



# **INFLATION REPORT**

## **MAY 2009**



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## Overview

Headline inflation was **0.9 per cent** in May, which brought the calendar year-to-date inflation to **2.6 per cent**. This compares to **9.4 per cent** for the comparable period in 2008. The point-to-point inflation was **9.6 per cent**, significantly lower than the **22.5 per cent** recorded at the end of May 2008. This was also the first single-digit annual point-to-point outturn in 20 months. Inflation over the next few months will be strongly influenced by the pass-through from international commodity price movements and impulses emanating from Government's revenue enhancement measures. There are indications of strengthening agricultural supply, particularly for vegetables, and as a consequence, agricultural inflation may be lower than in previous periods. The foreign exchange market displayed relative stability in May largely due to the continued cooperation between the Bank, authorised foreign currency dealers and cambios. This relative stability occurred despite supplies from net exports and net private capital inflows remaining low and demand for foreign currency remaining high. 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

Short-term domestic money market interest rates fell marginally, in May, against a back drop of stability in the exchange rate of the Jamaica Dollar vis a vis the US dollar and slowing domestic inflation. Progressively lower interest rates were also reflected in Government's issue of fixed and variable rate investment bonds. On 27 May, the Government's 90-day and 180-day Treasury Bills yielded **19.21 per cent** and **21.08 per cent**, respectively, **61 bps** and **9 bps** lower than the previous month. The yield on the 90-day tenor was **79 bps** below the corresponding OMO tenor while the yield on the 180-day was **42 bps** below the corresponding tenor of the Bank's OMO instruments.

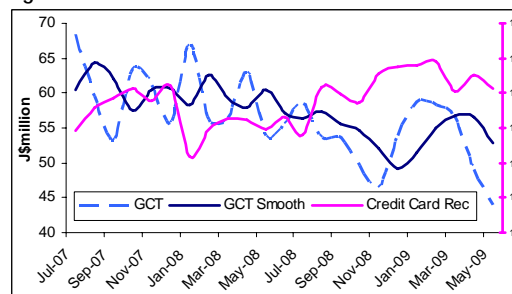
Since its inception on 03 February, the *Public Sector Foreign Currency Facility*, by which the Central Bank intermediates the demand for foreign currency by public sector institutions, has received net inflows of **US\$19.95 million**. Largely as a result of this and other measures instituted by the Bank to stem foreign exchange pressures, the end-month selling rate of the Jamaica Dollar versus its US counterpart depreciated by **0.1 per cent** for May compared to depreciation of **0.5 per cent** in April and **0.4 per cent** in March. In the context of the continuing stability, the NIR increased by **US\$8.2 million** to **US\$1671.8 million** for the month.

For May, M1, M2 and M3 declined in real terms by **0.3 per cent**. Further, on an annual basis, there were slower expansions in the monetary aggregates, M1, M2 and M3 of **8.4 per cent**, **5.3 per cent** and **8.0 per cent**, respectively, relative to **14.2 per cent**, **10.9 per cent** and **12.0 per cent** in May 2008. These developments in the monetary aggregates remain consistent with an overall trend slowdown in consumer spending and aggregate demand.

## Domestic Demand

Domestic demand conditions continue to reflect general weakness. GCT receipts, in real terms, showed a decrease of **6.8 per cent**, for May<sup>1</sup> marking 5 declines in the last 8 months and a strengthening relative to April. Simultaneously, real credit card receivables decreased by **1.6 per cent**. The 12-month change in real GCT receipts reflected a decline of **12.7 per cent**, while real credit card receivables rose by **5.1 per cent**. These indicators point to sluggish demand and increasing indebtedness occasioned by declining disposable incomes.

Figure 1: GCT Collection and Credit Card Receivables



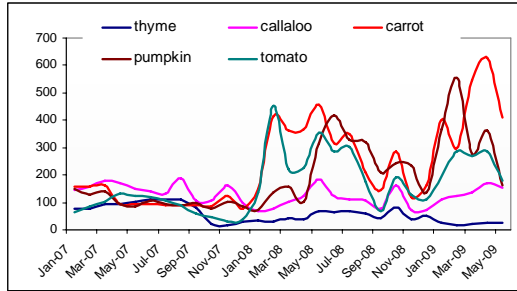
## Domestic Supply

Domestic agricultural produce, namely starchy foods, vegetables and fruit, account for more than a fifth of the Food & Non-Alcoholic Beverages division, the largest division in the consumption basket (**37.5 per cent**). Data on supplies of domestic agricultural produce indicate that these remain relatively buoyant with volumes of vegetables being the most abundant (see figs. 2 & 3). As a consequence, the average prices of *Vegetables & Starchy Foods* declined in the month. This was largely as a result of a decline in vegetable prices, the fifth consecutive monthly decline.

