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Press release

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Consumer prices Sint Maarten December 2012

Prices have decreased compared to October 2012

The consumer price index for Sint Maarten has decreased in the month of December 2012 by 0.1 percent compared to that of October 2012.

When comparing average consumer prices over a twelve month period (Dec. 2011 to Dec. 2012), an increase of 4.0 percent was recorded compared to the same period one year earlier. The rate of inflation has continued to ease since June 2012; following an all-time high of 5.5 percent in April 2012. Yet food inflation specifically, lingers in the double-digits (11.4%) and the food index continues to climb indicative of rising consumer prices within this category.

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

Price changes between October & December 2012

The consumer price index for Sint Maarten has decreased in the month of December 2012 by 0.1 percent compared to that of October 2012. The price index recorded in December 2012 is 121.8.

Expenditure Category	WEIGHT	INDEX OCTOBER 2012	INDEX DECEMBER 2012	% CHANGE
Food	10%	161.5	162.1	0.4
Beverages and tobacco	1%	140.4	139.9	-0.4
Clothing & footwear	7%	113.5	113.7	0.2
Housing	39%	122.5	122.5	0.0
Household furnishing & appliances	6%	122.9	123.3	0.3
Medical care	3%	104.9	104.8	-0.1
Transport & communication	20%	111.5	110.4	-1.0
Recreation & education	6%	106.9	106.8	-0.1
Misc.	8%	114.2	114.4	0.2
TOTAL	100%	121.9	121.8	-0.1

Expenditure Categories

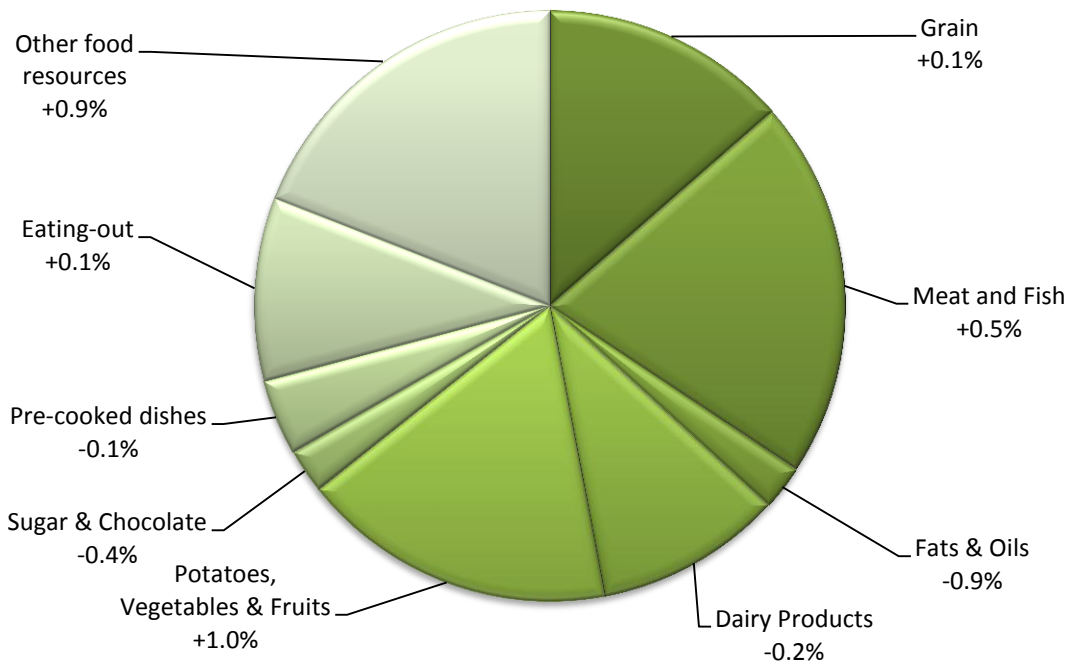
In December 2012, four of the nine expenditure categories have become more expensive, whilst four became cheaper and one remains unchanged. Amongst the more expensive were the categories; Food (+0.4%), Clothing and Footwear (+0.2%), Household Furnishing & Appliances (+0.3%), and Miscellaneous (+0.2%). Whereas, Beverages and Tobacco (-0.4%), Medical Care (-0.1%), Transport & Communication (-1.0%) and Recreation & Education (-0.1%) became cheaper; Housing remained stable.

