



CONSUMER PRICE INDEX TIMOR-LESTE NOVEMBER 2017

CPI SERIES 2 EDITION

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DIRECÇÃO GERAL DE ESTATÍSTICA
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Title

Consumer Price Index Timor-Leste,
November 2017

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**CONSUMER PRICE INDEX
TIMOR - LESTE, NOVEMBER 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

November 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.

Timor-Leste Consumer Price Index	Monthly	Annual (a)
	Oct - 2017 to Nov - 2017	Nov - 2016 to Nov - 2017
	% change	% change
All groups CPI	0.3%	0.8%
All groups excluding Housing	0.3%	0.8%
Tradeable CPI	0.4%	1.0%
Non-Tradeable CPI	0.0%	0.0%
1. Food and non-alcoholic beverages	0.5%	0.9%
2. Alcohol and tobacco	-0.1%	-0.4%
3. Clothing and footwear	0.0%	0.4%
4. Housing	0.0%	0.8%
5. Furnishings, household equipment and routine household maintenance	0.0%	2.1%
6. Health	0.0%	0.0%
7. Transport	0.0%	0.5%
8. Communication	0.0%	-1.0%
9. Recreation and culture	0.0%	-1.1%
10. Education	0.0%	0.0%



November 2017 Key Points

- The All Groups CPI rose 0.3% in November 2017, compared to a rise 0.3% in October 2017
- The only significant rise for the month in the Food and Non-Alcoholic Beverages group was the main driver to the rise
- The Alcohol and Tobacco recorded as the offsetting movement for the November 2017
- The 12-month Tradeable CPI rate stood at 1.0%, with the Non-Tradeable rate at 0.0%

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 November 2017, so the 12-month rate measures changes in prices between November 2016 and November 2017.

Latest figure and long-term trend

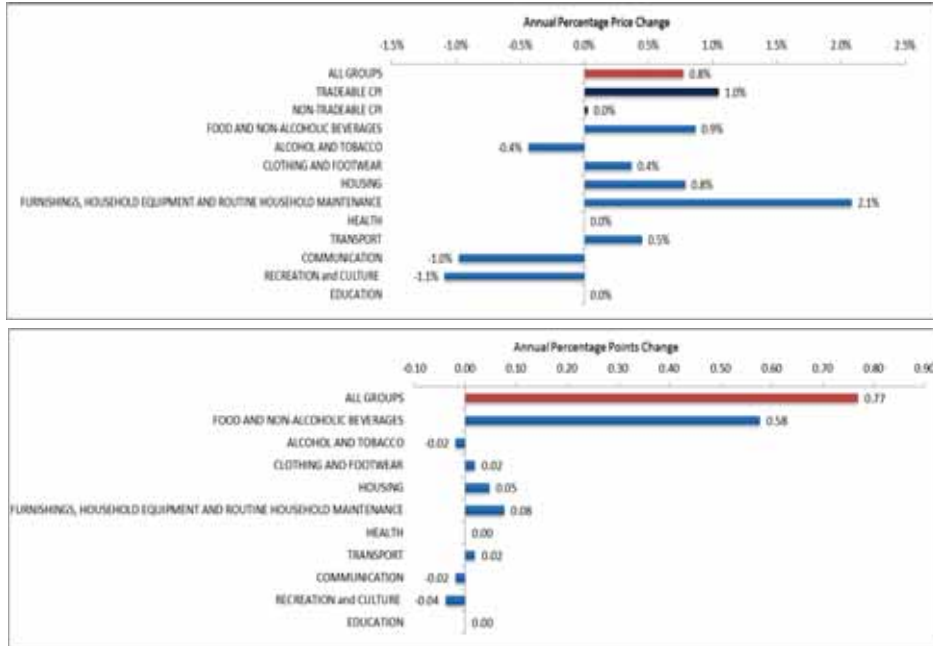
The CPI 12-month rate between November 2016 and November 2017 stood at +0.8%, meaning that a basket of goods and services that cost \$100.00 in November 2016 would have cost \$100.80 in November 2017.

