



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

June 2023 quarter Consumer Price Index of Tokelau

Key facts

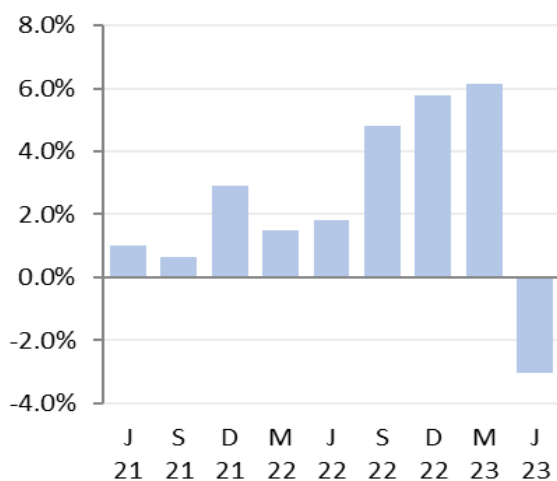
In the June 2023 quarter compared with the March 2023 quarter:

- The consumer price index (CPI) decreased 3.0 percent, compared to a 6.2 percent increase in the previous quarter.
- The largest downward contribution to quarterly CPI of 2.2 percent came from the food and non-alcoholic beverages group, prices decreased 6.3 percent this quarter.
- The next largest downward contribution was from the alcoholic beverages and tobacco group, which decreased 0.9 percent, contributing a negative 0.3 percent to quarterly CPI.
- The clothing and footwear group had the largest upward contribution of 0.1 percent to quarterly CPI, with prices up 2.8 percent.

From the June 2022 quarter to the June 2023 quarter, CPI increased 14.1 percent. This compares with a 19.9 percent increase from the March 2022 quarter to the March 2023 quarter.

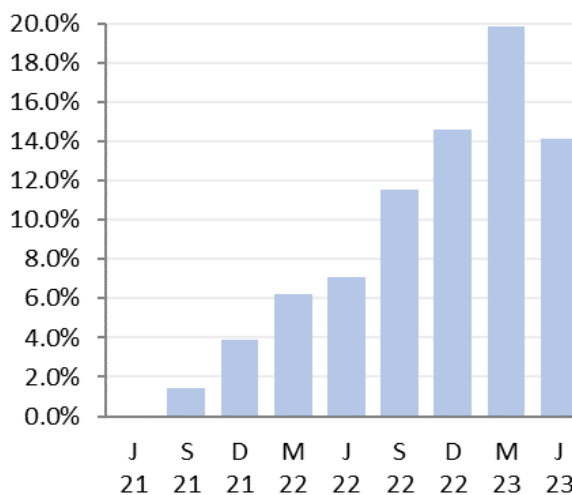
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Consumer price index
Quarterly change



Source: Tokelau National Statistics

Consumer price index
Annual change



Source: Tokelau National Statistics Office

Ututaimalie Kele Lui
National Statistician

31 July 2023

Commentary

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

- [Quarterly CPI fell 3.0 percent for June 2023 quarter](#)
- [Food and non-alcoholic beverages group down 6.3 percent this quarter](#)
- [Alcoholic beverages and tobacco group down 0.9 percent](#)
- [Summary of other group movements in the quarterly CPI](#)
- [Impact of items that rose and fell in price](#)
- [CPI shows 14.1 percent increase for the year to the June 2023 quarter.](#)

Quarterly CPI fell 3.0 percent for June 2023 quarter

The June 2023 quarterly CPI decreased 3.0 percent; this compares to a 6.2 percent increase in the March 2023 quarter.

Two of the CPI's nine groups recorded an increase contribution in the quarterly CPI, four recorded negative contributions, 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	-2.2%
02. Alcoholic beverages and tobacco	-0.3%
03. Clothing and footwear	0.1%
04. Housing, water, electricity, gas and other fuels	0.0%
05. Furnishings, household equipment and routine household maintenance	-0.3%
07. Transport	0.1%
08. Communication	0.0%
09. Recreation and culture	0.0%
12. Miscellaneous goods and services	-0.3%
Overall CPI	-3.0%

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

Food and non-alcoholic beverages group down 6.3 percent this quarter

Prices in the food and non-alcoholic beverages group decreased 6.3 percent this quarter, contributing a negative 2.2 percent to quarterly CPI.

