starchy Foods, Meat* and *Bread & Cereals*. *Vegetables & Starchy foods* reflected heightened prices due to the prolonged negative effects of Tropical Storm Nicole on agriculture products (see Figure 10 in Appendix). Meat products reflected the announced price increase in late October 2010 by local broilers in response to the rising cost of feed products.<sup>1</sup> Baked products also reflected higher prices in response to the announced **6.0 to 8.0 per cent** hike in flour prices, in mid October 2010, due to escalating wheat prices on the international commodities market.

*Higher food prices continue to drive the changes in the CPI in December.*

Figure 3: Inflation Contribution



*Housing Water, Electricity, Gas & Other Fuels* (HWEG) continued to reflect notable increases in December 2010. This was mainly related to higher prices associated with *Electricity, Gas & Other Fuels*, which reflected the rising cost of imported crude oil during the review month. The increase in *Transport* was also related to the rising cost of fuel as the price of crude oil increased on the global market.

<sup>1</sup> Grains especially corn, is used in feeding poultry. The input cost associated with feed in the rearing of chickens is estimated in the range of 60 per cent to 65per cent.



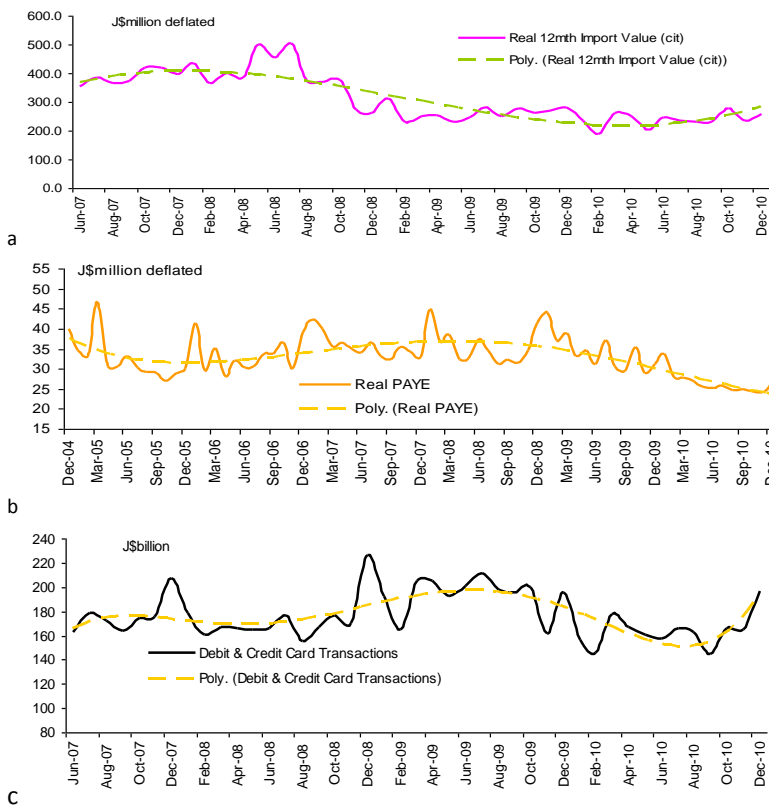
## 2.0 Factors underpinning the revised forecast

### 2.1 Trends in demand

Indicators of domestic demand reflected marginal improvements in December, though the level of demand remains relatively low (see Figure 4). Real annual import value increased by **10.4 per cent** while PAYE increased by **9.5 per cent** for December 2010. Both indicators however remained at levels significantly below pre 2008 crisis period levels (see **Figure 4a & 4b**). Additionally, there was a notable increase in the total real value of debit and credit card transactions in the review month by **19.2 per cent**, which was likely due to increased spending associated with the December holiday season (see **Figure 4c**). Debit card transactions reflected the largest increase, which may reflect increased capacity for spending such as remittance, salary bonus or continued dis-savings.

*Greater spending in holiday season reflects drawdown on savings and may be supported by remittance inflow, and salary bonuses.*

Figure 4: Short-term Indicators of Demand





## 2.2 Trends in supply

Domestic agricultural produce reflected some improvement in supplies following the November contraction brought on by the effects of Tropical Storm Nicole. Vegetables, which reflected the largest impact following Nicole, recovered only partially in December 2010 (see Appendices for trends in selected agriculture production). This recovery resulted in vegetable supplies reaching close to seasonal trends.

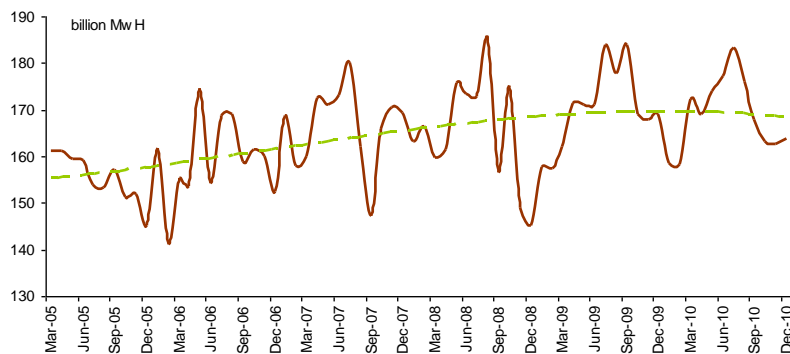
*Partial recovery of vegetables produce seen following Tropical Storm Nicole.*

Estimates of agriculture output for January are reflecting further increases in the supply of *Vegetables* bringing a large share of items in line with levels prior to Tropical Storm Nicole. Starchy food supplies remained relatively stable during the month (see Appendix). Agriculture related prices are expected to contract in January 2011, with *Vegetables & Starchy Foods* expected to decline by **6.5 per cent** relative to a **5.0 per cent** and **6.8 per cent** increase in November 2010 and December 2010 respectively.

