



# **INFLATION REPORT**

## **July 2010**

Research Services Department  
Bank of Jamaica  
16 November 2010

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## Overview

Headline inflation was **0.4 per cent** in July, which brought the calendar year-to-date inflation to **7.2 per cent**. This calendar year-to-date out-turn was higher than the **5.0 per cent** recorded in the comparable period of 2009. The 12-month point-to-point inflation was **12.6 per cent**, significantly higher than the **7.0 per cent** recorded at the end of July 2009. Inflation over the next few months is expected to be dominated by increasing international commodity price movements and continued low domestic demand and supply conditions. There are indications that domestic agricultural supply remains buoyant, however, possible adverse weather conditions may negatively affect domestic production. The current forecast for inflation for the September quarter is **1.5 per cent to 2.5 per cent**.

In July 2010 the foreign exchange market recorded the first monthly depreciation since February 2010. Pressures for depreciation emanated in the first three weeks of the month and were attributed to a tightening of US dollar liquidity. The appreciating pressures that emerged for the last two weeks resulted from a moderation in demand despite some spikes in demand from the energy, telecommunications, and insurance sectors.

## Financial Markets & Monetary Conditions

In July, the Jamaica Dollar depreciated *vis-à-vis* the US Dollar, for the first time since February 2010. This depreciation mainly reflected a tightening of supply of US Dollar in the first three weeks of the month. On 07 July, the Government re-opened three fixed rate Benchmark Investment Notes. The offer included (i) FR **12.00 per cent** Benchmark Investment Note (BMI) due to mature in 2014, (ii) FR **12.75 per cent** BMI due to mature in 2019 and (iii) FR **13.25 per cent** BMI due to mature in 2040. The instruments were offered at Yield-to-Maturity (YTM) of **11.65 per cent**, **12.55 per cent** and **13.00 per cent**, respectively.

The *Public Sector Foreign Currency Facility*, by which the Central Bank intermediates the demand for foreign currency by public sector institutions, reflected net inflows of **US\$33.1 million** as at end-July, consistent with continued low public sector demand. Despite this low demand, the Bank had to implement measures to stem emerging foreign exchange market pressures. In this context, the end-month selling rate of the Jamaica Dollar *vis-à-vis* its US dollar counterpart depreciated by **0.1 per cent**. The Net International Reserve (NIR) decreased by **US\$63.2 million** to **US\$1732.6 million** for the month. At the end of July, Gross International Foreign Reserves (GIFR) stood at **US\$2,481.2 million**, **US\$45.5 million**, which was lower than the stock at the end of the previous month. The GIFR at end-July represented 19.3 weeks of imports of goods and services, compared to 19.7 weeks at end-June.

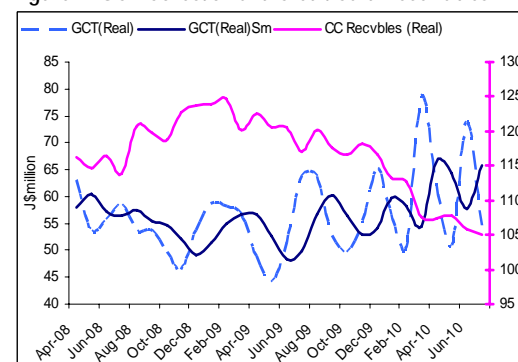
There were expansions in all the real values of the monetary aggregates in the review month. Real M1, M2 and M3 increased by **1.1 per cent**, **0.8 per cent** and **1.1 per cent**, respectively. This compares to no change in M1 and declines in M2 and M3 of **1.0 per cent** and **0.4 per cent** in the previous month. The

expansions in the monetary aggregates mainly reflect seasonal patterns, despite the general slowdown in economic activity and weakening aggregate demand.

## Domestic Demand

Domestic demand conditions continued to reflect general weakness. Credit card receivables in real terms, showed a decline of **0.6 per cent** for July. Similarly, GCT receipts for the month declined by **26.1 per cent**. This large reduction in GCT receipts reflected seasonal fluctuations in revenue collection. Although GCT receipts decreased significantly for the month, the smooth series showed an increase of **14.2 per cent**.<sup>1</sup> The 12-month change in real GCT receipts however, reflected a decrease of **14.2 per cent**, while real credit card receivables decreased by **10.1 per cent**. The general pattern remains one of restrained demand and declining indebtedness consistent with consumers adjusting consumption patterns in light of generally lower incomes.

