Title
Consumer Price Index Timor-Leste, August 2017

Editor
Avelino Maria de Jesus Marcal
Eduardo M. Ximenes
Antonia Jesus de Carvalho
Silvino Lopes

Direcção Geral de Estatística
Rua de Caicoli, PO Box 10
Dili, Timor-Leste

Director Geral de Estatística
General Directorate of Statistics
Elias dos Santos Ferreira, L.Ec, MM

Disenho e Composição
Direcção Geral de Estatística
www.statistics.gov.tl

Cristino Gusmão  
Director Nacional Economia Estatistica  
No. Telp: + 670 77230127  
Direcção Geral de Estatística  
Rua de Caicoli, Dili, PO Box 10  
Telefone: +670 3311348  
email: cgusmao@mof.gov.tl
NOTES

CHANGES FROM THE EDITION CPI SERIES 2  None

<table>
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<th>FORTHCOMING ISSUES</th>
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<td></td>
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<td>November 21st, 2017</td>
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QUERIES

For Further information about these and other Related CPI. Contact :

1. Cristino Gusmão, Director of DNEES  
   Email: cgusmao@mof.gov.tl, No Telp : 77230127
2. Eduardo Martinho Ximenes, Head of Depart. Social and Economic  
   Email: emximenes@mof.gov.tl, No Telp. 77339216
3. Antonia Jesus de Carvalho  
   Email ajcarvalho@mof.gov.tl No Telp. 77568010
4. Avelino Maria de Jesus Marcal  
   Email: amjmarcal@mof.gov.tl, No Telp. 77608779

Elias dos Santos Ferreira, L.Ec.MM  
General Director of Statistics

CPI Series 2, August 2017
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CONSUMER PRICE INDEX
TIMOR - LESTE, AUGUST 2017

INTRODUCTION TO THE SERIES 2 CPI

All published indexes from January 2013 have been re-referenced to Dec 2012 = 100.0. Time series data, details of new CPI weights, and other information relating to changes to the Timor-Leste CPI are available on the General Directorate Statistics (GDS) website, see www.statistics.gov.tl

AUGUST 2017 Key Figures

(a) For March, June, and September 2013, annual percentage changes are calculated on a quarterly basis. For December 2013 onwards annual changes will be calculated on movements between corresponding months of consecutive years.

<table>
<thead>
<tr>
<th>Timor-Leste Consumer Price Index</th>
<th>Monthly</th>
<th>Annual (a)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Jul - 2017 to Aug - 2017</td>
<td>Aug - 2016 to Aug - 2017</td>
</tr>
<tr>
<td>% change</td>
<td>% change</td>
<td></td>
</tr>
<tr>
<td>All groups CPI</td>
<td>-0.4%</td>
<td>0.7%</td>
</tr>
<tr>
<td>All groups excluding Housing</td>
<td>-0.4%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Tradeable CPI</td>
<td>-0.4%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Non-Tradeable CPI</td>
<td>-0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>1. Food and non-alcoholic beverages</td>
<td>-0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2. Alcohol and tobacco</td>
<td>-0.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>3. Clothing and footwear</td>
<td>0.3%</td>
<td>0.4%</td>
</tr>
<tr>
<td>4. Housing</td>
<td>-0.1%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>5. Furnishings, household equipment and routine household maintenance</td>
<td>0.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>6. Health</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>7. Transport</td>
<td>0.0%</td>
<td>0.7%</td>
</tr>
<tr>
<td>8. Communication</td>
<td>-0.4%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>9. Recreation and culture</td>
<td>-2.0%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>10. Education</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
August 2017 Key Points

- The All Groups CPI fell -0.4% in August 2017, compared to a rise +0.1% in July 2017
- Significant fall in the Food and Non-Alcoholic Beverages, Recreation and Culture and Communication groups were the main driver to the fall
- A rise in the Furnishing, Household Equipment and Routine Household maintenance and Clothing and Footwear groups partially offset the fall
- The 12-month Tradeable CPI rate stood at 0.9%, with the Non-Tradeable rate at 0.3%

A brief description of Consumer Price Inflation

Consumer price inflation is the rate at which the prices of goods and services bought by households rise or fall. Consumer price inflation is estimated by using price indices. A way to understand a price index is to think of a very large shopping basket containing all the goods and services bought by households. The price index estimates changes to the total cost of this basket.

