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Press release

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Consumer prices Sint Maarten February 2012

Prices have increased compared to December 2011

The consumer price index for Sint Maarten has increased in the month of February 2012 by 2.6 percent compared to that of December 2011.

When comparing average consumer prices over a twelve month period (Feb. 2011 to Feb. 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 5.2 percent in February 2012.

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

Price changes between December 2011 & February 2012

The consumer price index for Sint Maarten has increased in the month of February 2012 by 2.6 percent compared to that of December 2011. The price index recorded in February 2012 is 120.5.

Expenditure Category	WEIGHT	INDEX DECEMBER 2011	INDEX FEBRUARY 2012	% CHANGE
Food	10%	152.4	154.6	1.4
Beverages and tobacco	1%	134.9	134.6	-0.2
Clothing & footwear	7%	109.6	110.7	1.0
Housing	39%	117.9	123.3	4.6
Household furnishing & appliances	6%	117.6	118.9	1.1
Medical care	3%	104.8	105.2	0.4
Transport & communication	20%	108	109.4	1.3
Recreation & education	6%	104	106.3	2.2
Misc.	8%	112.4	113.3	0.8
TOTAL	100%	117.5	120.5	2.6

Expenditure Categories

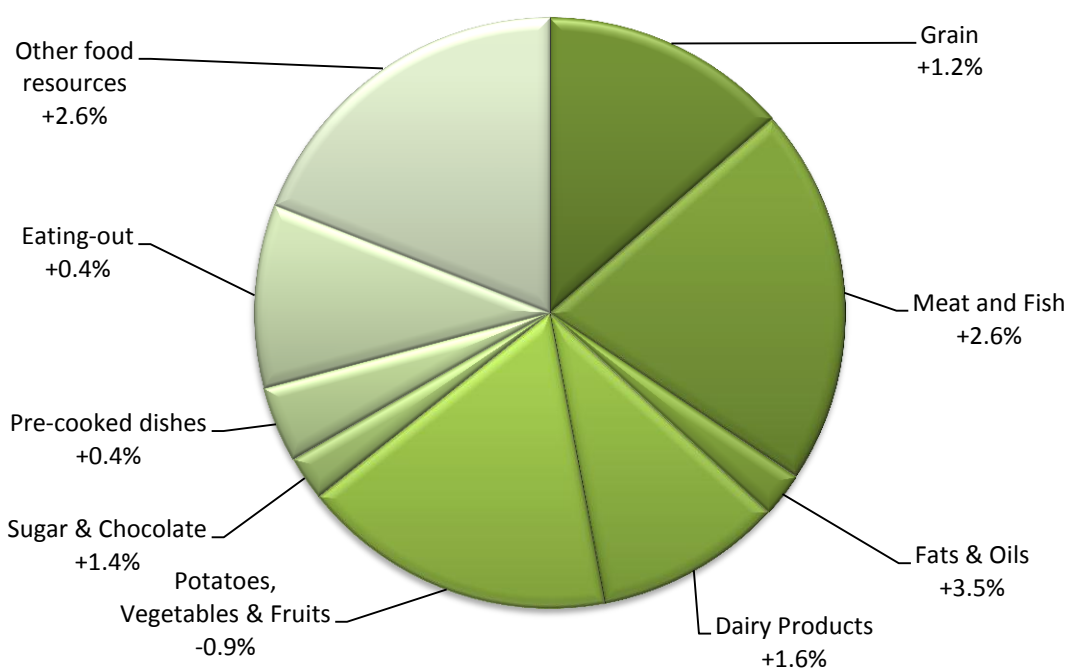
Note that in February 2012, eight of the nine expenditure categories have become more expensive, whilst one became cheaper. Amongst the more expensive were the categories; Food (+1.4%), Clothing and Footwear (+1.0%), Housing (+4.6%), Household Furnishing & Appliances (+1.1%), Medical Care (+0.4%), Transport & Communication (+1.3%), Recreation & Education (+2.2%) and Miscellaneous (+0.8%). Whereas, Beverages and Tobacco (-0.2%) became slightly cheaper.

A Closer Look

The categories with the largest influence in the basket are Food (10%), Housing (39%) and Transport & Communication (20%). In February 2012 the expenditure category Housing impacted the overall index the most with a significant increase (+4.6%) in consumer prices of this category. Even though the expenditure category Recreation & Education has a less significant impact (6%) on the total index, it recorded the second largest price increase (+2.2%) in February 2012 relative to December 2011.

Food

FOOD EXPENDITURE CATEGORY 10% of CPI



1

Within the expenditure category Food it can be noted that eight of the nine food groups became more expensive. The following increases were recorded in each food group; Grain (+1.2%), Meat and Fish (+2.6%), Fats & Oils (+3.5%), Dairy Products (+1.6%), Sugar & Chocolate (+1.4%), Pre-cooked dishes (+0.4%), Eating-out (+0.4%) and other food resources (+2.6%). Whilst within the food group Potatoes, Vegetables & Fruit a price reduction of 0.9 percent was recorded.

