



**PRICE MOVEMENTS
APRIL 2005**



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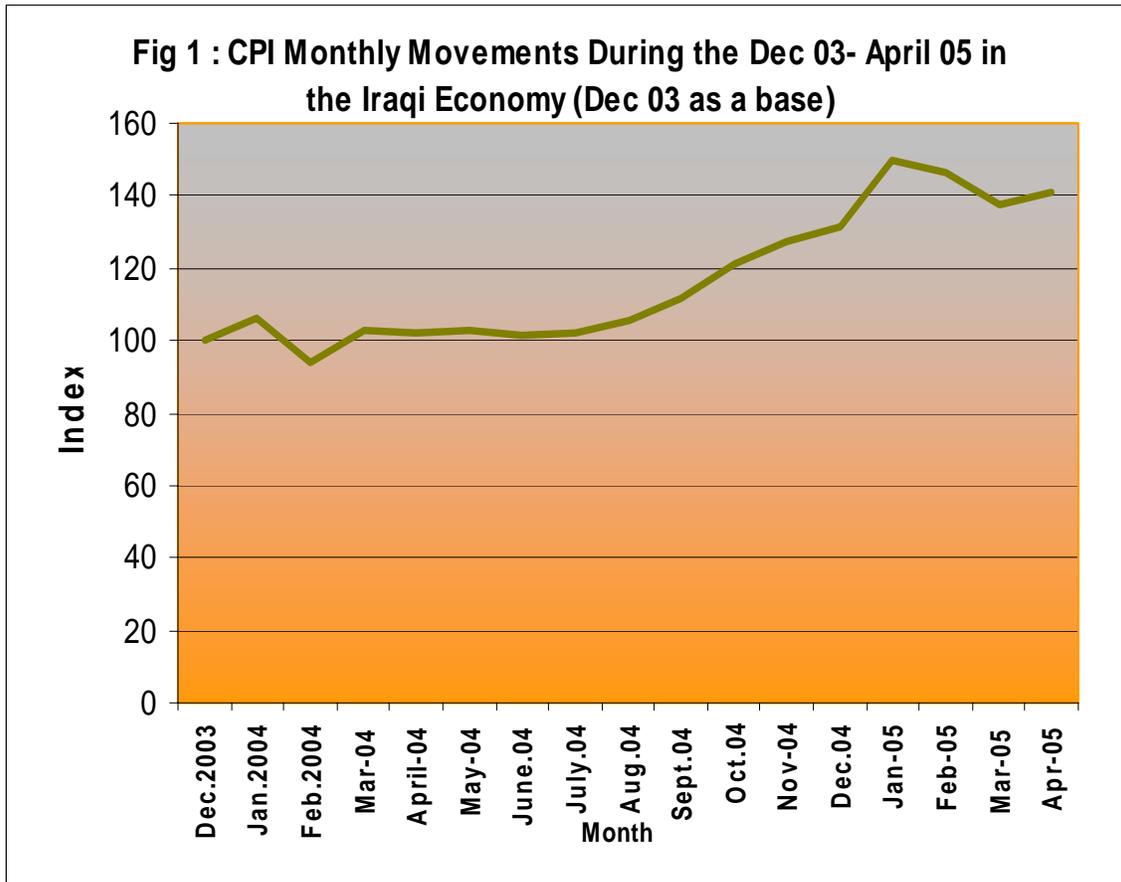
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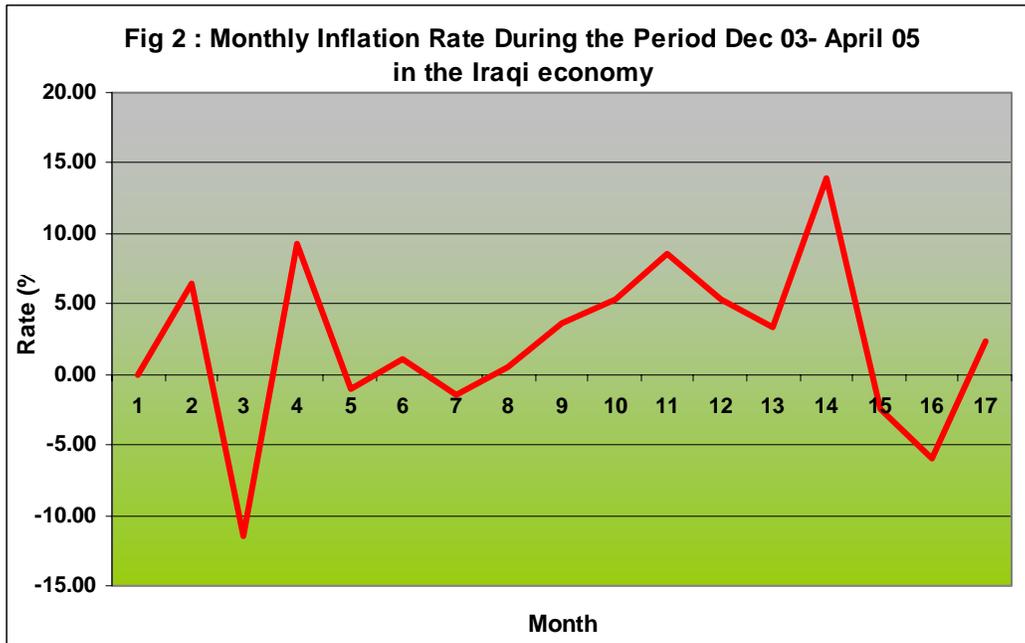
Price Movements in the Iraqi Economy during April 05

