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Note to the Reader

The following report presents the price statistics for December 2008.

- At the end of December 2008 the Consumer Price Index (CPI) decreased by 3.7% compared to the end of November 2008. The largest percentage change is for the “Housing” sector index (-10.6%), which led to an effect of -2.6 in the Δ CPI of December (-3.7%).
- Compared to December 2007 the CPI decreased by 1.0%. The largest percentage change is observed for the index of the “Food” sector (12.3%). Specifically, prices of “Fats and oils” and “Potatoes, vegetables and fruit” increased by respectively 22.4% and 18.7 %. The increase in prices of “Fats and oils” and “Potatoes, vegetables and fruit” caused an effect of 0.5 in the end of period inflation Δ CPI of December (-1.0%).
- The period average change CPI for the period December 2007 - December 2008 is 8.0%, which is 2.0 percentage points higher compared to the period average change over the period December 2006 – December 2007.
- Utilities (Water and Electricity) and gasoline registered extraordinary price decreases again in December 2008. The Electricity price decreased by 25.3%, while the Water price decreased with 24.0% and the gasoline price decreased with 15.6%. Utilities and gasoline caused an effect of respectively -2.6 and -0.6 in the Δ CPI of December (-3.7%).

This report is divided in 5 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. Section 5 presents an overview of the monthly and yearly percentage changes of the core inflation, and is followed by the appendices.

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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 December 2008 is 131.3; a decrease of 3.7% compared to the CPI of November 2008 (136.3). 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 deflation over the last 12 months (end of period inflation) is -1.0%, while the inflation over a period of 24 months (period average inflation) is 8.0%.

Table 1 Overview of Δ CPI

Period		2008	2007
Current month	Nov-Dec	-3.7	1.6
Year-to-date	Jan-Dec	-1.0	10.2
Last 12 months ¹	Dec-Dec	-1.0	10.2
Last 24 months ²	Dec-Dec	8.0	6.0

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 December 2007, whereas the Δ CPI for the month December for the years 1999 through 2008 is illustrated in Figure 2.

1.2 Changes in sector

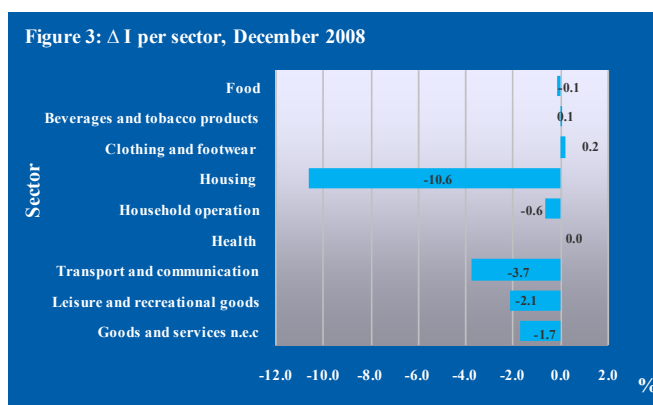
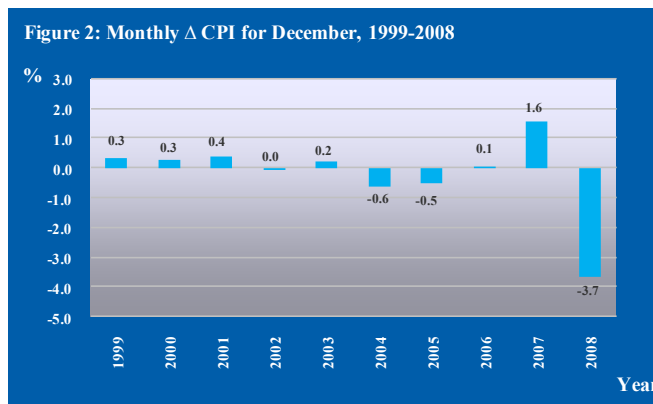
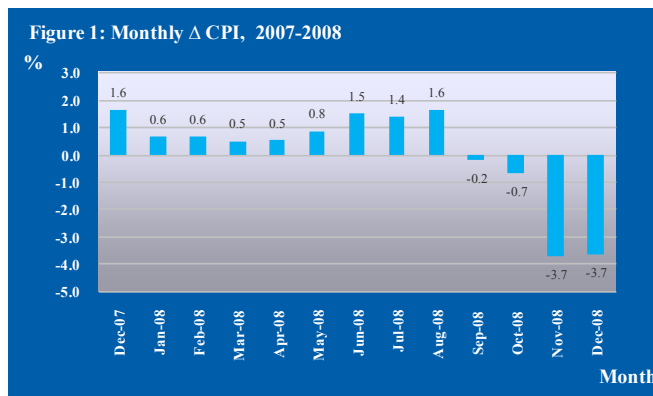
Figure 3 provides an overview of the percentage changes for the indices per sector for December 2008. The percentage change in index is further denoted as ΔI . The largest ΔI^1 is observed for the sector “Housing” (-10.6%).

