

Inflation May 2006

A. Consumer Price Index (CPI)

Consumer Price Index (CPI) in May 2006 experienced an increase (inflation) of 0.37% (m-t-m). Such result was higher compared to inflation in April 2006 of 0.05%. The annual inflation growth (y-o-y) amounted to 15.60%, higher compared to both annual inflation in May 2005 of 7.40% and annual inflation in April 2006 of 15.40%. The calendar year inflation (y-t-d) amounted to 2.41%.

Table 1
Monthly and Yearly Inflation

Year	Month	Monthly (%) (m-t-m)	Annually (%) (y-o-y)
2005	Jan	1.49	7.32
	Feb	-0.17	7.15
	Mar	1.91	8.81
	Apr	0.34	8.12
	May	0.21	7.4
	Jun	0.5	7.42
	Jul	0.78	7.84
	Aug	0.55	8.33
	Sep	0.69	9.06
	Okt	8.7	17.89
	Nov	1.31	18.36
	Dec	0.04	17.11
2006	Jan	1.36	17.03
	Feb	0.58	17.92
	Mar	0.03	15.74
	Apr	0.05	15.40
	May	0.37	15.60

The main contributor to inflation was the clothing group in the amount of 0.11%, followed by foodstuff group of 0.07% and by processed food, beverage, cigarette, and tobacco group of 0.06%. The dominant commodities contributing to inflation were among others jewelry 0.10 %, garlic 0.09%, rice of 0.06% and poultry of 0.05%.

The three groups of goods and services experienced the highest inflation were the clothing group, the processed food, beverages, cigarettes and tobacco group and the housing, water, electric, gas and fuel group. The

highest price increase in the clothing group occurred in the personal goods and other clothing sub group in the amount of 7.20%. In the processed food, beverages, cigarettes and tobacco group, the highest price increase occurred in the processed food sub group in the amount of 0.34%. Whereas in the housing, water, electric, gas and fuel group, the highest price increase occurred in the household equipments sub group with the amount of 0.47%.

Based on the prices survey in 45 cities, 37 cities experienced inflation and the rest experienced deflation. The highest inflation occurred in Banda Aceh in the amount of 3.14% and the lowest inflation occurred in Serang/Cilegon in the amount of 0.04%. The highest deflation occurred in Ambon in the amount of 1.41% and the lowest deflation occurred in Batam and Samarinda in the amount of 0.02% each. Jakarta was experienced a deflation of 0.30%.

Table 2
Change of Price & Contribution of Each Categories to Inflation

Categories	May-06	
	Change of Price	Contribution to Inflation
Foodstuff	0.28	0.07
Processed food, beverage and cigarette	0.30	0.06
Housing, water, electric, gas and fuel	0.30	0.07
Clothing	2.03	0.11
Health	0.57	0.02
Education, recreation and sport	0.07	0.01
Transportation, communication and financial services	0.17	0.03
Total		0.37

B. Core Inflation

Inflation of core components in May 2006 was 0.44% (m-t-m) or contributing 0.25% to the CPI Inflation. The inflation growth of core components for the calendar year (y-t-d) 2006 amounted to 2.40%. The yearly inflation (y-o-y) of core components was 9.54%

Table 3
Change of Price & Contribution of Each Component to Inflation

Components	Change of Price	Contribution to CPI
CPI	0.37	
Core Inflation	0.44	0.25
Volatile goods	0.37	0.05
Administered Price	0.23	0.07

Table 4
Development of Index & Inflation Based on Group of Component of Inflation

Year	Month	Core Inflation		Administered Price		Volatile Goods	
		Indeks	Inflation	Indeks	Inflation	Indeks	Inflation
2005	Jan	117.63	0.78	125.51	1.12	114.6	3.78
	Feb	117.81	0.15	125.99	0.38	112.68	-1.68
	Mar	118.74	0.79	134.84	7.02	112.89	0.18
	Apr	119.35	0.51	135.52	0.36	112.38	-0.45
	May	119.75	0.34	135.38	0.05	112.32	-0.06
	Jun	120.09	0.29	136.71	0.98	113.32	0.89
	Jul	120.52	0.35	137.08	0.27	116.48	2.78
	Aug	121.35	0.68	137.78	0.51	116.55	0.06
	Sep	122.4	0.87	138.51	0.53	116.88	0.28
	Okt	125.89	2.85	175.24	26.52	126.72	8.42
	Nov	127.4	1.20	176.02	0.44	130.03	2.61
	Dec	128.1	0.55	175.89	-0.07	127.56	-1.90
2006	Jan	129.02	0.72	175.99	0.06	134.69	5.59
	Feb	129.83	0.63	176.15	0.09	136.32	1.21
	Mar	130.19	0.28	176.73	0.33	134.81	-1.11
	Apr	130.61	0.32	177.00	0.15	133.58	-0.91
	May	131.18	0.44	177.40	0.23	134.07	0.37

Source: Central Bureau of Statistics (BPS)

(Summarized)