

PRICE DEVELOPMENTS REPORT OCTOBER 2024

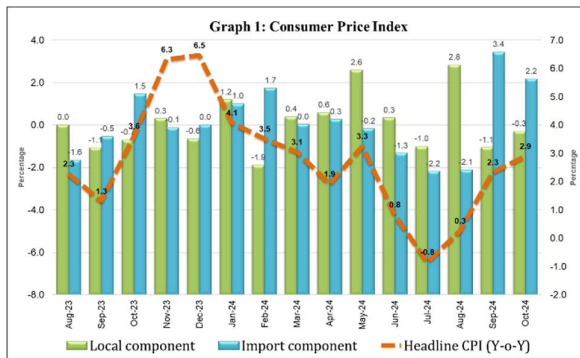
This report is prepared on a monthly basis using monthly Consumer Price Index (CPI) data from the Samoa Bureau of Statistics.

Report No.4: 2024/2025

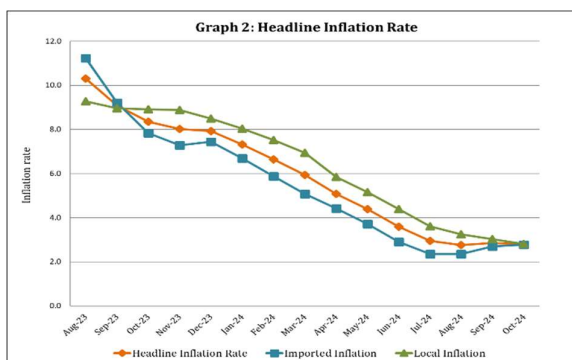
October 2024

1. Headline CPI and Inflation

The **Headline Consumer Price Index (CPI)** went up further by 1.0 percent from the previous month, driven by a 2.2 percent rise in the imported component, despite a 0.3 percent decline in its local component. Furthermore, the headline CPI was 2.9 percent higher compared to the same month last year. (See Graph 1)



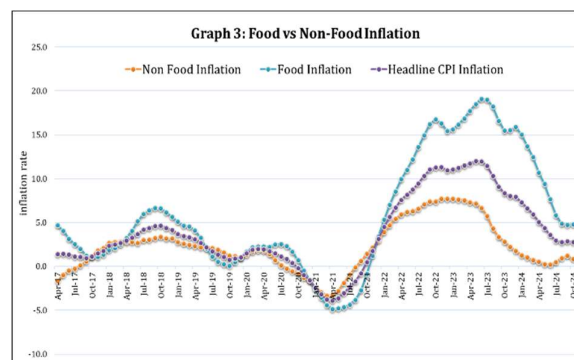
Nevertheless, the **annual average headline inflation rate fell slightly to 2.8 percent** from 2.9 percent in the previous month but significantly lower than 8.3 percent in October 2023. This reflected a decline in local inflation to 2.8 percent from 3.0 percent, despite a slight increase in imported inflation to 2.8 percent from 2.7 percent in October last year. (See Graph 2)



1.1 Headline Food vs Non-Food Inflation

This section decomposes the headline CPI in terms of its Food and Non-Food inflation components. Food makes up 40.4 percent of the total CPI basket while Non-Food is around 59.6 percent. Historically, the predominant driver in Samoa's CPI inflationary trend is food inflation, with some periods influenced by non-food inflation (which includes fuel prices).

The drop in the annual average headline inflation rate in October, reflected the steady food inflation rate and the decline in its non-food component. (See Graph 3). The **annual average food inflation rate remained at 4.8 percent** from the previous month and was significantly lower than 15.5 percent in October last year. This was attributed to an increase in the prices of imported food items such as chicken leg, rice, turkey wings, milk and maggi noodles among others while the prices of locally produced food items such as taro, fish, cucumber and koko Samoa declined over the comparable period.



The **annual average non-food inflation rate**, on the other hand, declined to 0.8 percent in October 2024 from 1.2 percent in the previous month and 2.8 percent in October 2023. This decrease over the month reflected price reductions in various sub-groups, including

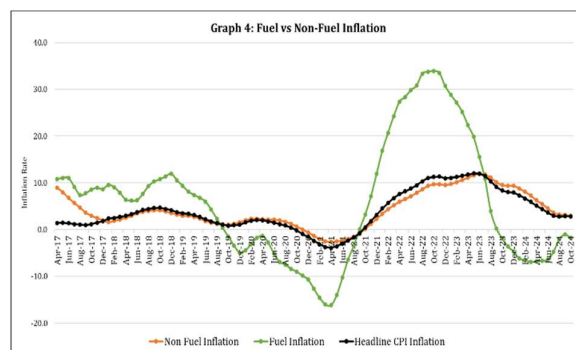
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‘transport’, ‘communication’, ‘miscellaneous’, ‘furnishing’ and ‘clothing’ amongst others.

1.2 Headline Fuel¹ vs Non-Fuel Inflation

This section decomposes the headline CPI in terms of fuel and non-fuel inflation. Fuel makes up 6.6 percent of the total CPI basket while non-fuel is around 93.4 percent. Historically, the predominant driver in Samoa’s CPI inflationary trend is non-fuel inflation given its much larger weight.

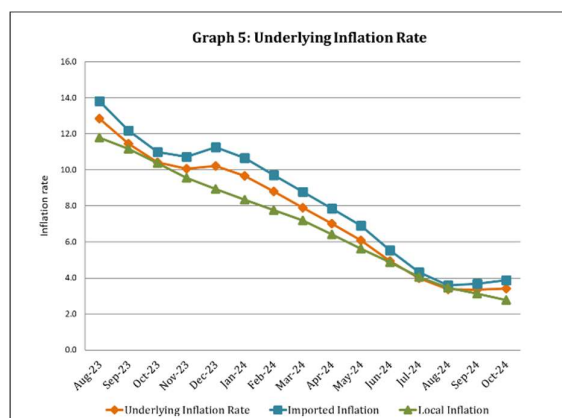
By this composition, the lower annual average headline inflation rate in October 2024 was driven by decreases in both its fuel and non-fuel inflation components. The **annual average fuel inflation rate** dropped to -1.8 percent from -1.0 percent in September 2024 but was slightly above the -1.9 percent in October 2023. This decline was due to price reductions in petrol, diesel and kerosene over the past month. Likewise, the **annual average non-fuel inflation rate** decreased to 3.0 percent from 3.1 percent in September 2024 and 9.5 percent in the same month last year. This decline reflects the reduction in prices in the ‘Communication’, ‘Miscellaneous goods and services’ and ‘Clothing and Footwear’ sub-groups. (See Graph 4)



2. Underlying CPI and Inflation

The **Underlying CPI²** edged up by 2.7 percent when compared to the previous month and was 4.4 percent higher than in October 2023. The **annual average underlying inflation rate** was steady at 3.4 percent from September 2024, but lower than 10.4 percent recorded in the same month last year. (See Graph 5)

¹ Fuel includes unleaded petrol, diesel, gas and kerosene prices.



2.1 Underlying Food vs Non-Food Inflation

The **annual average underlying food inflation rate** went up to 4.1 percent from 3.9 percent in the previous month but was much lower than 12.7 percent in October 2023. The annual average **underlying non-food inflation rate** slipped to 2.2 percent from 2.4 percent in September 2024, and significantly lower than 6.7 percent recorded in October 2023.

CENTRAL BANK OF SAMOA

03rd December 2024

² 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.