<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.

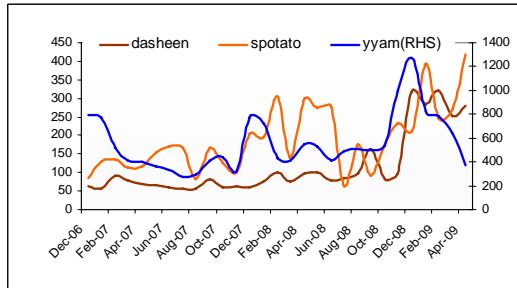


Figure 2: Supply of Vegetables



Source: Rural Agricultural Development Agency (RADA)

Figure 3: Supply of Starchy Foods



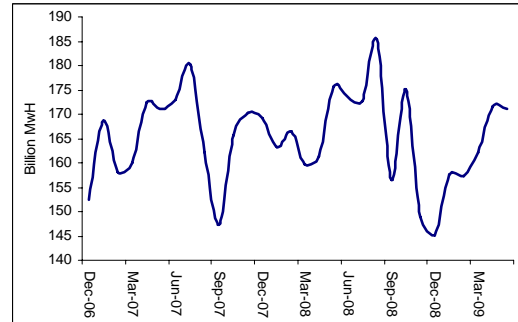
Source: Rural Agricultural Development Agency (RADA)

Industrial electricity consumption, the leading indicator of industrial production, decreased by **0.3 per cent** for May 2009 relative to April 2009. Also, sales of industrial electricity in May 2009 were **2.7 per cent** below the level attained in May 2008 (see fig. 4). The weak statistics reflect the generally lower demand and the continuing retrenchment of locally manufactured output. It is also possible that the increasing proliferation of alternative energy sources in a context of the recent sharp run up in the cost of fossil fuels could be limiting the demand from the public grid. This heightened cost sensitivity could be a factor in the trend lower demand as businesses increasingly utilise solar panels, solar water heaters and energy efficient lighting fixtures to lessen utility bills.

## Costs

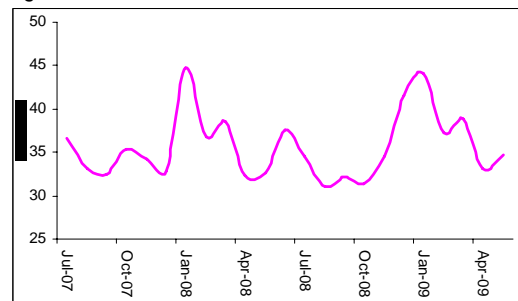
There were increases in the prices of the major imported commodities on the international markets in May. Over the month, crude oil, wheat and corn prices increased by **18.5 per cent**, **11.5 per cent** and **6.8 per cent**, respectively. This marked the third consecutive month of increases in these prices as the markets responded to the impact of adverse weather conditions in major source areas. As a result, these price movements had a significant impact on the domestic consumer basket and were inflationary.

Figure 4: Industrial Electricity Consumption



There was a **4.8 per cent** increase in real wages in May 2009 relative to April 2009. Additionally, real PAYE returns increased by **6.2 per cent** for the 12-month period to May 2009. Over the review period, July 2007 to May 2009 (see fig. 5), the trend in real wages is relatively flat suggesting that gains in nominal wages are just counterbalanced by losses due to inflation. This factor would help to lessen cost-push inflation, limit the potential for demand driven inflation and is consistent with weakness in other indicators of aggregate demand.

Figure 5: Trends in PAYE Returns



## Consumer Prices

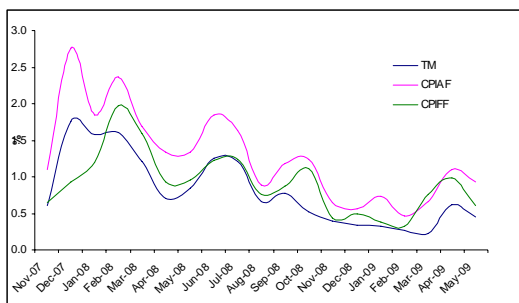
The inflation in May largely reflected the impact of commodity price pass-through, seasonally higher food prices and administered adjustments. The cost of household energy, as reflected in the *Electricity, Gas & Other Fuels* group, increased by approximately **3.8 per cent**. This was principally due to electricity bills increasing by **5.8 per cent**. The index of fish and seafood prices, which was affected by residual Lenten demand, increased by **1.9 per cent** and was the strongest impulse in *Food & Non-Alcoholic Beverages*. Administered price adjustments emanating from the Government's revenue enhancement measures were significant in their impact on *Transport*. The special consumption tax (SCT) on petrol was increased by \$8.75 per litre, an increase of approximately 16.0 per cent based on prevailing prices. However, the full pass-through to