A Closer Look

The categories with the largest influence in the basket are Housing (39%), Transport & Communication (20%) and Food (10%); In December 2012 the expenditure category Transport & Communication impacted the overall index the most with a 1 percent decrease in consumer prices of this category.

Food

FOOD EXPENDITURE CATEGORY 10% of CPI



1

Within the expenditure category Food it can be noted that five of the nine food groups became more expensive whilst four became cheaper. The following increases were recorded in each food group; Grain (+0.1%), Meat and Fish (+0.5%), Potatoes, Vegetables & Fruit (+1.0%), Eating-out (+0.1%) and other food resources (+0.9%). The food groups Fats & Oils (-0.9%), Dairy Products (-0.2%), Sugar & Chocolate (-0.4%) and Pre-cooked dishes (-0.1%), became cheaper.

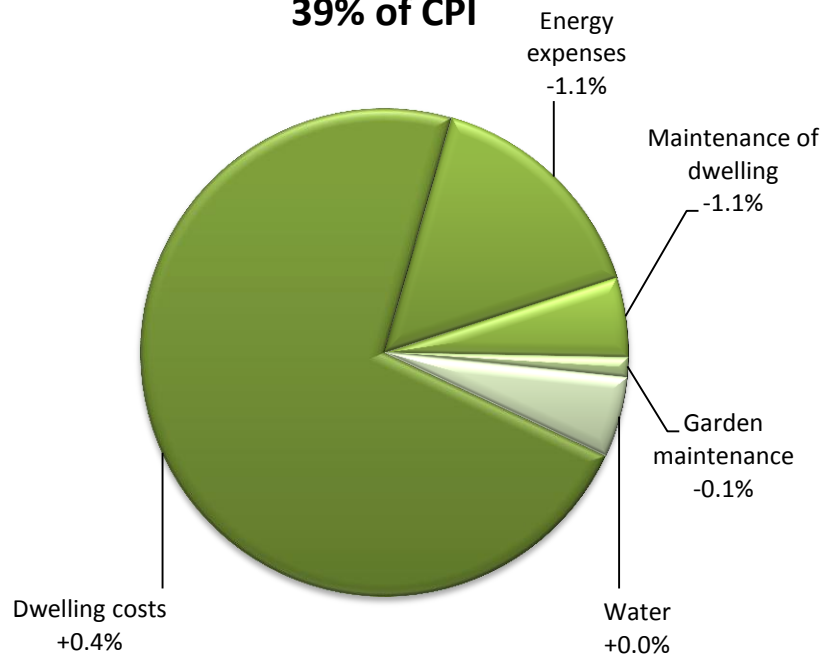
More specifically the following products largely influenced the total price change within the food group: Grains largely influenced by; Cornflakes (+2.4%). The food group Meat & Fish was largely influenced by; oxtail (-4.5%), spareribs (-4.1%), other pork meat (-7.8%) and other beef organs (+15.9%). The food group Potatoes, Vegetables & Fruit was largely influenced by; Leafy vegetables (+14.9%), Beans (-15.0%), Onions (-4.3%), Spices (+9.5%), other fresh vegetables (-17.0%), Apples and Pears (+4.3%), grapes (+4.0%) and oranges (+15.5%).

1 Please note that the pie chart above depicts the share (*weight*) each food group carries toward the entire Food expenditure category, whilst the percentages indicate the price change within that food group.

