INFLATION REPORT

March 2010

Research Services Department
Bank of Jamaica

CONTENTS

Overview

Headline inflation was 0.5 per cent in March 2010, which brought the fiscal year inflation to 13.3 per cent. This compared to 12.4 per cent for FY2008/09. At the end of March, the annual average inflation was 9.7 per cent. For the quarter, inflation was 4.1 per cent, which compared to 2.8 per cent at the end of the previous quarter and 1.3 per cent for the March 2009 quarter. Inflation over the next few months will be dominated by administered price impulses and international commodity prices. There are indications of strengthening agricultural supply, particularly for vegetables, and as a consequence, agricultural inflation may be lower than in previous periods. The recent exchange rate appreciation and excess inventories for some international commodities should restrain price increase. The current forecast for inflation for the June quarter is in the band of 2.5 per cent to 3.5 per cent.

Financial Markets & Monetary Conditions

In March, there was appreciation in the exchange rate of the Jamaica Dollar *vis-à-vis* the US dollar, following on from depreciating trends in January and February. There were also progressively lower interest rates, reflected in the results of both the 90-day and the 180-day Treasury bill auctions. On 3 March 2010, Moody's Investors Service upgraded Jamaica's foreign and local currency bond ratings to 'B3' from 'Caa1' and 'Caa2', respectively. This upgrade reflects the agency's assessment of diminished credit risks following the JDX. The new ratings took into account a significant improvement in the Government's liquidity position due to lower debt servicing costs and substantial multilateral inflows while acknowledging medium-term credit vulnerabilities due to a debt burden that remains very high.

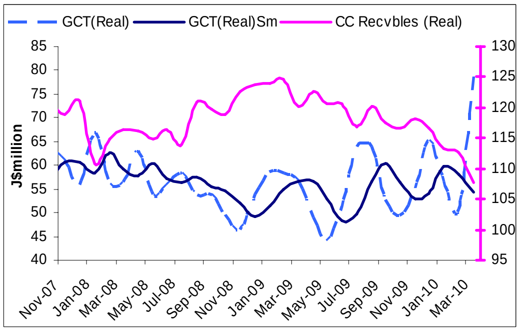
The *Public Sector Foreign Currency Facility,* by which the Central Bank intermediates the demand for foreign currency by public sector institutions, reflected net inflows of US$33.9 million as at end March. As a result of this and other measures instituted by the Bank to maintain stability in the foreign exchange market, the end-month selling rate of the Jamaica Dollar *vis-à-vis* its US counterpart appreciated for the month, compared to stability in February and a marginal depreciation of 0.1 per cent in January. However, the NIR increased by US$192.2 million to US$1751.9 million for the month as a result of inflows from the CDB and IBRD, as well as US dollar purchase from the GOJ. At the end of March, gross international foreign reserves (GIFR) stood at US$2,427.0 million, US$155.2 million higher than the stock at the end of the previous month. The GIFR at end-March represented 17.5 weeks of imports of goods and services, compared to 17 weeks at end-February.

There were continued seasonal contractions in the real values of the monetary aggregates in the review month. Real M1, M2 and M3 declined by 10.2 per cent, 4.0 per cent and 3.5 per cent, respectively. These contractions were larger than those observed in March 2009. The declines in the monetary aggregates remain consistent with an overall trend 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 4.4 per cent for March. On the other hand, real GCT receipts for the month increased by 55.5 per cent, which reflected the revenue collection drive towards the end of the fiscal year.[1] Although GCT increased significantly for the month, the smoothed series showed a decline of 6.5 per cent. The fall in demand was in the context where price increases, wage restraints, and weaker economic activity resulted in a continued reduction in spending. The 12-month change in real GCT receipts reflected an increase of 39.3 per cent, while real credit card receivables decreased by 10.4 per cent. Abstracting from the significant spike in GCT for the month, the general pattern remains one of sluggish demand and increasing indebtedness occasioned by falling incomes.