The All Groups CPI rose (+0.8%) through the year ending November 2017, compared to a rise (+0.8%) through the year to October 2017. The largest driver of the rise in the annual rate is the Food and non-alcoholic beverages group (+0.9%), which was driven by Rice (+2.2%), Meat (+3.8%), Milk, Cheese and Eggs (+6.1%), Fruit (+1.7%) and Food Products n.e.c (+1.3%) sub-group. The rise was partially offset by fall in Vegetables (-1.1%), Sugar, Jam, Honey, Chocolate and Confectionery (-4.4%) and Bread and Cereals (excluding rice) (-0.4%) sub-group. The Furnishing, Household Equipment and Routine Household Maintenance (+2.1%), Housing (+0.8%), Transport (+0.5%) and Clothing and Footwear (+0.4%) rose through the year, were consecutively driven by Goods and Services for Routine Household Maintenance (+2.8%), Water, Electricity, Gas and Other Fuels (+1.5%), Operational and Personal Transport Equipment (+1.2%) and Garments for Men (+1.4%) sub-group. The largest partially offsetting movement to the rise in the 12-month rate is the Recreation and Cultural (-1.1%) which was driven by Recreation items and Cultural Services (-3.2%) sub-group. Communication (-1.0%) group, also fell for the 12-month rate.

* More information on IMF commodity prices can be found here: <http://www.imf.org/external/np/res/commod/index.aspx>



Figure A: Contributions to the CPI 12-month rate, November 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 Nov-2014 to Nov-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 upward contributions to the change in the one month CPI rate (+0.3%) between October 2017 and November 2017 came from:

- **Food and non-alcoholic beverages (+0.5%):** which was driven by Rice (+1.5%), Meat (+0.3%) and Milk, Cheese and Eggs (+1.1%). The price of rice rose for this month and previous month due to the higher aggregate demand following the political situation and consumers' expectation. The significant rise in the Milk, Cheese and Eggs were because of the lack of stock of eggs in several supermarkets.

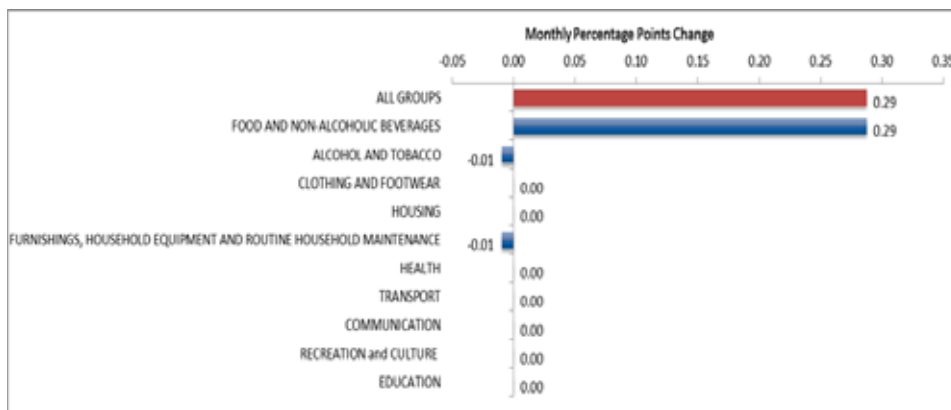
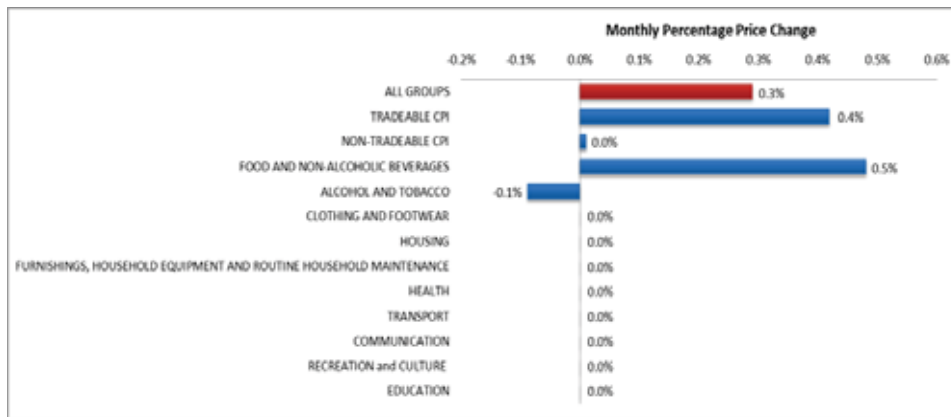
The offsetting movement for the month of November 2017, as following:

- **Alcohol and Tobacco (-0.1%):** fell for the month of November 2017, as the only offsetting movement for the rise.

