



## **PRICE DEVELOPMENTS REPORT**

### **JUNE 2019**

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

*Report No.12: 2017/18*

*June 2019*

The Headline Consumer Price Index (CPI) edged up further by 0.4 percent over the previous month due to increase in the imported component by 1.1 percent despite a drop of 0.3 percent in local component. Despite the increase, the headline CPI was 0.1 percent lower than its level in the same month of last year.

The **annual average headline inflation rate** narrowed to 2.2 percent from 2.6 percent in the previous month and was well below 3.7 percent in June 2018. Underpinning this overall reduction was a decline in imported inflation to 0.8 percent (from 1.7 percent) whilst local inflation remained the same to 3.7 percent when compared to the previous month.

By individual sub-group, the “*Transport*” component expanded further by 3.3 percent as both local and imported component went up by 3.3 percent each over the previous month. This was accounted for by a huge increase of 24.6 percent in Apia-Auckland-Apia return airfares, as well as 4.5 percent and 2.2 percent increases in both petrol and diesel respectively.

After declining in the previous month, the “*Furnishing, Household equipment and Maintenance*” sub-group rebounded by 2.4 percent due to expansion of 2.7 percent in local component (increase in prices for Klin washing powder and bush knives).

In addition, both the “*Clothing and Footwear*” and “*Alcoholic Beverages, Tobacco and Narcotics*” sub-indexes, slightly increased by 0.6 percent and 0.1 percent respectively in the month under review. The increase in the former reflected a 0.9 percent increase in its imported component (mainly school uniforms, ie solosolo and long sleeve shirts) while the latter reflected

a 0.9 percent increase in Vailima lager beer prices.

In contrast, the “*Recreation and Culture*” sub-index contracted by 1.2 percent, reflecting a decrease in its imported component by 1.3 percent on the back of 3.9 percent drop in television prices. Furthermore, the “*Miscellaneous goods and services*” decreased by 0.9 percent, highlighting 1.1 percent drop in imported component.

In addition, “*Food and Non Alcoholic Beverages*” subgroups edged down by 0.4 percent underpinned by 2.7 percent decline in local food prices particularly fish, round cabbage, cucumber and Chinese cabbage to name a few.

The “*Housing, Water, Electricity, Gas and other Fuels*”, “*Health*”, “*Communication*”, “*Education*” and “*Restaurants*” sub-indexes all remained unchanged.

The **underlying CPI**<sup>1</sup> rose further by 0.3 percent in the month under review but was 2.7 percent lower compared to the same month in 2018. Consequently, the **annual average underlying inflation rate** lowered further to 0.1 percent from 0.8 percent in the previous month, and was way below 3.7 percent in the same month a year ago.

**CENTRAL BANK OF SAMOA**

**11<sup>th</sup> July 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**  
**June 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	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 June	101.6	100.4	100.1	1.4	2.3	-0.9	0.6	0.1	103.9	101.2	1.0	3.6	101.5	-6.9	99.3	-2.3	-0.9	99.1	5.0
2017 June	102.6	101.7	101.4	0.9	1.0	0.3	1.3	1.3	107.0	105.4	0.6	2.3	104.7	3.2	98.4	0.1	-0.5	98.3	-0.9
2018 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
June	108.5	107.8	107.5	0.4	-0.1	2.1	0.7	2.2	111.9	110.6	3.1	1.1	111.0	0.8	105.2	1.0	-0.3	104.0	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 June	103.3	101.5	100.9	2.8	1.1	-3.7	104.7	101.1	4.0	-5.4	100.3	100.3	0.2	1.5
2017 June	103.6	102.2	102.4	1.7	0.3	1.5	105.5	103.4	2.5	2.3	99.5	100.1	-0.2	-0.2
2018 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
June	106.7	106.4	106.2	0.3	-2.7	0.1	108.2	107.9	0.6	-0.6	103.6	102.6	-0.2	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