

CONSUMER PRICE INDEX - 1ST QUARTER 1996

1. Main movements in Consumer Price Index in 1st Quarter 1996

The Consumer Price Index (C.P.I) increased by 1.2 points or 0.9% during the first quarter of 1996 to reach 134.3 in March 1996. This is lower than that of the corresponding quarter of 1995 when the CPI rose by 2.6 points.(Table 1). It is probably due to the effect of favourable climatic conditions prevailing at the beginning of the year compared to 1995.

It might be noted that increases of the order of 0.6 point were registered in January and February while no change was observed in the overall index of March 1996.

The main commodity items which contributed to the net change of 1.2 point were frozen meat, fresh fish, fresh fruits and vegetables, educational services and other school requisites.

2. Changes by Major Commodity Group

During the first quarter of 1996, the different commodity group indices (sub-indices) of the C.P.I have shown marginal increases of less than 1%, except that of "*Recreation, entertainment, education and cultural services*" and "*Miscellaneous goods and services*" which increased by 5.7% and 2.7% respectively.(Table 2).

As in the past, price increases of most commodity items in the sub group '*Education*' have increased during the month of January when all school activities usually resume. The main items which have contributed to the 5.7% increase in the "*Recreation entertainment, education and cultural services group*" are private tuition (+10.6%), educational services (+16.9%), school textbooks and requisites (+9.2%).

Increase in prices of some items of personal care as hair treatment, toilet soap and baby oil lotion caused the index for the "*Miscellaneous group*" to rise by 2.7%.

Significant price changes were observed in a large variety of commodity items of the "*Food and non alcoholic beverages*" commodity group such as frozen meat (-6.0%), fresh fish (-8.5%), fresh fruits (-7.4%), frozen chicken (+7.8%), and fresh vegetables (+2.6%). However, the net effect of that group is marginal, resulting to an overall increase of 0.5% point during the first quarter.

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3. **Rate of inflation**

The current rate of inflation for the twelve months ending March 1996 works out to 5.8% compared to 6.6% for the twelve months ending March 1995. This rate was 6.0% for calendar year 1995 and 6.1% for financial year 1994/95 (Table 4).

On the basis of available figures for the past months and of foreseeable price movements, it is estimated that the rate of inflation for financial year 1995/96 will be in the range of 5.5 to 6.0%.

Central Statistical Office
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Table 1 - Monthly Consumer Price Index - (July 1992 - March 1996)

(Base : July 1991 - June 1992 = 100)

<u>Month</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
January		109.0	119.4	126.9	133.7
February		110.2	119.9	127.4	134.3
March		110.7	120.8	128.2	134.3
April		111.1	121.0	128.8	
May		114.0	122.6	129.0	
June		114.7	123.2	129.8	
July	104.0	115.4	123.2	130.0	
August	105.6	116.3	123.8	131.4	
September	106.4	117.2	124.2	131.7	
October	106.6	117.3	124.2	132.4	
November	106.8	117.9	124.9	132.9	
December	107.6	118.5	125.6	133.1	
<i>Yearly average</i>	<i>103.5</i>	<i>114.4</i>	<i>122.7</i>	<i>130.1</i>	
<i>Annual change (%) Inflation rate</i>	<i>+4.6</i>	<i>+10.5</i>	<i>+7.3</i>	<i>+6.0</i>	

Table 2 : Monthly sub-indices by major commodity group - (December 1995 to March 1996).

(Base: July 1991 - June 1992 = 100)

Major Commodity Group	Weight	December 1995	January 1996	February 1996	March 1996	Change between Dec 95 & Mar 96 (%)
1. Food and non alcoholic beverages	392	137.2	137.0	138.4	137.9	+0.5
2. Alcoholic beverages and tobacco	82	133.2	133.2	133.2	133.3	+0.1
3. Clothing and footwear	88	134.9	134.9	134.9	135.2	+0.2
4. Fuel and light	52	110.2	110.2	110.2	110.2	-
5. Housing and household operations	191	128.9	130.0	130.0	130.0	+0.9
6. Medical care and health expenses	36	140.6	140.4	141.1	141.4	+0.6
7. Transport and communication	97	127.0	127.2	127.2	127.2	+0.2
8. Recreation, entertainment, education and cultural services	66	136.0	143.4	143.5	143.7	+5.7
9. Miscellaneous goods and services	56	134.0	135.8	136.2	137.6	+2.7
ALL GROUPS	1000	133.1	133.7	134.3	134.3	+0.9

