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Press release

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Consumer prices Sint Maarten April 2012 ***Prices have increased compared to June 2012***

The consumer price index for Sint Maarten has decreased in the month of June 2012 by 0.6 percent compared to that of April 2012.

When comparing average consumer prices over a twelve month period (Jun. 2011 to Jun. 2012), an increase of 5.2 percent was recorded compared to the same period one year earlier. 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 June 2012 (5.2%) has shown a slight contraction in the rate of inflation.

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

Price changes between April 2012 & June 2012

The consumer price index for Sint Maarten has decreased in the month of June 2012 by 0.6 percent compared to that of April 2012. The price index recorded in June 2012 is 120.8.

Expenditure Category	WEIGHT	INDEX APRIL 2012	INDEX JUNE 2012	% CHANGE
Food	10%	156.6	157.7	0.7
Beverages and tobacco	1%	137.0	138.8	1.3
Clothing & footwear	7%	112.6	113.0	0.4
Housing	39%	124.0	122.1	-1.5
Household furnishing & appliances	6%	120.4	121.1	0.6
Medical care	3%	105.7	105.7	0.0
Transport & communication	20%	110.6	109.9	-0.6
Recreation & education	6%	106.4	106.7	0.3
Misc.	8%	114.2	114.1	-0.1
TOTAL	100%	121.5	120.8	-0.6

Expenditure Categories

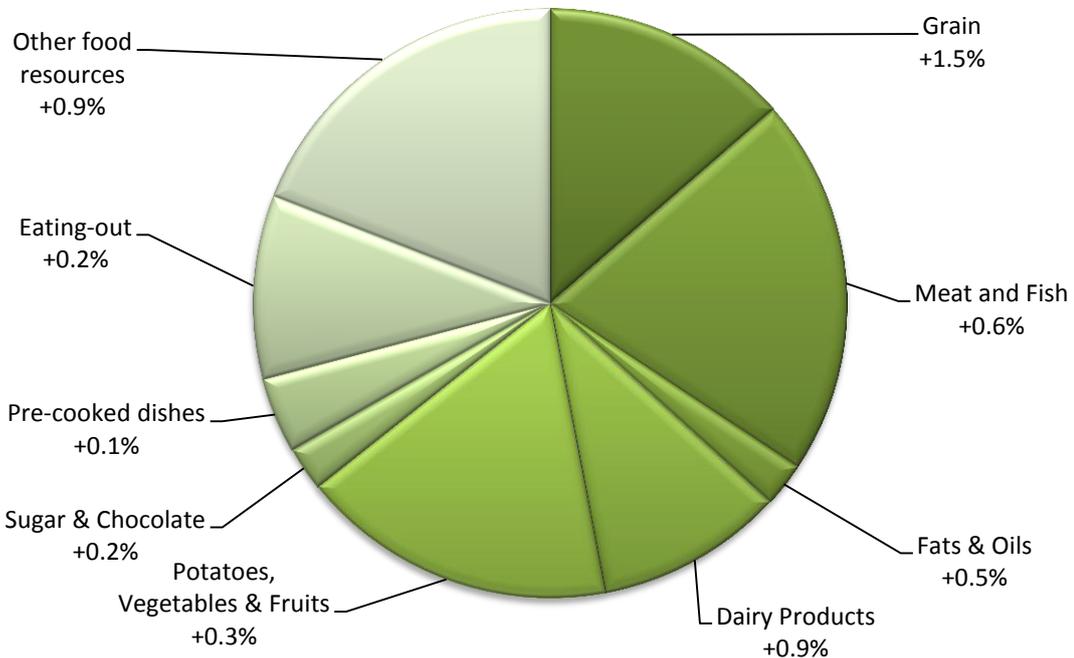
Note that in June 2012, five of the nine expenditure categories have become more expensive, whilst three became cheaper and one remained constant. Amongst the more expensive were the categories; Food (+0.7%), Beverages and Tobacco (+1.3%) Clothing and Footwear (+0.4%), Household Furnishing & Appliances (+0.6%) and Recreation & Education (+0.3%) Whereas, Housing (-1.5%), Transport & Communication (-0.6%), and Miscellaneous (-0.1%). became slightly cheaper. The expenditure category Medical Care remained stable.