1.3 Changes in categories and subcategories

The largest positive and negative ΔI is seen in the categories “Household equipment and utensils” (1.7%) and “Water supply” (-24.0%) respectively. The major ΔI in the “Transport and communication” sector is observed for the category “Vehicle supplies” which decreased by 8.8%. This decrease is mainly due to a decrease in “Gasoline” of 15.6%. In the sector “Clothing and footwear” an increase of 0.3% is seen in the category “Clothing and accessories”.

The subcategories which influenced the CPI calculation the most due to their weight in the basket of goods and services are “Electricity”, “Water supply” and “Gasoline” which had a negative effect of respectively, -1.54, -1.02 and -0.60 on the Δ CPI. Reference is made to table 10 and 11 in Appendices 1 and 2. Table 8 provides an overview of the indices for the months December 2007 up to and including December 2008 together with corresponding weights per sector and the Monthly, Yearly, year-to-date (ytd) and Average percentage changes for December 2008. In table 11 an overview of

the effect on the CPI per sector and category for December 2008 is presented. The course of indices for 2006 to 2008 is illustrated in Appendix 3.



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 December 2008

The CPI decreased from 132.7 in December 2007 to 131.3 in December 2008, a decrease of 1.0%. For the first time since the CPI is being calculated in Aruba, a negative Δ CPI for the month December has been registered. The Δ CPI for December 2008 is a record high 11.2 percentage points lower than the Δ CPI registered in 2007 (10.2%).

Table 2 Five year period Yearly Δ CPI

Period	Δ CPI
	Dec-Dec
2003-2004	2.8
2004-2005	3.8
2005-2006	2.5
2006-2007	10.2
2007-2008	-1.0

Source: Central Bureau of Statistics Aruba

2.2 Changes in sector

An overview of the percentage change per sector over the period December 2007 – December 2008 is presented in table 3. The largest Δ I is observed for the sector “Food” (12.3%). This increase is mainly caused by increases in the categories “Fats and oils” (22.4%) and “Potatoes, vegetables and fruit” (18.7%). The second largest Δ I during this period is observed for the sector “Housing” with a decrease of 10.5%. This is mainly the result of decreases in the categories “Water supply” and “Domestic fuel and power” with respectively 27.3% and 24.4%. Furthermore an increase of 3.6% and 2.5% is observed for the sectors “Beverages and tobacco products” and “Household operation” respectively. A comparison of the Δ I for the years 2007 and 2008 is provided in figure 4.

Table 3 Percentage Change for December, 2007-2008

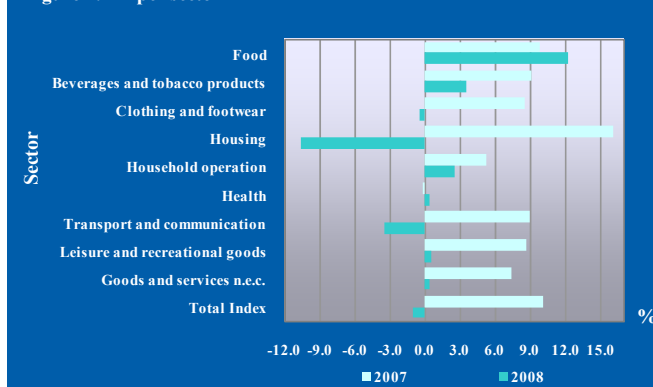
Period	% Change
Food	12.3
Beverages and tobacco products	3.6
Household operation	2.5
Leisure and recreational goods	0.6
Goods and services n.e.c.	0.4
Health	0.4
Clothing and footwear	-0.4
Transport and communication	-3.4
Housing	-10.5

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, “Fats and oils” (22.4%) and “Water supply” (-27.3%). For an overview of the yearly percentage changes per category refer to table 10 in Appendix 1.