A price index can be used to measure inflation in a number of ways. The most common is to look at how the index has changed over a year. The change is calculated by comparing the price index for the latest month with the same month a year ago, which is known as the 12-month inflation rate.

This bulletin measures inflation to August 2017, so the 12-month rate measures changes in prices between August 2016 and August 2017.

Latest figure and long-term trend

The CPI 12-month rate between August 2016 and August 2017 stood at +0.7%, meaning that a basket of goods and services that cost $100.00 in August 2016 would have cost $100.70 in August 2017.

The All Groups CPI rose (+0.7%) through the year ending August 2017, compared to a rise (+1.0%) through the year to July 2017. The largest driver of the rise in the annual rate is the Food and non-alcoholic beverages group (+1.0%), which was driven by Meat (+4.8%), Rice (+1.1%), Fish and Seafood (+2.3%) and Food Products n.e.c (+1.3%). The rise was partially offset by falls in Fruit (-1.7%) and Milk, Cheese and Eggs (-1.2%). The rise in the food and non-alcoholic beverages group follows a 0.2% rise in the IMF food and beverage price index for the year ending May 2017 (lag effects). The Transport (+0.7%) rose through the year, driven by Operational and Personal Transport Equipment (+1.6%) sub-group. The Alcohol and Tobacco (+0.4%) group also rose through the year, driven by a rise in Tobacco (+1.5%) prices. The largest partially offsetting movement to the rise in the annual rate is the Communication (-2.2%) group, followed by the Recreation and Culture (-1.1%) group, driven by a fall in Recreational Items and Cultural Services (-3.2%) sub-group.
Figure A: Contributions to the CPI 12-month rate, August 2017

Source: General Directorate of Statistics, Ministry of Finance

Notes:
Individual contributions may not sum to the total due to rounding.

Figure B: CPI 12-month inflation rate with contributions for the period August 2014 to August 2017

The sustained period of deflation as seen during the period November 2015 to January 2017 was largely driven by the Food and non-alcoholic beverage and Transport groups. The rebound in the 12-month CPI rate is driven by a rise in food and non-alcoholic beverage prices, with core inflation operating at around 0%.

*Core CPI is equal to All Groups CPI less Food and non-alcoholic beverages and Transport groups
Consumer Price Index (CPI): What are the main movements?

The largest downward contributions to the change in the one month CPI rate (-0.4%) between July 2017 and August 2017 came from:

- **Food and non-alcoholic beverages (-0.5%)**: which was driven by Vegetable (-2.0%), Bread and Cereals (-0.6%), Oils and Fats (-0.4%) and Rice (-0.1%). Rise in Milk, cheese and eggs (+3.6%) and Sugar, jam, honey and confectionary (+0.2%) partially offset the fall in the Food and Non-Alcoholic Beverages group. The significant fall in the vegetables sub-group was driven by a fall in both local and imported vegetable products, seen in several supermarkets in Dili. The significant rise in the Milk, Cheese and Eggs sub-group was due to price rebound following a drop in July 2017 which was driven by price of eggs across supermarkets in Dili.

- **The Recreation and Culture (-2.0%)**: fell for the month of August, the fall was driven by Recreation Items and Cultural Services (-3.2%) sub-group, due to a fall in the price of coffin for funeral ceremony.

- **The Communication (-0.4%) and Alcohol and Tobacco (-0.2%)**: dropped for the month of August, driven by the Telecommunication Equipment and Services (-0.4%) and Alcohol (-0.4%) sub-groups respectively.

The largest upward contribution to the month CPI rate:

- **The Furnishing, Household Equipment and Routine Household Maintenance (+0.5%)**: partially offset the fall for the month of August, the rise was driven by Goods and Services for Routine Household (+0.6%) sub-group.

**Figure C: Contributions to the change in the CPI monthly rate, July 2017 to August 2017**

*Source: General Directorate of Statistics, Ministry of Finance*

Notes: Individual contributions may not sum to the total due to rounding.
Discussion and analysis

In reference to Figure B, which represents the CPI 12-month inflation rate for the last 3 years, August 2014 to August 2017. It is clear that from this figure, inflation remains low by historic levels (+0.7%); however the rate of inflation has been increasing steadily with the overall rise in food and non-alcoholic beverage and transport prices. The inflation rate is a possible consequence of the following factors:

- The value of the US dollar against Timor-Leste’s main trading prices (NEER index)
- International commodity prices, namely food products such as rice
- International oil prices

The government has set a target of 4%-6% inflation under the Strategic Development Plan (SDP); currently Timor-Leste is operating well below this target.

