



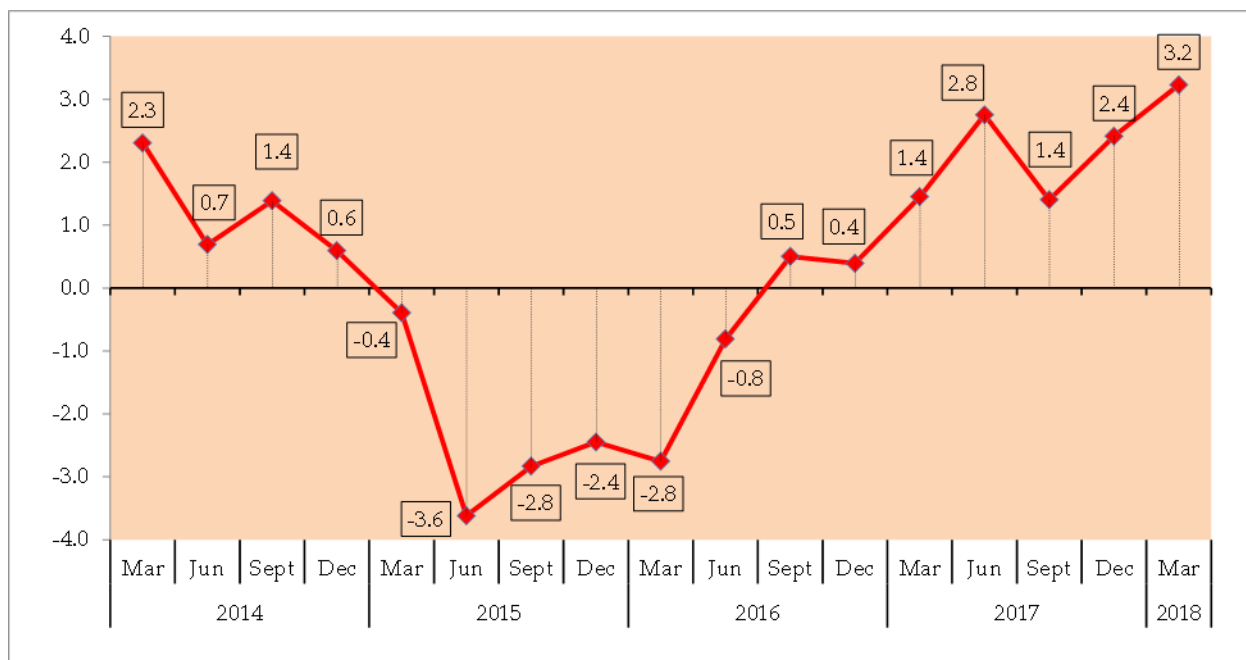
## THE CAYMAN ISLANDS' CONSUMER PRICE INDEX REPORT: MARCH 2018

(Date of release: May 16, 2018)

### First Quarter 2018 Consumer Price Index Rose by 3.2%

The Consumer Price Index (CPI) for the first quarter of 2018 was **103.5**, **3.2** percent higher when compared to the same quarter in 2017. A comparison with the previous quarter ending December 2017 indicates a **1.0** percent increase.

**Figure 1: Inflation Rates, March 2014 – March 2018**  
(by % Change in CPI of Current Quarter over Same Quarter a Year Ago)



### Annual changes: March 2018 over March 2017

The CPI for the first quarter of 2018, rose by **3.2** percent compared to the same period a year ago. This movement was mainly due to the following divisions:

- **Transport:** the division's price index increased significantly by **7.5** percent as the price index for *passenger transport by air* rose by **21.5** percent. *Fuels* posted an increase of **5.7** percent, *other services in respect to personal transport equipment* rose by **3.4** percent and *maintenance and repair of personal transport equipment* moved up by **2.9** percent. However, the average price of *motor vehicles* declined by **3.9** percent.