A Closer Look

The categories with the largest influence in the basket are Food (10%), Housing (39%) and Transport & Communication (20%). In June 2012 the expenditure category Housing impacted the overall index the most with a significant decrease (-1.5%) in consumer prices of this category. Even though the expenditure category Beverage and Tobacco has a least significant impact (1%) on the total index, it recorded the largest price increase (+1.3%) in April 2012 relative to June 2012.

Food

FOOD EXPENDITURE CATEGORY 10% of CPI



1

Within the expenditure category Food it can be noted that all nine food groups became more expensive. The following increases were recorded in each food group; Grain (+1.5%), Meat and Fish (+0.6%), Fats & Oils (+0.5%), Dairy Products (+0.9%), Potatoes, Vegetables & Fruit (+0.3%), Sugar & Chocolate (+0.2%), Pre-cooked dishes (+0.1%), Eating-out (+0.2%) and other food resources (+0.9%).

More specifically the following products largely influenced the total price change within the food group: Grains largely influenced by; White Bread (+2.0%), French bread (+16.7%), other small breads (+6.1%), and Brown rice (+3.5%). The food group Meat & Fish was largely influenced by; Beef (+3.5%), Beef Liver (-38.1%), Ground Beef (+13.3%), other pork meat (+6.3%) and Ham (+2.2%).

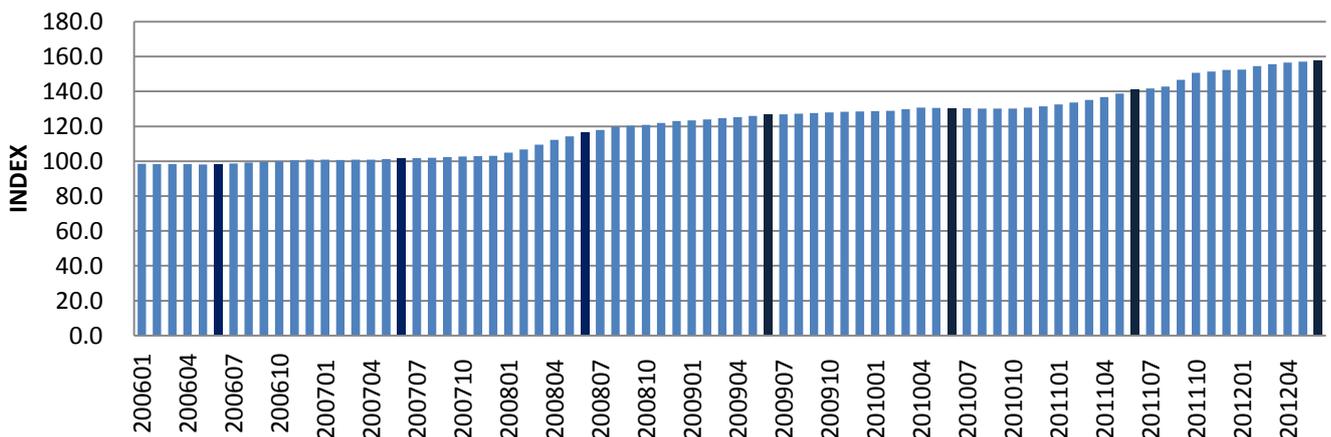
The food group Dairy Products was largely influenced by; Canned milk (+6.7%), Powdered milk (+2.7%) and Eggs (-7.0%). The food group Potatoes, Vegetables & Fruit was largely influenced by; Onions & Garlic (+4.6%), other preserved Vegetables (+10.3%), Raisins (+5.5%) and other Fruit (-15.3%).

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.