**Figure D: Indices of international factors putting pressure on prices in Timor-Leste, Apr-14 to Jun-17 (allowing any lag-effects)**

![Graph showing indices of international factors](attachment:graf.png)


In reference to Figure D, there has been little change in the NEER index in the past 12 months following a sharp appreciation in 2015. The IMF All Commodity, Food and beverage and Crude oil price indices are showing an upward trend, which may filter through to prices in Timor-Leste via imports.

Domestic factors also regularly affect prices in Timor-Leste, which include some of the following:

- Domestic production and supply of goods, namely fruit and vegetables subject to seasonal patterns
- Transportation and access
- Market competition
- Government legislations, such as tax policy

1. The crude oil (petroleum) price index is a simple average of three spot prices: Dated Brent, West Texas Intermediate, and the Dubai Fateh.
2. Nominal Effective Exchange Rate (NEER) is a measure of the value of a currency against the a weighted average of several foreign currencies
Tradeable & Non-Tradable CPI
The CPI Tradable and Non-tradable series, measure the contribution of domestic (non-tradable) and imported (tradable) inflation to overall household inflation. Identifying the source of household inflation supports the understanding of the different drivers of inflation, as well as informing monetary and fiscal policy decisions.

The definition of a tradeable good or service is one that is exposed to a high level of international competition, and its price is influenced by such competition. Similarly, a non-tradeable good or service is exposed to low level of international competition, and its price is considered not to be affected by such competition. Inflation for non-tradable items should provide a relatively good sense of the extent to which demand exceeds (or falls short) of supply in the domestic economy. Tradable items are much more exposed to international competition, which includes many imported manufactured goods such as televisions and computers, as well as many food items. The prices of these items should be less influenced by conditions in the Timor-Leste economy, and more affected by prices set on world markets and fluctuations in the exchange rate.

Figure E: Contribution of Tradeable CPI and Non-Tradable CPI to 12-month Inflation rate, Aug-14 to Aug-17

Source: General Directorate of Statistics, Ministry of Finance

Notes: Individual contributions may not sum to the total due to rounding.

In reference to Figure E, the negative 12-month inflation as seen over the period November 2015 to January 2017 has been driven by international factors as indicated by the tradeable CPI rate. The 12-month CPI rate is currently at +0.7%, which is driven by the Tradeable (+0.9%) and Non-Tradable (+0.3%) contributions. The analytical series are indicating that the current inflation rate is being driven by international price pressures and fluctuations in exchange rates.
TABLE 1. TIMOR-LESTE CPI

<table>
<thead>
<tr>
<th>INDEX NUMBERS</th>
<th>PERCENTAGE CHANGE</th>
<th>POINTS CONTRIBUTION</th>
<th>POINTS CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL GROUPS</td>
<td>102.8</td>
<td>103.9</td>
<td>103.5</td>
</tr>
<tr>
<td>ALL GROUPS EXCLUDING HOUSING</td>
<td>103.0</td>
<td>104.3</td>
<td>103.9</td>
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<td>TRADEABLE CPI</td>
<td>101.7</td>
<td>103.0</td>
<td>102.6</td>
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<tr>
<td>NON-TRADEABLE CPI</td>
<td>104.8</td>
<td>105.3</td>
<td>105.1</td>
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1. FOOD AND NON-ALCOHOLIC BEVERAGES
   1.1 Bread and cereals (excluding rice) | 118.6 | 119.8 | 119.1 | -0.6% | 0.4% | 5.34 | 5.31 | -0.03 |
   1.2 Rice | 101.3 | 102.5 | 102.4 | -0.1% | 1.1% | 17.63 | 17.61 | -0.02 |
   1.3 Meat | 103.5 | 108.5 | 108.5 | 0.0% | 4.8% | 8.69 | 8.69 | 0.0 |
   1.4 Fish and seafood | 88.7 | 90.7 | 90.7 | 0.0% | 2.3% | 2.42 | 2.42 | 0.0 |
   1.5 Milk, cheese and eggs | 118.0 | 112.6 | 116.6 | 3.6% | -1.2% | 1.79 | 1.85 | 0.06 |
   1.6 Oils and fats | 106.9 | 106.9 | 106.5 | -0.4% | -4.0% | 3.49 | 3.47 | -0.02 |
   1.7 Fruit | 110.3 | 108.5 | 108.4 | -0.1% | -1.7% | 2.46 | 2.46 | 0.0 |
   1.8 Vegetables | 101.4 | 103.6 | 101.5 | -2.0% | 0.1% | 15.98 | 15.66 | -0.32 |
   1.9 Sugar, jam, honey, chocolate and confectionery | 90.1 | 90.2 | 90.4 | 0.2% | 0.3% | 2.89 | 2.90 | 0.01 |
   1.10 Food products n.e.c. | 104.0 | 105.5 | 105.3 | -0.2% | 1.3% | 3.13 | 3.12 | -0.01 |
   1.11 Coffee, tea and cocoa | 100.2 | 101.7 | 101.7 | 0.0% | 1.5% | 2.11 | 2.11 | 0.0 |
   1.12 Mineral waters, soft drinks, fruit and vegetable juices | 94.5 | 95.5 | 95.5 | 0.0% | 1.1% | 0.64 | 0.64 | 0.0 |
   1.13 Prepared food/meals | 92.2 | 93.1 | 93.1 | 0.0% | 1.0% | 0.50 | 0.50 | 0.0 |