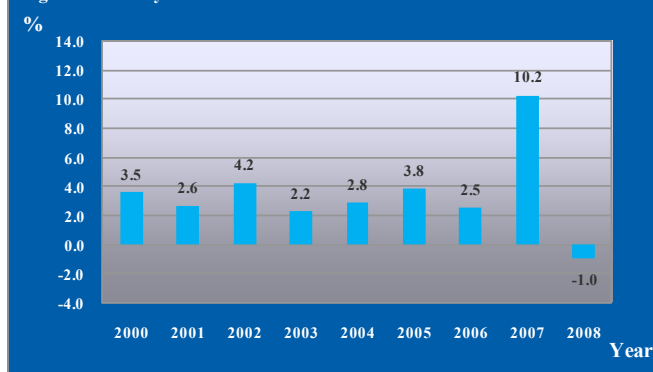
Figure 4: Δ I per sector



2.4 End of year change CPI 2000-2008

The end of year change Δ CPI for the period 2000-2008 is shown in figure 5. The Δ CPI for 2008 is calculated by comparing the CPI of December 2008 with the CPI of December 2007. At the end of each year the end of year percentage change equals the ytd Δ CPI. The end of year change Δ CPI for December 2008 is -1.0%.

Figure 5: Yearly Δ CPI 2000 - 2008



2.5 Period average change CPI for December 2008

The period average change CPI (Δ ACPI) for December 2008 is 8.0%. Table 4 provides an overview of the Δ ACPI for the month December for the years 2002 through 2008. The Δ ACPI of 2008 increased by 2.0 percentage points compared to 2007.

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

Period	Δ ACPI
2002	3.3
2003	3.7
2004	2.5
2005	3.4
2006	3.6
2007	6.0
2008	8.0

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 25.3% in December of 2008, from Afl. 280.95 in November to Afl. 209.90. 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 December of 2008 by 41.7%, from 24.35 cents per kWh in November 2008 to 14.20 cents per kWh in December 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 24.0%, from Afl. 210.95 in November 2008 to Afl 160.52 in December 2008.

3.4 Gasoline and Diesel

The retail price of gasoline decreased by 15.6% from 185.8 cents per liter in November 2008 to 156.8 cents per liter in December 2008. In December 2008, the retail price of diesel decreased by 12.3% from 175.3 cents per liter in November 2008 to 153.8 cents per liter.

Figure 6-1 Electricity price and Fuel surcharge in Afl., 2006-2008

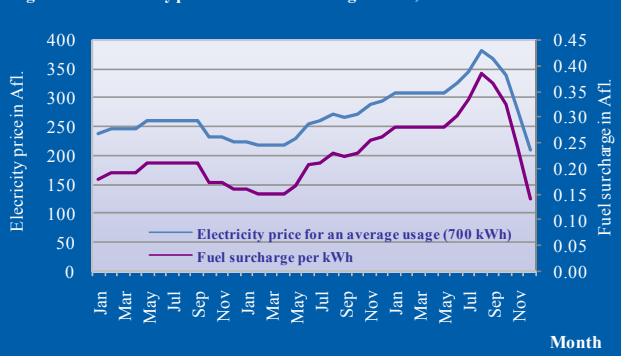


Figure 6-2 Water price in Afl., 2006-2008

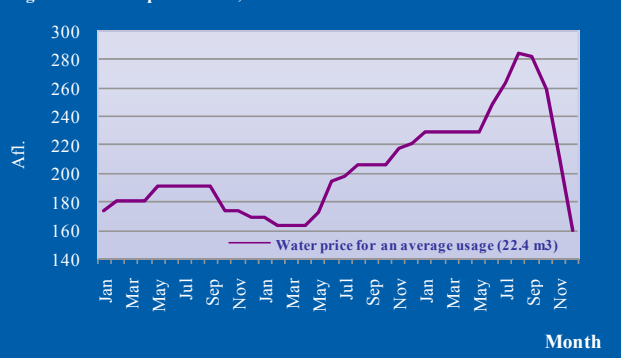
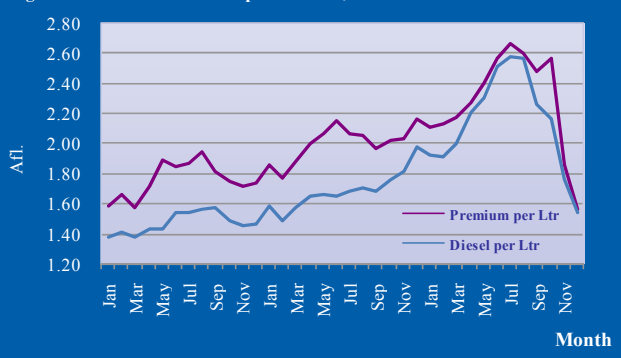


