



## THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: DECEMBER 2015

(Date of release: February 24, 2016)

### Average CPI Fell by 2.3% in 2015

This report presents the average CPI for 2015 and the results of the December 2015 CPI Survey.

#### Average CPI in 2015

The average Consumer Price Index (CPI) in 2015 was **102.4**, reflecting a decline of **2.3** percent when compared to the average CPI in 2014. In 2015, all quarters recorded declines. In the first quarter the downward movement was 0.4 percent, second quarter recorded the largest decline of 3.6 percent, while, in the third quarter it fell 2.9 percent and 2.5 percent in the fourth. (see Figure 1)

The major divisions of consumer goods and services in the CPI basket showed that there were average price declines in four of the twelve divisions in 2015 as indicated in the table below:

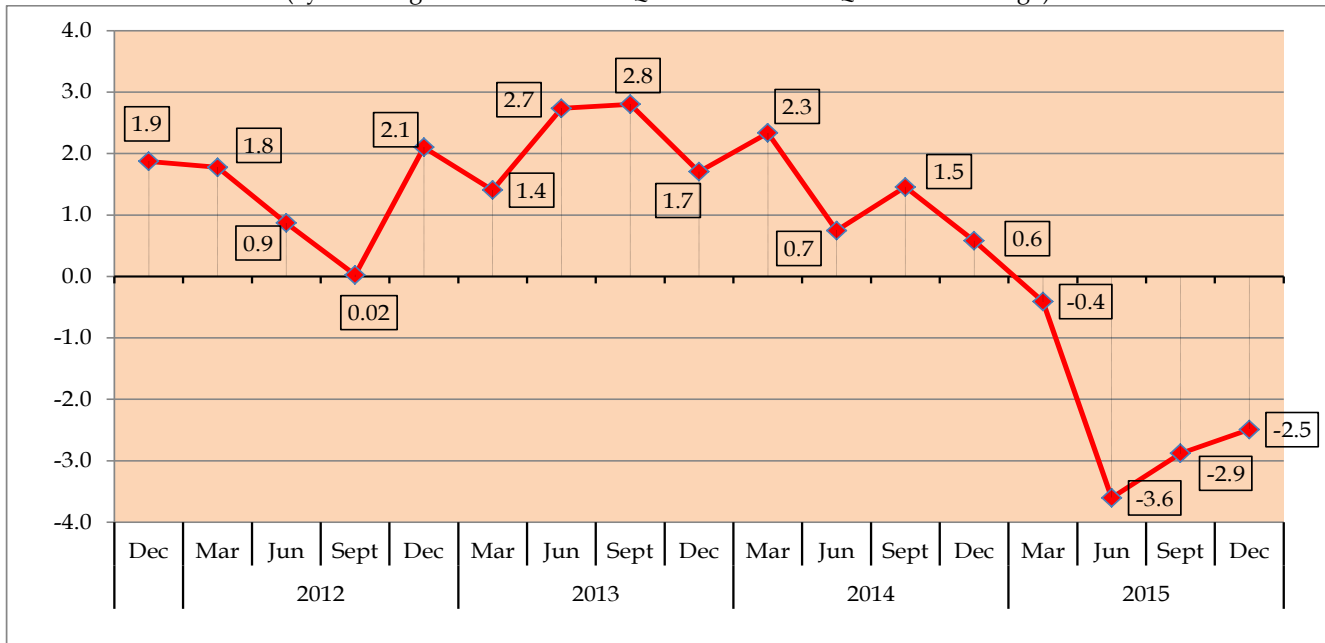
Summary Table: Average % change of the CPI divisions, 2013 - 2015			
Division	Annual Average % Change		
	2013	2014	2015
<b>All Items</b>	<b>2.2</b>	<b>1.3</b>	<b>(2.3)</b>
Food & Non-alcoholic beverages	3.2	2.4	1.6
Alcoholic Beverages & Tobacco	9.8	0.1	0.6
Clothing & Footwear	4.8	(0.7)	3.0
Housing and Utilities	(1.4)	(0.4)	(6.9)
Household Equipment	6.1	7.4	0.2
Health	0.9	(0.2)	0.3
Transport	2.3	2.4	(4.8)
Communication	0.7	0.9	3.3
Recreation & Culture	(1.0)	2.2	1.5
Education	4.6	2.7	3.8
Restaurants & Hotels	3.2	4.5	(1.5)
Miscellaneous Goods & Services	8.5	0.7	(0.8)

