



Table of Contents

Note to the Reader

ii

1 MONTHLY CHANGE OF THE CPI	1
1.1 CPI AND INFLATION	1
1.2 CHANGES IN SECTOR.....	1
1.3 CHANGES IN CATEGORIES AND SUBCATEGORIES.....	1
2 YEARLY CHANGE OF THE CPI.....	2
2.1 END OF PERIOD CHANGE CPI FOR SEPTEMBER 2008.....	2
2.2 CHANGES IN SECTOR.....	2
2.3 CHANGES IN CATEGORIES.....	2
2.4 END OF YEAR CHANGE CPI 2000-2008	2
2.5 PERIOD AVERAGE CHANGE CPI FOR SEPTEMBER 2008.....	2
3 DEVELOPMENT OF INDICES OF MAIN SECTORS AND UTILITIES.....	3
3.1 INDICES MAIN SECTORS	3
3.2 ELECTRICITY.....	3
3.3 WATER.....	3
3.4 GASOLINE AND DIESEL.....	3
4 PERCENTAGE CHANGE CPI OF OUR MAJOR TRADING PARTNERS.....	4
4.1 COMPARISON CPI ARUBA AND THE USA	4

Appendices

Appendix 1: Monthly and yearly % changes in the CPI for September 2008	5
Appendix 2: Effect on the CPI per sector and category for September 2008	6
Appendix 3: Course of Indices for 2006-2008 up to and including September 2008	7

Glossary

8

Note to the Reader

The following report presents the price statistics for September 2008.

- At the end of September 2008 the Consumer Price Index (CPI) decreased by 0.2% compared to the end of August 2008. The largest percentage change is for the “Clothing and footwear” sector index (+2.0%), which led to an effect of +1.3 in the Δ CPI of September (-0.2%).
- Compared to January 1, 2008 the CPI increased by 7.5%. The largest percentage change is observed for the index of the “Housing” sector (13.1%). Specifically, electricity and water prices increased by respectively 24.1% and 27.5%. Electricity and water caused an effect of 2.5 in the year-to-date Δ CPI of September (7.5%).
- Compared to September 2007 the CPI increased by 10.8%. The largest percentage change is observed for the index of the “Housing” sector (18.5%).
- The period average change CPI for the period September 2007 - September 2008 is 9.1%, which is 4.7 percentage points higher compared to the period average change over the period September 2006 – September 2007.
- Utilities (Water and Electricity) registered price decreases during September 2008. The Water price decreased with 0.8%, while the Electricity price decreased with 3.7%. Utilities caused an effect of -0.2 in the Δ CPI of September (-0.2%).

This report is divided in 4 sections. An overview of the monthly percentage changes in the CPI and index per sector is presented in section 1. Section 2 provides the yearly percentage changes in the CPI and index per sector. The development of indices of main sectors and utilities is outlined in section 3. Section 4 presents the percentage change in the CPI of Aruba’s major trading partners and compares the CPI of Aruba and the USA, and is followed by the appendices.

For other specific information contact us at CBS or visit www.cbs.aw

Contact information:

Central Bureau of Statistics
L.G. Smith Boulevard 160
Oranjestad - Aruba
Phone: 583-7433 ext 296
Fax: 583-8057
E-mail: Ldsilva@cbs.aw

1 Monthly change of the CPI

1.1 CPI and Inflation

The Consumer Price Index (CPI) of the total population of Aruba for the month of September 2008 is 142.7. A decrease of 0.2% compared to the CPI of August 2008 (143.0). An overview of the percentage change in the CPI (Δ CPI) for different periods during 2007 and 2008 is shown in Table 1. The terms percentage change in CPI and “inflation” (deflation) are considered similar and are used interchangeably. The inflation over the last 12 months (end of period inflation) is 10.8%, while the inflation over a period of 24 months (period average inflation) is 9.1%.

Table 1 Overview of Δ CPI

Period	2008	2007	
Current month	Aug-Sep	-0.2	0.1
Year-to-date	Jan-Sep	7.5	6.9
Last 12 months ¹	Sep-Sep	10.8	5.8
Last 24 months ²	Sep-Sep	9.1	4.4

Source: Central Bureau of Statistics Aruba

¹ End of period inflation

² Period average inflation

Figure 1 depicts the monthly Δ CPI over a period of one year starting from September 2007, whereas the Δ CPI for the month September for the years 1999 through 2008 is illustrated in Figure 2.

1.2 Changes in sector

Figure 3 provides an overview of the percentage changes for the indices per sector for September 2008. The percentage change in index is further denoted as ΔI . The largest ΔI ¹ is observed for the sector “Clothing and footwear” (2.0%).