Figure 6-3 Gasoline and Diesel prices in Afl., 2006-2008



4 Percentage change CPI of our major trading partners

4.1 Comparison of the CPI of Aruba and the USA

Table 5 provides an overview of the Δ CPI of Aruba's major trading partners starting from December 2007. In December 2008 the Δ CPI of the USA, Curaçao and the Netherlands were respectively -1.0%, 0.1% and -0.7%.

Table 5: Monthly Δ CPI 2007-2008 per Country

Period	Aruba	USA	Curaçao	Netherlands
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
October	-0.7	-1.0	0.4	-0.2
November	-3.7	-1.9	0.4	-0.4
December	-3.7	-1.0	0.1	-0.7

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

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 December 2008 is 2.7 percentage points lower than the Δ CPI of the USA.

Table 6 Overview of Δ of CPI

Period		Aruba	USA
Current month	Nov-Dec	-3.7	-1.0
Year-to-date	Jan-Dec	-1.0	0.1
Last 12 months ¹	Dec-Dec	-1.0	0.1
Last 24 months ²	Dec-Dec	8.0	3.8

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 1.1 percentage points lower compared with the USA's 12-month Δ CPI. The Δ CPI over the last 24 months for Aruba is 4.2 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.

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	-1.0	0.1

Source: Central Bureau of Statistics Aruba

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

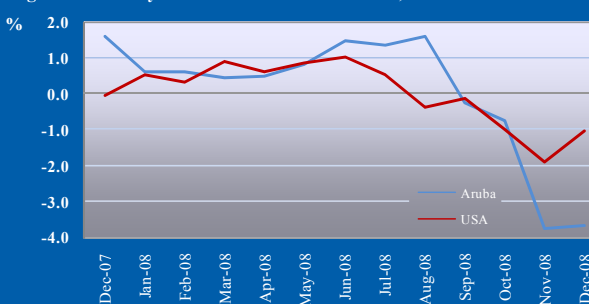
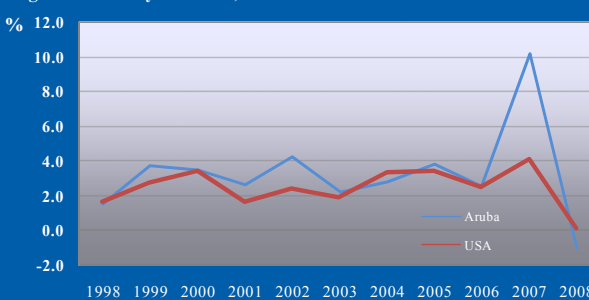


Figure 8: End of year Δ CPI, 1998-2008



² "58% of Aruba's import by sea and air originates from the USA (Source: Foreign Trade Statistics Report, 3rd Quarter 2008).

5 Core inflation

5.1 Core inflation

Core inflation is a measure of inflation which excludes certain items that face volatile price movements e.g. food products and energy. By calculating the core inflation these more volatile components are eliminated from the inflation. Core inflation indices serve to assess the mid- and long-term trend of the overall price level. For the purpose of adjusting monetary policy, many economists focus more intently on the core rate of inflation, as this allows for an in-depth assessment of inflationary processes ongoing in the economy.

5.2 Monthly change of the core inflation

In December 2008 the core inflation (measured over the period December 2006-2008) was 3.3%, 0.2 percentage points higher compared to November 2008. Food and energy had an effect on the core inflation of respectively 1.5 and 3.2. The difference between inflation and the core inflation in December 2008 is 4.7 percentage points, 1.8 percentage points higher compared to December 2007 (2.9 percentage points). Table 8 provides an overview of the monthly inflation and core inflation starting from December 2007.

