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# Press release

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## **Consumer prices Sint Maarten October 2010**

*Prices have remained stable compared to August 2010*

The consumer price index for Sint Maarten has remained unchanged in the month of October 2010 compared to that of August 2010.

When comparing average consumer prices over a twelve month period (October 2009 to October 2010), it can be noted that an increase of 3.8 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 August and October 2010**

The consumer prices on Sint Maarten for the month of October were equal to that of August. The price index remained stable at 111.2.

#### *Cheaper*

Note that in October 2010, six of the nine expenditure categories have become cheaper. Namely the categories; Clothing and footwear (-0.7%), Household Furnishing and appliances (-0.3%), Transportation and Communication (-0.3%), Medical care (-0.2%), Recreation, education and development (-0.1%) and Food (-0.1%).

The expenditure category Clothing and footwear became cheaper mainly as a result of a 2.5 percent price decrease of footwear, particularly resulting from a 23 percent price drop in ladies slippers and sandals.

In the expenditure category Transportation and Communication a decrease of 0.9 percent in transport expenses played a significant role. This price decrease was caused by a combination of price increase and price decrease: the 3 percent price drop of gasoline impacted the weight of the scale more significantly than the 6 percent price increase of oil, motor oil, etc.

For the expenditure category Household Furnishing and appliances the key price change noted was in the product group upholstery and dwelling textile with a 1.5 percent increase in price. The main factor causing this increase was the sharp increase of 15 percent in the price of sheets and pillowcases.

In the category Food, “meat and fish” (+2.3%) was the only product group to become noteworthy more expensive. This price increase was mainly caused by the price development of three products: the increase in the price of ham (+15%) and chicken (+4%) impacted the scale more significantly than the decrease of the price of fish (-26%).

Several food groups were significantly cheaper in October: sugar and chocolate (-2.1%), other food resources (-1.8%), fats and cooking oils (-1.7%), outdoor consumption (-1.3%) and prepared food (-1.1%).

The food group “potatoes, vegetables and fruit” (-0.1%) showed only a minor price change, due to the fact that the price decreases and price increases balanced each other out. Most notably here are the sharp price increases of leafy vegetables (+22%) and fresh spices (+28%) on the one hand and the significant price drop of apples and pears (-12%) on the other hand.

*More Expensive*

The expenditure category Beverages and tobacco recorded an increase (+0.1%), due to the fact that the price of tobacco increased by 1.3 percent.

The category Housing also became more expensive (+0.4%). This resulted from a combination of price increases and price decreases. To be more specific, the price increase of energy expenses (+1.6%) and dwelling costs (+0.4%) impacted the scale more significantly than the price drop of maintenance of dwelling (-3.1%) and garden maintenance (-1.2%). Note that maintenance of dwelling becoming cheaper was mostly due to price reduction of hardware (-22%) and other materials (-10%).

*Stable*

The expenditure category Miscellaneous was the only one to remain stable in price. Remarkably, the only product group in this category that recorded a price change was “personal body care” (-0.1%). The latter was mainly caused by a sharp price decrease in sanitary pads and tampons by 21 percent.

### Long-term inflation and the monthly consumer price index compared to the prior year

The monthly consumer price index (CPI) for October 2010 was 111.2, 1.5 percent higher compared to the monthly CPI recorded in October 2009 (109.6).

The 12 months average of consumer prices was 3.8 percent higher in October 2010 compared to October 2009: the price index rose from 106.9 to 111.0. As a result, inflation on the island has reached its highest level since February 2009, when an inflation of 3.7 percent was recorded.

According to the Department of Statistics (STAT), the 12 months average of consumer prices is a good indicator for long-term inflation. Thus, the rising trend of inflation in Sint Maarten that is visible since December 2009 continues, albeit at an ever slowing pace.

**Inflation Sint Maarten during the past 2 years**

