



# **INFLATION REPORT**

## **June 2010**

Research Services Department  
Bank of Jamaica  
16 November 2010

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## Overview

The headline inflation for June 2010 was **0.6 per cent** in June which compares to the **1.4 per cent** in the corresponding month of 2009. The calendar year-to-date out-turn of **6.8 per cent** was higher than the **4.0 per cent** recorded in the comparable period of 2009. The 12-month point-to-point inflation was **13.2 per cent**, significantly higher than the **9.0 per cent** recorded at the end of June 2009. Inflation over the next few months should be dominated by stable international commodity price movements and restrained domestic demand and supply conditions. There are indications of possible strengthening agricultural supply. However, possible adverse weather conditions may negatively affect domestic production. Therefore, agricultural inflation may be higher than in previous periods. The current forecast for inflation for the September quarter was given a band of **1.5 per cent to 2.5 per cent**.

The foreign exchange market displayed an increasing rate of appreciation in June in light of continued weak demand for foreign currency. The Bank was able to offset some of the pressures for appreciation through its strategic intervention strategy.

## Financial Markets & Monetary Conditions

In June, there was a significant **2.8 per cent** appreciation in the exchange rate of the Jamaica Dollar *vis-à-vis* the US Dollar, reflecting a continuation of the appreciating trend seen since March 2010. On 07 June, the Government re-opened two fixed rate (FR) Benchmark Investment Notes (BMI). The offer included (i) FR **12.00 per cent** BMI due to mature in 2012, (ii) FR **13.25 per cent** BMI due to mature in 2040. The instruments were offered at Yield-to-Maturity (YTM) of **11.25 per cent**, and **13.0 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\$22.3 million** as at end-June as a result of continued weak public sector demand. The NIR increased by **US\$120.2 million** to **US\$1 795.8 million** at end-month. At the end of June, the Gross International Foreign Reserves (GIFR) stood at **US\$2 526.7 million**, **US\$187.7 million** higher than the stock at the end of the previous month. The GIFR at end-June represented 18.6 weeks of imports of goods and services, compared to 17.2 weeks at end-May.

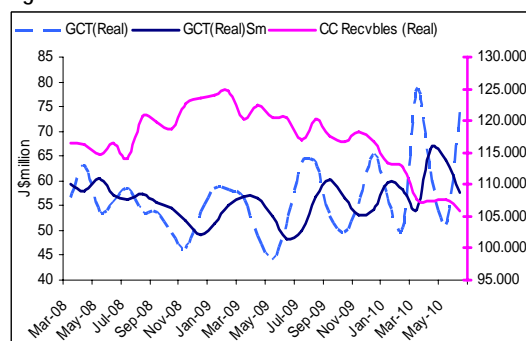
Real M2 and M3 decreased by **1.0 per cent** and **0.4 per cent**, respectively, in June 2010. There was however, no change in the supply of M1 for the same period. All changes in June were smaller in magnitude to changes in the previous month.

## Domestic Demand

Domestic demand conditions remained weak over the review period. Credit card receivables in real terms, showed a decline of **1.8 per cent** for June. In contrast, GCT receipts for the month increased by **45.0 per**

cent. This large increase is consistent with a general upward trend in real and smoothed GCT collections following a number of revenue enhancing measures implemented by the Government.<sup>1</sup> This is corroborated by the 12-month change in real GCT receipts which reflected an increase of **44.1 per cent**, while real credit card receivables decreased by **12.2 per cent**. Demand and consumer credit continue to be constrained as income levels decline.

Figure 1: GCT Collection and Credit Card Receivables



## Domestic Supply

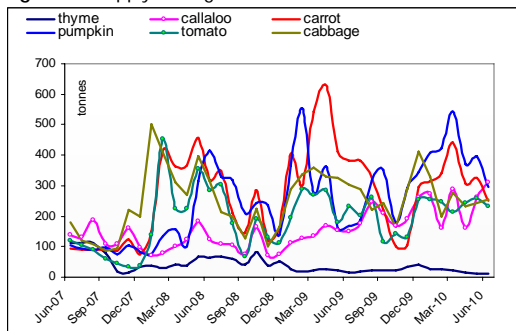
Data on supplies of domestic agricultural produce for June indicate a general decline in the rate of reduction in vegetable and starchy foods supply (see **Figures 2 & 3**).<sup>2</sup> Nonetheless, the average prices of both starchy foods and vegetables in June increased by **4.7 per cent** and **2.2 per cent**, respectively.