Table 8: Monthly inflation¹ and core inflation, 2007-2008²

Period	Inflation	Effect		Core Inflation
		Food	Energy ³	
Dec-07	6.0	1.6	1.3	3.1
Jan-08	6.3	1.6	1.4	3.3
Feb-08	6.7	1.6	2.0	3.1
Mar-08	6.9	1.5	2.3	3.1
Apr-08	7.3	1.5	2.7	3.1
May-08	7.6	1.4	3.1	3.1
Jun-08	7.8	1.4	3.3	3.1
Jul-08	8.2	1.3	3.6	3.3
Aug-08	8.7	1.4	3.9	3.4
Sep-08	9.1	1.4	4.3	3.4
Oct-08	9.3	1.5	4.3	3.5
Nov-08	9.0	1.5	4.0	3.5
Dec-08	8.0	1.5	3.2	3.3

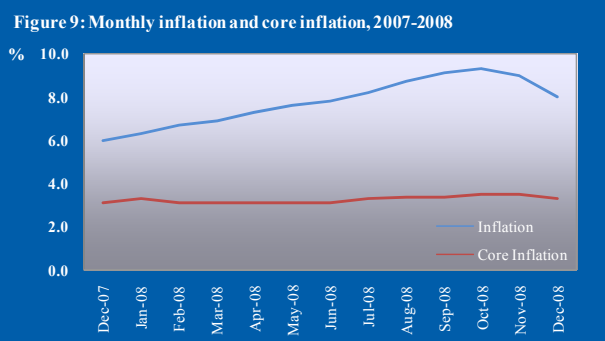
Source: Central Bureau of Statistics Aruba

¹ Period average inflation

² Revised figures as per December 2008

³ Energy : Domestic Fuel and power, Water supply and Vehicle supplies

The monthly inflation and core inflation for Aruba is shown in figure 9 over a period of two years starting from December 2007.



5.3 End of year change of the core inflation, 2003-2008

The annual core inflation of the total population of Aruba for the year 2008 is 3.3%, 0.2 percentage points higher than the core inflation of 2007. Table 9 provides an overview of the yearly inflation and core inflation over the period 2003-2008.

Table 9: Annual core inflation, 2003-2008

Period	2003	2004	2005	2006	2007	2008
Inflation	3.7	2.5	3.4	3.6	6.0	8.0
Food	0.5	0.6	0.6	0.7	1.6	1.5
Domestic Fuel and power	0.5	0.0	0.8	0.9	0.3	1.5
Water Supply	0.3	0.0	0.5	0.6	0.2	1.0
Vehicle supplies	0.4	0.4	0.5	0.2	0.8	0.7
Core inflation	2.0	1.5	1.0	1.2	3.1	3.3

Source: Central Bureau of Statistics Aruba

The annual inflation and core inflation is presented in figure 10 over the period 2003-2008.

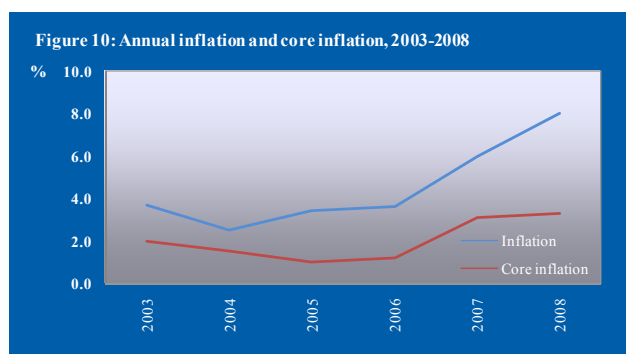


Table 10: Monthly & Yearly Changes (%) in the Consumer Price Index for December 2008, Total Population (Sep 2000 = 100)