- **Health:** there was a **5.5** percent rise in the index for this division, largely traced to prices for *pharmaceutical products* rising by 17.3 percent, *other medicinal products* by 10.2 percent, and *medical services* by 1.7 percent. However, *dental, paramedical and hospital services* showed no price movement.
- **Food & Non-alcoholic Beverages:** this division's index moved up by **4.8** percent as a result of the notable increase in *fruits* of 18.1 percent. *Vegetables* went up by 7.7 percent, *milk, cheese and eggs* by 7.5 percent and *bread and cereals* by 5.0 percent. A downward movement was observed in *tea, coffee and cocoa* of 4.5 percent and *sugar, sugar confectionary and snacks* by 0.4 percent.
- **Education:** the index increased by **4.1** percent as the average cost of *pre-primary and primary education* rose by 5.6 percent and *secondary education* moved up by 5.1 percent. There was also a slight increase in *tertiary education* of 0.3 percent.
- **Household Furnishings and Equipment:** this price index was **3.7** percent higher than it was a year ago. *Furniture and furnishings* rose by 13.7 percent while *glassware, tableware and household utensils* went up by 6.3 percent, *repair of household appliances* by 4.6 percent, *small tools and miscellaneous accessories* by 2.9 percent and *small electric household appliances* by 2.6 percent.
- **Housing and Utilities:** the index for the division had an incline of **3.1** percent due to a rise in the average cost of *electricity* (16.5%), *water supply* (2.6%), and *materials for the maintenance and repair of the dwelling* (1.4%).
- **Communication:** the index moved up by **1.2** percent due to an increase in the average cost of *telephone and telefax equipment* of 15.1 percent. However, there was a slight decline in *telephone and telefax services* of 0.1 percent.
- **Alcoholic Beverages and Tobacco:** this price index increased by **1.0** percent, as prices of *tobacco* rose on average by 2.4 percent and *spirits and alcoholic cordials* by 1.8 percent. However, *wine* recorded a decline of 0.3 percent.
- **Miscellaneous Goods and Services:** the inflation rate for this division was **1.0** percent as a result of the price increases for *jewellery and watches* (15.2%), *other personal effects* (10.3%), *housing contents insurance* (2.9%), and *social protection* (2.7%). *Vehicle insurance premiums* declined by 1.3 percent on average.

- **Clothing and Footwear:** the price index for the division recorded an increase of **0.7** percent as the US indices for *clothing* and *footwear* rose by 1.9 percent and 1.4 percent, respectively. *Clothing locally purchased* recorded an increase of 0.4 percent but *footwear locally purchased* recorded a decline of 2.7 percent.
- **Recreation and Culture:** the index for this division registered an increase of **0.4** percent. *Package holidays (abroad)* went up by 5.2 percent, *equipment for sport* by 4.8 percent and *information processing equipment* by 3.9 percent. However, a number of the groups showed falling average prices led by *reception and recording equipment* which declined by 12.0 percent.
- **Restaurants and Hotels:** the price index for this division increased by **0.2** percent as all groups posted price increases. *Accommodation services (local & abroad)* moved up by 1.1 percent and *canteens at educational establishments or work* moved up by 0.7 percent. *Restaurants, cafes and the like* remained stable.

#### Quarterly changes: March 2018 compared to December 2017

Six (6) out of the twelve divisions contributed to the **1.0** percent CPI increase when compared to the fourth quarter of 2017, while three (3) divisions were stable. The main contributors to the quarterly increase were:

- **Food & Non-Alcoholic Beverages:** an increase of **3.4** percent was recorded for this division's price index led by *fruits* which was higher by 9.9 percent. *Mineral water, soft drinks, fruit and vegetable juices* moved up by 6.5 percent and *bread and cereals* rose by 6.0 percent.
- **Housing and Utilities:** there was a **3.1** percent rise in the index for this division, traced mainly to a significant movement for *electricity* of 16.6 percent and for *water supply* of 3.6 percent.
- **Clothing and Footwear:** the index had a rise of **1.0** percent for the quarter. The prices of *clothing purchased locally* increased by 2.2 percent while *footwear purchased locally* moved up by 0.3 percent. *Footwear purchased abroad* decreased by 0.2 percent.
- **Education:** this index rose by **0.6** percent. *Pre-primary and primary education* went up by 1.3 percent while all other groups were stable.
- **Housing Furnishings and Equipment:** there was a **0.4** percent rise in the index for this division. Average prices of *small electric household appliances* moved up by 3.7 percent, *small tools and miscellaneous accessories* by 2.1 percent, and *glassware, tableware and household utensils* by 1.5 percent.

