



September 2014 quarter Consumer Price Index of Tokelau

Embargoed until 12.00pm (Samoa Daylight Savings Time)–31 October 2014

Key facts

In the September 2014 quarter compared with the June 2014 quarter:

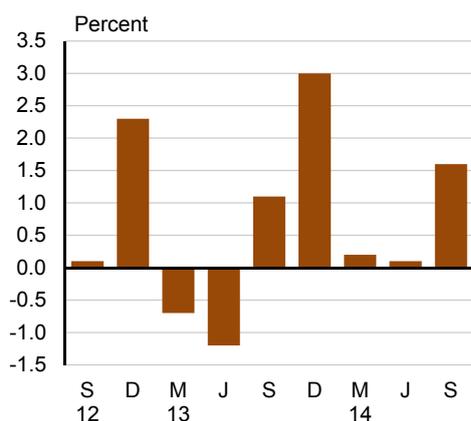
- The consumer price index (CPI) rose 1.6 percent.
- The main upward contribution came from the Alcoholic beverages and tobacco group (up 4.9 percent), reflecting increased prices for tobacco.
- The main downward contribution came from the Transport group (down 0.8 percent), reflecting lower prices for petrol.
- The Food and non-alcoholic beverages group fell 0.1 percent, led by lower prices for biscuits and crackers.
- The Furnishings, household equipment and routine household maintenance group rose 8.4 percent, led by higher prices for washing powder.

From the September 2013 quarter to the September 2014 quarter:

- The CPI increased 4.9 percent, compared to 4.3 percent in the year to the June 2014 quarter.

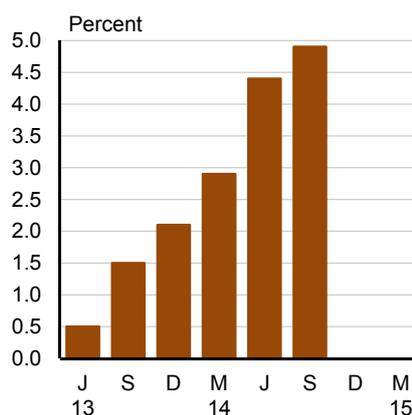
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Consumer price index
Quarterly change



Source: Tokelau National Statistics Office

Consumer price index
Annual change



Source: Tokelau National Statistics Office

Kele Lui
National Statistician

31 October 2014

Commentary

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

- [CPI rises 1.6 percent in the September 2014 quarter](#)
- [CPI shows 4.9 percent increase for the year to the September quarter 2014](#)
- [Prices for Alcoholic beverages and tobacco group rise 4.9 percent](#)
- [Food and non-alcoholic beverages prices drop 0.1 percent](#)
- [Summary of other group movements in the CPI.](#)

CPI rises 1.6 percent in the September 2014 quarter

The rise in CPI of 1.6 percent in the September 2014 quarter follows an increase of 0.1 percent in the June 2014 quarter.

Three of the CPI's eight groups recorded price decreases for the September 2014 quarter. Four groups made upward contributions.

The main individual upward contributions came from higher prices for:

- cigarettes (up 6.4 percent)
- washing powder (up 37.1 percent)
- chicken pieces (up 6.1 percent)
- milk powder (up 12.5 percent).

