

# Analysis - Saipan

## Section 1 – Quarterly Inflation

Table 1 below shows the quarterly inflation rate for each quarter since the 4<sup>th</sup> quarter 2008, by group. As can be seen from this table the index rose by 4.2 percent for the 4<sup>th</sup> quarter, the highest rise for one quarter since the 2<sup>nd</sup> quarter 2008 (see Appendix 2 for details). The trend for “All Items” can also be seen in Chart 1, illustrating a sharp rise for this quarter.

As can be seen from Chart 2, the group which increased the most was “Medical Care”, with 19.8 percent growth, when compared to last quarter. This was followed by “Transportation” with a 6.5 percent growth in the last quarter. All other group increased slightly, with the exception of “Recreation” and “Education & Communication” which had a slight decrease.

For “Medical Care”, the main reason for the increase was a rise in Health Insurance of 23 percent, while for “Transportation”, the major factor contributing to the increase was a 15 percent rise in Gasoline.

Table 1: Quarterly inflation, by group, Saipan: Qtr 4 2008 – Qtr 4 2010

Group	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	2nd Qtr 2010	3rd Qtr 2010	4th Qtr 2010
All Items	-3.8	-0.1	1.4	0.1	3.4	1.1	0.6	0.4	4.2
Food	2.6	1.0	1.2	1.8	-0.1	-1.4	0.1	-0.2	1.7
Alcoholic Beverages	0.8	0.0	0.0	3.5	-3.4	3.5	0.0	0.0	1.5
Housing & Utilities	-14.0	-1.1	1.4	-3.1	9.2	-0.9	1.1	0.0	0.9
Apparel	0.5	-0.5	-0.7	2.9	0.9	-1.8	0.5	-0.4	0.4
Transportation	4.3	0.5	3.5	1.3	2.9	7.1	0.7	2.2	6.5
Medical Care	3.0	1.6	0.0	-2.5	0.1	1.9	0.0	-0.9	19.8
Recreation	0.0	-0.1	2.2	0.6	0.2	-3.2	0.5	-0.2	-0.2
Education & Communication	0.5	-3.6	-0.3	9.2	0.3	-0.7	0.0	0.0	-0.5
Other Goods & Services	0.0	1.7	0.0	0.7	0.5	-0.9	1.8	0.0	1.8

Chart 1: Quarterly inflation, Saipan: Qtr 4 2008 – Qtr 4 2010

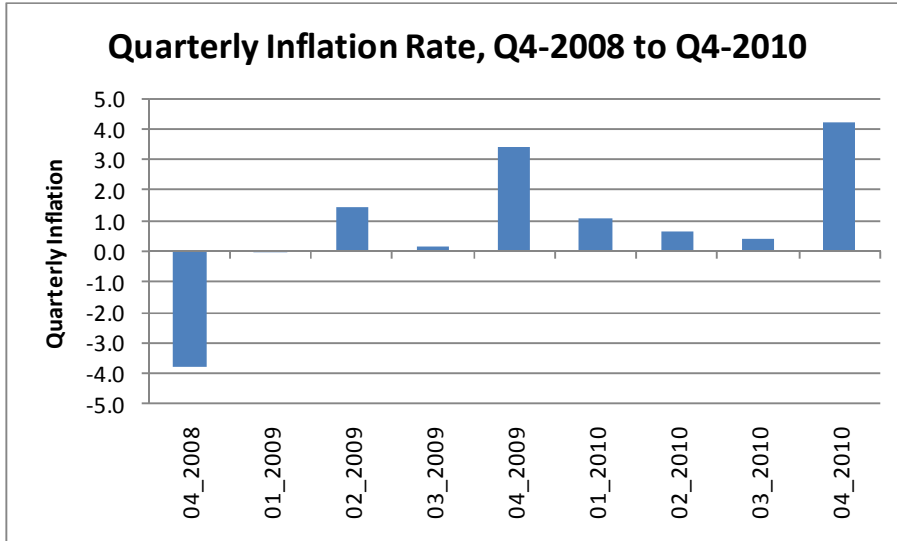
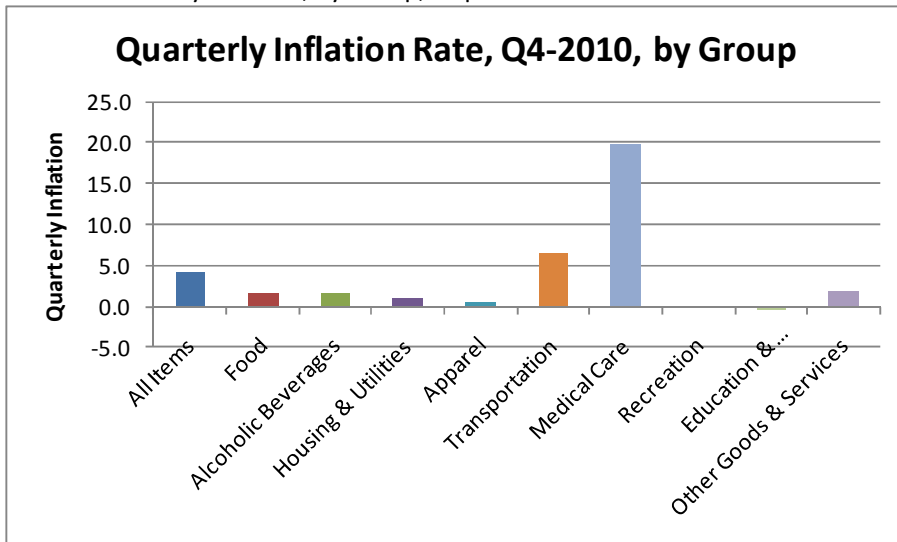