% change relative to the average index of the previous year

December 2015 Consumer Price Index

Annual changes: December 2015 over December 2014

**Figure 1: Inflation Rates by December 2011 – December 2015**  
(by % Change in CPI of Current Quarter over Same Quarter a Year Ago)



The CPI for the quarter ended December 2015 fell by 2.5 percent compared to the same period a year ago. This movement was mainly due to declines in the indices for the following divisions:

- Housing and utilities:** the price index registered a decline of 8.4 percent year on year. Prices for electricity, gas and other fuels fell by 17.2 percent, as a result of the continued reduction in international oil prices. Water supply and miscellaneous services declined by 11.2 percent due to reduced electricity costs for pumping water. Imputed rentals for owner-occupied housing and actual rentals for housing fell by 8.4 and 4.9 percent, respectively.
- Transport:** the price index for the division recorded a decline of 6.4 percent as some of the costs associated with the operation of personal transport equipment fell by 11.3 percent. The main contributors to the downward movement were lower prices for petrol and tyres. However, the index for purchase of vehicles and transport services each rose by 1.4 percent.
- Household equipment:** this division decreased by 0.1 percent, largely as a result of a fall in the price index for glassware, tableware, and household utensils and household textiles by 5.9 percent and 0.8 percent, respectively. The price movements were moderated by increased prices for furniture and furnishings by 1.8 percent; a rise in

prices of tools and equipment for house and garden by 0.7 percent; and household appliances by 0.1 percent.

Meanwhile, the following divisions recorded increases in December 2015 compared to December 2014:

- **Communication:** there was a **4.4** percent rise in this price index as telephone and telefax services rose by 4.4 percent as a result of an increase in the cost of telephone call rates. Postal services rose by 0.2 percent.
- **Restaurants and hotels:** the division's price index increased by **3.9** percent as the price index for accommodation services rose by 22.3 percent and catering services by 1.0 percent.
- **Clothing and footwear:** there was a **3.5** percent rise in the index for this division, footwear prices moved up by an average of 5.5 percent and clothing by 3.2 percent.
- **Education:** the index for the division moved up by **2.6** percent due to increases in the average cost of school fees for pre-primary and primary education by 3.7 percent and secondary education by 4.7 percent. Tertiary education recorded no movement in its index for the period under review.
- **Miscellaneous goods and services:** this division's price index rose by **1.5** percent as personal effects not elsewhere classified moved up by 17.5 percent. Due to increased prices for some items of jewellery. Other services not elsewhere classified and personal care items also rose by 7.0 percent and 3.9 percent, respectively. The cost of social protection also went up by 1.5 percent. However, there was a reduction in the cost of some insurance premiums which resulted in a 1.7 percent decline in the price index for insurance.
- **Food and non-alcoholic beverages:** this division's index increased by **0.8** percent as the average cost of most groups increased, led by meat and meat products and coffee, tea, and cocoa, which each increased by 6.0 percent; fish and seafood by 2.2 percent; and sugars, jam, honey, chocolate, and confectionery by 2.0 percent. There were price reductions for fruits by 1.4 percent; mineral water soft drinks, fruit and vegetable juices down by 1.2 percent; milk, cheese and egg fell by 1.0 percent; food products not elsewhere classified declined by 0.6 percent; and bread and cereals was lower by 0.5 percent.
- **Alcohol and tobacco:** the inflation rate for this division was **0.7** percent as a result of the 0.7 percent price increase for alcoholic beverages. On average, tobacco prices rose by 0.5 percent.

- **Recreation and culture:** this division's price index was **0.4** percent higher than it was in December 2014. The main contributors to the increase were other recreational items and equipment, gardens, and pets by 5.6 percent; other major durables for recreation and culture by 1.9 percent; and recreational and cultural services by 0.4 percent. The upward movement in this division was moderated by a decline in the prices for newspapers, books and stationery by 9.1 percent; and audio-visual, photographic and information processing equipment recorded a 6.7 percent decline.
- **Health:** there was a **0.2** percent increase in this division's price index largely traced to medical products, appliances, and equipment by 2.0 percent and hospital services by 0.4 percent. However, a 0.3 percent decline for the outpatient services index moderated the effect of these increases.

