



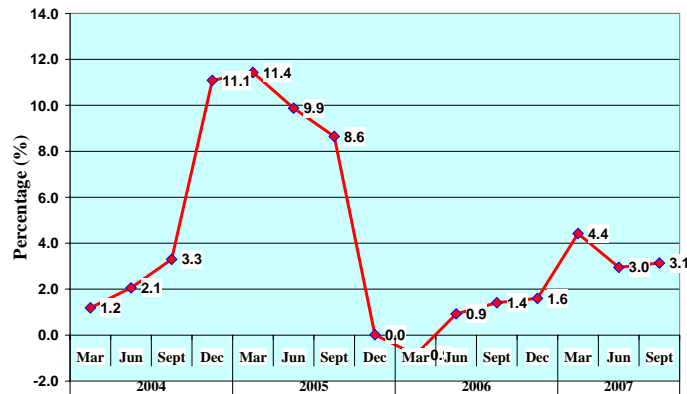
## CAYMAN ISLANDS' CONSUMER PRICE REPORT: September 2007 (Release Date: January 15, 2008)

### Consumer Prices Up 3.1 Percent in September 2007

The Consumer Price Index (CPI) stood at **149.3** in September 2007, up by **3.1** percent in comparison to September 2006, due to increases in the average prices of all major groups, led by household equipment (14.6%), clothing (8.6%) and food (5.3%).

**Figure 1: Inflation Rates**

(% Change in CPI of Current Quarter Over Same Quarter A Year Ago)



The third quarter CPI increased by **1.2** percent compared to the June 2007 CPI as a result of increases in the price indices of all categories except personal goods & services, and alcohol & tobacco.

### Annual changes

The upward movement of the CPI in the third quarter of 2007 compared to the CPI in the same quarter of 2006 were due to the following:

- **Household equipment:** this price index moved up by **14.6** percent, due mainly to increases in the average price of furniture and floor coverings (19.8%) and other household equipment (14.8%). The increase in the index for furniture was traced to increases for the average price of dining room sets, dressers and night stands.

- **Clothing:** the clothing price index rose by **8.6** percent compared to September 2006, due to a sharp increase in the average price of men's and women's clothing (14.8%) while other clothing increased marginally (0.7%).
- **Food:** the average price of food items increased by **5.3** percent as higher average prices were posted across all food categories, except fruits and vegetables (-3.4%). The highest increases were recorded for dairy products and eggs (14.3%), non-alcoholic drinks (9.6%) and fish (9.0%).
- **Transportation and communication:** this price index moved up by **4.2** percent, as there was a 5.0 percent increase in the average cost of household vehicles which is traced to higher average cost for the maintenance and running of motor vehicles (up by 7.1%) and the purchase of motor vehicles (up by 2.7%).
- **Personal goods and services:** the upward movement of this price index by **1.5** percent compared to September last year resulted from average price increases for domestic services (37.3%), and personal goods (26.0%) which were partially offset by average price decreases for holiday expenses (-12.6%) and home entertainment (-7.6%). Specifically, minimum rates for maid service and babysitting rose by 50 percent from last year. Similarly, gardeners and basic window cleaning rates rose by 25 percent from a year ago.
- **Education and medical:** this price index rose by **1.4** percent as a result of higher average cost of education (3.0%). There was a decrease in the average cost of medical care of 0.6 percent as the average cost of first-aid items declined by 2.3 percent. The increase in the average cost of education was primarily caused by the increase in the average cost of tuition for prep school and private high school.
- **Alcohol and tobacco:** this category also increased by **1.4** percent mainly due to a 3.9 percent rise in the average price of tobacco goods.
- **Housing:** the overall housing price index, which accounts for 1/3 of the entire CPI basket, stood at **145.9**. This is **0.8** percent above the level in September 2006 on account of the average cost of utilities increasing by 5.5 percent amidst a marginal decline in the average cost of rent, maintenance and insurance of housing (-0.1%).