Figure 1: GCT Collection and Credit Card Receivables



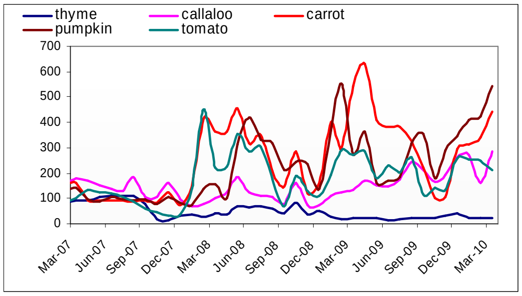
Domestic Supply

Data on supplies of domestic agricultural produce indicate that vegetable and starchy foods supply were

[1] GCT returns are smoothed to remove the volatility in the series that results from the fact that many retailers file returns with a lag.

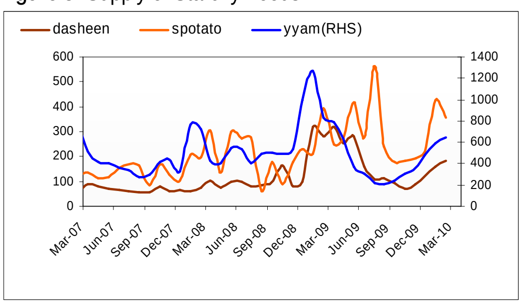
readily available, with the volumes being fairly buoyant (see **Figures** 2 & 3).[2] As a result, the average prices of *starchy foods* declined by 0.4 **per cent** for the month. This was, however, largely eroded by changes in the price of vegetables, which despite higher supplies, increased by nearly four times the reduction in starchy foods prices.

Figure 2: Supply of Vegetables



Source: Rural Agricultural Development Agency (RADA)

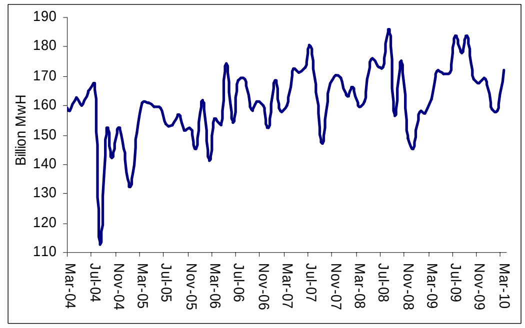
Figure 3: Supply of Starchy Foods



Source: Rural Agricultural Development Agency (RADA)

Industrial electricity consumption, which is used as an indicator of industrial production, increased by 8.7 **per cent** for March 2010 relative to February 2010. Also, sales of industrial electricity in March 2010 were 6.1 **per cent** above the level attained in March 2009 (see **Figure** 4). Production levels have recovered from the initial shock of the crisis in 2008. This, as the shock of the spike in energy prices forced greater efficiency on the part of users.

Figure 4: Industrial Electricity Consumption

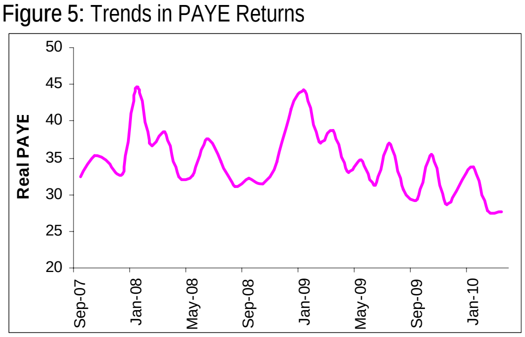


Costs

There were mixed movements in the prices of the major imported commodities on the international markets in March. Crude oil and soybeans prices increased by 6.3 **per cent** and 0.5 **per cent**, respectively while wheat and corn prices declined by 1.2 **per cent** and 1.7 **per cent**, respectively. Both crude oil and soybeans experienced reversing trends in price movement over the previous month. Wheat and corn prices experienced a slower rate of decline relative to the previous month.