### Quarterly changes: December 2015 compared to September 2015

Five out of the twelve divisions contributed to the **0.1** percent CPI increase when compared to the third quarter of 2015, while three divisions (clothing and footwear, communication and education) remained stable. The main contributors to the quarterly increase were:

- **Restaurants and hotels:** this index recorded a **5.5** percent increase, which was mainly attributed to the 44.6 percent rise in the cost of accommodation services. The average cost of catering services also rose slightly by 0.3 percent.
- **Miscellaneous goods and services:** the division's price index increased by **0.7** percent. This increase resulted from personal effects not elsewhere classified, other services not elsewhere classified and personal care indices rising by 6.1, 3.0 and 0.1 percent, respectively. Social protection, insurance and financial services not elsewhere classified indices were stable.
- **Food and non-alcoholic beverages:** the index had an upward movement of **0.3** percent for the quarter. The main contributors were: Fruits by 1.4 percent; coffee, tea, and cocoa by 1.3 percent; meat and meat products by 0.9 percent; and fish and seafood by 0.4 percent. The index was moderated by downward movements in the milk, cheese and egg by 0.7 percent; and, food products not elsewhere classified by 0.4 percent.
- **Household Equipment:** the division's index went up by **0.1** percent due to increase in tools and equipment for house and garden by 0.2 percent; goods and services for routine household maintenance by 0.2 percent; and, furniture and furnishings by 0.1 percent. The division also recorded decreases in household textiles by 4.3 percent; glassware, tableware and household utensils by 0.2 percent; and, household appliances by 0.1 percent.

- **Alcohol and tobacco:** there was a **0.1** percent rise in the index for this division, resulting solely from a 0.5 percent increase in the index for tobacco. The alcohol index remained stable over the quarter.

The following divisions recorded notable downward movements in their indices when compared to the quarter ending September 2015:

- **Transport:** this recorded a **1.9** percent decrease, which was solely attributed to a fall in operations of personal transport equipment by 3.2 percent. The other two indices purchase of vehicles and transport services remained constant over the period of review.
- **Recreation and culture:** the inflation rate for this division declined by **0.4** percent, coming mainly from price decline in newspapers, books and stationery by 10.3 percent and audio-visual, photographic and information processing equipment lower by 6.0 percent. Increases were recorded for other recreational items and equipment, gardens and pets by 4.1 percent, and other major durables for recreation and culture by 1.5 percent. Recreational and cultural services remained stable when compared to September 2015.
- **Housing and utilities:** this index, which accounts for almost 2/5 of the entire CPI basket, declined by **0.3** percent. The two indices that recorded decreases were electricity, gas and other fuels by 2.1 percent; and, actual rentals for housing recording a 1.6 percent. The group was moderated by a 2.5 percent increase in the maintenance and repair of dwelling index. Imputed rentals for owner-occupied housing and water supply and miscellaneous services recorded no price movement.
- **Health:** there was a **0.1** percent decrease in this division's price index largely traced to medical products, appliances, and equipment by 0.7 percent. However, hospital services recorded a price increased by 0.4 percent. There was no movement in the index for outpatient services.