### Quarterly changes

In September 2007, the CPI increased by **1.2** percent compared to June 2007 which is attributed to the price movements of the following major categories:

- **Household equipment:** the price index rose by **12.7** percent as a result of increases in the average cost of furniture and floor coverings (7.7%) and other household equipment (22.5%).

- **Housing:** this index moved up by **3.5** percent above the level in September 2006 on account of the average cost of utilities increasing by 6.8 percent coupled with the average index for rent, maintenance and insurance rising by 2.9 percent.
- **Clothing:** this index rose by **2.9** percent which originated from increases in the average cost of all sub-categories except footwear (-7.6%).
- **Transport and communication:** this price index went up by **2.4** percent as prices for household vehicles increased by 3.1 percent. The increase in household vehicles emanated from increases in the average price for the purchase of vehicles (up by 2.1%) and the maintenance and running of motor vehicles (up by 4.1%).
- **Food:** the index increased by **0.3** percent as the average price for several food groups registered increases led by dairy products and eggs (6.5%).
- **Education and medical:** the price index rose by **0.2** percent as a result of increases in the average cost of education (1.6%) while the average cost of medical care declined by 1.7 percent.

On the other hand, the following main categories of the CPI basket posted declines in September 2007 compared to September 2006:

- **Personal goods and services:** the average cost of personal goods and services went down by **4.7** percent mainly due to decreases in the average price of holiday expenses (-11.4%) and home entertainment (-9.8%). However, an increase in the average cost of personal goods (8.3%) was also registered.
- **Alcohol and tobacco:** the price index slid by **1.3** percent mainly due to decreases in the average cost of both tobacco products (1.7%) and alcoholic drinks products (1.2%).

#### **Additional note**

The CPI in the first three quarters of 2007 averaged **148.0**, resulting in an average inflation rate of **3.5** percent compared to the first three quarters of 2006.

### NOTES ON THE CPI COMPILATION

1. For one month in each quarter of the year namely March, June, September and December, staffs of the Economics and Statistics Office collect data on prices of 661 items on which consumers spend their money, from over 100 different shops and other outlets in Grand Cayman only. Outlets in Cayman Brac and Little Cayman are not included in the CPI. 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.

### DEFINITION OF COMMON TERMS

**Consumer Price Index:** an index representing the average price of a basket of goods and services purchased in the Cayman Islands as described above. There are eight (8) major categories of items included in the CPI baskets which are listed below with their respective weights:

Major Categories	Weights*
1. Food	120
2. Alcohol & Tobacco	16
3. Housing	311
4. Clothing	46
5. Household Equipment	59
6. Transport & Communication	169
7. Education & Medical	65
8. Personal Goods & Services	216

\* Note that the weights displayed are rounded, note also that **aggregated weights = 1,000** when un-rounded figures are used.

**Inflation:** 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. In this report, the annual inflation rate refers to the increase of the CPI in September 2007 over the September 2006 CPI. 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. In this report, the quarterly inflation rate refers to the increase of the CPI in September 2007 over the June 2007 CPI. This is also known as **quarter-on-quarter inflation rate**.

**Table 1: Consumer Price Index, Quarterly Averages**

SEPTEMBER 1994 = 100

Year	Quarter Ending	INDEX	Percentage change from:	
			3 months ago	1 year ago
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	1.9	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	142.3	0.0	11.4
	June	142.0	-0.2	9.9
	September	142.9	0.6	8.6
	December	142.3	-0.4	0.0
2006	March	141.1	-0.9	-0.9
	June	143.3	1.6	0.9
	September	144.9	1.1	1.4
	December	144.6	-0.2	1.6
2007	March	147.3	1.9	4.4
	June	147.5	0.1	3.0
	September	149.3	<b>1.2</b>	<b>3.1</b>

**Table 2**  
**CAYMAN ISLANDS CONSUMER PRICE INDEX**  
**ANNUAL AVERAGES 1994 TO 2006**  
**& AVERAGE OF 3 QUARTERS OF 2007**  
**(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	6.8
2000	121.9	2.7
2001	123.3	1.1
2002	126.3	2.5
2003	127.1	0.6
2004	132.7	4.4
2005	142.4	7.3
2006	143.5	0.8
2007	148.0 *	3.5 **

\* Covers the March, June and September 2007 CPI surveys only

\*\* Average for March, June, and September 2007.

