



# Short term Inflation Analyses and Forecasts

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March 2011  
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.

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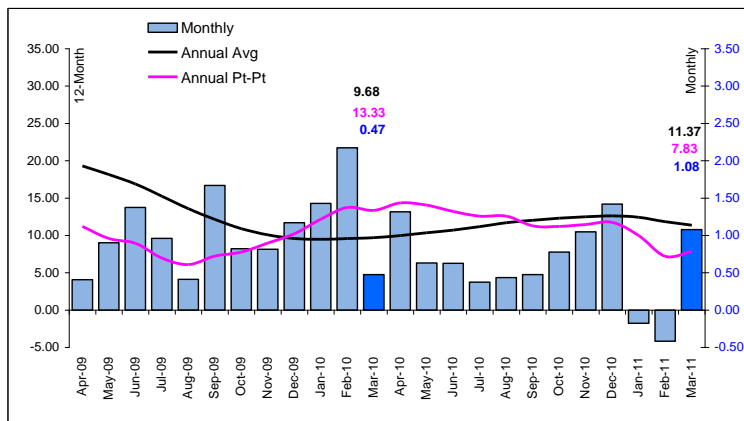
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## 1.0 Review of Outturn

Headline inflation for March 2011 was **1.1 per cent**, representing the only positive monthly inflation during the quarter (see **Figure 1**). This outturn resulted in inflation rates of **0.5 per cent** and **7.8 per cent**, for the March 2011 quarter and FY2010/11, respectively. Inflation for the March 2010 quarter and the previous fiscal year was **4.1 per cent** and **13.3 per cent**, respectively.

Figure 1: Trend in monthly inflation

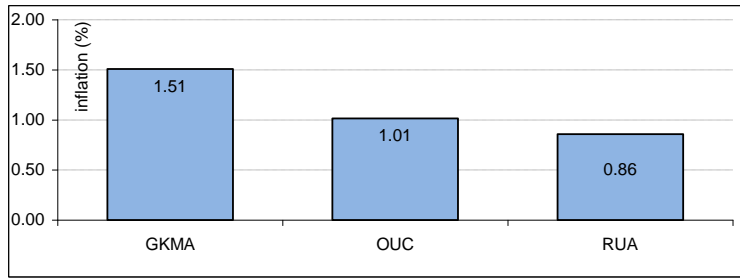


*Inflation target for March 2011 was in line with forecast.*

The *Greater Kingston Metropolitan Area (GKMA)* reflected the highest regional increase of **1.5 per cent** in inflation for the review month (see **Figure 2**). The relatively higher inflation for the GKMA was primarily due to a noticeable increase in the main division Food & Non-Alcoholic Beverages (FNB) while there was a marginal decline in the other regions. Inflation was approximately **1.0 per cent** and **0.9 per cent** in *Other Urban Centres (OUC)* and *Rural Areas (RUA)*, respectively. Inflation in all regions were strongly influenced by higher electricity rates, transport costs and the impact of a higher national minimum wage on cost of routine household maintenance services.



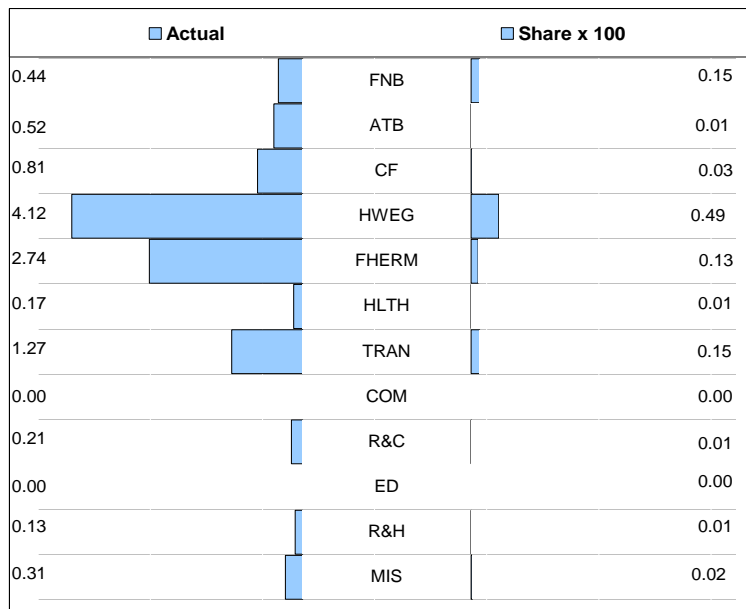
Figure 2: Regional Inflation



Overall, the main driver of inflation in March 2011 was *Housing, Water, Electricity, Gas & Other Fuels (HWEG)*. Inflation in this division was directly related to an **11.4 per cent** increase in fuel rates used in electricity generation. The other main inflation components for March 2011 were FNB, Transport (TRAN), and Furniture, Household Equipment & Routine Maintenance (FHERM) (see **Figure 3**). FNB reflected the combined impact of increased prices for *meats, milk cheese & eggs, fish & seafoods* and *bread & cereals*, which reflects the higher price for grains on the international market. Transport prices increased as oil prices on the international market escalated in response to instability in the Middle East and North Africa. FHERM reflected the impact of a **10.0 per cent** higher National Minimum Wage on *goods & services for routine household maintenance*.