**Table 1: Quarterly Consumer Price Index and Inflation Rates**
**JUNE 2008 = 100**

Year	Quarter Ending	INDEX	Percentage change in CPI:	
			3 months ago	1 year ago
2008	March	99.2	3.5	3.4
	June	100.0	0.8	3.8
	September	101.8	1.8	5.3
	December	99.5	-2.3	3.9
2009	March	98.8	-0.8	-0.4
	June	98.8	0.1	-1.2
	September	98.7	-0.2	-3.1
	December	98.2	-0.5	-1.3
2010	March	99.1	0.9	0.4
	June	99.5	0.4	0.7
	September	98.4	-1.1	-0.3
	December	98.5	0.1	0.3
2011	March	99.2	0.7	0.03
	June	100.5	1.4	1.0
	September	100.8	0.3	2.4
	December	100.4	-0.4	1.9
2012	March	100.9	0.6	1.8
	June	101.4	0.5	0.9
	September	100.8	-0.6	0.02
	December	102.5	1.6	2.1
2013	March	102.3	-0.1	1.4
	June	104.2	1.8	2.7
	September	103.7	-0.5	2.8
	December	104.2	0.5	1.7
2014	March	104.7	0.5	2.3
	June	104.9	0.2	0.7
	September	105.2	0.2	1.5
	December	104.8	-0.3	0.6
2015	March	104.3	-0.5	-0.4
	June	101.2	-3.0	-3.6
	September	102.1	1.0	-2.9
	<b>December</b>	<b>102.2</b>	<b>0.1</b>	<b>-2.5</b>

**Table 2**  
**CAYMAN ISLANDS CONSUMER PRICE INDEX**  
 ANNUAL AVERAGES 1995 TO 2015  
 (June 2008 = 100)

YEAR	INDEX	Percentage change from a year ago
1995	66.7	
1996	68.4	2.5
1997	70.3	2.7
1998	72.4	3.0
1999	77.3	6.9
2000	79.4	2.7
2001	80.3	1.1
2002	82.3	2.5
2003	82.8	0.5
2004	86.5	4.5
2005	92.8	7.3
2006	93.5	0.8
2007	96.2	2.9
2008	100.1	4.1
2009	98.6	-1.5
2010	98.9	0.3
2011	100.2	1.3
2012	101.4	1.2
2013	103.6	2.2
2014	104.9	1.3
2015	102.4	-2.3