**TABLE 3 : CONSUMER PRICE INDEX BY MAJOR GROUPS as of September 2007**

Major Group	Weight	Index			Percentage change	
		Sept-07	June-07	Sept-06	3 months ago	1 year ago
<b>01 Food</b>	<b>119.6</b>	<b>143.1</b>	<b>142.6</b>	<b>135.9</b>	<b>0.3</b>	<b>5.3</b>
Bread and Cereal	9.6	135.5	136.1	129.0	-0.4	5.0
Meat	17.3	146.8	152.2	143.3	-3.6	2.4
Fish	3.4	134.3	139.0	123.3	-3.4	9.0
Dairy Products and Eggs	8.7	158.1	148.5	138.4	6.5	14.3
Oils & Fats	1.5	143.1	142.6	139.3	0.3	2.7
Fruits and Vegetables	11.7	146.7	141.0	151.8	4.0	-3.4
Drinks (non-alcoholic)	11.7	136.1	134.0	124.2	1.6	9.6
Sugar Products	2.4	133.2	139.2	129.0	-4.3	3.3
Other Foods	53.3	142.5	142.3	134.4	0.1	6.1
<b>02 Alcohol and Tobacco</b>	<b>15.7</b>	<b>135.5</b>	<b>137.2</b>	<b>133.6</b>	<b>-1.3</b>	<b>1.4</b>
Alcoholic Drinks	13.0	132.2	133.8	131.1	-1.2	0.9
Tobacco	2.7	151.3	153.8	145.6	-1.7	3.9
<b>03 Housing</b>	<b>310.8</b>	<b>145.9</b>	<b>140.9</b>	<b>144.7</b>	<b>3.5</b>	<b>0.8</b>
Rent, Maintenance, Insurance etc	257.9	146.3	142.2	146.4	2.9	-0.1
Utilities	52.9	143.9	134.8	136.4	6.8	5.5
<b>04 Clothing</b>	<b>46.1</b>	<b>114.7</b>	<b>111.5</b>	<b>105.6</b>	<b>2.9</b>	<b>8.6</b>
Men and Womens Clothing	29.3	118.9	112.4	103.5	5.8	14.8
Boys and Girls Clothing	5.6	123.9	119.1	124.7	4.0	-0.7
Other Clothing	1.9	90.0	86.6	89.4	4.0	0.7
Footwear	9.3	100.9	109.3	103.9	-7.6	-2.9
<b>05 Household Equipment</b>	<b>58.7</b>	<b>154.9</b>	<b>137.5</b>	<b>135.1</b>	<b>12.7</b>	<b>14.6</b>
Furniture and Floor Coverings	22.4	163.0	151.4	136.1	7.7	19.8
Household Appliances	12.5	111.6	110.3	108.7	1.2	2.6
Other Household Equipment	23.8	170.0	138.8	148.1	22.5	14.8
<b>06 Transport and Communications</b>	<b>168.5</b>	<b>137.0</b>	<b>133.8</b>	<b>131.5</b>	<b>2.4</b>	<b>4.2</b>
Household Vehicles	128.3	154.5	149.8	147.2	3.1	5.0
Travel	6.8	136.9	146.1	136.7	-6.3	0.2
Communications	33.4	70.0	70.0	70.0	0.0	0.0
<b>07 Education and Medical</b>	<b>64.6</b>	<b>272.6</b>	<b>272.1</b>	<b>268.7</b>	<b>0.2</b>	<b>1.4</b>
Education	24.9	404.3	397.9	392.6	1.6	3.0
Medical Care	39.7	189.8	193.2	190.9	-1.7	-0.6
<b>08 Personal Goods and Services</b>	<b>216.0</b>	<b>137.4</b>	<b>144.2</b>	<b>135.3</b>	<b>-4.7</b>	<b>1.5</b>
Home Entertainment	20.9	94.3	104.6	102.1	-9.8	-7.6
Outside Entertainment	0.8	172.4	172.4	172.4	0.0	0.0
Culture, Pastimes, Hobbies	29.9	126.3	126.7	125.5	-0.3	0.6
Holiday Expenses	71.6	152.5	172.0	174.4	-11.4	-12.6
Personal Services	38.3	126.4	126.3	122.8	0.0	2.9
Personal Goods	15.6	146.9	135.7	116.6	8.3	26.0
Domestic Services	38.6	147.5	148.0	107.4	-0.3	37.3
Gifts and Subscriptions	0.3	141.7	141.7	141.7	0.0	0.0
<b>ALL ITEMS</b>	<b>1000.0</b>	<b>149.3</b>	<b>147.5</b>	<b>144.9</b>	<b>1.2</b>	<b>3.1</b>