*Higher inflation reflects pass through of higher energy costs.*

Figure 3: Inflation Contribution





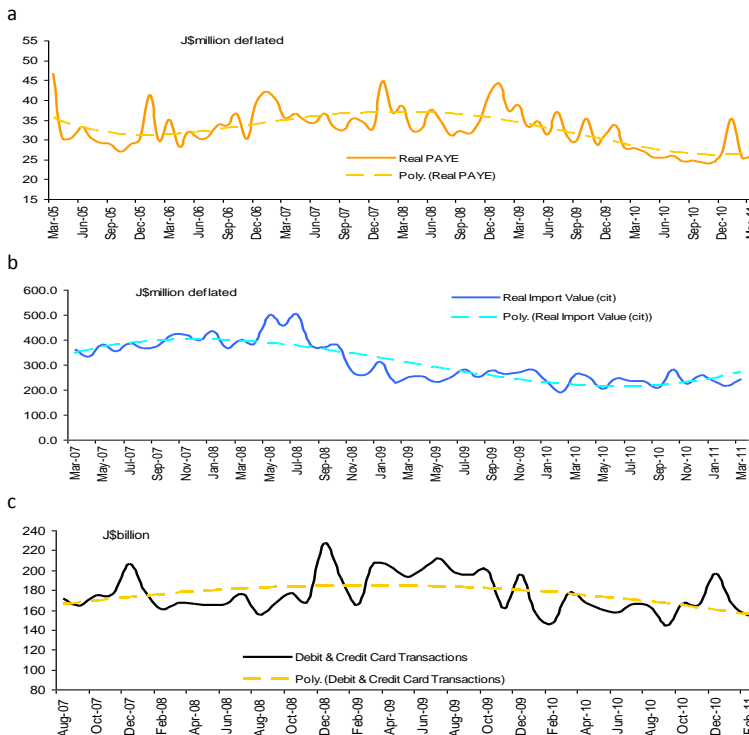
## 2.0 Factors underpinning the revised forecast

### 2.1 Trends in demand

In March 2011 indicators of domestic demand continued to reflect low spending conditions (see **Figure 4**). Real incomes, as proxied by real PAYE, declined by **7.3 per cent** in March 2011 relative March 2010. This follows a seasonal increase and subsequent correction in the December to January period. Average real PAYE trends have settled notably below pre-crisis levels (see **Figure 4.a**). The real value of imports has also settled at a generally low level when compared to pre-2008 crisis levels. Total imports for the 12 months ended March 2011, increased by a marginal **0.3 per cent**, relative to an increase of **1.8 per cent** in the previous month. Real value of debit and credit card transactions also reflected a seasonal uptick and subsequent correction that typically takes place between December and January. However, trends in transaction values have declined to levels consistent with pre-crisis (2008) levels.

*Demand conditions remain depressed.*

**Figure 4: Short-term Indicators of Demand**





## 2.2 Trends in supply

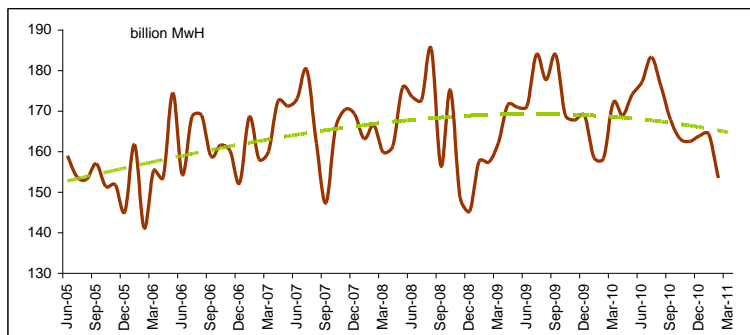
There were generally higher supplies of agriculture produce during March 2011. This reflected continued buoyancy in the supply of key vegetable items especially tomatoes, cabbages, pumpkin, escallions and callaloo (*see Appendices for trends in selected agriculture production*). Supplies of starchy foods displayed mixed results with Irish potatoes reflecting significant surpluses above seasonal levels while yellow yam, having trending below seasonal levels since December 2010.

*Vegetable supplies continue to boom.*

Vegetable supplies should continue a gradual upward trend in April while supplies of Irish potatoes, a key component among starchy foods, are expected to continue a steep upward trend in supply. In this context, further price declines are anticipated for agriculture items in April 2011.

Industrial electricity sales, used as a proxy for industrial production, reflected a notable contraction in February (see **Figure 5**). This could indicate that industrial production could be adjusting to the prolonged period of depressed domestic demand.

