



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

# March 2023 quarter Consumer Price Index of Tokelau

## Key facts

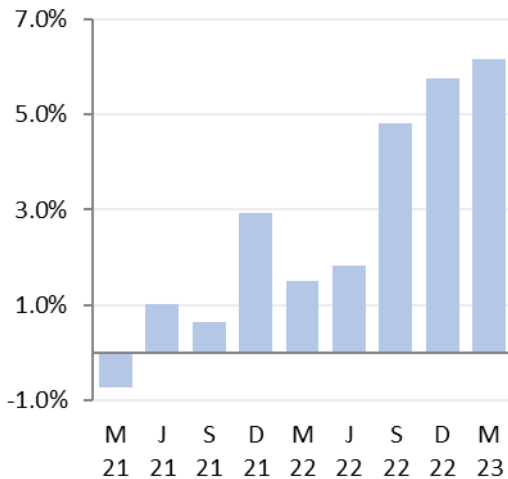
In the March 2023 quarter compared with the December 2022 quarter:

- The consumer price index (CPI) increased 6.2 percent, compared to a 5.8 percent increase in the previous quarter.
- The largest upward contribution to quarterly CPI of 3.0 percent came from the transport group, prices increased 52 percent this quarter.
- The next largest upward contribution was from the food and non-alcoholic beverages group, which increased 4.0 percent, contributing 1.4 percent to quarterly CPI.
- The furnishings, household equipment and routine household maintenance group had the largest downward contribution of negative 0.2 percent to quarterly CPI, with prices down 4.2 percent.

From the March 2022 quarter to the March 2023 quarter, CPI increased 19.9 percent. This compares with a 14.6 percent increase from the December 2021 quarter to the December 2022 quarter.

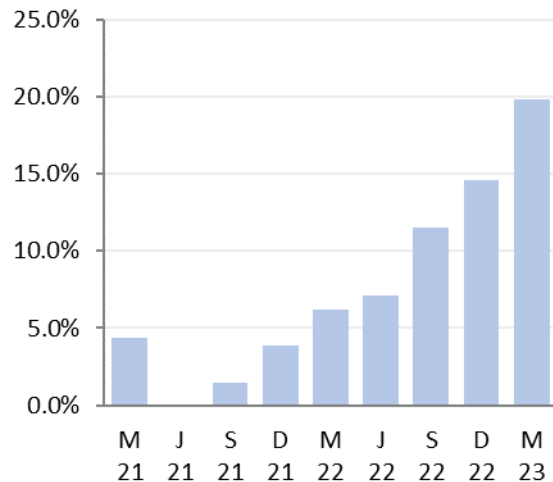
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

**Consumer price index**  
Quarterly change



Source: Tokelau National Statistics

**Consumer price index**  
Annual change



Source: Tokelau National Statistics Office

**Ututaimalie Kele Lui**  
National Statistician

**28 April 2023**

## Commentary

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

- [Quarterly CPI rose 6.2 percent for March 2023 quarter](#)
- [Food and non-alcoholic beverages group up 4.0 percent this quarter](#)
- [Alcoholic beverages and tobacco group rose 3.0 percent](#)
- [Summary of other group movements in the quarterly CPI](#)
- [Impact of items that rose and fell in price](#)
- [CPI shows 19.9 percent increase for the year to the March 2023 quarter.](#)

### Quarterly CPI rose 6.2 percent for March 2023 quarter

The March 2023 quarterly CPI rose 6.2 percent; this compares to a 5.8 percent increase in the December 2022 quarter.

Only one 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	1.4%
02. Alcoholic beverages and tobacco	1.1%
03. Clothing and footwear	0.0%
04. Housing, water, electricity, gas and other fuels	0.5%
05. Furnishings, household equipment and routine household maintenance	-0.2%
07. Transport	3.0%
08. Communication	0.0%
09. Recreation and culture	-0.0%
12. Miscellaneous goods and services	0.4%
Overall CPI	6.2%

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

### Food and non-alcoholic beverages group up 4.0 percent this quarter

Prices in the food and non-alcoholic beverages group increased 4.0 percent this quarter, contributing 1.4 percent to quarterly CPI.

