



## **PRICE DEVELOPMENTS REPORT**

### **JANUARY 2021**

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

*Report No.7: 2020/21*

*January 2021*

The **Headline Consumer Price Index (CPI)** increased by 0.3 percent in the first month of 2021, due to an increase in its imported component by 1.8 percent, offsetting a 1.2 percent decline in local component. In addition, it was 5.5 percent lower than in the same month last year.

The adverse effects of the closure of our international borders from the pandemic on employment and production has seen consumer demand decline significantly, resulting in the steady drop of the **annual average headline inflation rate** to -2.4 percent from -1.6 percent in the previous month and 1.5 percent in January 2020. This decline was accounted for by the decreases in imported inflation to -3.9 percent and local inflation to -0.9 percent respectively.

The “Food and Non Alcoholic Beverages” sub-index continued to increase, rising by 1.7 percent due to a 3.1 percent hike in its imported component (mainly potatoes, apples and onions), which outweighed a 1.2 percent drop in its local component due to reductions in prices of stable food commodities mainly taamu, taro and banana despite the heavy rain and flooding in January 2021.

The “Alcoholic Beverage, Tobacco and Narcotics” sub-index increased by 1.1 percent due to gains in both its imported (up by 1.8 percent) and local (up by 1.0 percent) components. Moreover, the “Health”, “Furnishings, household equipment and maintenance” and “Clothing and Footwear” subgroups recorded increases of 1.2 percent, 0.9 percent and 0.1 percent in that order

On the other hand, the “Housing, water, electricity, gas and other fuels” sub-index fell by

5.5 percent, which was underpinned by a 7.3 percent reduction in its local component reflecting lower cash power prices. Declines were also noted for “Recreation and Culture” subgroup (down by 0.9 percent), “Restaurants” subgroup (down by 0.4 percent and “Transport” & “Miscellaneous goods and services” subgroups (both down by 0.1 percent each).

The “Communication” and “Education” sub-indexes both continued to remain unchanged during the month under review.

Likewise, the **underlying CPI**<sup>1</sup> recorded a further growth of 1.4 percent over the month but was 2.3 percent lower than that of the same month last year. However, the annual average underlying CPI slowed down further to -1.1 percent from -0.5 percent in the previous month and was way below the 1.2 percent registered in January 2020.

**CENTRAL BANK OF SAMOA**  
**25<sup>th</sup> February 2021**

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<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 2021