Figure 5: Industrial Electricity Sales



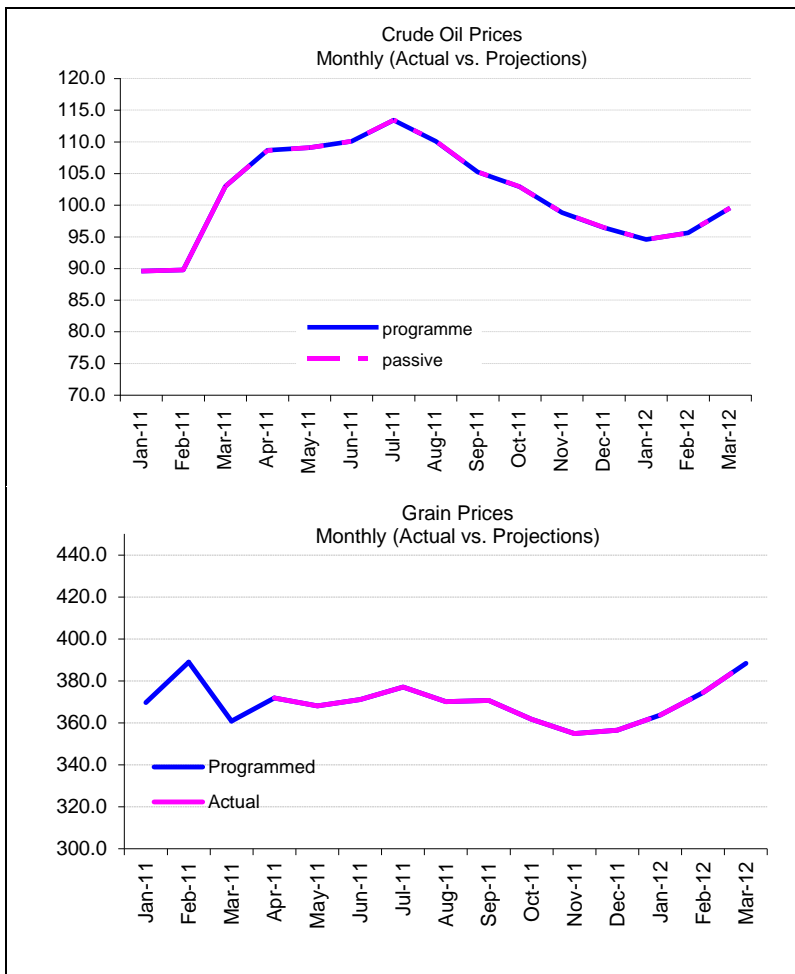


### 2.3 Import prices

The average price of crude oil increased by **14.8 per cent** to **US\$102.98 per bbl** in March 2011 relative to February 2011. In April 2011 relative to March 2011, average price of crude oil increased by **5.5 per cent** to **US\$108.62 per bbl**. The current projection for average crude oil price for fiscal year 2011/12 is **US\$103.70 per bbl** (see **Figure 6**).

*Oil prices are expected to peak in July and thereafter reflect significant reversal.*

**Figure 6: International Commodity Prices**



The risk to the oil projection is currently skewed to the upside as a result of possible retaliation by Al Qaeda in response to the killing of Osama Bin Laden. Concerns of political instability still linger in the Middle Eastern and Northern Africa regions with the possibility of further adverse effects to oil prices.

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There were declines in the price of grains on the international market in March 2011 relative to the February 2011. Both hard and soft grain wheat declined by **9.0 per cent** and **10.7 per cent**, respectively. Rice prices fell by **6.9 per cent** while corn prices declined by **0.8 per cent** in March 2011 relative to February 2011.

The decline in wheat prices in March was due to improved wheat harvest in China, which resulted from a favourable change in weather that followed a severe drought. However, wheat prices could increase in April due to dry weather in the US southern plains. The notable contraction in the price of rice during March 2011 was attributed to a reduction in consumption in India and China along with increased production from Thailand and Vietnam. Corn prices were lowered by **0.8 per cent** in March 2011 relative to February 2011 due to lower demand in Japan following the impact of the earthquake and tsunami in March 2011. Corn, used in ethanol production, is expected to reflect rising prices in April as crude oil price increase. Higher prices are also likely to be influenced by unfavourable weather conditions in the US Midwest, which could lead to delays in planting.