Figure 1: GCT Collection and Credit Card Receivables

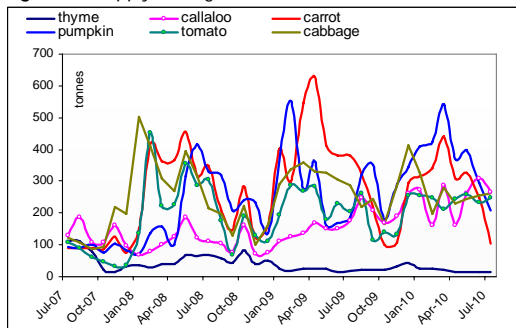


<sup>1</sup> GCT returns are smoothed to remove the volatility in the series that results from the fact that many retailers file returns with a lag.

## Domestic Supply

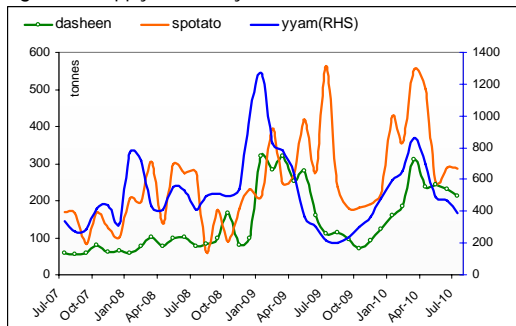
Data on supplies of domestic agricultural produce indicate a general reduction in vegetable and starchy foods supplies (see **Figures 2 & 3**).<sup>2</sup> As a result, the average prices of starchy foods and vegetables increased by **4.8 per cent** and **3.7 per cent**, respectively, for the month. This impact, however, was largely eroded declines in *Transportation, Water Supply and Electricity, Gas & Other Fuels*, of **0.7 per cent**, **5.5 per cent** and **0.4 per cent**, respectively.

**Figure 2: Supply of Vegetables**



Source: Rural Agricultural Development Agency (RADA)

**Figure 3: Supply of Starchy Foods**



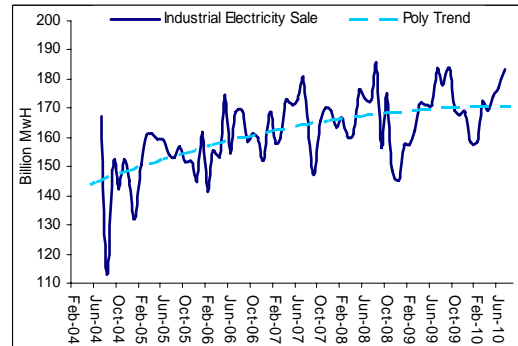
Source: Rural Agricultural Development Agency (RADA)

Industrial electricity consumption, which is used as an indicator of industrial production, increased by **3.5 per cent** for July 2010 relative to June 2010. However, sales of industrial electricity in July 2010 were **0.4 per cent** below the level attained in July 2009 (see **Figure 4**). The current production level is approaching a peak period and remains above the historical average.

## Costs

In July, all prices of major imported commodities on the international markets, recorded increases.

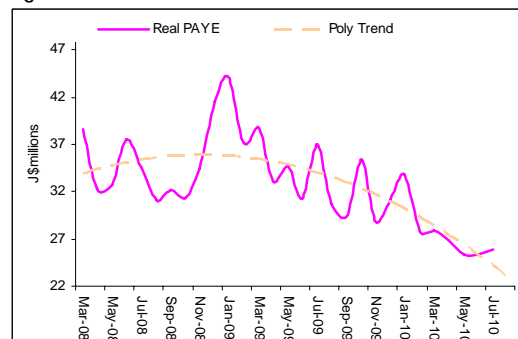
**Figure 4: Industrial Electricity Consumption**



Wheat reflected the largest price increase of **22.9 per cent** for the month followed by corn, soybeans, and crude oil with price increases of **7.2 per cent**, **5.2 per cent** and **1.3 per cent**, respectively. Both wheat and corn prices experienced a change in direction in July when compared to June. In both cases, the magnitude of change was also greater. Soybeans and crude oil reflected a continued upward trend since May. However, prices for soybeans were notably higher in July 2010 compared to June 2010 while crude oil prices increased at a slower pace.

