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Press release

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Consumer prices Sint Maarten December 2010 ***Prices have increased compared to October 2010***

The consumer price index for Sint Maarten has increased in the month of December 2010 by 0,5 percent compared to that of October 2010.

When comparing average consumer prices over a twelve month period (Dec. 2009 to Dec. 2010), it can be noted that an increase of 3,2 percent was recorded compared to the same period one year earlier.

This is evident from the data that has been released by the Department of Statistics (STAT) today.

Price changes between October and December 2010

The consumer prices on Sint Maarten for the month of December has increased by 0,5 percent compared to that of October 2010. The price index recorded in December 2010 is 111.8.

Expenditure Categories

Note that in December 2010, five of the nine expenditure categories have become more expensive. Namely the categories; Food (+1,0%), Clothing and Footwear (+0.4%), Housing (+0,7%), Transport and Communication (+0,2%) and Miscellaneous (+0,2%)

Expenditure Category	WEIGHT	INDEX OCTOBER 2010	INDEX DECEMBER 2010	% CHANGE
Food	10%	131,1	131,4	1
Beverages and Tobacco	1%	117,5	117,5	0
Clothing & Footwear	7%	104,3	104,7	0,4
Housing	39%	114,4	115,2	0,7
Household furnishing & Appliances	6%	110,5	110,2	-0,2
Medical care	3%	102,2	102,2	0
Transport & Communication	20%	103,1	103,4	0,2
Recreation & Education	6%	101,1	101,2	0
Misc.	8%	108	108,4	0,2
TOTAL	100%	111,2	111,8	0,5

A Closer Look

The categories which recorded the largest price change and influence on the total percent change are Food, Housing and Transport & Communication with an influence percentage of 10%, 39% and 20% respectively.

Food

Within the expenditure category Food it can be noted that seven of the nine food groups became more expensive, while two food groups became cheaper. Amongst the more expensive were the food groups Fats & Oils (+3,2 %), Dairy Products (+3,0%), Potatoes, Vegetables & Fruit (+1,6%), Sugar & Chocolate (+2,0%), Pre-cooked dishes (+0,7%), Eating-out (+0,2%) and Other food resources (+2.6%). Whilst in the food groups Grain and Meat & Fish a price reduction of -0,9% and -0,2% respectively was recorded.

More specifically the following products largely influenced the total price change within the Food category; Canned Milk (+7%) , Fresh Milk (+18%), Eggs (+26%), Apples & Pears (+6%), Paprika (-13%) and Tomatoes (-11%).

Housing

Within the expenditure category Housing it can be noted that four of the five product groups became more expensive whilst one remain unchanged. Amongst the more expensive were the product groups Living costs (+0,4%), Energy usage (1,8%), House maintenance (+0,5%) and Garden maintenance (+0,4%).

More specifically it must be noted that the product Electricity (+2,1%) largely influenced the total price percentage change recorded in this expenditure category.

