



PRICE DEVELOPMENTS REPORT

OCTOBER 2018

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

Report No.4: 2017/18

October 2018

The **Headline Consumer Price Index (CPI)** bounced back by 0.3 percent over the previous month due to 0.6 percent hike in its local component despite a 0.1 percent decrease in its imported component. When compared to October 2017, the headline CPI was 4.6 percent higher.

On an **annual average level, the headline inflation rate** edged up further to 4.7 percent from 4.6 percent in the previous month and was well above 1.1 percent in October 2017. The increase during the month was underpinned by an increase of 3.9 percent in local inflation, from 3.4 percent in September 2018 while imported inflation fell to 5.5 percent from 5.8 percent in the previous month.

The *“Recreation and Culture”* and *“Housing, Water, Electricity, Gas and other Fuels”* sub-indexes rose by 1.9 percent and 1.8 percent in that order. The gain in the former reflected a 2.1 percent increase in its imported component (higher prices for televisions and exercise books) while the latter was accounted for by a 2.1 percent hike in its local component (4.5 percent increase in electricity prices).

Similarly, the *“Clothing and Footwear”* and *“Transport”* sub-indexes all expanded by 1.3 percent and 1.2 percent in that order. The increase in the former subgroup was accounted for by a 1.5 percent gain in its imported component (particularly school uniform) while the hike in latter reflected a 2.9 percent rise in the Apia-Auckland-Apia return airfare. Likewise, the *“Alcoholic Beverage”*

subgroup also edged up by 0.1 percent to reflect the increase in Samoan kava prices.

On the other hand, the *“Food and Non Alcoholic Beverages”* component dropped by 0.3 percent due to a drop in its local component by 0.2 percent (mainly lower prices for Chinese cabbage, koko Samoa, banana and tomatoes). Its imported component also fell by 0.4 percent due to lower prices of chicken leg quarters and sugar to mention a few. In addition, the *“Furnishing, Household equipment and Maintenance”* subgroup also contracted by 0.3 percent reflecting a 0.4 percent drop in its imported component (mainly washing powder and washing soap).

The *“Health”, “Communication”, “Education”, “Restaurant”,* and *“Miscellaneous goods & services”* subgroups remained the same in the month under review.

The **underlying CPI**¹ contracted by 0.2 percent in October 2018 but was 0.7 percent higher compared to October 2017. Consequently, the **annual average underlying inflation** edged down to 3.6 percent after remaining stationary at 3.9 percent in the preceding month, but was well above 1.8 percent in October 2017.

CENTRAL BANK OF SAMOA
29th November 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
October 2018

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 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												
2016	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
2017	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	104.9	105.2	103.5	-0.8	3.2	0.9	3.8	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	105.1	103.8	-0.2	3.6	0.3	3.7	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	105.0	104.2	0.6	4.6	-0.3	3.8	2.9	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	0.5	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	1.9	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	3.4	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
	August	109.4	109.2	106.1	-0.3	4.9	3.3	5.6	4.4	114.7	115.3	5.2	-0.8	111.3	5.8	104.2	1.3	0.3	101.1	3.0
	September	108.7	109.3	106.5	-0.6	4.9	2.0	5.3	4.6	113.9	114.7	2.6	-0.7	111.8	5.8	103.6	1.4	-0.5	101.5	3.4
	October	109.0	109.0	106.9	0.3	4.6	0.5	4.8	4.7	113.8	114.2	-0.1	-0.1	112.1	5.5	104.3	1.0	0.6	102.0	3.9

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									
2016	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
2017	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
	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
	August	108.8	109.0	106.8	-0.4	3.1	3.9	112.0	109.3	-0.5	5.1	101.9	101.3	0.0	1.4
	September	107.9	108.3	107.0	-0.9	2.2	3.9	110.6	109.5	-1.3	4.9	102.0	101.5	0.1	1.6
	October	107.7	107.8	107.0	-0.2	0.7	3.6	110.3	109.6	-0.3	4.4	102.0	101.6	0.0	1.7

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