



## PRICE DEVELOPMENTS REPORT

### JANUARY 2019

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

Report No.07: 2018/19

January 2019

The **Headline Consumer Price Index (CPI)** fell further by 1.6 percent in the first month of 2019, due to decreases in both its imported and local components by 3.1 percent and 0.2 percent respectively. In addition, the headline CPI was 1.1 percent lower than the same month last year.

As a result, the **annual average inflation rate** dropped to 3.7 percent from 4.2 percent in December 2018 but was above 2.4 percent in January last year. This was due to a further decrease of 3.4 percent (from 4.3 percent) in imported inflation whereas local inflation remained at 4.1 percent from the previous month.

The performance of individual sub-groups saw the *“Food and Non-Alcohol Beverages”* sub-group narrowed by 1.0 percent, due to a 2.2 percent decline in its imported component (drop in prices for chicken leg quarter, rice and milk), offsetting a 1.4 percent increase in its local component (higher prices for Samoan cocoa, round cabbage, cucumber and tomatoes to mention a few).

The overall volume of supplies (main source of local food) at the Local Produce Markets dropped by 3.4 percent, which led to a 16.7 percent hike in the overall price index.

Similarly, the *“Transport”* sub-group also recorded a decline of 8.4 percent due to contractions in both its imported and local components by 8.6 percent and 8.0 percent respectively. The decrease in the former reflected a reduction in oil prices (petrol and diesel) while the decline in the latter was accounted for by a large drop in the Apia-Auckland-Apia return airfares.

Moreover, the *“Clothing and Footwear”*, *“Housing, Water, Electricity, Gas and other Fuels”* and *“Miscellaneous goods and services”* sub-indices decreased by 2.7 percent, 0.3 percent and 0.2 percent in that order. The decline in the *“Clothing and Footwear”* was due to a contraction of 3.3 percent in its imported component (lower prices of school uniform and footwear items) and a 1.2 percent drop in its local component (mainly lower price for jandals).

On the other hand, the *“Alcoholic Beverages and Tobacco”*, *“Furnishing, Household equipment and Maintenance”* and *“Recreation and Culture”* sub-indexes all improved by 1.6 percent, 0.8 percent and 0.1 percent respectively. The surge in the *“Alcoholic Beverages and Tobacco”* reflected an expansion of 2.0 percent in its local component (mostly hike in the price of Vailima beer and cigarettes) whereas the increase in *“Furnishing, Household equipment and Maintenance”* was due to a 0.9 percent increase in its imported component.

The *“Communication”*, *“Education”*, *“Health”* and *“Restaurants”* sub-indexes were unchanged in January 2019.

The **underlying CPI**<sup>1</sup> contracted by 1.1 percent and was also 3.2 percent lower compared to January 2018. Thus, the **annual average underlying inflation rate** dropped further to 1.9 percent from 2.4 percent in the previous month, and from 2.4 percent in January 2018.

**CENTRAL BANK OF SAMOA**  
**21<sup>st</sup> February 2019**

<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**  
**January 2019**

**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 (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												
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
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	106.3	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
2019	January	104.6	105.8	107.1	-1.6	-1.1	-2.9	0.5	3.7	105.2	108.5	-4.9	-3.1	111.5	3.4	103.9	-0.8	-0.2	102.8	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									
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
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
2019	January	102.0	102.6	106.3	-1.1	-3.2	1.9	101.9	108.3	-1.6	1.8	102.2	102.0	0.0	2.1

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