Real wages, as proxied by CPI deflated PAYE returns, increased by **1.9 per cent** in July 2010 relative to March 2010. Despite the uptick for the review month, real PAYE returns decreased by **30.3 per cent** for the 12-month period to July 2010. The overall decline in real PAYE returns since late 2008 (see **Figure 5**) is consistent with the current economic environment and corroborates the weak aggregate demand suggested by other variables.

**Figure 5: Trends in PAYE Returns**



<sup>2</sup> Domestic agricultural produce, namely starchy foods, vegetables and fruit, account for more than a fifth of *Food & Non-Alcoholic Beverages*, the largest division in the consumption basket (37.5 per cent).

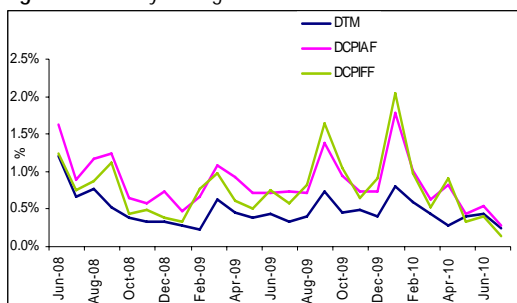


## Consumer Prices

The inflation for July largely reflected the impact of higher food prices, predominantly among *Starchy foods, Vegetables, Fish & seafood* and *Bread & cereal*. The main contributor to inflation for the month was the increase of **3.7 per cent** in vegetables and the **4.8 per cent** increase in starchy foods. These two items accounted for **66.4 per cent** of the review month's inflation. There were, however, significant countervailing impact from *Transportation, Water Supply* and *Electricity Gas & Other Fuels* that was responsible for offsetting **48.1 per cent** of the month's inflation.

Monthly core inflation, as at July 2010, as measured by the change in the CPI excluding agriculture and fuel (CPIAF), CPI excluding food and fuel (CPIFF) and the trimmed mean were approximately **0.3 per cent, 0.2 per cent and 0.3 per cent**, respectively. All three measures were, on average, lower than comparable measures at June 2010. The core indices continue to reflect a downward trend as the second round impact of tax and other administrative adjustments dissipate (see **Figure 6**). However, the weak demand conditions as highlighted by the abovementioned price indicators should continue to restrain potential price impulses.

Figure 6: Monthly Changes in Core Measures



## Inflation Outlook

For Aug 2010, inflation is forecasted to be in the range of **0.0 per cent to 1.0 per cent**. This forecast primarily reflects a reduction in the projected crude oil prices following significant downward revisions in previous months. The main inflationary pressure is expected from *Food* despite the low inflation projection for August. Inflationary pressures are also expected among *Miscellaneous Goods & Services* and *Restaurants & Accommodation services*. Countervailing pressures are however expected from *Housing Water Electricity Gas & Other Fuels*. The

September quarter projection is for inflation in the range of **1.5 per cent to 2.5 per cent**. Weak domestic demand should continue to restrain inflation. In this context, annual inflation rate is projected to be in the range of **7.5 per cent to 9.5 per cent** for FY 2010/11 (see **Figure 8**).

The risks to the forecast are slightly skewed to the downside, with upside risk stemming from possible adverse weather conditions which may adversely affect domestic production. However, on the downside, lower demand impulses as a result of further declines in real wages and consumer sentiments are expected to temper upward impulses to inflation.