Chart 2: Quarterly inflation, by Group, Saipan: Qtr 4 2010



## Section 2 – Annual Inflation

Table 2 below shows the annual inflation rate for each year since the 4<sup>th</sup> quarter 2004, by group. As can be seen from this table the index rose by 6.4 percent for the last year, the highest annual rise for the same corresponding 12 months since 2006, when a 13.4 percent increase was observed. The trend for “All Items” can also be seen in Chart 3, which shows a gradual rise in the annual increase since 2007.

As can be seen from Chart 4, the group which increased the most was “Medical Care”, with 19.8 percent growth, when compared to the same quarter last year. This was closely followed by “Transportation” with a 17.4 percent growth in the last 12 months. Of the remaining groups “Alcoholic Beverages” had the next largest annual increase with a rise of 5.1 percent, while “Recreation” had the largest decline with a 3.1 percent decrease since last year.

Table 2: Annual inflation, by group, Saipan: Qtr 4 2004 – Qtr 4 2010

Group	4th Qtr 2004	4th Qtr 2005	4th Qtr 2006	4th Qtr 2007	4th Qtr 2008	4th Qtr 2009	4th Qtr 2010
All Items	1.6	1.2	13.4	3.2	5.1	5.0	6.4
Food	6.8	0.2	4.4	4.6	11.9	4.0	0.2
Alcoholic Beverages	0.0	1.8	0.6	4.3	7.4	0.0	5.1
Housing & Utilities	0.1	2.8	43.0	6.4	3.1	6.1	1.1
Apparel	-7.9	0.0	15.4	2.1	-1.0	2.6	-1.3
Transportation	-0.3	0.8	0.3	0.0	4.2	8.5	17.4
Medical Care	0.0	-0.2	0.0	0.0	3.0	0.1	19.8
Recreation	2.4	3.1	4.2	1.2	-2.0	3.0	-3.1
Education & Communication	1.3	-0.1	1.2	0.3	1.4	5.3	-1.3
Other Goods & Services	8.3	0.0	0.0	0.0	7.7	2.8	2.8

