



Office of the Council for the
Ongoing Government of Tokelau
Tokelau National Statistics Office

December 2021 quarter Consumer Price Index of Tokelau

Key facts

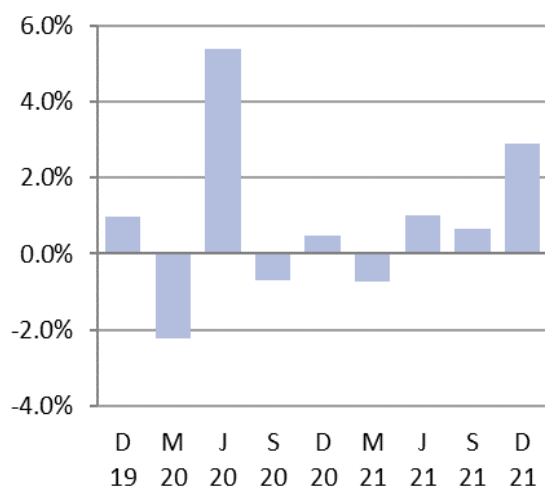
In the December 2021 quarter compared with the September 2021 quarter:

- The consumer price index (CPI) increased 2.9 percent, compared to a 0.7 percent increase in the previous quarter.
- The largest upward contribution to quarterly CPI of 1.5 percent came from the transportation group, prices increased 22 percent this quarter.
- The next largest upward contribution was from the food and non-alcoholic beverages group, which increased 3.2 percent, contributing 1.0 percent to quarterly CPI.
- The Alcoholic beverages and tobacco group had the largest downward contribution of negative 0.1 percent to quarterly CPI, with prices down 0.2 percent.

From the December 2020 quarter to the December 2021 quarter, CPI increased 3.9 percent. This compares with a 1.4 percent increase from the September 2020 quarter to the September 2021 quarter.

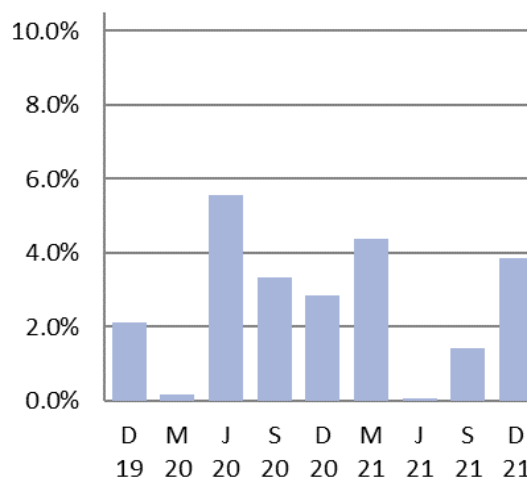
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Consumer price index
Quarterly change



Source: Tokelau National Statistics Office

Consumer price index
Annual change



Source: Tokelau National Statistics Office

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National Statistician

31 January 2022

Commentary

The following sections provide detailed commentary on the consumer price index of Tokelau:

- [Quarterly CPI rose 2.9 percent for December 2021 quarter](#)
- [Food and non-alcoholic beverages group up 3.2 percent this quarter](#)
- [Alcoholic beverages and tobacco group declined 0.2 percent](#)
- [Summary of other group movements in the quarterly CPI](#)
- [Impact of items that rose and fell in price](#)
- [CPI shows 3.9 percent increase for the year to the December 2021 quarter.](#)

Quarterly CPI rose 2.9 percent for December 2021 quarter

The December 2021 quarterly CPI rose 2.9 percent; this compares to a 0.7 percent increase in the September 2021 quarter.

One of the CPI's nine groups recorded a negative contribution in the quarterly CPI, four recorded an increase, one remained unchanged, and the rest had negligible contribution to overall CPI.

Group	Quarterly percentage points contribution to CPI
01. Food and non-alcoholic beverages	1.0%
02. Alcoholic beverages and tobacco	-0.1%
03. Clothing and footwear	0.0%
04. Housing, water, electricity, gas and other fuels	0.0%
05. Furnishings, household equipment and routine household maintenance	0.2%
07. Transport	1.5%
08. Communication	0.0%
09. Recreation and culture	0.0%
12. Miscellaneous goods and services	0.2%
Overall CPI	2.9%

Note: Percentages may not sum to total due to rounding.