Housing

HOUSING EXPENDITURE CATEGORY

39% of CPI



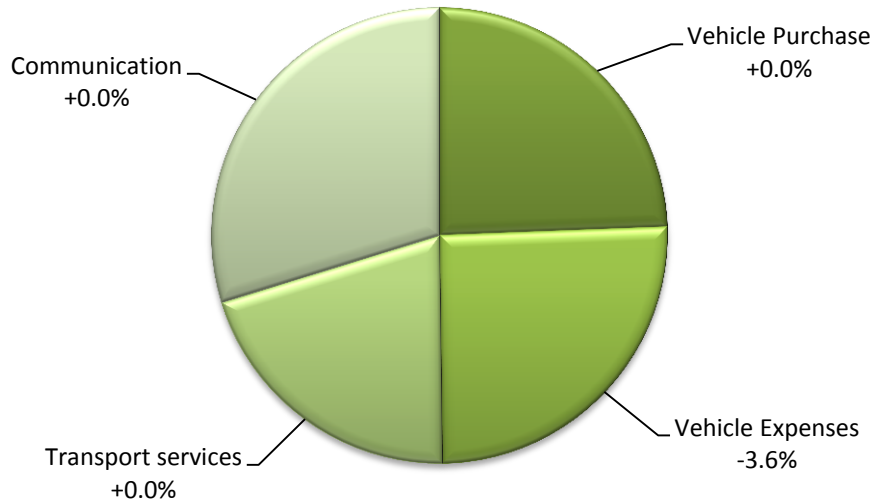
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Within the expenditure category Housing it can be noted that three of the five product groups became cheaper whilst one became more expensive. The product groups Energy expenses and Maintenance of dwelling both decreased with 1.1 percent, whilst Garden maintenance declined slightly with 0.1 percent. The 3.7 percent decline in the consumer price for paint largely influenced the total price change within the product group Maintenance of dwelling.

2 Please note that the pie chart above depicts the share (*weight*) each food group carries toward the entire Housing expenditure category, whilst the percentages indicate the price change within that product group.

Transport & Communication

**TRANSPORTATION AND COMMUNICATION
EXPENDITURE CATEGORY
20% of CPI**



3

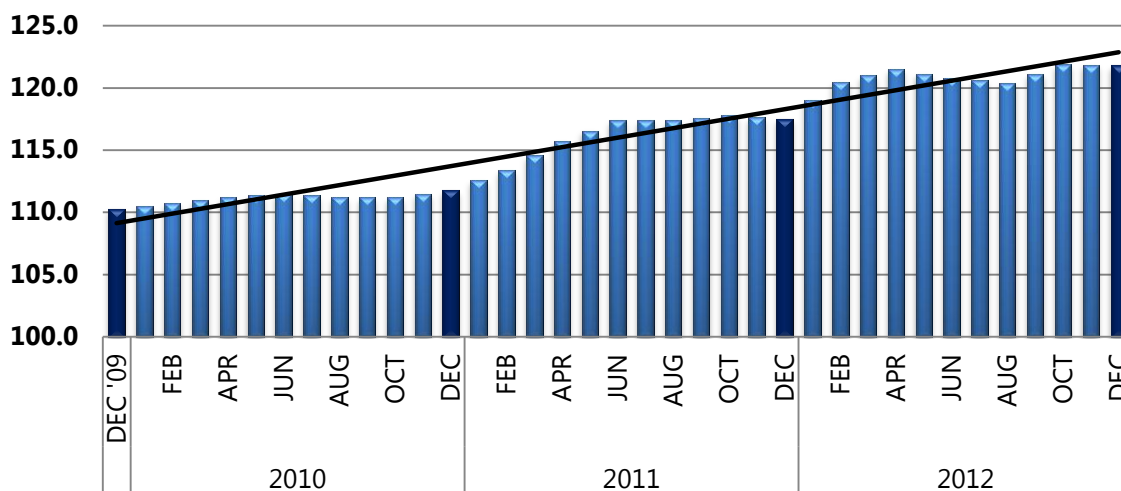
Within the expenditure category Transport & Communication one of the four product groups became cheaper, whilst three remained unchanged. The consumer prices within the product group Vehicle Expenses decreased by 3.6 percent. Noteworthy is that the product group Vehicle Expenses was largely influenced by the following products; Gasoline (-8.5%) and Diesel (+1.4%).

3 Please note that the pie chart above depicts the share (*weight*) each food group carries toward the entire Transport & Communication expenditure category, whilst the percentages indicate the price change within that product group.

Sint Maarten Consumer Price Index 2012 Broader Perspective

The consumer prices over the past three years have recorded steady increases depicted in the bar chart of Sint Maarten's index figures. Though the slight contraction in December 2012 index figure the trend illustrates this upward movement in consumer prices by 10 index points over the 3-year period (Dec'09 to Dec'12).