domestic prices was tempered as retailers adjusted margins and absorbed much of the impact in a context of weakness in demand. On the other hand, there was countervailing impetus from declines in the prices for agricultural produce, namely vegetables.

Monthly core inflation as at May 2009 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 **0.9 per cent**, **0.6 per cent** and **0.5 per cent**, respectively. These measures were lower by 0.2 percentage point, 0.4 percentage point and 0.1 percentage point, respectively, relative to April 2009. The trend decline in core inflation (see fig. 6) is due to the relatively tight monetary policy stance and weak demand conditions as highlighted by the abovementioned indicators.

Figure 6: Monthly Changes in Core Measures



**Table 1A**  
**JAMAICA: HEADLINE INFLATION RATES**

	1/	3 Month	Monthly	3 mth*	3mth#	12 Month*	12 Month#	FYTD	CYTD	
	C.P.I	AVG. C.P.I	% change	% change	% change	% change	% change	% change	% change	
2004	Jan	74.7	74.1	0.8	2.5	3.7	14.9	10.7	14.5	0.8
	Feb	75.3	74.7	0.8	2.4	2.8	16.0	11.5	15.4	1.6
	Mar	75.9	75.3	0.9	2.5	2.5	16.4	12.3	16.4	2.5
	Apr	76.3	75.8	0.5	2.2	2.4	15.6	13.0	0.5	3.0
	May	76.7	76.3	0.6	1.9	2.2	14.7	13.5	1.0	3.6
	Jun	77.2	76.7	0.7	1.7	1.9	13.4	13.8	1.7	4.3
	Jul	77.9	77.3	0.8	2.1	1.9	12.9	14.1	2.5	5.1
	Aug	80.0	78.4	2.7	4.3	2.7	14.5	14.4	5.3	8.0
	Sep	80.6	79.5	0.8	4.4	3.6	12.6	14.4	6.1	8.8
	Oct	83.9	81.5	4.1	7.8	5.5	15.2	14.5	10.5	13.3
	Nov	85.4	83.3	1.8	6.8	6.3	16.2	14.7	12.5	15.3
	Dec	85.8	85.0	0.4	6.4	7.0	15.8	14.8	13.0	15.8
2005	Jan	85.6	85.6	-0.2	2.0	5.0	14.6	14.8	12.7	-0.2
	Feb	85.1	85.5	-0.5	-0.3	2.6	13.1	14.6	12.1	-0.7
	Mar	85.5	85.4	0.4	-0.3	0.4	12.6	14.3	12.6	-0.3
	Apr	86.7	85.8	1.4	1.3	0.2	13.7	14.1	1.4	1.1
	May	88.1	86.8	1.6	3.5	1.5	14.8	14.1	3.0	2.7
	Jun	89.0	87.9	1.0	4.0	2.9	15.2	14.3	4.0	3.7
	Jul	89.8	88.9	1.0	3.6	3.7	15.3	14.5	5.0	4.7
	Aug	90.2	89.6	0.4	2.4	3.3	12.7	14.3	5.5	5.1
	Sep	93.6	91.2	3.8	5.2	3.7	16.2	14.6	9.5	9.1
	Oct	94.2	92.6	0.6	4.9	4.2	12.2	14.3	10.1	9.8