- **Restaurants and Hotels:** the index rose by **0.4** percent for the quarter. Prices of *accommodation services* went up by 3.8 percent while other services had stable prices.

The following divisions recorded downward movements in their indices when compared to the quarter ending December 2017:

- **Transport:** this index recorded a **1.7** percent decrease, which was mainly attributed to the 7.3 percent decrease in the cost of *passenger transport by air*. *Spare parts and accessories for personal transport equipment* and *maintenance and repair of personal transport equipment* fell by 0.8 and 0.2 respectively. In contrast, the average purchase price for *motor vehicles* rose by 1.9 percent.
- **Recreation and Culture:** this index posted a **0.2** percent decrease and was largely the result of a 6.4 percent decline in the index for *reception and recording equipment*.
- **Alcoholic Beverages and Tobacco:** the index had a downward movement of **0.1** percent for the quarter. The contributors to the decline were *wine* that went down by 0.3 percent, *beer* by 0.1 and *tobacco* by 0.1 percent. *Spirits and alcoholic cordials* increased slightly by 0.3 percent.

The price indices for **Health, Communication, and Miscellaneous Goods and Services** were stable during the first quarter relative to the fourth quarter of 2017.

**Table 1: Quarterly Consumer Price Index and Inflation Rates**

September 2016 = 100

Year	Quarter Ending	INDEX	Percentage change in CPI:	
			3 months ago	1 year ago
2011	March	96.6	0.6	0.0
	June	97.9	1.3	0.9
	September	98.2	0.3	2.4
	December	97.8	-0.4	1.9
2012	March	98.3	0.5	1.8
	June	98.8	0.5	0.9
	September	98.2	-0.6	0.00
	December	99.8	1.6	2.0
2013	March	99.7	-0.1	1.4
	June	101.5	1.8	2.7
	September	101.0	-0.5	2.9
	December	101.5	0.5	1.7
2014	March	102.0	0.5	2.3
	June	102.2	0.2	0.7
	September	102.4	0.2	1.4
	December	102.1	-0.3	0.6
2015	March	101.6	-0.5	-0.4
	June	98.5	-3.1	-3.6
	September	99.5	1.0	-2.8
	December	99.6	0.1	-2.4
2016	March	98.8	-0.8	-2.8
	June	97.7	-1.1	-0.8
	September	100.0	2.4	0.5
	December	100.0	0.0	0.4
2017	March	100.2	0.2	1.4
	June	100.4	0.2	2.8
	September	101.4	1.0	1.4
	December	102.4	1.0	2.4
2018	March	103.5	1.0	3.2

\* The CPI series from 2011 to June 2016 were re-based to September 2016.

**Table 2: Annual Averages 2011 to 2017****(September 2016 = 100)**

<b>YEAR</b>	<b>INDEX</b>	<b>Percentage change from a year ago</b>
2011	97.6	1.3
2012	98.8	1.2
2013	100.9	2.2
2014	102.2	1.2
2015	99.8	-2.3
2016	99.1	-0.7
2017 <sup>R</sup>	101.1	2.0