**TABLE 3: CONSUMER PRICE INDICES AND INFLATION BY DIVISIONS AND GROUPS - FOURTH QUARTER 2015**

Major Group	Weight	Index			Percentage Change	
		Dec-15	Sept-15	Dec-14	3 months Ago	1 year ago
<b>All Divisions - All items</b>	<b>1,000.0</b>	<b>102.2</b>	<b>102.1</b>	<b>104.8</b>	<b>0.1</b>	<b>-2.5</b>
<b>01 Food &amp; Non Alcoholic Beverage</b>	<b>79.6</b>	<b>126.7</b>	<b>126.3</b>	<b>125.6</b>	<b>0.3</b>	<b>0.8</b>
Bread & cereals	9.9	124.1	123.8	124.7	0.2	-0.5
Meat & meat products	10.4	139.4	138.2	131.5	0.9	6.0
Fish & seafood	4.2	127.7	127.2	124.9	0.4	2.2
Milk, cheese & egg	8.3	123.0	123.8	124.3	-0.7	-1.0
Oils & fats	2.0	109.5	109.3	109.0	0.2	0.4
Fruits	6.7	137.0	135.1	139.0	1.4	-1.4
Vegetables	8.6	140.1	139.9	137.5	0.1	1.9
Sugars, jam, honey, chocolate & confectionery	5.5	127.4	127.2	124.9	0.2	2.0
Food products n.e.c.	5.6	120.5	121.0	121.3	-0.4	-0.6
Coffee, tea & cocoa	1.6	121.1	119.5	114.3	1.3	6.0
Mineral water, soft drinks, fruit & vegetable juices	16.9	115.2	115.2	116.7	0.0	-1.2
<b>02 Alcohol and Tobacco</b>	<b>6.5</b>	<b>132.8</b>	<b>132.6</b>	<b>131.9</b>	<b>0.1</b>	<b>0.7</b>
Alcohol	5.6	115.1	115.1	114.3	0.0	0.7
Tobacco	0.9	247.2	246.0	246.0	0.5	0.5
<b>03 Clothing and Footwear</b>	<b>34.3</b>	<b>116.6</b>	<b>116.6</b>	<b>112.6</b>	<b>0.0</b>	<b>3.5</b>
Clothing	29.5	115.0	115.1	111.5	0.0	3.2
Footwear	4.8	126.5	126.4	119.9	0.1	5.5
<b>04 Housing and Utilities</b>	<b>394.4</b>	<b>81.4</b>	<b>81.7</b>	<b>88.9</b>	<b>-0.3</b>	<b>-8.4</b>
Actual rentals for housing	78.7	74.6	75.8	78.4	-1.6	-4.9
Imputed rentals for owner-occupied housing	223.4	73.8	73.8	80.6	0.0	-8.4
Maintenance and repair of dwelling	28.5	125.8	122.8	125.9	2.5	0.0
Water supply and miscellaneous services	16.4	103.9	103.9	117.0	0.0	-11.2
Electricity, gas and other fuels	47.3	93.9	96.0	113.4	-2.1	-17.2
<b>05 Household Equipment</b>	<b>56.4</b>	<b>118.3</b>	<b>118.3</b>	<b>118.5</b>	<b>0.1</b>	<b>-0.1</b>
Furniture and furnishings	5.7	108.9	108.8	107.0	0.1	1.8
Household textiles	1.1	127.3	132.9	128.3	-4.3	-0.8
Household appliances	2.8	103.6	103.6	103.5	-0.1	0.1
Glassware, tableware and household utensils	2.8	123.9	124.2	131.7	-0.2	-5.9
Tools and equipment for house and garden	1.5	95.7	95.5	95.0	0.2	0.7
