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Press release

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Consumer prices Sint Maarten October 2012

Prices have increased compared to August 2012

The consumer price index for Sint Maarten has increased in the month of October 2012 by 1.2 percent compared to that of August 2012.

When comparing average consumer prices over a twelve month period (Oct. 2011 to Oct. 2012), an increase of 4.3 percent was recorded compared to the same period one year earlier. The rate of inflation has eased since June 2012; following an all-time high of 5.5 percent in April of this year. This contraction in the rate of inflation has been observed in three consecutive periods; when rates were 5.2%, 4.7% and 4.3% for June, August and October respectively.

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

Price changes between August & October 2012

The consumer price index for Sint Maarten has increased in the month of October 2012 by 1.2 percent compared to that of August 2012. The price index recorded in October 2012 is 121.9.

Expenditure Category	WEIGHT	INDEX AUGUST 2012	INDEX OCTOBER 2012	% CHANGE
Food	10%	159	161.5	1.6
Beverages and tobacco	1%	139.6	140.4	0.6
Clothing & footwear	7%	113.7	113.5	-0.2
Housing	39%	120.7	122.5	1.5
Household furnishing & appliances	6%	122	122.9	0.7
Medical care	3%	105.3	104.9	-0.4
Transport & communication	20%	109.4	111.5	1.9
Recreation & education	6%	106.8	106.9	0.1
Misc.	8%	113.6	114.2	0.5
TOTAL	100%	120.4	121.9	1.2

Expenditure Categories

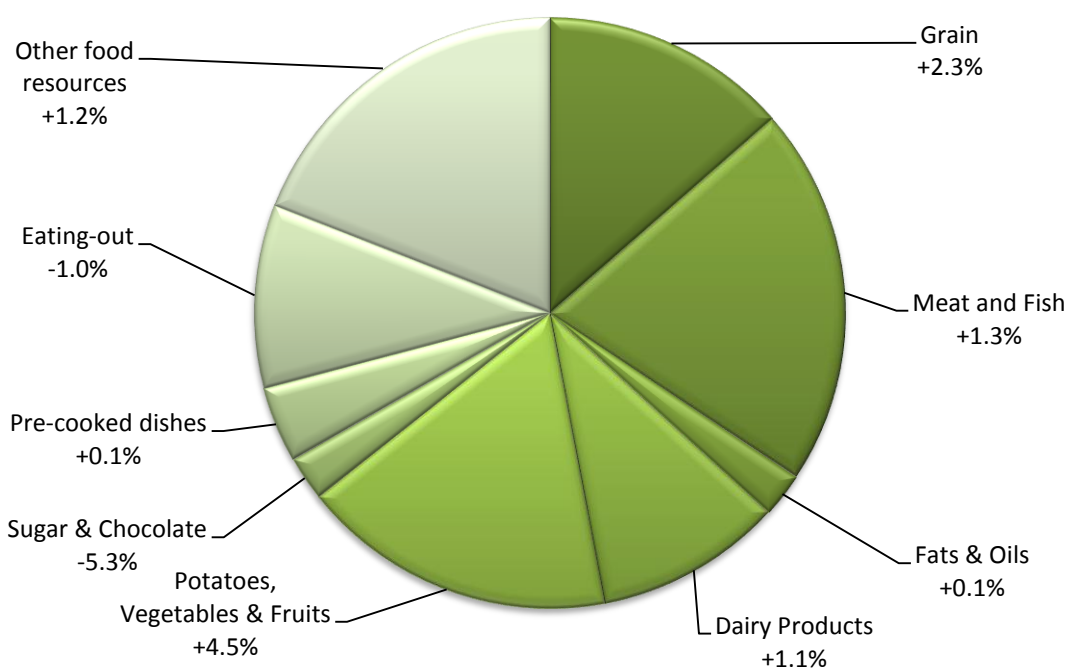
In October 2012, seven of the nine expenditure categories have become more expensive, whilst two became cheaper. Amongst the more expensive were the categories; Food (+1.6%), Beverages and Tobacco (+0.6%), Housing (+1.5%), Household Furnishing & Appliances (+0.7%), Transport & Communication (+1.9%), Recreation & Education (+0.1%) and Miscellaneous (+0.5%). Whereas, Clothing and Footwear (-0.2%) and Medical Care (-0.4%) became cheaper.

