



PRICE DEVELOPMENTS REPORT **MAY 2019**

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

Report No.11: 2018/19

May 2019

The **Headline Consumer Price Index (CPI)** went up by 1.1 percent over the previous month due to an expansion of 1.2 percent in its imported component and a 1.0 percent hike in its local component. Similarly, the headline CPI was 0.6 percent higher than its level in May 2018.

The **annual average inflation rate** fell for the seventh consecutive month, down to 2.6 percent in May 2019 from 3.1 percent in April 2019 and 3.3 percent in May 2018. The current decline was underpinned by further decreases in imported inflation to 1.7 percent from 2.3 percent and its local inflation to 3.7 percent from 3.9 percent in the previous month.

By individual subgroups, the *“Transport”* and *“Education”* sub-indexes both increased by 4.5 percent and 3.8 percent respectively in May 2019. The increase in the former was accounted for by gains in both its imported component by 6.0 percent (mainly petrol and diesel prices) and local component by 1.8 percent (mostly Apia-Auckland return airfares). The expansion in the *“Education”* subgroup reflected an increase in secondary school PTA’s registration fees.

In addition, the *“Food and Non Alcoholic Beverages”*, *“Clothing and Footwear”* and *“Housing, Water, Electricity, Gas and other Fuels”* sub-indexes also registered gains of 1.2 percent, 0.3 percent and 0.2 percent respectively. The increase in the *“Food and Non Alcoholic Beverages”* reflected higher prices of local food such as staple food crops and vegetables.

At the local Produce Market, the overall volume of supplies (main source of local food component) increased by 2.0 percent due to

strong demand and as a result, the overall price index also went up by 8.2 percent.

In contrast, the *“Recreation and Culture”* and *“Furnishing, Household equipment and Maintenance”* sub-groups both declined by 2.1 percent and 1.7 percent respectively. The reduction in the former was due to decreases in prices for a television set and laptops whilst the latter was underpinned by lower weekly rate for live-in babysitters, prices for Eveready batteries and Klin washing powder to mention a few. Additionally, the *“Communication”* and *“Alcohol Beverage and Tobacco”* sub-groups recorded slight decreases of 0.8 percent and 0.4 percent respectively.

The *“Health”, “Restaurants”* and *“Miscellaneous goods and services”* sub-indexes remained the same in the month under review.

The **underlying CPI**¹ registered a 0.2 percent increase in May 2019 but was 0.5 percent lower than the same month in 2018. As a result, the **annual average underlying inflation rate** declined to 0.8 percent from 1.2 percent in April 2019 and was below 3.2 percent in May 2018.

CENTRAL BANK OF SAMOA
24 June 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
May 2019

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 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 May	100.2	99.7	99.9	0.8	1.1	-1.8	-0.2	-0.1	100.3	99.7	-1.1	0.9	101.5	-7.4	100.2	-2.1	0.7	98.9	5.2
2017 May	101.7	101.1	101.4	1.0	1.5	-0.2	1.4	1.4	104.6	104.8	0.1	0.0	104.4	2.9	98.9	-0.6	2.0	98.3	-0.6
2018 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	106.3	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	107.2	107.2	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	105.7	107.1	-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	105.4	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
March	107.0	105.6	107.3	1.7	2.3	-1.5	0.5	3.3	109.2	107.3	-3.7	1.6	111.3	2.5	104.9	0.8	1.7	103.4	4.1
April	106.8	106.4	107.4	-0.2	1.5	0.6	1.4	3.1	109.3	108.6	0.1	0.1	111.4	2.3	104.4	1.0	-0.5	103.6	3.9
May	108.0	107.3	107.5	1.1	0.6	1.8	1.4	2.6	110.6	109.7	2.4	1.2	111.3	1.7	105.5	1.2	1.0	103.7	3.7

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	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 May	100.5	100.4	100.8	-0.2	-2.0	-4.1	100.7	100.9	-0.2	-5.9	100.1	100.4	0.0	1.7
2017 May	101.9	101.6	102.3	0.7	1.4	1.6	102.9	103.3	0.9	2.4	99.7	100.2	0.2	-0.2
2018 May	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	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	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	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	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	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	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	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	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	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
March	106.5	104.4	106.4	1.6	1.8	1.4	108.0	108.3	1.9	1.2	103.3	102.2	0.9	1.9
April	106.1	105.8	106.5	-0.3	1.5	1.2	107.5	108.5	-0.5	1.0	103.3	102.3	0.0	1.8
May	106.4	106.3	106.5	0.2	-0.5	0.8	107.6	108.3	0.1	0.4	103.8	102.5	0.5	1.8

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