



December 2014 quarter Consumer Price Index of Tokelau

Embargoed until 12.00pm (Samoa Daylight Savings Time)–2 February 2015

Key facts

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

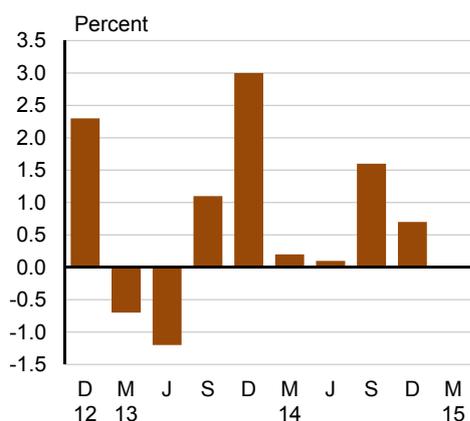
- The consumer price index (CPI) rose 0.7 percent.
- The main upward contribution came from the Food and non-alcoholic beverages group (up 2.0 percent), led by higher prices for biscuits and crackers and for rice.
- The Alcoholic beverages and tobacco group rose 1.1 percent, reflecting increased prices for cigarettes.
- The main downward contribution came from the Furnishings, household equipment, and routine household maintenance group (down 4.1 percent), led by lower prices for washing powder and disinfectant.
- The Miscellaneous goods and services group also fell (by 2.1 percent), led by reduced prices for baby oil.

From the December 2013 quarter to the December 2014 quarter:

- The CPI increased 2.6 percent.
- This compares with a 4.9 percent increase in the year to the September 2014 quarter.

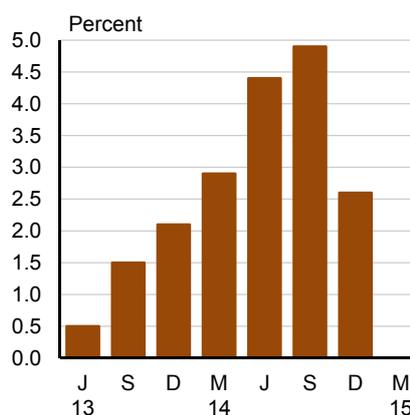
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Consumer price index
Quarterly change



Source: Tokelau National Statistics Office

Consumer price index
Annual change



Source: Tokelau National Statistics Office

Kele Lui
National Statistician

2 February 2015

Commentary

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

- [CPI rises 0.7 percent in the December 2014 quarter](#)
- [CPI shows 2.6 percent increase for the year to the December 2014 quarter](#)
- [Prices for Food and non-alcoholic beverages group rise 2.0 percent](#)
- [Prices for Alcoholic beverages and tobacco group rise 1.1 percent](#)
- [Summary of other group movements in the quarterly CPI.](#)

CPI rises 0.7 percent in the December 2014 quarter

The rise in CPI of 0.7 percent in the December 2014 quarter follows an increase of 1.6 percent in the September 2014 quarter.

Four of the CPI's eight groups recorded price increases for the December 2014 quarter. Two groups made downward contributions, and two groups did not move at all.

The main individual upward contributions came from higher prices for:

- biscuits and crackers (up 78 percent)
- rice (up 14 percent)
- mayonnaise (up 21 percent).