**Table 4: Consumer Price Index, Averages by Major Groups**  
 (SEPTEMBER 1994=100)

PERIOD/MAJOR GROUP	FOOD	ALCOHOL & TOBACCO	HOUSING	CLOTHING	HOUSEHOLD EQUIPMENT	TRANSPORT & COMMUNICATION	EDUCATION & MEDICAL	PERSONAL GOODS & SERVICES.	ALL ITEMS
<b>WEIGHT</b>	<b>119.6</b>	<b>15.7</b>	<b>310.8</b>	<b>46.1</b>	<b>58.7</b>	<b>168.5</b>	<b>64.6</b>	<b>216.0</b>	<b>1000.0</b>
<b>2003</b>									
MARCH	122.1	123.1	116.4	109.2	130	116.7	240.0	118.8	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
<b>ANNUAL AVERAGE</b>	<b>122.9</b>	<b>122.6</b>	<b>116.3</b>	<b>110.3</b>	<b>130.4</b>	<b>115.5</b>	<b>244.7</b>	<b>121.5</b>	<b>127.1</b>
<b>% CHANGE PREV YEAR</b>	<b>3.2</b>	<b>0.5</b>	<b>-3.1</b>	<b>-1.1</b>	<b>5.3</b>	<b>1.4</b>	<b>5.9</b>	<b>-0.4</b>	<b>0.6</b>
<b>2004</b>									
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	96.4	133.9	122.2	260.1	127.3	142.3
<b>ANNUAL AVERAGE</b>	<b>128.2</b>	<b>124.3</b>	<b>124.9</b>	<b>105.5</b>	<b>136.1</b>	<b>118.0</b>	<b>255.2</b>	<b>126.7</b>	<b>132.7</b>
<b>% CHANGE PREV YEAR</b>	<b>4.3</b>	<b>1.4</b>	<b>7.4</b>	<b>-4.3</b>	<b>4.4</b>	<b>2.2</b>	<b>4.3</b>	<b>4.2</b>	<b>4.4</b>
<b>2005</b>									
MARCH	130.1	127.3	150.3	106.1	134.3	126.1	258.4	126.4	142.3
JUNE	132.6	128.9	148.4	102.2	135.5	123.4	262.1	127.6	142.0
SEPTEMBER	131.7	133.0	149.6	101.5	133.1	123.6	265.7	129.8	142.9
DECEMBER	132.5	134.0	144.1	102.8	129.5	123.2	265.0	136.0	142.3
<b>ANNUAL AVERAGE</b>	<b>131.7</b>	<b>130.8</b>	<b>148.1</b>	<b>103.1</b>	<b>133.1</b>	<b>124.1</b>	<b>262.8</b>	<b>129.9</b>	<b>142.4</b>
<b>% CHANGE PREV YEAR</b>	<b>2.7</b>	<b>5.2</b>	<b>18.6</b>	<b>-2.3</b>	<b>-2.2</b>	<b>5.1</b>	<b>3.0</b>	<b>2.6</b>	<b>7.3</b>
<b>2006</b>									
MARCH	133.6	132.2	138.1	106.9	128.0	129.1	261.8	134.1	141.1
JUNE	133.1	132.7	141.0	109.2	132.2	128.1	269.9	137.2	143.3
SEPTEMBER	135.9	133.6	144.7	105.6	135.1	131.5	268.7	135.3	144.9
DECEMBER	138.4	134.6	143.8	111.4	136.8	131.1	267.5	132.8	144.6
<b>ANNUAL AVERAGE</b>	<b>135.3</b>	<b>133.2</b>	<b>141.9</b>	<b>108.3</b>	<b>133.0</b>	<b>129.9</b>	<b>267.0</b>	<b>134.9</b>	<b>143.5</b>
<b>% CHANGE PREV YEAR</b>	<b>2.7</b>	<b>1.9</b>	<b>-4.2</b>	<b>5.0</b>	<b>-0.1</b>	<b>4.7</b>	<b>1.6</b>	<b>3.8</b>	<b>0.8</b>
<b>2007</b>									
MARCH	139.9	135.9	144.3	109.0	136.6	131.5	267.6	144.0	147.3
JUNE	142.6	137.2	140.9	111.5	137.5	133.8	272.1	144.2	147.5
SEPTEMBER	143.1	135.5	145.9	114.7	154.9	137.0	272.6	137.4	149.3
<b>% CHANGE PREV YEAR</b>	<b>5.3</b>	<b>1.4</b>	<b>0.8</b>	<b>8.6</b>	<b>14.6</b>	<b>4.2</b>	<b>1.4</b>	<b>1.5</b>	<b>3.1</b>
<b>% CHANGE PREV QTR</b>	<b>0.3</b>	<b>-1.3</b>	<b>3.5</b>	<b>2.9</b>	<b>12.7</b>	<b>2.4</b>	<b>0.2</b>	<b>-4.7</b>	<b>1.2</b>



