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TO THE GOVERNOR

PRICE DEVELOPMENTS REPORT AUGUST 2017

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

Report No.02: 2017/18

August 2017

The **headline Consumer Price Index (CPI)** rose further by 0.9 percent on top of a 0.8 percent hike in July 2017. This was due to a 0.9 percent increase in its local components whereas its imported component remained unchanged. When compared to the same month last year the headline CPI was 2.6 percent higher.

However, the **annual average headline inflation** rate was unchanged at 1.1 percent from July 2017 but still above 0.4 percent in August 2016. This reflected the increase in imported inflation to 3.3 percent despite a further slowdown in local inflation to -1.4 percent.

In individual subgroups, the *“Food and Non-Alcoholic Beverages”* sub-index climbed by 1.2 percent. This result brought out by an increase in imported component by 2.1 percent (sugar, chicken legs and mutton neck to name a few, all rose by 6.8 percent, 5.1 percent and 4.3 percent respectively) offsetting a decrease by 0.9 percent in local component (mainly tomatoes and Chinese cabbage to name a few).

Similarly, the *“Transport”* sub-index rebounded by 2.8 percent due to a 10.2 percent hike in its local component (sharp increase in Apia-Auckland-Apia return airfare) despite a 1.9 percent drop in its imported component (reduction prices for car tyres and petrol to name a few).

Furthermore, the *“Clothing and Footwear”* and *“Alcoholic Beverages and Tobacco”* sub-indexes increased marginally by 0.4 percent and 0.3 percent in that order. The expansion in the former reflected an increase of 3.2 percent in the price of imported school uniform while the

latter was accounted for by a large increase in the price of Samoan Ava.

On the other hand, the *“Housing, Water, Electricity, Gas and other Fuels”* and *“Miscellaneous goods & services”* sub-groups fell by 0.6 percent and 0.2 percent respectively. The drop in the former was due to a 3.5 percent drop in kerosene prices while the latter was accounted for by a 1.4 percent decline in Electricity-cash power prices.

On the other hand, the *“Furnishing, Household equipment and Maintenance”, “Health”, “Communication”, “Recreation and Culture”, “Education”* and *“Restaurant”*, sub-groups' remained the same during the month.

The **underlying CPI**¹ rose by 1.0 percent in August 2017 and was also 2.7 percent higher than August 2016. On the other hand, the **annual average underlying CPI** remained unchanged at 1.5 percent for the third consecutive month but was well above -2.7 percent in August 2016.

CENTRAL BANK OF SAMOA
15th September 2017

¹ 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 August 2017

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

	All Groups		Percentage change						Overall Import Component					Overall Local Component					
	Index	3 months average	12 months average	Latest month		3 mths avg		12 months (AnnAvg)	Index	3 months avg	3mths av % chg	Monthly Change	Annual Average 12 months	Annual Average Percent Change	Index	3mths av % chg	Monthly Change	Annual Average 12 months	Annual Average Percent Change
				over prev month	over a year earlier	over prev 3mths avg	over a year earlier												
2015 June	99.4	99.8	100.0	0.3	0.4	-1.0	1.3	1.9	104.0	105.2	-2.7	-0.6	109.0	-0.8	96.5	0.1	0.9	94.4	4.0
2016 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
June	102.6	101.7	101.4	0.9	1.0	0.3	1.3	1.3	107.0	105.4	0.6	2.3	104.7	3.2	98.4	0.1	-0.5	98.3	-0.9
July	103.4	102.6	101.4	0.8	0.0	1.5	0.8	1.1	107.7	106.4	1.5	0.7	104.9	3.2	99.2	1.4	0.8	98.0	-1.3
August	104.3	103.4	101.7	0.9	2.6	2.3	1.2	1.1	108.5	107.7	2.8	0.7	105.2	3.3	100.1	1.6	0.9	98.2	-1.4

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		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 June	102.2	102.3	104.8	-0.3	-3.1	0.6	102.7	106.8	-0.5	0.4	100.6	98.8	0.1	1.2
2016 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
June	103.6	102.8	102.4	1.7	0.3	1.5	105.5	103.4	2.5	2.3	99.5	100.1	-0.2	-0.2
July	104.5	104.1	102.5	0.9	1.6	1.5	106.9	103.6	1.3	2.3	99.3	100.0	-0.2	-0.3
August	105.5	105.0	102.7	1.0	2.7	1.5	108.4	104.0	1.4	2.5	99.3	99.9	0.0	-0.4

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