R : Revised

**TABLE 3: CONSUMER PRICE INDICES AND INFLATION BY DIVISIONS AND GROUPS - FIRST QUARTER 2018  
(September 2016=100)**

Major Groups	Index				Percentage Change	
	Weight	Mar 17	Dec 17	Mar 18	3 months ago	1 year ago
<b>Overall</b>	<b>1,000.0</b>	<b>100.2</b>	<b>102.4</b>	<b>103.5</b>	<b>1.0</b>	<b>3.2</b>
<b>01 Food and non-alcoholic beverages</b>	<b>66.1</b>	<b>99.7</b>	<b>101.1</b>	<b>104.5</b>	<b>3.4</b>	<b>4.8</b>
Bread and Cereals	8.6	100.1	99.1	105.1	6.0	5.0
Meat & Meat Products	8.9	97.3	98.9	97.5	-1.3	0.2
Fish and Seafood	3.0	106.0	106.7	106.6	-0.1	0.6
Milk, Cheese and Eggs	7.2	101.6	108.5	109.1	0.6	7.5
Oils and Fats	1.7	100.0	105.7	104.5	-1.1	4.5
Fruits	6.7	100.4	107.9	118.6	9.9	18.1
Vegetables	8.4	96.8	100.8	104.2	3.5	7.7
Sugar, Sugar Confectionary and Snacks	3.1	100.9	100.1	100.5	0.5	-0.4
Other Food Products (Not Elsewhere Specified)	4.3	99.4	100.4	100.8	0.4	1.4
Tea, Coffee and Cocoa	1.4	100.0	95.5	95.5	0.0	-4.5
Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	12.9	99.9	95.5	101.7	6.5	1.9
<b>02 Alcoholic beverages and tobacco</b>	<b>22.3</b>	<b>101.7</b>	<b>102.8</b>	<b>102.7</b>	<b>-0.1</b>	<b>1.0</b>
Spirits and Alcoholic Cordials	3.2	100.4	101.9	102.2	0.3	1.8
Wine	6.7	102.0	102.0	101.7	-0.3	-0.3
Beer	8.5	102.6	103.7	103.6	-0.1	1.0
Tobacco	3.9	100.4	102.9	102.8	-0.1	2.4
<b>03 Clothing &amp; Footwear</b>	<b>33.3</b>	<b>101.5</b>	<b>101.2</b>	<b>102.2</b>	<b>1.0</b>	<b>0.7</b>
Clothing	14.4	102.6	100.8	103.0	2.2	0.4
Footwear	3.9	103.3	100.2	100.5	0.3	-2.7
Clothing purchased abroad	11.9	100.0	101.8	101.9	0.1	1.9
Footwear purchased abroad	3.0	100.0	101.6	101.4	-0.2	1.4
<b>04 Housing, water, electricity, gas and other fuels</b>	<b>334.5</b>	<b>100.2</b>	<b>100.2</b>	<b>103.3</b>	<b>3.1</b>	<b>3.1</b>
Actual Rentals paid by Tenants	85.7	101.6	101.6	101.6	0.0	0.0
Imputed Rentals for Owner Occupiers	170.3	100.3	100.3	100.8	0.5	0.5
Materials for the Maintenance and Repair of the Dwelling	2.5	100.0	101.0	101.4	0.4	1.4
Services for the Maintenance and Repair of the Dwelling	1.1	100.0	100.0	100.0	0.0	0.0
Water Supply	18.7	97.8	96.8	100.4	3.6	2.6
Electricity	54.7	98.7	98.6	115.0	16.6	16.5
Gas (LPG/Propane)	1.5	100.0	100.3	100.3	0.0	0.3
<b>05 Furnishings, household equipment and routine household maintenance</b>	<b>42.7</b>	<b>102.6</b>	<b>106.1</b>	<b>106.4</b>	<b>0.4</b>	<b>3.7</b>
Furniture and Furnishings	8.7	101.9	116.8	115.9	-0.7	13.7
Household Textiles	2.2	99.4	99.1	99.3	0.2	-0.2
Major Household Appliances	4.6	100.6	101.3	102.0	0.6	1.4
Small Electric Household Appliances	1.0	101.3	100.3	104.0	3.7	2.6
Repair of Household Appliances	2.2	100.0	104.6	104.6	0.0	4.6
Glassware, Tableware and Household Utensils	1.8	100.9	105.7	107.3	1.5	6.3
Small Tools and Miscellaneous Accessories	1.6	100.0	100.8	103.0	2.1	2.9
Non-Durable Household Goods	11.9	107.6	107.3	108.2	0.8	0.6
Employed Staff (Paid Staff Privately Employed)	8.6	100.0	100.0	100.0	0.0	0.0
<b>06 Health</b>	<b>20.9</b>	<b>99.8</b>	<b>105.4</b>	<b>105.3</b>	<b>0.0</b>	<b>5.5</b>
Pharmaceutical Products	6.1	100.8	118.6	118.3	-0.3	17.3
Other Medicinal Products	0.6	100.0	108.1	110.2	1.9	10.2
Therapeutic Appliances and Equipment	2.1	100.0	96.9	96.9	0.0	-3.1
Medical Services	5.2	98.3	100.0	100.0	0.0	1.7
Dental Services	1.7	100.0	100.0	100.0	0.0	0.0
Paramedical Services	1.0	100.0	100.0	100.0	0.0	0.0
Hospital Services	4.2	100.0	100.0	100.0	0.0	0.0

