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Press Release

Philipsburg, August 31st, 2021

Prices up from last quarter (0.68%) and up from last year (2.32%)

The Consumer Price Index (CPI) for Sint Maarten in the first quarter of 2021 is 102.78. This represents an increase of 0.68 percent, when compared to that of fourth quarter 2020.

When comparing the consumer prices from the same period 12 months previously (first quarter 2020 to first quarter 2021), an increase of 2.32 percent was recorded.

Comparing 2020 Q4 with 2021 Q1 – Highest increase in Communication 3.63%

For the first quarter 2021, when compared to the fourth quarter of 2020, prices in seven of the twelve expenditure categories recorded increases, four decreased in price and one remained unchanged. The increases were in the categories: 'Clothing and footwear' (+1.92%), 'Housing, water, electricity, gas and other fuels' (+0.62%), 'Furnishings, household equipment and maintenance' (+0.47%), 'Transport' (+1.54%), 'Communication' (+3.63%), 'Restaurants and hotels' (+0.05%) and 'Miscellaneous goods and services' (+0.39%). Decreases were seen in the following categories: 'Food and non-alcoholic beverages' (-0.32%), 'Alcoholic beverages, tobacco & narcotics' (-0.02%), 'Health' (-0.03%), and 'Recreation and culture' (-2.70%).

Based on the latest Household Budget Survey, the following four categories have the largest percentage weight (influence) of the Total CPI: *Housing, water, electricity, gas and other fuels* (36.1%), *Transport* (14.6%), *Miscellaneous goods and services* (13.4%) and *Food and non-alcoholic beverages* (7.2%).

For *Food and non-alcoholic beverages*, the cost of the subcategory 'Food' went down by 0.28 percent. This was mainly due to the decrease in the prices of meat (-0.18%), fruit (-1.94%), vegetables (-1.72%), and sugar, jam, honey, chocolate, and confectionery (-0.66%). Prices in the subcategory 'Non-alcoholic beverages' also decreased by 0.57 percent. This was driven by a decrease in the prices of coffee, tea, and cocoa (-0.64%); and of mineral water, soft drinks, fruit and vegetable juices (-0.56%).

The change in the price of *Housing, water, electricity, gas and other fuels* was influenced by an increase in the price level of the subgroups: 'Maintenance and repair of the dwelling' (+1.45%) and 'Electricity, gas and other fuels' (+5.15%). The latter subgroup was driven by an increase in the price of electricity (+6.00%).

For this quarter, in the categories where there were increases, the price for *Transport* was largely impacted by the subgroups: 'Purchase of vehicles' (+2.91%) and 'Operation of personal transport equipment' (+8.57%). The increase in the price level of 'Purchase of vehicles' was driven by motor cars (+2.96%), while fuels and lubricants (+14.29%) drove the increase in the subgroup 'Operation of personal transport equipment'.

The prices in the category *Miscellaneous goods and services* increased largely because of price level increase in the subcategory: 'Personal effects n.e.c¹' (+6.78%). This was driven by price increase in jewellery, clocks, and watches (+11.07%).

Note, the increased prices in three of the major expenditure categories identified above and in four of the other categories caused the overall increase in the CPI from fourth quarter to first quarter.

Inflation: Comparing 2020 Q1 with 2021 Q1 – Highest increase in Housing, water, electricity, gas, and other fuels 6.51%

The prices of first quarter 2021 have increased when compared to those of first quarter 2020. The inflation rate recorded is 2.32 percent. This rise in prices for the 12-month period was largely due to increases in the household expenditure categories: 'Food and non-alcoholic beverages' (+1.86%), 'Housing, water, electricity, gas and other fuels' (+6.51%), 'Health' (+1.01%), 'Communication' (+6.28%), 'Education' (1.00%), 'Restaurants and hotels' (+1.60%), and 'Miscellaneous goods and services' (+3.94%).

For the four expenditure categories with the highest weight on the Total CPI, the prices went up in three of these categories, when compared to the same period in 2020. As mentioned previously '*Food and non-alcoholic beverages*' increased 1.86 percent. This was mainly due to the rise in food prices in first quarter 2021 compared to first quarter 2020. In addition, prices in the category '*Housing, water, electricity, gas, and other fuels*' as well as the category '*Miscellaneous goods and services*', also increased. On the contrary, the cost of '*Transport*' decreased by 3.16 percent.

Note, the increased prices in three of the major expenditure categories and in four of the other categories caused the overall increase in the inflation rate.

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n.e.c¹ – Not elsewhere classified

Table 1. Consumer price index figures, Quarterly percentage change and Inflation rate for the 12 major expenditure categories for 2021 Quarter 1

Expenditure Category	2018 WEIGHTS	INDEX 2020 Quarter 1	INDEX 2020 Quarter 4	INDEX 2021 Quarter 1	Quarter-to-Quarter % Change Q4 2020 to Q1 2021	Year-on-Year % Change (Inflation) Q1 2020 to Q1 2021
Food and non-alcoholic beverages	7.2%	99.61	101.79	101.46	-0.32%	1.86%
Alcoholic beverages, tobacco and narcotics	0.4%	103.39	102.85	102.83	-0.02%	-0.55%
Clothing and footwear	4.8%	106.06	97.38	99.24	1.92%	-6.43%
Housing, water, electricity, gas and other fuels	36.1%	99.45	105.26	105.92	0.62%	6.51%
Furnishings, household equipment and routine household maintenance	6.5%	103.02	101.53	102.00	0.47%	-0.98%
Health	1.9%	103.80	104.87	104.85	-0.03%	1.01%
Transport	14.6%	100.88	96.21	97.69	1.54%	-3.16%
Communication	6.0%	97.09	99.58	103.19	3.63%	6.28%
Recreation and culture	4.6%	104.97	102.20	99.44	-2.70%	-5.27%
Education	2.6%	100.82	101.83	101.83	0.00%	1.00%
Restaurants and hotels	2.0%	100.64	102.20	102.25	0.05%	1.60%
Miscellaneous goods and services	13.4%	99.24	102.74	103.14	0.39%	3.94%
TOTAL	100%	100.46	102.09	102.78	0.68%	2.32%
Base Year 2018 = 100						

Chart 1. Consumer Price Index Figures - 2020 Quarter 1 and Quarter 4 and 2021 Quarter 1

