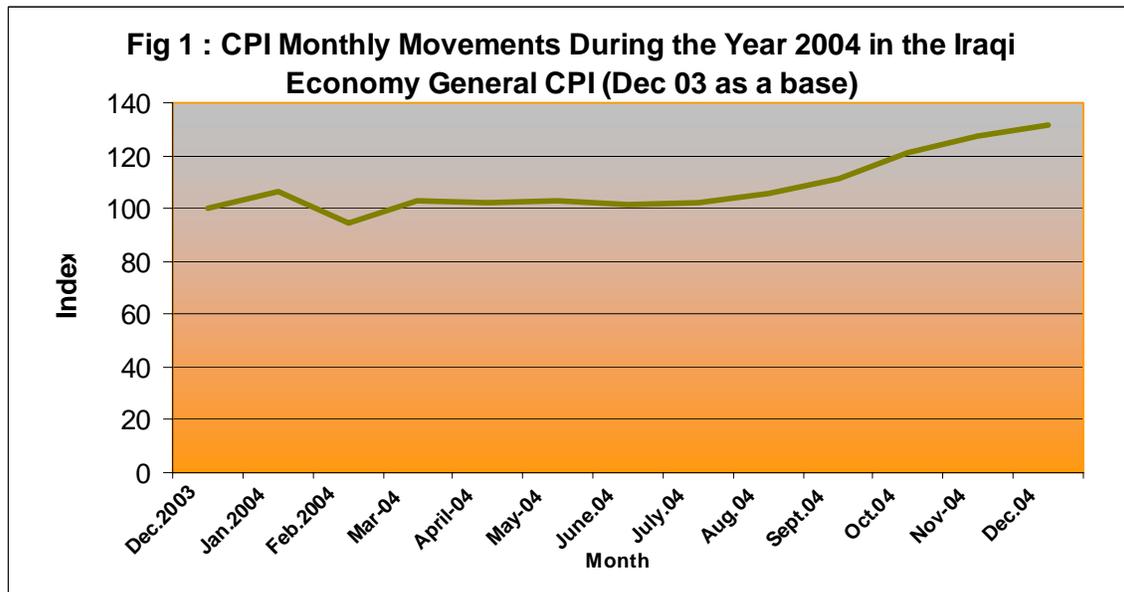


# Price Movements in the Iraqi Economy during 2004

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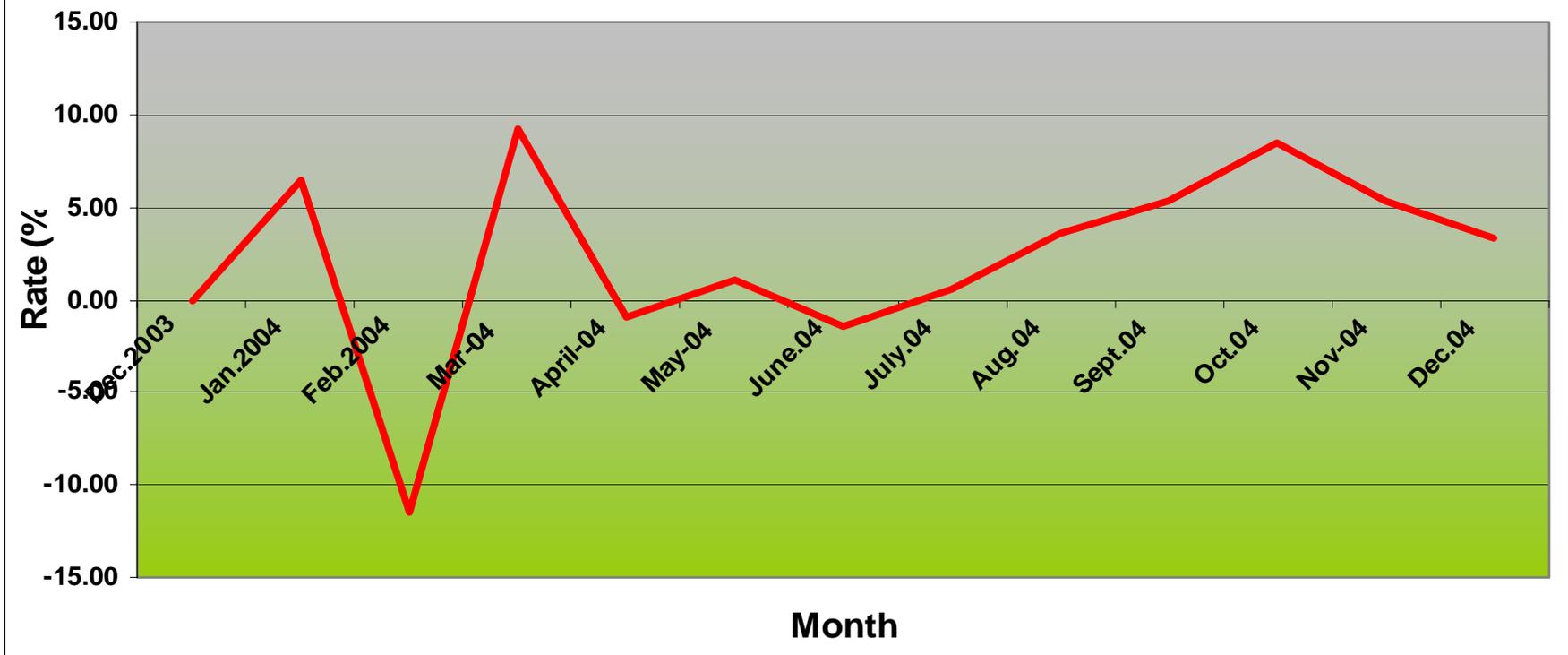
The followings are brief analyses of the price movements in the Iraqi economy during the calendar year of 2004.