Chart 3: Annual inflation, Saipan: Qtr 4 2004 – Qtr 4 2010

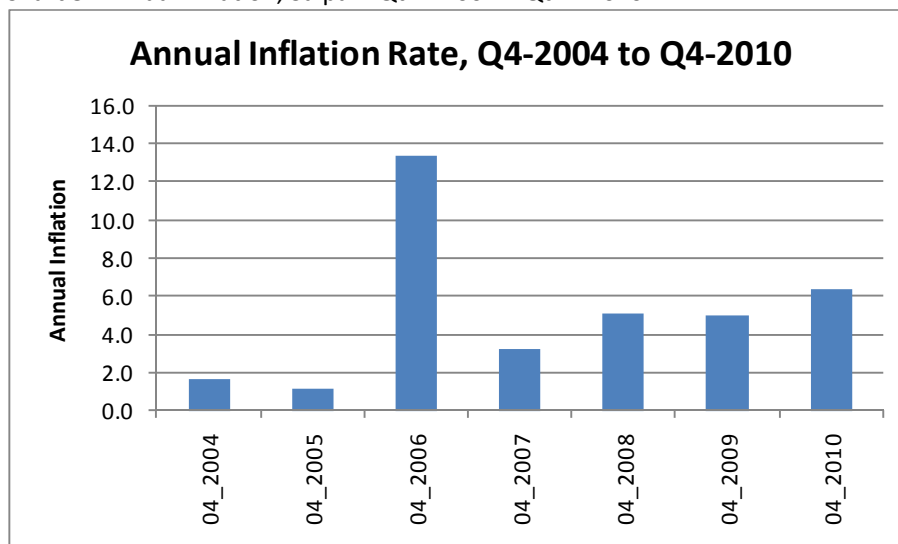
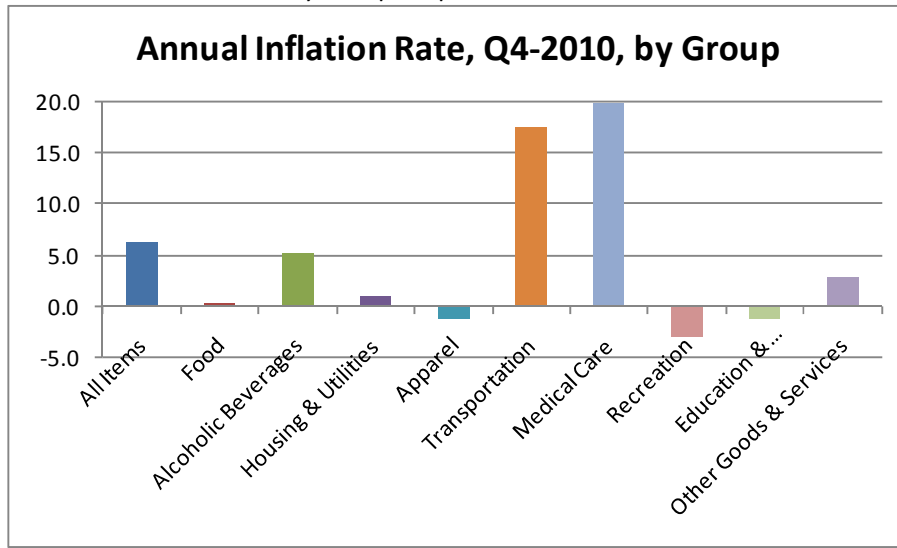


Chart 4: Annual inflation, by Group, Saipan: Qtr 4 2010



## Section 3 – Further Analysis of the Index

Table 3 and Chart 5 below show the change in the index since the re-base in the 4<sup>th</sup> Quarter 2008. The analysis shows that "Transportation" has had the most significant increase in this period with the index rising by 27.4 percent during this period, while "Medical Care" was not too far behind with an increase of 20.0 percent during this time. Only "Recreation" had a small decrease during this period, dropping by 0.3 percent.

Table 3: Consumer Price Index, by group, Saipan: Qtr 4 2008 – Qtr 4 2010

Group	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2009	4th Qtr 2009	1st Qtr 2010	2nd Qtr 2010	3rd Qtr 2010	4th Qtr 2010
All Items	100.0	99.9	101.4	101.5	105.0	106.1	106.8	107.2	111.7
Food	100.0	101.0	102.3	104.1	104.0	102.6	102.7	102.5	104.2
Alcoholic Beverages	100.0	100.0	100.0	103.5	100.0	103.5	103.5	103.5	105.1
Housing & Utilities	100.0	98.9	100.3	97.2	106.1	105.1	106.2	106.2	107.2
Apparel	100.0	99.5	98.8	101.7	102.6	100.8	101.3	100.9	101.3
Transportation	100.0	100.5	104.0	105.4	108.5	116.3	117.1	119.6	127.4
Medical Care	100.0	101.6	101.6	99.1	99.1	101.0	101.0	100.1	120.0
Recreation	100.0	99.9	102.1	102.7	103.0	99.6	100.1	99.9	99.7
Education & Communication	100.0	96.4	96.1	104.9	105.3	104.5	104.5	104.5	103.9
Other Goods & Services	100.0	101.7	101.6	102.3	102.8	101.9	103.8	103.8	105.7

Chart 5: Consumer Price Index, by Group, Saipan: Qtr 4 2008 – Qtr 4 2010