More specifically the following products largely influenced the total price change within the food group: Grains largely influenced by; White Bread (+5.1%) and Brown Bread (+10.6%). The food group Meat & Fish was largely influenced by; Beef (-3.8%), Oxtail (+3.7%), Spare ribs (+9.7%), Ham (+2.6%), other Poultry (+6.3%), Fish (+7.8%), other Fish (+10.7%) and other Shellfish (-16.7%).

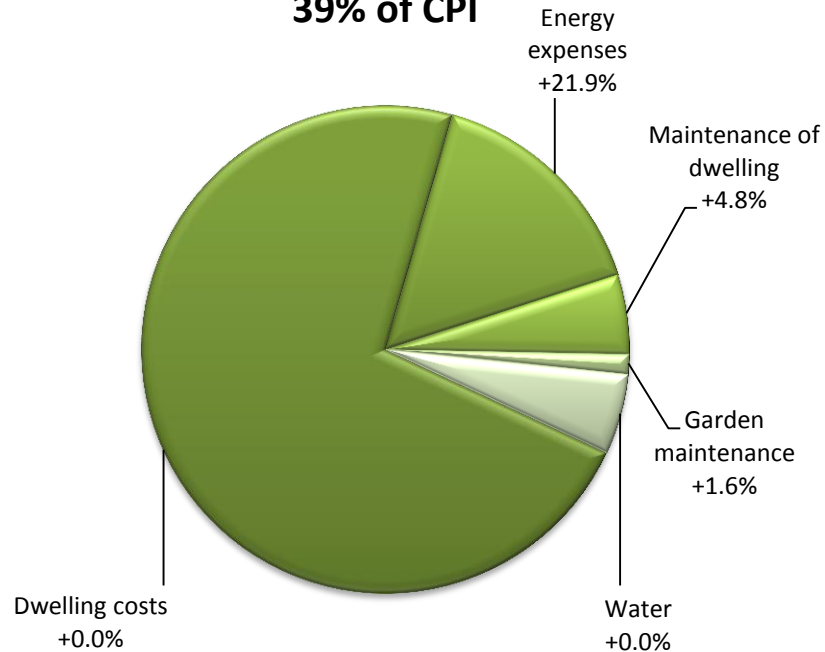
The food group Fats & Oils was largely influenced by; Cooking oil (+3.4%). The food group Dairy Products was largely influenced by; Powder Milk (+2.6%), Baby Powder Milk (+8.2%) and Eggs (-6.0%). The food group Potatoes, Vegetables & Fruit was largely influenced by; Potatoes (-7.9%), Leafy Greens (-13.7%), Cabbage (-16.1%), Carrots (+7.4%), Onions & Garlic (-4.2%), Tomatoes (-15.7%), Paprika (+7.4%), other Fresh Vegetables (+17.0%) and Oranges (+13.7%).

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



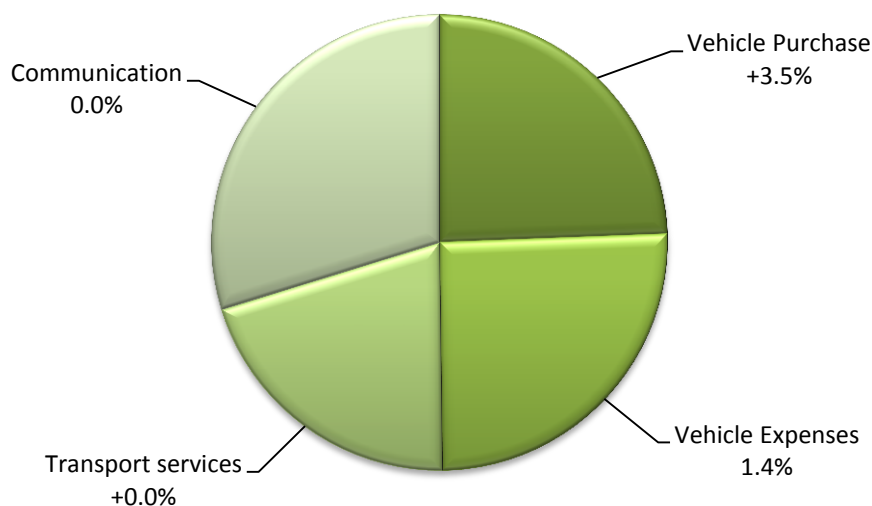
2

Within the expenditure category Housing it can be noted that three of the five product groups became more expensive whilst two remain unchanged. Amongst the more expensive were the product groups Energy expenses (+21.9%), House maintenance (+4.8%) and Garden maintenance (+1.6%). It must be emphasized that the overall increase recorded in this expenditure category is primarily accounted to the increase in Energy Expenses.