1.3 Changes in categories and subcategories

The largest positive and negative ΔI is seen in the categories “Fats and oils” (3.8%) and “Domestic Fuel and power” (-3.3%) respectively. The major ΔI in the “Transport and communication” sector is observed for the category “Vehicle supplies” which decreased by 3.2%. This decrease is mainly due to a decrease in “Gasoline” of 4.8%. In the sector “Clothing and footwear” a significant increase is seen in the subcategory “Clothing and accessories” with 2.7%.

The subcategories which influenced the CPI calculation the most due to their weight in the basket of goods and services are “Electricity” and “Gasoline”, which had a negative effect of respectively, -1.14 and -1.04 on the Δ CPI. Reference is made to table 8 and 9 in Appendices 1 and 2. Table 8 provides an overview of the indices for the months September 2007 up to and including September 2008 together with corresponding weights per sector and the Monthly, Yearly, year-to-date (ytd) and Average percentage changes for September 2008. In table 9 an overview of the effect on the CPI per sector and category for September 2008 is presented. The course of

indices for 2006 to 2008 is illustrated in Appendix 3.

Figure 1: Monthly Δ CPI, 2007-2008

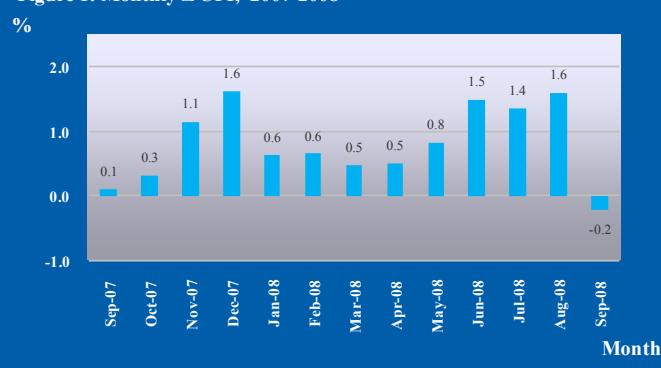


Figure 2: Monthly Δ CPI for September, 1999-2008

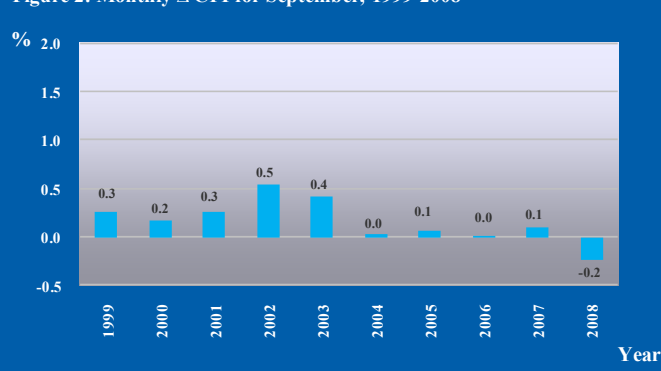
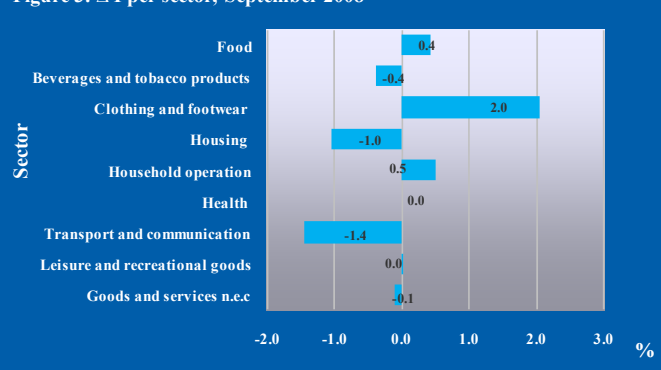


Figure 3: ΔI per sector, September 2008



¹ The focus is on the four major sectors which are: Housing, Transport and communication, Food and Clothing and footwear. Together these sectors form 68% of the total weight of the basket of goods and services.

2 Yearly change of the CPI

2.1 End of period change CPI for September 2008

The CPI increased from 128.7 in September 2007 to 142.7 in September 2008, an increase of 10.8%. This Δ CPI is the highest registered over a period of 5 years (see table 2) for the month September, and is 5.0 percentage points higher than the Δ CPI registered in 2007.