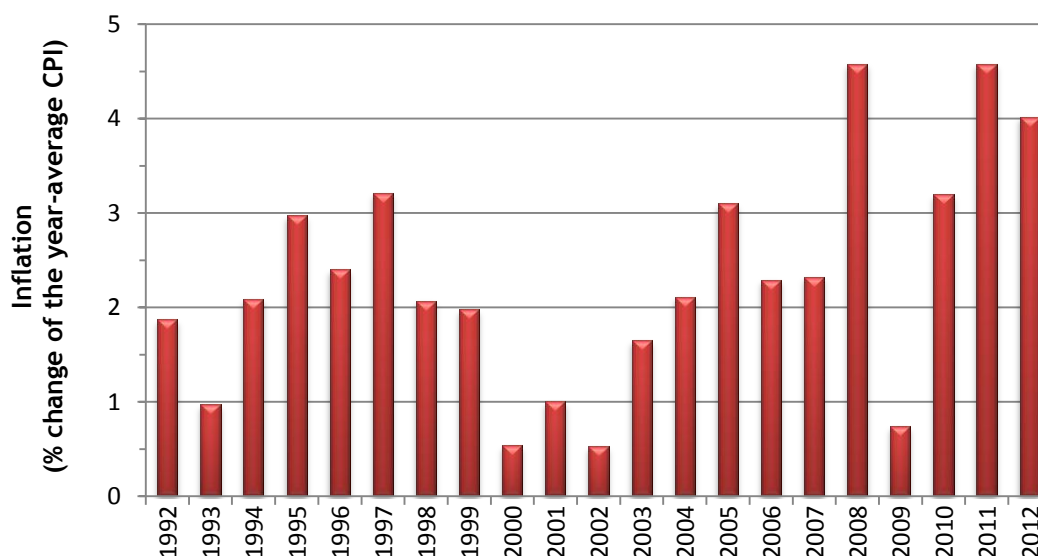
CONSUMER PRICE INDEX SINT MAARTEN (DEC 2009 - DEC 2012)



Long-term inflation

Inflation Sint Maarten: 20-year Overview

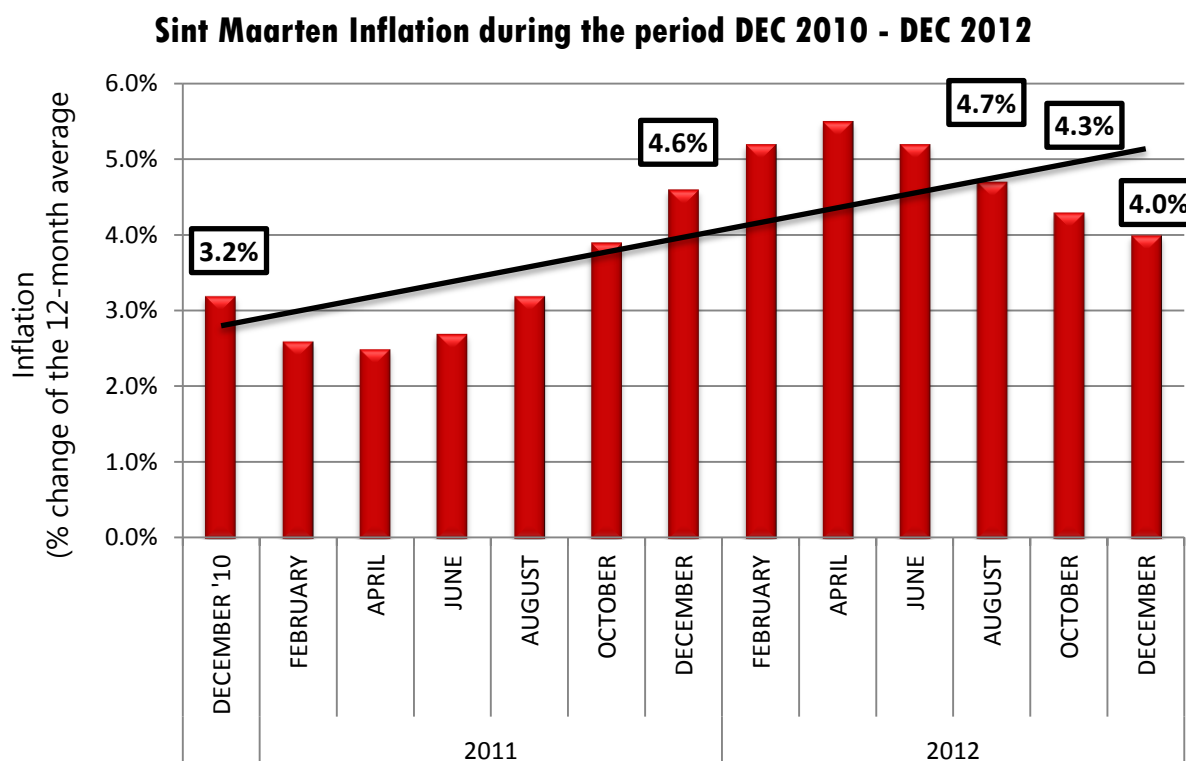
Inflation Sint Maarten in the past 20 years



The annual inflation recorded on Sint Maarten over the past 20 years has been extremely volatile; ranging from less than 1 percent in some years to over 4.5 percent in other years.

