

MINISTRY OF FINANCE AND TREASURY



MEDIA RELEASE – 06th SEPTEMBER 2007

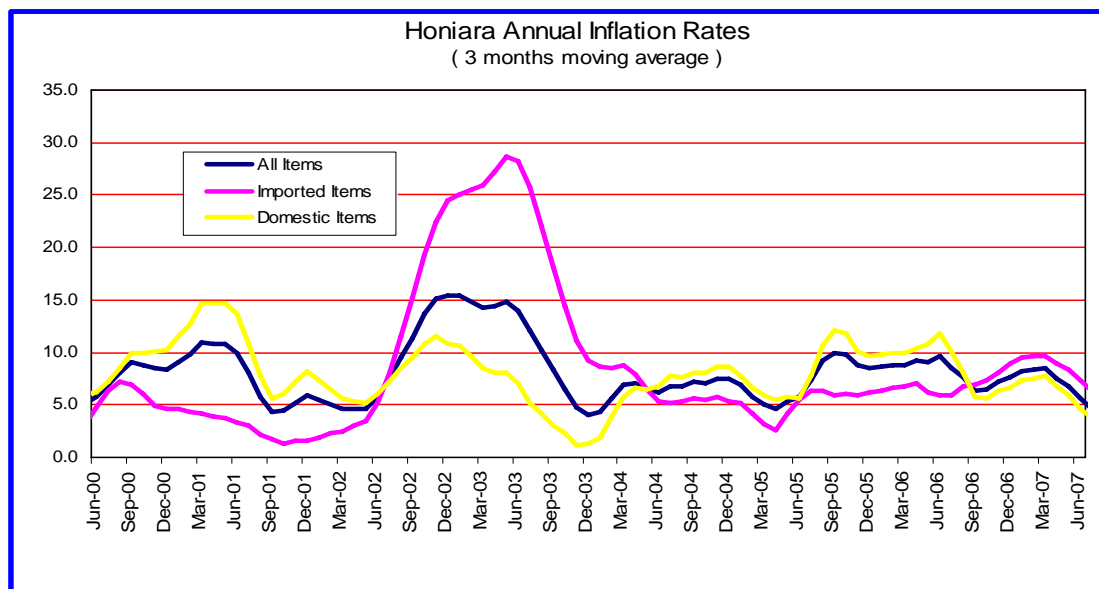
HONIARA CONSUMER PRICE INDEX FOR JULY 2007

The Honiara Consumer Price Index for July 2007 slightly dropped by 0.2% from 351.3 in June to 350.8. The decrease was on account of drops in the prices of betel nuts, kerosene, petrol and the average price of fruits and vegetables sold at the Honiara Market.

The price of betel-nut fell on average by 25.6 per cent, whilst that of kerosene and petrol went down from \$7.22 to \$6.80 and \$6.60 to \$6.26 per litre respectively. These were due to a general fall in the wholesale price of fuel during the month of July.

The average price of market produce went down by 1.4%, mainly on account of decreases in the prices of cassava heaps (from \$2.01/kg to \$1.49/kg), chinese cabbage (\$11.32 to \$9.91/kg) and spring onion (\$23.18 to 19.38kg), These had outweighed increases in the prices of kumara heaps 11.4% (\$2.04 to \$2.27/kg) and slippery cabbage (\$6.39 to \$6.59kg) to result in the overall decline in market prices for the month.

It has been noted that Honiara Market prices are largely influenced by supply.



Annual inflation measured on a 3months moving average basis as at the end of July was 4.8%, compared to 5.6% in June. The inflation rates for imported and domestically produced items were 6.5% and 3.8% respectively.