Real wages, as proxied by deflated PAYE returns, increased by 0.4 **per cent** in March 2010, relative to February 2010. However, real PAYE returns decreased by 28.7 **per cent** for the 12-month period to March 2010. The overall declining trend in PAYE (see **Figure** 5) is consistent with the current economic environment and corroborates weakness in other indicators of aggregate demand. Lower spending power is the strongest indicator of weak aggregate demand and spending will be slow to recover as consumers remain cautious.

Figure 5: Trends in PAYE Returns



Consumer Prices

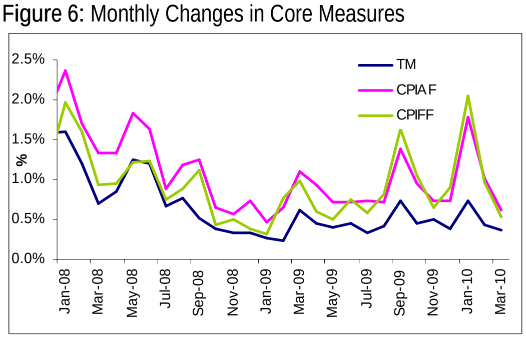
The inflation for the month of March largely reflected the impact of commodity price pass-through, higher food prices and administered price adjustments. The main contributor to inflation for the month was the increase of 0.8 **per cent** in food prices, contributing

[2] 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).

61.1 per cent of the inflation outturn. Commodity price pass-through was evident in *Transport* which increased 0.5 per cent and contributed 14.6 per cent of inflation. Administered price adjustments emanating from the second round impact of Government's revenue enhancement measures were important in their cumulative impact on *Alcoholic Beverages & Tobacco* and *Furnishings, Household Equipment & Routine Household Maintenance*. Also, inflation for the month was affected by a 10.0 per cent tax on industrial electricity which was effected in February. The impact of this was, however, moderated by appreciation in the exchange rate.

Monthly core inflation as at March 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 0.5 per cent, 0.6 per cent and 0.4 per cent, respectively. These measures were, on average, lower than comparable measures at February 2010. The relative stability in core inflation (see Figure 6) is likely due to the weak demand conditions as highlighted by abovementioned indicators.

Figure 6: Monthly Changes in Core Measures



Inflation Outlook

For April 2010, inflation is estimated in the range of 1.0 per cent to 2.0 per cent. This estimate primarily reflects an anticipated increase of 60.0 per cent in JUTC adult bus fares.[3] Further, inflation in April 2010 should reflect higher commodity and energy prices as well as lower demand impulses as a result of further declines in real wages. Consequently, inflation for the June quarter is projected in the range 2.5 per cent to 3.5 per cent. Despite the expectation of increases in international commodity prices, weak domestic demand should restrain impulses. The annual inflation rate is projected to fall within the range of 7.5 per cent to 9.5 per cent by the end of the FY 2010/11 (see Figure 8).

The risks to the forecast are balanced and include the occurrence of an El Niño phenomenon, which usually moderates the Tropical Atlantic hurricane season. This phenomenon is expected to continue into the spring of 2010, resulting in unusually drier conditions for the Caribbean. Weak domestic consumer demand and excess supply in some sectors should also serve to depress effective demand and prices. On the negative side, El Niño can also exacerbate drought conditions such as those seen at the start of this 2009 summer season.

Figure 7: Inflation forecast

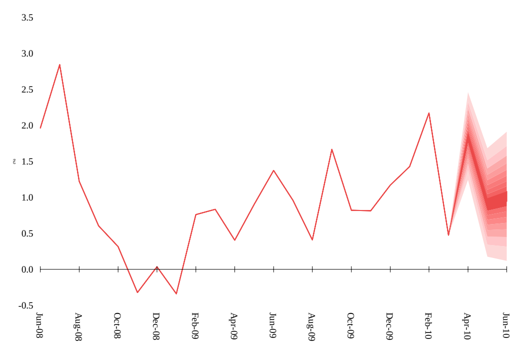
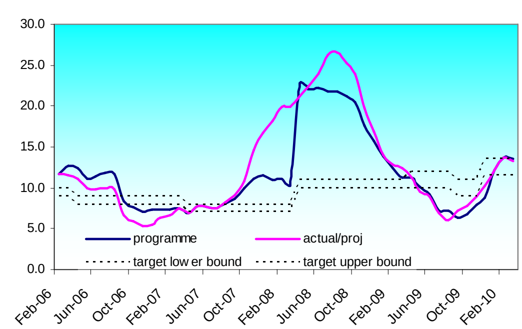


