 **Central Statistics Office**

PREMIER’S OFFICE

 **GOVERNMENT OF THE VIRGIN ISLANDS**

CONSUMER PRICE INDEX BULLETIN

 2015

Rate of Inflation at a Glance

The average Consumer Price Index (CPI) for 2015 was 104.94, reflecting a 0.9% average increase in overall prices for the year. Although prices continued to rise they did so at a decreasing rate when compared to 2014. This 0.9% inflation is the lowest rate recorded since 2004 where a rate of 0.8% was registered. One year ago in 2014 the inflation rate stood at 1.9%.

For the first five months of 2015 inflation was well over 1.0%. The rate declined to 0.3% in June and remained steady (under 1.0%) for all months up until December, where prices rose again recording an inflation rate of 1.1%.

This rather low inflation of 0.9% for 2015 can be attributed to the substantial decline in the transportation index which fell from 105.15 in 2014 to 101.78 in 2015, representing a 3.2% decrease. As transportation accounts for approximately 13.0% of the Consumer Price Index and is the third most significant subgroup, price changes in this category can have a notable impact on the overall Consumer Price Index and inflation rate.

Annual Comparison

**Transportation**

Transportation prices fell continuously throughout the year, as a result of decreasing fuel prices. Fuel prices dropped from an average of $3.65 in January to $3.19 at the end of December 2015; decreasing on average by 12.6% for the year. When comparing 2015 prices to 2014, the average price of gasoline fell by 22.4% and diesel by 23.6%. The reduction in fuel prices had a substantial impact on other services under the transportation subgroup. Both airfare and electricity were impacted by the low fuel prices. Although not significant, airfare prices fell by 2.4%. The average price of electricity on the other hand fell by 22.3% when compared to 2014.

**Health Services**

This subgroup recorded the highest growth in prices for 2015. The average price of health services increased by 8.2% between 2014 and 2015as a result of an increase in the hospital fees implemented by the BVI Health Services Authority in February. Prices of the following health services rose significantly in 2015: consultation up a general physician (up 36.4%); public hospital care (up 22.5%) and services for medical laboratories (up 16.7%).

**Recreation and Culture**

Prices of items under the recreation and culture category rose by 5.5% as the price of the following items increased: books and magazines (up 26.2%), vacation packages (up 23.2%) and toys and games (up 17.4%).

**Clothing and Footwear**

Clothing and Footwear prices increased by 3.7% as the average price of clothing and footwear went up by 5.9% and 9.7% respectively.

**Food and Beverages**

Food and Beverage price index increased by 2.0% when compared to 2014. This rise in prices was mainly due to increases in the average price of the following food and beverage items dairy products (up 15.0%); meat items (up 7.6%); vegetables (up 6.5%); sugars and confectionery (up 6.4%); non-alcoholic beverages (up 4.2%); alcoholic beverages (up 3.6% and fruits (up 3.5%).

The other subgroups recorded minor changes in prices.

* Education (up 1.0%)
* Restaurant and Hotel Services (up 1.0%)
* Housing and Utilities (up 0.7%)
* Miscellaneous Goods and Services (up 0.7%)
* Furniture and Household Equipment (up 0.6%)
* Communication (up 0.6%)

Monthly Highlights

April recorded the largest increase in prices. Average prices in April rose by 1.5% as the prices of items in the following subgroups went up: Health Services; Recreation and Culture; Clothing and Footwear; Housing and Utilities; Furniture and Household Equipment; Restaurant and Hotel Services; Food and Beverages; Communication and Miscellaneous Goods and Services.

Meanwhile June recorded the smallest increase as prices only increased by 0.3%.

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| **CONSUMER PRICE INDEX 2014 and 2015**  |
|  **(January 2012=100)** |
|  |  |  |  |  |
| **Subgroups** | **Weight** | **2015** | **2014** | **% Change**  |
| Food & Non-Alcoholic Beverages  | 147 | 107.26 | 106.08 | 1.10 |
| Alcoholic Beverages  | 14 | 103.69 | 100.82 | 2.84 |
| Clothing & Footwear | 49 | 106.31 | 102.53 | 3.69 |
| Housing & Utilities  | 298 | 102.30 | 101.64 | 0.65 |
| Furniture & Household Equipment  | 39 | 100.62 | 100.06 | 0.57 |
| Health Services  | 32 | 116.69 | 107.89 | 8.16 |
| Transportation | 128 | 101.78 | 105.15 | -3.21 |
| Communication  | 79 | 110.42 | 109.80 | 0.56 |
| Recreation and Culture | 35 | 120.52 | 114.22 | 5.52 |
| Education  | 26 | 102.26 | 101.21 | 1.04 |
| Restaurant and Hotel Services  | 49 | 100.13 | 99.19 | 0.95 |
| Miscellaneous Goods and Services  | 104 | 104.19 | 103.50 | 0.67 |
| All Groups  | 1000 | 104.94 | 104.06 | 0.85 |



**Annual Inflation Rate 2004-2015**