2. ALCOHOL AND TOBACCO
   2.1 Alcohol | 150.3 | 149.1 | 148.5 | -0.4% | -1.2% | 2.01 | 2.01 | 0.0 |
   2.2 Tobacco | 100.6 | 102.1 | 102.1 | 0.0% | 1.5% | 3.60 | 3.60 | 0.0 |

3. CLOTHING AND FOOTWEAR
   3.1 Garments for men | 108.2 | 108.4 | 109.7 | 1.2% | 1.4% | 1.29 | 1.31 | 0.02 |
   3.2 Garments for women | 103.9 | 103.8 | 103.8 | 0.0% | -0.1% | 0.91 | 0.91 | 0.0 |
   3.3 Garments for infants and children | 111.8 | 112.1 | 112.1 | 0.0% | 0.3% | 2.19 | 2.19 | 0.0 |
   3.4 Footwear and clothing accessories | 106.3 | 106.2 | 106.3 | 0.1% | 0.0% | 1.94 | 1.94 | 0.0 |

4. HOUSING
   4.1 Actual rentals paid by tenants | 97.9 | 94.1 | 94.1 | 0.0% | -3.9% | 0.65 | 0.65 | 0.0 |
   4.2 Maintenance and repair of the dwelling | 93.8 | 93.9 | 93.7 | -0.2% | -0.1% | 1.32 | 1.32 | 0.0 |
   4.3 Water, electricity, gas and other fuels | 105.1 | 105.5 | 105.5 | 0.0% | 0.4% | 3.78 | 3.78 | 0.0 |

5. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE
   5.1 Household furniture and textiles | 104.9 | 103.7 | 103.7 | 0.0% | -1.1% | 0.33 | 0.33 | 0.0 |
   5.2 Household appliances | 109.3 | 104.4 | 104.4 | 0.0% | -4.5% | 0.38 | 0.38 | 0.0 |
   5.3 Goods and services for routine household maintenance | 95.8 | 96.0 | 96.6 | 0.6% | 0.8% | 3.33 | 3.35 | 0.02 |

6. HEALTH
   6.1 Medical products, appliances and equipment | 107.1 | 107.1 | 107.1 | 0.0% | 0.0% | 0.51 | 0.51 | 0.0 |
   6.2 Medical and Hospital services | 105.5 | 105.5 | 105.5 | 0.0% | 0.0% | 0.28 | 0.28 | 0.0 |

7. TRANSPORT
   7.1 Purchase of vehicles | 98.2 | 99.6 | 99.6 | 0.0% | 1.4% | 0.58 | 0.58 | 0.0 |
   7.2 Operation of personal transport equipment | 74.3 | 75.4 | 75.5 | 0.1% | 1.6% | 2.31 | 2.32 | 0.01 |
   7.3 Transport services | 102.0 | 102.0 | 102.0 | 0.0% | 0.0% | 2.81 | 2.81 | 0.0 |

8. COMMUNICATION
   8.1 Telecommunication equipment and services | 82.8 | 81.3 | 81.0 | -0.4% | -2.2% | 1.88 | 1.87 | -0.01 |