Major Groups	Weight	Index			Percentage Change	
		Mar 17	Dec 17	Mar 18	3 months ago	1 year ago
<b>07 Transport</b>	<b>162.0</b>	<b>101.3</b>	<b>110.8</b>	<b>108.9</b>	<b>-1.7</b>	<b>7.5</b>
Purchase of Motor Vehicles	35.8	100.6	94.8	96.7	1.9	-3.9
Spare Parts and Accessories for Personal Transport Equipment	4.8	106.5	107.8	107.0	-0.8	0.5
Fuels	43.4	100.3	104.2	106.1	1.8	5.7
Maintenance and Repair of Personal Transport Equipment	12.9	108.8	112.2	112.0	-0.2	2.9
Other Services In Respect of Personal Transport Equipment	11.9	94.5	97.7	97.8	0.0	3.4
Passenger Transport by Road	3.0	100.0	100.0	100.0	0.0	0.0
Passenger Transport by Air	46.8	101.8	133.5	123.8	-7.3	21.5
Other Purchased Transport Services	3.4	103.7	105.2	105.2	0.0	1.5
<b>08 Communication</b>	<b>39.1</b>	<b>100.0</b>	<b>101.3</b>	<b>101.2</b>	<b>0.0</b>	<b>1.2</b>
Telephone and Telefax Equipment	3.4	100.0	115.4	115.1	-0.2	15.1
Telephone and Telefax Services	35.7	100.0	99.9	99.9	0.0	-0.1
<b>09 Recreation and Culture</b>	<b>59.2</b>	<b>97.9</b>	<b>98.5</b>	<b>98.3</b>	<b>-0.2</b>	<b>0.4</b>
Reception and Recording Equipment	2.3	101.4	95.2	89.2	-6.4	-12.0
Information Processing Equipment	1.9	100.0	103.9	103.9	0.0	3.9
Recording Media (Audio Visual, Media)	0.5	100.7	99.8	99.7	0.0	-1.0
Major Durables for Outdoor Recreation	2.8	100.2	93.1	97.4	4.7	-2.8
Games, Toys and Hobbies	1.3	97.6	95.7	94.6	-1.1	-3.1
Equipment for Sport, Camping and Open-Air Recreation	1.5	102.9	106.8	107.8	1.0	4.8
Gardens, Plants and Flowers	1.3	100.0	99.6	99.6	0.0	-0.4
Pets and Related Products	3.1	100.0	100.7	100.7	0.0	0.7
Veterinary and Other Services For Pets	3.8	100.0	100.0	100.0	0.0	0.0
Recreation and Sporting Services	8.9	100.0	99.3	99.3	0.0	-0.7
Cultural Services	17.2	100.2	99.7	99.9	0.1	-0.3
Books	1.3	100.7	99.8	99.7	0.0	-1.0
Newspapers and Periodicals	1.3	100.0	100.0	100.0	0.0	0.0
Package Holidays (Abroad)	12.2	89.3	94.8	93.9	-0.9	5.2
<b>10 Education</b>	<b>38.2</b>	<b>100.0</b>	<b>103.5</b>	<b>104.1</b>	<b>0.6</b>	<b>4.1</b>
Pre Primary and Primary Education	18.1	100.0	104.2	105.6	1.3	5.6
Secondary Education	10.5	100.0	105.1	105.1	0.0	5.1
Tertiary Education	7.1	100.1	100.4	100.4	0.0	0.3
Education Not Definable by Level	2.5	100.0	100.0	100.0	0.0	0.0
<b>11 Restaurants and Hotels</b>	<b>83.5</b>	<b>99.1</b>	<b>98.9</b>	<b>99.3</b>	<b>0.4</b>	<b>0.2</b>
Restaurants, Cafes and the Like	64.3	99.4	99.5	99.5	0.0	0.0
Canteens at Educational Establishments Or Work	8.8	100.0	100.7	100.7	0.0	0.7
Accommodation Services (Local & Abroad)	10.3	96.1	93.6	97.1	3.8	1.1
<b>12 Miscellaneous Goods and Services</b>	<b>98.2</b>	<b>99.7</b>	<b>100.7</b>	<b>100.7</b>	<b>0.0</b>	<b>1.0</b>
Hairdressing Salons and Personal Grooming Establishments	12.8	100.0	101.1	101.1	0.0	1.1
Other Appliances, Articles and Products for Personal Care	15.6	99.0	100.0	100.1	0.1	1.2
Jewellery and Watches	2.3	98.9	113.9	113.9	0.0	15.2
Other Personal Effects	1.9	103.3	109.8	114.0	3.8	10.3
Social Protection	5.6	100.0	102.7	102.7	0.0	2.7
Housing Contents Insurance	3.1	100.0	106.0	102.9	-2.9	2.9
Health Insurance	33.6	100.0	100.1	100.1	0.0	0.0
Vehicle Insurance	11.7	98.4	97.1	97.1	0.0	-1.3
Other Financial Services	7.8	100.0	100.0	100.0	0.0	0.0
Other Services Not Elsewhere Classified	3.9	100.0	100.0	100.0	0.0	0.0