Figure 7: Inflation forecast

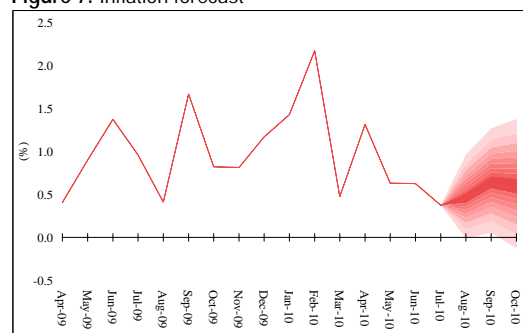
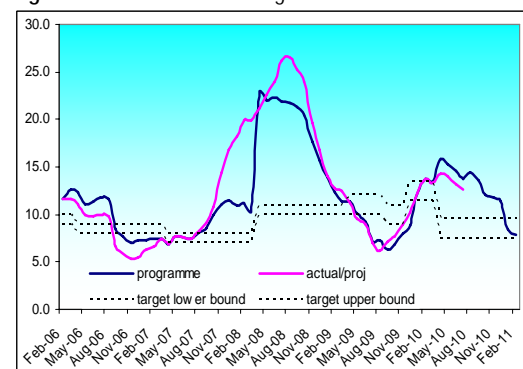


Figure 8: Forecast versus Target



**APPENDIX**  
**Inflation Tables**

**Table 1A**  
**JAMAICA: HEADLINE INFLATION RATES**  
**Jul. 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
	May-07	104.31	103.27	1.29	2.94	2.47	7.76	16.50	1.77	4.31
	Jun-07	105.10	104.13	0.75	2.54	2.48	7.60	7.12	2.54	5.10
	Jul-07	106.16	105.19	1.01	3.09	2.86	7.48	6.92	3.57	6.16
	Aug-07	107.23	106.17	1.01	2.80	2.81	8.26	6.81	4.62	7.23
	Sep-07	108.90	107.43	1.55	3.61	3.17	9.16	7.03	6.24	8.90
	Oct-07	110.39	108.84	1.37	3.98	3.47	10.75	7.44	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

1/ December 2006 = 100

\* Point to Point

# Moving average

Source: STATIN

**Table 1B**  
**JAMAICA: CPI WITHOUT FOOD AND FUEL**  
**Jul. 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
	May-07	197.51	196.34	0.72	2.28	2.89	7.99	17.02	1.07	4.62
	Jun-07	198.88	197.50	0.70	1.78	2.31	7.93	7.59	1.78	5.35
	Jul-07	199.82	198.74	0.47	1.90	1.98	7.83	7.55	2.26	5.85
	Aug-07	201.80	200.17	0.99	2.17	1.95	8.44	7.59	3.27	6.90
	Sep-07	204.66	202.09	1.42	2.90	2.33	9.26	7.76	4.73	8.41
	Oct-07	206.02	204.16	0.67	3.10	2.73	9.77	7.98	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

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ



**Table 1C**  
**JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL**  
**Jul. 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	
	May-07	197.86	196.18	0.94	3.01	3.46	9.69	18.87	1.64	5.69
	Jun-07	199.15	197.67	0.65	2.31	2.90	9.65	9.36	2.31	6.38
	Jul-07	200.42	199.14	0.64	2.24	2.52	9.79	9.31	2.96	7.06
	Aug-07	202.35	200.64	0.96	2.27	2.27	10.08	9.31	3.95	8.10
	Sep-07	204.58	202.45	1.10	2.73	2.42	10.39	9.37	5.10	9.29
	Oct-07	206.87	204.60	1.12	3.22	2.74	11.29	9.55	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

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

**Table 1D**  
**JAMAICA: TRIMMED MEAN CORE INFLATION**  
**Jul. 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
	May-07	141.24	140.46	0.64	1.71	1.76	5.03	13.59	1.03	2.95
	Jun-07	141.64	141.07	0.28	1.31	1.56	4.87	4.36	1.31	3.24
	Jul-07	142.32	141.73	0.48	1.41	1.48	4.77	4.42	1.80	3.74
	Aug-07	143.14	142.37	0.58	1.35	1.36	5.06	4.49	2.39	4.33
	Sep-07	144.29	143.25	0.80	1.87	1.54	5.40	4.58	3.21	5.17
	Oct-07	145.15	144.19	0.60	1.99	1.73	5.94	4.75	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