Table 2 Five year period Yearly Δ CPI

Period	Δ CPI
	Sep-Sep
2003-2004	2.7
2004-2005	3.7
2005-2006	4.1
2006-2007	5.8
2007-2008	10.8

Source: Central Bureau of Statistics Aruba

2.2 Changes in sector

An overview of the percentage change per sector over the period September 2007 – September 2008 is presented in table 3. The largest Δ I is observed for the sector “Housing” (18.5%). This increase is mainly caused by increases in the categories “Water supply” (39.2%) and “Domestic fuel and power” (31.0%) respectively. The second largest Δ I during this period is observed for the sector “Food” with 12.7%. This is mainly the result of increases of 21.7% and 21.4% in the categories “Dairy products” and “Fats and oils” respectively. Furthermore an increase of 10.2% and 7.1% is observed for the sectors “Transport and communication” and “Leisure and recreational goods” respectively. A comparison of the Δ I for the years 2007 and 2008 is provided in figure 4. The sectors which experienced smaller Δ I's in 2008 compared to 2007 are “Household operation”, “Beverages and tobacco products” and “Health”.

Table 3 Percentage Change for September, 2007-2008

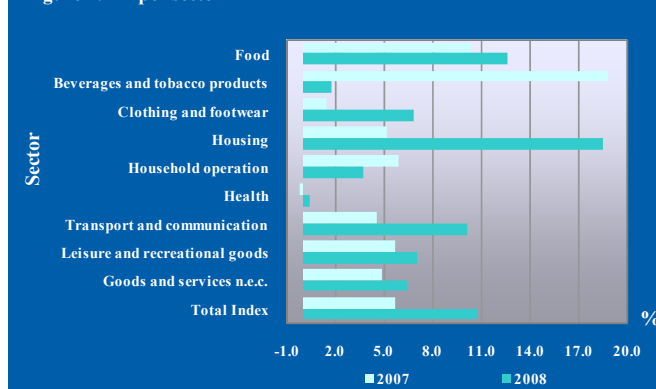
Period	% Change
Housing	18.5
Food	12.7
Transport and communication	10.2
Leisure and recreational goods	7.1
Clothing and footwear	6.9
Goods and services n.e.c.	6.4
Household operation	3.8
Beverages and tobacco products	1.8
Health	0.4

Source: Central Bureau of Statistics Aruba

2.3 Changes in categories

The largest positive and negative Δ I in categories observed over a period of one year are respectively, “Water supply” (39.2%) and “Home appliances and tools” (-6.4%). For an overview of the yearly percentage changes per category refer to table 8 in Appendix 1.

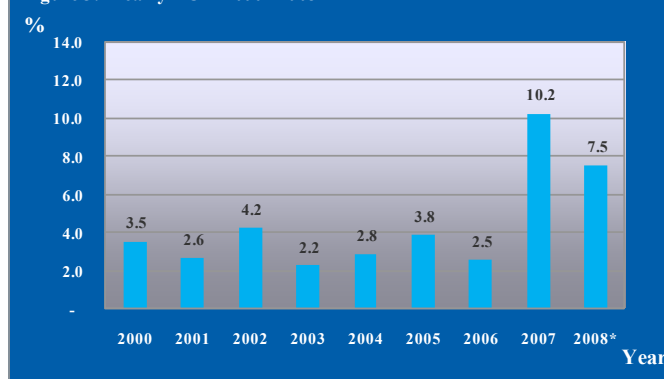
Figure 4: Δ I per sector



2.4 End of year change CPI 2000-2008

The end of year change Δ CPI for the period 2000-2007 together with the year-to-date Δ CPI (ytd Δ CPI) for 2008 are shown in figure 5. The Δ CPI for 2007 is calculated by comparing the CPI of December 2007 with the CPI of December 2006. At the end of each year the end of year percentage change equals the ytd Δ CPI. The ytd Δ CPI for September 2008 is 7.5%.

Figure 5: Yearly Δ CPI 2000 - 2008



* year-to-date

2.5 Period average change CPI for September 2008

The period average change CPI (Δ ACPI) for September 2008 is 9.1%. Table 4 provides an overview of the Δ ACPI for the month September for the years 2002 through 2008. The Δ ACPI of 2008 increased by 4.7 percentage points compared to 2007.

Table 4 Overview in Δ ACPI for August, 2002 - 2008

Period	Δ ACPI
2002	2.9
2003	4.1
2004	2.3
2005	3.2
2006	4.1
2007	4.4
2008	9.1

Source: Central Bureau of Statistics Aruba

3 Development of indices of main sectors and utilities

3.1 Indices main sectors

The four major sectors, "Housing", "Transport and communication", "Food" and "Clothing and footwear", constitute 68% of the total weight of the basket of goods and services, which are observed on a monthly basis. An overview of the course of indices for 2006-2008 per sector and for the CPI is provided in respectively figures 9-1 through 9-9 and 10 of Appendix 3.