Figure C: Contributions to the change in the CPI monthly rate, October 2017 to November 2017

Source: General Directorate of Statistics, Ministry of Finance

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





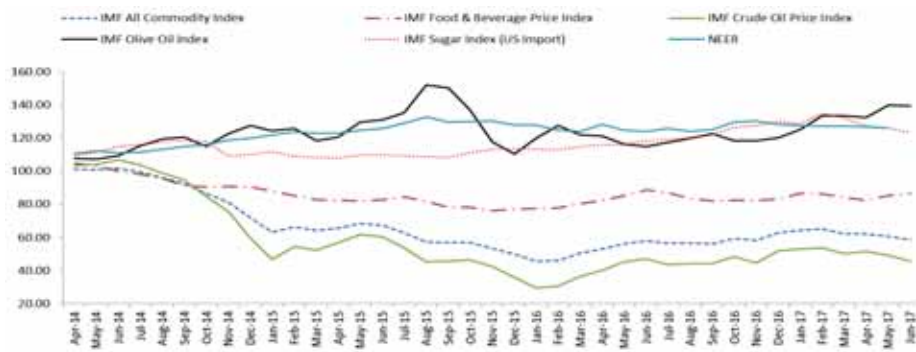
Discussion and analysis

In reference to Figure B, which represents the CPI 12-month inflation rate for the last 3 years, November 2014 to November 2017. It is clear that from this figure, inflation remains low by historic levels (+0.8%); 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)



Sources: <http://www.oanda.com/currency/historical-rates/>
<http://www.imf.org/external/np/res/commod/index.aspx>