	Nov	94.6	94.1	0.4	4.9	5.0	10.7	13.9	10.6	10.3
	Dec	94.8	94.5	0.2	1.3	3.6	10.5	13.4	10.9	10.5
2006	Jan	95.0	94.8	0.2	0.9	2.3	11.0	13.1	11.1	0.2
	Feb	95.1	95.0	0.1	0.5	0.9	11.7	13.0	11.2	0.3
	Mar	95.4	95.2	0.3	0.6	0.7	11.6	12.9	11.6	0.6
	Apr	96.3	95.6	1.0	1.4	0.8	11.1	12.7	1.0	1.6
	May	96.8	96.2	0.5	1.8	1.3	9.9	12.3	1.5	2.1
	Jun	97.7	96.9	0.9	2.4	1.9	9.8	11.8	2.4	3.0
	Jul	98.8	97.8	1.1	2.5	2.3	10.0	11.4	3.5	4.2
	Aug	99.1	98.5	0.3	2.3	2.4	9.9	11.2	3.8	4.5
	Sep	99.8	99.2	0.7	2.1	2.3	6.6	10.4	4.6	5.2
	Oct	99.7	99.5	-0.1	0.9	1.8	5.9	9.8	4.5	5.2
	Nov	99.6	99.7	-0.1	0.5	1.2	5.3	9.4	4.4	5.0
	Dec	100.0	99.7	0.4	0.2	0.6	5.5	8.9	4.8	5.5
2007	Jan	101.0	100.2	1.0	1.3	0.7	6.3	8.5	5.9	1.0
	Feb	101.3	100.8	0.3	1.8	1.1	6.6	8.1	6.2	1.3
	Mar	102.5	101.6	1.1	2.5	1.9	7.4	7.8	7.4	2.5
	Apr	103.0	102.3	0.5	2.0	2.1	6.9	7.5	0.5	3.0
	May	104.3	103.3	1.3	2.9	2.5	7.8	7.3	1.8	4.3
	Jun	105.1	104.1	0.8	2.5	2.5	7.6	7.1	2.5	5.1
	Jul	106.2	105.2	1.0	3.1	2.9	7.5	6.9	3.6	6.2
	Aug	107.2	106.2	1.0	2.8	2.8	8.2	6.8	4.6	7.2
	Sep	108.9	107.4	1.6	3.6	3.2	9.2	7.0	6.2	8.9
	Oct	110.4	108.8	1.4	4.0	3.5	10.7	7.4	7.7	10.4
	Nov	114.0	111.1	3.2	6.3	4.6	14.5	8.2	11.2	14.0
	Dec	116.8	113.7	2.5	7.3	5.9	16.8	9.2	14.0	16.8
2008	Jan	119.4	116.7	2.2	8.1	7.2	18.2	10.2	16.5	2.2
	Feb	121.5	119.2	1.8	6.6	7.3	19.9	11.3	18.5	4.0
	Mar	122.9	121.3	1.2	5.2	6.6	19.9	12.3	19.9	5.2
	Apr	124.8	123.1	1.5	4.6	5.4	21.2	13.5	1.5	6.8
	May	127.8	125.2	2.4	5.2	5.0	22.5	14.8	3.9	9.4
	Jun	130.3	127.6	2.0	6.0	5.3	24.0	16.1	6.0	11.5
	Jul	134.0	130.7	2.8	7.4	6.2	26.2	17.7	9.0	14.7
	Aug	135.6	133.3	1.2	6.1	6.5	26.5	19.3	10.3	16.1
	Sep	136.5	135.4	0.6	4.7	6.1	25.3	20.6	11.0	16.8
	Oct	136.9	136.3	0.3	2.2	4.3	24.0	21.7	11.3	17.2
	Nov	136.4	136.6	-0.3	0.6	2.5	19.7	22.1	11.0	16.8
	Dec	136.5	136.6	0.0	0.0	0.9	16.8	22.0	11.0	16.8
2009	Jan	136.0	136.3	-0.3	-0.6	0.0	14.0	21.6	10.7	-0.3
	Feb	137.1	136.5	0.8	0.5	0.0	12.8	20.9	11.5	0.4
	Mar	138.2	137.1	0.8	1.3	0.4	12.4	20.2	12.4	1.3
	Apr	138.8	138.0	0.4	2.0	1.2	11.2	19.3	0.4	1.7
	May	140.0	139.0	0.9	2.1	1.8	9.6	18.2	1.3	2.6