Average Industrial electricity sales, used as a proxy for industrial production, reflected a marginal decline in December 2010 (see figure 5). This may be an indication that industrial production has either stabilized or peaked at current levels.

*Industrial output seems to be stabilizing.*

Figure 5: Industrial Electricity Sales



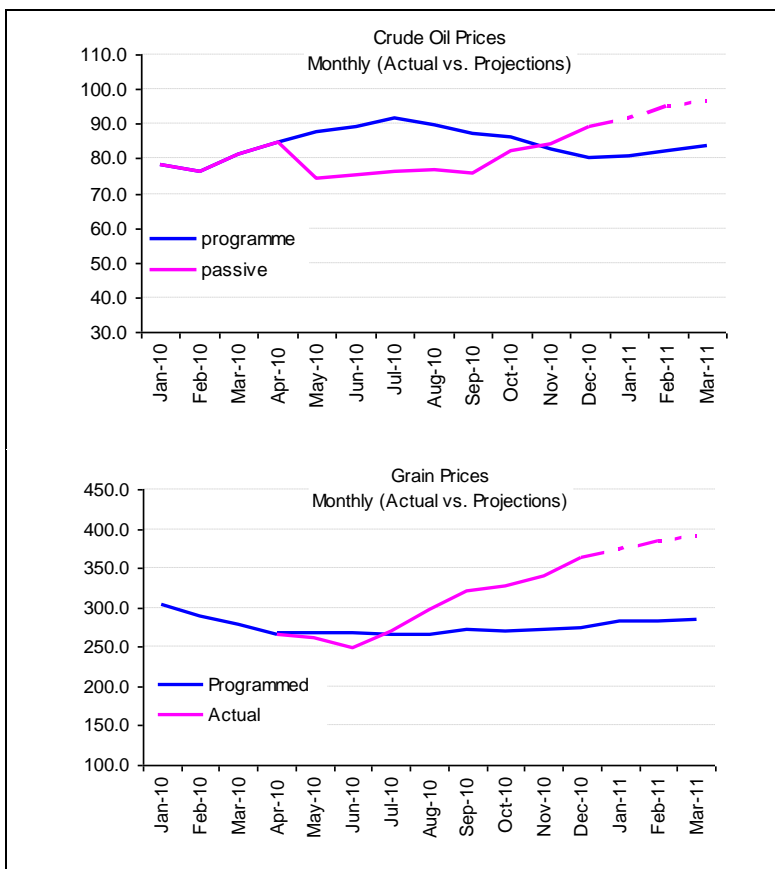


### 2.3 Import prices

The price of crude oil increased to average **US\$89.23 per bbl** in December 2010. This was **5.8 per cent** higher than the average price recorded in November 2010. The projection for January currently stands at **US\$91.50 per bbl**. This compares to the previous January forecast of **US\$87.85 per bbl**. The current projection for the average crude oil price for fiscal year 2010/11 is **US\$83.46 per bbl** relative to the previous estimate of **US\$82.41 per bbl** and the programmed forecast of **US\$85.74 per bbl**.

*Oil prices expected to increase in January 2011 relative to December 2010.*

Figure 6: International Commodity Prices



The downside risks to the outlook include the persistence of a colder than normal winter season placing added pressure on heating oil price. Strengthening of optimism stemming from positive economic performance within the US may place added demand upside pressures on crude oil prices.



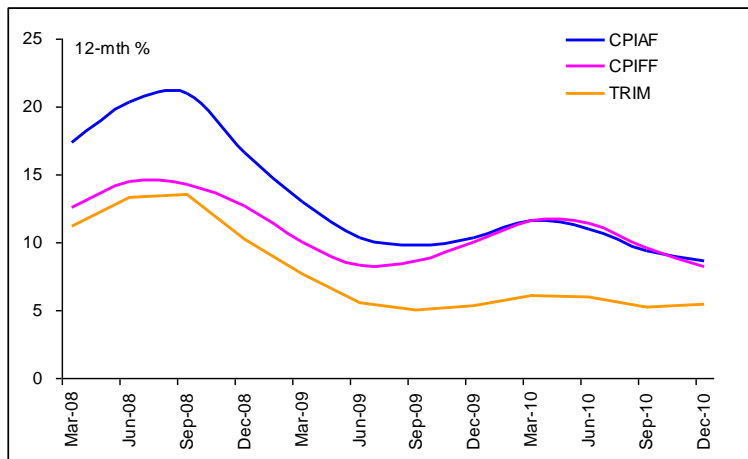
Trends in commodity prices on the global market reflected increases for rice and corn and both hard grain and soft grain wheat by **11.8 per cent**, **3.4 per cent**, **10.8 per cent** and **6.7 per cent** respectively. Rice prices in December climbed due to seasonal demand during the festive period and flooding in Thailand, while higher wheat prices resulted from extensive flooding in Australia, the fourth largest producer in the world. Corn prices also increased in response to strong demand for feed products from China and to some extent, higher demand for ethanol.

### 2.4 Trends in Core inflation

Core inflation as indicated by the 12 month change in CPI without Agriculture and Fuel (CPI-AF) and CPI without Food and Fuel (CPI-FF) declined in December 2010, relative to November 2010. The December outturns were **8.7 per cent** and **8.2 per cent**, respectively, for the CPI-AF and CPI-FF relative to the **8.8 per cent** recorded for both in November 2010. The Trimmed Mean measure of Core inflation, however, reflected an annual increase to **5.4 per cent** in December 2010 following a 3-month stable annual rate of **5.2 per cent** (see Figure 7). The current trends in inflation are indicative of the existing weak demand conditions.