**TABLE 5: AVERAGE PRICES OF SELECTED FOOD ITEMS  
SEPTEMBER 2007**

	ITEM	QUANTITY	AVERAGE PRICES (CI\$)		
			Sept 2007	June 2007	Sept 2006
101-04	Wholewheat bread (imported)	1 lb. 4 oz	2.16	2.16	2.04
107-01	Long grain rice	5 lb.	6.58	6.58	6.58
108-12	Cornflakes	24 oz	4.60	4.64	4.74
111-01	Stew beef	1 lb.	3.76	3.66	3.66
114-01	Bacon	1 lb.	6.24	6.64	6.34
125-02	Snapper fillets (frozen)	1 lb.	7.36	6.85	5.06
127-05	Canned Tuna in water	6.5 oz	1.43	1.37	1.42
130-02	Eggs (Grade A Large)	1 doz.	2.08	1.98	1.48
131-02	Anchor Butter	1 lb	3.19	2.96	3.53
133-05	Fresh milk (McArthur)	1 gal.	5.99	5.49	5.09
135-09	Evaporated milk	14.5 oz	1.16	1.10	1.06
139-19	Shortening	3 lb.	5.50	5.14	5.01
141-01	Plantains	1 lb.	0.79	0.83	0.76
142-07	Idaho potatoes	1 lb.	0.86	0.69	0.79
147-11	Lettuce	Head	1.92	1.63	2.12
146-15	Sweet potatoes	1 lb.	0.86	1.12	1.49
151-01	Tomatoes	1 lb.	1.82	1.96	2.86
152-03	Ripe bananas	1 lb.	0.68	0.62	0.62
153-01	Apples (Golden Delicious)	1 lb.	2.02	1.99	2.09
155-11	Oranges	each	0.84	0.62	0.66
161-01	Tea bags (Lipton)	48	3.15	3.15	2.71
163-02	Instant coffee (Maxwell House)	8 oz.	5.29	5.29	5.61
166-02	Soda	12 oz. can	0.68	0.68	0.72
171-01	White sugar	2 kg.	3.23	3.23	3.28
172-02	Strawberry Preserves	12 ozs	2.81	2.81	2.99
181-02	Canned vegetable soup	10.5 oz	1.47	1.61	1.30
182-04	Corned beef hash	15 oz	2.49	2.49	2.49
186-16	Salt	8 oz	0.76	0.74	0.73