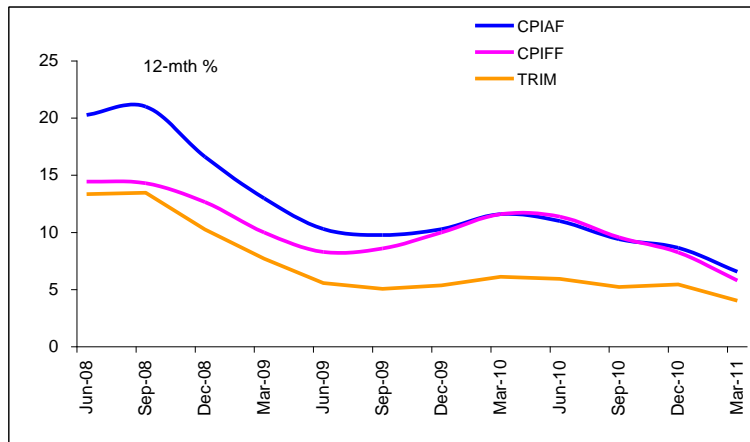


## 2.4 Trends in Core Inflation

Monthly core inflation as indicated by the change in CPI without Agriculture and Fuel (CPI-AF) increased to **0.6 per cent** in March 2011 relative to the **0.4 per cent** in February 2011. CPI without Food and Fuel (CPI-FF) was **0.5 per cent** in March 2011, relative to **0.4 per cent** in February. The Trimmed Mean reflected the sharpest increase and was **0.4 per cent** in March relative to **0.1 per cent** in February. In March 2011, the annual point-to-point measure of core inflation for CPI-AF and CPI-FF was **6.6 per cent** and **5.8 per cent**, respectively, reflecting stability relative to February 2011. The annual point-to-point inflation for TRIM decelerated marginally to **4.0 per cent** in March 2011 relative to **4.1 per cent** in February 2011 (see **Figure 9**). The current inflation trends are indicative of the prevailing weak demand conditions.

*Core inflation indicates continued weak domestic demand conditions.*

Figure 7: Core Inflation (12-month change)





### 3.0 Revised Forecasts

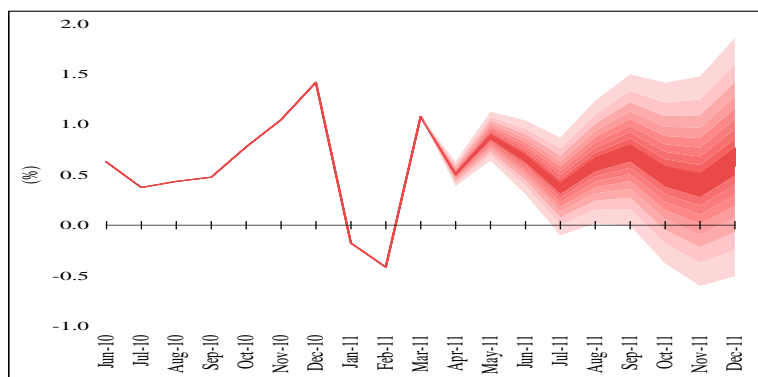
The Banks forecasts that headline inflation for FY2011/12 will be within the range of **6.0 per cent** to **8.0 per cent**. The current point estimate is **7.1 per cent**. The main upside risks perceived for the period include slower than anticipated decline in crude oil and grain prices on the international commodities market.

Prices are projected to increase by **0.5 per cent** in April 2011. This will be driven mainly by higher prices for processed foods within *Food & Non-Alcoholic Beverages* including second-round impact of *bread and cereals*. The next major contributor was *Restaurants & Accommodation* which is also characteristic of rising food prices. Inflation forecast for April 2011 reflects expected declines in energy costs for electricity due to a decline in fuel charge for the month as well as further contractions in Agriculture prices as indicated by trends in grocery price trends from the Consumer Affairs Commission (CAC). Inflation is projected to be **0.9 per cent** in May 2011 and **0.7 per cent** in June 2011. This resulted in projected inflation for the June quarter of approximately **2.1 per cent**.

*FY2011/12 is expected to be another year of low inflation.*

The upside risks for April and ensuing months pertain to the impact on crude oil prices of prolonged political instability in the Middle East and North Africa. There are also concerns about increased activity from the terrorist group Al Qaeda and the possible impact on the price of oil.