9. RECREATION AND CULTURE
   9.1 Audio-visual, photographic and information processing equipment | 99.1 | 97.5 | 97.5 | 0.0% | -1.6% | 0.02 | 0.02 | 0.0 |
   9.2 Recreational items and cultural services | 108.4 | 104.8 | 104.9 | -3.2% | -3.2% | 2.32 | 2.25 | -0.07 |
   9.3 Newspapers, books and stationery | 113.7 | 116.6 | 116.6 | 0.0% | 2.6% | 1.35 | 1.35 | 0.0 |

10. EDUCATION
    10. Education | 127.2 | 127.2 | 127.2 | 0.0% | 0.0% | 2.97 | 2.97 | 0.0 |

Reference period of index: December 2012 = 100.0
### TABLE 2. DILI - analytical index

<table>
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<tr>
<th>August 2017</th>
<th>INDEX NUMBERS</th>
<th>PERCENTAGE CHANGE</th>
<th>POINTS CONTRIBUTION</th>
<th>POINTS CHANGE</th>
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<tr>
<td></td>
<td>Aug 16</td>
<td>Jul 17 to Aug 2017</td>
<td>Aug 17 to Aug 16</td>
<td>Jul 17 to Aug 2017</td>
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<tr>
<td>Groups and Expenditure Class</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a ALL GROUPS</td>
<td>102.2</td>
<td>103.3</td>
<td>102.9</td>
<td>-0.4%</td>
</tr>
<tr>
<td>b ALL GROUPS EXCLUDING HOUSING</td>
<td>102.7</td>
<td>103.8</td>
<td>103.4</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>

1 FOOD AND NON-ALCOHOLIC BEVERAGES | 102.9 | 104.6 | 104.0 | -0.6% | 1.1% | 64.48 | 64.14 | -0.34 |
1.1 Bread and cereals (excluding rice) | 118.9 | 120.5 | 119.6 | -0.7% | 0.6% | 5.18 | 5.14 | -0.04 |
1.2 Rice | 104.2 | 105.2 | 105.5 | 0.3% | 1.2% | 15.83 | 15.87 | 0.04 |
1.3 Meat | 102.8 | 108.7 | 108.7 | 0.0% | 5.7% | 9.07 | 9.07 | 0.00 |
1.4 Fish and seafood | 87.6 | 89.8 | 89.8 | 0.0% | 2.5% | 2.70 | 2.70 | 0.00 |
1.5 Milk, cheese and eggs | 118.1 | 112.7 | 117.0 | 3.8% | -0.9% | 2.01 | 2.08 | 0.07 |
1.6 Oils and fats | 107.5 | 106.8 | 106.3 | -0.5% | -1.1% | 3.26 | 3.24 | -0.02 |
1.7 Fruit | 112.0 | 109.9 | 109.8 | -0.1% | -2.0% | 2.65 | 2.65 | 0.00 |
1.8 Vegetables | 101.2 | 103.6 | 100.9 | -2.6% | -0.3% | 15.27 | 14.88 | -0.39 |
1.9 Sugar, jam, honey, chocolate and confectionery | 84.0 | 83.9 | 83.9 | 0.0% | -0.1% | 2.62 | 2.62 | 0.00 |
1.10 Food products n.e.c. | 97.7 | 99.2 | 98.9 | -0.3% | 1.2% | 2.73 | 2.73 | 0.00 |
1.11 Coffee, tea and cocoa | 95.6 | 97.5 | 97.5 | 0.0% | 2.0% | 1.85 | 1.85 | 0.00 |
1.12 Mineral waters, soft drinks, fruit and vegetable juices | 94.4 | 95.6 | 95.6 | 0.0% | 1.3% | 0.73 | 0.73 | 0.00 |
1.13 Prepared food/meals | 92.0 | 92.9 | 92.9 | 0.0% | 1.0% | 0.60 | 0.60 | 0.00 |

2 ALCOHOL AND TOBACCO | 118.6 | 119.1 | 118.9 | -0.2% | 0.3% | 5.29 | 5.28 | -0.01 |
2.1 Alcohol | 157.8 | 156.3 | 155.5 | -0.5% | -1.5% | 2.03 | 2.02 | -0.01 |
2.2 Tobacco | 102.6 | 103.8 | 103.8 | 0.0% | 1.2% | 3.26 | 3.26 | 0.00 |