*Core inflation indicates weak demand conditions.*

Figure 7: Core Inflation (12-month change)







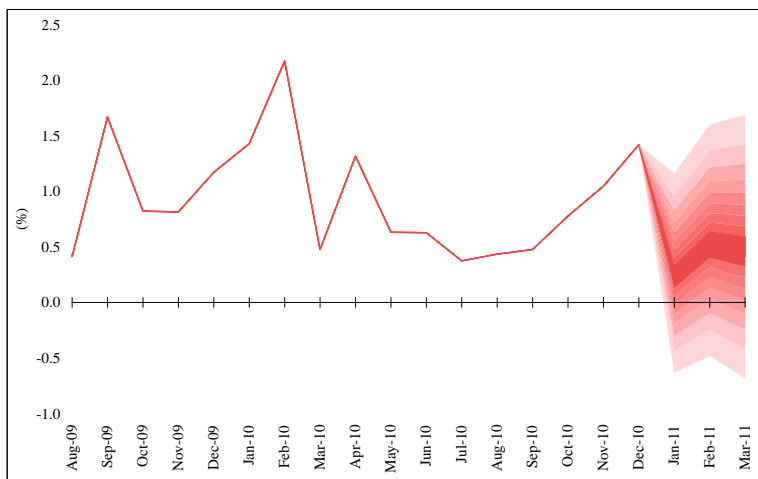
### 3.0 Revised Forecasts

The inflation forecast for FY2010/11 remains considerably within the target range of **7.5 per cent to 9.5 per cent**. Prices are projected to increase in the range of **0.0 per cent to 1.0 per cent** in January 2010 with the point estimate towards the bottom of the range. This is largely due to an expected contraction in the price of *Food and Non-Alcoholic Beverages* that should offset approximately **84 per cent** of the accumulated inflation for the review period. The main inflation drivers in January 2010 are expected to be *Housing, Water, Electricity, Gas & Other Fuels, Transport, and Miscellaneous Goods & Services*. The offsetting inflation from *Food & Non-Alcoholic Beverages* is predominantly due to price reversals among *Vegetables* following the price hike after Tropical Storm Nicole.

*FY2010/11 inflation remains well within the target range.*

The risks to the projections are perceived to be balanced. The main upside risks include the possibility of higher commodity prices and rental rates while, the downside risk reflects potentially greater than expected reversal of local agriculture prices and the persistent low demand conditions.

Figure 8: Inflation Fan Chart





## 4.0 Summary and conclusions

---

Domestic demand conditions remain weak but are showing signs of improvement. Though notable price reversals are expected from some agriculture products, input costs are likely to increase due to the upward trends in oil and grains prices. Nonetheless, inflation should remain comfortably within the aforementioned target range for the fiscal year 2010/11.

## Appendices

Figure 9: Trends in selected agricultural production

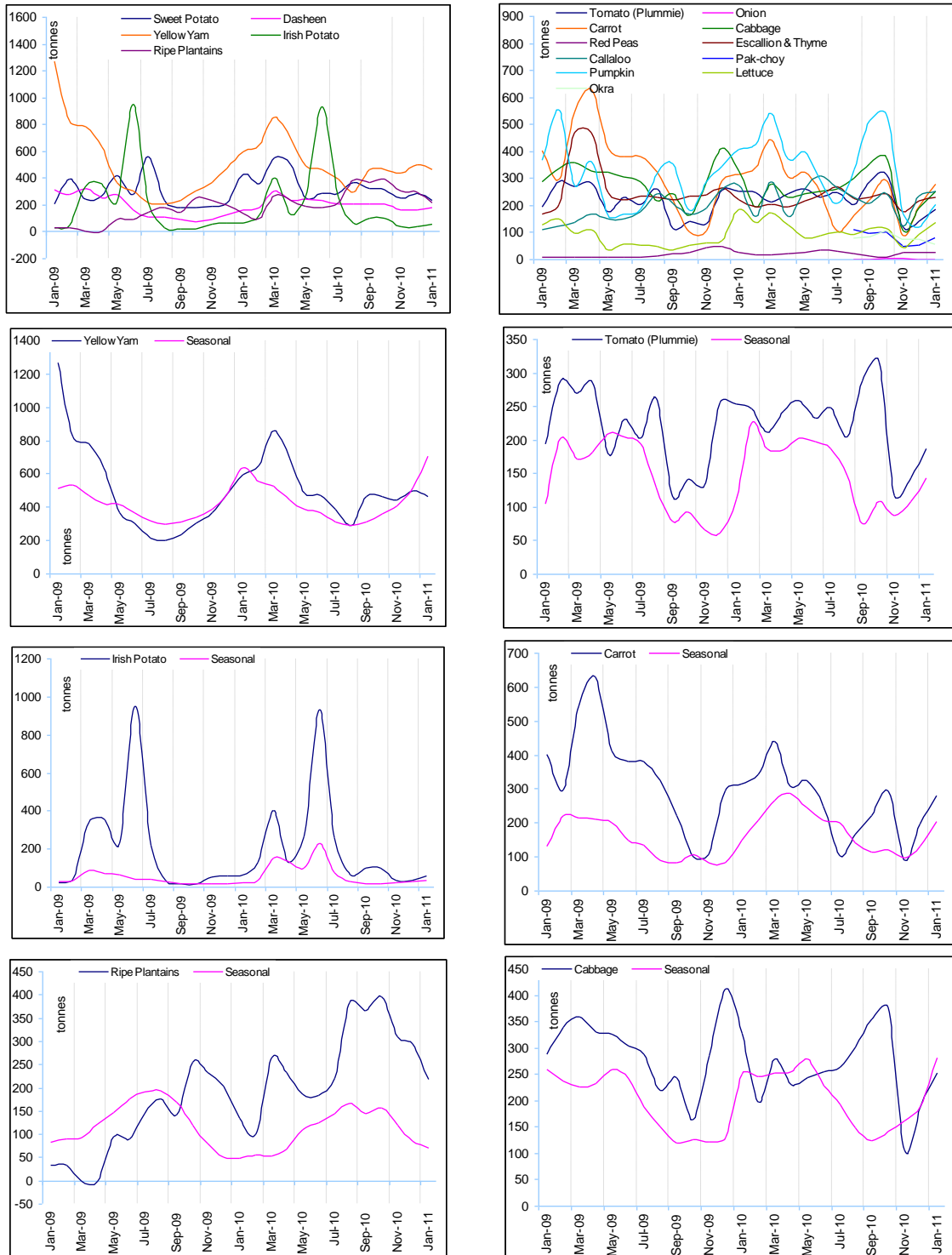
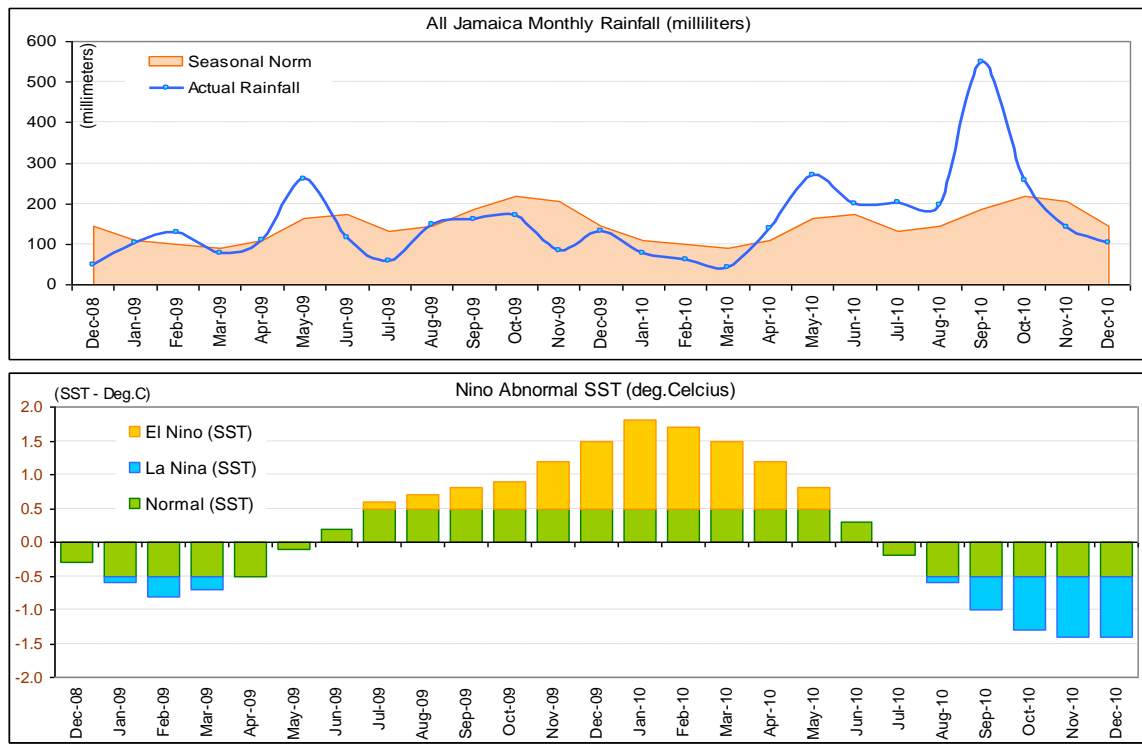