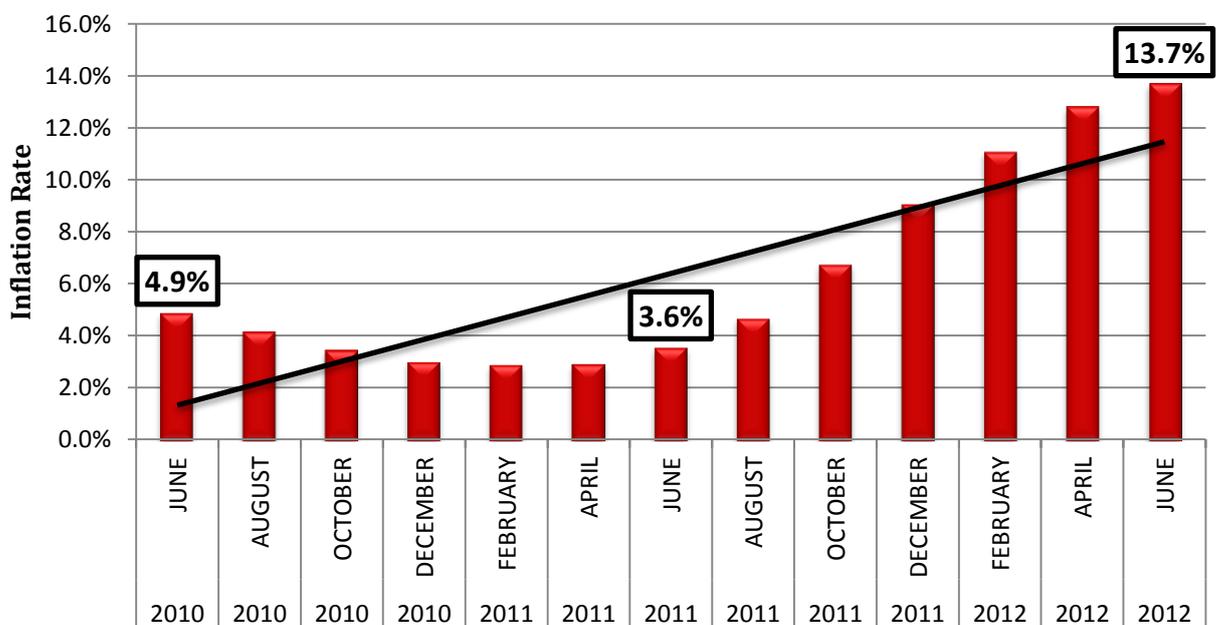
Sint Maarten Food Market in the Spotlight

Sint Maarten's Food commodity prices have shown considerable increases over the past twelve months (Jun. 2011 to Jun. 2012). The bar graph below depicts the monthly developments for the expenditure category Food, it can be noted that the Food Index has recorded constant increases. Note that as of February this year, Food prices have been inflated by double-digit percentages, reaching a peak inflation of 13.7 percent in June 2012. It should be noted that though the Food category accounts for 10 percent of the consumer basket, the relative effect that the inflation recorded in this category has on the total consumer inflation rate is approximately 28 percent².

Monthly Index for The Expenditure Category Food during 2006 - June 2012



Bi-monthly Inflation Developments for the Expenditure Category Food (June 2010 - June 2012)