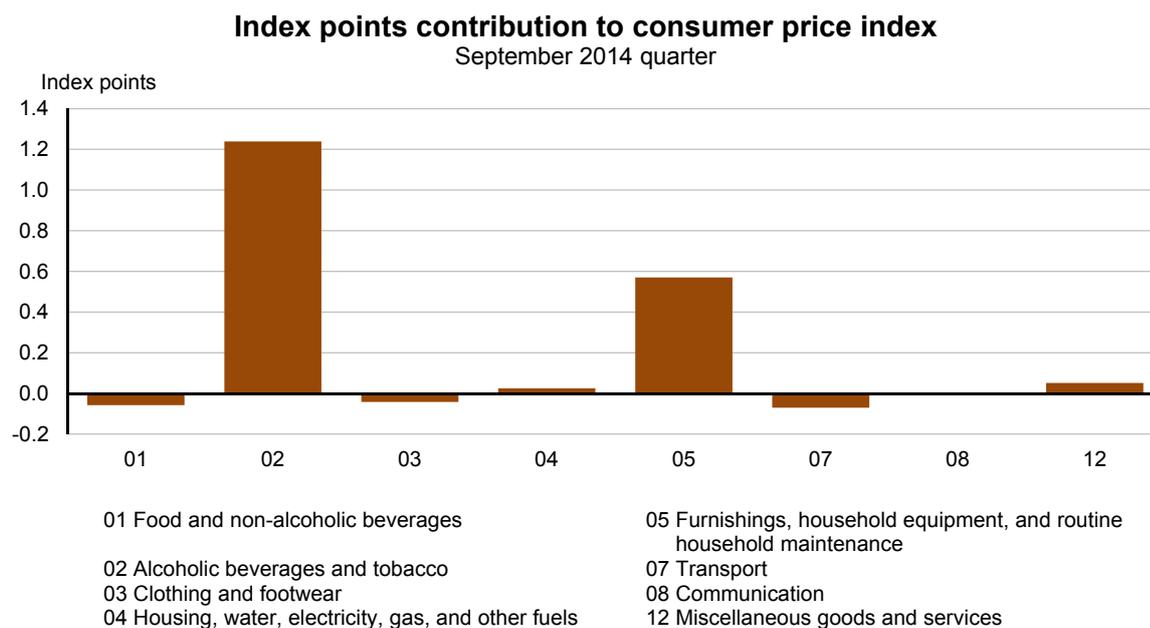
The key individual downward contributions came from lower prices for:

- biscuits and crackers (down 25.3 percent)
- fruit drink powder (down 21.8 percent)
- mayonnaise (down 9.6 percent).

Consumer price index groups: September 2014 quarter

Group	Index points contribution to CPI	Quarterly percentage change
Alcoholic beverages and tobacco	1.239	4.9
Furnishings, household equipment, and routine household maintenance	0.570	8.4
Miscellaneous goods and services	0.052	1.0
Housing, water, electricity, gas, and other fuels	0.025	0.2
Communication	-	0.0
Clothing and footwear	-0.042	-3.5
Food and non-alcoholic beverages	-0.057	-0.1
Transport	-0.070	-0.8
All groups CPI	1.716	1.6

Note: Points contribution may not sum to total due to rounding.



Source: Tokelau National Statistics Office

CPI shows 4.9 percent increase for the year to the September 2014 quarter

The CPI increased 4.9 percent in the year to the September 2014 quarter, slightly more than the 4.4 percent increase in the year to the June 2014 quarter.

Five of the eight groups in the CPI made upward contributions. By group, the main upward contribution came from the Alcoholic beverages and tobacco group (up 11.6 percent). Higher prices were also recorded for the groups:

- Furnishings, household equipment, and routine household maintenance (up 25.5 percent)
- Food and non-alcoholic beverages (up 2.1 percent)
- Clothing and footwear (up 5.7 percent)
- Housing, water, electricity, gas, and other fuels (up 0.3 percent).

Downward contributions came from the Miscellaneous goods and services group (down 1.9 percent) and the Transport group (down 1.9 percent).

Individually, the main upward contribution came from an almost doubling of prices for washing powder (up 198.7 percent). Higher prices were also recorded for:

- cigarettes (up 11.5 percent)
- canned fish (22.0 percent)
- cooking oil (up 29.0 percent).

The main individual downward contributions during the year came from:

- rice (down 10.6 percent)
- bottled water (down 21.6 percent)
- fruit drink powder (down 30.5 percent)
- chicken pieces (down 6.4 percent).

Prices for Alcoholic beverages and tobacco group rise 4.9 percent

Alcoholic beverages prices did not move in the September 2014 quarter, while cigarette prices went up 6.4 percent. Weighting of these items resulted in a 4.9 percent price increase for the group.

Annual prices

For the year to the September 2014 quarter, Alcoholic beverages and tobacco prices increased 11.6 percent. A rise in the price of cigarettes (up 11.5 percent) was a major contributor to the group's overall increase. Significant increases were recorded for the prices of beer (up 23.3 percent); spirits prices also went up by 6.1 percent.

