



PRICE DEVELOPMENTS REPORT

JUNE 2018

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

Report No.12: 2017/18

June 2018

The **Headline Consumer Price Index (CPI)** went up further by 1.1 percent over the previous month due to an increase in imported component by 3.5 percent offsetting a 1.4 percent drop in its local component. Moreover, the headline CPI was 5.8 percent higher than its level in the same month last year.

The **annual average headline inflation rate** widened to 3.7 percent from 3.3 percent in the previous month, and was well above 1.3 percent in June 2017. Primarily responsible for this overall increase were boosts in imported inflation to 5.2 percent (from 4.8 percent) and local inflation to 2.1 percent (from 1.8 percent).

By individual sub-groups, the *“Food and Non Alcoholic Beverages”* component expanded further by 2.8 percent. The increase was accounted for by a 5.4 percent increase in its imported (particularly due to higher prices of chicken leg, turkey wings, pig trotter and devondale milk to name a few) despite a 2.7 percent contraction in the local components (mainly fish, Chinese and round cabbages, bananas, cucumber and tomatoes).

Also supporting the monthly increase was the increase in *“Transport”* sub-group by 1.4 percent due to a 2.6 percent expansion in its imported component (increase in prices for petrol, diesel, used mini-vans and car tyres) whereas the local component had reduced by 0.6 percent (lower price for returned air fares Apia-Auckland-Apia).

However, the *“Housing, Water, Electricity, Gas and other Fuels”* and *“Furnishing, Household Equipment and Maintenance”* sub-groups, both reduced by 1.8 percent and 1.1 percent respectively. The decrease in the former reflected a drop of 2.9 percent in its local component (reduction in prices for electricity

cash power) offsetting 1.3 percent increase in its imported components (mainly kerosene and timber).

Similarly, the *“Alcoholic Beverages, Tobacco and Narcotics”* sub-index contracted by 0.4 percent, reflecting a decrease in its local component by 0.5 percent (representing decline in prices for kava, taula and vailima beers). This had managed to offset a 0.1 percent increase in its imported component. Furthermore, the *“Miscellaneous and Services”* sub-group had decreased by 0.3 percent, highlighting a 0.3 percent drop in its imported component.

The *“Clothing and Footwear”, “Health”, “Communication”, “Recreation and Culture”, “Education”* and *“Restaurants”* sub-indexes all remained steady in June 2018.

The **underlying CPI**¹ increased by 2.6 percent in the month under review and was 5.8 percent higher compared to the same month in 2017. Consequently, the **annual average underlying inflation rate** climbed up further to 3.7 percent from 3.2 percent in the previous month, and was also above 1.5 percent in the same month a year ago.

CENTRAL BANK OF SAMOA
8th August 2018

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
June 2018

Table 1: HEADLINE CONSUMER PRICE INDEX (February 2016 = 100) **																				
	All Groups Index	Percentage change							Overall Import Component					Overall Local Component						
		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 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													
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
2017	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	0.7	0.0	1.5	0.8	1.1	107.7	106.4	1.4	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	2.5	2.3	1.2	1.1	108.5	107.7	2.8	0.8	105.2	3.3	100.1	1.6	0.9	98.2	-1.4
	September	103.6	103.8	101.8	-0.7	2.3	2.1	1.6	0.9	108.6	108.3	2.7	0.0	105.6	3.6	98.8	1.3	-1.4	98.1	-1.8
	October	104.3	104.1	102.2	0.6	3.8	1.4	2.9	1.1	110.4	109.2	2.6	1.7	106.2	4.0	98.2	0.2	-0.5	98.2	-1.8
	November	105.0	104.3	102.6	0.7	4.8	0.8	3.6	1.5	111.3	110.1	2.2	0.8	106.8	4.5	98.8	-0.6	0.6	98.4	-1.4
	December	105.0	104.7	102.9	0.0	3.9	0.9	4.2	1.8	110.9	110.9	2.4	-0.4	107.3	4.7	99.2	-0.6	0.4	98.6	-1.1
2018	January	105.7	105.2	103.2	0.7	4.2	1.1	4.3	2.4	110.3	110.8	1.5	-0.5	107.8	4.9	101.3	0.8	2.1	98.8	-0.3
	February	105.3	105.3	103.6	-0.4	3.6	1.0	3.9	2.5	110.0	110.4	0.2	-0.3	108.2	4.9	100.7	1.8	-0.6	99.0	0.1
	March	104.7	105.2	103.9	-0.6	3.6	0.5	3.8	2.7	108.8	109.7	-1.1	-1.0	108.6	4.7	100.6	2.1	-0.2	99.3	0.6
	April	105.3	105.1	104.2	0.6	4.6	-0.1	3.9	3.0	108.4	109.1	-1.6	-0.4	108.9	4.6	102.3	1.4	1.7	99.7	1.3
	May	107.4	105.8	104.7	1.9	5.6	0.4	4.6	3.3	111.6	109.6	-0.7	2.9	109.5	4.8	103.2	1.6	1.0	100.1	1.8
	June	108.6	107.1	105.2	1.1	5.8	1.8	5.3	3.7	115.5	111.9	2.0	3.5	110.2	5.2	101.8	1.5	-1.4	100.4	2.1

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					
		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										
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
2017	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	104.0	102.5	0.8	1.5	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	2.8	1.5	108.4	104.0	1.4	2.5	99.3	99.9	0.0	-0.4
	September	105.6	105.6	103.0	0.0	2.8	1.6	108.3	104.4	-0.1	2.6	99.7	99.9	0.4	-0.5
	October	106.9	106.2	103.3	1.3	4.1	1.8	109.8	104.9	1.4	2.9	100.6	99.9	0.9	-0.4
	November	107.2	107.1	103.7	0.3	4.7	2.1	110.3	105.5	0.4	3.2	100.6	99.9	0.0	-0.4
	December	106.7	107.0	104.1	-0.5	4.4	2.3	109.5	106.0	-0.7	3.6	100.5	99.9	-0.1	-0.4
2018	January	105.4	106.1	104.4	-1.2	3.0	2.4	107.7	106.4	-1.7	3.7	100.6	99.9	0.0	-0.3
	February	105.8	105.6	104.7	0.3	3.8	2.6	107.5	106.8	-0.1	3.8	102.0	100.1	1.4	-0.2
	March	104.7	105.2	104.9	-1.1	2.8	2.7	105.9	107.1	-1.5	3.9	102.0	100.3	-0.1	0.0
	April	104.6	104.6	105.2	0.0	3.4	2.9	105.9	107.4	0.0	4.1	101.9	100.5	-0.1	0.2
	May	106.9	105.7	105.6	2.1	4.9	3.2	109.2	107.9	3.1	4.5	101.8	100.6	-0.1	0.4
	June	109.7	108.3	106.1	2.6	5.8	3.7	113.2	108.6	3.7	5.0	102.0	100.9	0.2	0.7

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