

INDEX OF RETAIL PRICES – August 2008
(Base: January, 2003 = 100)

The following Memorandum on the Index of Retail Prices is published for general information.

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GENERAL INDEX

The All Items Index of Retail Prices calculated from prices collected for the month of August, 2008 was 151.8 representing an increase of 2.9 points or 1.9% over the Index for July, 2008.

The annual rate of inflation as measured by the percentage change in the average All Items Index for the period January – August 2008 over that for the period January - August 2007 was 10.6%. This compares with an increase of 8.1% observed in the average All Items Index for the period January – August 2007 over the average All Items Index for the same period in 2006.

SECTION INDICES

FOOD AND NON-ALCOHOLIC BEVERAGES

The Index for Food and Non-Alcoholic Beverages increased from 274.6 in July, 2008 to 290.0 in August, 2008, reflecting an increase of 5.6%. Contributing significantly to this increase was the general upward movement in the prices of white bread, packaged flour, whole chicken, canned vegetables, yams, dasheen, irish potatoes, sweet potatoes, cassava, tomatoes, pumpkin, melongene, cabbage, christophene, watercress, ochroes, cucumber, oranges, chive and celery. However, the full impact of these price increases was dampened by the general fall in the prices of fresh fish (cavalli and red fish), shrimp, paw paw, mangoes, callaloo bush, plantain, limes and hot peppers.

Price changes in this section, for the month of August, 2008 accounted for a net overall increase of 2.8 points in the All Items Index.

OTHER SECTIONS

A further review of the data for August, 2008 compared with July, 2008 indicated increases in the sub-indices for Alcoholic Beverages and Tobacco 3.3%; Clothing and Footwear 0.3% and Health 0.8%. However, no declines were noted in any of the other section indices.

Price changes in these sections, for the month of August 2008, accounted for a net overall increase of 0.1 point in the All Items Index.

Growth in consumer prices in August, 2008 compared with those of August, 2007 reflected in various sections of the Index is shown hereunder:

| Sections | Percentage Change August 2008 – August 2007 |
|--|--|
| All Items | 13.5 |
| Food and Non-Alcoholic Beverages | 30.2 |
| Alcoholic Beverages and Tobacco | 16.1 |
| Clothing and Footwear | 3.0 |
| Housing, Water, Electricity, Gas & Other Fuels | 7.6 |
| Home Ownership | 3.9 |
| Rent | 5.8 |
| Water, Electricity, Gas & Other Fuels | 21.3 |
| Furnishings, Household Equipment & Routine Maintenance of the House | 2.9 |
| Health | 6.3 |
| Transport | 1.7 |
| Communication | 0.0 |
| Recreation and Culture | 4.6 |
| Education | 16.4 |
| Hotels, Cafes and Restaurant | 25.4 |
| Miscellaneous Goods and Services | 4.6 |