DESCRIPTION	WEIGHT coefficient	2007	2008	2008	Monthly change	Ytd change	Yearly change	Average change
		Dec	Nov	Dec	Nov-Dec	Jan-Dec	Dec-Dec	Dec 07-08
Food	1,469	140.9	158.5	158.3	-0.1	12.3	12.3	9.7
Grain and grain products	233	125.7	145.8	145.7	-0.1	15.9	15.9	10.4
Meat, poultry, game, fish and shellfish	320	136.9	154.0	153.6	-0.3	12.2	12.2	10.5
Fats and oils	28	132.5	162.3	162.1	-0.1	22.4	22.4	13.2
Dairy products	149	166.7	184.0	184.6	0.3	10.7	10.7	21.4
Potatoes, vegetables and fruit	176	194.6	232.3	231.0	-0.6	18.7	18.7	13.8
Sugar, sugar products and chocolate	30	112.6	120.9	121.1	0.2	7.6	7.6	4.5
Ready to eat meals	29	116.7	116.7	116.9	0.2	0.2	0.2	2.1
Take away beverages and meals	399	127.7	138.2	138.2	0.0	8.2	8.2	2.0
Groceries n.e.c.	104	127.3	138.2	138.6	0.2	8.8	8.8	7.1
Beverages and tobacco products	219	131.1	135.6	135.7	0.1	3.6	3.6	3.5
Beverages	192	130.5	135.2	135.3	0.1	3.7	3.7	3.6
Tobacco products	27	135.0	138.8	138.8	0.0	2.8	2.8	3.2
Clothing and footwear	1,086	137.5	136.7	137.0	0.2	-0.4	-0.4	5.6
Clothing and accessories	881	141.1	140.9	141.3	0.3	0.1	0.1	6.8
Footwear	204	122.0	118.6	118.6	0.1	-2.8	-2.8	-0.3
Housing	2,296	148.9	149.0	133.3	-10.6	-10.5	-10.5	12.7
Property rent	717	138.1	142.6	143.0	0.3	3.5	3.5	3.5
Domestic fuel and power	659	160.5	154.0	121.3	-21.2	-24.4	-24.4	21.1
Property maintenance goods	500	130.1	136.1	134.5	-1.1	3.3	3.3	5.0
Garden supplies	61	182.2	196.7	194.4	-1.2	6.7	6.7	6.9
Water supply	358	169.8	162.5	123.5	-24.0	-27.3	-27.3	25.2
Household operation	1,002	124.0	128.0	127.1	-0.6	2.5	2.5	3.3
Furniture and lighting	133	102.1	104.2	104.2	0.0	2.1	2.1	-6.5
Floor coverings and household textiles	113	155.5	166.2	166.5	0.2	7.1	7.1	11.8
Home appliances and tools	163	96.0	98.3	98.6	0.3	2.7	2.7	-5.8
Household equipment and utensils	75	122.1	127.6	129.8	1.7	6.3	6.3	4.3
Household services	118	120.5	127.6	128.0	0.3	6.2	6.2	5.4
Housekeeping charges	227	133.7	139.0	134.5	-3.2	0.6	0.6	8.2
Household supplies	173	137.5	135.2	134.6	-0.4	-2.1	-2.1	2.4
Health	88	99.9	100.3	100.3	0.0	0.4	0.4	0.3
Health services	88	99.9	100.3	100.3	0.0	0.4	0.4	0.3
Transport and communication	1,967	119.9	120.3	115.8	-3.7	-3.4	-3.4	7.4
Own transport	544	107.7	125.2	125.2	0.0	16.3	16.3	14.1
Vehicle supplies	712	146.6	134.1	122.3	-8.8	-16.6	-16.6	8.7
Public transport costs	249	106.4	106.9	106.0	-0.8	-0.4	-0.4	1.6
Communication services	462	100.4	100.4	100.1	-0.4	-0.3	-0.3	-0.1
Leisure and recreational goods	799	124.7	128.0	125.4	-2.1	0.6	0.6	5.9
Costs incurred for recreational purposes	465	124.9	128.3	125.7	-2.0	0.7	0.7	5.7
Admission charges to events and venues	89	132.7	136.3	131.3	-3.7	-1.0	-1.0	8.0
Publications (no study material)	51	132.7	132.4	132.4	0.0	-0.2	-0.2	2.4
Formal education fees	193	118.3	122.3	119.8	-2.1	1.3	1.3	6.1
Goods and services n.e.c.	1,074	122.7	125.3	123.1	-1.7	0.4	0.4	5.2
Toiletries and cosmetics	219	122.6	126.7	127.3	0.5	3.9	3.9	5.1
Insurance services	283	104.6	104.6	104.7	0.1	0.1	0.1	0.0
Other goods and services n.e.c.	438	131.3	134.5	130.5	-3.0	-0.6	-0.6	7.2
Money transfers	103	132.7	136.3	131.3	-3.7	-1.0	-1.0	8.0
Unknown articles or n.e.c.	29	132.7	136.3	131.3	-3.7	-1.0	-1.0	8.0
TOTAL INDEX	10,000	132.7	136.3	131.3	-3.7	-1.0	-1.0	8.0

