

**ECONOMICS AND STATISTICS OFFICE
CAYMAN ISLANDS**

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CONSUMER PRICES UP 8.4 PERCENT OVER THIRD QUARTER OF 2004

The price consumers paid for the goods and services contained in the Consumer Price Index (CPI) basket increased by 8.4 percent in comparison with the third quarter of 2004. The all items index increased from 131.5 in the third quarter of 2004 to 142.5 for the quarter ending September 2005. In comparison with the previous quarter there was an increase of 0.5 percent over the second quarter 2005.

Six of the eight major groups' indexes increased when compared with the same period one year ago, with four increasing by 2.6 percent or more. The two other groups increased by 1.7 and 0.6 percent respectively. It should be noted that the overall importance of each of these groups is reflected in their respective weight. Weights are shown beside each group in the attached table 3.

- The Housing Group index registered the highest increase, 27.3 percent, moving from 117.5 in the third quarter 2004 to 149.6 in the third quarter 2005. The continued high cost of rental, insurance and maintenance were mainly responsible for this increase which was further aggravated by its high weight (82.0% of the Housing group itself). Utilities, the other sub-group of the index, decreased slightly by 1.7 percent when compared to third quarter 2004. The Housing Group accounts for just over 31.0% of the overall all items weight.
- The Alcohol and Tobacco increased by 9.4 percent, moving from 121.5 in the third quarter 2004 to 133.0 percent in September 2005. Higher costs in both sub-groups over the last year contributed to the overall increase of this group.
- The Transport and Communications index increased from 117.9 in the quarter ending September 2004 to 122.2 or by 3.7 percent for the same period in 2004, due to increases in household vehicles and travel sub-groups.
- Education and Medical increased by 2.6 percent and was caused by increases in both sub-groups (Education increased by 2.3 percent and Medical Care increased by 2.9 percent). Increases in private school fees and also hospital,

dental and optical prices over the last year account for the rise of 2.6 percent in the Education and Medical Group.

- The indexes for Food and Personal Goods and Services increased by 1.7 and 0.6 percent respectively.

The Household Equipment and Clothing Groups were the two major Groups registering declines. Household Equipment declined by 6.7 percent due mainly to continuing decreases in all three sub-groups here. The index decreased from 142.6 in the third quarter of 2004 to 133.0 for the same period in 2005. Clothing declined by 3.5 percent.

When compared with the previous quarter, the All Items Index for the quarter ending September 2005 increased by 0.5 percent moving from 141.7 in the quarter ending June 2005 to 142.5.

Five of the index groups increased over the second quarter with increases ranging from 3.2 percent in the Alcohol and Tobacco Group to 0.4 in the Housing Group. Personal Goods and Services increased by 1.7 percent, Education and Medical group by 1.6 and the Transport and Communication group by 0.2 percent.

Household Equipment registered a decrease of 1.7 percent, while both Food and Clothing registered decreases of 0.7 percent respectively. Tables 3 and 4 provide more detail.

Further information and the latest statistics on the Consumer Price index can be obtained from the Government Economics and Statistics Office, located on the fourth floor of the Elizabethan Square (Phase Four) Building. The Office's telephone number is 949-0940.

NOTES ON THE INDEX COMPILATION

1. For one month in each quarter of the year namely March, June, September and December, staff of the Economics and Statistics Office collect prices for more than 500 different items on which consumers spend their money, from over 100 different shops and other outlets in Grand Cayman. Every kind of spending is included, from weekly supermarket trips, school lunches, rental payments and insurance to the prices of cars and bicycles. In total about 1,800 prices are collected each quarter.

2. The items have been assigned weights depending upon their importance in the total pattern of consumer spending based on the 1990/91 Household Income and Expenditure survey. The item weights combined with the prices are then compiled to arrive at the published index.

TABLE 1
CAYMAN ISLANDS CONSUMER PRICE INDEX **SEPTEMBER 1996 - SEPTEMBER 2005**

(SEPTEMBER 1994 = 100)

		INDEX	Percentage change from:	
			3 months ago	one year ago
1996	September	105.2	0.2	1.7
	December	106.4	1.1	3.2
1997	March	107.4	0.9	3.6
	June	107.2	-0.2	2.2
	September	107.3	0.1	1.9
	December	109.5	2.0	2.9
1998	March	110.5	0.9	2.9
	June	110.6	0.1	3.2
	September	111.1	0.5	3.5
	December	112.1	0.8	2.3
1999	March	113.9	1.5	3.0
	June	119.9	5.3	8.4
	September	120.2	0.3	8.2
	December	120.8	0.5	7.8
2000	March	121.1	0.2	6.3
	June	121.5	0.3	1.3
	September	122.3	0.7	1.7
	December	122.6	0.2	1.5
2001	March	123.3	0.6	1.8
	June	123.6	0.2	1.7
	September	122.7	-0.7	0.3
	December	123.5	0.7	0.7
2002	March	125.9	2.0	2.1
	June	125.9	0.0	1.9
	September	126.3	0.3	2.9
	December	127.2	0.7	3.0
2003	March	126.2	-0.8	0.2
	June	126.6	0.3	0.6
	September	127.3	0.6	0.8
	December	128.1	0.6	0.7
2004	March	127.7	-0.3	1.2
	June	129.2	1.2	2.1
	September	131.5	1.8	3.3
	December	142.3	8.2	11.1
2005	March	141.9	-0.3	11.1
	June	141.7	-0.1	9.7
	September	142.5	0.5	8.4

NOTE:

The index changes shown in the "one year ago" column on this page reflect the period to period changes and do not take into account fluctuations in price levels which may have occurred during the interim.