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

- Lamb chops (up 36 percent)
- Canned fish, tuna (up 65 percent)
- Sugar (up 32 percent).

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

- Canned fish, mackerel (down 39 percent)
- Chicken (down 5.2 percent)
- Cooking oil (down 12 percent).

Prices in the non-alcoholic beverages subgroup dropped 2.1 percent, dominated by chocolate-flavoured drink powder (down 18 percent).

## Alcoholic beverages and tobacco group rose 3.0 percent

The alcoholic beverages and tobacco group contributed 1.1 percent to the quarterly CPI, with prices up 3.0 percent this quarter. This is driven by an increase in the prices of imported spirits and tobacco cigarettes, up 18 percent and 1.8 percent respectively. This rise in the alcoholic beverages and tobacco group compares to a 5.3 percent price increase, and a 1.9 percent contribution to quarterly CPI in the December 2022 quarter.

## Summary of other group movements in the quarterly CPI

The transport group showed the largest upward contribution of 3.0 percent to quarterly CPI, with prices up 52 percent. Prices in the furnishings, household equipment and routine household maintenance group decreased 4.2 percent, contributing a negative 0.2 percent to quarterly CPI.

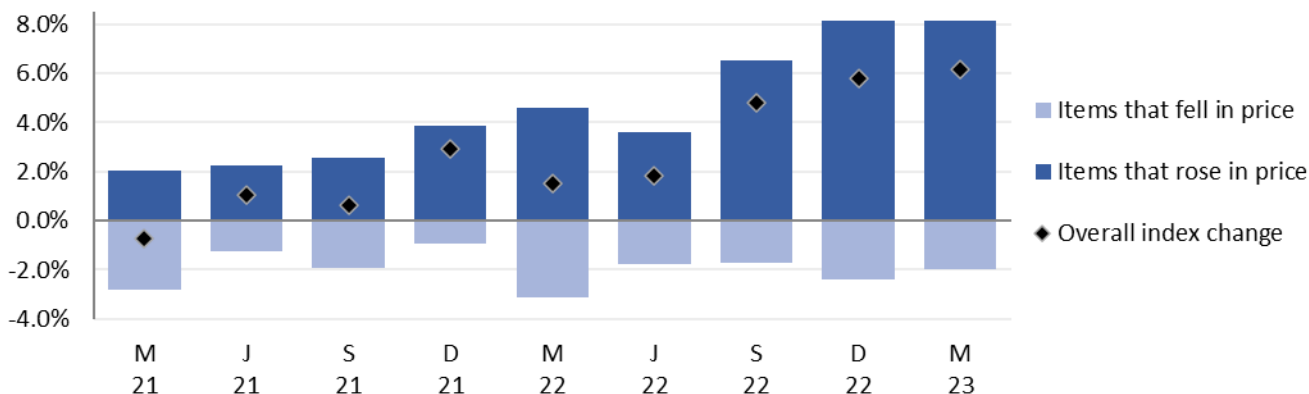
Two other groups showed price changes: For the housing, water, electricity, gas and other fuels group increased 11 percent, and the miscellaneous goods and services group increased 11 percent, contributing 0.5 percent and 0.4 percent respectively this quarter.

The remaining groups showed small changes this quarter; clothing and footwear group (up 0.6 percent), the recreation and culture group (down 1.9 percent), their contribution to quarterly CPI were negligible. The communication group remained unchanged this quarter.