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, Nov-14 to Nov-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 +0.8%, which is driven by the Tradeable (+1.0%) and Non-Tradable (+0.0%) 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		INDEX NUMBERS			PERCENTAGE CHANGE		POINTS CONTRIBUTION		POINTS CHANGE
November 2017		Nov 2016	Oct 2017	Nov 2017	Oct-17 to Nov-17	Nov-16 to Nov-17	Oct 2017	Nov 2017	Oct-17 to Nov-17
Groups and Expenditure Class									
a	ALL GROUPS	103.2	103.7	104.0	0.3%	0.8%	103.7	104.0	0.30
b	ALL GROUPS EXCLUDING HOUSING	103.4	103.9	104.2	0.3%	0.8%			
c	TRADEABLE CPI	102.1	102.8	103.2	0.4%	1.0%			
d	NON-TRADEABLE CPI	105.1	105.1	105.1	0.0%	0.0%			
1	FOOD AND NON-ALCOHOLIC BEVERAGES	103.7	104.1	104.6	0.5%	0.9%	66.84	67.14	0.30
1.1	Bread and cereals (excluding rice)	119.6	119.1	119.1	0.0%	-0.4%	5.31	5.31	0.00
1.2	Rice	101.6	102.3	103.8	1.5%	2.2%	17.59	17.85	0.26
1.3	Meat	104.6	108.3	108.6	0.3%	3.8%	8.66	8.69	0.03
1.4	Fish and seafood	89.7	90.5	90.4	-0.1%	0.8%	2.42	2.41	-0.01
1.5	Milk, cheese and eggs	116.2	122.0	123.3	1.1%	6.1%	1.94	1.96	0.02
1.6	Oils and fats	106.0	106.7	106.7	0.0%	0.7%	3.48	3.48	0.00
1.7	Fruit	109.0	111.2	110.8	-0.4%	1.7%	2.52	2.52	0.00
1.8	Vegetables	102.6	101.5	101.5	0.0%	-1.1%	15.66	15.66	0.00
1.9	Sugar, jam, honey, chocolate and confectionery	94.6	90.4	90.4	0.0%	-4.4%	2.90	2.90	0.00
1.1.0	Food products n.e.c.	104.0	105.3	105.3	0.0%	1.3%	3.12	3.12	0.00
1.1.1	Coffee, tea and cocoa	100.3	101.7	101.7	0.0%	1.4%	2.11	2.11	0.00
1.1.1	Mineral waters, soft drinks, fruit and vegetable juices	93.9	94.2	95.4	1.3%	1.6%	0.63	0.64	0.01
1.1.1.3	Prepared food/meals	93.1	93.1	93.1	0.0%	0.0%	0.50	0.50	0.00
2	ALCOHOL AND TOBACCO	114.8	114.4	114.3	-0.1%	-0.4%	5.59	5.58	-0.01
2.1	Alcohol	148.4	148.2	148.5	0.2%	0.1%	2.00	2.01	0.01
2.2	Tobacco	102.0	101.7	101.5	-0.2%	-0.5%	3.59	3.58	-0.01
3	CLOTHING AND FOOTWEAR	108.4	108.8	108.8	0.0%	0.4%	6.35	6.35	0.00
3.1	Garments for men	108.0	109.7	109.5	-0.2%	1.4%	1.31	1.31	0.00
3.2	Garments for women	103.7	103.8	103.8	0.0%	0.1%	0.91	0.91	0.00
3.3	Garments for infants and children	111.8	111.8	111.8	0.0%	0.0%	2.19	2.19	0.00
3.4	Footwear and clothing accessories	106.3	106.4	106.4	0.0%	0.1%	1.94	1.94	0.00
4	HOUSING	101.3	102.1	102.1	0.0%	0.8%	5.80	5.80	0.00
4.1	Actual rentals paid by tenants	97.9	94.1	94.1	0.0%	-3.9%	0.65	0.65	0.00
4.2	Maintenance and repair of the dwelling	93.2	94.2	94.1	-0.1%	1.0%	1.32	1.32	0.00
4.3	Water, electricity, gas and other fuels	105.1	106.7	106.7	0.0%	1.5%	3.83	3.83	0.00
5	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	95.9	97.9	97.9	0.0%	2.1%	4.07	4.06	-0.01
5.1	Household furniture and textiles	103.6	103.5	103.5	0.0%	-0.1%	0.33	0.33	0.00
5.2	Household appliances	107.2	103.9	103.5	-0.4%	-3.5%	0.38	0.38	0.00
5.3	Goods and services for routine household maintenance	94.4	97.0	97.0	0.0%	2.8%	3.36	3.36	0.00
6	HEALTH	106.6	106.6	106.6	0.0%	0.0%	0.79	0.79	0.00
6.1	Medical products, appliances and equipment	107.1	107.1	107.1	0.0%	0.0%	0.51	0.51	0.00
6.2	Medical and Hospital services	105.5	105.5	105.5	0.0%	0.0%	0.28	0.28	0.00
7	TRANSPORT	88.4	88.8	88.8	0.0%	0.5%	5.70	5.70	0.00
7.1	Purchase of vehicles	99.8	99.6	99.6	0.0%	-0.2%	0.58	0.58	0.00
7.2	Operation of personal transport equipment	74.2	75.1	75.1	0.0%	1.2%	2.31	2.31	0.00
7.3	Transport services	102.0	102.0	102.0	0.0%	0.0%	2.81	2.81	0.00
8	COMMUNICATION	81.8	81.0	81.0	0.0%	-1.0%	1.87	1.87	0.00
8.1	Telecommunication equipment and services	81.8	81.0	81.0	0.0%	-1.0%	1.87	1.87	0.00
9	RECREATION and CULTURE	110.2	109.0	109.0	0.0%	-1.1%	3.62	3.62	0.00
9.1	Audio-visual, photographic and information products	98.4	97.5	97.5	0.0%	-0.9%	0.02	0.02	0.00
9.2	Recreational items and cultural services	108.4	104.9	104.9	0.0%	-3.2%	2.25	2.25	0.00
9.3	Newspapers, books and stationery	113.7	116.6	116.6	0.0%	2.6%	1.35	1.35	0.00
10	EDUCATION	127.2	127.2	127.2	0.0%	0.0%	2.97	2.97	0.00
10	Education	127.2	127.2	127.2	0.0%	0.0%	2.97	2.97	0.00