The rise in the cost of cigarettes contributed 2.1 index points to the overall rise of 5.0 index points for the year to the September 2014 quarter.

Food and non-alcoholic beverages prices drop 0.1 percent

Prices in the Food and non-alcoholic beverages group dropped only 0.1 percent in the September 2014 quarter. This compares to a 1.2 percent decrease in the June 2014 quarter.

Prices within the Non-alcoholic beverages subgroup decreased 1.2 percent for the quarter, led by a decrease in the cost of fruit drink powder (down 21.8 percent).

Prices in the Food subgroup did not move overall (0.0 percent).

Significant downward contributions came from lower prices for biscuits and crackers (down 25.3 percent), mayonnaise (down 9.6 percent), and cheese-flavoured corn snacks (down 8.2 percent).

Upward contributions came from higher prices for chicken pieces (up 6.1 percent), milk powder (up 12.5 percent), long-life milk (up 6.7 percent), and flour (up 17.2 percent).

Annual prices

For the year to the June 2014 quarter, prices in the Food and non-alcoholic beverages group increased 2.1 percent.

Higher prices were recorded for canned fish (up 22.0 percent), cooking oil (up 29.0 percent), lamb and mutton (up 8.2 percent), chocolate-flavoured drink powder (up 32.8 percent), and sugar (up 10.8 percent).

Significant downward contributions came from lower prices for rice (down 10.6 percent), bottled water (down 21.6 percent), fruit drink powder (down 30.5 percent), and chicken pieces (down 6.4 percent).

Summary of other group movements in the CPI

In the September 2014 quarter, the Furnishings, household equipment, and routine household maintenance group was up 8.4 percent. This was led by an increase in the price for washing powder (up 37.1 percent). The group Miscellaneous goods and services went up by 1.0 percent and the group Housing, water, electricity, gas, and other fuels went up by 0.2 percent.

Two other groups recorded overall price decreases. These groups were:

- Transport (down 0.8 percent)
- Clothing and footwear (down 3.5 percent).

Only the Communication group recorded no movement for the September 2014 quarter.

Annual prices

In the year to the September 2014 quarter, prices also increased for the following groups:

- Furnishings, household equipment, and routine household maintenance (up 25.5 percent)
- Clothing and footwear (up 5.7 percent)
- Housing, water, electricity, gas, and other fuels (up 0.3 percent).

Price decreases were recorded for the groups:

- Transport (down 1.9 percent)
- Miscellaneous goods and services (down 1.9 percent).

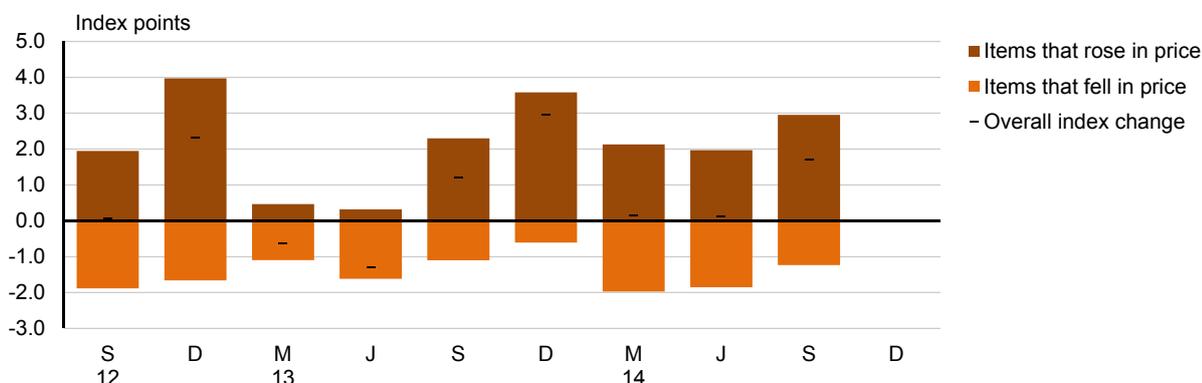
The Communication group recorded no change in the year to the September 2014 quarter. This reflects the fact that Tokelau has only one telecommunications provider, whose prices change infrequently.