Figure 8: Inflation Fan Chart





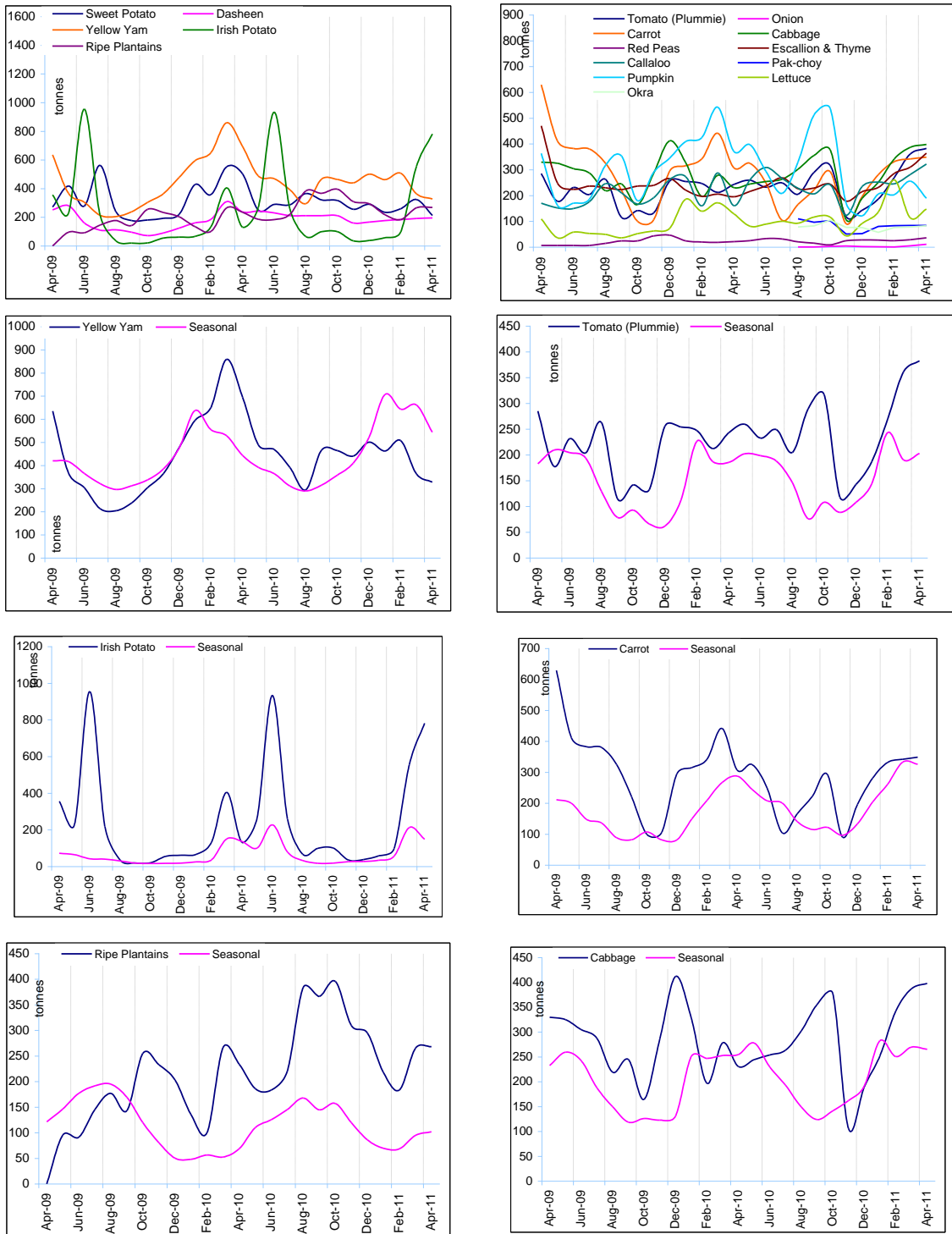
## 4.0 Summary and conclusions

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Despite continued declines in agriculture prices in March 2011 due to impacts of the glut, there were notable price increases in energy costs caused by higher fuel rates. Both electricity and transportation costs reflected the increase in energy costs resulting in March being the only month within the March quarter that reflected positive inflation. Nonetheless, the fiscal year inflation outturn was comfortably within the target range.