Reference period of index: December 2012 = 100.0

TABLE 2. DILI - analytical index		INDEX NUMBERS			PERCENTAGE CHANGE		POINTS CONTRIBUTION		POINTS CHANGE
		Nov 2016	Oct 2017	Nov 2017	Oct-17 to Nov-17	Nov-16 to Nov-17	Oct 2017	Nov 2017	Oct-17 to Nov-17
November 2017		2016	2017	2017	to	to	2017	2017	to
Groups and Expenditure Class									
a	ALL GROUPS	102.7	103.1	103.4	0.3%	0.7%	103.1	103.4	0.30
b	ALL GROUPS EXCLUDING HOUSING	103.2	103.5	103.8	0.3%	0.6%			
1	FOOD AND NON-ALCOHOLIC BEVERAGES	103.8	104.2	104.7	0.5%	0.9%	64.26	64.56	0.30
1.1	Bread and cereals (excluding rice)	120.3	119.6	119.6	0.0%	-0.6%	5.14	5.14	0.00
1.2	Rice	104.7	105.3	107.2	1.8%	2.4%	15.84	16.12	0.28
1.3	Meat	104.1	108.6	108.6	0.0%	4.3%	9.06	9.06	0.00
1.4	Fish and seafood	88.7	89.5	89.4	-0.1%	0.8%	2.69	2.69	0.00
1.5	Milk, cheese and eggs	116.3	123.0	124.1	0.9%	6.7%	2.19	2.21	0.02
1.6	Oils and fats	106.3	106.2	106.2	0.0%	-0.1%	3.24	3.24	0.00
1.7	Fruit	110.5	112.5	112.5	0.0%	1.8%	2.71	2.71	0.00
1.8	Vegetables	102.7	100.9	100.9	0.0%	-1.8%	14.88	14.88	0.00
1.9	Sugar, jam, honey, chocolate and confectionery	88.6	83.9	83.9	0.0%	-5.3%	2.62	2.62	0.00
1.10	Food products n.e.c.	97.7	98.9	98.9	0.0%	1.2%	2.73	2.73	0.00
1.11	Coffee, tea and cocoa	95.7	97.5	97.5	0.0%	1.9%	1.85	1.85	0.00
1.12	Mineral waters, soft drinks, fruit and vegetable juices	93.7	94.3	95.6	1.4%	2.0%	0.72	0.73	0.01
1.13	Prepared food/meals	92.9	92.9	92.9	0.0%	0.0%	0.60	0.60	0.00
2	ALCOHOL AND TOBACCO	119.3	118.8	118.7	-0.1%	-0.5%	5.27	5.27	0.00
2.1	Alcohol	155.5	155.2	155.6	0.3%	0.1%	2.02	2.02	0.00
2.2	Tobacco	104.5	103.8	103.5	-0.3%	-1.0%	3.26	3.25	-0.01
3	CLOTHING AND FOOTWEAR	107.2	107.7	107.6	-0.1%	0.4%	6.82	6.82	0.00
3.1	Garments for men	107.0	108.9	108.6	-0.3%	1.5%	1.38	1.37	-0.01
3.2	Garments for women	100.6	100.7	100.7	0.0%	0.1%	0.94	0.94	0.00
3.3	Garments for infants and children	111.0	111.1	111.1	0.0%	0.1%	2.35	2.35	0.00
3.4	Footwear and clothing accessories	106.5	106.8	106.8	0.0%	0.3%	2.15	2.15	0.00
4	HOUSING	100.9	101.5	101.5	0.0%	0.6%	6.49	6.49	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	92.6	94.0	93.8	-0.2%	1.3%	1.46	1.46	0.00
4.3	Water, electricity, gas and other fuels	104.8	106.1	106.1	0.0%	1.2%	4.24	4.24	0.00
5	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	93.1	95.4	95.4	0.0%	2.5%	4.26	4.26	0.00
5.1	Household furniture and textiles	103.5	103.4	103.4	0.0%	-0.1%	0.38	0.38	0.00
5.2	Household appliances	104.5	100.9	100.4	-0.5%	-3.9%	0.40	0.40	0.00
5.3	Goods and services for routine household maintenance	90.9	94.1	94.1	0.0%	3.5%	3.48	3.48	0.00
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	87.2	87.7	87.7	0.0%	0.6%	6.20	6.20	0.00
7.1	Purchase of vehicles	100.2	100.0	100.0	0.0%	-0.2%	0.65	0.65	0.00
7.2	Operation of personal transport equipment	73.2	74.1	74.1	0.0%	1.2%	2.55	2.55	0.00
7.3	Transport services	100.0	100.0	100.0	0.0%	0.0%	3.00	3.00	0.00
8	COMMUNICATION	79.5	79.0	79.0	0.0%	-0.6%	1.98	1.98	0.00
8.1	Telecommunication equipment and services	79.5	79.0	79.0	0.0%	-0.6%	1.98	1.98	0.00
9	RECREATION and CULTURE	110.5	109.0	109.0	0.0%	-1.4%	3.70	3.70	0.00
9.1	Audio-visual, photographic and information processing equipment	97.9	97.0	97.0	0.0%	-0.9%	0.02	0.02	0.00
9.2	Recreational items and cultural services	108.4	104.2	104.2	0.0%	-3.9%	2.21	2.21	0.00
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	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