2-year Overview

The trend line depicted on the bar chart below indicates that inflation on Sint Maarten over the prior 2-year period has been climbing. The rate of inflation has shown steady growth since April 2011; reaching an all-time high of 5.5 percent in April of this year. However as of June this year, the inflation has begun to ease. Inflation of 4.0 percent for December 2012 is comparable to that of October 2011 (3.9%); it is the lowest recorded inflation rate for 2012.



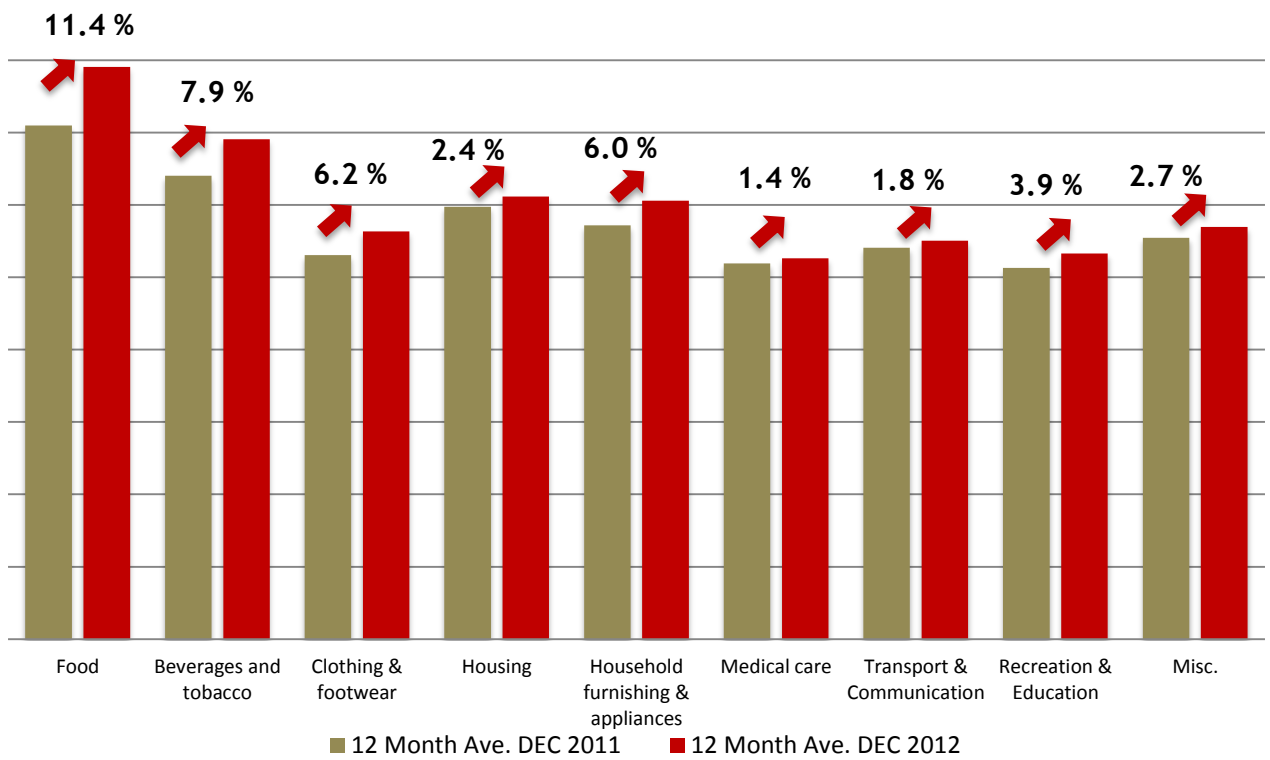
Inflation Sint Maarten December 2012

The 12-month average of consumer prices was 4.0 percent higher in December 2012 than a year earlier. This represents a decrease in the inflation rate of 15 percent within this period mentioned.