A Closer Look

The categories with the largest influence in the basket are Housing (39%), Transport & Communication (20%) and Food (10%); In August 2012 the expenditure category Housing impacted the overall index the most with an increase (+1.5%) in consumer prices of this category. The expenditure category Transport & Communication recorded the largest price increase (+1.9%) in October 2012 relative to August 2012.

Food

FOOD EXPENDITURE CATEGORY 10% of CPI



1

Within the expenditure category Food it can be noted that seven of the nine food groups became more expensive whilst two became cheaper. The following increases were recorded in each food group; Grain (+2.3%), Meat and Fish (+1.3%), Fats & Oils (+0.1%), Dairy Products (+1.1%), Potatoes, Vegetables & Fruit (+4.5%), Pre-cooked dishes (+0.1%), and other food resources (+1.2%). The food groups Sugar & Chocolate (-5.3%) and Eating-out (-1.0%) became cheaper.

More specifically the following products largely influenced the total price change within the food group: Grains largely influenced by; White Bread (+2.3%), Brown Bread (+5.9%), Biscuits & Spice cake (+9.2%), Brown rice (+3.5%), Pasta (+3.8%) and Flour (+2.3%). The food group Meat & Fish was largely influenced by; Beef (+4.5%), ground beef (+7.8%), pork loin (+1.8%), other pork meat (+6.4%), other poultry (+6.1%) and other fish (+1.9%).

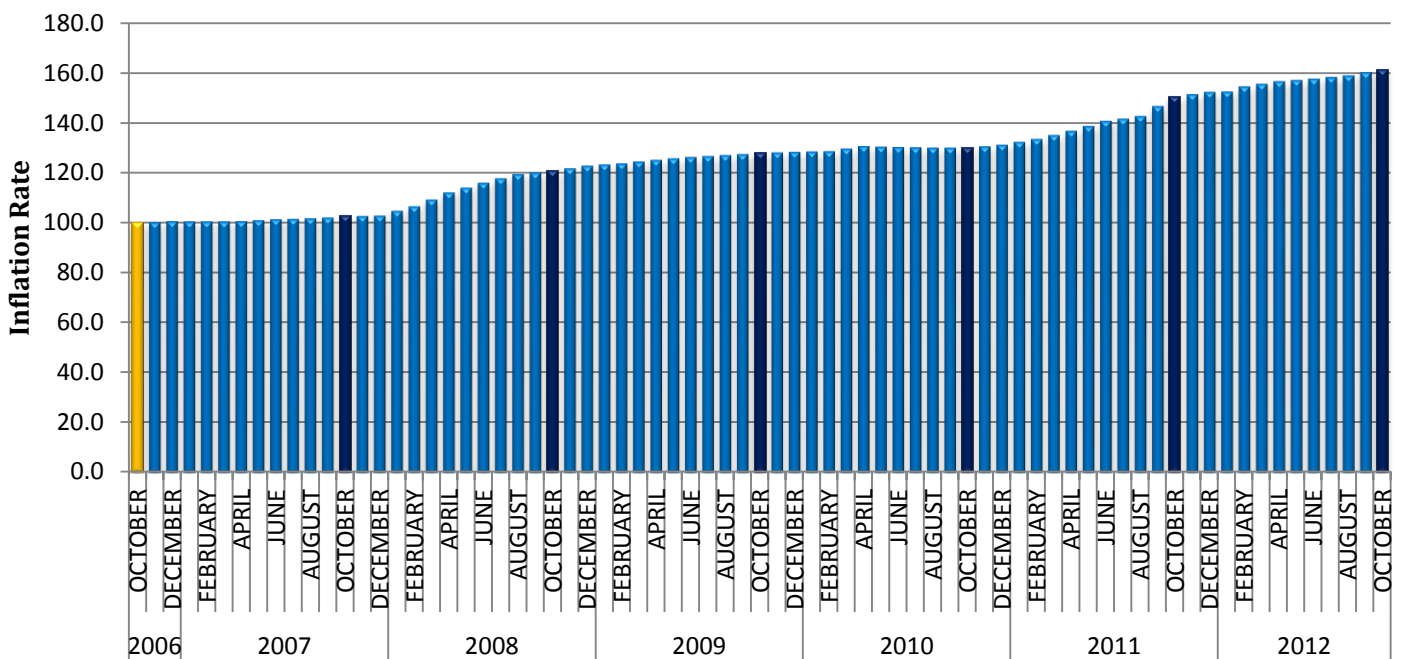
The food group Dairy Products was largely influenced by; Canned milk (+5.2%), Yogurt (+6.1%) and Eggs (+5.3%). The food group Potatoes, Vegetables & Fruit was largely influenced by; Potatoes (+4.2%), Onions & Garlic (+14.3%), Tomatoes (+10.5%), other fresh vegetables (-11.8%), other vegetables (+12.2%), dried beans and peas (-8.6%), Apples and Pears (+9.2%), other Fresh fruit (+35.3%). The food group Sugar & Chocolate was largely influenced by; confectioneries (-22.2%).