Figure 10: Trends in Weather related Factors



**Table 1A**  
**JAMAICA: HEADLINE INFLATION RATES**  
**Dec. 2010**

	1/ C.P.I	3 Month AVG. C.P.I	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change	
	Oct-07	110.39	108.84	1.37	3.98	3.47	10.75	16.95	7.70	10.39
	Nov-07	113.97	111.09	3.24	6.28	4.63	14.46	8.22	11.19	13.97
	Dec-07	116.82	113.73	2.50	7.27	5.86	16.82	9.17	13.97	16.82
2008	Jan-08	119.36	116.72	2.18	8.13	7.24	18.18	10.17	16.45	2.18
	Feb-08	121.47	119.22	1.77	6.58	7.32	19.87	11.29	18.51	3.98
	Mar-08	122.94	121.26	1.21	5.24	6.62	19.94	12.34	19.94	5.24
	Apr-08	124.81	123.07	1.52	4.56	5.45	21.19	13.54	1.52	6.84
	May-08	127.78	125.18	2.38	5.20	5.00	22.50	14.78	3.94	9.39
	Jun-08	130.29	127.63	1.96	5.98	5.25	23.97	16.15	5.98	11.53
	Jul-08	133.99	130.69	2.84	7.36	6.19	26.21	17.72	8.99	14.70
	Aug-08	135.63	133.31	1.22	6.14	6.49	26.48	19.25	10.32	16.10
	Sep-08	136.45	135.36	0.61	4.73	6.06	25.30	20.60	10.99	16.81
	Oct-08	136.88	136.32	0.32	2.16	4.31	24.00	21.68	11.34	17.18
	Nov-08	136.45	136.59	-0.32	0.60	2.47	19.72	22.07	10.99	16.80
	Dec-08	136.50	136.61	0.04	0.03	0.92	16.84	22.01	11.03	16.84
2009	Jan-09	136.03	136.33	-0.34	-0.62	0.00	13.97	21.57	10.65	-0.34
	Feb-09	137.07	136.53	0.76	0.46	-0.04	12.84	20.89	11.49	0.42
	Mar-09	138.22	137.11	0.84	1.26	0.36	12.43	20.19	12.43	1.26
	Apr-09	138.78	138.02	0.41	2.02	1.24	11.19	19.29	0.41	1.67
	May-09	140.03	139.01	0.90	2.16	1.81	9.58	18.15	1.31	2.59
	Jun-09	141.95	140.25	1.37	2.70	2.29	8.95	16.87	2.70	4.00
	Jul-09	143.31	141.76	0.96	3.27	2.71	6.95	15.25	3.69	4.99
	Aug-09	143.90	143.05	0.41	2.77	2.91	6.10	13.59	4.11	5.42
	Sep-09	146.30	144.50	1.67	3.06	3.03	7.22	12.15	5.85	7.18
	Oct-09	147.50	145.90	0.82	2.92	2.92	7.75	10.89	6.72	8.06
	Nov-09	148.70	147.50	0.81	3.34	3.11	8.98	10.07	7.59	8.94
	Dec-09	150.44	148.88	1.17	2.83	3.03	10.21	9.58	8.84	10.21
2010	Jan-10	152.59	150.58	1.43	3.45	3.20	12.17	9.47	10.40	1.43
	Feb-10	155.90	152.98	2.17	4.84	3.71	13.74	9.58	12.80	3.63
	Mar-10	156.64	155.04	0.47	4.12	4.14	13.33	9.68	13.33	4.12
	Apr-10	158.70	157.08	1.32	4.01	4.32	14.36	9.97	1.32	5.49
	May-10	159.70	158.35	0.63	2.44	3.51	14.05	10.35	1.95	6.16
	Jun-10	160.70	159.70	0.63	2.59	3.00	13.21	10.70	2.59	6.82
	Jul-10	161.30	160.57	0.37	1.64	2.22	12.55	11.17	2.97	7.22
	Aug-10	162.00	161.33	0.43	1.44	1.89	12.58	11.70	3.42	7.68
	Sep-10	162.77	162.02	0.48	1.29	1.45	11.26	12.03	3.91	8.20
	Oct-10	164.03	162.93	0.78	1.69	1.47	11.21	12.30	4.72	9.04
	Nov-10	165.75	164.18	1.05	2.31	1.77	11.47	12.50	5.82	10.18
	Dec-10	168.10	165.96	1.42	3.27	2.43	11.74	12.61	7.32	11.74