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

		All Groups Index	Percentage change								Overall Import Component						Overall Local Component						
			3 months average		12 months average		Latest month		3 mths avg		12 months	Index		3 months avg		Annual		Index		3mths av		Annual	
					over prev month	over a year earlier	over prev 3mths avg	over a year earlier	over prev 12 months (AnnAvg)	Average 12 months	Annual Percent Change					Average 12 months	Percent Change						
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			
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			
2020	January	109.7	109.5	108.7	0.8	4.9	-0.5	3.5	1.5	111.5	112.5	-0.7	-0.8	111.6	0.1	108.0	-0.3	2.5	105.8	2.9			
	February	110.5	109.7	109.1	0.7	5.0	-0.3	4.1	1.9	113.8	112.6	-1.0	2.0	112.2	0.8	107.3	0.5	-0.7	106.2	3.1			
	March	111.0	110.4	109.5	0.5	3.7	0.8	4.5	2.0	114.8	113.4	0.1	0.9	112.6	1.2	107.3	1.5	0.0	106.4	2.9			
	April	107.9	109.8	109.6	-2.8	1.0	0.3	3.2	2.0	111.6	113.4	0.8	-2.8	112.8	1.3	104.3	-0.2	-2.8	106.4	2.7			
	May	105.8	108.2	109.4	-2.0	-2.1	-1.3	0.9	1.7	107.7	111.4	-1.1	-3.5	112.6	1.1	103.9	-1.6	-0.4	106.2	2.4			
	June	104.9	106.2	109.1	-0.8	-3.3	-3.8	-1.5	1.5	105.7	108.4	-4.4	-1.8	112.1	1.0	104.1	-3.2	0.2	106.1	2.0			
	July	106.3	105.6	108.7	1.3	-3.5	-3.8	-3.0	1.1	107.6	107.0	-5.7	1.7	111.6	0.7	105.0	-1.8	0.9	106.0	1.6			
	August	107.0	106.0	108.5	0.7	-2.8	-2.0	-3.2	0.9	108.8	107.4	-3.6	1.1	111.2	0.5	105.2	-0.4	0.2	105.8	1.2			
	September	105.6	106.3	108.1	-1.3	-4.1	0.1	-3.5	0.4	105.9	107.4	-0.9	-2.6	110.6	-0.05	105.3	1.0	0.1	105.7	0.8			
	October	103.6	105.4	107.6	-1.9	-5.8	-0.2	-4.2	-0.2	102.2	105.6	-1.3	-3.5	109.6	-0.88	105.0	0.8	-0.3	105.6	0.5			
	November	103.2	104.1	107.0	-0.4	-6.0	-1.8	-5.3	-0.9	102.4	103.5	-3.6	0.3	108.7	-1.87	103.9	-0.1	-1.0	105.4	0.0			
	December	103.4	103.4	106.6	0.2	-5.0	-2.7	-5.6	-1.6	102.7	102.4	-4.6	0.3	107.9	-2.89	104.0	-0.8	0.1	105.3	-0.2			
2021	January	103.7	103.4	106.1	0.3	-5.5	-1.9	-5.5	-2.4	104.6	103.3	-2.2	1.8	107.3	-3.85	102.8	-1.5	-1.2	104.8	-0.9			

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	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									
2018	January	105.4	106.5	104.4	-1.2	3.0	2.4	107.7	106.4	-1.7	3.7	100.6	99.9	0.0	-0.3
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
2020	January	107.2	108.2	107.6	-1.1	5.1	1.2	108.4	109.4	-1.6	1.0	104.6	103.8	-0.1	1.7
	February	109.1	108.2	108.0	1.8	4.1	1.6	111.3	109.8	2.7	1.5	104.5	103.9	-0.2	1.9
	March	110.3	108.9	108.3	1.1	3.5	1.8	113.0	110.3	1.6	1.8	104.4	104.0	-0.1	1.8
	April	108.3	109.2	108.5	-1.8	2.0	1.8	110.2	110.5	-2.5	1.9	104.2	104.1	-0.1	1.8
	May	106.7	108.4	108.5	-1.4	0.3	1.9	108.1	110.5	-1.9	2.0	103.8	104.1	-0.4	1.6
	June	106.7	107.2	108.5	-0.1	-0.1	2.1	107.9	110.5	-0.1	2.4	103.9	104.1	0.0	1.5
	July	108.1	107.2	108.5	1.3	-0.3	2.2	109.8	110.5	1.7	2.5	104.3	104.2	0.5	1.4
	August	108.3	107.7	108.4	0.3	-0.7	2.1	110.1	110.3	0.3	2.4	104.6	104.2	0.2	1.3
	September	106.0	107.5	108.1	-2.1	-3.1	1.7	106.5	109.9	-3.3	1.9	105.0	104.3	0.4	1.2
	October	102.6	105.7	107.6	-3.2	-6.1	1.0	101.4	109.0	-4.7	1.0	105.2	104.4	0.1	1.1
	November	103.0	103.9	107.1	0.3	-5.5	0.3	102.0	108.2	0.6	-0.1	105.0	104.5	-0.1	1.1
	December	103.3	103.0	106.6	0.3	-4.7	-0.5	102.4	107.6	0.4	-1.2	105.2	104.6	0.1	1.0
2021	January	104.7	103.6	106.4	1.4	-2.3	-1.1	104.5	107.3	2.1	-1.9	105.2	104.6	0.0	0.8

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