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

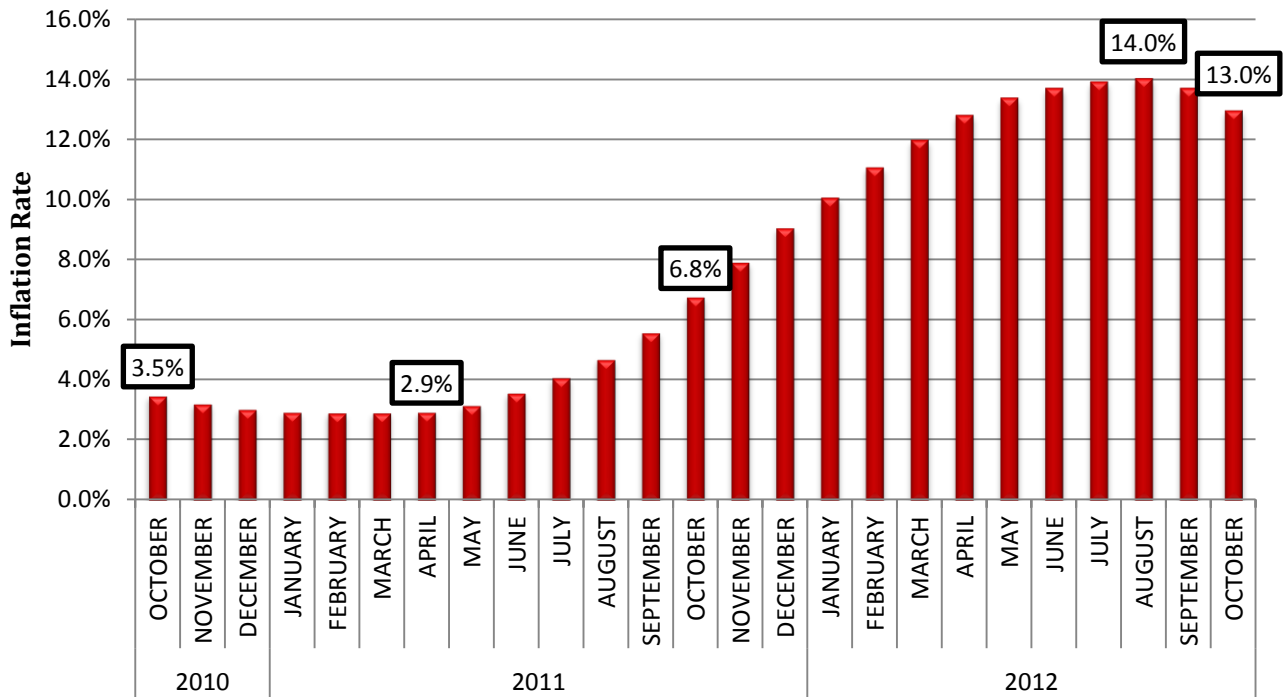
Sint Maarten's Food commodity prices have shown considerable increases over the past twelve months (Oct. 2011 to Oct. 2012). The bar graph below depicts the upward trend in monthly developments for the expenditure category Food. As of February this year, Food prices have seen double-digit increases, reaching a peak inflation of 14 percent in August 2012. In this review period (October) food inflation saw a slight decrease by 1 percentage point. 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 33 percent².