## Appendices

Figure 9: Trends in selected agricultural production



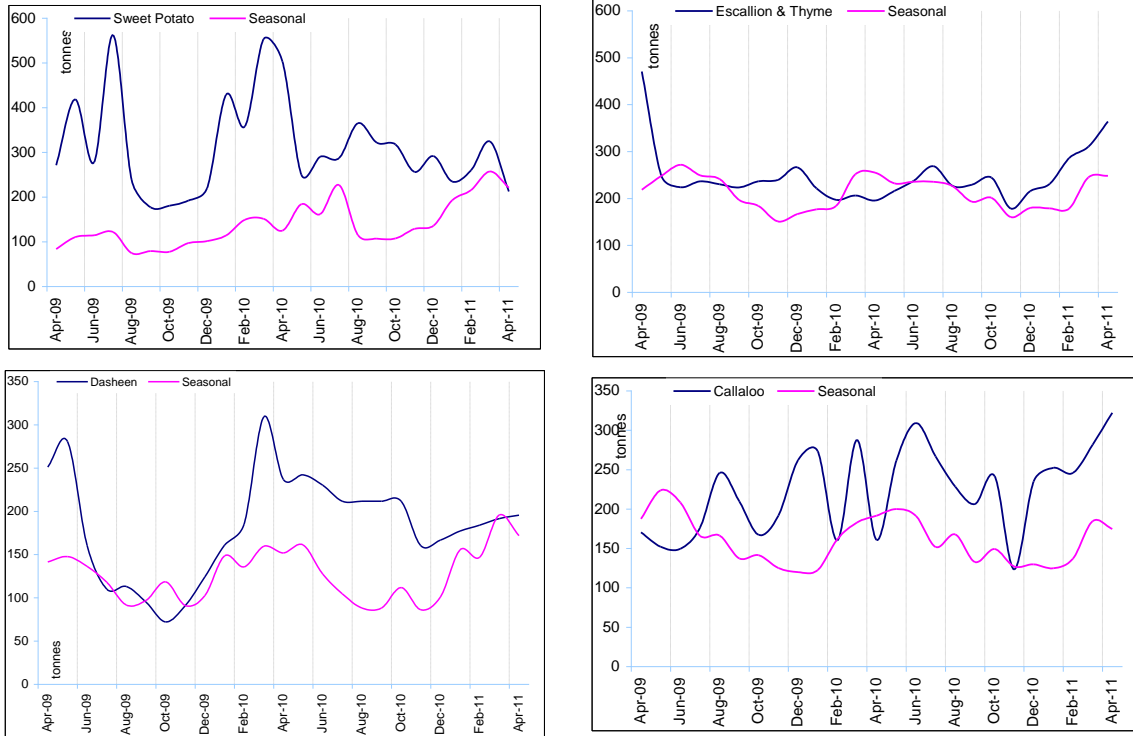
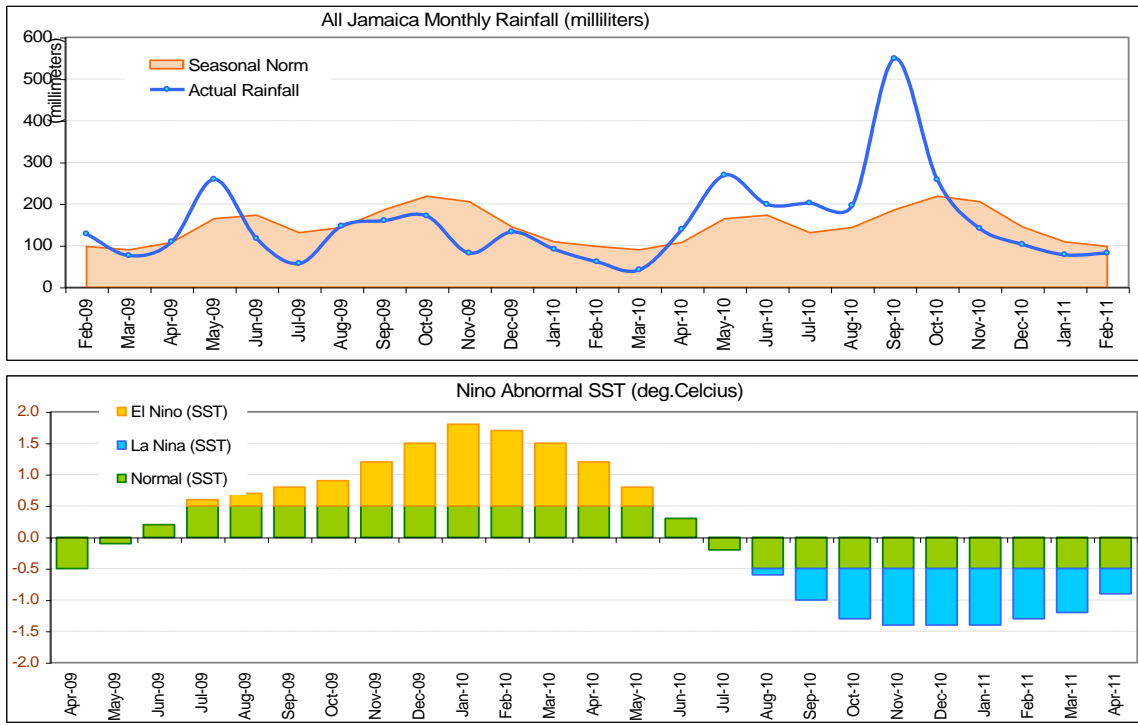


Figure 10: Trends in Weather related Factors



**Table 1A**  
**JAMAICA: HEADLINE INFLATION RATES**  
**Mar. 2011**

		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
2008	Jan-08	119.36	116.72	2.18	8.13	7.24	18.18	19.83	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
2011	Jan-11	167.80	167.22	-0.18	2.30	2.63	9.97	12.41	7.12	-0.18
	Feb-11	167.10	167.67	-0.42	0.81	2.12	7.18	11.84	6.68	-0.59
	Mar-11	168.90	167.93	1.08	0.48	1.19	7.83	11.37	7.83	0.48

1/ December 2006 = 100

\* Point to Point

# Moving average

Source: STATIN

**Table 1B**  
**JAMAICA: CPI WITHOUT FOOD AND FUEL**  
**Mar. 2011**

		1/ CPI-FF	3 Month Avg.CPIFF	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change
2008	Jan-08	214.53	210.94	1.96	4.13	3.32	12.56	18.71	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
2011	Jan-11	283.00	282.09	0.30	1.01	1.28	6.39	10.17	4.81	0.30
	Feb-11	284.15	283.10	0.40	1.09	1.15	5.79	9.63	5.23	0.70
	Mar-11	285.66	284.27	0.53	1.24	1.11	5.79	9.14	5.79	1.24