Food and non-alcoholic beverages group up 3.2 percent this quarter

Prices in the food and non-alcoholic beverages group increased 3.2 percent this quarter, contributing 1.0 percent to quarterly CPI.

The main individual upward contributors to the food subgroup came from higher prices for:

- Rice (up 18 percent)
- Flour (up 23 percent)
- Canned fish, mackerel (up 36 percent).

The main individual downward contributors to the food subgroup came from lower prices for:

- Mayonnaise (down 23 percent)
- Corned beef, canned (down 5.3 percent)
- Canned fish, tuna (down 9.0 percent).

An increase of the prices in the non-alcoholic beverages subgroup (up 9.0 percent) was dominated by fruit drink powder (up 86 percent).

Alcoholic beverages and tobacco group declined 0.2 percent

The alcoholic beverages and tobacco group contributed a negative 0.1 percent to the quarterly CPI, with prices down 0.2 percent this quarter. This decrease is driven by a 8.3 percent drop in the price of beer this quarter.

This decrease in the alcoholic and tobacco group compares to a 0.3 percent change rate in the September 2021 quarter.

Summary of other group movements in the quarterly CPI

The transport group had the largest contribution of 1.5 percent, prices up 22 percent this quarter. This is due to high prices of airfares (if they were in operation) this time of the year and fuel.

Two other groups showed price changes: For the furnishings, household equipment and routine household maintenance group increased 4.2 percent, contributing 0.2 percent to quarterly CPI. And the miscellaneous goods and services group (up 5.9 percent), also contributing a 0.2 percent to quarterly CPI.

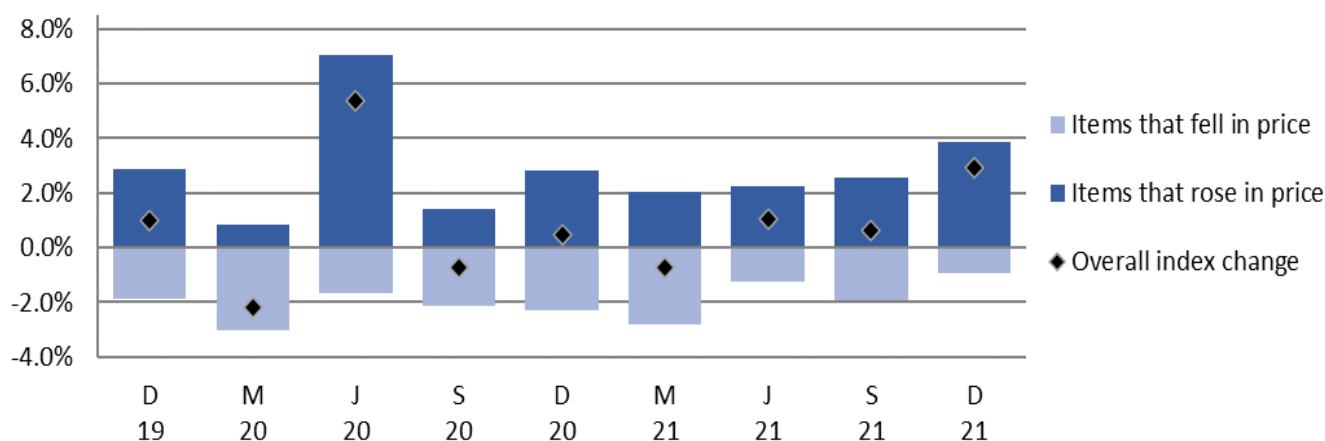
The remaining groups showed small change this quarter; clothing and footwear group (down 0.1 percent), housing, water, electricity, gas and other fuels group (up 0.4 percent), and the recreation and culture group (up 2.0 percent), their contribution to quarterly CPI were negligible. The communication group remained unchanged this quarter.

Impact of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price over time: the overall impact was a 2.9 percent increase in the CPI for the December 2021 quarter.

