

January 20, 2009

Consumer Price Index, base September 2000 December 2008

The Central Bureau of Statistics presents the most important findings for the Consumer Price Index for the month of December 2008.

The Consumer Price Index (CPI) for December 2008 is **131.35**, a decrease of **3.67%** compared with the index of November 2008 (**136.35**). The decrease in prices of electricity (-25.3%), water (-24.0%) and gasoline (-15.6%) causes for the second month in a row an extraordinary effect in the monthly change of the CPI. Altogether they had an influence of -3.16 in the percentage change of the CPI of December.

The percentage change of the CPI over the last 12 months (December 2007 - December 2008) is -1.04, compared to 10.21 for the same period of last year. Since 1970, when the CPI was first calculated, Aruba had not had a negative end of period inflation.

The period average percentage change of the CPI for the period December 2007 - December 2008 is 8.00, compared to 6.00 for the same period of last year.

Table 1 Overview percentage change CPI

Period		2008	2007
Current month	Nov-Dec	-3.67	1.62
Year-to-date	Jan-Dec	-1.04	10.21
Last 12 months ¹	Dec-Dec	-1.04	10.21
Last 24 months ²	Dec-Dec	8.00	6.00

Source: Central Bureau of Statistics Aruba

¹ End of period inflation

² Period average inflation

In December the sectors that show the highest percentage changes in the CPI are:

CPI	-3.67
• Housing	-10.56
• Transport and communication	-3.70
• Leisure and recreational goods	-2.08
• Goods and services n.e.c.	-1.69
• Household operation	-0.64

Table 2 Percentage change by sector

Sector	Percentage changes			
	Monthly Dec	Year to date Jan - Dec	End of period Dec 07 - Dec 08	Period average Dec 07 - Dec 08
Consumer Price Index	-3.67	-1.04	-1.04	8.00
Food	-0.12	12.35	12.35	9.66
Beverages and tobacco products	0.07	3.56	3.56	3.54
Clothing and footwear	0.23	-0.39	-0.39	5.56
Housing	-10.56	-10.52	-10.52	12.65
Household operation	-0.64	2.50	2.50	3.30
Health	0.00	0.39	0.39	0.30
Transport and communication	-3.70	-3.39	-3.39	7.45
Leisure and recreational goods	-2.08	0.56	0.56	5.85
Goods and services n.e.c.	-1.69	0.40	0.40	5.23

Source: Central Bureau of Statistics Aruba

Monthly Percentage Change

The prices of goods and services in the consumption basket of the CPI show a decrease of **3.67%** for the month of December 2008 compared to the prices observed in November 2008.

The consumption basket of the CPI consists of 374 goods and services. Compared to November, 28.9% of these products had an increase in price, while 42.2% showed a decrease and the remaining 28.9% had no change in price.

In December 2008, the sectors that had the greatest influence in the percentage change of the CPI are:

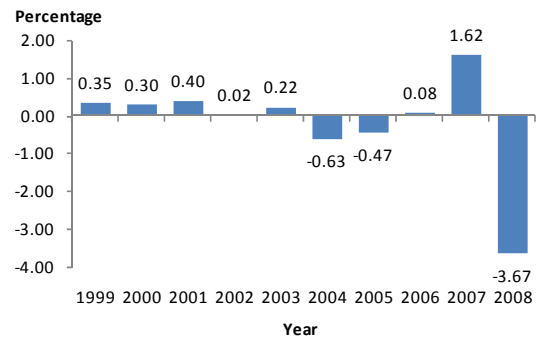
- Housing (-2.65), where decreases in prices were registered in the categories “Domestic Fuel and power” and “Water Supply”.
- Transport and communication (-0.64), where a decrease in prices was mainly registered in the category “Vehicle supplies”.
- Good and services n.e.c. (-0.17), where a decrease in prices was mainly registered in the category “Other goods and services n.e.c.”.
- Leisure and recreational goods (-0.16), where a decrease in prices was mainly registered in the category “Costs incurred for recreational purposes”.