TABLE 2**CAYMAN ISLANDS CONSUMER PRICE INDEX****ANNUAL AVERAGES 1994 TO 2004****(SEPTEMBER 1994 = 100)**

YEAR	INDEX	Percentage change from a year ago
1994	99.9	
1995	102.4	2.5
1996	105.0	2.6
1997	107.9	2.7
1998	111.1	3.0
1999	118.7	6.9
2000	121.9	2.7
2001	123.3	1.1
2002	126.3	2.4
2003	127.1	0.6
2004	132.7	4.4

TABLE 3: CONSUMER PRICE INDEX BY MAJOR GROUPS - SEPTEMBER 2005

Major Group	(Weight)	Index	Percentage change	
			3 months ago	one year ago
01 Food	119	131.7	-0.7	1.7
Bread and Cereal	10	127.6	3.9	7.1
Meat	17	144.5	7.6	6.1
Fish	3	116.3	1.3	3.4
Dairy Products and Eggs	9	136.3	0.8	2.0
Oils & Fats	2	135.7	-2.3	1.4
Fruit and Vegetables	12	127.5	-2.8	-5.3
Drinks (non-alcoholic)	12	119.9	0.4	1.2
Sugar Products	2	131.0	1.7	9.9
Other Foods	53	132.0	-4.1	0.6
02 Alcohol and Tobacco	16	133.0	3.2	9.4
Alcoholic Drinks	13	131.7	3.9	11.3
Tobacco	3	139.5	0.0	1.7
03 Housing	311	149.6	0.4	27.3
Rent, Maintenance, Insurance etc	258	153.0	0.1	34.4
Utilities	53	133.3	2.5	-1.7
04 Clothing	46	101.5	-0.7	-3.5
Men and Womens Clothing	29	93.5	-2.2	-9.4
Boys and Girls Clothing	6	134.8	3.6	10.4
Other Clothing	2	101.6	3.4	8.5
Footwear	9	106.6	-0.3	2.9
05 Household Equipment	59	133.1	-1.7	-6.7
Furniture and Floor Coverings	22	121.0	-7.1	-13.3
Household Appliances	13	101.7	0.0	-8.6
Household Equipment	24	161.1	1.9	-0.6
06 Transport and Communications	168	122.2	0.2	3.7
Household Vehicles	128	133.4	-1.3	5.9
Travel	7	128.8	4.9	5.2

Communications	33	77.7	9.6	-9.5
07 Education and Medical	65	264.1	1.6	2.6
Education	25	387.4	1.8	2.3
Medical Care	40	186.7	1.4	2.9
08 Personal Goods and Services	216	129.8	1.7	0.6
Home Entertainment	21	94.1	0.0	-4.0
Outside Entertainment	1	180.4	9.5	14.1
Culture, Pastimes, Hobbies	30	124.4	3.2	7.6
Holiday Expenses	71	163.3	2.8	5.6
Personal Services	38	121.8	0.4	-13.0
Personal Goods	16	112.7	-0.3	-0.1
Domestic Services	39	104.3	0.2	1.1
Gifts and Subscriptions	1	166.7	0.0	11.1
ALL ITEMS	1,000	142.5	0.5	8.4