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

- Chicken (down 15 percent)
- Sugar (down 35 percent)
- Lamb chops (down 15 percent).

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

- Noodles (up 13 percent)
- Flour (up 7.0 percent)
- Mayonnaise (up 14 percent).

Prices in the non-alcoholic beverages subgroup dropped 0.2 percent, dominated by instant coffee (down 14 percent).

Alcoholic beverages and tobacco group down 0.9 percent

The alcoholic beverages and tobacco group contributed a negative 0.3 percent to the quarterly CPI, with prices down 0.9 percent this quarter. This is mainly driven by a decrease in the prices of tobacco cigarettes, down 2.5 percent. This drop in the alcoholic beverages and tobacco group compares to a 3.0 percent price increase, and a 1.1 percent contribution to quarterly CPI in the March 2023 quarter.

Summary of other group movements in the quarterly CPI

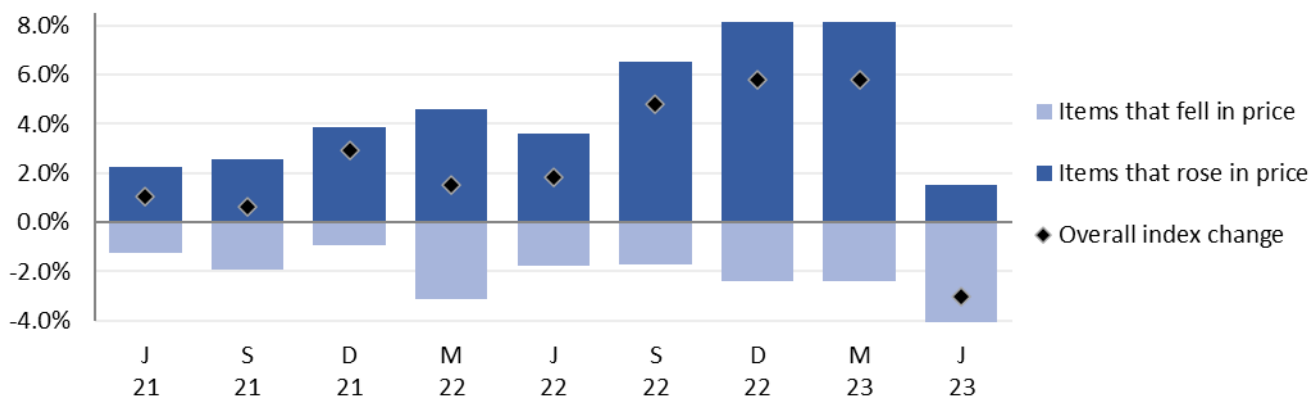
The clothing and footwear group showed the largest upward contribution of 0.1 percent to quarterly CPI, with prices up 2.8 percent. Prices in the furnishings, household equipment and routine household maintenance and the miscellaneous goods and services groups, decreased 6.4 percent and 8.6 percent respectively, both groups contributing a negative 0.3 percent to quarterly CPI. The transport group contributed 0.1 percent, with prices up 0.6 percent.

The remaining groups showed small changes this quarter; recreation and culture group (down 1.1 percent), the housing, water, electricity, gas and other fuels group (up 0.3 percent), their contribution to quarterly CPI were negligible. The communication group remained unchanged this quarter.