**Table 3 - Net contribution of main commodities that have affected the index
in the first quarter of 1996.**

<u>Commodity</u>	<u>Change in index point</u>	<u>% Change in price</u>
Frozen meat	- 0.2	-- 6.0
Frozen chicken	+ 0.2	+7.8
Fresh fish	- 0.2	-8.5
Fresh fruits	- 0.2	-7.4
Fresh vegetables	+ 0.1	+2.6
Other food products	+ 0.5	-
Laundry soap	+ 0.1	+11.4
Private tuition	+ 0.2	+10.6
Educational services	+ 0.1	+16.9
School textbooks and other requisites	+ 0.2	+9.2
Personal care	+ 0.1	+2.5
Other goods and services	+ 0.3	-

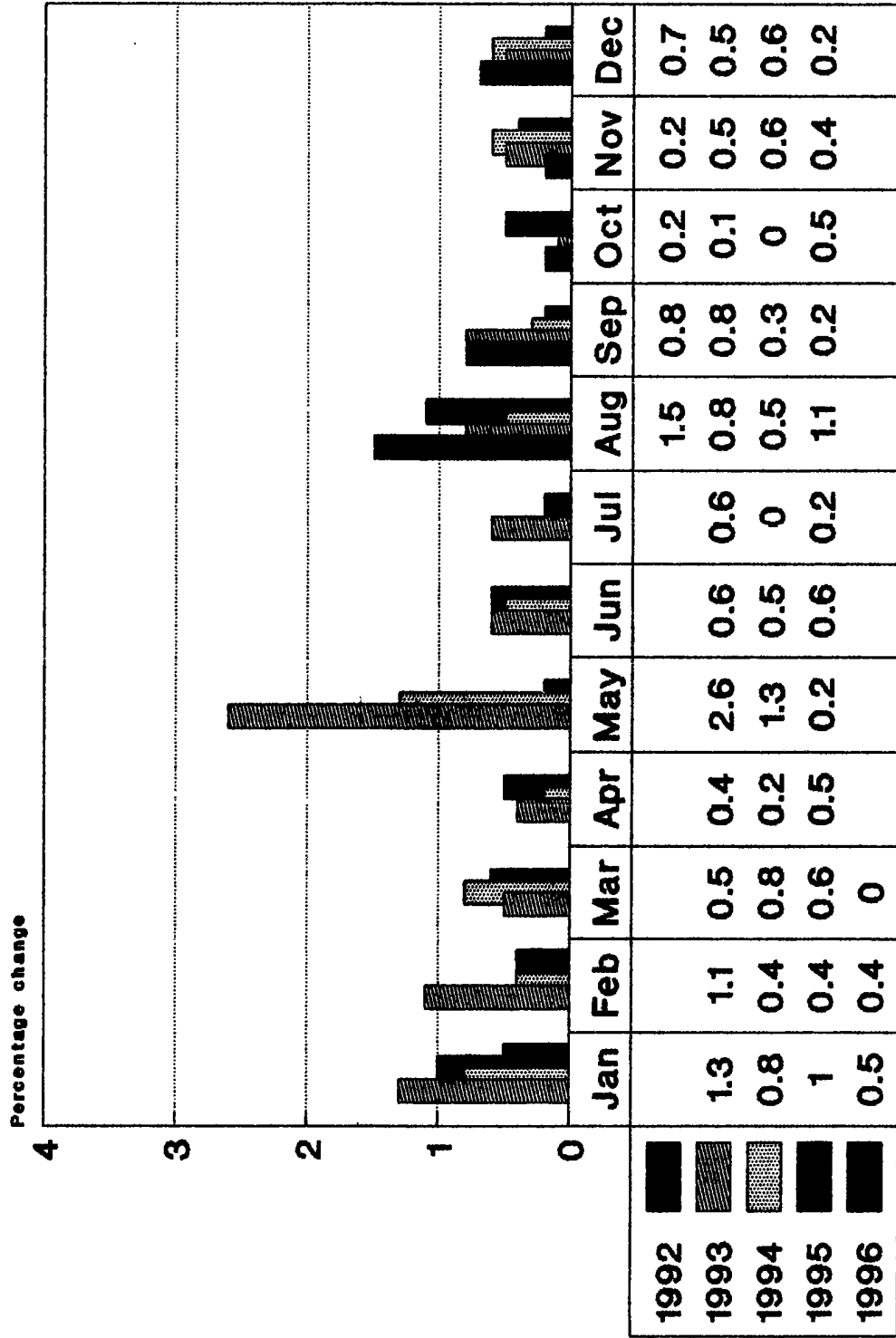
TOTAL	+ 1.2	

Table 4 - Inflation rate (%) , 1975 - 1996

<u>Calendar year</u>	<u>Inflation rate</u>	<u>Financial year</u>	<u>Inflation rate</u>
1975	14.7	1974 - 75	20.6
1976	13.4	1975 - 76	14.7
1977	9.2	1976 - 77	9.6
1978	8.5	1977 - 78	10.1
1979	14.5	1978 - 79	8.0
1980	42.0	1979 - 80	33.0
1981	14.5	1980 - 81	26.5
1982	11.4	1981 - 82	13.4
1983	5.6	1982 - 83	7.5
1984	7.3	1983 - 84	5.6
1985	6.7	1984 - 85	8.3
1986	1.8	1985 - 86	4.3
1987	0.6	1986 - 87	0.7
1988	9.2	1987 - 88	1.5
1989	12.6	1988 - 89	16.0
1990	13.5	1989 - 90	10.7
1991	7.0	1990 - 91	12.8
1992	4.6	1991 - 92	2.9
1993	10.5	1992 - 93	8.9
1994	7.3	1993 - 94	9.4
1995	6.0	1994 - 95	6.1
		1995 - 96	<i>Between 5.5 and 6.0</i> *