Changes in the indices of the sectors "Housing" and "Transport and communication" are mainly the result of changes in the international oil prices and prices of utilities during the respective months. The development of electricity, water, gasoline and diesel prices is provided in the adjoining figures 6-1 through 6-3.

3.2 Electricity

The price of electricity is determined in Afl. for an average usage by households. The average usage is 700 kWh per month. The electricity price for an average consumption of 700 kWh decreased by 3.7% in September of 2008, from Afl. 380.35 to Afl 366.14. Figure 6-1 provides an overview of the course of changes in the electricity price for the period 2006 through 2008.

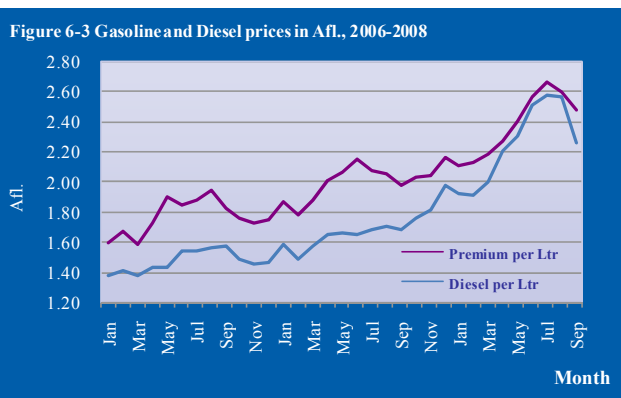
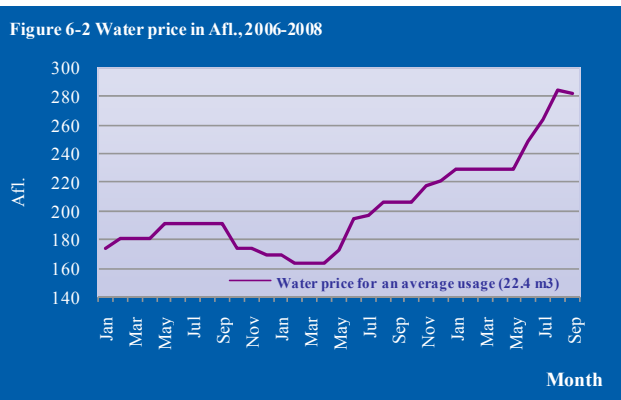
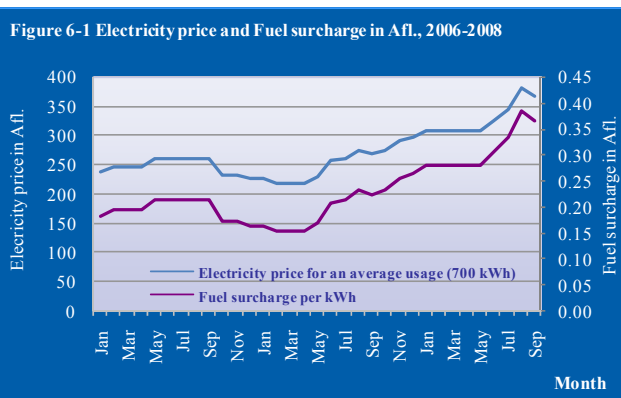
The component in the electricity tariff which is sensitive to price changes is the fuel surcharge (brandstofclausule). Figure 6-1 shows this component of the electricity tariff in Afl. per kWh per month. The fuel surcharge component of the electricity tariff decreased in September of 2008 by 5.3%, from 38.55 cents per kWh in August 2008 to 36.52 cents per kWh in September 2008.

3.3 Water

The price of water is determined in Afl. for an average usage (water consumption) by households. The average usage is 22.4 m³ per month. Figure 6-2 provides an overview of the course of changes in the water price for the period 2006 through 2008. The water price for an average consumption of 22.4 m³ decreased by 0.8% in September of 2008.

3.4 Gasoline and Diesel

Since the month of May 2007 the Government of Aruba has been absorbing part of the increase in gasoline and diesel prices by reducing the excise tariff on gasoline and diesel by respectively Afl. 0.10 and Afl. 0.05. The retail price of gasoline decreased by 4.8% from 259.7 cents per liter in August 2008 to 247.3 cents per liter in September 2008. In September 2008, the retail price of diesel decreased by 12.0% from 256.5 cents per liter in August 2008 to 225.7 cents per liter.



4 Percentage change CPI of our major trading partners

Table 5 provides an overview of the Δ CPI of Aruba's major trading partners starting from September 2007. In September 2008 the Δ CPI of the USA, Curaçao and the Netherlands were respectively -0.1%, 0.5% and 0.4%.