<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.

<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).

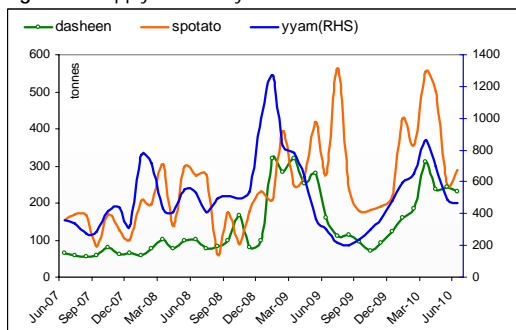


Figure 2: Supply of Vegetables



Source: Rural Agricultural Development Agency (RADA)

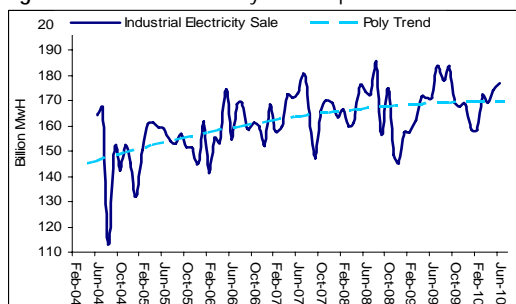
Figure 3: Supply of Starchy Foods



Source: Rural Agricultural Development Agency (RADA)

Industrial electricity consumption, which is used as an indicator of industrial production, increased by **1.8 per cent** for June 2010 relative to May 2010. Also, sales of industrial electricity in June 2010 were **3.5 per cent** above the level attained in June 2009 (see Figure 4). The current production level is currently increasing and remains above the historical average. This demonstrates that production levels have recovered from the initial shock of the crisis in 2008.

Figure 4: Industrial Electricity Consumption

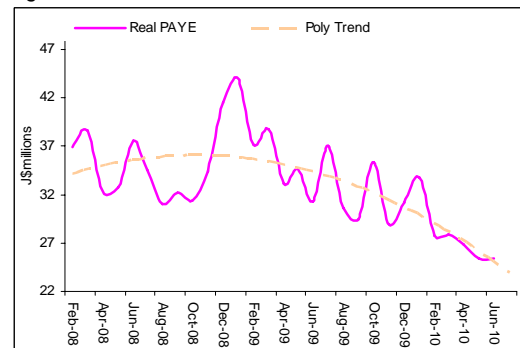


## Costs

In June, the prices of the major imported commodities on the international markets, recorded mixed movements. Crude oil and soybeans prices increased by **1.7 per cent** and **0.3 per cent**, respectively, while wheat and corn prices declined by **8.5 per cent** and **6.5 per cent**, respectively. Wheat prices experienced a faster rate of decline relative to the previous month. All other prices reflected a change in direction. In the case of crude oil and soybeans the magnitude of change was smaller, but larger for both wheat and corn when compared to movements in May 2010.

Real wages, as proxied by CPI deflated PAYE returns, decreased by **0.2 per cent** in June 2010 relative to May 2010. Similarly, real PAYE returns decreased by **18.9 per cent** for the 12-month period to June 2010. The overall declining trend in PAYE (see Figure 5) is consistent with the current economic environment and corroborates the weak aggregate demand suggested by other variables. Domestic prices were significantly affected by imported raw materials. As international grain prices decline, prices are likely to show downward adjustments especially where consumer spending power continues to deteriorate.