3 CLOTHING AND FOOTWEAR | 107.3 | 107.5 | 107.8 | 0.3% | 0.5% | 6.81 | 6.83 | 0.02 |
3.1 Garments for men | 107.2 | 107.4 | 108.9 | 1.4% | 1.6% | 1.36 | 1.38 | 0.02 |
3.2 Garments for women | 100.8 | 100.7 | 100.7 | 0.0% | -0.1% | 0.94 | 0.94 | 0.00 |
3.3 Garments for infants and children | 111.0 | 111.4 | 111.4 | 0.0% | 0.4% | 2.36 | 2.36 | 0.00 |
3.4 Footwear and clothing accessories | 106.5 | 106.5 | 106.6 | 0.1% | 0.1% | 2.15 | 2.15 | 0.00 |

4 HOUSING | 101.0 | 100.6 | 100.5 | -0.1% | -0.5% | 6.43 | 6.43 | 0.00 |
4.1 Actual rentals paid by tenants | 97.9 | 94.1 | 94.1 | 0.0% | -3.9% | 0.79 | 0.79 | 0.00 |
4.2 Maintenance and repair of the dwelling | 93.1 | 93.5 | 93.3 | -0.2% | 0.2% | 1.46 | 1.45 | -0.01 |
4.3 Water, electricity, gas and other fuels | 104.8 | 104.8 | 104.8 | 0.0% | 0.0% | 4.19 | 4.19 | 0.00 |

5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE | 94.8 | 94.5 | 95.1 | 0.6% | 0.3% | 4.22 | 4.25 | 0.03 |
5.1 Household furniture and textiles | 104.9 | 103.6 | 103.6 | 0.0% | -1.2% | 0.38 | 0.38 | 0.00 |
5.2 Household appliances | 106.8 | 101.5 | 101.5 | 0.0% | -5.0% | 0.41 | 0.41 | 0.00 |
5.3 Goods and services for routine household maintenance | 92.5 | 93.0 | 93.7 | 0.8% | 1.3% | 3.44 | 3.46 | 0.02 |

6 HEALTH | 105.3 | 105.3 | 105.3 | 0.0% | 0.0% | 0.88 | 0.88 | 0.00 |
6.1 Medical products, appliances and equipment | 104.9 | 104.9 | 104.9 | 0.0% | 0.0% | 0.55 | 0.55 | 0.00 |
6.2 Medical and Hospital services | 105.7 | 105.7 | 105.7 | 0.0% | 0.0% | 0.33 | 0.33 | 0.00 |

7 TRANSPORT | 87.1 | 87.8 | 87.8 | 0.0% | 0.8% | 6.21 | 6.21 | 0.00 |
7.1 Purchase of vehicles | 98.7 | 100.0 | 100.0 | 0.0% | 1.3% | 0.65 | 0.65 | 0.00 |
7.2 Operation of personal transport equipment | 73.3 | 74.3 | 74.4 | 0.1% | 1.5% | 2.56 | 2.56 | 0.00 |
7.3 Transport services | 100.0 | 100.0 | 100.0 | 0.0% | 0.0% | 3.00 | 3.00 | 0.00 |

8 COMMUNICATION | 80.6 | 79.0 | 79.0 | 0.0% | -2.0% | 1.98 | 1.98 | 0.00 |
8.1 Telecommunication equipment and services | 80.6 | 79.0 | 79.0 | 0.0% | -2.0% | 1.98 | 1.98 | 0.00 |

9 RECREATION and CULTURE | 110.5 | 111.7 | 109.0 | -2.4% | -1.4% | 3.79 | 3.70 | -0.09 |
9.1 Audio-visual, photographic and information processing equipment | 98.6 | 97.0 | 97.0 | 0.0% | -1.6% | 0.02 | 0.02 | 0.00 |
9.2 Recreational items and cultural services | 108.4 | 108.4 | 104.2 | -3.9% | -3.9% | 2.30 | 2.21 | -0.09 |
9.3 Newspapers, books and stationery | 114.3 | 117.6 | 117.6 | 0.0% | 2.9% | 1.46 | 1.46 | 0.00 |

10 EDUCATION | 125.5 | 125.5 | 125.5 | 0.0% | 0.0% | 3.33 | 3.33 | 0.00 |
10.1 Education | 125.5 | 125.5 | 125.5 | 0.0% | 0.0% | 3.33 | 3.33 | 0.00 |

Reference period of index: December 2012 = 100.0
TABLE 3. EX-DILI - analytical index