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

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

		GKMA	OUC	RUA
		Inflation(%)	Inflation(%)	Inflation(%)
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	1.37	1.66	0.75
01.1	<b>Food</b>	1.42	1.70	0.80
	Bread and Cereals	0.27	1.09	0.52
	Meat	-1.56	1.26	0.56
	Fish and Seafood	1.12	0.13	0.90
	Milk, Cheese and Eggs	0.32	0.00	0.68
	Oils and Fats	0.04	0.61	1.42
	Fruit	3.85	-1.44	1.45
	Vegetables and Starchy Foods	6.07	5.36	1.05
	Vegetables	5.10	6.91	0.05
	Starchy Foods	8.29	1.80	3.75
	Sugar, Jam, Honey, Chocolate and Confectionery	0.83	0.28	0.57
	Food Products n.e.c.	0.00	1.07	0.75
01.2	<b>Non-Alcoholic Beverages</b>	0.51	0.47	0.88
	Coffee, Tea and Cocoa	0.30	0.34	0.63
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.56	0.54	0.99
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	0.22	0.00	0.05
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	0.63	0.38	0.80
03.1	Clothing	0.47	0.60	0.98
03.2	Footwear	0.76	0.15	0.50
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	-0.78	-0.73	-0.60
04.1	Rentals for Housing	0.00	0.04	0.09
04.3	Maintenance and Repair of Dwelling	0.24	0.98	0.86
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	-5.49	-5.46	-5.46
04.5	Electricity, Gas and Other Fuels	-0.38	-0.31	-0.32
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENAN</b>	0.25	0.44	0.34
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.31	0.23	0.12
05.2	Household Textiles	0.07	0.32	0.22
05.3	Household Appliances	0.12	0.19	0.20
05.4	Glassware, Tableware and Household Utensils	0.12	0.07	0.93
05.5	Tools and Equipment for House and Garden	1.31	0.28	0.34
05.6	Goods and Services for Routine Household Maintenance	0.25	0.58	0.41
<b>06</b>	<b>HEALTH</b>	0.26	0.17	0.33
06.1	Medical Products, Appliances and Equipment	0.26	0.16	0.63
06.2	Health Services	0.26	0.08	0.08
<b>07</b>	<b>TRANSPORT</b>	-0.31	0.07	-1.12
<b>08</b>	<b>COMMUNICATION</b>	0.00	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	1.56	1.41	0.14
<b>10</b>	<b>EDUCATION</b>	0.00	0.00	0.00
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	0.46	0.26	0.00
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	0.37	0.82	0.34
<b>ALL DIVISIONS</b>		0.49	0.68	0.19

**Table 3**  
**Component Contribution to Inflation**  
**Jul. 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	1.14	0.43	112.27
01.1	<b>Food</b>	35.10	1.18	0.42	109.62
	Bread and Cereals	6.10	0.58	0.04	9.30
	Meat	7.66	-0.06	0.00	-1.22
	Fish and Seafood	5.33	0.84	0.04	11.86
	Milk, Cheese and Eggs	3.11	0.41	0.01	3.36
	Oils and Fats	1.64	0.90	0.01	3.89
	Fruit	1.14	1.94	0.02	5.85
	Vegetables and Starchy Foods	6.85	3.67	0.25	66.37
	Vegetables	4.64	3.33	0.15	40.85
	Starchy Foods	2.21	4.80	0.11	28.01
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	0.55	0.01	2.52
	Food Products n.e.c.	1.55	0.62	0.01	2.52
01.2	<b>Non-Alcoholic Beverages</b>	2.35	0.71	0.02	4.39
	Coffee, Tea and Cocoa	0.66	0.47	0.00	0.82
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	0.76	0.01	3.39
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	0.10	0.00	0.36
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	0.65	0.02	5.73
03.1	Clothing	2.12	0.77	0.02	4.32
03.2	Footwear	1.22	0.52	0.01	1.68
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	-0.71	-0.09	-23.93
04.1	Rentals for Housing	3.52	0.00	0.00	0.00
04.3	Maintenance and Repair of Dwelling	0.80	0.64	0.01	1.36
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	-5.47	-0.07	-19.08
04.5	Electricity, Gas and Other Fuels	7.12	-0.38	-0.03	-7.12
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINT</b>	4.93	0.32	0.02	4.19
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	0.24	0.00	0.44
05.2	Household Textiles	0.32	0.14	0.00	0.12
05.3	Household Appliances	0.56	0.13	0.00	0.19
05.4	Glassware, Tableware and Household Utensils	0.05	0.46	0.00	0.06
05.5	Tools and Equipment for House and Garden	0.15	0.48	0.00	0.19
05.6	Goods and Services for Routine Household Maintenance	3.16	0.39	0.01	3.25
<b>06</b>	<b>HEALTH</b>	3.29	0.25	0.01	2.19
06.1	Medical Products, Appliances and Equipment	1.22	0.49	0.01	1.58
06.2	Health Services	2.07	0.17	0.00	0.93
<b>07</b>	<b>TRANSPORT</b>	12.82	-0.65	-0.08	-21.90
<b>08</b>	<b>COMMUNICATION</b>	3.99	0.00	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	0.85	0.03	7.55
<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	0.21	0.01	3.38
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	0.46	0.04	10.15
	<b>ALL DIVISIONS</b>	100.00	0.37	0.38	100.00