1/ December 2006 = 100

\* Point to Point

# Moving average

Source: STATIN

**Table 1B**  
**JAMAICA: CPI WITHOUT FOOD AND FUEL**  
**Dec. 2010**

	1/ CPI-FF	3 Month Avg.CPIFF	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change	
	Oct-07	206.02	204.16	0.67	3.10	2.73	9.77	17.42	5.43	9.13
	Nov-07	207.88	206.19	0.90	3.01	3.01	10.43	8.26	6.38	10.12
	Dec-07	210.41	208.11	1.21	2.81	2.97	11.46	8.66	7.67	11.46
2008	Jan-08	214.53	210.94	1.96	4.13	3.32	12.56	9.11	9.78	1.96
	Feb-08	217.99	214.31	1.61	4.86	3.94	12.89	9.58	11.55	3.60
	Mar-08	220.00	217.51	0.92	4.56	4.52	12.58	9.95	12.58	4.56
	Apr-08	222.11	220.03	0.96	3.53	4.31	13.26	10.41	0.96	5.56
	May-08	224.83	222.31	1.23	3.14	3.73	13.83	10.90	2.19	6.85
	Jun-08	227.61	224.85	1.24	3.46	3.37	14.45	11.44	3.46	8.18
	Jul-08	229.34	227.26	0.76	3.26	3.28	14.77	12.02	4.24	9.00
	Aug-08	231.35	229.44	0.88	2.90	3.20	14.64	12.54	5.16	9.95
	Sep-08	233.92	231.54	1.11	2.77	2.98	14.30	12.95	6.33	11.18
	Oct-08	234.94	233.40	0.43	2.44	2.70	14.04	13.30	6.79	11.66
	Nov-08	236.10	234.99	0.49	2.05	2.42	13.57	13.55	7.32	12.21
	Dec-08	237.01	236.02	0.39	1.32	1.93	12.64	13.63	7.73	12.64
2009	Jan-09	237.78	236.96	0.32	1.21	1.53	10.84	13.47	8.08	0.32
	Feb-09	239.60	238.13	0.77	1.48	1.34	9.91	13.20	8.91	1.09
	Mar-09	241.97	239.78	0.99	2.09	1.60	9.98	12.96	9.98	2.09
	Apr-09	243.43	241.67	0.60	2.37	1.98	9.60	12.64	0.60	2.71
	May-09	244.66	243.35	0.51	2.11	2.19	8.82	12.21	1.11	3.23
	Jun-09	246.48	244.86	0.75	1.87	2.12	8.29	11.69	1.87	4.00
	Jul-09	247.91	246.35	0.58	1.84	1.94	8.10	11.13	2.46	4.60
	Aug-09	249.93	248.11	0.82	2.16	1.96	8.03	10.59	3.29	5.45
	Sep-09	254.02	250.62	1.64	3.06	2.36	8.59	10.12	4.98	7.18
	Oct-09	256.67	253.54	1.04	3.54	2.92	9.25	9.74	6.08	8.30
	Nov-09	258.34	256.34	0.65	3.36	3.32	9.42	9.42	6.77	9.00
	Dec-09	260.67	258.56	0.90	2.62	3.17	9.98	9.22	7.73	9.98
2010	Jan-10	266.01	261.67	2.05	3.64	3.21	11.87	9.32	9.94	2.05
	Feb-10	268.60	265.09	0.97	3.97	3.41	12.10	9.52	11.01	3.04
	Mar-10	270.02	268.21	0.53	3.59	3.73	11.59	9.66	11.59	3.59
	Apr-10	272.49	270.37	0.92	2.44	3.32	11.94	9.86	0.92	4.53
	May-10	273.41	271.97	0.34	1.79	2.60	11.75	10.11	1.26	4.89
	Jun-10	274.51	273.47	0.40	1.66	1.96	11.37	10.36	1.66	5.31
	Jul-10	274.91	274.28	0.15	0.89	1.45	10.89	10.59	1.81	5.46
	Aug-10	277.04	275.49	0.77	1.32	1.29	10.84	10.81	2.60	6.28
	Sep-10	278.33	276.76	0.47	1.39	1.20	9.57	10.88	3.08	6.78
	Oct-10	280.19	278.52	0.67	1.92	1.55	9.16	10.86	3.77	7.49
	Nov-10	281.10	279.87	0.32	1.47	1.59	8.81	10.80	4.10	7.84
	Dec-10	282.16	281.15	0.38	1.37	1.59	8.24	10.64	4.50	8.24

