

## PRICE DEVELOPMENTS REPORT

### MAY 2017

*This report is prepared on a monthly basis using monthly Consumer Price Index (CPI) data from the Samoa Bureau of Statistics.*

*Report No.11: 2016/17*

*May 2017*

The **headline Consumer Price Index (CPI)** increased by a 1.0 percent due to a 2.0 percent hike in its local component while its imported component remained unchanged from the previous month. In addition, the overall CPI was 1.5 percent higher when compared to May 2016.

However, the **annual average headline inflation rate** remained at 1.4 percent from April 2017 and was well above -0.1 percent in May 2016. This expansion was underpinned by an increase in imported inflation to 2.9 percent from 2.2 percent while local inflation fell to -0.6 percent from -0.1 percent in April 2017.

By individual subgroups, the *“Food and Non-Alcoholic Beverages”* sub-index rose by 1.7 percent. This was due to increases of 3.1 percent in its local component (mainly fish, Chinese cabbage, tomatoes and cucumbers to name a few) and 1.2 percent in its imported component (higher prices for canned fish, chicken leg quarters, milk and coffee). At the Local Produce Markets, the overall volume of supplies (main source of local food) rose by 2.5 percent, while the overall price index also rose by 11.0 percent due to strong demand.

Similarly, the *“Alcoholic Beverages and Tobacco”* sub-index increased slightly 0.1 percent from the previous month following a 0.5 percent hike in its local component (increase in the price of Samoan kava). This was partially offset by a reduction in its imported component by 1.5 percent in light of Winfield tobacco and cigarettes prices falling by 11.1 percent and 0.5 percent respectively.

Furthermore, the overall *“Transport”* sub-group went up by 0.5 percent. This was underpinned by a

sharp increase of 4.9 percent in its local component (Apia-Auckland-Apia air fares up by 48.5 percent) while its imported component registered a drop 2.3 percent.

The *“Housing, Water, Electricity, Gas and other Fuels”* sub-index expanded 1.4 percent due to an increase in its local component by 2.2 percent (mainly price of electricity-cash power up by 4.5 percent) while by its imported component decreased by 0.3 percent.

In contrast, the *“Furnishings, Household equipment and Maintenance”* sub-index fell by 0.2 percent due to a drop in its imported component by 0.2 percent while its local component remained unchanged from the previous month.

The *“Clothing”* and *“Education”* sub-groups both rose by 1.0 percent each while the *“Health”* sub-index went up by 0.8 percent. However, the *“Miscellaneous goods and services”* fell by 0.4 percent whereas the *“Recreation and Culture”*, *“Health”*, *“Communication”* and *“Restaurants”* subgroups remained unchanged from April 2017.

The **underlying CPI**<sup>1</sup> increased by 0.7 percent over the month was 1.4 percent higher than its level in May 2016. As a result, the **annual average underlying CPI** rose further to 1.6 percent compared to 1.3 percent in the preceding month given its imported inflation increased to 2.4 percent while local inflation remained at -0.2 percent.

**CENTRAL BANK OF SAMOA**  
**30<sup>th</sup> June 2017**

<sup>1</sup> Underlying CPI takes into account the effects of both external and local pressure on prices for commodities that are not subject to extreme volatility and price regulations.