Impact of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price. This led to a 1.6 percent increase in the CPI for the September 2014 quarter.

For the September 2014 quarter, the impact of the items that rose is slightly greater than the impact of items that fell.

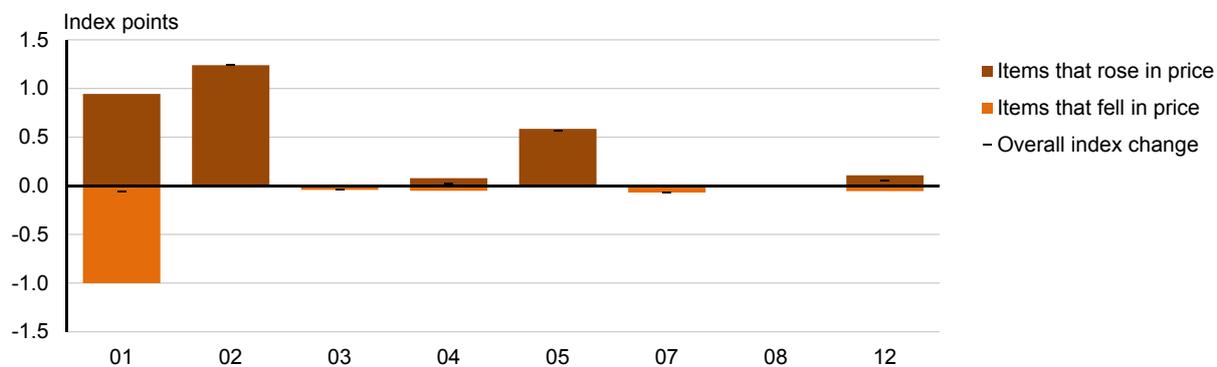
Index points contribution to consumer price index
September 2014 quarter



Source: Tokelau National Statistics Office

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

Index points contribution to consumer price index
September 2014 quarter



01 Food and non-alcoholic beverages

02 Alcoholic beverages and tobacco

03 Clothing and footwear

04 Housing, water, electricity, gas, and other fuels

05 Furnishings, household equipment, and routine household maintenance

07 Transport

08 Communication

12 Miscellaneous goods and services

Source: Tokelau National Statistics Office

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 is published quarterly.

A 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” at <http://TokelauNSO.tk>.

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 150, prices have increased by 50.0 percent since the index reference period). Prices for later periods can also be compared in similar fashion. The CPI has an index reference period of the June 2012 quarter (=100).

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. For example, for two items recording the same percentage rise in price, the item with the larger weight in the CPI will make a larger contribution to the overall movement. This contribution is also referred to as points (or index points) contribution.

Data quality information

Reference period

Prices for the September 2014 quarter were collected between 15 and 28 August 2014. Prices for the June 2014 quarter were collected between 14 May and 10 June 2014. Staff working for the nuku administrative centres collected the prices for the June and September 2014 quarters.

Prices for the September 2013 quarter were collected between 26 August and 4 September 2013, to coincide with in-store training on the atolls. Collection dates for the reference quarter June 2012 were 21–24 May 2012.

Price influencers

Price changes may be influenced by external events. Factors that affected the September 2014 quarter CPI, and the September 2014 annual CPI include:

- Tokelau uses the New Zealand dollar as its currency; so changes in the strength of the New Zealand dollar over the Samoan tala can change Tokelau's buying power in Samoa. Changes are likely to affect the prices of goods sold in Tokelau.
- From 2013 nearly all goods sold in Tokelau are sourced directly from Samoa, however many of these goods are re-exports, originating from various other countries including China, Australia, and New Zealand. This has an ongoing impact on price levels by introducing price fluctuation between quarters. These fluctuations 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 nuku (village) sets pricing policy (such as for cigarettes, alcoholic and non-alcoholic drinks) independently, and this can change at any point. Because cigarettes have a relatively large weight in the CPI, any change in price will significantly impact the overall CPI movement.

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