Goods and services for routine household maintenance	42.4	120.8	120.6	120.8	0.2	0.0
<b>06 Health</b>	<b>24.2</b>	<b>102.0</b>	<b>102.1</b>	<b>101.8</b>	<b>-0.1</b>	<b>0.2</b>
Medical products, appliances and equipment	5.0	109.7	110.5	107.5	-0.7	2.0
Outpatient services	17.9	98.8	98.8	99.2	0.0	-0.3
Hospital services	1.4	115.0	114.6	114.6	0.4	0.4
<b>07 Transport</b>	<b>96.1</b>	<b>110.0</b>	<b>112.1</b>	<b>117.6</b>	<b>-1.9</b>	<b>-6.4</b>
Purchase of vehicles	6.1	118.6	118.5	116.9	0.0	1.4
Operations of personal transport equipment	57.4	107.5	111.0	121.2	-3.2	-11.3
Transport services	32.6	112.9	112.9	111.3	0.0	1.4
<b>08 Communication</b>	<b>69.7</b>	<b>109.7</b>	<b>109.7</b>	<b>105.1</b>	<b>0.0</b>	<b>4.4</b>
Postal services	0.5	96.6	96.6	96.4	0.0	0.2
Telephone & telefax equipment	0.3	107.6	107.6	107.6	0.0	0.0
Telephone & telefax services	68.9	109.8	109.8	105.2	0.0	4.4
<b>09 Recreation and Culture</b>	<b>40.5</b>	<b>99.8</b>	<b>100.1</b>	<b>99.4</b>	<b>-0.4</b>	<b>0.4</b>
Audio-visual, photographic and information processing equipment	4.2	66.9	71.2	71.7	-6.0	-6.7
Other major durables for recreation and culture	3.4	93.0	91.6	91.3	1.5	1.9
Other recreational items and equipment, gardens and pets	10.5	120.2	115.5	113.8	4.1	5.6
Recreational & cultural services	17.6	98.6	98.6	98.2	0.0	0.4
Newspapers, books and stationery	4.8	92.9	103.5	102.2	-10.3	-9.1
<b>10 Education</b>	<b>27.9</b>	<b>119.1</b>	<b>119.1</b>	<b>116.0</b>	<b>0.0</b>	<b>2.6</b>
Pre-primary and primary education	16.1	121.8	121.8	117.4	0.0	3.7
Secondary education	2.41	126.69	126.69	121.01	0.0	4.7
Tertiary education	9.4	112.5	112.5	112.5	0.0	0.0
<b>11 Restaurants and Hotels</b>	<b>40.2</b>	<b>123.8</b>	<b>117.4</b>	<b>119.2</b>	<b>5.5</b>	<b>3.9</b>
Catering Services	33.8	123.4	123.1	122.2	0.3	1.0
Accommodation Services	6.4	126.1	87.2	103.1	44.6	22.3
<b>12 Miscellaneous Goods and Services</b>	<b>130.2</b>	<b>118.7</b>	<b>117.9</b>	<b>116.9</b>	<b>0.7</b>	<b>1.5</b>
Personal care	26.5	118.3	118.2	113.9	0.1	3.9
Personal effects n.e.c.	7.7	141.8	133.7	120.7	6.1	17.5
Social protection	8.4	109.5	109.5	107.8	0.0	1.5
Insurance	74.8	118.1	118.1	120.2	0.0	-1.7
Financial services n.e.c.	0.5	91.8	91.8	91.8	0.0	0.0
Other services n.e.c.	12.2	116.3	113.0	108.7	3.0	7.0