Figure 5: Trends in PAYE Returns



## Consumer Prices

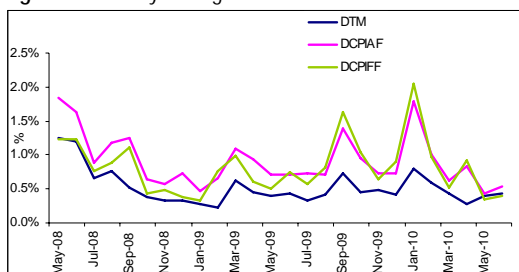
The inflation for June largely reflected the impact of higher food prices and miscellaneous items. The main contributor to inflation for the month was *Food & Non-Alcoholic Beverages* which contributed **77.6 per cent** of the month's inflation. This mainly reflected the increase of **4.7 per cent** in *Starchy Foods*, and **2.2 per cent** in *Vegetables* which, when combined, contributed **37.4 per cent** of the inflation outturn. Other major food price increases emanated from *Fish & Seafood*, and *Oils & Fats*. *Miscellaneous Goods & Services* contributed the second largest amount of



11.3 per cent to inflation for June. This was attributed to increase prices of personal care items.

Monthly core inflation, as at April 2010, as measured by the change in the CPI excluding agriculture and fuel (CPIAF), CPI excluding food and fuel (CPIFF) and the trimmed mean was approximately **0.6 per cent**, **0.4 per cent** and **0.4 per cent**, respectively. All three measures of core inflation were, on average, higher than comparable measures at May 2010. Core inflation has tapered off significantly following a surge in the index that was indirectly affected by the administrative price adjustments and tax measures implemented between January and April 2010 (see **Figure 6**). However, the weak demand conditions as highlighted by abovementioned indicators should continue to restrain potential price increases.

**Figure 6: Monthly Changes in Core Measures**



## Inflation Outlook

For July 2010, inflation is forecasted to be in the range of **0.0 per cent to 1.0 per cent**. This forecast primarily reflects marginal increase in the prices of food items expected to capture some lagged effects of previous drought conditions. Other major factors contributing to the July forecast is the lagged impact of the upswing in the price of oil on the international commodities market in June, which is expected to result in higher electricity rates and transportation costs in the following months. With consideration given to the above mentioned factors, the projection for inflation for the September quarter is in the range of **1.5 per cent to 2.5 per cent**. Despite the expectation of increases in international commodity prices, weak domestic demand should restrain impulses. In this context, the projection for the annual inflation rate remains within the range of **7.5 per cent to 9.5 per cent** for FY 2010/11 (see **Figure 8**).

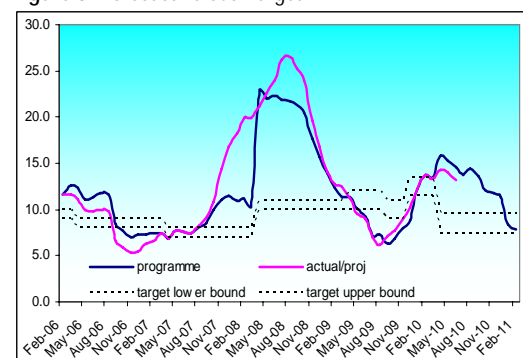
The risks to the forecast are slightly skewed to the downside, with upside risk stemming from possible adverse weather conditions which may negatively affect domestic production. However, on the downside, lower demand impulses as a result of

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**  
**Jun. 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
	Apr-07	102.98	102.27	0.47	1.96	2.08	6.90	16.66	0.47	2.98
	May-07	104.31	103.27	1.29	2.94	2.47	7.76	7.29	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

1/ December 2006 = 100

\* Point to Point

# Moving average

Source: STATIN

**Table 1B**  
**JAMAICA: CPI WITHOUT FOOD AND FUEL**  
**Jun. 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
	Apr-07	196.10	194.87	0.35	2.89	2.99	7.80	17.02	0.35	3.88
	May-07	197.51	196.34	0.72	2.28	2.89	7.99	7.61	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

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ



**Table 1C**  
**JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL**  
**Jun. 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
	Apr-07	196.02	194.25	0.70	3.40	3.41	9.45	18.94	0.70	4.71
	May-07	197.86	196.18	0.94	3.01	3.46	9.69	9.42	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

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

**Table 1D**  
**JAMAICA: TRIMMED MEAN CORE INFLATION**  
**Jun. 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
	Apr-07	140.34	139.67	0.38	1.65	1.65	4.67	13.49	0.38	2.29
	May-07	141.24	140.46	0.64	1.71	1.76	5.03	4.29	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