1/ December 2006 = 100

\* Point to point

# Moving average

Source: STATIN

**Table 1B**  
**JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL**

	1/ CPI-A	3 Month AVG. CPI-A	Monthly % change	3 Month * % change	3 Month # % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change	
2004	Jan	140.9	139.8	0.98	2.65	2.82	13.72	10.17	12.41	0.98
	Feb	142.3	140.9	0.96	2.51	2.58	14.24	10.92	13.48	1.94
	Mar	143.5	142.2	0.83	2.79	2.65	14.43	11.65	14.43	2.79
	Apr	144.4	143.4	0.62	2.43	2.58	13.91	12.27	0.62	3.43
	May	145.0	144.3	0.44	1.91	2.38	12.52	12.64	1.07	3.89
	Jun	145.7	145.0	0.47	1.55	1.96	10.97	12.74	1.55	4.38
	Jul	146.4	145.7	0.51	1.44	1.63	10.09	12.68	2.07	4.92
	Aug	149.6	147.2	2.17	3.18	2.06	11.26	12.66	4.28	7.20
	Sep	150.4	148.8	0.55	3.26	2.63	10.58	12.52	4.86	7.78
	Oct	155.0	151.7	3.06	5.87	4.11	12.92	12.54	8.06	11.08
	Nov	156.7	154.1	1.11	4.77	4.64	12.93	12.53	9.26	12.31
	Dec	157.9	156.5	0.71	4.94	5.19	13.11	12.53	10.03	13.11
2005	Jan	159.0	157.9	0.73	2.57	4.07	12.83	12.46	10.84	0.73
	Feb	159.5	158.8	0.31	1.76	3.06	12.11	12.29	11.18	1.04
	Mar	160.2	159.6	0.47	1.52	1.94	11.70	12.08	11.70	1.52
	Apr	161.7	160.5	0.94	1.72	1.67	12.05	11.93	0.94	2.47
	May	163.4	161.8	1.03	2.45	1.90	12.70	11.96	1.98	3.52
	Jun	164.5	163.2	0.65	2.64	2.27	12.90	12.12	2.64	4.20
	Jul	165.4	164.4	0.56	2.26	2.45	12.95	12.35	3.21	4.78
	Aug	166.7	165.5	0.81	2.03	2.31	11.45	12.35	4.05	5.62
	Sep	168.9	167.0	1.32	2.70	2.33	12.30	12.49	5.42	7.02
	Oct	170.2	168.6	0.76	2.91	2.55	9.79	12.21	6.22	7.83
	Nov	171.6	170.3	0.84	2.95	2.85	9.51	11.92	7.11	8.74
	Dec	173.1	171.7	0.87	2.49	2.78	9.68	11.62	8.04	9.68
2006	Jan	174.4	173.1	0.75	2.48	2.63	9.70	11.36	8.85	0.75
	Feb	176.4	174.6	1.11	2.75	2.57	10.57	11.23	10.05	1.86
	Mar	177.8	176.2	0.81	2.69	2.64	10.95	11.17	10.95	2.69
	Apr	179.1	177.7	0.74	2.68	2.70	10.73	11.06	0.74	3.45
	May	180.4	179.1	0.71	2.28	2.55	10.38	10.87	1.46	4.19
	Jun	181.6	180.4	0.69	2.16	2.37	10.42	10.68	2.16	4.91
	Jul	182.6	181.5	0.51	1.93	2.12	10.37	10.48	2.68	5.44
	Aug	183.8	182.7	0.69	1.91	2.00	10.25	10.38	3.39	6.17
	Sep	185.3	183.9	0.82	2.04	1.96	9.71	10.17	4.24	7.05
	Oct	185.9	185.0	0.30	1.83	1.93	9.21	10.12	4.56	7.37
	Nov	186.7	186.0	0.46	1.59	1.82	8.80	10.05	5.04	7.86
	Dec	187.2	186.6	0.24	1.01	1.47	8.13	9.92	5.29	8.13
2007	Jan	189.6	187.8	1.28	1.99	1.53	8.69	9.83	6.64	1.28
	Feb	192.1	189.6	1.32	2.86	1.95	8.92	9.69	8.04	2.61
	Mar	194.7	192.1	1.34	3.99	2.95	9.49	9.57	9.49	3.99
	Apr	196.0	194.3	0.70	3.40	3.41	9.45	9.47	0.70	4.71
	May	197.9	196.2	0.94	3.01	3.46	9.69	9.42	1.64	5.69
	Jun	199.1	197.7	0.65	2.31	2.90	9.65	9.36	2.31	6.38
	Jul	200.4	199.1	0.64	2.24	2.52	9.79	9.31	2.96	7.06
	Aug	202.4	200.6	0.96	2.27	2.27	10.08	9.31	3.95	8.09
	Sep	204.6	202.5	1.10	2.73	2.42	10.39	9.37	5.10	9.29
	Oct	206.8	204.6	1.10	3.21	2.74	11.27	9.55	6.26	10.50
	Nov	212.5	208.0	2.75	5.04	3.66	13.81	9.97	9.19	13.54
	Dec	216.5	211.9	1.84	5.80	4.69	15.63	10.61	11.20	15.63
2008	Jan	221.6	216.9	2.37	7.13	6.00	16.88	11.30	13.83	2.37
	Feb	225.3	221.1	1.70	6.03	6.32	17.32	12.01	15.77	4.11
	Mar	228.4	225.1	1.34	5.50	6.20	17.31	12.68	17.31	5.50
	Apr	231.4	228.4	1.34	4.44	5.31	18.06	13.40	1.34	6.91
	May	235.7	231.8	1.84	4.58	4.83	19.11	14.20	3.20	8.88
	Jun	239.5	235.5	1.63	4.88	4.64	20.27	15.09	4.88	10.65
	Jul	241.6	238.9	0.89	4.42	4.63	20.57	15.99	5.81	11.63
	Aug	244.5	241.9	1.18	3.74	4.34	20.82	16.88	7.06	12.95
	Sep	247.5	244.5	1.24	3.34	3.83	20.99	17.76	8.39	14.35
	Oct	249.1	247.0	0.64	3.10	3.39	20.44	18.50	9.09	15.09
	Nov	250.5	249.1	0.57	2.47	2.97	17.88	18.81	9.71	15.74
	Dec	252.4	250.7	0.74	1.96	2.51	16.60	18.86	10.52	16.60
2009	Jan	253.6	252.2	0.46	1.78	2.07	14.43	18.61	11.03	0.46
	Feb	255.2	253.7	0.66	1.87	1.87	13.26	18.23	11.76	1.12
	Mar	258.0	255.6	1.09	2.23	1.96	12.98	17.82	12.98	2.23
	Apr	260.4	257.9	0.93	2.70	2.27	12.53	17.32	0.93	3.18
	May	262.3	260.2	0.71	2.75	2.56	11.28	16.63	1.64	3.91

