



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

December 2022 quarter Consumer Price Index of Tokelau

Key facts

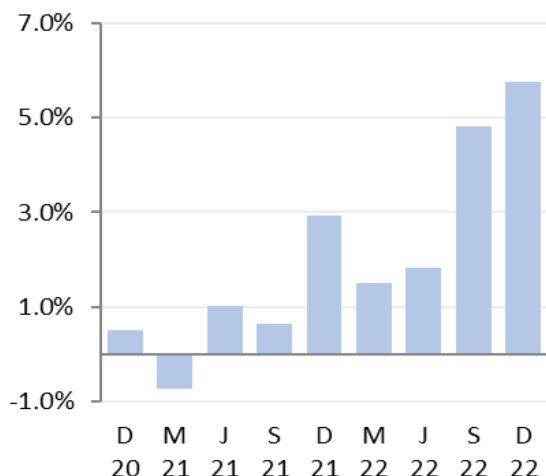
In the December 2022 quarter compared with the September 2022 quarter:

- The consumer price index (CPI) increased 5.8 percent, compared to a 4.8 percent increase in the previous quarter.
- The largest upward contribution to quarterly CPI of 4.1 percent came from the food and non-alcoholic beverages group, prices increased 12 percent this quarter.
- The next largest upward contribution was from the alcoholic beverages and tobacco group, which increased 5.3 percent, contributing 1.9 percent to quarterly CPI.
- The transport group had the largest downward contribution of negative 1.8 percent to quarterly CPI, with prices down 22 percent.

From the December 2021 quarter to the December 2022 quarter, CPI increased 14.6 percent. This compares with a 11.5 percent increase from the September 2021 quarter to the September 2022 quarter.

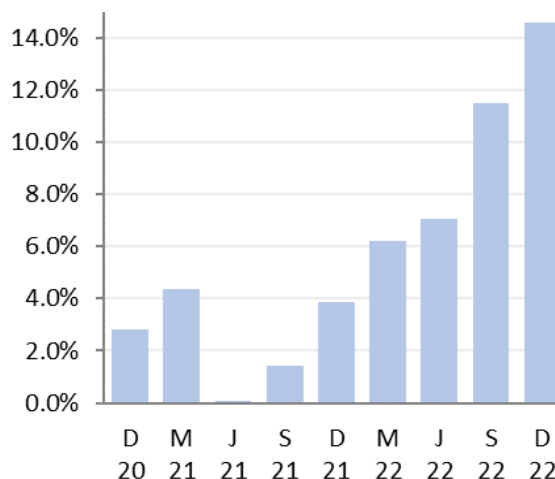
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Consumer price index
Quarterly change



Source: Tokelau National Statistics

Consumer price index
Annual change



Source: Tokelau National Statistics Office

Taimalie Kele Lui
National Statistician

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Website: <http://tokelau.org.nz/Stats.html>

Email: tnso@tokelau.org.nz

Commentary

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

- [Quarterly CPI rose 5.8 percent for December 2022 quarter](#)
- [Food and non-alcoholic beverages group up 12 percent this quarter](#)
- [Alcoholic beverages and tobacco group rose 5.3 percent](#)
- [Summary of other group movements in the quarterly CPI](#)
- [Impact of items that rose and fell in price](#)
- [CPI shows 14.6 percent increase for the year to the December 2022 quarter.](#)

Quarterly CPI rose 5.8 percent for December 2022 quarter

The December 2022 quarterly CPI rose 5.8 percent; this compares to a 4.8 percent increase in the September 2022 quarter.

Two of the CPI's nine groups recorded a negative contribution in the quarterly CPI, five 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 | 4.1% |
| 02. Alcoholic beverages and tobacco | 1.9% |
| 03. Clothing and footwear | -0.1% |
| 04. Housing, water, electricity, gas and other fuels | 0.0% |
| 05. Furnishings, household equipment and routine household maintenance | 0.8% |
| 07. Transport | -1.8% |
| 08. Communication | 0.0% |
| 09. Recreation and culture | 0.5% |
| 12. Miscellaneous goods and services | 0.3% |
| Overall CPI | 5.8% |

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

Food and non-alcoholic beverages group up 12 percent this quarter

Prices in the food and non-alcoholic beverages group increased 12 percent this quarter, contributing 4.1 percent to quarterly CPI.