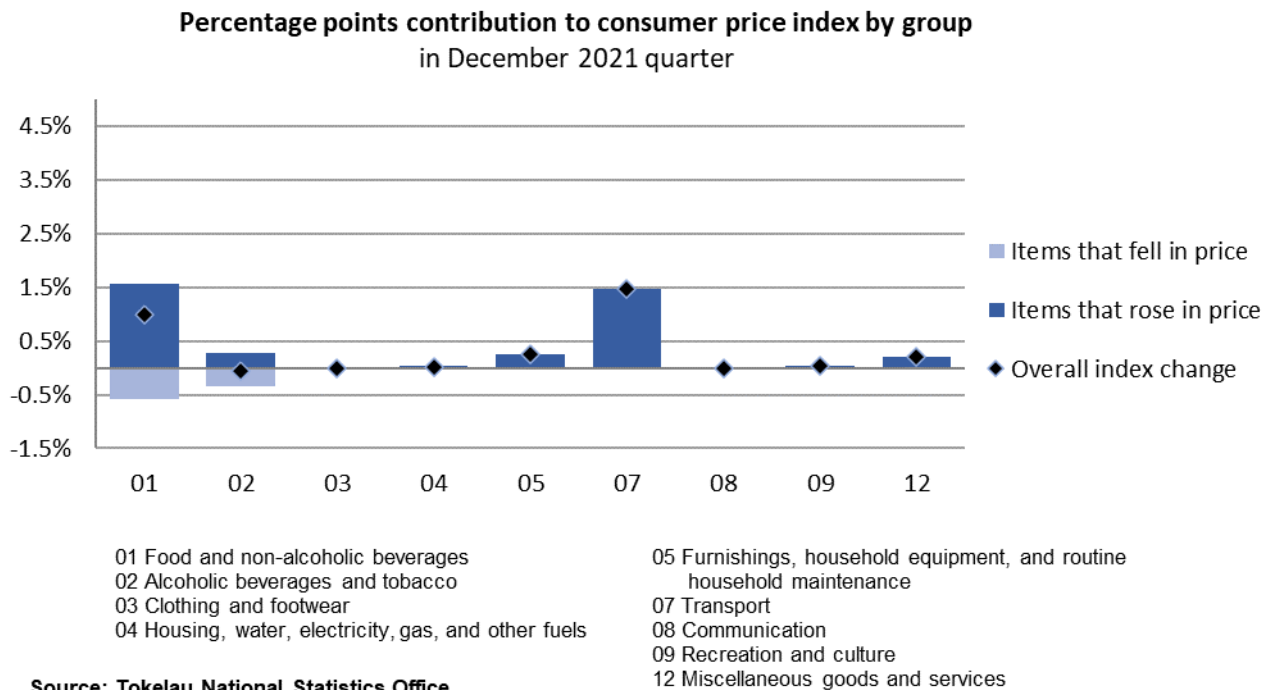
Percentage points contribution to consumer price index over time

Quarterly change to December 2021 quarter



Source: Tokelau National Statistics Office

The following graph shows the impact of items that rose and fell in price by group this quarter.



CPI shows 3.9 percent increase for the year to the December 2021 quarter

The CPI increased 3.9 percent in the year to the December 2021 quarter. This compares with a 1.4 percent annual inflation rise to the September 2021 quarter.

The largest upward contribution came from the food and non-alcoholic beverages group of 2.3 percent, prices increased 7.6 percent to annual CPI.

Key individual upward contributions to the food subgroup came from higher prices for:

- Chicken (up 38 percent)
- Rice (up 25 percent)
- Flour (up 31 percent).

The main individual downward contributions to the food subgroup came from lower prices for:

- Lamb chops (down 20 percent)
- Canned fish, tuna (down 24 percent)
- Corned beef, canned (down 6.9 percent).

Four other groups showed price increases; for the transport group, prices increased 15 percent. The furnishings, household equipment and routine household maintenance group, prices went up 6.7 percent. And the alcoholic beverages and tobacco group prices up 0.8 percent. Prices for the Miscellaneous goods and services group up 1.9 percent, contributing 1.1 percent, 0.4 percent, 0.3 percent and 0.1 percent respectively, to annual inflation.

