



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE
MINISTÉRIO DO PLANO E DAS FINANÇAS
DIRCÇÃO NACIONAL DE ESTATÍSTICA

CONSUMER PRICE INDEX

TIMOR-LESTE

JUNE QUARTER 2005

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(THE FOURTH Issue)

JUNE QUARTER KEY FIGURES

<i>Timor - Leste</i>	<i>% Change 3 months to June 2005</i>	<i>% change 12 months to June 2005</i>
Food	-0.5	-1.5
Alcohol and tobacco	7.8	11.3
Clothing and footwear	-0.7	0.9
Housing	-0.2	4.9
Household furnishings, supplies and services	-0.6	-1.2
Health	0.0	8.9
Recreation and education	-0.4	-0.9
Transport and communication	1.4	7.8
All groups	0.0	0.7
All groups excluding Housing	0.0	0.3

JUNE QUARTER KEY POINTS

THE ALL GROUPS CPI

- No change in June quarter 2005 compared to the previous quarter, (0.0% in March quarter 2005, and rise 1.9% in December quarter 2004).
- Rose 0.7% in June quarter 2005 on an annual basis, (Raised 2.5% annual change in March quarter 2005, and raise 2.5% annual change in December quarter 2004).

OVERVIEW OF CPI MOVEMENTS

- Increases in tobacco (11.6%), non-alcoholic drinks (4.9%), Preserved fish (2.6%) and Transports (1.8%), were offset by a decline in food group on a quarterly basis.
- Contributing the most to the annual increase were rises for Health services and pharmaceuticals (36.6%), tobacco (17.4%), eggs, milk and their products (15.7%), and transport (10.1%).
- Partially offsetting these annual rises was a fall in food (-1.5%).

EXPLANATORY NOTES

BRIEF DESCRIPTION OF THE CPI **1** The Consumer Price Index (CPI) measures monthly changes in the price of a ‘basket’ of goods and services which account for a high proportion of expenditure by resident households. This ‘basket’ covers a wide range of goods and services, arranged in the following eight groups:

- Food
- Alcohol and tobacco
- Clothing and footwear
- Housing
- Household furnishings, supplies and services
- Health
- Recreation and education
- Transports and communication.

2 The first official release of the Dili region index series is reference period June quarter 2003; the Dili region index series commences December 2001. The first official release of the Timor-Leste index series is reference period September quarter 2004; the Timor-Leste index series commences June 2003. These indexes measure price movements over time in the Dili region and Timor-Leste. They do not measure differences in retail price levels between different regions.

PRICE COLLECTION **3** The frequency of price collection by region varies as necessary to obtain reliable measures of price movements. Each month prices are collected at regular intervals for all items in the Dili region. Prices are also collected at regular quarterly intervals for all items from a representative selection of other regions throughout Timor-Leste. The measure of the interim monthly price movements for each item outside the Dili region is then estimated using the corresponding Dili region item price movement as an indicator series.

WEIGHTING PATTERN **4** There are 30 sub-groups (that is, categories of like items) in the first series CPI and each sub-group has its own weight, or measure of relative importance. In calculating the index, price changes for the various sub-groups are combined using these weights.

EXPLANATORY NOTES

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ANALYSIS OF CPI CHANGES

5 Movements in indexes from one period to another can be expressed either as changes in index points or as percentage changes. The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

All groups CPI: Dili region,

	Index numbers:
March 2003	111.0
<i>Less</i> December 2002	109.5
<i>Equals</i> Change in index points	1.5
Percentage change	$= \frac{1.5}{109.5} \times 100 = 1.4\%$

6 Tables 2 and 4 provide a detailed analysis, for the Dili region and Timor-Leste, of movements in the CPI over 13 months, including information on movements for groups and sub-groups.

INTERNATIONAL COMPARISONS

7 In analysing price movements in Timor-Leste, an important consideration are Timor-Leste's performance relative to other countries. However, due to the many differences in the structure of the housing sector in different countries and in the way that housing is treated in their CPIs, a simple comparison of all groups (or headline) CPIs is often inappropriate. To provide a better basis for international comparisons, the Fourteenth International Conference of Labour Statisticians adopted a resolution, which called for countries to 'provide dissemination at the international level of an index which excludes shelter, in addition to the all-items index'.