Monthly Index Developments for the Expenditure Category Food
(Oct 2006 - Aug 2012) *Oct 2006 = 100



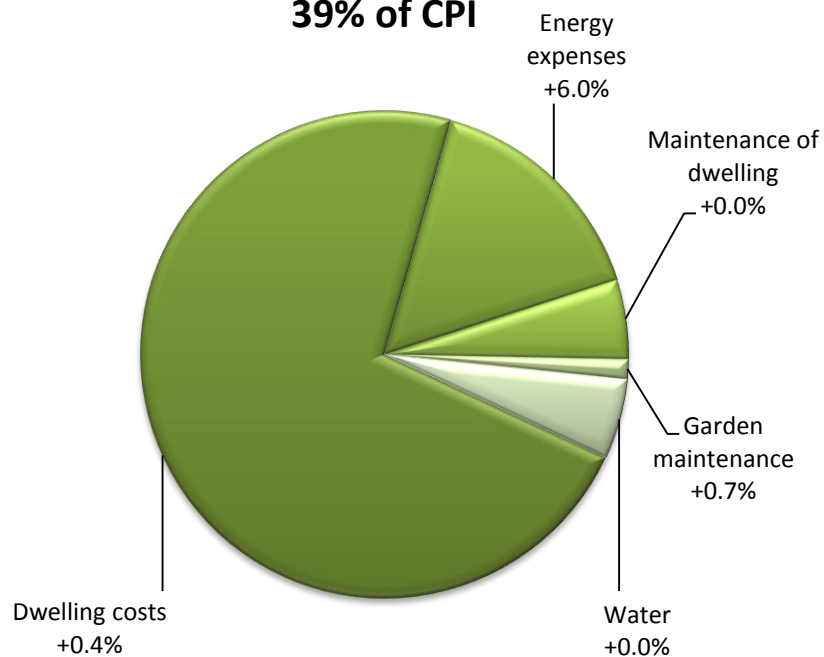
² Relative Influence Factor = 33 percent = (10% Weight Factor x 13 % Food inflation) / (Consumer Inflation)

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



Housing

HOUSING EXPENDITURE CATEGORY 39% of CPI



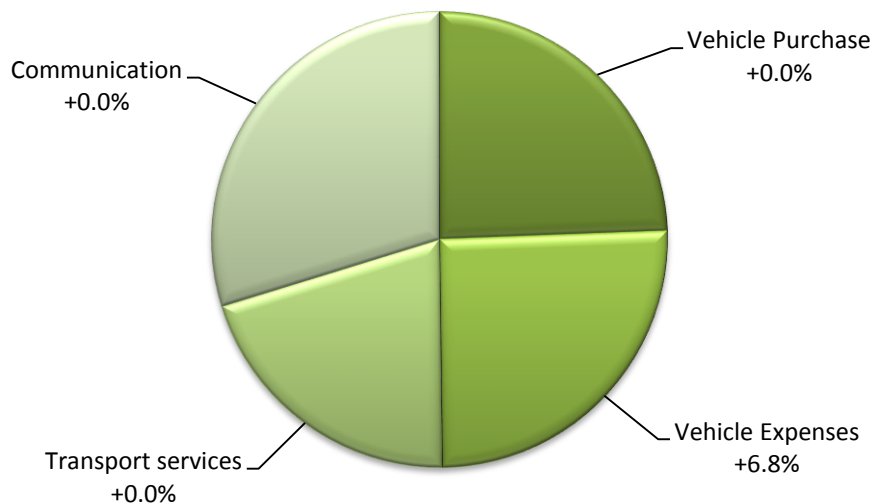
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3 Please note that the pie chart above depicts the share (*weight*) each food group carries toward the entire Housing expenditure category, whilst the percentages indicate the price change within that product group.