<table>
<thead>
<tr>
<th>GROUPS AND EXPENDITURE CLASS</th>
<th>INDEX NUMBERS</th>
<th>PERCENTAGE CHANGE</th>
<th>POINTS CONTRIBUTION</th>
<th>POINTS CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>a  ALL GROUPS</td>
<td>105.1</td>
<td>106.0</td>
<td>105.7</td>
<td>-0.3%</td>
</tr>
<tr>
<td>b  ALL GROUPS EXCLUDING HOUSING</td>
<td>105.0</td>
<td>105.9</td>
<td>105.6</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>

1. FOOD AND NON-ALCOHOLIC BEVERAGES
   1.1 Bread and cereals (excluding rice) 116.3 116.3 116.3 0.0% 0.0% 6.07 6.07 0.00
   1.2 Rice 94.5 96.6 95.5 -1.1% 1.1% 25.87 25.58 -0.29
   1.3 Meat 109.4 109.4 109.4 0.0% 0.0% 6.94 6.94 0.00
   1.4 Fish and seafood 100.9 100.9 101.1 0.2% 0.2% 1.16 1.16 0.00
   1.5 Milk, cheese and eggs 118.7 113.6 113.6 0.0% 4.3% 0.78 0.78 0.00
   1.6 Oils and fats 104.6 106.4 106.4 0.0% 1.7% 4.52 4.52 0.00
   1.7 Fruit 99.7 99.7 99.7 0.0% 0.0% 1.61 1.61 0.00
   1.8 Vegetables 103.1 103.1 103.1 0.0% 0.0% 19.25 19.25 0.00
   1.9 Sugar, jam, honey, chocolate and confectionery 114.6 115.7 116.8 1.0% 1.9% 4.15 4.19 0.04
   1.10 Food products n.e.c. 125.3 126.7 126.7 0.0% 1.1% 4.93 4.93 0.00
   1.11 Coffee, tea and cocoa 114.8 114.8 114.8 0.0% 0.0% 3.30 3.30 0.00
   1.12 Mineral waters, soft drinks, fruit and vegetable juices 97.7 95.8 95.8 0.0% 1.9% 0.22 0.22 0.00
   1.13 Prepared food/meals 95.3 95.3 95.3 0.0% 0.0% 0.08 0.08 0.00

2. ALCOHOL AND TOBACCO
   2.1 Alcohol 121.5 121.2 121.3 0.1% 0.2% 1.94 1.95 0.01
   2.2 Tobacco 95.3 97.7 97.7 0.0% 2.5% 5.15 5.15 0.00

3. CLOTHING AND FOOTWEAR
   3.1 Garments for men 113.0 113.0 113.0 0.0% 0.0% 1.00 1.00 0.00
   3.2 Garments for women 125.4 125.4 125.4 0.0% 0.0% 0.78 0.78 0.00
   3.3 Garments for infants and children 119.7 119.7 119.7 0.0% 0.0% 1.44 1.44 0.00
   3.4 Footwear and clothing accessories 102.9 101.8 101.8 0.0% 1.1% 0.97 0.98 0.01

4. HOUSING
   4.1 Actual rentals paid by tenants 97.9 94.1 94.1 0.0% 3.9% 0.00 0.00 0.00
   4.2 Maintenance and repair of the dwelling 102.7 100.3 100.3 0.0% 2.3% 0.69 0.69 0.00
   4.3 Water, electricity, gas and other fuels 105.9 110.2 110.2 0.0% 4.1% 1.94 1.94 0.00

5. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE
   5.1 Household furniture and textiles 108.6 108.8 108.8 0.0% 0.2% 0.08 0.08 0.00
   5.2 Household appliances 131.4 131.6 131.6 0.0% 0.2% 0.26 0.26 0.00
   5.3 Goods and services for routine household maintenance 120.0 118.9 118.9 0.0% 0.9% 2.82 2.82 0.00

6. HEALTH
   6.1 Medical products, appliances and equipment 126.5 126.5 126.5 0.0% 0.0% 0.34 0.34 0.00
   6.2 Medical and Hospital services 100.0 100.0 100.0 0.0% 0.0% 0.06 0.06 0.00

7. TRANSPORT
   7.1 Purchase of vehicles 91.2 93.3 93.3 0.0% 2.3% 0.28 0.28 0.00
   7.2 Operation of personal transport equipment 84.1 85.0 85.0 0.0% 1.1% 1.19 1.19 0.00
   7.3 Transport services 118.8 118.8 118.8 0.0% 0.0% 1.96 1.96 0.00