## Impact of items that rose and fell in price

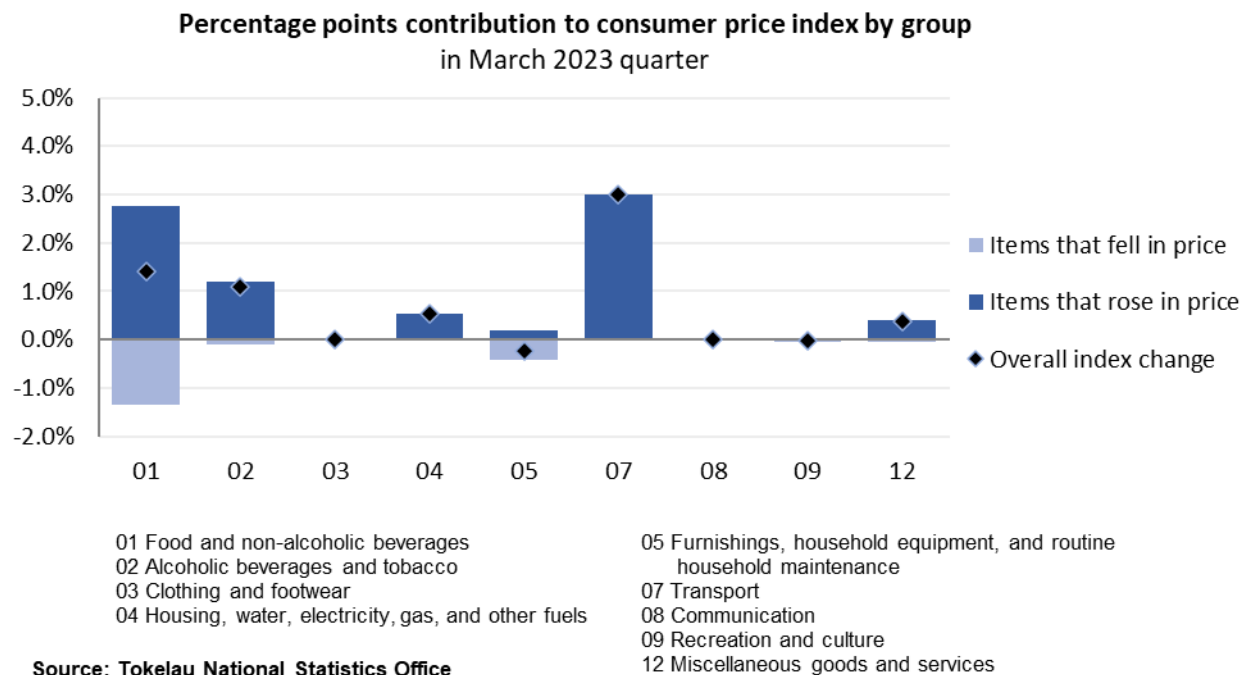
The graph below shows the impact of items that rose and fell in price over time: the overall impact was a 6.2 percent increase in the CPI for the March 2023 quarter.

**Percentage points contribution to consumer price index over time**  
 Quarterly change to March 2023 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 19.9 percent increase for the year to the March 2023 quarter

The CPI increased 19.9 percent in the year to the March 2023 quarter. This compares with a 14.6 percent annual inflation rise to the December 2022 quarter.

The largest upward contribution came from the food and non-alcoholic beverages group of 9.8 percent, prices increased 31 percent to annual CPI.

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

- Chicken (up 45 percent)
- Lamb chops (up 93 percent)
- Cooking oil (up 167 percent).

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

- Biscuits/crackers (down 21 percent)
- Mayonnaise (down 18 percent)
- Breakfast cereal (down 9.6 percent).

The alcoholic beverages and tobacco group showed the next largest contribution of 4.0 percent, prices went up 11 percent for this annual CPI. This is mainly driven by the rise in prices of cigarettes (up 6.8 percent), imported spirits (up 52 percent) and imported beer (up 5.0 percent).

Prices in the transport group rose 64 percent, contributing 3.9 percent to the annual inflation rate. Five other groups contributed to the annual CPI; for the miscellaneous goods and services group, it contributed 0.8 percent (prices up 23 percent). The housing, water, electricity, gas and other fuels group contributed 0.7 percent (prices up 13 percent). Prices in the furnishings, household equipment and routine household maintenance group contributed 0.5 percent (prices up 8.5 percent). The recreation and culture group contributed 0.3 percent (prices up 19 percent). And the clothing and footwear group prices dropped 2.3 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](http://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 March 2022 quarter were collected between 15 February and 14 March 2023, 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 March 2023 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 fluctuating rate to the Samoan tala this quarter from: January NZD/SAT=1.69, February NZD/SAT=1.70, and March NZD/SAT=1.68.
- 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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