Table 5: Monthly Δ CPI 2007-2008 per Country

Period	Aruba	USA	Curaçao	Netherlands
September	0.1	0.3	0.2	0.6
October	0.3	0.2	0.2	0.0
November	1.1	0.6	0.8	0.1
December	1.6	-0.1	0.3	-0.4
January	0.6	0.5	0.7	0.2
February	0.6	0.3	0.7	0.6
March	0.5	0.9	0.4	1.0
April	0.5	0.6	0.6	0.4
May	0.8	0.8	0.8	0.4
June	1.5	1.0	1.9	-0.2
July	1.4	0.5	0.7	0.2
August	1.6	-0.4	0.5	0.2
September	-0.2	-0.1	0.5	0.4

Source: CBS Aruba, Bureau of Labor Statistics, CBS Netherlands Antilles and CBS Netherlands

4.1 Comparison of the CPI of Aruba and the USA

The USA is considered Aruba's largest trading partner². Table 6 provides an overview of the Δ CPI for Aruba and the USA. Aruba's monthly Δ CPI for September 2008 is 0.1 percentage points lower than the Δ CPI of the USA.

Table 6 Overview of Δ of CPI

Period		Aruba	USA
Current month	Aug-Sep	-0.2	-0.1
Year-to-date	Jan-Sep	7.5	4.2
Last 12 months ¹	Sep-Sep	10.8	4.9
Last 24 months ²	Sep-Sep	9.1	4.4

Source: Central Bureau of Statistics Aruba

¹ End of period inflation

² Period average inflation

The Δ CPI of Aruba over the last 12 months is 5.9 percentage points higher compared with the USA's 12-month Δ CPI. The Δ CPI over the last 24 months for Aruba is 4.7 percentage points higher than the Δ CPI of the USA. The monthly inflation for both Aruba and the USA is depicted in figure 7 over a period of one year. Furthermore, an overview of the end of year Δ CPI over the period 1998-2008 for Aruba and the USA is provided in table 7 and figure 8.

² "58% of Aruba's import by sea and air originates from the USA (Source: Foreign Trade Statistics Report, 1st Quarter 2008).

Table 7: End of year Δ CPI, 1998-2008

Period	Aruba	USA
1998	1.5	1.6
1999	3.7	2.7
2000	3.5	3.4
2001	2.6	1.6
2002	4.2	2.4
2003	2.2	1.9
2004	2.8	3.3
2005	3.8	3.4
2006	2.5	2.5
2007	10.2	4.1
2008*	7.5	4.2

Source: Central Bureau of Statistics Aruba

* year-to-date

Figure 7: Monthly Δ CPI for Aruba and the USA, 2007-2008

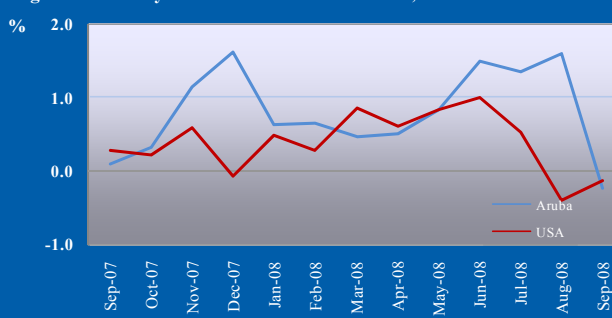
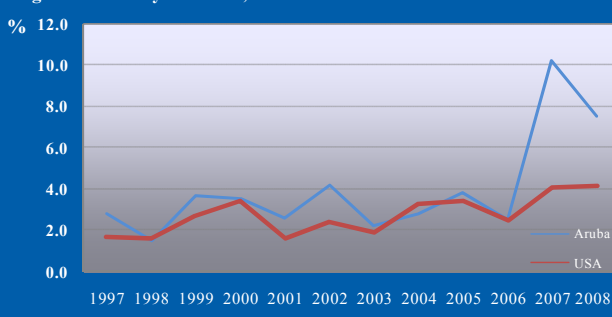


Figure 8: End of year Δ CPI, 1998-2008



* year-to-date

Table 8: Monthly & Yearly Changes (%) in the Consumer Price Index for September 2008, Total Population (Sep 2000 = 100)