TABLE 4: CONSUMER PRICE INDEX, AVERAGES BY MAJOR GROUPS

PERIOD / DIVISION	Food & Non-alcoholic beverages	Alcoholic Beverages & Tobacco	Clothing & Footwear	Housing and Utilities	Household Furnishings & Equipment	Health	Transport	Communication	Recreation & Culture	Education	Restaurants & Hotels	Miscellaneous Goods & Services	ALL ITEMS
<b>WEIGHT</b>	<b>66.1</b>	<b>22.3</b>	<b>33.3</b>	<b>334.5</b>	<b>42.7</b>	<b>20.9</b>	<b>162.0</b>	<b>39.1</b>	<b>59.2</b>	<b>38.2</b>	<b>83.5</b>	<b>98.2</b>	<b>1000</b>
<b>2013</b>													
MARCH	94.7	98.9	96.6	108.9	93.6	100.6	101.7	94.4	94.0	88.3	93.5	94.2	99.7
JUNE	95.4	98.8	95.5	109.8	93.3	100.5	102.9	95.2	94.1	91.8	87.7	103.9	101.5
SEPTEMBER	96.1	98.7	98.3	107.6	93.4	100.8	103.8	95.1	94.2	93.8	92.8	101.2	101.0
DECEMBER	96.8	98.8	97.3	108.2	93.8	100.3	106.0	95.0	93.6	93.8	97.4	100.7	101.5
<b>ANNUAL AVERAGE 2013</b>	<b>95.8</b>	<b>98.8</b>	<b>96.9</b>	<b>108.6</b>	<b>93.5</b>	<b>100.5</b>	<b>103.6</b>	<b>94.9</b>	<b>94.0</b>	<b>91.9</b>	<b>92.8</b>	<b>100.0</b>	<b>100.9</b>
<b>2014</b>													
MARCH	97.1	98.8	95.6	107.0	99.9	100.4	105.6	95.0	95.8	93.8	104.3	101.4	102.0
JUNE	97.7	98.6	96.2	108.3	100.3	100.3	106.5	96.5	95.8	93.8	95.0	101.1	102.2
SEPTEMBER	98.1	99.0	96.5	109.1	100.7	100.3	106.4	96.4	95.8	93.8	93.4	101.0	102.4
DECEMBER	99.1	99.0	96.8	108.3	100.7	100.2	105.8	95.3	96.7	96.3	95.2	99.4	102.1
<b>ANNUAL AVERAGE 2014</b>	<b>98.0</b>	<b>98.8</b>	<b>96.2</b>	<b>108.2</b>	<b>100.4</b>	<b>100.3</b>	<b>106.1</b>	<b>95.8</b>	<b>96.0</b>	<b>94.4</b>	<b>97.0</b>	<b>100.7</b>	<b>102.2</b>
<b>2015</b>													
MARCH	99.9	99.1	97.3	105.9	100.7	100.8	105.5	97.3	97.6	96.3	95.8	99.0	101.6
JUNE	98.8	99.4	98.8	98.1	100.5	100.5	98.3	99.4	97.6	98.0	93.7	99.5	98.5
SEPTEMBER	99.7	99.5	100.2	99.5	100.5	100.6	100.8	99.5	97.5	98.8	93.8	100.2	99.5
DECEMBER	99.9	99.6	100.2	99.1	100.5	100.5	98.9	99.5	97.1	98.8	99.0	100.9	99.6
<b>ANNUAL AVERAGE 2015</b>	<b>99.6</b>	<b>99.4</b>	<b>99.1</b>	<b>100.7</b>	<b>100.6</b>	<b>100.6</b>	<b>100.9</b>	<b>98.9</b>	<b>97.4</b>	<b>98.0</b>	<b>95.6</b>	<b>99.9</b>	<b>99.8</b>