More specifically it must be noted that the product Electricity (+26.9%) largely influenced the total price percentage change recorded in the product group Energy Expenses. Note that this significant increase is for the most part linked to the change from a special Christmas rate implemented in December 2011; the overall impact of this product on the consumer budget and total index is approximately 0.05 percent. The product group House maintenance was mostly influenced by the products paint (+14.4%) and roofing material (+7.7%).

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.

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



3

Within the expenditure category Transport & Communication two of the four product groups became more expensive whilst two remained unchanged. The consumer prices within the product groups Vehicle Purchase and Vehicle Expenses both increased; by 3.5 and 1.4 percent respectively. Whilst the consumer prices for Communication and Transport Services remained stable. Even though the overall weights of each of the four product groups within this category are equal, it must be noted that the increase in Vehicle Purchase had the largest impact on the total change.

Noteworthy is that the product group Vehicle Expenses was largely influenced by the following products; Gasoline (+3.5%) and Diesel (+1.4%). Whilst the 3.6 percent increase in the consumer prices for purchasing a car, primarily influenced the product group Vehicle Purchase.

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.

Long-term inflation

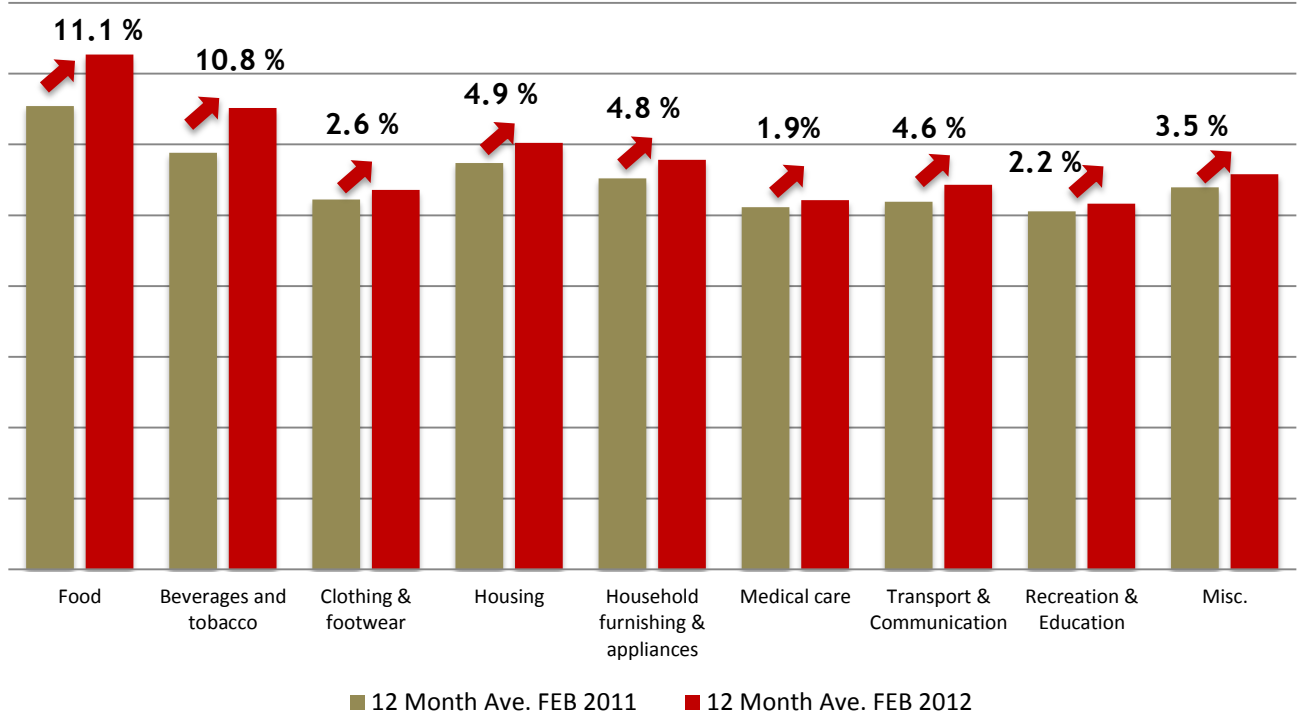
Inflation Sint Maarten February 2012

The 12-month average of consumer prices was 5.2 percent higher in February 2012 than in February 2011. This represents an increase in the inflation rate of 100 percent within this period mentioned.

Inflation per Expenditure Category

All nine expenditure categories recorded inflation in February 2012. Housing at a rate of 4.9 percent, which is the category with the largest influence (39%), Transportation and Communication at a rate of 4.6 percent, which is the second largest category (20%) and Food prices inflated at a rate of 11.1 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 5.2 percent in February 2012. The current inflation represents the highest peak over the past 2-year period; as well as the highest inflation ever recorded over the last 20 years. The inflation recorded for February 2012 is comparable to that of October 2008 (5.1%), prior to this period a comparable inflation rate was recorded in mid-1982.

Inflation Sint Maarten during the past 2 years