November 2017		INDEX NUMBERS			PERCENTAGE CHANGE		POINTS CONTRIBUTION		POINTS CHANGE
		Nov 2016	Oct 2017	Nov 2017	Oct-17 to Nov-17	Nov-16 to Nov-17	Oct 2017	Nov 2017	Oct-17 to Nov-17
Groups and Expenditure Class									
a	ALL GROUPS	105.1	105.7	105.9	0.2%	0.8%	105.7	105.9	0.2
b	ALL GROUPS EXCLUDING HOUSING	105.1	105.5	105.7	0.2%	0.6%			
1	FOOD AND NON-ALCOHOLIC BEVERAGES	104.1	104.6	104.9	0.3%	0.8%	78.67	78.91	0.24
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	94.4	95.6	96.1	0.5%	1.8%	25.61	25.75	0.14
1.3	Meat	109.4	108.0	110.0	1.9%	0.5%	6.85	6.98	0.13
1.4	Fish and seafood	100.9	101.1	101.1	0.0%	0.2%	1.16	1.16	0.00
1.5	Milk, cheese and eggs	117.6	111.4	114.2	2.5%	-2.9%	0.77	0.79	0.02
1.6	Oils and fats	104.6	107.5	107.5	0.0%	2.8%	4.56	4.56	0.00
1.7	Fruit	99.7	103.1	100.2	-2.8%	0.5%	1.67	1.62	-0.05
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	118.7	116.8	116.8	0.0%	-1.6%	4.19	4.19	0.00
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	101.2	101.9	101.9	0.0%	0.7%	7.02	7.02	0.00
2.1	Alcohol	121.4	121.0	120.9	-0.1%	-0.4%	1.94	1.94	0.00
2.2	Tobacco	95.3	96.3	96.3	0.0%	1.0%	5.08	5.08	0.00
3	CLOTHING AND FOOTWEAR	114.6	114.3	114.3	0.0%	-0.3%	4.20	4.20	0.00
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	0.97	0.00
4	HOUSING	104.6	107.2	107.4	0.2%	2.7%	2.63	2.64	0.01
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	101.3	99.6	100.1	0.5%	-1.2%	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	120.3	119.3	119.3	0.0%	-0.8%	3.17	3.17	0.00
5.1	Household furniture and textiles	108.7	108.8	108.8	0.0%	0.1%	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	122.0	122.0	122.0	0.0%	0.0%	0.40	0.40	0.00
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	101.8	102.4	102.4	0.0%	0.6%	3.43	3.43	0.00
7.1	Purchase of vehicles	93.6	93.3	93.3	0.0%	-0.3%	0.28	0.28	0.00
7.2	Operation of personal transport equipment	83.3	85.0	85.0	0.0%	2.0%	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	101.2	98.4	98.4	0.0%	-2.8%	1.37	1.37	0.00
8.1	Telecommunication equipment and services	101.2	98.4	98.4	0.0%	-2.8%	1.37	1.37	0.00
9	RECREATION and CULTURE	108.8	108.8	108.8	0.0%	0.0%	3.24	3.24	0.00
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	152.7	152.7	152.7	0.0%	0.0%	1.34	1.34	0.00
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

CPI Series 2, November 2017



EXPLANATORY NOTES

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:

1. *Food and non-alcoholic beverages*; 2. *Alcohol and tobacco*; 3. *Clothing and footwear*; 4. *Housing*;
5. *Furnishings, household equipment and routine household maintenance*; 6. *Health*; 7. *Transport*,
8. *Communication*; 9. *Recreation and culture*; 10. *Education*.

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:

January 2013	101.4
less January 2012	90.7
Change in index points	10.7
Percentage change $10.7 / 90.7 \times 100$	= 11.8%

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.



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