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

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

		GKMA	OUC	RUA
		Inflation(%)	Inflation(%)	Inflation(%)
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	0.27	1.39	1.77
01.1	<b>Food</b>	0.22	1.44	1.76
	Bread and Cereals	0.16	0.57	0.20
	Meat	-0.55	0.70	1.00
	Fish and Seafood	-0.18	0.13	1.84
	Milk, Cheese and Eggs	0.48	1.20	0.93
	Oils and Fats	2.99	0.98	1.60
	Fruit	-0.67	3.16	3.58
	Vegetables and Starchy Foods	0.49	3.89	4.38
	Vegetables	-0.21	2.57	4.03
	Starchy Foods	2.23	7.00	5.47
	Sugar, Jam, Honey, Chocolate and Confectionery	0.47	0.57	2.02
	Food Products n.e.c.	1.63	0.56	1.81
01.2	<b>Non-Alcoholic Beverages</b>	0.92	1.02	1.16
	Coffee, Tea and Cocoa	0.85	0.69	0.50
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.90	1.09	1.42
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.45	0.98	-0.02
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	1.39	1.83	0.09
03.1	Clothing	1.02	2.00	0.19
03.2	Footwear	1.82	1.51	0.00
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	0.24	0.11	-0.23
04.1	Rentals for Housing	0.00	0.00	-0.02
04.3	Maintenance and Repair of Dwelling	1.23	1.13	0.00
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	2.50	2.48	2.50
04.5	Electricity, Gas and Other Fuels	-0.25	-0.50	-0.66
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENAN</b>	0.37	1.35	0.33
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.31	1.24	1.10
05.2	Household Textiles	0.07	2.09	-0.01
05.3	Household Appliances	0.24	1.88	1.57
05.4	Glassware, Tableware and Household Utensils	1.05	1.91	0.04
05.5	Tools and Equipment for House and Garden	0.21	1.21	0.07
05.6	Goods and Services for Routine Household Maintenance	0.49	1.17	0.00
<b>06</b>	<b>HEALTH</b>	0.00	0.08	0.04
06.1	Medical Products, Appliances and Equipment	0.00	0.16	0.07
06.2	Health Services	0.00	0.08	0.07
<b>07</b>	<b>TRANSPORT</b>	-0.81	-0.91	0.01
<b>08</b>	<b>COMMUNICATION</b>	0.00	0.00	0.04
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	0.15	0.00	0.00
<b>10</b>	<b>EDUCATION</b>	0.00	0.00	0.01
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	0.20	0.07	0.03
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	0.37	0.00	1.27
<b>ALL DIVISIONS</b>		0.18	0.63	0.83

**Table 3**  
**Component Contribution to Inflation**  
**Jun. 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	1.21	0.45	83.49
01.1	<b>Food</b>	35.10	1.20	0.42	77.63
	Bread and Cereals	6.10	0.26	0.02	2.97
	Meat	7.66	0.42	0.03	5.99
	Fish and Seafood	5.33	0.85	0.05	8.37
	Milk, Cheese and Eggs	3.11	0.88	0.03	5.09
	Oils and Fats	1.64	1.88	0.03	5.70
	Fruit	1.14	1.45	0.02	3.05
	Vegetables and Starchy Foods	6.85	2.96	0.20	37.42
	Vegetables	4.64	2.22	0.10	19.04
	Starchy Foods	2.21	4.71	0.10	19.24
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	1.35	0.02	4.29
	Food Products n.e.c.	1.55	1.48	0.02	4.23
01.2	<b>Non-Alcoholic Beverages</b>	2.35	1.04	0.02	4.52
	Coffee, Tea and Cocoa	0.66	0.68	0.00	0.83
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	1.22	0.02	3.80
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	0.64	0.01	1.63
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	0.79	0.03	4.85
03.1	Clothing	2.12	0.78	0.02	3.05
03.2	Footwear	1.22	0.82	0.01	1.85
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	0.06	0.01	1.40
04.1	Rentals for Housing	3.52	0.00	0.00	0.00
04.3	Maintenance and Repair of Dwelling	0.80	0.71	0.01	1.05
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	2.49	0.03	6.07
04.5	Electricity, Gas and Other Fuels	7.12	-0.44	-0.03	-5.79
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINT</b>	4.93	0.58	0.03	5.31
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	0.79	0.01	1.01
05.2	Household Textiles	0.32	0.56	0.00	0.33
05.3	Household Appliances	0.56	1.15	0.01	1.19
05.4	Glassware, Tableware and Household Utensils	0.05	0.72	0.00	0.07
05.5	Tools and Equipment for House and Garden	0.15	0.20	0.00	0.06
05.6	Goods and Services for Routine Household Maintenance	3.16	0.39	0.01	2.28
<b>06</b>	<b>HEALTH</b>	3.29	0.00	0.00	0.00
06.1	Medical Products, Appliances and Equipment	1.22	0.08	0.00	0.18
06.2	Health Services	2.07	0.09	0.00	0.33
<b>07</b>	<b>TRANSPORT</b>	12.82	-0.39	-0.05	-9.16
<b>08</b>	<b>COMMUNICATION</b>	3.99	0.00	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	0.07	0.00	0.44
<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	0.07	0.00	0.79
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	0.73	0.06	11.25
	<b>ALL DIVISIONS</b>	100.00	0.63	0.54	100.00