**TABLE 4: CONSUMER PRICE INDEX BY MAJOR GROUP SEPTEMBER 2000 - SEPTEMBER 2005
(SEPTEMBER 1994=100)**

PERIOD/MAJOR GROUP	FOOD	ALCOHOL & TOBACCO	HOUSING	CLOTHING	HOUSEHOLD EQUIPMENT	TRANSPORT & COMMUNICATION	EDUCATION & MEDICAL	PERSONAL GOODS & SERVICES.	ALL ITEMS
WEIGHT	119	16	311	46	59	168	65	216	1,000
2000									
SEPTEMBER	111.9	120.3	118.2	113.8	121.9	111.6	207.4	119.1	122.3
DECEMBER	114.1	120.8	118.4	112.1	121.9	112.9	209.4	117.7	122.6
ANNUAL AVERAGE	112.6	120.1	119.0	113.1	120.4	111.5	204.8	117.0	121.9
% CHANGE PREV YEAR	1.7	-1.5	0.6	-0.4	0.6	0.2	14.7	4.2	2.7
2001									
MARCH	114.4	120.2	118.5	111.6	121.5	113.6	211.5	119.4	123.3
JUNE	117.6	119.8	116.7	112.1	122.6	113.4	211.0	121.4	123.6
SEPTEMBER	117.3	119.5	117.1	110.8	121.9	112.0	212.8	118.3	122.7
DECEMBER	116.7	119.8	118.6	110.0	123.7	112.8	213.5	119.0	123.5
ANNUAL AVERAGE	116.5	119.8	117.7	111.1	122.4	113.0	212.2	119.5	123.3
% CHANGE PREV YEAR	3.5	-0.2	-1.1	-1.7	1.7	1.3	3.6	2.2	1.1
2002									
MARCH	116.5	122.3	119.0	113.6	124.0	114.1	227.6	123.3	125.9
JUNE	118.5	121.6	119.4	114.1	122.7	114.2	228.2	121.5	125.9
SEPTEMBER	120.2	122.6	121.3	109.4	125.9	113.3	230.8	119.9	126.3
DECEMBER	120.9	121.4	120.4	109.1	122.7	114.0	237.4	123.1	127.2
ANNUAL AVERAGE	119.0	122.0	120.0	111.6	123.8	113.9	231.0	122.0	126.3
% CHANGE PREV YEAR	2.2	1.8	2.0	0.4	1.1	0.8	8.9	2.0	2.4
2003									
MARCH	122.1	123.1	116.4	109.2	130.1	117.0	240.0	118.7	126.2
JUNE	122.2	121.5	115.8	109.4	133.1	115.6	241.1	120.9	126.6
SEPTEMBER	122.2	122.5	116.0	109.8	129.1	114.9	248.8	123.3	127.3
DECEMBER	125.0	123.4	117.0	112.8	129.4	114.8	248.7	123.1	128.1
ANNUAL AVERAGE	122.9	122.6	116.3	110.3	130.4	115.6	244.7	121.5	127.1
% CHANGE PREV YEAR	3.2	0.5	-3.1	-1.1	5.3	1.5	5.9	-0.4	0.6
2004									
MARCH	125.9	123.8	116.6	111.9	133.3	113.1	250.2	121.7	127.7
JUNE	127.1	126.7	112.4	108.6	134.6	118.9	253.0	128.7	129.2
SEPTEMBER	129.5	121.5	117.5	105.2	142.6	117.9	257.5	129.0	131.5
DECEMBER	130.3	125.3	153.0	96.4	133.9	122.2	260.1	127.3	142.3
ANNUAL AVERAGE	128.2	124.3	124.9	105.5	136.1	118.0	255.2	126.7	132.7
% CHANGE PREV YEAR	4.3	1.4	7.4	-4.3	4.4	2.1	4.3	4.3	4.4
2005									

MARCH	130.1	127.3	150.3	106.1	134.3	124.6	256.2	126.4	141.9
JUNE	132.6	128.9	149.0	102.2	135.5	122.0	260.0	127.6	141.7
SEPTEMBER	131.7	133.0	149.6	101.5	133.1	122.2	264.1	129.8	142.5

TABLE 5

CAYMAN ISLANDS: AVERAGE PRICES OF SELECTED FOOD ITEMS SEPTEMBER, 2005

	ITEM	QUANTITY	AVERAGE PRICES (CI\$)		
			Sept 2005	June 2005	Sept 2004
101-04	Wholewheat bread(imported)	1 lb. 4 oz	1.94	1.68	1.88
107-01	Long grain rice	5 lb.	6.34	5.74	5.54
108-12	Cornflakes	24 oz	4.54	4.54	4.31
111-01	Stew beef	1 lb.	4.12	3.32	3.82
114-01	Bacon	1 lb.	5.98	6.08	6.32
125-02	Snapper fillets (frozen)	1 lb.	5.36	5.02	5.09
127-05	Canned Tuna in water	6.5 oz	1.46	1.09	1.08
130-02	Eggs(Grade A Large)	1 doz.	1.53	1.43	1.88
131-02	Anchor Butter	1 lb	3.36	3.36	2.65
133-05	Fresh milk(McArthur)	1 gal.	5.19	5.19	5.19
135-09	Evaporated milk	14.5 oz	0.91	0.81	0.81
139-19	Shortening	3 lb.	4.91	4.91	4.94
141-01	Plantains	1 lb.	0.86	0.86	0.82
142-07	Idaho potatoes	1 lb.	0.69	0.72	0.66
147-11	Lettuce	Head	1.69	1.89	1.76
146-15	Sweet potatoes	1 lb.	0.92	0.89	1.22
151-01	Tomatoes	1 lb.	1.82	2.32	2.16
152-03	Ripe bananas	1 lb.	0.68	0.68	0.68
153-01	Apples(Golden Delicious)	1 lb.	1.42	1.69	1.76
155-11	Oranges	each	0.38	0.45	0.63
161-01	Tea bags(Liptons)	48	2.44	2.43	2.67
163-02	Instant coffee(Maxwell House)	8 oz.	5.19	5.19	5.35
166-02	Soda	12 oz. can	0.70	0.70	0.70
171-01	White sugar	2 kg.	2.09	1.86	1.73
172-02	Strawberry Preserves	12 ozs	3.14	2.74	2.74
181-02	Canned vegetable soup	10.5 oz	1.24	1.34	1.09
182-04	Corned beef hash	15 oz	2.18	2.14	2.04
186-16	Salt	8 oz	0.56	0.61	0.66