



PRICE DEVELOPMENTS REPORT

JULY 2019

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

Report No.1: 2019/20

July 2019

The **Headline Consumer Price Index (CPI)** rose by 1.5 percent due to increases in both its local and imported components by 1.7 percent and 1.4 percent respectively. At this level, the headline CPI was also 0.4 percent higher than its level in the same month last year.

For the first month of the financial year 2019/20, the **annual average headline inflation rate** contracted further to 1.7 percent from 2.2 percent in the previous month and was well below 4.2 percent in July 2018. Primarily underpinning this overall reduction was a further drop in imported inflation to -0.02 percent (from 0.8 percent) and a 3.5 percent in its local component, dropping from 3.7 percent a month ago.

In terms of individual subgroups, the *“Housing, Water, Electricity, Gas and other Fuels”* subgroup went up by 5.0 percent due to a 6.6 percent boost in its local component (reflecting a 19.3 percent hike in the price of water). In addition, its imported component increased by 0.3 percent in the month under review.

Similarly, the *“Food and Non Alcoholic Beverages”* subgroup expanded by 3.2 percent due to increases in both its local component by 3.4 percent (mainly fish, taro, cucumbers and round cabbage) and imported by 3.1 percent (rise in prices of chicken leg quarter, flour, rise and apples to name a few).

At the local Produce Markets, the overall volume agricultural supplies (main source of local food) declined by 3.8 percent. As a result, the overall price index slightly increased by 0.3 percent.

The *“Furnishing, Household equipment and Maintenance”* and *“Alcoholic Beverages,*

Tobacco and Narcotics” sub-indexes edged up by 1.6 percent and 1.4 percent in that order. The increase in the former was accounted for by an expansion in its imported component by 1.9 percent. The increase in the latter reflected expansions in local components (up by 1.7 percent) mainly kava, cigarettes and Taula beer and imported components (up by 0.4 percent). In addition, the *“Miscellaneous goods and services”* subgroup increased by 0.3 percent.

On the other hand, the *“Clothing and Footwear”* and *“Transport”* sub-indexes both contracted by 3.8 percent and 3.0 percent respectively. Underpinning the decrease in the ‘clothing’ were lower prices of school uniform and ie faitaga while the reduction in the ‘transport’ reflected lower prices of Apia-Auckland-Apia return airfares and petroleum.

The *“Health”, “Communication”, “Recreation and Culture”, “Education”* and *“Restaurant”* subgroups are unchanged from the preceding month.

The **underlying CPI**¹ edged up by 1.6 percent in July 2019 but was 0.7 percent lower compared to the same month last year. However, the **annual average underlying CPI** reduced to -0.3 percent from 0.1 percent in the previous month, and was well below 3.9 percent in the same month a year ago

CENTRAL BANK OF SAMOA
16th August 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
July 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 (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 July	103.4	101.7	100.3	1.8	2.5	2.1	1.9	0.1	104.9	103.0	3.5	1.0	101.6	-6.1	102.0	0.7	2.7	99.3	4.4
2017 July	103.4	102.6	101.4	0.7	0.0	1.5	0.8	1.1	107.7	106.4	1.4	0.7	104.9	3.2	99.2	1.4	0.8	98.0	-1.3
2018 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
July	110.1	108.9	107.5	1.5	0.4	2.4	0.3	1.7	113.4	112.0	3.1	1.4	110.8	-0.02	107.0	1.6	1.7	104.3	3.5

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 July	102.9	102.2	101.0	-0.4	1.6	-3.3	103.9	101.3	-0.8	-4.7	100.7	100.3	0.4	1.4
2017 July	104.5	103.3	102.5	0.8	1.5	1.5	106.9	103.6	1.3	2.3	99.3	100.0	-0.2	-0.3
2018 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
July	108.4	107.2	106.2	1.6	-0.7	-0.3	110.5	107.7	2.2	-1.2	103.9	102.8	0.3	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