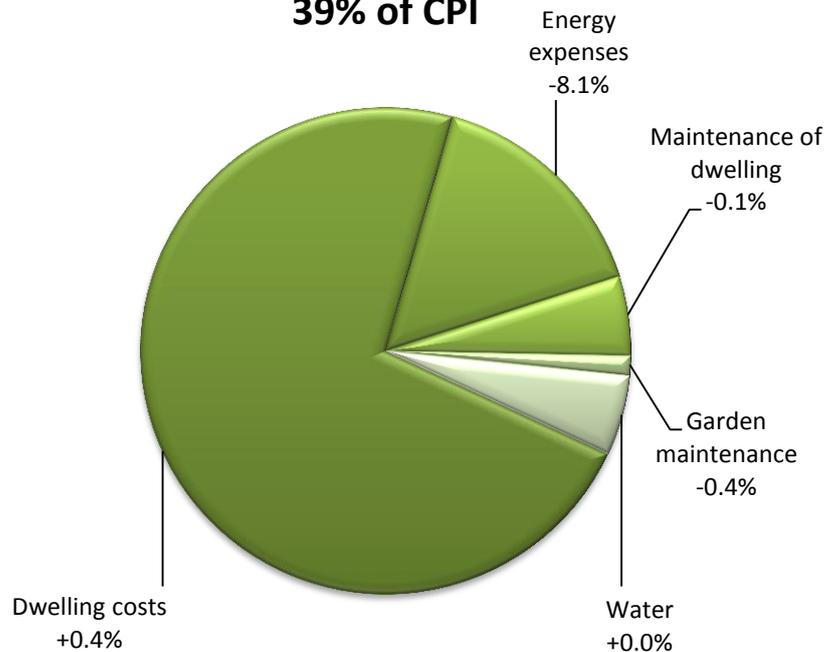


² Relative Influence Factor = 28 percent = (10% Weight Factor x 13.7% Food inflation) / (Consumer Inflation)

Housing

HOUSING EXPENDITURE CATEGORY

39% of CPI



3

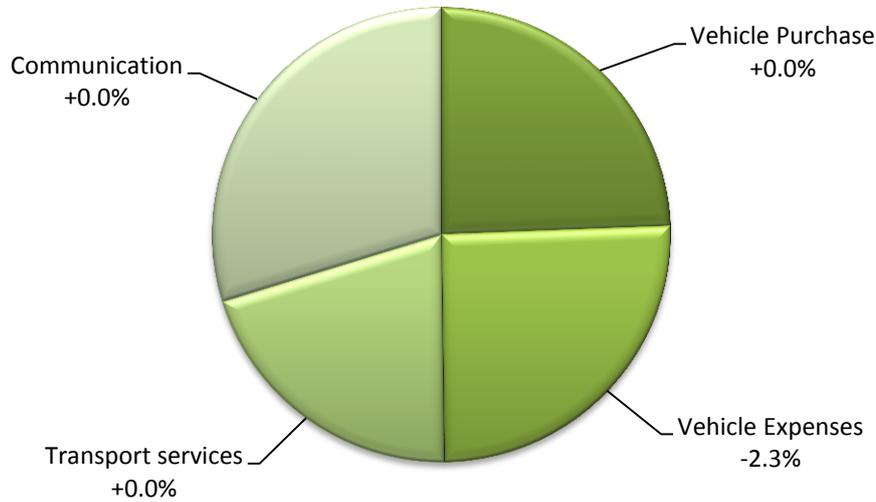
Within the expenditure category Housing it can be noted that three of the five product groups became cheaper whilst one remain unchanged and one became more expensive. The product groups Energy expenses decreased with 8.1 percent, whilst House maintenance (-0.1%) and Garden maintenance (-0.4%) decreased with less than 1 percent. It must be emphasized that the overall decrease recorded in this expenditure category is primarily attributable to the decrease in Energy Expenses.

More specifically it must be noted that the product Electricity (-7.4%) and Gas Cylinders (-11.6%) largely influenced the total price percentage change recorded in the product group Energy Expenses. Note that the decrease in the product Electricity is for the most part linked to the change in the base tariff implemented in May 2012 (decline of 4 cents; 0.25 cents per kWh).

3 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**



4

Within the expenditure category Transport & Communication one of the four product groups became more expensive whilst three remained unchanged. The consumer prices within the product group Vehicle Expenses decreased by 2.3 percent. Whilst the consumer prices for Vehicle Purchase, Communication and Transport Services remained stable.

Noteworthy is that the product group Vehicle Expenses was largely influenced by the following products; Gasoline (-6.1%), Diesel (-11.3%), Motor oil (+4.0%), and Lubricants (-8.0%).

4 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.