DESCRIPTION	WEIGHT coefficient	2007	2007	2008	2008	Monthly change	Ytd change	Yearly change	Average change
		Sep	Dec	Aug	Sep	Aug-Sep	Jan-Sep	Sep-Sep	Sep 07-08
Food	1,469	137.7	140.9	154.4	155.1	0.4	10.1	12.7	8.9
Grain and grain products	233	124.3	125.7	145.3	145.7	0.3	15.9	17.2	8.8
Meat, poultry, game, fish and shellfish	320	134.3	136.9	151.1	152.8	1.1	11.7	13.9	9.8
Fats and oils	28	130.0	132.5	152.0	157.7	3.8	19.1	21.4	9.3
Dairy products	149	151.7	166.7	185.5	184.6	-0.5	10.7	21.7	22.0
Potatoes, vegetables and fruit	176	191.7	194.6	219.3	219.7	0.2	12.9	14.6	13.2
Sugar, sugar products and chocolate	30	111.0	112.6	120.6	120.2	-0.4	6.7	8.2	2.4
Ready to eat meals	29	115.7	116.7	119.6	115.7	-3.2	-0.8	0.0	3.4
Take away beverages and meals	399	125.9	127.7	132.3	132.8	0.4	4.0	5.4	1.0
Groceries n.e.c.	104	127.3	127.3	136.2	137.3	0.8	7.9	7.9	7.2
Beverages and tobacco products	219	131.8	131.1	134.7	134.1	-0.4	2.3	1.8	5.4
Beverages	192	131.3	130.5	134.0	133.3	-0.5	2.1	1.5	5.5
Tobacco products	27	134.9	135.0	139.1	140.2	0.7	3.8	3.9	4.4
Clothing and footwear	1,086	130.0	137.5	136.2	138.9	2.0	1.0	6.9	5.9
Clothing and accessories	881	131.5	141.1	140.1	143.9	2.7	2.0	9.4	6.9
Footwear	204	123.5	122.0	119.2	117.5	-1.4	-3.7	-4.9	1.4
Housing	2,296	142.1	148.9	170.2	168.4	-1.0	13.1	18.5	16.0
Property rent	717	136.9	138.1	141.3	141.8	0.3	2.6	3.5	3.5
Domestic fuel and power	659	147.7	160.5	200.0	193.5	-3.3	20.5	31.0	28.3
Property maintenance goods	500	128.3	130.1	134.7	135.9	0.9	4.5	6.0	6.1
Garden supplies	61	177.4	182.2	196.2	195.2	-0.5	7.2	10.0	6.3
Water supply	358	155.5	169.8	218.3	216.5	-0.8	27.5	39.2	33.3
Household operation	1,002	124.1	124.0	128.2	128.8	0.5	3.9	3.8	3.5
Furniture and lighting	133	109.6	102.1	104.3	103.9	-0.3	1.8	-5.1	-7.6
Floor coverings and household textiles	113	147.4	155.5	163.6	164.3	0.5	5.7	11.5	13.9
Home appliances and tools	163	104.4	96.0	99.0	97.8	-1.2	1.9	-6.4	-9.5
Household equipment and utensils	75	121.5	122.1	126.8	127.3	0.4	4.2	4.8	4.0
Household services	118	120.2	120.5	125.7	126.7	0.8	5.2	5.4	5.9
Housekeeping charges	227	129.8	133.7	144.4	144.1	-0.2	7.8	11.1	9.1
Household supplies	173	135.0	137.5	132.2	136.1	3.0	-1.0	0.8	4.9
Health	88	99.8	99.9	100.3	100.3	0.0	0.4	0.4	0.2
Health services	88	99.8	99.9	100.3	100.3	0.0	0.4	0.4	0.2
Transport and communication	1,967	116.2	119.9	130.0	128.1	-1.4	6.8	10.2	8.5
Own transport	544	104.5	107.7	121.4	121.4	0.0	12.7	16.2	10.6
Vehicle supplies	712	138.9	146.6	163.4	158.3	-3.2	8.0	14.0	12.8
Public transport costs	249	105.9	106.4	107.8	107.8	0.0	1.3	1.8	2.3
Communication services	462	100.7	100.4	100.3	100.3	0.0	0.0	-0.3	0.4
Leisure and recreational goods	799	122.2	124.7	130.9	130.9	0.0	5.0	7.1	6.8
Costs incurred for recreational purposes	465	122.8	124.9	130.7	130.9	0.1	4.8	6.6	7.0
Admission charges to events and venues	89	128.7	132.7	143.0	142.7	-0.2	7.5	10.8	9.1
Publications (no study material)	51	129.5	132.7	133.2	133.2	0.1	0.4	2.9	4.4
Formal education fees	193	115.9	118.3	124.9	124.8	-0.1	5.5	7.6	6.0
Goods and services n.e.c.	1,074	120.4	122.7	128.2	128.1	-0.1	4.5	6.4	6.1
Toiletries and cosmetics	219	120.7	122.6	125.6	125.5	-0.1	2.4	3.9	6.6
Insurance services	283	104.6	104.6	104.6	104.6	0.0	0.0	0.0	0.0
Other goods and services n.e.c.	438	127.9	131.3	140.4	140.2	-0.1	6.8	9.6	8.4
Money transfers	103	128.7	132.7	143.0	142.7	-0.2	7.5	10.8	9.1
Unknown articles or n.e.c.	29	128.7	132.7	143.0	142.7	-0.2	7.5	10.8	9.1
TOTAL INDEX	10,000	128.7	132.7	143.0	142.7	-0.2	7.5	10.8	9.1