Transport & Communication

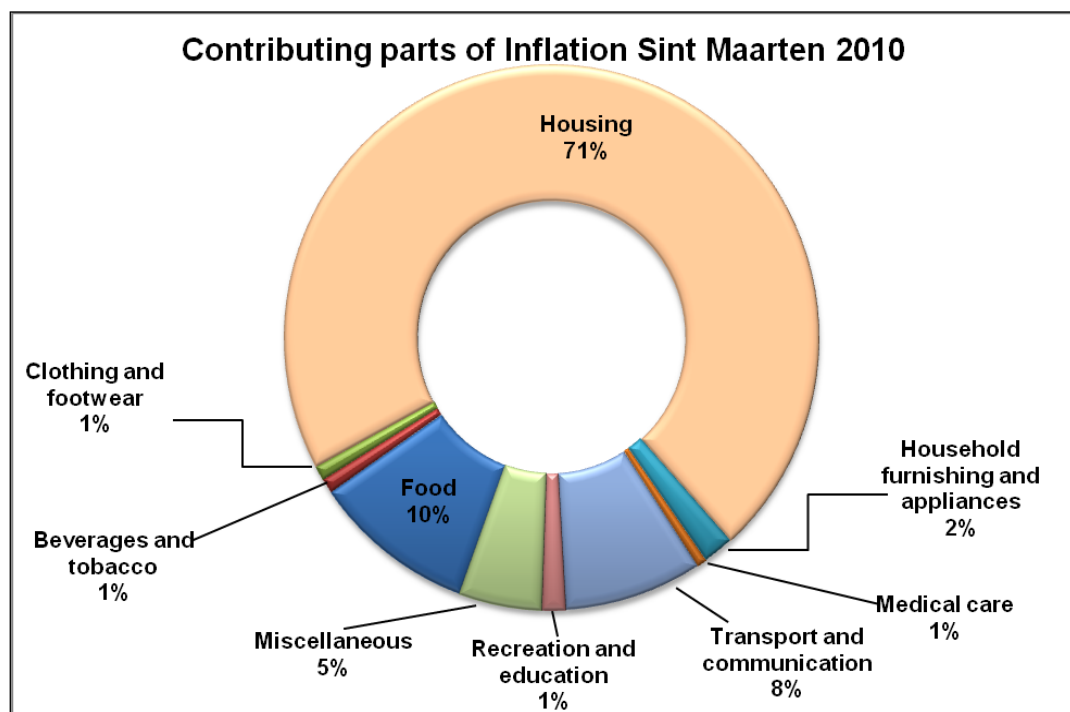
Within the expenditure category Transport & Communication two of the four product groups became more expensive whilst two remain stable. Amongst the more expensive were the product groups Vehicle Expenses (+0,9%) and Communication (+0,3%).

Note that the following products of the product group Vehicle Expenses largely influenced the total price change within this category; Gasoline (+3%) and Motor oil (+5%).

Price changes between 2010 and those recorded in 2009

The inflation rate of 2010 (3,2%) compared to that of 2009 (0,7%) is significantly higher. When looking at the relative contributing factors of the inflation rate 2010, It must be noted that the category Housing contributed largely to this rate.

The monthly consumer price index changes are slightly more volatile in 2010 compared to that of 2009. In 2010 the average fluctuation ranged between -0,1 percent and +0,3 percent. Whereas in 2009 the average fluctuation ranged between +0,1 and +0,3 percent.



Sint Maarten Inflation 2010 Broader Perspective

The table below presents the inflation rate recorded over the past 5-year period in each of the nine expenditure categories. It must be noted that the categories Food, Housing and Transport & Communication have the largest influence percentage upon the total inflation rate; namely 10%, 39% and 20% respectively.

Expenditure Category	2010 Inflation%	2009 Inflation%	2008 Inflation%	2007 Inflation%	2006 Inflation%	2005 Inflation%
Food	3	9,3	13,7	2,7	3,9	7,1
Beverages and Tobacco	2,1	6,1	7,1	0,4	1,8	1,8
Clothing & Footwear	0,4	1,5	1,8	0,6	-1,6	-1,5
Housing	5,8	-1,9	5,5	3,6	2,3	3,1
Household furnishing & Appliances	1	4,4	2,3	2,4	1,9	2,9
Medical care	0,7	1,4	0,1	0	0	-1
Transport & Communication	1,3	-1,2	2,3	1,4	3,6	4
Recreation & Education	0,8	0,2	-0,2	0,7	1,4	0,9
Misc.	1,9	2,7	2,1	0,8	0,9	1,2
Average Annual Rate	3,2	0,7	4,6	2,3	2,3	3,1

