



## PRICE DEVELOPMENTS REPORT

### AUGUST 2018

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

*Report No.2: 2017/18*

*August 2018*

The **Headline Consumer Price Index (CPI)** narrowed by 0.3 percent compared to the previous month due to a 0.8 percent reduction in its imported component despite a 0.3 percent increase in the local component. Nevertheless, the headline CPI was 4.9 percent higher than its level in the same month last year.

As a result, the **annual average headline inflation rate** rose further to 4.4 percent (from 4.2 percent) and was well above its 1.1 percent in August 2017. This was due to gains in both imported inflation by 5.8 percent (from 5.6 percent) and domestic inflation by 3.0 percent (from 2.8 percent).

By individual sub-groups, the *“Housing, Water, Electricity, Gas and other Fuels”* edged up by 3.6 percent due to a 5.1 percent increase in its local component (mainly due to higher prices for electricity) while its imported component decreased by 0.9 percent (lower kerosene and house paint prices).

After a drop in the previous month, the *“Alcoholic Beverage and Tobacco”* sub-group rebounded by 1.1 percent. This was underpinned by a 1.3 percent increase in the local component (such as prices for beer and kava) while the imported component remained unchanged.

However, the *“Transport”* sub-index contracted by 2.1 percent, reflecting reductions in both its imported and local components of 2.1 percent and 1.9 percent respectively. The decline in the former reflected a decrease in prices for petrol while the latter was accounted for by a drop in the return Apia-Auckland-Apia airfares. Furthermore, the *“Recreation and Culture”* sub-index fell by 1.3 percent in the imported

component, mostly from prices for exercise books.

The *“Food and Non Alcoholic Beverages”* component contracted by 0.9 percent. The reduction was accounted for by decreases in its local component by 1.9 percent (mainly vegetables, Samoan cocoa, taro and fish) and its imported component by 0.5 percent (lower prices for milk, sugar and chicken leg quarters).

Furthermore, the *“Furnishing, Household equipment and Maintenance”* and *“Miscellaneous goods & services”* sub-groups both fell by 0.4 percent and 0.2 percent in that order. The former was accounted for by a 0.5 percent drop in the price of washing soap while the latter was underpinned by a 0.1 percent decline in Diaper prices (Soft love).

The *“Clothing and Footwear”*, *“Health”*, *“Communication”*, *“Education”* and *“Restaurants”* sub-indexes all remained the same in August 2018.

The **underlying CPI**<sup>1</sup> was unchanged in the month under review but was 3.1 percent higher compared to the same month in 2017. As a result, the **annual average underlying inflation** stabilized at 3.9 percent from the previous month but was well above 1.5 percent in August 2017.

**CENTRAL BANK OF SAMOA**  
**28<sup>th</sup> September 2018**

<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 2018**

**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	Index	3 months avg	3mths av % chg	Monthly Change	Annual	Annual	Index	3mths av % chg	Monthly Change	Annual	Annual
				over prev month	over a year earlier	over prev 3mths avg	over a year earlier	over prev 12 months (AnnAvg)					Average 12 months	Average Percent Change				Average 12 months	Average Percent Change
<b>2016 August</b>	<b>101.7</b>	<b>102.2</b>	<b>100.6</b>	-1.6	3.3	2.5	2.7	0.4	<b>104.9</b>	<b>104.6</b>	<b>4.9</b>	<b>0.0</b>	<b>101.8</b>	<b>-5.3</b>	<b>98.5</b>	<b>0.1</b>	<b>-3.4</b>	<b>99.6</b>	<b>4.1</b>
<b>2017 August</b>	<b>104.3</b>	<b>103.4</b>	<b>101.7</b>	0.9	2.5	2.3	1.2	1.1	<b>108.5</b>	<b>107.7</b>	<b>2.8</b>	<b>0.8</b>	<b>105.2</b>	<b>3.3</b>	<b>100.1</b>	<b>1.6</b>	<b>0.9</b>	<b>98.2</b>	<b>-1.4</b>
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
<b>2018 January</b>	<b>105.7</b>	<b>105.2</b>	<b>103.2</b>	0.7	4.2	1.1	4.3	2.4	<b>110.3</b>	<b>110.8</b>	<b>1.5</b>	<b>-0.5</b>	<b>107.8</b>	<b>4.9</b>	<b>101.3</b>	<b>0.8</b>	<b>2.1</b>	<b>98.8</b>	<b>-0.3</b>
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
July	109.7	108.5	105.7	1.0	6.1	3.3	5.8	4.2	115.6	114.2	4.7	0.1	110.8	5.6	103.9	1.8	2.1	100.7	2.8
<b>August</b>	<b>109.4</b>	<b>109.2</b>	<b>106.2</b>	-0.3	4.9	3.3	5.6	4.4	<b>114.7</b>	<b>115.3</b>	<b>5.2</b>	<b>-0.8</b>	<b>111.3</b>	<b>5.8</b>	<b>104.2</b>	<b>1.3</b>	<b>0.3</b>	<b>101.1</b>	<b>3.0</b>

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	Index	12 months avg	Monthly Change	Annual	Index	12 months avg	Monthly Change	Annual
				over prev month	over a year earlier	Average Percent Change				Average Percent Change				Average Percent Change
<b>2016 August</b>	<b>102.7</b>	<b>102.8</b>	<b>101.2</b>	-0.2	2.1	-2.7	<b>103.6</b>	<b>101.5</b>	<b>-0.3</b>	<b>-3.9</b>	<b>100.6</b>	<b>100.4</b>	<b>-0.1</b>	<b>1.3</b>
<b>2017 August</b>	<b>105.5</b>	<b>105.0</b>	<b>102.7</b>	1.0	2.8	1.5	<b>108.4</b>	<b>104.0</b>	<b>1.4</b>	<b>2.5</b>	<b>99.3</b>	<b>99.9</b>	<b>0.0</b>	<b>-0.4</b>
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
<b>2018 January</b>	<b>105.4</b>	<b>106.1</b>	<b>104.4</b>	-1.2	3.0	2.4	<b>107.7</b>	<b>106.4</b>	<b>-1.7</b>	<b>3.7</b>	<b>100.6</b>	<b>99.9</b>	<b>0.0</b>	<b>-0.3</b>
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
July	109.2	109.4	106.5	-0.4	4.5	3.9	112.6	109.0	-0.5	5.2	101.9	101.1	-0.1	1.1
<b>August</b>	<b>108.8</b>	<b>109.0</b>	<b>106.8</b>	-0.4	3.1	3.9	<b>112.0</b>	<b>109.3</b>	<b>-0.5</b>	<b>5.1</b>	<b>101.9</b>	<b>101.3</b>	<b>0.0</b>	<b>1.4</b>

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