8. COMMUNICATION
   8.1 Telecommunication equipment and services 101.2 101.2 98.4 -2.8% -2.8% 1.41 1.37 -0.04

9. RECREATION AND CULTURE
   9.1 Audio-visual, photographic and information processing equipment 109.2 109.2 109.2 0.0% 0.0% 0.00 0.00 0.00
   9.2 Recreational items and cultural services 108.5 108.5 108.5 0.0% 0.0% 2.41 2.41 0.00
   9.3 Newspapers, books and stationery 109.4 109.4 109.4 0.0% 0.0% 0.83 0.83 0.00

10. EDUCATION
    10. Education 152.7 152.7 152.7 0.0% 0.0% 1.34 1.34 0.00

Reference period of index: December 2012 = 100.0
NOTE TO USERS
The Series 2 index incorporates the outcomes of a major review and reweighting of the Timor-Leste CPI. The new weights are based on the results of the 2011 Household Income and Expenditure Survey. Two Information Papers were published about the review. The first – ‘Review of Timor-Leste Consumer Price Index (CPI) 2012: Issues for Consideration’ was published in November 2012 and sought the views of users on a range of issues under consideration in the review and reweighting exercise. The second ‘Introduction of the Series 2 Timor-Leste Consumer Price Index’ was published on May 17 2013 and set out the results of the user consultation phase and the final decisions that had been taken in respect of the new CPI, together with information on the new weighting pattern and the new classification that has been introduced into the Series 2 CPI. Both information papers can be found on the website of the General Directorate Statistics (GDS) at www.statistics.gov.tl

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

Further information about the Timor-Leste CPI is contained in A Guide to the Timor-Leste CPI which can be downloaded from the DGE website at www.statistics.gov.tl

INDEXES PUBLISHED
CPI figures are produced by the General Directorate Statistics (GDS) for each month and are released within one month of the end of the reference period.
The primary index published by GDS is the Timor-Leste Consumer Price Index. The data for this national index are presented in Key Figures and Table 1 of the publication.
NDS also publishes two secondary indexes for analytical purposes – one representing Dili price movements and the other representing price movements for other Timor-Leste districts (termed ‘Ex-Dili’). These analytical series are compiled by taking subsets of the CPI basket, and are presented in Tables 2 and 3 in the publication.

COLLECTING PRICES FOR THE CPI
The collection of prices is largely carried out by trained field staff operating from Head office in Dili. The collection of prices in districts beyond Dili is carried out by GDS staff operating out of various offices of the DGE, while some prices are collected by special surveys.

WEIGHTING PATTERN
There are 35 expenditure classes (that is, categories of like items) in the Series 2 CPI and each expenditure class has its own weight, or measure of relative importance. In calculating the index, price changes for the various expenditure classes are combined using these weights. The Series 2 CPI weighting pattern is also available on the DGE website at www.statistics.gov.tl
ANALYSIS OF CPI CHANGES

Movements in indexes from one period to another can be expressed either as changes in index points or as percentage changes. Percentage changes are calculated to illustrate two different kinds of movements in index numbers:

- movements between corresponding months of consecutive years
- movements between consecutive months

The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

All groups CPI: Dili index numbers:

<table>
<thead>
<tr>
<th></th>
<th>January 2013</th>
<th>less January 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in index points</td>
<td>101.4</td>
<td>90.7</td>
</tr>
<tr>
<td>Percentage change 10.7 / 90.7 x 100</td>
<td>= 11.8%</td>
<td></td>
</tr>
</tbody>
</table>

Each table in this publication provides a detailed analysis of movements in the CPI since the previous period, including information on movements for groups and expenditure classes. It also shows the contribution which each makes to the total CPI. For instance, with the Timor-Leste 2013 the Rice expenditure class contributed 17.85 index points to the total all groups index number of 101.3 for January 2013. The final column shows contributions to the change in All Groups index points by each group and expenditure class.

ROUNDING

The published index numbers have been rounded to one decimal place, and the percentage changes (also rounded to one decimal place) are calculated from the rounded index numbers. In some cases, this can result in the percentage change for the total level of a group of indexes being outside the range of the percentage changes for the component level indexes.

REVISIONS

CPI original indexes are revised only in exceptional circumstances, such as to correct a significant error. As is the case with all price indexes, the index reference period (i.e. the period in which the index is set equal to 100.0) will be changed periodically.

DATA AVAILABLE

As well as the statistics included in this publication, there are more detailed data (in time series format) for each index available for downloading from the DGE website.