



ANGUILLA'S CONSUMER PRICE INDEX

4th Quarter: October - December 2004

Analysis of changes to the Consumer Price Index, an index that uses a constant basket of consumer goods and services to measure price level change shows that, the **Anguilla Consumer Price Index (AXACPI)** recorded an annual increase of 5.0% for December 2004 over 2003, up from a 3.5% increase for September 2004 over 2003.

The Index for the quarter October to December 2004 showed an increase of 2.1%. This quarterly increase was smaller compared to the 2.6% increase for the previous quarter July to September 2004 for all the items included in the basket.

Table 1: Quarterly and Annual % change for the Anguilla CPI by category and weights

ITEM	Weights	Dec-03	Sep-04	Dec-04	% change Dec 04 /Sept 04	% change Dec 04/ Dec 03
FOOD	321.20	101.7	103.1	106.4	3.2%	4.6%
DRINKS AND TOBACCO	2.90	99.5	99.3	101.3	2.0%	1.8%
ACCOMODATION	171.50	88.9	87.2	87.0	-0.3%	-2.1%
FUEL	68.55	101.4	101.4	116.0	14.4%	14.4%
CLOTHING & FOOTWEAR	30.65	111.1	155.4	156.0	0.4%	40.5%
HOUSEHOLD GOODS	97.30	112.0	117.1	116.9	-0.1%	4.4%
TRANSPORT& COMMUNICATION	235.28	129.6	130.3	131.6	1.1%	1.6%
MEDICAL	30.85	129.6	131.1	131.5	0.3%	1.5%
EDUCATION	9.94	114.2	183.1	187.8	2.5%	64.4%
PERSONAL SERVICES	16.42	111.6	111.7	112.0	0.3%	0.4%
OTHER	15.30	105.9	115.0	113.9	-1.0%	7.5%
ALL ITEMS	1000.00	108.5	111.6	114.0	2.1%	5.0%

Weights revised – 1998

Base year Dec. 2000 = 100

Prices not available at time of collection are imputed.

CPI is based on prices collected within the 1st full week of the last month of the quarter.

Quarterly Analysis

The AXACPI for the fourth quarter of 2004 showed that the Fuel category experienced the largest, increase of 14.4 percentage points. During this quarter the cost of fuel per unit increased from 6 cents to 10 cents. The fuel category carries a weight of 68.60 points or 6.86% out of a total basket weight of 1000 points.

There was an increase in the fourth quarter in the Food category of 3.2% over the September 2004 quarter. Contributing to this increase were increases in the prices of items within all the sub categories, led by vegetables followed by teas, cocoa and soft drinks as well as oils and cooking fats.

The other categories that showed moderate quarterly increases were Education, Drinks¹ and Tobacco, Communication, Clothing and Footwear recording increases of 2.5%, 2.0%, 1.1% and 0.4% respectively. Medical and Personal Services increased by 0.3%.

The prices in the Other category and in the Accommodation and Household Goods categories declined by 1.0%, 0.3% and 0.1%.

Annual Analysis

Examination of the changes in the AXACPI on an annual basis, this is December 2004 over December 2003, showed that inflation as measured using the Consumer Price Index (CPI) was 5.0%.

The largest contributor with 1.61%, to the annual increase in the AXACPI was the Food category, carrying a weight of 321.2 points, hence its overall impact. However, the percentage change over its December 2003 figure was 4.6%.

The second largest contributor to the increase in the AXACPI was Transportation and Communication with 1.18% and a weight of 235.28 points. This was a 1.6% change over its December 2003 figure.

The third largest contributor was the Accommodation category, which accounted for 0.86% of the AXACPI change, with a weight of 171.50 points.

The Education category, recorded an increase of 64.4% over its corresponding December 2003 figure. This increase was as a result of the increase in kindergarten fees, which occurred during the 3rd quarter of 2004 and the rise in the cost of school composition books in the last quarter of 2004. However, the contribution of this category to the overall 5.0% increase in the AXACPI was significantly reduced because this category carries a weight of only 9.94 points out of a total basket of 1000 points

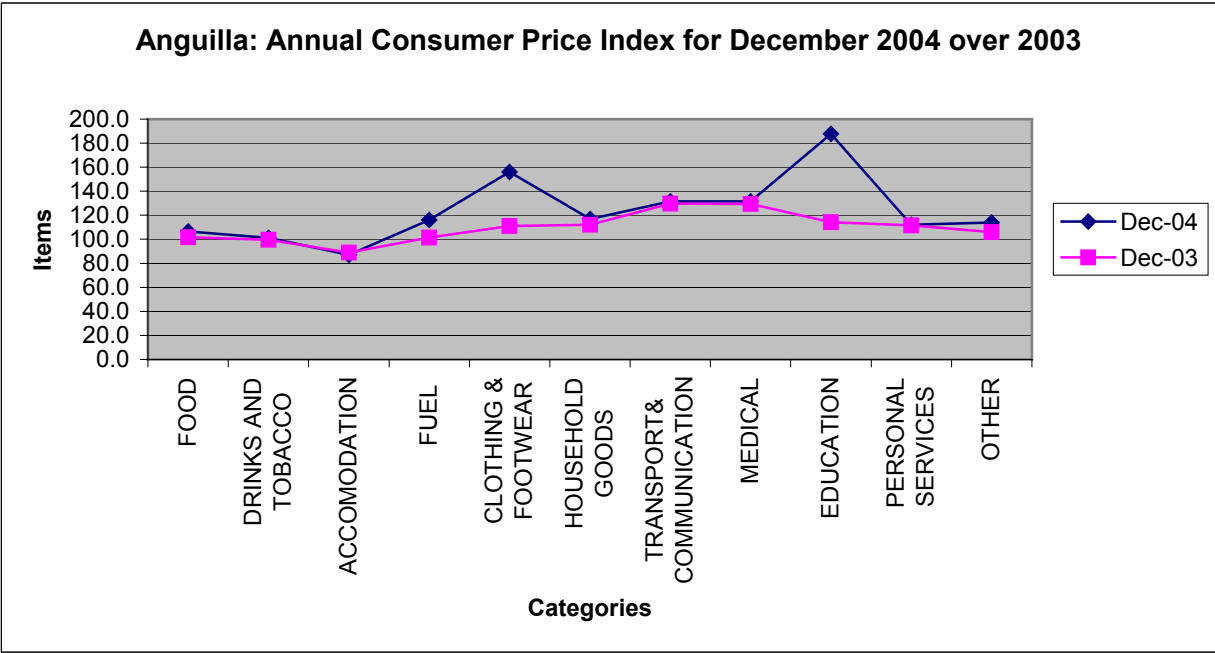
The prices within the Other category increased by 7.5%. Increases within this category occurred within the first and third quarter with the exception of the fourth quarter, when there was a decline of 1.0%. These increases were as a result of the rise in video rental and disco entrance tickets.

The Household Goods category showed an increase of 4.4% over its corresponding December 2003 figure. There were also annual increases in the Drinks & Tobacco, Medical and Services categories.

The category that showed an annual decline was Accommodation by 2.1%. This decline is attributable to declines in mortgage rates and in bank charges.

¹ These are alcoholic beverages.

GRAPH 1: CPI Annual Percentage Change (December 2004 over December 2003)



The CPI can be used in employer and employee contract negotiations to adjust wages, in rental agreements and child support agreements, pensions and other contractual price setting arrangements. In addition, business executives, labor leaders and other private citizens use the index as a guide in making economic decisions.

For more information contact the Statistics Department at 497-3901/5731 or visit our website http://gov.ai/statistics/consumer_04qtr.htm.