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

**Table 1C**  
**JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL**  
**Mar. 2011**

		1/	3 Month	Monthly	3 mth*	3mth#	12 Month*	12 Month#	FYTD	CYTD
		CPI-AF	Avg.CPIAF	% change	% change	% change	% change	% change	% change	% change
2008	Jan-08	221.57	216.85	2.37	7.10	5.98	16.87	21.02	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
2011	Jan-11	303.68	302.25	0.42	1.55	1.64	7.20	10.07	5.47	0.42
	Feb-11	304.97	303.68	0.42	1.42	1.57	6.57	9.60	5.91	0.85
	Mar-11	306.85	305.16	0.62	1.47	1.48	6.57	9.18	6.57	1.47

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ



**Table 1E**  
**JAMAICA: TRIMMED MEAN CORE INFLATION**  
**Mar. 2011**

		1/ CPI-TRIM	3 Month Avg.TRIM	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change
2008	Jan-08	152.45	150.07	1.60	5.03	4.08	10.42	15.50	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
2011	Jan-11	183.86	183.45	0.03	1.15	1.32	4.64	5.61	3.57	0.03
	Feb-11	183.98	183.88	0.07	0.71	1.14	4.09	5.43	3.64	0.09
	Mar-11	184.65	184.16	0.37	0.46	0.77	4.02	5.25	4.02	0.46

1/January 2000 = 100

\* Point to Point

# Moving average

Source: BOJ

**Table 2**  
**Regional Inflation**  
**Mar-MTH. 2011**

		GKMA	OUC	RUA
		Inflation(%)	Inflation(%)	Inflation(%)
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	1.60	-0.06	-0.17
01.1	<b>Food</b>	1.65	-0.16	-0.28
	Bread and Cereals	0.57	0.10	0.35
	Meat	2.07	0.42	0.30
	Fish and Seafood	1.18	0.30	0.40
	Milk, Cheese and Eggs	1.94	0.45	1.23
	Oils and Fats	0.94	0.43	0.30
	Fruit	0.59	0.21	0.35
	Vegetables and Starchy Foods	2.76	-1.87	-3.55
	Vegetables	0.66	-2.42	-4.84
	Starchy Foods	7.85	-0.61	-0.19
	Sugar, Jam, Honey, Chocolate and Confectionery	2.70	0.27	0.16
	Food Products n.e.c.	0.25	0.16	1.19
01.2	<b>Non-Alcoholic Beverages</b>	0.43	1.35	0.97
	Coffee, Tea and Cocoa	1.25	1.29	1.66
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.16	1.35	0.64
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	0.65	1.24	0.15
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	0.98	2.51	0.06
03.1	Clothing	1.14	3.06	0.13
03.2	Footwear	0.82	1.59	0.00
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	3.30	4.02	5.21
04.1	Rentals for Housing	0.06	0.00	0.00
04.3	Maintenance and Repair of Dwelling	1.20	0.06	0.00
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	0.44	0.50	0.50
04.5	Electricity, Gas and Other Fuels	7.60	7.57	7.36
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENAN</b>	3.30	3.00	2.26
05.1	Furniture and Furnishings (inc. Floor Coverings)	1.26	1.00	1.33
05.2	Household Textiles	1.04	3.83	0.07
05.3	Household Appliances	0.65	2.04	19.86
05.4	Glassware, Tableware and Household Utensils	0.87	1.71	0.25
05.5	Tools and Equipment for House and Garden	0.39	-4.40	0.71
05.6	Goods and Services for Routine Household Maintenance	4.48	3.59	3.02
<b>06</b>	<b>HEALTH</b>	0.26	0.16	0.08
06.1	Medical Products, Appliances and Equipment	0.52	0.24	0.08
06.2	Health Services	0.00	0.17	0.17
<b>07</b>	<b>TRANSPORT</b>	1.04	1.13	1.44
<b>08</b>	<b>COMMUNICATION</b>	0.09	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	0.21	0.13	0.20
<b>10</b>	<b>EDUCATION</b>	0.00	0.00	0.00
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	0.06	0.13	0.15
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	0.47	0.25	0.13
<b>ALL DIVISIONS</b>		1.51	1.01	0.86