<b>2016</b>													
MARCH	100.2	99.7	99.2	96.5	100.3	100.7	98.4	99.5	97.0	98.8	95.8	102.8	98.8
JUNE	98.7	99.7	99.3	95.2	100.5	100.7	98.4	99.5	99.5	98.8	92.7	99.8	97.7
SEPTEMBER	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DECEMBER	99.8	100.5	100.7	100.2	100.3	100.3	100.1	100.0	98.5	100.0	99.5	100.0	100.0
<b>ANNUAL AVERAGE 2016</b>	<b>99.7</b>	<b>100.0</b>	<b>99.8</b>	<b>98.0</b>	<b>100.3</b>	<b>100.4</b>	<b>99.2</b>	<b>99.8</b>	<b>98.7</b>	<b>99.4</b>	<b>97.0</b>	<b>100.6</b>	<b>99.1</b>
<b>2017</b>													
MARCH	99.7	101.7	101.5	100.2	102.6	99.8	101.3	100.0	97.9	100.0	99.1	99.7	100.2
JUNE	100.6	103.3	101.9	100.4	102.7	101.5	99.3	102.2	100.3	100.0	99.3	100.0	100.4
SEPTEMBER	100.8	103.3	103.6	100.1	103.5	104.7	105.0	100.3	100.5	100.9	99.5	100.1	101.4
DECEMBER	101.1	102.8	101.2	100.2	106.1	105.4	110.8	101.3	97.8	103.5	98.9	100.7	102.4
<b>ANNUAL AVERAGE 2017</b>	<b>100.6</b>	<b>102.8</b>	<b>102.0</b>	<b>100.2</b>	<b>103.7</b>	<b>102.8</b>	<b>104.1</b>	<b>100.9</b>	<b>99.1</b>	<b>101.1</b>	<b>99.2</b>	<b>100.1</b>	<b>101.1</b>
<b>2018</b>													
MARCH	104.5	102.7	102.2	103.3	106.4	105.3	108.9	101.2	97.7	104.1	99.3	100.7	103.4
<b>% CHANGE OVER PREVYEAR</b>	<b>4.8</b>	<b>1.0</b>	<b>0.7</b>	<b>3.1</b>	<b>3.7</b>	<b>5.5</b>	<b>7.5</b>	<b>1.2</b>	<b>-0.2</b>	<b>4.1</b>	<b>0.2</b>	<b>1.0</b>	<b>3.2</b>
<b>% CHANGE OVER PREVQTR</b>	<b>3.4</b>	<b>-0.1</b>	<b>1.0</b>	<b>3.1</b>	<b>0.4</b>	<b>0.0</b>	<b>-1.7</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.6</b>	<b>0.4</b>	<b>0.0</b>	<b>1.0</b>
<b>ANNUAL AVERAGE % CHANGE 2015</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>
<b>ANNUAL AVERAGE % CHANGE 2016</b>	<b>0.1</b>	<b>0.6</b>	<b>0.7</b>	<b>-2.7</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-1.7</b>	<b>0.8</b>	<b>1.3</b>	<b>1.5</b>	<b>1.5</b>	<b>0.7</b>	<b>-0.7</b>
<b>ANNUAL AVERAGE % CHANGE 2017</b>	<b>0.9</b>	<b>2.8</b>	<b>2.2</b>	<b>2.3</b>	<b>3.4</b>	<b>2.4</b>	<b>4.9</b>	<b>1.2</b>	<b>0.4</b>	<b>1.7</b>	<b>2.2</b>	<b>-0.5</b>	<b>2.0</b>