Within the expenditure category Housing it can be noted that three of the five product groups became more expensive whilst two remain unchanged. The product groups Energy expenses increased with 6.0 percent, whilst Garden maintenance (+0.7%) and Dwelling costs (+0.4%) recorded increases less than 1 percent. It must be emphasized that the overall increase recorded in this expenditure category is primarily attributable to the significant increase in Energy Expenses; the product Electricity (+7.3%) largely influenced the total price percentage change recorded within this 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 increased by 6.8 percent. Noteworthy is that the product group Vehicle Expenses was largely influenced by the following products; Gasoline (+15.4%) and Diesel (+12.1%).

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

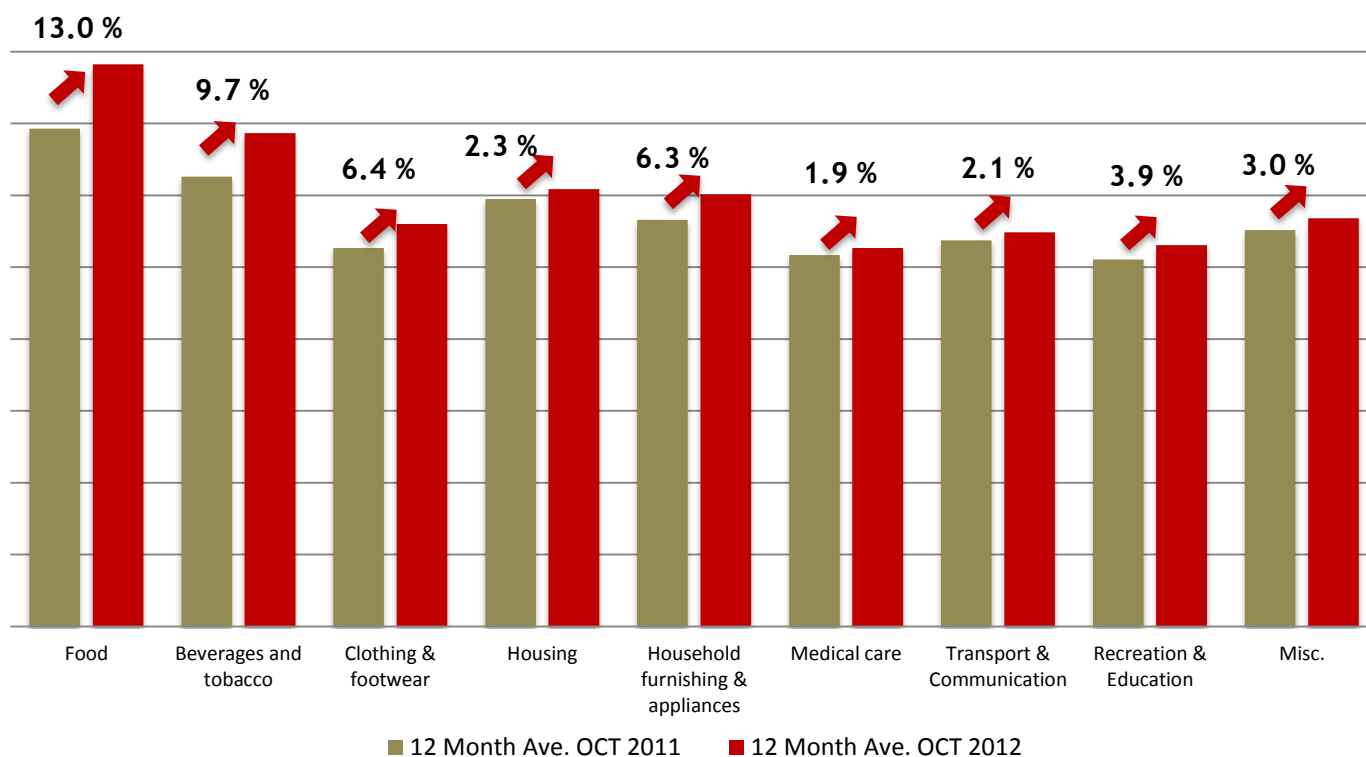
Inflation Sint Maarten June 2012

The 12-month average of consumer prices was 4.3 percent higher in October 2012 than in October 2011. This represents an increase in the inflation rate of 10.26 percent within this period mentioned.