Table 3 Categories with the greatest effect on the CPI of December 2008

Category	Monthly change	Effect
Domestic Fuel and power	-21.25	-1.58
Water Supply	-23.97	-1.02
Vehicle supplies	-8.77	-0.61
Other goods and services n.e.c.	-3.00	-0.13
Costs incurred for recreational purposes	-2.00	-0.09

Source: Central Bureau of Statistics Aruba

Graph 1 Monthly percentage change of the CPI for December, 1999 – 2008

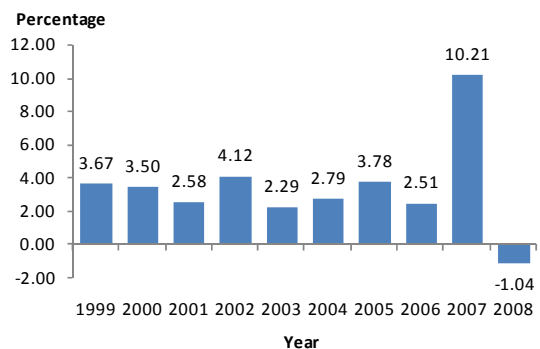


Graph 1 shows that the monthly percentage change of the CPI decreased by 5.29 percentage points to -3.67 in December of 2008 from (1.62) in December of 2007.

Year-to-date Percentage Change

The year-to-date percentage change from January to December 2008 is -1.04 (Table 1). The sectors which had the greatest effect on the percentage change of this period due to changes registered in the prices of goods and services are Housing (-2.71), Transport and communication (-0.60), Household operation (0.23) and Food (1.93).

Graph 2 Year-to-date percentage change of the CPI for January to December, 1999 – 2008



The year-to-date percentage change of the CPI for December 2008 amounts to -1.04, a decrease of 11.25 percentage points compared to the figure recorded in December 2007 (graph 2).

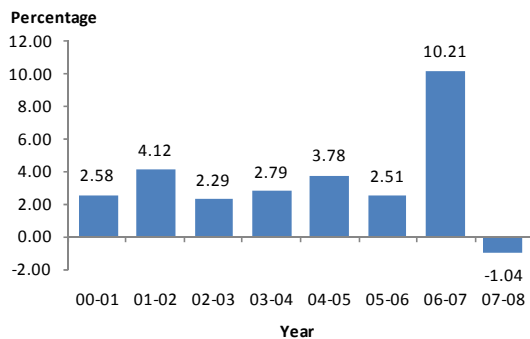
Percentage Changes last 12 and 24 Months

Table 4 Percentage changes by month, 2007 – 2008

Sector	Percentage changes							
	2007				2008			
	Monthly	Year-to-date	End of period	Period average	Monthly	Year-to-date	End of period	Period average
January	2.62	2.62	4.82	3.66	0.63	0.63	8.06	6.27
February	0.04	2.67	4.14	3.63	0.64	1.27	8.71	6.66
March	0.69	3.38	5.03	3.68	0.47	1.75	8.47	6.94
April	0.19	3.58	4.71	3.76	0.50	2.26	8.80	7.28
May	0.91	4.52	4.41	3.80	0.83	3.11	8.72	7.64
June	1.80	6.40	5.97	3.96	1.49	4.64	8.38	7.84
July	-0.32	6.06	5.42	4.08	1.35	6.06	10.20	8.25
August	0.68	6.79	5.68	4.21	1.60	7.75	11.21	8.71
September	0.10	6.89	5.77	4.36	-0.24	7.50	10.84	9.13
October	0.31	7.22	7.27	4.82	-0.73	6.71	9.69	9.33
November	1.15	8.45	8.54	5.37	-3.73	2.73	4.39	8.97
December	1.62	10.21	10.21	6.00	-3.67	-1.04	-1.04	8.00

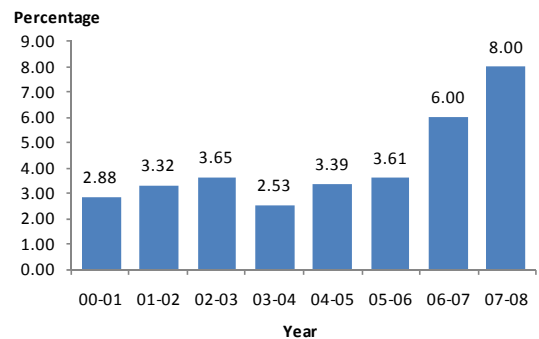
Source: Central Bureau of Statistics Aruba

Graph 3 Percentage change of the CPI (last 12 months) December to December, 2000 – 2008



The percentage change of the CPI (last 12 months/end of period) is -1.04, a remarkable decrease of 11.25 percentage points compared to December 2007 (10.21).

Graph 4 Average Percentage change of the CPI (last 24 months) December to December, 2000 - 2008



The average percentage change of the CPI for the month December (last 24 months/ period average) has been increasing since 2003 and reached 8.00 in December 2008, which is 2.00 percentage points higher than the year before.