Table 4: Consumer Price Index, Averages by Major Groups  
(JUNE 2008 = 100)

PERIOD / DIVISION	Food & Non-alcoholic beverages	Alcoholic Beverages & Tobacco	Clothing & Footwear	Housing and Utilities	Household Equipment	Health	Transport	Communication	Recreation & Culture	Education	Restaurants & Hotels	Miscellaneous Goods & Services	ALL ITEMS
<b>WEIGHT</b>	<b>79.6</b>	<b>6.5</b>	<b>34.3</b>	<b>394.4</b>	<b>56.4</b>	<b>24.2</b>	<b>96.1</b>	<b>69.7</b>	<b>40.5</b>	<b>27.9</b>	<b>40.2</b>	<b>130.2</b>	<b>1000</b>
<b>2011</b>													
MARCH	110.4	115.0	100.2	89.2	102.5	97.9	105.0	102.1	99.5	105.4	117.5	107.2	99.2
JUNE	112.4	115.7	100.9	90.4	102.2	99.1	110.3	105.4	99.4	105.4	115.5	107.4	100.5
SEPTEMBER	113.6	115.5	101.0	91.2	103.5	98.9	111.5	104.1	99.2	105.4	115.7	105.6	100.8
DECEMBER	114.7	115.7	102.2	90.1	103.3	98.9	110.7	104.4	99.3	105.4	112.8	106.0	100.4
<b>ANNUAL AVERAGE 2011</b>	<b>112.8</b>	<b>115.5</b>	<b>101.1</b>	<b>90.3</b>	<b>102.8</b>	<b>98.7</b>	<b>109.4</b>	<b>104.0</b>	<b>99.3</b>	<b>105.4</b>	<b>115.4</b>	<b>106.5</b>	<b>100.2</b>
<b>2012</b>													
MARCH	116.3	115.6	103.8	90.0	102.9	100.5	111.8	104.4	98.1	105.4	117.8	107.3	100.9
JUNE	116.7	116.2	106.4	90.5	103.1	100.4	114.0	103.6	98.6	105.4	114.5	107.7	101.4
SEPTEMBER	118.3	116.2	110.0	89.7	104.6	101.8	110.4	103.6	96.9	106.4	108.0	108.3	100.8
DECEMBER	119.0	131.6	110.6	91.5	104.3	101.9	114.2	104.0	96.4	106.4	110.1	110.6	102.5
<b>ANNUAL AVERAGE 2012</b>	<b>117.6</b>	<b>119.9</b>	<b>107.7</b>	<b>90.4</b>	<b>103.7</b>	<b>101.2</b>	<b>112.6</b>	<b>103.9</b>	<b>97.5</b>	<b>105.9</b>	<b>112.6</b>	<b>108.5</b>	<b>101.4</b>
<b>2013</b>													
MARCH	120.1	131.8	112.5	89.4	110.2	102.1	113.1	104.0	96.6	106.4	116.9	110.8	102.3
JUNE	121.0	131.6	111.2	90.2	109.8	102.1	114.4	104.9	96.6	110.6	109.7	122.3	104.2
SEPTEMBER	121.9	131.5	114.5	88.4	110.0	102.4	115.3	104.8	96.8	113.0	116.1	119.2	103.7
DECEMBER	122.7	131.6	113.3	88.8	110.4	101.8	117.8	104.7	96.1	113.0	121.9	118.5	104.2
<b>ANNUAL AVERAGE 2013</b>	<b>121.4</b>	<b>131.6</b>	<b>112.9</b>	<b>89.2</b>	<b>110.1</b>	<b>102.1</b>	<b>115.2</b>	<b>104.6</b>	<b>96.5</b>	<b>110.8</b>	<b>116.2</b>	<b>117.7</b>	<b>103.6</b>
<b>2014</b>													
MARCH	123.1	131.7	111.3	87.9	117.6	102.0	117.3	104.7	98.4	113.0	130.5	119.3	104.7
JUNE	123.8	131.4	112.0	88.9	118.0	101.8	118.4	106.4	98.5	113.0	118.9	119.0	104.9
SEPTEMBER	124.4	131.9	112.3	89.6	118.6	101.9	118.3	106.2	98.4	113.0	116.9	118.8	105.2
DECEMBER	125.6	131.9	112.6	88.9	118.5	101.8	117.6	105.1	99.4	116.0	119.2	116.9	104.8
<b>ANNUAL AVERAGE 2014</b>	<b>124.2</b>	<b>131.7</b>	<b>112.0</b>	<b>88.8</b>	<b>118.2</b>	<b>101.9</b>	<b>117.9</b>	<b>105.6</b>	<b>98.7</b>	<b>113.8</b>	<b>121.4</b>	<b>118.5</b>	<b>104.9</b>
<b>2015</b>													
MARCH	126.6	132.0	113.2	86.9	118.6	102.3	117.3	107.3	100.2	116.0	119.8	116.5	104.3
JUNE	125.3	132.4	115.0	80.6	118.3	102.0	109.3	109.6	100.3	118.1	117.3	117.1	101.2
SEPTEMBER	126.3	132.6	116.6	81.7	118.3	102.1	112.1	109.7	100.1	119.1	117.4	117.9	102.1
DECEMBER	126.7	132.8	116.6	81.4	118.3	102.0	110.0	109.7	99.8	119.1	123.8	118.7	102.2
<b>ANNUAL AVERAGE 2015</b>	<b>126.2</b>	<b>132.5</b>	<b>115.4</b>	<b>82.6</b>	<b>118.4</b>	<b>102.1</b>	<b>112.2</b>	<b>109.1</b>	<b>100.1</b>	<b>118.1</b>	<b>119.6</b>	<b>117.6</b>	<b>102.4</b>
<b>% CHANGE PREV YEAR</b>	<b>0.8</b>	<b>0.7</b>	<b>3.5</b>	<b>-8.4</b>	<b>-0.1</b>	<b>0.2</b>	<b>-6.4</b>	<b>4.4</b>	<b>0.4</b>	<b>2.6</b>	<b>3.9</b>	<b>1.5</b>	<b>-2.5</b>
<b>% CHANGE PREV QTR</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.1</b>	<b>-0.1</b>	<b>-1.9</b>	<b>0.0</b>	<b>-0.4</b>	<b>0.0</b>	<b>5.5</b>	<b>0.7</b>	<b>0.1</b>
<b>% CHANGE ANNUAL AVERAGE</b>	<b>1.6</b>	<b>0.6</b>	<b>3.0</b>	<b>-6.9</b>	<b>0.2</b>	<b>0.3</b>	<b>-4.8</b>	<b>3.3</b>	<b>1.5</b>	<b>3.8</b>	<b>-1.5</b>	<b>-0.8</b>	<b>-2.3</b>