**Review of Price Developments**  
**May 2017**

**Table 1: HEADLINE CONSUMER PRICE INDEX (February 2016 = 100) \*\***

	All Groups Index	Percentage change							Overall Import Component					Overall Local Component						
		Index	3 months average	12 months average	Latest month		3 mths avg		12 months over prev	Index	3 months avg	3mths av % chg	Monthly Change	Annual Average 12 months	Annual Average Change	Index	3mths av % chg	Monthly Change	Annual Average 12 months	Annual Average Change
					over prev month	over a year earlier	over prev 3mths avg	over a year earlier												
2015	May	99.1	99.9	100.0	-1.9	0.7	-1.9	1.3	1.9	104.7	105.9	-3.2	-2.1	109.6	-0.2	95.6	-1.1	-1.7	94.0	3.5
2016	May	100.2	99.7	99.9	0.8	1.1	-1.8	-0.2	-0.1	100.3	99.7	-1.1	0.9	101.5	-7.4	100.2	-2.1	0.7	98.9	5.2
	June	101.6	100.4	100.1	1.4	2.3	-0.9	0.6	0.1	103.9	101.2	1.0	3.6	101.5	-6.9	99.3	-2.3	-0.9	99.1	5.0
	July	103.4	101.7	100.3	1.8	2.5	2.1	1.9	0.1	104.9	103.0	3.5	1.0	101.6	-6.1	102.0	0.7	2.7	99.3	4.4
	August	101.7	102.2	100.6	-1.6	3.3	2.5	2.7	0.4	104.9	104.6	4.9	0.0	101.8	-5.3	98.5	0.1	-3.4	99.6	4.1
	September	101.3	102.1	100.9	-0.4	4.1	1.7	3.3	0.8	103.7	104.5	3.3	-1.1	102.0	-4.4	99.0	0.2	0.5	100.0	4.1
	October	100.5	101.2	101.0	-0.8	1.3	-0.6	2.9	0.9	103.6	104.1	1.0	-0.1	102.1	-3.6	97.5	-2.2	-1.5	100.0	3.7
	November	100.2	100.7	101.1	-0.3	0.6	-1.5	2.0	1.0	104.1	103.8	-0.7	0.5	102.2	-2.8	96.3	-2.3	-1.2	99.8	3.2
	December	101.0	100.6	101.1	0.8	0.6	-1.5	0.8	1.3	104.6	104.1	-0.4	0.5	102.5	-1.9	97.5	-2.7	1.2	99.7	2.9
2017	January	101.5	100.9	100.9	0.5	-2.8	-0.3	-0.6	0.8	104.3	104.3	0.3	-0.3	102.8	-1.0	98.8	-0.8	1.3	99.0	1.4
	February	101.6	101.4	101.0	0.1	1.6	0.7	-0.2	1.0	105.0	104.6	0.8	0.7	103.2	0.1	98.3	0.6	-0.5	98.9	0.9
	March	101.0	101.4	101.1	-0.6	1.4	0.8	0.0	1.2	105.1	104.8	0.7	0.1	103.6	1.1	97.0	1.0	-1.3	98.7	0.4
	April	100.7	101.1	101.2	-0.3	1.3	0.2	1.4	1.4	104.6	104.9	0.5	-0.5	104.1	2.2	97.0	-0.1	0.0	98.5	-0.1
	May	101.7	101.1	101.4	1.0	1.5	-0.2	1.4	1.4	104.6	104.8	0.1	0.0	104.4	2.9	98.9	-0.6	2.0	98.3	-0.6

Source: CPI data from February 2016 onwards are from the Samoa Bureau of Statistics.  
Historical CPI figures from SBS prior to February 2016 and further spliced by the CBS to later years.

(R) - Revised due to adjustments made from Samoa Bureau of Statistics (SBS)

\*\* New CPI Index reflecting the 2013/14 Household Income and Expenditures Survey

**Table 2: UNDERLYING CONSUMER PRICE INDEX (February 2016 = 100) \*\***

	All Groups Index			Percent Changes			Overall Import Component				Overall Local Component				
		Index	2 months average	12 months average	Latest Month		Annual Average Percent Change	Index	12 months avg	Monthly Change	Annual Average Percent Change	Index	12 months avg	Monthly Change	Annual Average Percent Change
					over prev month	over a year earlier									
2015	May	102.5	103.6	105.1	-2.1	-1.5	1.0	103.2	107.3	-2.9	0.9	100.5	98.7	0.5	1.2
2016	May	100.5	100.6	100.8	-0.2	-2.0	-4.1	100.7	100.9	-0.2	-5.9	100.1	100.4	0.0	1.7
	June	103.3	101.9	100.9	2.8	1.1	-3.7	104.7	101.1	4.0	-5.4	100.3	100.3	0.2	1.5
	July	102.9	103.1	101.0	-0.4	1.6	-3.3	103.9	101.3	-0.8	-4.7	100.7	100.3	0.4	1.4
	August	102.7	102.8	101.2	-0.2	2.1	-2.7	103.6	101.5	-0.3	-3.9	100.6	100.4	-0.1	1.3
	September	102.7	102.7	101.4	0.0	2.1	-2.1	103.7	101.8	0.1	-3.0	100.3	100.3	-0.3	1.1
	October	102.7	102.7	101.5	0.0	1.5	-1.6	103.7	102.0	0.0	-2.3	100.3	100.3	0.0	0.9
	November	102.5	102.6	101.6	-0.2	1.4	-1.2	103.4	102.2	-0.3	-1.6	100.3	100.3	0.0	0.6
	December	102.2	102.4	101.7	-0.3	1.5	-0.7	103.0	102.4	-0.4	-1.0	100.3	100.3	0.0	0.5
2017	January	102.4	102.3	101.9	0.2	1.8	-0.2	103.4	102.6	0.4	-0.1	100.3	100.3	0.0	0.1
	February	101.9	102.2	102.1	-0.5	1.9	0.4	102.7	102.8	-0.7	0.7	100.0	100.3	-0.3	-0.1
	March	101.8	101.9	102.2	-0.1	1.6	0.9	102.6	103.0	-0.1	1.4	100.1	100.3	0.1	-0.1
	April	101.2	101.5	102.2	-0.6	0.6	1.3	102.0	103.1	-0.6	2.0	99.5	100.2	-0.6	-0.2
	May	101.9	101.6	102.4	0.7	1.4	1.6	102.9	103.3	0.9	2.4	99.7	100.2	0.2	-0.2

Source: Samoa Bureau of Statistics

(R) - Revised due to adjustments made from Samoa Bureau of Statistics (SBS)

\*\* New CPI Index reflecting the 2013/14 Household Income and Expenditures Survey