The following represents a brief analysis of the price movements in the Iraqi economy during April 2005.

1. The overall CPI increased by about (2.3) percent in April 05 over its level in March 05. The main contributor to this increase is the increase in foodstuff prices by (6.7 percent). This large percentage rise in foodstuff prices is mainly attributed to the rise in vegetable and fruit prices in April. This, by and large, is due to the shortage in domestic supply of such items as they are out of season. It is also due to the bottlenecks in imports. However, the foodstuffs price rise is followed by increases in the price of other goods and services (9.7 percent), furniture (4.0 percent), and rent (2.7 percent). Meanwhile, fuel prices declined (by 15 percent). The fuel price decline could be attributed to the end of high demand season as well as, to some extent, to better commodity distributions management. However, this does not mean that there are no other factors and variables contributing to the price changes in the economy, particularly, monetary variables such as exchange rate stabilization and the intense dollarization of the economy.
2. On year-on-year basis, the price level has gone up by (38.1 percent) in April 05 relative to the level in April 04. Thus, this shows an increase on the yearly basis in contrast with the March price level. Figure (1) illustrates the monthly movement of the Consumer Price Index (CPI) during the period Dec 04 to April 05.

Monthly price movements in the Iraqi economy, by different commodities, are illustrated by figure (2), and figure (3). These illustrate that foodstuffs and fuel prices are the main contributors to CPI trends in the 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.

CPI for the Period Dec 03 -March 05 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	Jan-05	Feb-05	Mar-05	Apr-05
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	149 95	146 23	137 52	140 74
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	108 05	112 37	116 86	124 67
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	93 10	90 80	86 07	81 46
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	88 08	92 47	90 06	90 89
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	94 31	94 56	95 09	98 92
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	200 60	154 64	82 22	69 90
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	118 40	120 78	118 43	121 76
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	115 31	116 01	117 35	120 85
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	116 66	120 85	120 85	132 55
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	198 32	202 20	204 22	209 73

Modified from the original COSIT/CPI table

CPI with 1993 as a base period

	Aug 03	Sep 03	Oct 03	Nov 03	Dec 03	Jan 03	Feb 03	Mar 03	Apr-04	May04	June 04	July 04	Aug 04	Sept 04	Oct 04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05
Food	3442 7	3953 0	4365 9	4,756 6	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	5116 7	5321 4	5534 2	5904 1
Tobacco & Alcohol	1437 5	1388 0	1420 5	1,455 9	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	1281 3	1249 6	1184 5	1121 1
Cloths and Fabrics	3098 9	2969 7	3390 0	3,473 1	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	3130 9	3286 9	3201 4	3230 9
Furniture	3207 5	3251 0	3359 4	3,411 1	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	3398 5	3407 6	3426 5	3564 5
Fuel & Light	54640 0	56871 1	58903 4	52,416 9	57,619 6	35,240 9	29,223 7	24284 5	18739 4	20237 8	19060 4	17978 4	23196	27721	50580 9	56295 6	64158 1	115583	89103 4	47373 6	40274 9
Transportation & communication	5685 8	5504 9	5848 3	6,093 4	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	9068 6	9251 0	9071 1	9326 4
Medical Services & Medicine	23043 8	26814 5	27672 7	29,734 8	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	33370	33571 3	33960 0	34972 8
Other Commodities & Services	6074 4	6052 3	6386 3	5,973 2	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	7409 1	7675 2	7675 2	8417 7
Rent	18704 2	22003 5	22003 5	22,003 5	22,003 5	26,894 8	22,003 5	29340 4	31276 9	32821	35133 1	35133 1	37401	38759	39909 0	41423 7	41938 4	43637	44490 5	44935 4	46146 9
Consumer Price Index	6579 2	7362 6	7742 9	7905 4	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	12115	11814 2	11110 5	11370 9

. Source: CSO, with August 03 as a base (weights are derived from 1993 Household Survey)

Modified from the original COSIT/CPI

Fig 3 : Monthly Price Movements of Different Commodities During the Period Dec 03- April 05