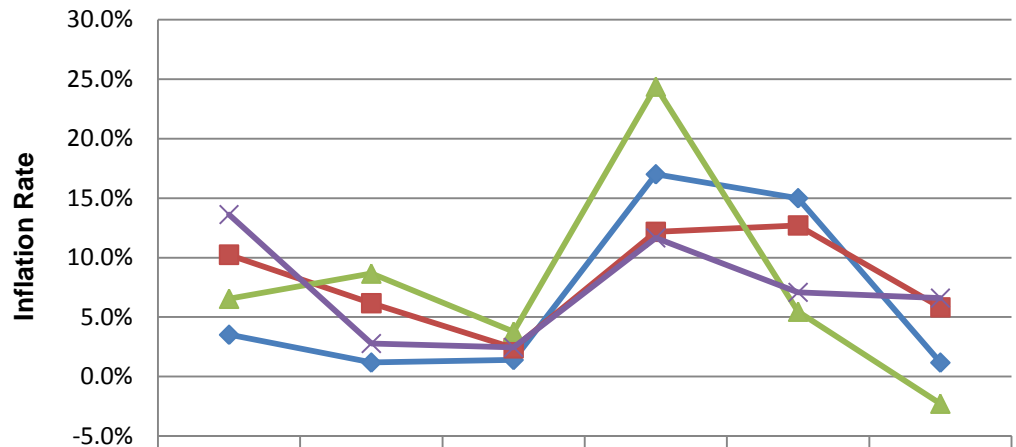
Food

The expenditure category Food is the third largest group comprising the consumer basket on Sint Maarten. In 2010 the product prices within this group has inflated by 3,0%. Relative to the inflation recorded in this category over the previous 5 years this is comparatively less.

Noteworthy is, although the Food expenditure category increased more significantly in 2009, than in 2010, given its lower overall influence; the 2009 inflation rate was still lower than in 2010.

Within this category the food groups Cereal products, Meat & Fish, Dairy products and Potatoes, Vegetables & Fruit carry the largest influence. The line graph below presents a 5-year overview of the inflation recorded amongst these food groups. In 2010 the food groups Meat & Fish and Potatoes, Vegetables & Fruit experienced a sharp inflation in price of 5,8% and 6,6% respectively. Whilst the food group Sugar and Chocolate has a low influence upon the total food category, it must be noted that it has also recorded in 2010 a sharp inflation in price of 8,8%.

CLOSER LOOK AT INFLATION WITHIN THE EXPENDITURE CATEGORY FOOD



—●— Cereal products	3.5%	1.2%	1.4%	17.0%	15.0%	1.2%
—■— Meat and fish	10.2%	6.2%	2.4%	12.2%	12.7%	5.8%
—▲— Dairy products (except butter)	6.5%	8.7%	3.8%	24.4%	5.5%	-2.3%
—×— Potatoes, vegetables and fruits	13.6%	2.8%	2.5%	11.7%	7.1%	6.6%

Housing

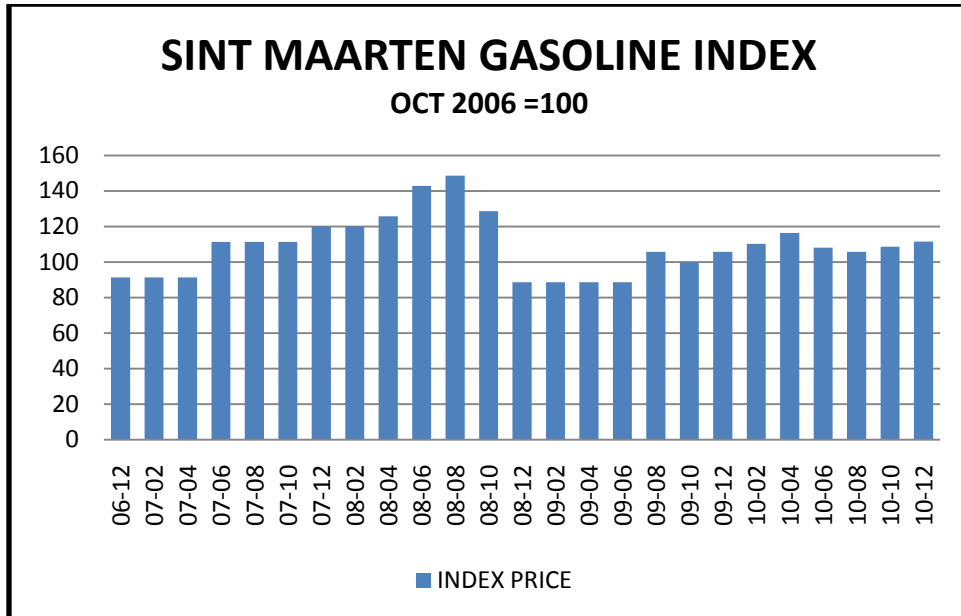
The expenditure category Housing is the largest group comprising the consumer basket on Sint Maarten. In 2010 the product prices within this group has inflated by 5,8%. Relative to the inflation recorded in this category over the previous 5 years this is the highest.