Figure 8: Forecast versus Target



[3] The increases ranged between 20.0 per cent and 60.0 per cent, but the fare in the CPI basket changed by 60.0 per cent.

APPENDIX
Inflation Tables

Table 1A

JAMAICA: HEADLINE INFLATION RATES

Mar. 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
2007	Jan-07	101.01	100.19	1.01	1.33	0.70	6.31	17.76	5.88	1.01
	Feb-07	101.34	100.78	0.33	1.78	1.12	6.59	8.12	6.22	1.34
	Mar-07	102.50	101.61	1.15	2.50	1.87	7.44	7.79	7.44	2.50
	Apr-07	102.98	102.27	0.47	1.96	2.08	6.90	7.46	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

1/ December 2006 = 100

* Point to Point

\# Moving average

Source: STATIN

Table 1B

JAMAICA: CPI WITHOUT FOOD AND FUEL

Mar. 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
2007	Jan-07	190.59	189.21	0.96	1.55	1.17	7.17	17.19	5.52	0.96
	Feb-07	193.11	190.83	1.32	2.58	1.64	7.41	7.69	6.91	2.29
	Mar-07	195.41	193.04	1.20	3.51	2.55	8.19	7.67	8.19	3.51
	Apr-07	196.10	194.87	0.35	2.89	2.99	7.80	7.61	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

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 1C

JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL

Mar. 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
2007	Jan-07	189.58	187.84	1.28	1.99	1.53	8.69	19.34	6.64	1.28
	Feb-07	192.08	189.62	1.32	2.86	1.95	8.92	9.69	8.04	2.61
	Mar-07	194.66	192.11	1.34	3.99	2.95	9.49	9.57	9.49	3.99
	Apr-07	196.02	194.25	0.70	3.40	3.41	9.45	9.47	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

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 1D

JAMAICA: TRIMMED MEAN CORE INFLATION

Mar. 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
2007	Jan-07	138.06	137.41	0.63	0.77	0.51	4.13	13.45	3.54	0.63
	Feb-07	138.86	138.04	0.58	1.38	0.79	4.56	4.23	4.15	1.21
	Mar-07	139.80	138.91	0.68	1.90	1.35	4.85	4.22	4.85	1.90
	Apr-07	140.34	139.67	0.38	1.65	1.65	4.67	4.22	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

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 2
Regional Inflation
Mar-MTH. 2010