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

- Chicken (up 21 percent)
- Cooking oil (up 49 percent)
- Canned fish, mackerel (up 106 percent).

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

- Canned fish, tuna (down 9.8 percent)
- Mutton flaps (down 8.2 percent)
- Breakfast cereal (down 7.6 percent).

Prices in the non-alcoholic beverages subgroup dropped 6.3 percent, dominated by chocolate-flavoured drink powder (down 8.3 percent) and instant coffee (down 10 percent).

Alcoholic beverages and tobacco group rose 5.3 percent

The alcoholic beverages and tobacco group contributed 1.9 percent to the quarterly CPI, with prices up 5.3 percent this quarter. This is driven by an increase in the prices of imported spirits and tobacco cigarettes, up 33 percent and 2.7 percent respectively. This rise in the alcoholic beverages and tobacco group compares to a 1.5 percent price increase, and a 0.6 percent contribution to quarterly CPI in the September 2022 quarter.

Summary of other group movements in the quarterly CPI

The transport group showed the largest downward contribution of 1.8 percent to quarterly CPI, with prices down 22 percent. Prices in the clothing and footwear group decreased 1.7 percent, contributing a negative 0.1 percent to quarterly CPI.

Three other groups showed price changes: For the furnishings, household equipment and routine household maintenance group increased 15 percent, contributing 0.8 percent to quarterly CPI. The recreation and culture group contributed 0.5 percent to quarterly CPI, prices up 33 percent. And the miscellaneous goods and services group prices up 8.6 percent, contributing 0.3 percent.

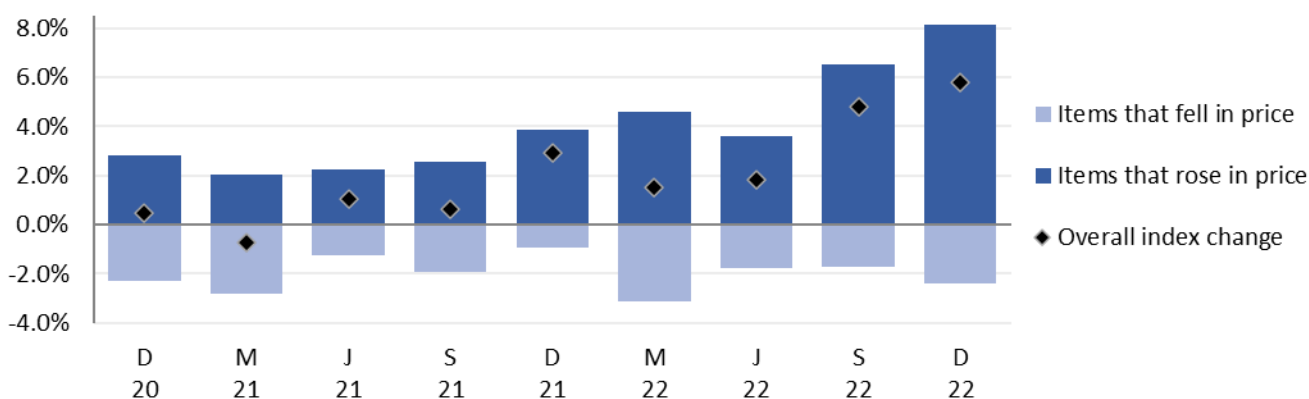
One group showed small change this quarter; housing, water, electricity, gas and other fuels group (up 0.3 percent), its contribution to quarterly CPI were negligible. The communication group remained unchanged this quarter.

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 5.8 percent increase in the CPI for the December 2022 quarter.