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

**Table 1C**  
**JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL**  
**Dec. 2010**

	1/ CPI-AF	3 Month Avg.CPIAF	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change	
	Oct-07	206.87	204.60	1.12	3.22	2.74	11.29	19.04	6.27	10.51
	Nov-07	212.53	207.99	2.74	5.03	3.67	13.81	9.97	9.18	13.53
	Dec-07	216.44	211.95	1.84	5.80	4.69	15.62	10.61	11.19	15.62
2008	Jan-08	221.57	216.85	2.37	7.10	5.98	16.87	11.30	13.82	2.37
	Feb-08	225.34	221.12	1.70	6.03	6.31	17.31	12.01	15.76	4.11
	Mar-08	228.37	225.09	1.34	5.51	6.20	17.32	12.68	17.32	5.51
	Apr-08	231.41	228.37	1.33	4.44	5.32	18.05	13.40	1.33	6.92
	May-08	235.67	231.82	1.84	4.59	4.84	19.11	14.20	3.20	8.89
	Jun-08	239.52	235.53	1.63	4.88	4.64	20.27	15.09	4.88	10.66
	Jul-08	241.64	238.94	0.89	4.42	4.63	20.57	15.99	5.81	11.64
	Aug-08	244.49	241.88	1.18	3.74	4.34	20.82	16.88	7.06	12.96
	Sep-08	247.53	244.55	1.24	3.34	3.83	20.99	17.75	8.39	14.36
	Oct-08	249.12	247.04	0.64	3.10	3.39	20.42	18.50	9.09	15.10
	Nov-08	250.54	249.06	0.57	2.47	2.97	17.88	18.81	9.71	15.75
	Dec-08	252.38	250.68	0.74	1.96	2.51	16.61	18.86	10.52	16.61
2009	Jan-09	253.56	252.16	0.46	1.78	2.07	14.44	18.61	11.03	0.46
	Feb-09	255.22	253.72	0.66	1.87	1.87	13.26	18.23	11.76	1.12
	Mar-09	258.01	255.60	1.09	2.23	1.96	12.98	17.82	12.98	2.23
	Apr-09	260.41	257.88	0.93	2.70	2.27	12.53	17.32	0.93	3.18
	May-09	262.27	260.23	0.72	2.76	2.57	11.29	16.64	1.65	3.92
	Jun-09	264.16	262.28	0.72	2.38	2.61	10.29	15.78	2.38	4.67
	Jul-09	266.10	264.18	0.74	2.19	2.44	10.12	14.91	3.14	5.44
	Aug-09	268.00	266.09	0.71	2.18	2.25	9.62	13.99	3.87	6.19
	Sep-09	271.70	268.60	1.38	2.86	2.41	9.77	13.09	5.31	7.66
	Oct-09	274.29	271.33	0.95	3.08	2.71	10.10	12.28	6.31	8.68
	Nov-09	276.30	274.10	0.73	3.10	3.01	10.28	11.68	7.09	9.48
	Dec-09	278.32	276.31	0.73	2.44	2.87	10.28	11.19	7.87	10.28
2010	Jan-10	283.29	279.30	1.78	3.28	2.94	11.73	10.99	9.80	1.78
	Feb-10	286.16	282.59	1.01	3.57	3.10	12.12	10.91	10.91	2.81
	Mar-10	287.94	285.80	0.62	3.46	3.43	11.60	10.81	11.60	3.46
	Apr-10	290.32	288.14	0.83	2.48	3.16	11.49	10.74	0.83	4.31
	May-10	291.59	289.95	0.44	1.90	2.60	11.18	10.73	1.27	4.77
	Jun-10	293.18	291.70	0.55	1.82	2.06	10.99	10.79	1.82	5.34
	Jul-10	293.99	292.92	0.28	1.27	1.66	10.48	10.81	2.10	5.63
	Aug-10	295.86	294.35	0.64	1.47	1.52	10.40	10.87	2.75	6.30
	Sep-10	297.25	295.70	0.47	1.39	1.37	9.40	10.83	3.23	6.80
	Oct-10	299.04	297.39	0.60	1.72	1.52	9.02	10.73	3.86	7.44
	Nov-10	300.68	298.99	0.55	1.63	1.58	8.82	10.60	4.43	8.03
	Dec-10	302.40	300.71	0.57	1.73	1.69	8.65	10.46	5.02	8.65

