



PO Box Private Bag, Apia, Samoa Ph: 685-34100 | Fax: 685-20293/24058 E-mail: centralbank@cbs.gov.ws Web: www.cbs.gov.ws

PLEASE ADDRESS CORRESPONDENCE
TO THE GOVERNOR

PRICE DEVELOPMENTS REPORT DECEMBER 2018

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

Report No.6: 2017/18

December 2018

The **headline Consumer Price Index (CPI)** fell further by 0.2 percent from the previous month but was 1.2 percent higher when compared to December 2017. This was due to a decrease in its imported component by 2.8 percent despite a 2.6 percent increase in its local components.

As a result, the **annual average headline inflation rate** shrank to 4.2 percent from 4.4 percent in November 2018 and was well above 1.8 percent in December 2017. This current decrease was accounted for by a decline in imported inflation to 4.3 percent from 5.0 percent in the preceding month while local inflation edged up to 4.1 percent from 3.8 percent in November 2018.

By individual subgroups, the “Food and Non-Alcoholic Beverages” sub-index fell further by 0.9 percent reflecting a 4.4 percent reduction in its imported component (mainly lower prices for chicken leg quarter, rice, canned fish and pig trotters to name a few). However, its local component expanded by a seasonal 6.7 percent (higher prices of taamu, taro, fish, Chinese cabbage, koko Samoa and tomatoes to name a few). At the Local Produced Markets, the overall volume of supplies (main source of local food) declined by 7.7 percent which led to 9.1 percent hike in the overall price index.

Similarly, the “Recreation and Culture” sub-index slipped 1.5 percent in the month under review due to a reduction in its imported component by 1.7 percent, mainly reflecting lower prices of LCD television and exercise books.

Additionally, the “Furnishings, Household equipment and Maintenance”, “Communication”

and “Alcoholic Beverages and Tobacco” sub-groups also declined by 0.8 percent, 0.5 percent and 0.1 percent respectively. The decrease in “Furnishings, Household equipment and Maintenance” sub-index reflected a drop of 1.0 percent in the price of imported washing powder while the drop in the “Communication” sub-group reflected a 0.5 percent decrease in the price of local prepaid internet.

On the other hand, the “Health” and “Transport” sub-groups both edged up by 1.4 and 1.3 percent in that order. The increase in the former was due to an expansion in the price of amoxicillin tablets while the latter was accounted for by a 7.2 percent hike in its local component (substantial increase in Apia-Auckland-Apia return airfare).

Moreover, the “Clothing and Footwear” and “Miscellaneous goods and services” sub-indexes both edged up by 0.2 percent due to expansions in its imported component by 0.5 percent and 0.3 percent respectively.

The “Housing, Water, Electricity, Gas and other fuels”, “Education” and “Restaurants” sub-groups were unchanged in the reviewed month.

The **underlying CPI**¹ fell further by 2.2 percent and was also 3.3 percent lower than that of December 2017. Consequently, the **annual average underlying CPI** tumbled further to 2.4 percent from 3.0 percent in the preceding month and was slightly above 2.3 percent in December 2017.

CENTRAL BANK OF SAMOA
30th January 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
December 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	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	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	108.9	109.0	106.9	0.2	4.4	0.4	4.7	4.7	113.8	114.2	-0.1	-0.1	112.1	5.5	104.1	1.0	0.4	102.0	3.8
	November	106.5	108.0	107.1	-2.2	1.5	-1.1	3.6	4.4	111.7	113.2	-1.8	-1.9	112.1	5.0	101.5	-0.2	-2.5	102.2	3.8
	December	106.3	107.2	107.2	-0.2	1.2	-1.9	2.4	4.2	108.6	111.4	-2.9	-2.8	111.9	4.3	104.0	-0.7	2.6	102.6	4.1

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				
		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	December	102.2	102.3	101.7	-0.2	1.5	-0.7	103.0	102.4	-0.4	-1.0	100.3	100.3	0.0	0.5
2017	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
	November	105.5	106.6	106.9	-2.0	-1.6	3.0	106.9	109.3	-3.1	3.6	102.4	101.8	0.3	1.8
	December	103.1	104.3	106.6	-2.2	-3.3	2.4	103.6	108.8	-3.1	2.6	102.2	101.9	-0.2	2.0

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