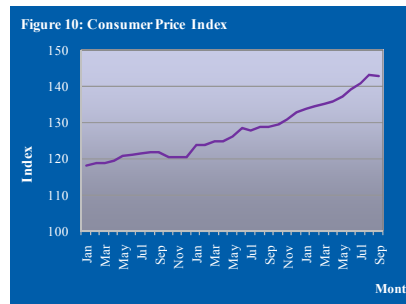
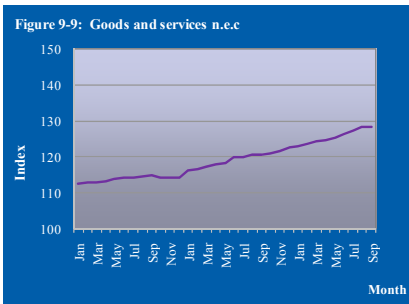
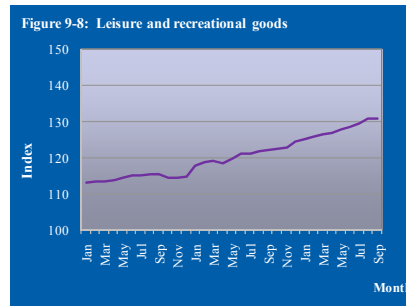
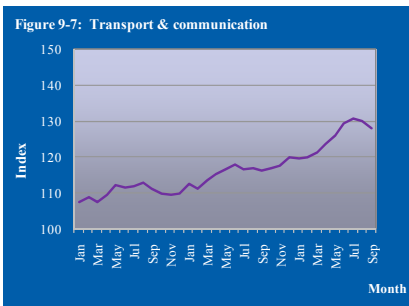
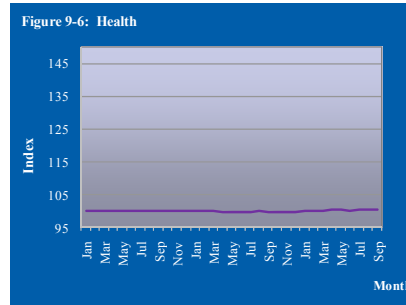
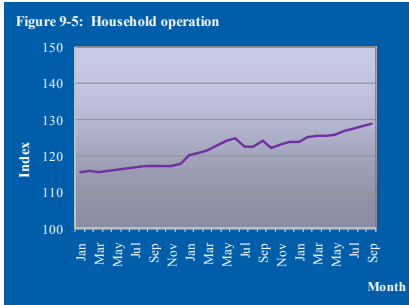
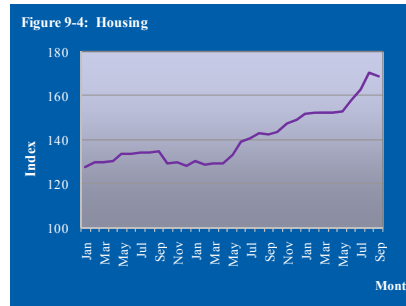
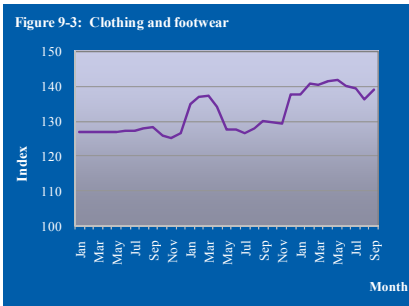
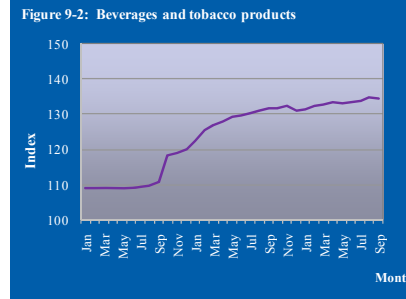
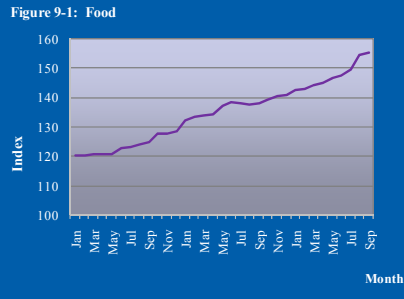
Source: Central Bureau of Statistics Aruba

Table 9: Effect on the Consumer Price Index per sector and category for September 2008 (Sep 2000 = 100)