**Table 4**  
**Annual Component Contribution to Inflation**  
**Jul. 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	11.14	4.17	33.25
01.1	<b>Food</b>	35.10	11.19	3.93	31.29
	Bread and Cereals	6.10	4.95	0.30	2.41
	Meat	7.66	8.21	0.63	5.01
	Fish and Seafood	5.33	11.42	0.61	4.85
	Milk, Cheese and Eggs	3.11	9.76	0.30	2.42
	Oils and Fats	1.64	10.77	0.18	1.41
	Fruit	1.14	11.06	0.13	1.00
	Vegetables and Starchy Foods	6.85	17.05	1.17	9.31
	Vegetables	4.64	22.56	1.05	8.34
	Starchy Foods	2.21	6.55	0.14	1.15
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	24.61	0.42	3.37
	Food Products n.e.c.	1.55	14.99	0.23	1.85
01.2	<b>Non-Alcoholic Beverages</b>	2.35	10.89	0.26	2.04
	Coffee, Tea and Cocoa	0.66	13.15	0.09	0.69
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	10.11	0.17	1.36
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	18.01	0.25	1.98
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	9.28	0.31	2.46
03.1	Clothing	2.12	9.82	0.21	1.66
03.2	Footwear	1.22	8.58	0.10	0.83
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	16.46	2.10	16.73
04.1	Rentals for Housing	3.52	41.04	1.44	11.51
04.3	Maintenance and Repair of Dwelling	0.80	9.46	0.08	0.60
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	7.88	0.10	0.83
04.5	Electricity, Gas and Other Fuels	7.12	7.69	0.55	4.36
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENANCE</b>	4.93	7.15	0.35	2.81
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	9.19	0.06	0.51
05.2	Household Textiles	0.32	6.77	0.02	0.17
05.3	Household Appliances	0.56	12.65	0.07	0.56
05.4	Glassware, Tableware and Household Utensils	0.05	7.61	0.00	0.03
05.5	Tools and Equipment for House and Garden	0.15	6.58	0.01	0.08
05.6	Goods and Services for Routine Household Maintenance	3.16	5.77	0.18	1.45
<b>06</b>	<b>HEALTH</b>	3.29	2.77	0.09	0.73
06.1	Medical Products, Appliances and Equipment	1.22	2.98	0.04	0.29
06.2	Health Services	2.07	2.73	0.06	0.45
<b>07</b>	<b>TRANSPORT</b>	12.82	25.17	3.23	25.71
<b>08</b>	<b>COMMUNICATION</b>	3.99	6.28	0.25	2.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	11.65	0.39	3.12
<b>10</b>	<b>EDUCATION</b>	2.14	7.82	0.17	1.33
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	6.19	5.64	0.35	2.78
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	11.57	0.97	7.71
	<b>ALL DIVISIONS</b>	100.00	12.55	12.55	100.00