Inflation per Expenditure Category

All nine expenditure categories recorded inflation in October 2012. Housing at a rate of 2.3 percent, which is the category with the largest influence (39%), Transportation and Communication at a rate of 2.1 percent, which is the second largest category (20%) and Food prices inflated at a rate of 13 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

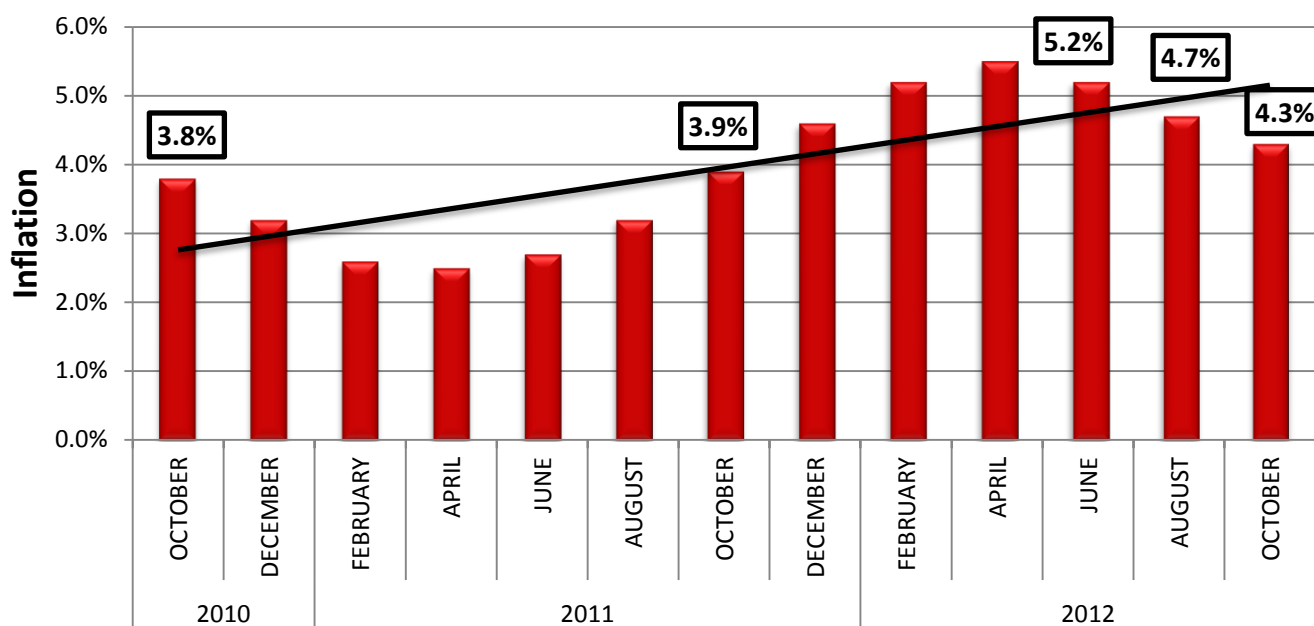


2-year Overview

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, slight contraction has been observed in three consecutive periods; recorded rates of 5.2%, 4.7% and 4.3% for June, August and October respectively. Inflation of 4.3 percent for October 2012 is comparable to that of December 2011 (4.6%); it is the lowest recorded inflation rate for 2012 to date.

Sint Maarten Inflation during the period October 2010 - October 2012



Inflation Sint Maarten: A Closer Look

The building blocks composing the October 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 33% towards overall inflation of October 2012; compared to 18% contribution for October 2011. Noteworthy is that the expenditure categories Clothing & Footwear, Household Furnishing & Appliances and Recreation & Education are contributing more to the October 2012 inflation rate than they did in the same period of 2011.

Inflation Build-up Oct 2011 = 3.9% vs Oct 2012 = 4.3%

- Food
- Beverages and tobacco
- Clothing & footwear
- Housing
- Household furnishing & appliances
- Medical care
- Transport & Communication
- Recreation & Education
- Misc.