Source: Central Bureau of Statistics Aruba

Table 11: Effect on the Consumer Price Index per sector and category for December 2008 (Sep 2000 = 100)

DESCRIPTION	WEIGHT coefficient	Effect Nov-Dec	Effect Jan-Dec	Effect Dec-Dec	Effect Dec 07-08
Food	1,469	-0.02	1.93	1.93	1.52
Grain and grain products	233	0.00	0.35	0.35	0.24
Meat, poultry, game, fish and shellfish	320	-0.01	0.40	0.40	0.35
Fats and oils	28	0.00	0.06	0.06	0.04
Dairy products	149	0.01	0.20	0.20	0.37
Potatoes, vegetables and fruit	176	-0.02	0.48	0.48	0.36
Sugar, sugar products and chocolate	30	0.00	0.02	0.02	0.01
Ready to eat meals	29	0.00	0.00	0.00	0.01
Take away beverages and meals	399	0.00	0.32	0.32	0.08
Groceries n.e.c.	104	0.00	0.09	0.09	0.07
Beverages and tobacco products	219	0.00	0.08	0.08	0.08
Beverages	192	0.00	0.07	0.07	0.07
Tobacco products	27	0.00	0.01	0.01	0.01
Clothing and footwear	1,086	0.03	-0.04	-0.04	0.62
Clothing and accessories	881	0.02	0.01	0.01	0.63
Footwear	204	0.00	-0.05	-0.05	-0.01
Housing	2,296	-2.65	-2.71	-2.71	3.15
Property rent	717	0.02	0.26	0.26	0.27
Domestic fuel and power	659	-1.58	-1.95	-1.95	1.53
Property maintenance goods	500	-0.06	0.16	0.16	0.25
Garden supplies	61	-0.01	0.06	0.06	0.06
Water supply	358	-1.02	-1.25	-1.25	1.03
Household operation	1,002	-0.06	0.23	0.23	0.32
Furniture and lighting	133	0.00	0.02	0.02	-0.08
Floor coverings and household textiles	113	0.00	0.09	0.09	0.15
Home appliances and tools	163	0.00	0.03	0.03	-0.08
Household equipment and utensils	75	0.01	0.04	0.04	0.03
Household services	118	0.00	0.07	0.07	0.06
Housekeeping charges	227	-0.07	0.01	0.01	0.19
Household supplies	173	-0.01	-0.04	-0.04	0.04
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	-0.64	-0.60	-0.60	1.33
Own transport	544	0.00	0.72	0.72	0.62
Vehicle supplies	712	-0.61	-1.30	-1.30	0.68
Public transport costs	249	-0.02	-0.01	-0.01	0.03
Communication services	462	-0.01	-0.01	-0.01	0.00
Leisure and recreational goods	799	-0.16	0.04	0.04	0.44
Costs incurred for recreational purposes	465	-0.09	0.03	0.03	0.25
Admission charges to events and venues	89	-0.03	-0.01	-0.01	0.07
Publications (no study material)	51	0.00	0.00	0.00	0.01
Formal education fees	193	-0.04	0.02	0.02	0.11
Goods and services n.e.c.	1,074	-0.17	0.04	0.04	0.53
Toiletries and cosmetics	219	0.01	0.08	0.08	0.10
Insurance services	283	0.00	0.00	0.00	0.00
Other goods and services n.e.c.	438	-0.13	-0.03	-0.03	0.32
Money transfers	103	-0.04	-0.01	-0.01	0.08
Unknown articles or n.e.c.	29	-0.01	0.00	0.00	0.02
TOTAL INDEX	10,000	-3.67	-1.04	-1.04	8.00