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

**Table 1D**  
**JAMAICA: TRIMMED MEAN CORE INFLATION**  
**Dec. 2010**

	1/ CPI-TRIM	3 Month Avg.TRIM	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change	
	Oct-07	145.15	144.19	0.60	1.99	1.73	5.94	14.08	3.82	5.80
	Nov-07	147.71	145.72	1.77	3.20	2.35	7.84	5.09	5.66	7.67
	Dec-07	150.04	147.63	1.58	3.99	3.06	9.37	5.55	7.32	9.37
2008	Jan-08	152.45	150.07	1.60	5.03	4.08	10.42	6.08	9.04	1.60
	Feb-08	154.28	152.26	1.20	4.44	4.49	11.10	6.63	10.35	2.82
	Mar-08	155.36	154.03	0.70	3.55	4.33	11.13	7.16	11.13	3.55
	Apr-08	156.68	155.44	0.85	2.78	3.58	11.64	7.75	0.85	4.42
	May-08	158.64	156.89	1.25	2.82	3.05	12.32	8.36	2.11	5.73
	Jun-08	160.54	158.62	1.20	3.33	2.98	13.35	9.07	3.33	7.00
	Jul-08	161.62	160.27	0.67	3.15	3.10	13.56	9.80	4.02	7.71
	Aug-08	162.86	161.67	0.77	2.66	3.05	13.78	10.53	4.83	8.54
	Sep-08	163.71	162.73	0.52	1.97	2.59	13.46	11.20	5.37	9.11
	Oct-08	164.35	163.64	0.39	1.69	2.11	13.23	11.80	5.78	9.53
	Nov-08	164.89	164.32	0.33	1.25	1.63	11.63	12.10	6.13	9.90
	Dec-08	165.43	164.89	0.33	1.05	1.33	10.26	12.16	6.48	10.26
2009	Jan-09	165.89	165.40	0.27	0.94	1.08	8.82	12.00	6.77	0.27
	Feb-09	166.27	165.87	0.23	0.84	0.94	7.77	11.70	7.02	0.51
	Mar-09	167.31	166.49	0.62	1.13	0.97	7.69	11.39	7.69	1.13
	Apr-09	168.07	167.22	0.45	1.31	1.09	7.27	11.01	0.45	1.59
	May-09	168.73	168.03	0.39	1.48	1.31	6.36	10.49	0.85	1.99
	Jun-09	169.47	168.75	0.44	1.29	1.36	5.56	9.83	1.29	2.44
	Jul-09	170.03	169.41	0.33	1.17	1.31	5.21	9.13	1.63	2.78
	Aug-09	170.73	170.08	0.41	1.19	1.22	4.83	8.39	2.05	3.20
	Sep-09	171.98	170.91	0.73	1.48	1.28	5.05	7.71	2.79	3.95
	Oct-09	172.76	171.82	0.45	1.60	1.42	5.12	7.06	3.26	4.43
	Nov-09	173.61	172.78	0.49	1.68	1.59	5.29	6.55	3.77	4.94
	Dec-09	174.32	173.56	0.41	1.36	1.55	5.37	6.16	4.19	5.37
2010	Jan-10	175.71	174.55	0.80	1.71	1.59	5.92	5.93	5.02	0.80
	Feb-10	176.75	175.59	0.59	1.81	1.63	6.30	5.82	5.65	1.40
	Mar-10	177.52	176.66	0.43	1.84	1.79	6.10	5.69	6.10	1.84
	Apr-10	178.02	177.43	0.28	1.32	1.65	5.92	5.59	0.28	2.12
	May-10	178.72	178.09	0.39	1.11	1.42	5.92	5.55	0.68	2.53
	Jun-10	179.51	178.75	0.44	1.12	1.18	5.92	5.59	1.12	2.98
	Jul-10	179.96	179.39	0.25	1.09	1.11	5.83	5.64	1.37	3.23
	Aug-10	180.46	179.97	0.28	0.97	1.06	5.70	5.71	1.65	3.52
	Sep-10	180.97	180.46	0.28	0.82	0.96	5.23	5.72	1.94	3.82
	Oct-10	181.77	181.07	0.44	1.01	0.93	5.22	5.73	2.40	4.28
	Nov-10	182.69	181.81	0.50	1.24	1.02	5.23	5.72	2.91	4.80
	Dec-10	183.80	182.75	0.61	1.57	1.27	5.44	5.72	3.54	5.44

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ



**Table 2**  
**Regional Inflation**  
**Dec-MTH. 2010**

		GKMA	OUC	RUA
		Inflation(%)	Inflation(%)	Inflation(%)
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	2.27	1.83	2.07
01.1	<b>Food</b>	2.37	1.91	2.16
	Bread and Cereals	0.62	0.45	1.01
	Meat	1.49	0.18	1.16
	Fish and Seafood	0.68	0.18	0.35
	Milk, Cheese and Eggs	1.49	0.59	1.27
	Oils and Fats	0.13	0.15	1.32
	Fruit	0.11	0.43	2.14
	Vegetables and Starchy Foods	6.47	6.74	7.01
	Vegetables	8.95	8.91	8.81
	Starchy Foods	0.00	0.87	2.06
	Sugar, Jam, Honey, Chocolate and Confectionery	0.90	0.16	0.34
	Food Products n.e.c.	2.77	0.32	0.44
01.2	<b>Non-Alcoholic Beverages</b>	1.00	0.99	0.86
	Coffee, Tea and Cocoa	1.52	1.86	0.89
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.82	0.72	0.91
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	0.18	0.25	0.50
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	0.66	0.58	0.52
03.1	Clothing	1.11	0.95	0.60
03.2	Footwear	0.13	0.00	0.30
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	1.95	2.08	2.53
04.1	Rentals for Housing	0.52	0.00	0.00
04.3	Maintenance and Repair of Dwelling	0.66	0.19	0.39
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	0.57	0.57	0.57
04.5	Electricity, Gas and Other Fuels	3.94	3.91	3.52
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENAN</b>	0.79	0.18	0.65
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.36	0.68	0.53
05.2	Household Textiles	0.87	0.37	0.87
05.3	Household Appliances	0.12	0.19	0.13
05.4	Glassware, Tableware and Household Utensils	0.77	0.33	1.04
05.5	Tools and Equipment for House and Garden	0.73	0.07	0.39
05.6	Goods and Services for Routine Household Maintenance	1.03	0.12	0.80
<b>06</b>	<b>HEALTH</b>	1.13	0.00	0.00
06.1	Medical Products, Appliances and Equipment	0.43	0.00	0.00
06.2	Health Services	1.57	0.00	0.00
<b>07</b>	<b>TRANSPORT</b>	0.81	2.00	0.80
<b>08</b>	<b>COMMUNICATION</b>	0.00	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	0.58	0.00	0.34
<b>10</b>	<b>EDUCATION</b>	0.00	0.00	0.00
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	0.83	0.26	0.00
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	0.60	1.10	0.13
<b>ALL DIVISIONS</b>		1.47	1.43	1.36