**TABLE 5: AVERAGE PRICES OF SELECTED ITEMS**  
**Quarter Ending December 2015**

Item	Quantity	Average Prices (C/\$)		
		Dec-14	Sept-15	Dec-15
Loaf - Harddough	2 lb	4.05	3.90	3.90
Long Grain Rice	5 lb	2.46	2.46	2.49
Cornflakes (original)	24 oz	5.16	5.22	5.22
Stew Beef	per lb	4.67	5.01	5.09
Bacon	12 oz	6.66	5.66	5.66
Snapper Fillets (frozen)	per lb	8.86	10.70	8.92
Canned Tuna in water	6 oz	1.79	1.79	1.79
Eggs (Grade A Large)	1 doz	3.32	4.46	4.36
Margarine -Shedds Spread	45 oz	5.79	5.79	5.79
Fresh Milk (McArthur - Regular Vitamin D)	1 gal	6.72	6.51	6.51
Evaporated milk (Nestle Carnation)	14 oz	1.46	1.52	1.46
Vegetable Oil	24 oz	4.66	4.52	4.46
Plantain	per lb	1.19	1.18	1.11
Potatoes - Irish	per lb	0.98	0.99	0.99
Lettuce - Iceburg	each	2.65	2.78	2.93
Sweet Potatoes	per lb	2.51	3.44	3.36
Tomatoes - Slicing	per lb	3.20	2.88	3.01
Bananas - Ripe	per lb	0.90	0.91	0.92
Apple - Golden Delicious	per lb	2.80	2.21	2.54
Grapes - Red Seedless	per lb	3.94	3.95	3.88
Tea (Lipton Decaffeinated)	48 bags	4.02	4.56	4.76
Coffee - Instant -Classic Roast - Bottle	8 oz	6.86	6.82	6.82
Soda	12 oz	0.78	0.78	0.78
Sugar - Light Brown (Bag)	2 lb	2.10	3.30	3.30
Corned Beef - regular	340 g	3.97	4.15	4.15
Iodized Salt	26 oz	1.06	0.99	0.99
Petrol - Regular Full Service	per gal	5.48	4.71	4.31
Petrol - Premium Full Service	per gal	5.61	4.77	4.58
Diesel - Full Service	per gal	5.61	4.60	4.27

NOTES ON THE INDEX COMPILATION

1. Data collection

This report uses the 2008 CPI basket based on the results of the 2007 Survey of Living Conditions/Household Budget Survey by HBS) as updated in June 2008. The goods and services in the basket are classified into twelve divisions using the United Nations' Classification of Individual Consumption According to Purpose by COICOP). In all, there are 1,393 items (7th-digit COICOP level) included in the basket collected from 147 providers/outlets in Grand Cayman, classified as follows:

**Number of Items in the 2008 CPI Basket**

Division		
1	Food and non-alcoholic beverages	47
2	Alcoholic beverages and tobacco	5
3	Clothing and footwear	13
4	Housing, utilities and fuels	6
5	Furnishings, household equipment and routine household maintenance.	19
6	Health	4
7	Transport	7
8	Communication	4
9	Recreation and Culture	6
1	Education	1
1	Restaurants and hotels	13
1	Miscellaneous goods and services	9
<b>Total</b>		<b>1,393</b>

ESQ also adopted new collection periods and price averaging methodologies in accordance with updated international standards and as advised by the Caribbean Technical Assistance Centre by CARTAC). Beginning in the fourth quarter of 2009, price data for all items are collected every second month of the quarter by whereas they were previously collected every third month). Prices of selected items that are vulnerable to monthly changes such as vegetables and fruits, fish and meat, and gas are now also collected on a monthly basis. Prices across outlets are averaged using the geometric mean formula to reduce the impact of extreme or outlier prices (please see below).

2. CPI formula

The CPI is computed using Lowe's formula. The Lowe indices is one of the widest and popular class of price indices which is obtained by defining the index as the percentage change, between the periods

compared, in the total cost of purchasing a given set of quantities, generally described as a “basket”.<sup>1</sup> The Lowe index, PLo, is defined as follows<sup>2</sup>:

$$P_{Lo} = \frac{\sum_{i=1}^n p_i^t q_i}{\sum_{i=1}^n p_i^0 q_i}$$

Where n = number of products in the basket with prices p<sub>i</sub> and quantities q<sub>i</sub>

0 = base period

t = later period being compared

### Geometric mean

The price p = [p<sub>1</sub>, p<sub>2</sub>, . . . , p<sub>n</sub>] for each item from different outlets is the average of prices of the outlets using geometric mean or the formula:

$$p = \left( \prod_{i=1}^n p_i \right)^{1/n} = \sqrt[n]{p_1, p_2, \dots, p_n}$$

**Inflation:** this refers to the percentage change in the Consumer Price Index from one period to another. Typically, this period would be a year or a quarter.

**Annual Inflation Rate:** the percentage change of the CPI in the quarter under review over the CPI of the same quarter a year ago. This is also known as **year-on-year inflation rate**.

**Quarterly Inflation Rate:** the percentage change of the CPI in the quarter under review over the immediate previous quarter. This is also known as **quarter-on-quarter inflation rate**.

<sup>1</sup> ILO by 2004, p. 2). Consumer price index manual

<sup>2</sup> Ibid, p.3