Three groups showed price drops in the year to the December 2021 quarter. For the recreation and culture group down 8.2 percent, contributing a negative 0.2 percent to annual CPI. The housing, water, electricity, gas and other fuels group (down 1.7 percent); contributing a negative 0.1 percent to annual CPI. Prices in the clothing and footwear group down 0.2 percent, its contribution negligible to annual CPI. The communication group did not change.

Definitions

About the consumer price index

The consumer price index (CPI) measures the changing price of a fixed basket of goods and services purchased by households. The selection and relative importance of the goods and services in the CPI basket represents the overall expenditure pattern of households in Tokelau.

The aim of the CPI is to measure price changes of the same sample of products at each outlet over time. When there is a change in the size or quality of any of the goods or services in the basket, an adjustment is made to ensure that the price change shown in the CPI is not affected by the change in size or quality.

The CPI of Tokelau has been published quarterly since September 2012, and was rebased in March 2017. The index reference period is the March 2017 quarter (=100.0).

An updated listing of the representative goods and services monitored in the CPI basket, and the sources and methods used to compile various parts of the CPI, are available in the “Technical notes: Consumer Price Index” (October 2017 version) at www.tokelau.org.nz/Stats.html.

More definitions

A **price index** measures the change in price between time periods for a given set of goods and services. It summarises a set of prices for a variety of goods and services collected from a number of outlets.

The **index reference** period is the benchmark to which prices in other periods are compared (eg if the index number in a later period is 115.0, prices have increased by 15.0 percent since the index reference period).

Upward/downward contributions: Items mentioned in this release are often those that made a large contribution to the overall movement in the CPI. An item's contribution is a combination of its weight in the index (its relative importance, based on its share of household spending on goods and services covered by the CPI) and the magnitude of price movement. If two items record the same percentage rise in price, then the item with the larger CPI weighting will make a larger contribution to the overall movement. This contribution is also referred to as points (or index points) contribution.

Airfares: Since the Corona virus pandemic, Tokelau's only portal for international travel was no longer available (March 2020). TNSO and StatsNZ Tokelau support team constructed a method to impute airfares based on the previous year's price. By doing this, the price fluctuations are based on prices from previous quarters capturing more of the seasonality.

(Note this does not include repatriation and/or medical emergency flights.)

Reference period

Prices for the December 2021 quarter were collected between 15 November and 25 December 2021, by staff working for the village administrative centres, as well as TNSO staff in Apia and Tokelau.

Price influencers

Price changes may be influenced by external events. Factors that affected the quarterly and the annual December 2021 CPI include:

- Tokelau uses the New Zealand dollar as its currency; so major changes in the strength of the New Zealand dollar over the Samoan tala can change Tokelau's buying power in Samoa¹.
- Since 2013 nearly all goods sold in Tokelau have been sourced directly from Samoa. Many of these goods are re-exports, originating from various other countries including China, Australia, and New Zealand. This introduces price fluctuation between quarters, and can be caused both by local demand, and by international variables including demand, availability, seasonal effect, and changes in exchange rates. Changes in availability or price in Samoa have a strong influence on the Tokelau CPI.
- Each village sets pricing policy (such as for cigarettes, alcoholic and non-alcoholic drinks) independently, and this can change at any point.
- In July 2017, General fono (Parliament) approved a national 325 percent tax increase on cigarettes, in an effort to reduce smoking and hence the prevalence of non-communicable diseases in the atoll population. Since then, each Taupulega has introduced further price rises. Because cigarettes have a relatively large weight in the CPI, any change in their price will significantly impact the overall CPI movement as seen since 2017. To separate out the anomaly created by the cigarette pricing policy (combined with reduced availability in the atoll stores), we calculate CPI with and without cigarettes. This will provide for a smooth transition to "Tobacco free Tokelau 2020", which has nil cigarette imports as a target.

Liability

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Timing

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¹ The Tokelau Department of Finance tends to fix its exchange rate for the calendar year (currently WST/NZD=1.75), taking out some of the volatility.