**Table 4**  
**Annual Component Contribution to Inflation**  
**Jun. 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	9.94	3.72	28.18
01.1	<b>Food</b>	35.10	9.86	3.46	26.20
	Bread and Cereals	6.10	4.91	0.30	2.27
	Meat	7.66	10.16	0.78	5.89
	Fish and Seafood	5.33	11.43	0.61	4.61
	Milk, Cheese and Eggs	3.11	9.33	0.29	2.20
	Oils and Fats	1.64	10.50	0.17	1.30
	Fruit	1.14	8.90	0.10	0.77
	Vegetables and Starchy Foods	6.85	8.96	0.61	4.64
	Vegetables	4.64	11.53	0.53	4.05
	Starchy Foods	2.21	4.05	0.09	0.68
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	24.84	0.43	3.23
	Food Products n.e.c.	1.55	15.89	0.25	1.86
01.2	<b>Non-Alcoholic Beverages</b>	2.35	11.35	0.27	2.02
	Coffee, Tea and Cocoa	0.66	13.13	0.09	0.66
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	10.78	0.18	1.38
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	20.70	0.29	2.16
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	9.38	0.31	2.36
03.1	Clothing	2.12	9.40	0.20	1.51
03.2	Footwear	1.22	9.36	0.11	0.86
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	23.95	3.06	23.14
04.1	Rentals for Housing	3.52	41.07	1.45	10.94
04.3	Maintenance and Repair of Dwelling	0.80	8.88	0.07	0.54
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	17.29	0.23	1.73
04.5	Electricity, Gas and Other Fuels	7.12	18.68	1.33	10.07
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENANCE</b>	4.93	7.67	0.38	2.86
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	9.97	0.07	0.52
05.2	Household Textiles	0.32	7.16	0.02	0.17
05.3	Household Appliances	0.56	13.30	0.07	0.56
05.4	Glassware, Tableware and Household Utensils	0.05	7.45	0.00	0.03
05.5	Tools and Equipment for House and Garden	0.15	6.64	0.01	0.08
05.6	Goods and Services for Routine Household Maintenance	3.16	6.25	0.20	1.50
<b>06</b>	<b>HEALTH</b>	3.29	2.83	0.09	0.70
06.1	Medical Products, Appliances and Equipment	1.22	3.07	0.04	0.28
06.2	Health Services	2.07	2.71	0.06	0.43
<b>07</b>	<b>TRANSPORT</b>	12.82	26.42	3.39	25.64
<b>08</b>	<b>COMMUNICATION</b>	3.99	6.28	0.25	1.90
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	11.07	0.37	2.82
<b>10</b>	<b>EDUCATION</b>	2.14	7.82	0.17	1.27
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	6.19	5.73	0.35	2.69
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	12.03	1.01	7.62
	<b>ALL DIVISIONS</b>	100.00	13.21	13.21	100.00