* *Forecast*

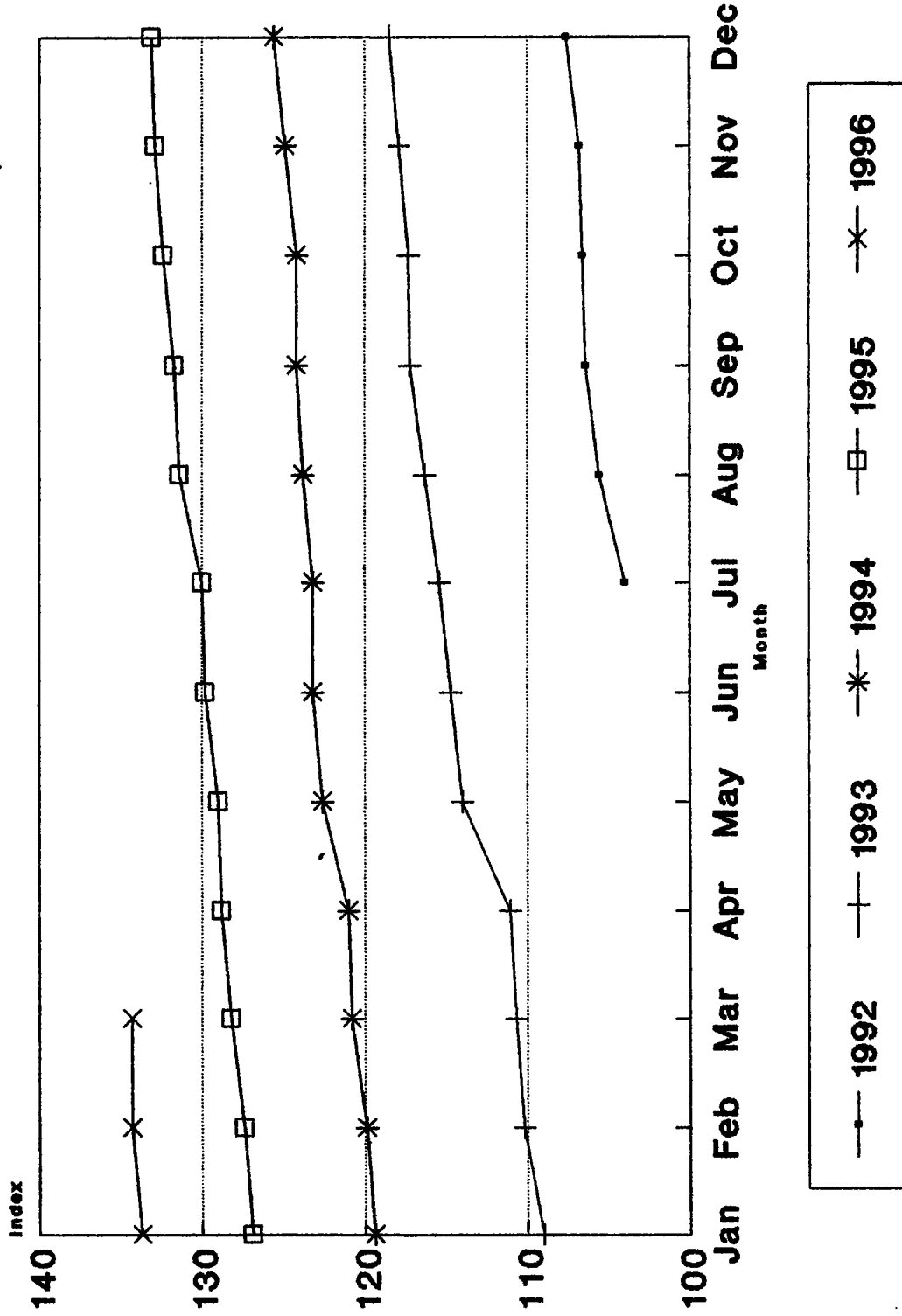
**Consumer Price Index
Monthly changes-(Aug 1992-March 1996)**



Month

(Base: July 1991-June 1992=100)

Consumer Price Index Monthly Indices-(July 1992-March 1996)



(Base: July 1991-June 1992=100)