1/ February 2000 = 100

\* Point to point

# Moving average

Source: BOJ

**Table 2A**  
**Component Contribution to Inflation**  
**May 2009**

	Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
<b>01 FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	37.46	0.84	0.31	31.0
<b>01.1 Food</b>	35.12	0.56	0.20	19.5
Bread and Cereals	6.10	0.68	0.04	4.1
Meat	7.66	0.51	0.04	3.8
Fish and Seafood	5.33	1.86	0.10	9.8
Milk, Cheese and Eggs	3.11	0.84	0.03	2.6
Oils and Fats	1.64	0.37	0.01	0.6
Fruit	1.14	1.24	0.01	1.4
Vegetables and Starchy Foods	6.86	-1.10	-0.08	-7.4
Vegetables	4.64	-1.54	-0.07	-7.1
Starchy Foods	2.21	0.15	0.00	0.3
Sugar, Jam, Honey, Chocolate and Confectionery	1.72	1.18	0.02	2.0
Food Products n.e.c.	1.55	2.43	0.04	3.7
<b>01.2 Non-Alcoholic Beverages</b>	2.35	1.21	0.03	2.8
Coffee, Tea and Cocoa	0.66	0.97	0.01	0.6
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	1.32	0.02	2.2
<b>02 ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	1.38	1.60	0.02	2.2
<b>03 CLOTHING &amp; FOOTWEAR</b>	3.33	1.01	0.03	3.3
03.1 Clothing	2.12	0.58	0.01	1.2
03.2 Footwear	1.22	1.69	0.02	2.0
<b>04 HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER F</b>	12.76	1.70	0.22	21.4
04.1 Rentals for Housing	3.52	0.03	0.00	0.1
04.3 Maintenance and Repair of Dwelling	0.80	0.41	0.00	0.3
04.4 Water Supply and Miscellaneous Services Related to the Dw	1.32	-2.49	-0.03	-3.2
04.5 Electricity, Gas and Other Fuels	7.12	3.84	0.27	26.9
<b>05 FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTI</b>	4.93	0.95	0.05	4.6
05.1 Furniture and Furnishings (inc. Floor Coverings)	0.69	0.54	0.00	0.4
05.2 Household Textiles	0.32	0.33	0.00	0.1
05.3 Household Appliances	0.56	2.34	0.01	1.3
05.4 Glassware, Tableware and Household Utensils	0.05	0.58	0.00	0.0
05.5 Tools and Equipment for House and Garden	0.15	0.91	0.00	0.1
05.6 Goods and Services for Routine Household Maintenance	3.16	0.88	0.03	2.8
<b>06 HEALTH</b>	3.29	0.53	0.02	1.7
06.1 Medical Products, Appliances and Equipment	1.22	0.30	0.00	0.4
06.2 Health Services	2.07	0.71	0.01	1.4
<b>07 TRANSPORT</b>	12.82	1.90	0.24	24.0
<b>08 COMMUNICATION</b>	3.99	-0.04	0.00	-0.2
<b>09 RECREATION &amp; CULTURE</b>	3.36	0.27	0.01	0.9
<b>10 EDUCATION</b>	2.14	-0.03	0.00	-0.1
<b>11 RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	6.19	0.79	0.05	4.8
<b>12 MISCELLANEOUS GOODS &amp; SERVICES</b>	8.37	0.77	0.06	6.3
<b>ALL DIVISIONS</b>	100.00	0.88	1.02	100.0