Impact of items that rose and fell in price

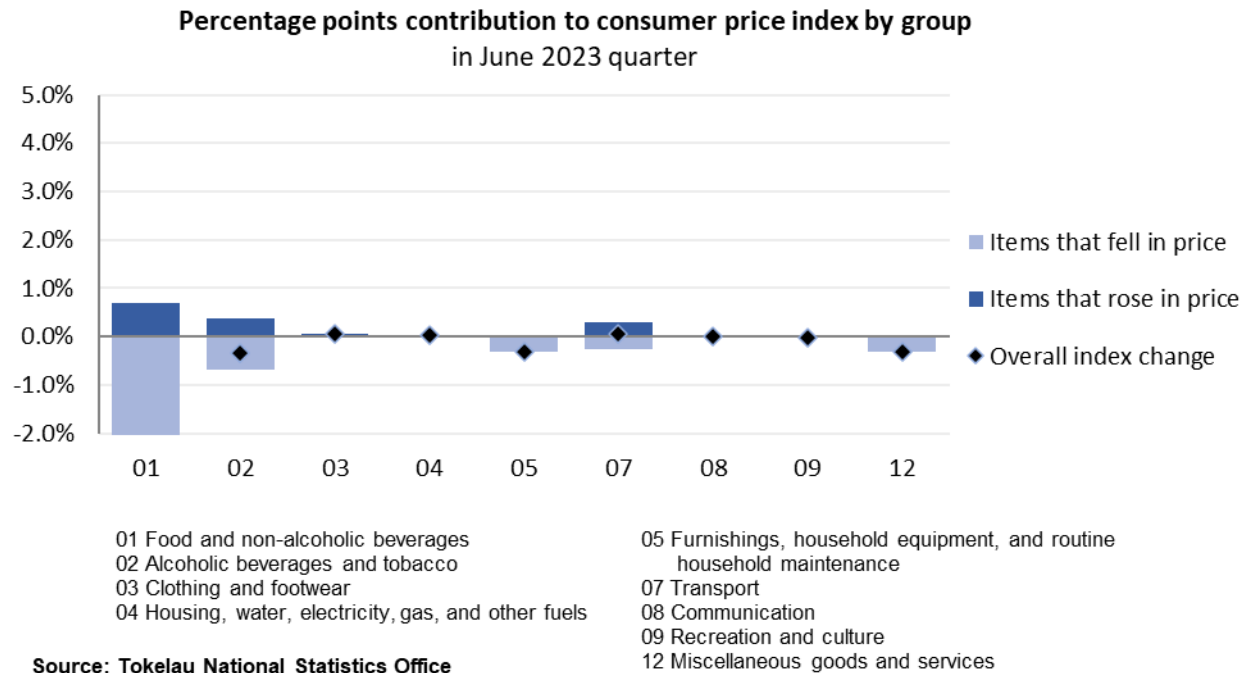
The graph below shows the impact of items that rose and fell in price over time: the overall impact was a 3.0 percent decrease in the CPI for the June 2023 quarter.

Percentage points contribution to consumer price index over time
Quarterly change to June 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 14.1 percent increase for the year to the June 2023 quarter

The CPI increased 14.1 percent in the year to the June 2023 quarter. This compares with a 19.9 percent annual inflation rise to the March 2023 quarter.

The largest upward contribution came from the food and non-alcoholic beverages group of 5.6 percent, prices increased 17 percent to annual CPI.

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

- Chicken (up 28 percent)
- Cooking oil (up 147 percent)
- Flour (up 47 percent).

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

- Canned fish, tuna (down 21 percent)
- Biscuits/crackers (down 15 percent)
- Mutton flaps (down 8.1 percent).

The transport group showed the next largest contribution of 3.5 percent, prices went up 55 percent for this annual CPI. This is mainly driven by the rise in prices of petrol (up 99 percent), and air fares (up 19 percent).

Prices in the alcoholic beverages and tobacco group rose 9.0 percent, contributing 3.4 percent to the annual inflation rate. Five other groups contributed to the annual CPI; for the housing, water, electricity, gas and other fuels group, it contributed 0.7 percent (prices up 12.5 percent). The miscellaneous goods and services group contributed 0.4 percent (prices up 10 percent). The recreation and culture group contributed 0.4 percent (prices up 23 percent). The furnishings, household equipment and routine household maintenance group contributed 0.3 percent (prices up 5.3 percent). And the clothing and footwear group prices rose 0.6 percent, its contribution negligible 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.

Reference period

Prices for the June 2023 quarter were collected between 15 May and 15 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 June 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: April NZD/SAT=1.68, May NZD/SAT=1.68, and June 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.

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