Within this category the product groups Dwelling costs (72,5%) and Energy expenses (16%) carry the largest influence upon the total. The inflation rate recorded over the previous 5-year period amongst these product groups are more volatile in the group Energy expenses whereas this is not the case in the group Dwelling costs.

	Inflation %					
	2005	2006	2007	2008	2009	2010
Dwelling costs	2,5%	2,4%	2,4%	2,3%	2,3%	2,3%
Energy expenses	8,8%	1,3%	7,1%	20,8%	-17,9%	24,7%

Transport & Communication

The expenditure category Transport & Communication is the second largest group comprising the consumer basket on Sint Maarten. In 2010 the product prices within this group has inflated by 1,3%. In 2009 this category recorded a deflation rate -1,2% which was a direct result of deflation of Vehicle expenses (-8,0%). However it is the 6,0% inflation recorded in this product group (*Vehicle expenses*) which resulted in the inflation rate recorded in 2010 by this category. Within this group the product Gasoline carries the largest influence (34%) the bar chart below illustrates the fluctuation in its index price.



Long-term inflation

General

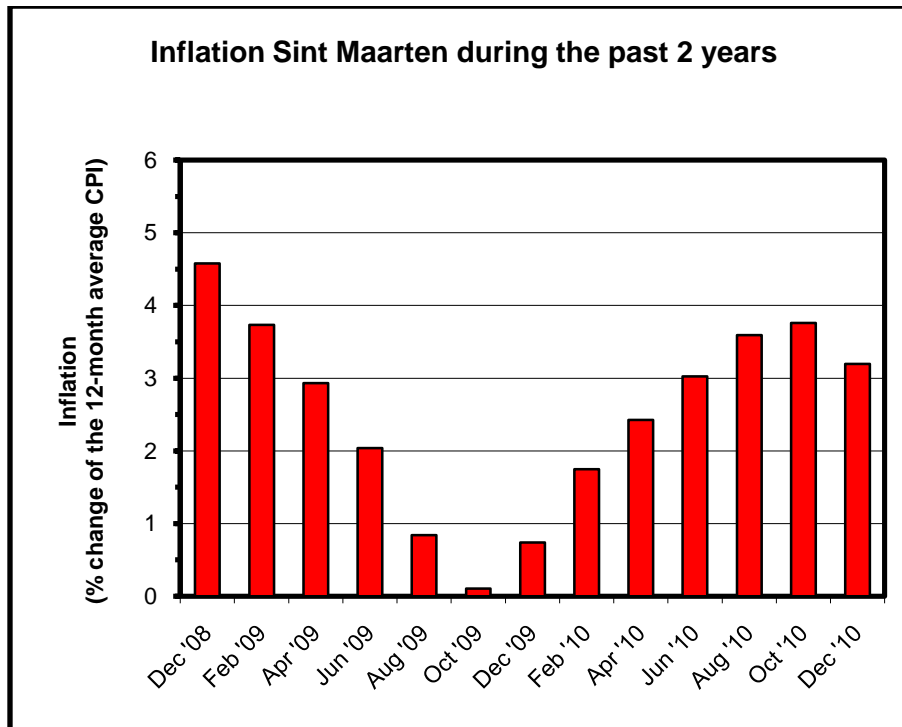
Inflation can be defined as the average increase of the consumer price index (CPI) over a 12-month period compared to the previous term. A chief measure of price inflation is the inflation rate.

