



PRICE DEVELOPMENTS REPORT FEBRUARY 2019

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

Report No.08: 2018/19

February 2019

The **Headline Consumer Price Index (CPI)** rebounded by 0.7 percent in February 2019 reflecting a 2.1 percent hike in its imported component despite a 0.7 percent drop in its local component. Similarly, when compared to the same month last year, the headline CPI was 0.4 percent higher.

Nevertheless, the **annual average inflation rate** fell further to 3.4 percent from 3.7 percent in January 2019 but was above 2.5 percent in the same month last year. This decline was underpinned by a decrease in imported inflation to 2.8 percent while local inflation remained unchanged at 4.1 percent.

By individual subgroups, the monthly increase in CPI was due to a 2.2 percent rise in the *“Food and Non-Alcohol Beverages”* sub-index. This reflected a 5.8 percent hike in its imported components (mainly chicken leg quarter, mutton neck and onion prices) while its local components fell by 4.6 percent (due to lower prices for taro, fish, banana and coconuts to name a few).

The overall volume of agricultural supplies (main source of local food) at the Local Produce Markets dropped by 3.2 percent due to poor weather conditions. However, overall price index declined by 7.9 percent during the month as a result of weak demand.

Additionally, the *“Clothing and Footwear”* sub-index registered a gain of 1.6 percent stemming from increases of 3.2 percent in its local component (increase in the price for an Aloha shirt and printed puletasi) and a 1.0 percent hike in its imported components. Moreover, both the *“Alcoholic Beverages and Tobacco”* (in particular kava) and *“Miscellaneous goods and services”*

sub-indices went up by 0.7 percent and 0.4 percent respectively.

On the other hand, the *“Transport”* and *“Furnishing, Household equipment and Maintenance”* subgroups fell by 1.6 percent and 1.4 percent in that order. The reduction in the former was due to a 5.1 percent drop in its imported component (representing a decline in prices of diesel and petrol) even though its local component rose by 4.4 percent (hike in Apia-Auckland return airfare). In addition, the *“Education”* and *“Housing, Water, Electricity, Gas and other Fuels”* sub-indices both dropped by 0.9 percent and 0.5 percent in that order.

The *“Communication”, “Health”, “Recreation and Culture”* and *“Restaurants”* sub-groups remained the same in the reviewed month.

The **underlying CPI**¹ recovered by 2.7 percent from the previous month and was 0.3 percent higher than February 2018. Despite this monthly increase, the **annual average underlying inflation rate** shrank further to 1.5 percent from 1.9 percent in the preceding month and 2.6 percent in the same month last year.

CENTRAL BANK OF SAMOA
19th March 2019

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
February 2019

Table 1: HEADLINE CONSUMER PRICE INDEX (February 2016 = 100) **

	All Groups		Percentage change						Overall Import Component					Overall Local Component						
	Index	Index	3 months average	12 months average	Latest month		3 mths avg		12 months	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 February	100.0	100.0	101.6	100.0	-4.2	-0.8	2.9	-0.3	0.3	100.0	100.8	-1.4	-1.1	103.1	-6.7	100.0	5.7	-6.0	98.0	5.4
2017 February	101.6	101.6	101.4	101.0	0.1	1.6	0.7	-0.2	1.0	105.0	104.6	0.8	0.7	103.2	0.1	98.3	0.6	-0.5	98.9	0.9
2018 February	104.9	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	104.5	104.5	105.0	103.8	-0.4	3.4	0.3	3.6	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	105.3	104.9	104.2	0.8	4.6	-0.3	3.7	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	107.4	105.7	104.7	1.9	5.6	0.5	4.5	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	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	109.7	108.5	105.7	1.0	6.1	3.5	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	109.4	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	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	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	106.3	106.3	108.0	107.0	-2.4	1.3	-1.1	3.5	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	106.3	107.2	107.1	0.0	1.2	-1.9	2.3	4.1	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	104.6	105.7	107.0	-1.6	-1.1	-3.0	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
February	105.3	105.3	105.4	107.1	0.7	0.4	-2.4	0.2	3.4	107.4	107.1	-5.4	2.1	111.3	2.8	103.2	0.6	-0.7	103.0	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		Percent Changes				Overall Import Component				Overall Local Component				
	Index	Index	3 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 February	100.0	100.0	100.4	101.7	-0.6	-4.9	-3.3	100.0	102.1	-0.4	-5.0	100.0	100.4	-0.8	2.2
2017 February	101.9	101.9	102.2	102.0	-0.5	1.9	0.4	102.7	102.8	-0.7	0.7	100.0	100.3	-0.3	-0.1
2018 February	105.8	105.8	106.0	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	104.7	105.3	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	105.0	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	106.9	105.4	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	109.7	107.0	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	109.2	108.6	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	108.8	109.2	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	107.9	108.6	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	107.7	108.1	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	105.5	107.0	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	103.1	105.4	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	102.0	103.5	106.3	-1.1	-3.2	1.9	101.9	108.3	-1.6	1.8	102.2	102.0	0.0	2.1
February	104.8	104.8	103.3	106.2	2.7	-0.9	1.5	105.9	108.2	3.9	1.3	102.4	102.1	0.2	1.9

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