**CONSUMER PRICE INDEX**

**TIMOR-LESTE**

**JUNE QUARTER 2009**

EMBARGO: 11:30AM (DILI TIME) THUR 16 JULY 2009

<table>
<thead>
<tr>
<th>TIMOR - LESTE</th>
<th>% Change 3 months to June. 2009</th>
<th>% change 12 months to June. 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>-0.3</td>
<td>-4.7</td>
</tr>
<tr>
<td>Alcohol and tobacco</td>
<td>0.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Clothing and footwear</td>
<td>-0.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Housing</td>
<td>-0.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Household furnishings, supplies and services</td>
<td>0.0</td>
<td>-0.6</td>
</tr>
<tr>
<td>Health</td>
<td>4.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Recreation and education</td>
<td>-0.1</td>
<td>-0.6</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>-5.1</td>
<td>-16.6</td>
</tr>
<tr>
<td><strong>All groups</strong></td>
<td><strong>-0.2</strong></td>
<td><strong>-3.1</strong></td>
</tr>
<tr>
<td><strong>All groups excluding Housing</strong></td>
<td><strong>-0.2</strong></td>
<td><strong>-3.7</strong></td>
</tr>
</tbody>
</table>

### JUNE QUARTER KEY POINTS

**THE ALL GROUPS CPI**

- Quarterly movement decrease (-0.2%) in June Quarter 2009, compared to previous March Quarter decrease (-0.7%) in December Quarter 2008, decrease (-1.3%).
- Annual movements increase (-3.1%) in June Quarter 2009 compared to previous Quarter (2.7%) in March Quarter 2009 and (6.1%) in December Quarter 2008.

**OVERVIEW OF CPI MOVEMENTS**

- The contribution that was big to decreased from the transport was (-6.1%) fat and oil (-2.5%), the roots and the products, (-2.1%). were alcohol and tobacco, housing group increase on the basis of quarterly.
- Contributing the most to the increase annual personel care (6.1%), meet and meet products (5.4%), housing (3.4%) compared to previous quarter, where recreation and education, compared to previous decrease.
For the Twenty, this data release includes index level and percentage movement tables for both the Timor - Leste CPI and the Dili Region CPI. The Timor - Leste CPI will continue to be produced each quarter, and the Dili Region CPI will continue to be produced a monthly basis.

<table>
<thead>
<tr>
<th>FORTHCOMING ISSUES</th>
<th>ISSUE</th>
<th>RELEASE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>2009</td>
<td>15 October 2009</td>
</tr>
<tr>
<td>December</td>
<td>2009</td>
<td>14 January 2010</td>
</tr>
</tbody>
</table>

ROUNDING

any discrepancies between index numbers and percentage changes in this data release are due to rounding off.

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QUERIES

For further information about these and other related CPI Contact;
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2. CPI team (Fidencio de Araujo 7376458 and Botavio J. Alves 731 7732)

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Elias dos Santos Ferreira
Director Interino DNE
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.
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
Less December 2002 109.5
Equals 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’.