		GKMA Inflation(%)	OUC Inflation(%)	RUA Inflation(%)
01	**FOOD & NON-ALCOHOLIC BEVERAGES**	0.73	0.95	0.76
01.1	**Food**	0.79	0.94	-10.69
	Bread and Cereals	0.05	0.37	0.24
	Meat	0.06	1.25	0.86
	Fish and Seafood	0.55	1.44	1.07
	Milk, Cheese and Eggs	1.48	1.18	0.95
	Oils and Fats	0.28	0.64	0.45
	Fruit	0.38	-1.64	1.63
	Vegetables and Starchy Foods	2.40	1.05	0.00
	Vegetables	2.42	2.31	0.61
	Starchy Foods	2.47	-2.09	-1.64
	Sugar, Jam, Honey, Chocolate and Confectionery	0.48	1.35	2.21
	Food Products n.e.c.	0.34	1.04	1.96
01.2	**Non-Alcoholic Beverages**	0.41	0.77	1.16
	Coffee, Tea and Cocoa	1.18	0.92	1.30
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.17	0.62	1.04
02	**ALCOHOLIC BEVERAGES & TOBACCO**	1.03	4.10	2.53
03	**CLOTHING & FOOTWEAR**	0.77	0.70	1.56
03.1	Clothing	0.91	0.94	1.44
03.2	Footwear	0.51	0.15	1.76
04	**HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS**	-0.73	-0.50	-0.91
04.1	Rentals for Housing	0.00	0.65	0.76
04.3	Maintenance and Repair of Dwelling	0.12	0.20	1.07
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.95	2.00	1.99
04.5	Electricity, Gas and Other Fuels	-2.34	-1.74	-1.80
05	**FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINTENAN**	0.31	0.46	0.66
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.87	0.42	0.32
05.2	Household Textiles	0.07	1.42	0.14
05.3	Household Appliances	0.43	2.16	1.98
05.4	Glassware, Tableware and Household Utensils	0.37	1.18	0.47
05.5	Tools and Equipment for House and Garden	0.42	0.29	0.65
05.6	Goods and Services for Routine Household Maintenance	0.25	0.07	0.61
06	**HEALTH**	0.09	0.42	0.51
06.1	Medical Products, Appliances and Equipment	0.09	0.08	0.27
06.2	Health Services	0.00	0.60	0.67
07	**TRANSPORT**	1.44	0.13	0.19
08	**COMMUNICATION**	0.00	0.09	0.05
09	**RECREATION & CULTURE**	0.53	0.14	0.47
10	**EDUCATION**	0.00	0.00	0.02
11	**RESTAURANTS & ACCOMMODATION SERVICES**	0.07	0.54	0.06
12	**MISCELLANEOUS GOODS & SERVICES**	0.43	0.00	0.97
	ALL DIVISIONS	0.45	0.44	0.50

Table 3
Component Contribution to Inflation
Mar. 2010

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
01	**FOOD & NON-ALCOHOLIC BEVERAGES**	37.45	0.76	0.29	65.69
01.1	**Food**	35.10	0.76	0.27	61.10
	Bread and Cereals	6.10	0.21	0.01	2.97
	Meat	7.66	0.68	0.05	11.87
	Fish and Seafood	5.33	0.94	0.05	11.47
	Milk, Cheese and Eggs	3.11	1.15	0.04	8.19
	Oils and Fats	1.64	0.47	0.01	1.76
	Fruit	1.14	0.34	0.00	0.88
	Vegetables and Starchy Foods	6.85	1.02	0.07	16.07
	Vegetables	4.64	1.56	0.07	16.65
	Starchy Foods	2.21	-0.39	-0.01	-1.96
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	1.57	0.03	6.20
	Food Products n.e.c.	1.55	1.24	0.02	4.40
01.2	**Non-Alcoholic Beverages**	2.35	0.79	0.02	4.29
	Coffee, Tea and Cocoa	0.66	1.18	0.01	1.78
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	0.72	0.01	2.78
02	**ALCOHOLIC BEVERAGES & TOBACCO**	1.38	2.39	0.03	7.58
03	**CLOTHING & FOOTWEAR**	3.33	1.21	0.04	9.25
03.1	Clothing	2.12	1.16	0.02	5.65
03.2	Footwear	1.22	1.07	0.01	3.01
04	**HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS**	12.76	-0.76	-0.10	-22.32
04.1	Rentals for Housing	3.52	0.34	0.01	2.77
04.3	Maintenance and Repair of Dwelling	0.80	0.59	0.00	1.08
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	2.00	0.03	6.07
04.5	Electricity, Gas and Other Fuels	7.12	-1.94	-0.14	-31.78
05	**FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINT**	4.93	0.46	0.02	5.21
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	0.50	0.00	0.79
05.2	Household Textiles	0.32	0.36	0.00	0.26
05.3	Household Appliances	0.56	1.45	0.01	1.86
05.4	Glassware, Tableware and Household Utensils	0.05	0.53	0.00	0.06
05.5	Tools and Equipment for House and Garden	0.15	0.55	0.00	0.19
05.6	Goods and Services for Routine Household Maintenance	3.16	0.33	0.01	2.39
06	**HEALTH**	3.29	0.34	0.01	2.56
06.1	Medical Products, Appliances and Equipment	1.22	0.16	0.00	0.46
06.2	Health Services	2.07	0.43	0.01	2.05
07	**TRANSPORT**	12.82	0.50	0.06	14.62
08	**COMMUNICATION**	3.99	0.09	0.00	0.84
09	**RECREATION & CULTURE**	3.36	0.43	0.01	3.31
10	**EDUCATION**	2.14	0.00	0.00	0.00
11	**RESTAURANTS & ACCOMMODATION SERVICES**	6.19	0.21	0.01	2.97
12	**MISCELLANEOUS GOODS & SERVICES**	8.37	0.54	0.04	10.29
	ALL DIVISIONS	100.00	0.47	0.44	100.00