Long-term inflation

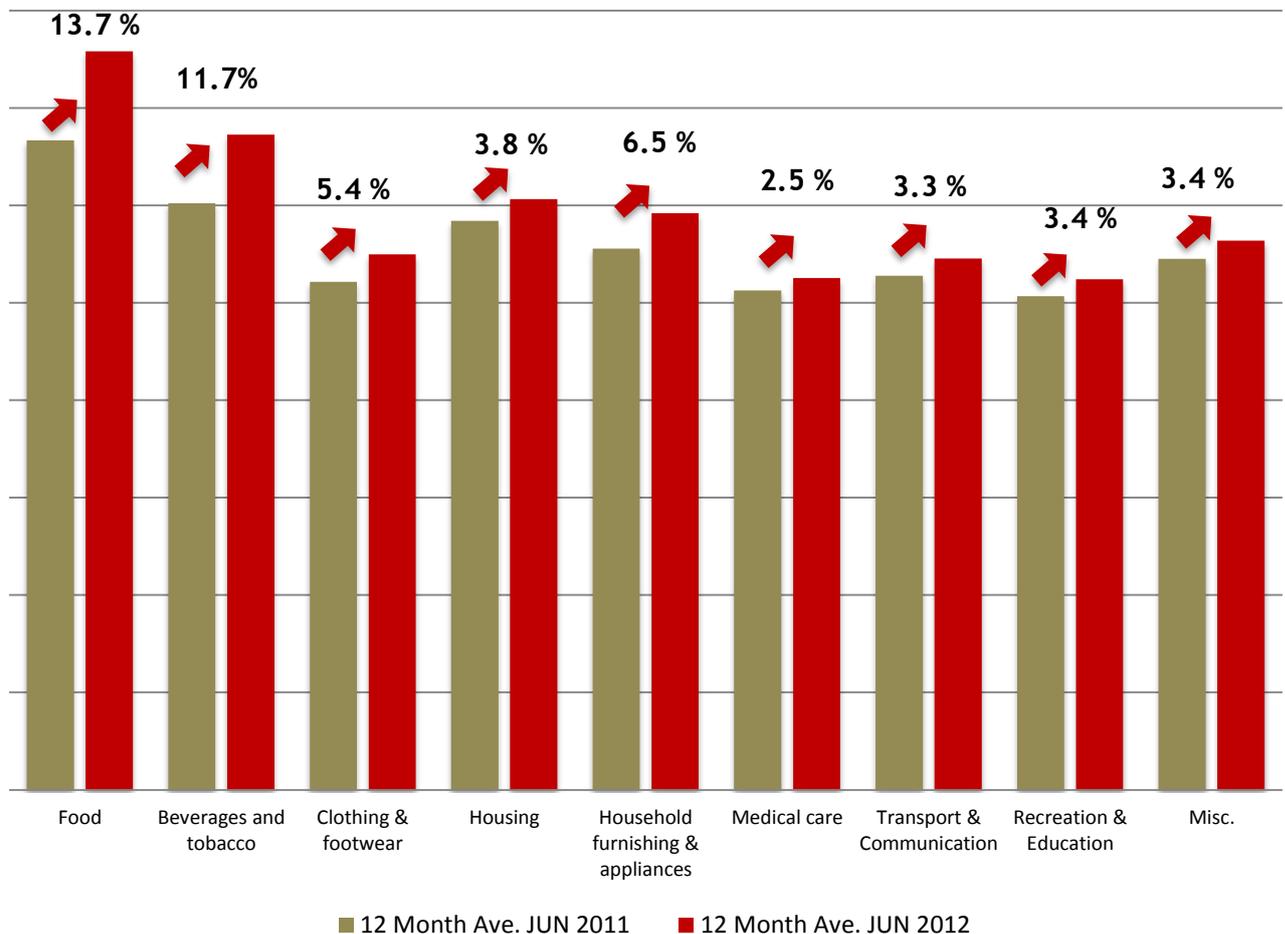
Inflation Sint Maarten June 2012

The 12-month average of consumer prices was 5.2 percent higher in June 2012 than in June 2011. This represents an increase in the inflation rate of 92.6 percent within this period mentioned.

Inflation per Expenditure Category

All nine expenditure categories recorded inflation in June 2012. Housing at a rate of 3.8 percent, which is the category with the largest influence (39%), Transportation and Communication at a rate of 3.3 percent, which is the second largest category (20%) and Food prices inflated at a rate of 13.7 percent, which is the third largest category (10%). Noteworthy is that though Food is the third largest category it has the second 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



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. Inflation has shown a step like incline since April 2011 growing from 2.5 percent to 5.5 percent in April 2012. However June 2012 (5.2%) has seen a slight contraction in the rate of inflation, comparable to that of February 2012 (5.2%).