**Table 3**  
**Regional Inflation**  
**May 2009**

	<b>GKMA</b>	<b>OUC</b>	<b>Rural</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
<b>01 FOOD &amp; NON-ALCOHOLIC BEVERAGES</b>	<b>1.8</b>	<b>-0.3</b>	<b>0.1</b>
01.1 <b>Food</b>	<b>1.8</b>	<b>-0.4</b>	<b>0.1</b>
Bread and Cereals	1.5	0.2	0.5
Meat	2.0	-0.6	-0.7
Fish and Seafood	2.2	3.0	1.2
Milk, Cheese and Eggs	1.3	1.0	0.4
Oils and Fats	1.0	0.3	0.1
Fruit	1.7	0.9	0.5
Vegetables and Starchy Foods	1.4	-5.6	-0.9
Vegetables	1.9	-6.7	-1.6
Starchy Foods	0.7	-3.0	1.2
Sugar, Jam, Honey, Chocolate and Confectionery	1.8	1.1	0.9
Food Products n.e.c.	4.5	1.0	1.7
01.2 <b>Non-Alcoholic Beverages</b>	<b>1.6</b>	<b>1.2</b>	<b>1.1</b>
Coffee, Tea and Cocoa	2.0	0.8	0.5
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.4	1.3	1.3
<b>02 ALCOHOLIC BEVERAGES &amp; TOBACCO</b>	<b>2.5</b>	<b>1.3</b>	<b>1.2</b>
<b>03 CLOTHING &amp; FOOTWEAR</b>	<b>0.4</b>	<b>0.7</b>	<b>1.6</b>
03.1 Clothing	0.2	0.7	0.8
03.2 Footwear	0.5	0.7	3.0
<b>04 HOUSING, WATER, ELECTRICITY, GAS &amp; OTHER FUELS</b>	<b>1.3</b>	<b>1.9</b>	<b>2.2</b>
04.1 Rentals for Housing	0.0	0.0	0.0
04.3 Maintenance and Repair of Dwelling	0.8	0.5	0.0
04.4 Water Supply and Miscellaneous Services Related to the Dwelling	-2.5	-2.5	-2.5
04.5 Electricity, Gas and Other Fuels	3.9	4.2	3.6
<b>05 FURNISHINGS, HOUSEHOLD EQUIPMENT &amp; ROUTINE HO</b>	<b>0.8</b>	<b>2.0</b>	<b>0.6</b>
05.1 Furniture and Furnishings (inc. Floor Coverings)	0.0	0.7	0.9
05.2 Household Textiles	0.2	1.4	0.0
05.3 Household Appliances	1.3	3.4	2.8
05.4 Glassware, Tableware and Household Utensils	0.7	0.3	0.5
05.5 Tools and Equipment for House and Garden	0.8	1.2	0.9
05.6 Goods and Services for Routine Household Maintenance	1.0	2.1	0.2
<b>06 HEALTH</b>	<b>0.2</b>	<b>0.8</b>	<b>0.6</b>
06.1 Medical Products, Appliances and Equipment	0.6	0.6	0.1
06.2 Health Services	0.0	0.9	0.9
<b>07 TRANSPORT</b>	<b>1.5</b>	<b>2.4</b>	<b>1.9</b>
<b>08 COMMUNICATION</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>09 RECREATION &amp; CULTURE</b>	<b>0.2</b>	<b>0.5</b>	<b>0.4</b>
<b>10 EDUCATION</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>11 RESTAURANTS &amp; ACCOMMODATION SERVICES</b>	<b>2.1</b>	<b>0.1</b>	<b>0.0</b>
<b>12 MISCELLANEOUS GOODS &amp; SERVICES</b>	<b>1.1</b>	<b>1.0</b>	<b>0.4</b>
<b>ALL DIVISIONS</b>	<b>1.3</b>	<b>0.6</b>	<b>0.7</b>