**Table 3A**  
**Component Contribution to Inflation**  
**Mar. 2011**

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	37.45	0.44	0.16	15.31
01.1	<b>Food</b>	35.10	0.38	0.13	12.46
	Bread and Cereals	6.10	0.35	0.02	2.01
	Meat	7.66	0.92	0.07	6.61
	Fish and Seafood	5.33	0.63	0.03	3.16
	Milk, Cheese and Eggs	3.11	1.27	0.04	3.70
	Oils and Fats	1.64	0.47	0.01	0.73
	Fruit	1.14	0.46	0.01	0.50
	Vegetables and Starchy Foods	6.85	-0.96	-0.07	-6.14
	Vegetables	4.64	-2.28	-0.11	-9.90
	Starchy Foods	2.21	2.42	0.05	5.01
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	0.90	0.02	1.46
	Food Products n.e.c.	1.55	0.69	0.01	1.00
01.2	<b>Non-Alcoholic Beverages</b>	2.35	0.86	0.02	1.89
	Coffee, Tea and Cocoa	0.66	1.52	0.01	0.94
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	0.61	0.01	0.96
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	0.52	0.01	0.67
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	0.81	0.03	2.52
03.1	Clothing	2.12	0.93	0.02	1.84
03.2	Footwear	1.22	0.56	0.01	0.64
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	4.12	0.53	49.25
04.1	Rentals for Housing	3.52	0.00	0.00	0.00
04.3	Maintenance and Repair of Dwelling	0.80	0.36	0.00	0.27
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	0.44	0.01	0.55
04.5	Electricity, Gas and Other Fuels	7.12	7.51	0.53	50.10
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINT</b>	4.93	2.74	0.13	12.64
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	1.28	0.01	0.83
05.2	Household Textiles	0.32	1.27	0.00	0.38
05.3	Household Appliances	0.56	1.42	0.01	0.74
05.4	Glassware, Tableware and Household Utensils	0.05	0.68	0.00	0.03
05.5	Tools and Equipment for House and Garden	0.15	0.06	0.00	0.01
05.6	Goods and Services for Routine Household Maintenance	3.16	3.70	0.12	10.95
<b>06</b>	<b>HEALTH</b>	3.29	0.17	0.01	0.51
06.1	Medical Products, Appliances and Equipment	1.22	0.24	0.00	0.28
06.2	Health Services	2.07	0.08	0.00	0.16
<b>07</b>	<b>TRANSPORT</b>	12.82	1.27	0.16	15.23
<b>08</b>	<b>COMMUNICATION</b>	3.99	0.00	0.00	0.00
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	0.21	0.01	0.65
<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	0.13	0.01	0.78
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	0.31	0.03	2.44
	<b>ALL DIVISIONS</b>	100.00	1.08	1.07	100.00

**Table 3A**  
**Annual Component Contribution to Inflation**  
**Mar. 2011**

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
<b>01</b>	<b>FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	37.45	7.41	2.77	35.45
01.1	<b>Food</b>	35.10	7.35	2.58	32.98
	Bread and Cereals	6.10	5.88	0.36	4.58
	Meat	7.66	6.83	0.52	6.68
	Fish and Seafood	5.33	8.17	0.44	5.57
	Milk, Cheese and Eggs	3.11	9.56	0.30	3.80
	Oils and Fats	1.64	9.83	0.16	2.06
	Fruit	1.14	16.11	0.18	2.35
	Vegetables and Starchy Foods	6.85	4.78	0.33	4.18
	Vegetables	4.64	2.49	0.12	1.48
	Starchy Foods	2.21	11.94	0.26	3.37
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	8.64	0.15	1.90
	Food Products n.e.c.	1.55	10.41	0.16	2.06
01.2	<b>Non-Alcoholic Beverages</b>	2.35	7.95	0.19	2.39
	Coffee, Tea and Cocoa	0.66	9.86	0.07	0.83
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	7.18	0.12	1.55
<b>02</b>	<b>ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	5.97	0.08	1.05
<b>03</b>	<b>CLOTHING &amp; FOOTWEAR</b>	3.33	7.84	0.26	3.34
03.1	Clothing	2.12	9.39	0.20	2.54
03.2	Footwear	1.22	5.66	0.07	0.88
<b>04</b>	<b>HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	12.76	10.45	1.33	17.04
04.1	Rentals for Housing	3.52	10.09	0.36	4.54
04.3	Maintenance and Repair of Dwelling	0.80	7.41	0.06	0.76
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	1.85	0.02	0.31
04.5	Electricity, Gas and Other Fuels	7.12	12.68	0.90	11.54
<b>05</b>	<b>FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HOUSEHOLD MAINTENANCE</b>	4.93	8.26	0.41	5.20
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	7.47	0.05	0.66
05.2	Household Textiles	0.32	8.38	0.03	0.34
05.3	Household Appliances	0.56	6.88	0.04	0.49
05.4	Glassware, Tableware and Household Utensils	0.05	7.75	0.00	0.05
05.5	Tools and Equipment for House and Garden	0.15	5.98	0.01	0.11
05.6	Goods and Services for Routine Household Maintenance	3.16	8.82	0.28	3.56
<b>06</b>	<b>HEALTH</b>	3.29	2.19	0.07	0.92
06.1	Medical Products, Appliances and Equipment	1.22	2.38	0.03	0.37
06.2	Health Services	2.07	1.97	0.04	0.52
<b>07</b>	<b>TRANSPORT</b>	12.82	12.78	1.64	20.94
<b>08</b>	<b>COMMUNICATION</b>	3.99	2.29	0.09	1.17
<b>09</b>	<b>RECREATION &amp; CULTURE</b>	3.36	4.27	0.14	1.83
<b>10</b>	<b>EDUCATION</b>	2.14	6.57	0.14	1.80
<b>11</b>	<b>RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	6.19	3.62	0.22	2.86
<b>12</b>	<b>MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	7.12	0.60	7.62
	<b>ALL DIVISIONS</b>	100.00	7.83	7.83	100.00