**Table 3**  
**Component Contribution to Inflation**  
**Dec. 2010**

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	37.45	2.06	0.77	58.59
01.1	<b>Food</b>	35.10	2.16	0.76	57.48
	Bread and Cereals	6.10	0.76	0.05	3.53
	Meat	7.66	1.08	0.08	6.29
	Fish and Seafood	5.33	0.43	0.02	1.76
	Milk, Cheese and Eggs	3.11	1.22	0.04	2.87
	Oils and Fats	1.64	0.71	0.01	0.88
	Fruit	1.14	0.81	0.01	0.70
	Vegetables and Starchy Foods	6.85	6.77	0.46	35.24
	Vegetables	4.64	8.89	0.41	31.35
	Starchy Foods	2.21	1.12	0.02	1.89
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	0.48	0.01	0.63
	Food Products n.e.c.	1.55	1.15	0.02	1.36
01.2	<b>Non-Alcoholic Beverages</b>	2.35	0.95	0.02	1.69
	Coffee, Tea and Cocoa	0.66	1.28	0.01	0.64
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	0.84	0.01	1.08
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	0.33	0.00	0.35
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	0.60	0.02	1.51
03.1	Clothing	2.12	0.81	0.02	1.30
03.2	Footwear	1.22	0.20	0.00	0.19
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	2.15	0.27	20.83
04.1	Rentals for Housing	3.52	0.30	0.01	0.81
04.3	Maintenance and Repair of Dwelling	0.80	0.41	0.00	0.25
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	0.54	0.01	0.54
04.5	Electricity, Gas and Other Fuels	7.12	3.71	0.26	20.08
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINT</b>	4.93	0.61	0.03	2.30
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	0.51	0.00	0.27
05.2	Household Textiles	0.32	0.74	0.00	0.18
05.3	Household Appliances	0.56	0.11	0.00	0.05
05.4	Glassware, Tableware and Household Utensils	0.05	0.86	0.00	0.03
05.5	Tools and Equipment for House and Garden	0.15	0.40	0.00	0.05
05.6	Goods and Services for Routine Household Maintenance	3.16	0.71	0.02	1.71
<b>06</b>	<b>HEALTH</b>	3.29	0.32	0.01	0.80
06.1	Medical Products, Appliances and Equipment	1.22	0.17	0.00	0.16
06.2	Health Services	2.07	0.42	0.01	0.66
<b>07</b>	<b>TRANSPORT</b>	12.82	1.02	0.13	9.91
<b>08</b>	<b>COMMUNICATION</b>	3.99	0.00	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	0.42	0.01	1.06
<b>10</b>	<b>EDUCATION</b>	2.14	0.00	0.00	0.00
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	6.19	0.33	0.02	1.56
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	0.49	0.04	3.10
	<b>ALL DIVISIONS</b>	100.00	1.42	1.32	100.00

**Table 4**  
**Annual Component Contribution to Inflation**  
**Dec. 2010**

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	37.45	12.80	4.79	40.83
01.1	<b>Food</b>	35.10	13.06	4.58	39.04
	Bread and Cereals	6.10	6.37	0.39	3.31
	Meat	7.66	8.56	0.66	5.59
	Fish and Seafood	5.33	10.44	0.56	4.74
	Milk, Cheese and Eggs	3.11	9.93	0.31	2.63
	Oils and Fats	1.64	11.53	0.19	1.61
	Fruit	1.14	12.38	0.14	1.20
	Vegetables and Starchy Foods	6.85	27.47	1.88	16.03
	Vegetables	4.64	35.44	1.64	14.01
	Starchy Foods	2.21	10.42	0.23	1.96
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	12.26	0.21	1.80
	Food Products n.e.c.	1.55	13.08	0.20	1.73
01.2	<b>Non-Alcoholic Beverages</b>	2.35	9.15	0.21	1.83
	Coffee, Tea and Cocoa	0.66	10.87	0.07	0.61
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	8.49	0.14	1.22
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	14.43	0.20	1.70
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	8.97	0.30	2.55
03.1	Clothing	2.12	10.21	0.22	1.84
03.2	Footwear	1.22	7.16	0.09	0.74
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	8.36	1.07	9.09
04.1	Rentals for Housing	3.52	21.14	0.74	6.34
04.3	Maintenance and Repair of Dwelling	0.80	9.92	0.08	0.68
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	5.85	0.08	0.66
04.5	Electricity, Gas and Other Fuels	7.12	2.54	0.18	1.54
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENANCE</b>	4.93	7.03	0.35	2.95
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	9.21	0.06	0.54
05.2	Household Textiles	0.32	7.76	0.02	0.21
05.3	Household Appliances	0.56	10.36	0.06	0.49
05.4	Glassware, Tableware and Household Utensils	0.05	7.83	0.00	0.03
05.5	Tools and Equipment for House and Garden	0.15	7.19	0.01	0.09
05.6	Goods and Services for Routine Household Maintenance	3.16	5.80	0.18	1.56
<b>06</b>	<b>HEALTH</b>	3.29	2.90	0.10	0.81
06.1	Medical Products, Appliances and Equipment	1.22	2.56	0.03	0.27
06.2	Health Services	2.07	3.13	0.06	0.55
<b>07</b>	<b>TRANSPORT</b>	12.82	25.66	3.29	28.03
<b>08</b>	<b>COMMUNICATION</b>	3.99	5.36	0.21	1.82
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	6.92	0.23	1.98
<b>10</b>	<b>EDUCATION</b>	2.14	8.01	0.17	1.46
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	6.19	5.40	0.33	2.85
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	8.70	0.73	6.21
	<b>ALL DIVISIONS</b>	100.00	11.74	11.74	100.00