**Table 4**  
**Inflation: Headline & Core**

	Monthly		Fiscal Year to Date		12-Mth Core	
	Headline	Core	Headline	Core	Pt to Pt	Average
2004/05						
Apr	0.45	0.62	0.45	0.62	13.91	12.27
May	0.55	0.44	1.00	1.07	12.52	12.64
Jun	0.67	0.47	1.68	1.55	10.97	12.74
Jul	0.84	0.51	2.53	2.07	10.09	12.68
Aug	2.71	2.17	5.32	4.28	11.26	12.66
Sep	0.76	0.55	6.12	4.86	10.58	12.52
Oct	4.13	3.06	10.50	8.06	12.92	12.54
Nov	1.79	1.11	12.48	9.26	12.93	12.53
Dec	0.42	0.71	12.95	10.03	13.11	12.53
Jan	-0.22	0.73	12.70	10.84	12.83	12.46
Feb	-0.53	0.31	12.10	11.18	12.11	12.29
Mar	0.42	0.47	12.58	11.70	11.70	12.08
2005/06						
Apr	1.43	0.94	1.43	0.94	12.05	11.93
May	1.57	1.03	3.02	1.98	12.70	11.96
Jun	1.00	0.65	4.05	2.64	12.90	12.12
Jul	0.95	0.56	5.04	3.21	12.95	12.35
Aug	0.41	0.81	5.47	4.05	11.45	12.35
Sep	3.81	1.32	9.48	5.42	12.30	12.49
Oct	0.60	0.76	10.14	6.22	9.79	12.21
Nov	0.45	0.84	10.63	7.11	9.51	11.92
Dec	0.22	0.87	10.88	8.04	9.68	11.62
Jan	0.23	0.75	11.14	8.85	9.70	11.36
Feb	0.06	1.11	11.21	10.05	10.57	11.23
Mar	0.34	0.81	11.59	10.95	10.95	11.17
2006/07						
Apr	0.98	0.74	0.98	0.74	10.73	11.06
May	0.49	0.71	1.48	1.46	10.38	10.87
Jun	0.90	0.69	2.39	2.16	10.42	10.68
Jul	1.12	0.51	3.54	2.68	10.37	10.48
Aug	0.29	0.69	3.83	3.39	10.25	10.38
Sep	0.72	0.82	4.58	4.24	9.71	10.17
Oct	-0.09	0.30	4.49	4.56	9.21	10.12
Nov	-0.11	0.46	4.37	5.04	8.80	10.05
Dec	0.44	0.24	4.82	5.29	8.13	9.92
Jan	1.01	1.28	5.88	6.64	8.69	9.83
Feb	0.33	1.32	6.22	8.04	8.92	9.69
Mar	1.15	1.34	7.44	9.49	9.49	9.57
2007/08						
Apr	0.47	0.70	0.47	0.70	9.45	9.47
May	1.29	0.94	1.77	1.64	9.69	9.42
Jun	0.75	0.65	2.54	2.31	9.65	9.36
Jul	1.01	0.64	3.57	2.96	9.79	9.31
Aug	0.98	0.96	4.59	3.95	10.08	9.31
Sep	1.59	1.10	6.24	5.10	10.39	9.37
Oct	1.41	1.10	7.74	6.26	11.27	9.55
Nov	3.23	2.75	11.22	9.19	13.81	9.97
Dec	2.46	1.84	13.95	11.20	15.63	10.61
Jan	2.19	2.37	16.44	13.83	16.88	11.30
Feb	1.80	1.70	18.54	15.77	17.32	12.01
Mar	1.15	1.34	19.90	17.31	17.31	12.68
2008/09						
Apr	1.55	1.34	1.55	1.34	18.06	13.40
May	2.40	1.84	3.99	3.20	19.11	14.20
Jun	1.96	1.62	6.02	4.88	20.26	15.09
Jul	2.84	0.89	9.03	5.81	20.56	15.99
Aug	1.19	1.18	10.33	7.06	20.82	16.88
Sep	0.61	1.24	10.99	8.39	20.99	17.76
Oct	0.33	0.64	11.36	9.09	20.44	18.50
Nov	-0.34	0.57	10.98	9.71	17.88	18.81
Dec	0.04	0.73	11.03	10.51	16.58	18.86
Jan	-0.34	0.46	10.65	11.03	14.43	18.61
Feb	0.76	0.66	11.49	11.76	13.26	18.23
Mar	0.84	1.09	12.43	12.98	12.98	17.82
2009/10						
Apr	0.41	0.93	0.41	0.93	12.53	17.32
May	0.88	0.71	1.29	1.64	11.28	16.63