DESCRIPTION	WEIGHT coefficient	Effect Aug-Sep	Effect Jan-Sep	Effect Sep-Sep	Effect Sep 07-08
Food	1,469	0.46	1.62	1.99	1.29
Grain and grain products	233	0.04	0.41	0.44	0.22
Meat, poultry, game, fish and shellfish	320	0.22	0.44	0.51	0.34
Fats and oils	28	0.06	0.06	0.07	0.03
Dairy products	149	-0.05	0.18	0.33	0.34
Potatoes, vegetables and fruit	176	0.10	0.25	0.28	0.22
Sugar, sugar products and chocolate	30	-0.01	0.02	0.03	0.01
Ready to eat meals	29	-0.06	0.00	0.00	0.01
Take away beverages and meals	399	0.10	0.18	0.24	0.04
Groceries n.e.c.	104	0.05	0.09	0.09	0.08
Beverages and tobacco products	219	-0.04	0.06	0.05	0.13
Beverages	192	-0.05	0.05	0.04	0.11
Tobacco products	27	0.01	0.01	0.01	0.01
Clothing and footwear	1,086	1.30	0.12	0.74	0.60
Clothing and accessories	881	1.50	0.20	0.85	0.57
Footwear	204	-0.20	-0.08	-0.11	0.03
Housing	2,296	-1.01	3.00	4.38	3.96
Property rent	717	0.12	0.21	0.27	0.27
Domestic fuel and power	659	-1.18	1.42	2.17	2.01
Property maintenance goods	500	0.26	0.25	0.33	0.33
Garden supplies	61	-0.04	0.04	0.06	0.05
Water supply	358	-0.17	1.08	1.54	1.30
Household operation	1,002	0.21	0.44	0.37	0.25
Furniture and lighting	133	-0.02	0.04	-0.07	-0.12
Floor coverings and household textiles	113	0.02	0.09	0.15	0.14
Home appliances and tools	163	-0.11	0.04	-0.11	-0.18
Household equipment and utensils	75	0.02	0.04	0.04	0.03
Household services	118	0.04	0.06	0.07	0.08
Housekeeping charges	227	-0.02	0.19	0.27	0.23
Household supplies	173	0.28	-0.02	0.02	0.09
Health	88	0.00	0.00	0.00	0.00
Health services	88	0.00	0.00	0.00	0.00
Transport and communication	1,967	-1.10	1.33	1.98	1.65
Own transport	544	0.00	0.76	0.97	0.63
Vehicle supplies	712	-1.10	0.54	1.00	0.94
Public transport costs	249	0.00	0.03	0.04	0.05
Communication services	462	0.01	0.00	-0.02	0.02
Leisure and recreational goods	799	0.01	0.42	0.61	0.56
Costs incurred for recreational purposes	465	0.03	0.23	0.34	0.34
Admission charges to events and venues	89	-0.01	0.07	0.11	0.09
Publications (no study material)	51	0.00	0.00	0.02	0.02
Formal education fees	193	-0.01	0.11	0.15	0.11
Goods and services n.e.c.	1,074	-0.06	0.50	0.71	0.69
Toiletries and cosmetics	219	-0.02	0.06	0.09	0.15
Insurance services	283	0.00	0.00	0.00	0.00
Other goods and services n.e.c.	438	-0.02	0.33	0.46	0.40
Money transfers	103	-0.01	0.09	0.12	0.10
Unknown articles or n.e.c.	29	0.00	0.02	0.03	0.03
TOTAL INDEX	10,000	-0.24	7.50	10.84	9.13

Source: Central Bureau of Statistics Aruba

Course of Indices for 2006 - 2008 up to and including September 2008



Glossary

The Consumer Price Index and Inflation

The Consumer Price Index (CPI) measures changes in prices of consumer goods and services by households. Consumer price indices can be intended to measure either the rate of price inflation or deflation as perceived by households or changes in their cost of living. In case of inflation, the percentage change is positive and it indicates a decrease in the purchasing power of the consumers.

Monthly percentage change

Percentage change in price indices of any aggregates of the CPI in relation to the respective price indices of the previous month.

Year-to-date

Percentage change in price indices of any aggregates of the CPI in relation to the respective price indices of December prior to the year under review.

End of period inflation (last 12 months)

Percentage change in price indices of any aggregates of the CPI in relation to the respective price indices of the same month of the previous year.

Period average inflation (last 24 months)

The end of period inflation percentage change in CPI (period average inflation) is calculated by comparing the annual average CPI of the concerning period with the annual average CPI of the concerning period of the previous year.

Effect

Contribution of all percentage changes (of all respective aggregates) to the CPI.