Source: Central Bureau of Statistics Aruba

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

Figure 9-1: Food

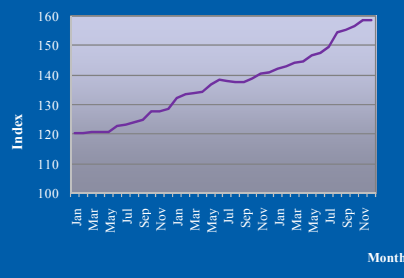


Figure 9-2: Beverages and tobacco products

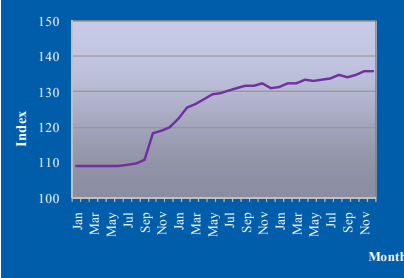


Figure 9-3: Clothing and footwear

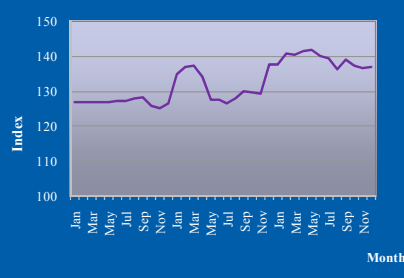


Figure 9-4: Housing

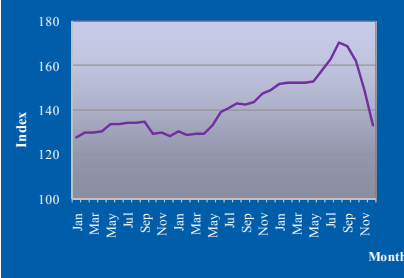


Figure 9-5: Household operation

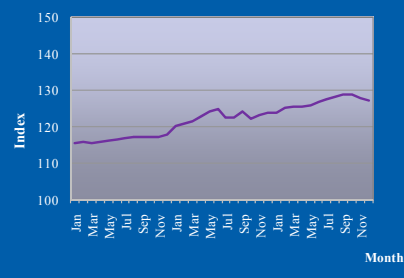


Figure 9-6: Health

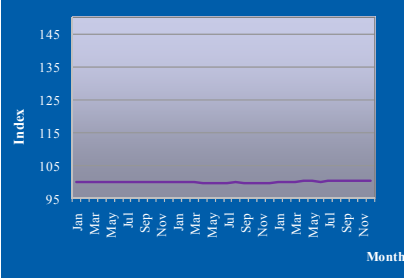


Figure 9-7: Transport & communication

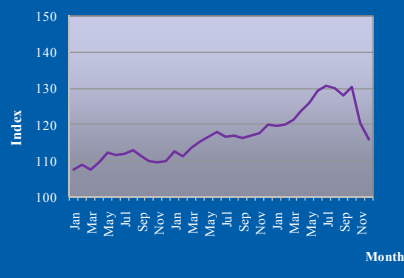


Figure 9-8: Leisure and recreational goods

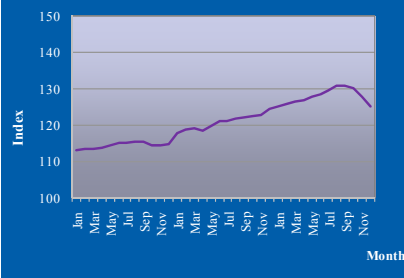


Figure 9-9: Goods and services n.e.c

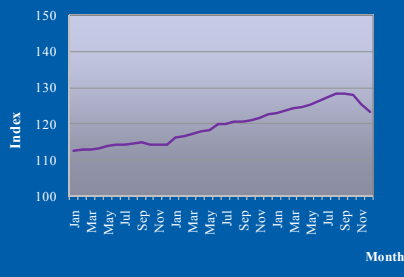
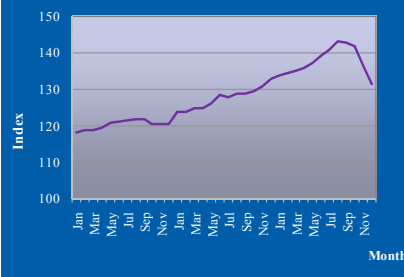


Figure 10: Consumer Price Index



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.

Core inflation

Core inflation is a measure of inflation that excludes certain items which face volatile price movements. Core inflation eliminates the inflation of certain products that can have temporary price shocks because these shocks can diverge from the overall trend of inflation and give a false measure of inflation. The core rate of inflation is calculated by: total inflation excluding food and energy prices. In part, that is because the core is less volatile and reflects better the relationship of supply and demand in domestic product markets. The core usually is a better measure of the basic rate of inflation that will tend to emerge in the absence of supply shocks.