Inflation Sint Maarten 2010

The 12-month average of consumer prices were in December 2010; 3,2 percent higher than December 2009. The inflation rate of 2010 (3,2%) has increased by 357percent compared to that of 2009 (0,7%).

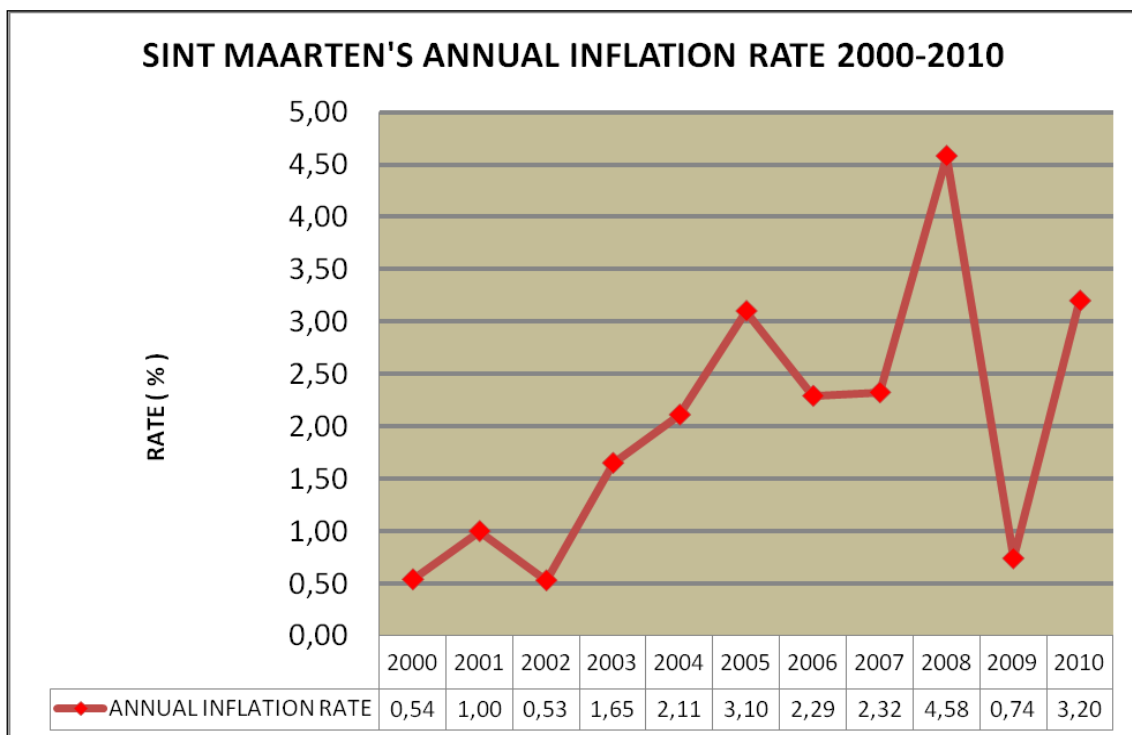
2-year Overview

The bar chart below illustrates that inflation on Sint Maarten has slowly been increasing over the past year. Nevertheless, a decrease was recorded in December of 2010.



Sint Maarten Inflation 2000-2010

Looking at the line graph below it must be noted that the inflation rate recorded in 2010 (3,2%) is comparable to that recorded in 2005 (3,1%). However the inflation is significantly lower than the peak inflation rate recorded in 2008 (4,6%). Over the past 4-year period, inflation on Sint Maarten has been very volatile, whilst preceding this period it experienced a more steady increasing trend.



20-year Overview

Over the past 20 years there are six years in which the recorded inflation rate exceeded 3,0%, namely; 1990(3,6%), 1991(3,5%), 1997(3,2%), 2005(3,1%), 2008(4,6%), 2010(3,2%).