**TABLE 5: Average Prices of Selected Items  
Quarter Ending March 2018**

Item	Quantity	Average Prices		
		Mar 17	Dec 17	Mar 18
Sliced Brown Bread	20 oz	2.69	2.69	2.86
Enriched Parboiled Long Grain Rice	5 lb	7.52	6.62	9.62
Cornflakes (original)	24 oz	5.39	5.46	5.46
Stew Beef	per lb	5.20	4.97	4.94
Corned Beef - regular	340 g	4.19	4.19	4.49
Salmon Steaks - Fresh	per lb	11.74	12.37	12.49
Canned Tuna in water	5 oz	1.64	1.71	1.66
Eggs (Grade A Extra Large)	1 doz	2.36	3.30	3.42
Butter - Salted	227 g	3.76	4.26	4.26
Condensed Milk	395 g	1.99	1.99	1.99
Vegetable Oil	48 oz	6.26	6.46	5.96
Plantain	per lb	1.11	1.12	1.27
Potatoes - Irish	5lb bag	3.88	3.29	3.78
Lettuce - Iceberg	each	1.82	2.09	2.09
Sweet Potatoes	per lb	2.76	3.09	3.21
Tomatoes - Slicing	per lb	2.68	2.82	3.12
Bananas - Ripe	per lb	1.01	0.96	1.04
Apple - Red Delicious	per lb	1.75	1.84	2.16
Grapes - Red Seedless	per lb	3.89	4.07	4.24
Tea - 100% Natural	100 bags	5.68	5.68	5.68
Coffee - Instant -Classic Roast - Bottle	7 oz	8.12	8.12	8.12
Soda	20 oz	1.11	1.24	1.24
Cane Sugar	4 lb	2.66	2.66	2.59
Iodized Salt	26 oz	1.06	1.06	1.06
Petrol - Regular Full Service	per gal	4.17	4.35	4.44
Petrol - Premium Full Service	per gal	4.42	4.58	4.65
Diesel - Full Service	per gal	4.10	4.18	4.24

**Table 6: Core Consumer Price Index  
and Inflation Rates\***

September 2016 = 100

Period	INDEX	Percentage change 1 year ago
Dec-16	100.1	0.1
<b>Dec-17</b>	102.7	2.5

\*CPI Inflation excluding food, gas piped and electricity,  
fuel oil and other household fuels, and motor fuels.

## NOTES ON THE INDEX COMPILATION

### 1. Data collection

This report uses the 2016 CPI basket based on the results of the 2015 Household Budget Survey (HBS) as updated between August 2016 and August 2017. The goods and services in the basket are classified into twelve (12) divisions using the United Nations' Classification of Individual Consumption According to Purpose (COICOP). In all, there are **2,227** items (7th-digit COICOP level) included in the basket collected from **203** providers/outlets in Grand Cayman, compared to 2008 when there were **1,647** items collected from **147** providers/outlets. The items are classified as follows:

**Summary Table: Number of Items and Weights for the CPI Baskets of 2008 and 2016**

	2008		2016	
	Number of Items	Weights	Number of Items	Weights
<b>Total</b>	<b>1,647</b>	<b>1,000</b>	<b>2,227</b>	<b>1,000</b>
<b>01.</b> Food & Non Alcoholic Beverage	540	79.6	551	66.1
<b>02.</b> Alcohol and Tobacco	66	6.5	153	22.3
<b>03.</b> Clothing and Footwear	153	34.3	273	33.3
<b>04.</b> Housing and Utilities	59	394.4	153	334.5
<b>05.</b> Household Equipment	212	56.4	316	42.7
<b>06.</b> Health	111	24.2	124	20.9
<b>07.</b> Transport	107	96.1	198	162.0
<b>08.</b> Communication	62	69.7	40	39.1
<b>09.</b> Recreation and Culture	75	40.5	94	59.2
<b>10.</b> Education	18	27.9	46	38.2
<b>11.</b> Restaurants and Hotels	57	40.2	103	83.5
<b>12.</b> Miscellaneous Goods and Services	187	130.2	176	98.2

All price indices for goods and services purchased abroad were taken from price indices published by the US Bureau of Labour Statistics.

ESO collection periods and price averaging methodologies follow updated international standards, in particular the *Consumer Price Index Manual: Theory and Practice* (August 2004) published by the International Labour Organization (ILO). Prices of selected items are collected every second month of the quarter. Vulnerable items which change monthly, such as vegetables and fruits, fish and meat, and gas are 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, P<sub>Lo</sub>, 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