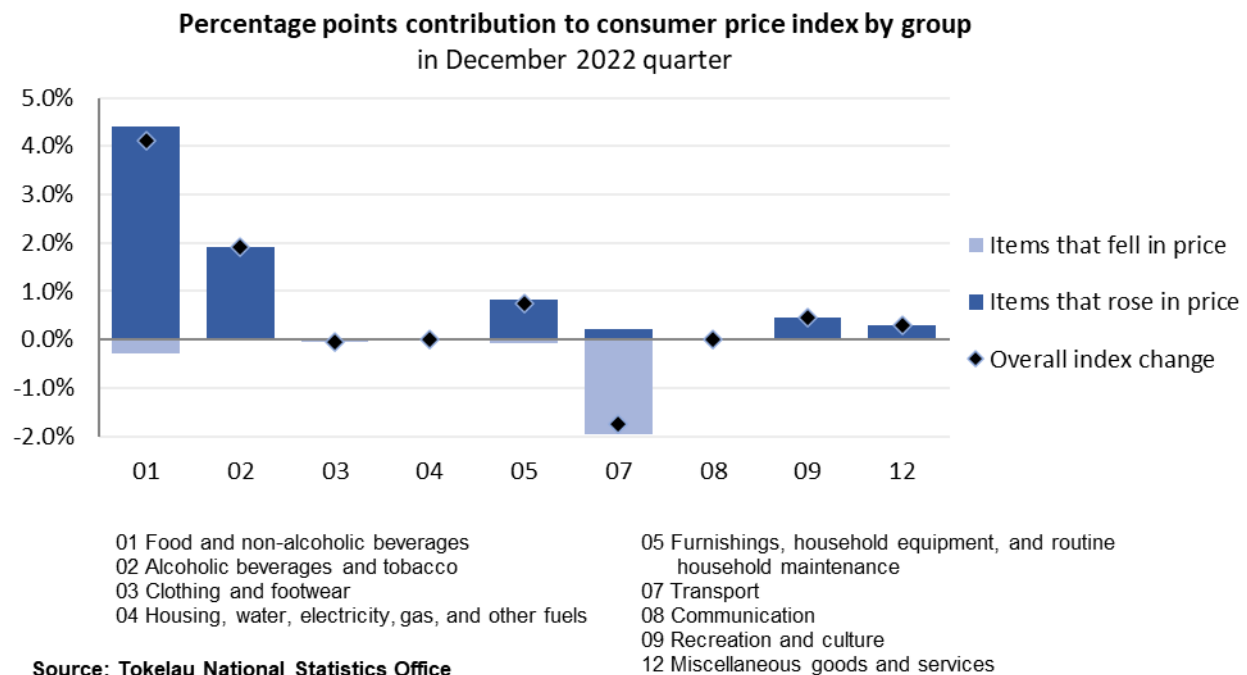
Percentage points contribution to consumer price index over time

Quarterly change to December 2022 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 14.6 percent increase for the year to the December 2022 quarter

The CPI increased 14.6 percent in the year to the December 2022 quarter. This compares with a 11.5 percent annual inflation rise to the September 2022 quarter.

The largest upward contribution came from the food and non-alcoholic beverages group of 9.1 percent, prices increased 29 percent to annual CPI.

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

- Chicken (up 53 percent)
- Cooking oil (up 203 percent)
- Lamb chops (up 26 percent).

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

- Pineapple, canned (down 55 percent)
- Soya sauce (down 14 percent)
- Breakfast cereal (down 1.0 percent).

The alcoholic beverages and tobacco group showed the next largest contribution of 5.6 percent, prices went up 15 percent for this annual CPI. This is mainly driven by the rise in prices of cigarettes (up 15 percent), imported spirits (up 28 percent) and imported beer (up 12 percent).

Prices in the furnishings, household equipment and routine household maintenance group rose 7.7 percent, contributing 0.5 percent to the annual inflation rate. Five other groups contributed to the annual CPI; for the recreation and culture group, it contributed 0.4 percent (prices up 24 percent). The miscellaneous goods and services group contributed 0.4 percent (prices up 10 percent). Prices in the transport group down 15 percent, contributing a negative 1.2 percent. And the clothing and footwear group prices dropped 3.4 percent, contributing a negative 0.1 percent to the 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. With the Samoan borders grand re-opening in August, we are now able to price airfares as usual for the previous quarter and future travels. Hence there is no longer a need for imputation on airfares.

Reference period

Prices for the December 2022 quarter were collected between 16 November and 22 December 2022, 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 2022 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 Samoa. The Tokelau Department of Finance determines its exchange rate every beginning of the month, with the New Zealand dollar experiencing a declining rate to the Samoan tala this quarter from: October NZD/SAT=1.60, November NZD/SAT=1.60, and December NZD/SAT=1.66.
- 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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