1. The annual increase in overall PCI and hence price level in the economy was 31.7 percent. The main contributors are; the rent (90.6 percent), Transportation and Telecommunications (17.6 percent), medical services and medicine (14.5 percent) and fuel (11.3 percent).
2. The prices of food items only increased by 2.1 percent during this twelve-month period. Figure (1) illustrates the movement of the consumer price index during the year 2004.



Analyzing inflation on a monthly basis, it can be stated that monthly inflation in the first half of the year ending June 04 averaged about 0.47 percent compared to the average of 4.47 percent per month registered during the second half of the year. This, by and large, can be attributed to the growing insecure environment, increased insurgent attacks, and frequent blockages of the highways and supply points, during the second half of 2004. Figure (2) juxtaposes the movements of the monthly average rate of general CPI during the year 2004.

**Fig 3 : Monthly Inflation Rate During 2004 in the Iraqi economy**



The tables below are standard CPI tables. The only change is that the CPI has been re-indexed using Dec 03 as a base period.

Table -1-

**CPI for the period Dec 03 to Dec 04 with 1993 as a base year**

	Dec.2003	Jan.2004	Feb.2004	March-04	April-04	May-04	June.04	July.04	Aug.04	Sept.04	Oct.04	Nov-04	Dec-04
Food	4,735.7	5,467.5	5,030.9	4916.6	4675.8	4463.1	3950.4	4054.7	3905.9	4162.9	4401.0	4665.3	4836.1
Tobacco & Alcohol	1,376.2	1,211.8	1,195.0	1153.6	1222.8	1240.7	1204.1	1197.6	1286.9	1240.6	1195.6	1238.9	1136.9
Cloths and Fabrics	3,554.6	3,365.1	3,211.0	3158.1	2948.4	3075	3044.5	2959.6	3152.9	3095	3099.5	3238	3236.4
Furniture	3,603.5	3,243.2	3,139.5	3165.5	3181	3328.4	3325.1	3359.5	3271.9	3349.6	3328.4	3347.3	3369.4
Fuel & Light	57,619.6	35,240.9	29,223.7	24284.5	18739.4	20237.8	19060.4	17978.4	23196.3	27721.4	50580.9	56295.6	64158.1
Transportation & communication	7,659.5	6,306.6	6,140.2	6378.2	6471.7	6580.8	6288.9	6343.8	6445.1	8158.1	8218.4	8817.2	9011.3
Medical Services & Medicine	28,939.0	33,469.4	33,990.9	35558.1	34030.5	33175.1	31998.3	32676.6	32470	30256	30256.9	31494.3	31759.1
Other Commodities & Services	6,350.8	6,175.7	6,033.4	6913.9	6551	6447.4	6544.6	6443.5	6986.6	6961.4	7389.7	7127.4	7272.8
Rent	22,003.5	26,894.8	22,003.5	29340.4	31276.9	32821	35133.1	35133.1	37400.9	38759.1	39909.0	41423.7	41938.4
Consumer Price Index	8079.2	8599.7	7615.1	8316.7	8233.2	8317.3	8198.6	8246.8	8546.9	9006.3	9772.3	10295.7	10639.1

**Source: COSIT CPI Statistics and 1993 Household survey**

Table -2-

**CPI for the period Dec 03 to Dec 04 with Dec 03 as a base period**

	Dec.2003	Jan.2004	Feb.2004	Mar-04	April-04	May-04	June.04	July.04	Aug.04	Sept.04	Oct.04	Nov-04	Dec.04
General CPI	100	106.44	94.26	102.94	101.91	102.95	101.48	102.07	105.79	111.48	120.96	127.43	131.69
Food	100	115.45	106.23	103.82	98.74	94.24	83.42	85.62	82.48	87.90	92.93	98.51	102.12
Tobacco & Alcohol	100	88.05	86.83	83.83	88.85	90.15	87.49	87.02	93.51	90.15	86.88	90.02	82.61
Cloths and Fabrics	100	94.67	90.33	88.85	82.95	86.51	85.65	83.26	88.70	87.07	87.20	91.09	91.05
Furniture	100	90.00	87.12	87.85	88.28	92.37	92.27	93.23	90.80	92.95	92.37	92.89	93.50
Fuel & Light	100	61.16	50.72	42.15	32.52	35.12	33.08	31.20	40.26	48.11	87.78	97.70	111.35
Transportation & communication	100	82.34	80.16	83.27	84.49	85.92	82.11	82.82	84.15	106.51	107.30	115.11	117.65
Medical Services & Medicine	100	115.65	117.46	122.87	117.59	114.64	110.57	112.92	112.20	104.55	104.55	108.83	109.74
Other Commodities & Services	100	97.24	95.00	108.87	103.15	101.52	103.05	101.46	110.01	109.61	116.36	112.23	114.52
Rent	100	122.23	100.00	133.34	142.15	149.16	159.67	159.67	169.98	176.15	181.38	188.26	190.60

Modified from the original COSIT/CPI

**Fig 3 : Monthly Price Movements of Different Commodities During 2004**