Inflation per Expenditure Category

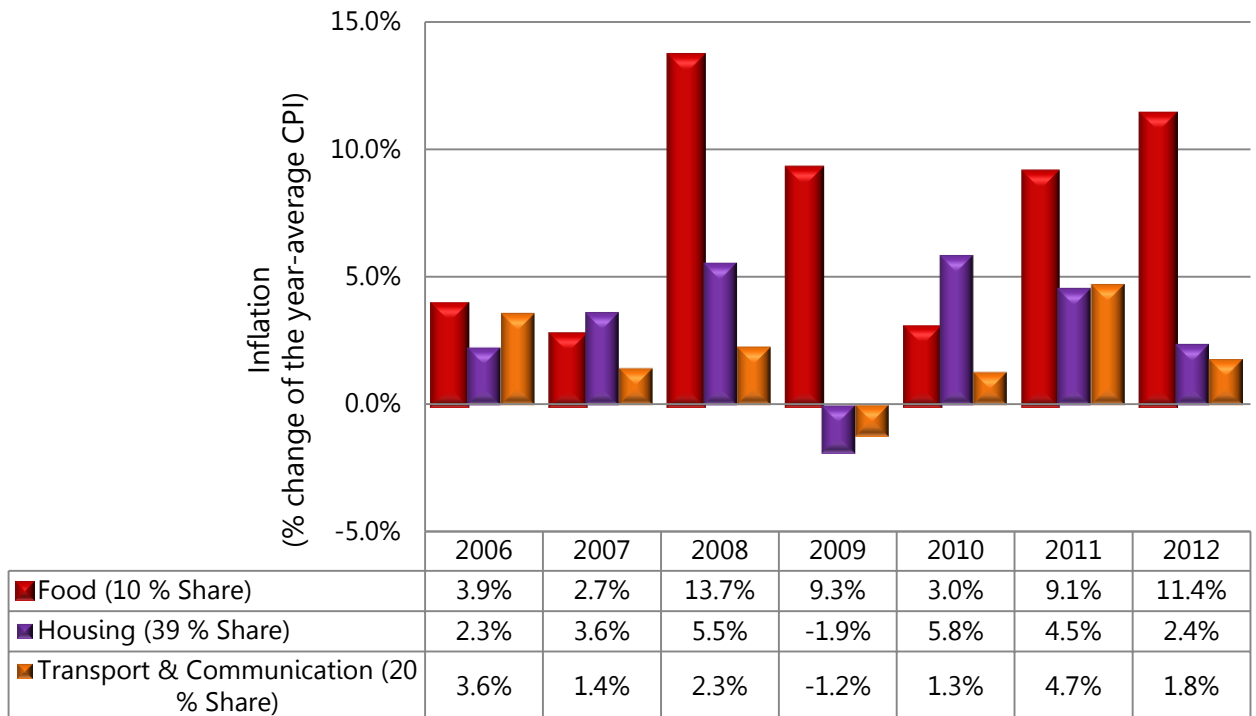
All nine expenditure categories recorded inflation in December 2012. Housing at a rate of 2.4 percent, which is the category with the largest influence (39%), Transportation and Communication at a rate of 1.8 percent, which is the second largest category (20%) and Food prices inflated at a rate of 11.4 percent, which is the third largest category (10%). Noteworthy is that though Food is the third largest category it has the largest contributing influence to the overall inflation rate; this is directly resulting from the soaring inflation recorded in this category.

Inflation per Sector on Sint Maarten



The annual inflation recorded amongst the major expenditure categories (Housing (39%), Transport & Communication (20%) and Food (10%) over the past 7-year period is depicted in the bar chart below. Noteworthy is that food inflation recorded much instability as opposed to the other major expenditure categories.

Annual Inflation on Sint Maarten for the Major Expenditure Categories



Inflation Sint Maarten: A Closer Look

The building blocks composing the December 2012 inflation rate compared to the same period a year earlier, we note some distinct differences. Namely the inflated consumer prices within the expenditure category Food contribute 31% towards overall inflation of December 2012; compared to 21% contribution for December 2011. Noteworthy is that the expenditure categories Clothing & Footwear, Household Furnishing & Appliances and Recreation & Education are contributing more to the December 2012 inflation rate than they did in the same period of 2011.