Table 4
Annual Component Contribution to Inflation
Mar. 2010

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
01	**FOOD & NON-ALCOHOLIC BEVERAGES**	37.45	9.27	3.47	26.04
01.1	**Food**	35.10	9.11	3.20	24.00
	Bread and Cereals	6.10	6.21	0.38	2.84
	Meat	7.66	11.36	0.87	6.53
	Fish and Seafood	5.33	14.44	0.77	5.77
	Milk, Cheese and Eggs	3.11	9.15	0.28	2.13
	Oils and Fats	1.64	8.96	0.15	1.10
	Fruit	1.14	6.73	0.08	0.58
	Vegetables and Starchy Foods	6.85	1.92	0.13	0.99
	Vegetables	4.64	4.21	0.20	1.47
	Starchy Foods	2.21	-2.48	-0.05	-0.41
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	25.59	0.44	3.30
	Food Products n.e.c.	1.55	16.85	0.26	1.96
01.2	**Non-Alcoholic Beverages**	2.35	12.15	0.29	2.14
	Coffee, Tea and Cocoa	0.66	14.28	0.09	0.71
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	11.45	0.19	1.45
02	**ALCOHOLIC BEVERAGES & TOBACCO**	1.38	28.33	0.39	2.93
03	**CLOTHING & FOOTWEAR**	3.33	10.72	0.36	2.68
03.1	Clothing	2.12	8.99	0.19	1.43
03.2	Footwear	1.22	13.19	0.16	1.21
04	**HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS**	12.76	28.98	3.70	27.74
04.1	Rentals for Housing	3.52	31.40	1.11	8.29
04.3	Maintenance and Repair of Dwelling	0.80	8.74	0.07	0.52
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	23.50	0.31	2.33
04.5	Electricity, Gas and Other Fuels	7.12	31.48	2.24	16.81
05	**FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINTE**	4.93	10.20	0.50	3.77
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	8.30	0.06	0.43
05.2	Household Textiles	0.32	5.86	0.02	0.14
05.3	Household Appliances	0.56	13.05	0.07	0.55
05.4	Glassware, Tableware and Household Utensils	0.05	6.77	0.00	0.03
05.5	Tools and Equipment for House and Garden	0.15	7.28	0.01	0.08
05.6	Goods and Services for Routine Household Maintenance	3.16	10.81	0.34	2.56
06	**HEALTH**	3.29	3.55	0.12	0.88
06.1	Medical Products, Appliances and Equipment	1.22	4.34	0.05	0.40
06.2	Health Services	2.07	3.11	0.06	0.48
07	**TRANSPORT**	12.82	20.48	2.63	19.69
08	**COMMUNICATION**	3.99	6.29	0.25	1.88
09	**RECREATION & CULTURE**	3.36	12.16	0.41	3.06
10	**EDUCATION**	2.14	6.24	0.13	1.00
11	**RESTAURANTS & ACCOMMODATION SERVICES**	6.19	7.70	0.48	3.57
12	**MISCELLANEOUS GOODS & SERVICES**	8.37	13.12	1.10	8.24
	ALL DIVISIONS	100.00	13.33	13.33	100.00