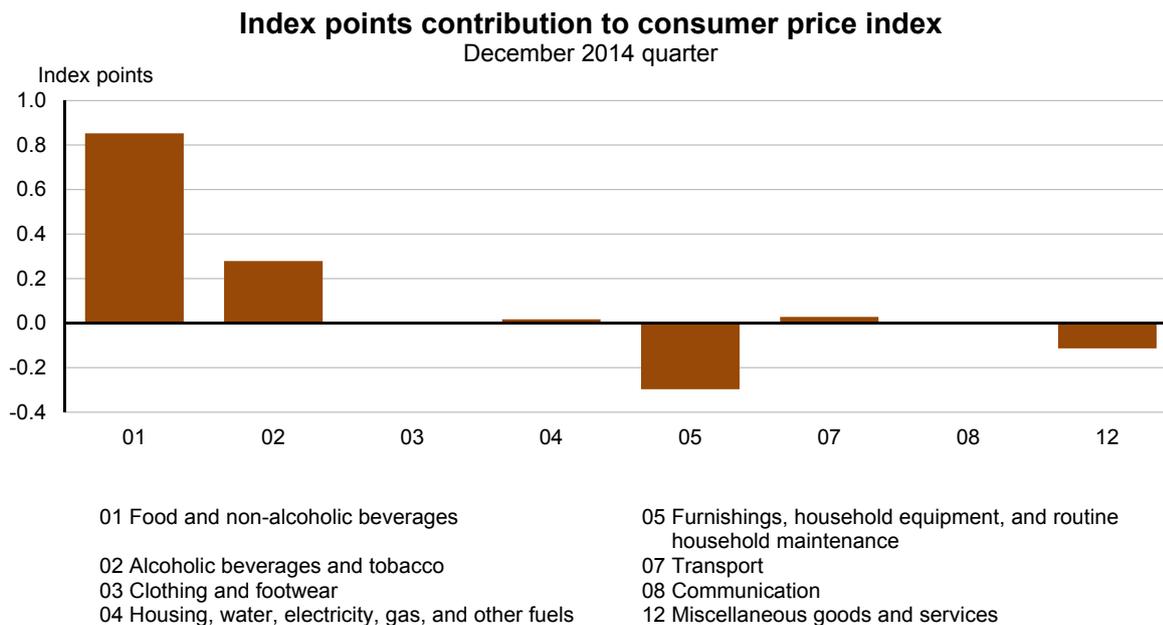
The key individual downward contributions came from lower prices for:

- lamb or mutton (down 9.1 percent)
- chocolate-flavoured drink powder (down 28 percent)
- washing powder (down 11 percent).

Consumer price index groups: December 2014 quarter

Group	Index points contribution to CPI	Quarterly percentage change
Food and non-alcoholic beverages	0.853	2.0%
Alcoholic beverages and tobacco	0.279	1.1%
Transport	0.028	0.3%
Housing, water, electricity, gas, and other fuels	0.017	0.2%
Clothing and footwear	-	0.0%
Communication	-	0.0%
Miscellaneous goods and services	-0.113	-2.1%
Furnishings, household equipment, and routine household maintenance	-0.297	-4.1%
All groups CPI	0.767	0.7%

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



Source: Tokelau National Statistics Office

CPI shows 2.6 percent increase for the year to the December 2014 quarter

The CPI increased 2.6 percent in the year to the December 2014 quarter. This compares with a 4.9 percent increase in the year to the September 2014 quarter.

Four of the eight groups in the CPI made upward contributions. By group, the main upward contribution came from Alcoholic beverages and tobacco (up 11 percent). Higher prices were also recorded for the groups:

- Furnishings, household equipment, and routine household maintenance (up 12 percent)
- Food and non-alcoholic beverages (up 0.2 percent)
- Clothing and footwear (up 2.9 percent).

Downward contributions came from the groups:

- Miscellaneous goods and services (down 5.1 percent)
- Transport (down 2.1 percent)
- Housing, water, electricity, gas, and other fuels (down 1.7 percent).

Prices for the Communication group remained unchanged. This reflects the fact that Tokelau has only one telecommunications provider, whose prices change infrequently.

Individually, the main upward contribution came from higher prices for cigarettes (up 10 percent) and from a price increase of washing powder (up 63 percent). Higher prices were also recorded for:

- biscuits and crackers (up 34 percent)
- large beer bottles (up 27 percent)
- potato chips (up 71 percent).

The main individual downward contributions during the year came from:

- fruit drink powder (down 33 percent)
- bottled water (down 22 percent)
- milk powder (down 11 percent).

Prices for Food and non-alcoholic beverages group rise 2.0 percent

Prices for the Food and non-alcoholic beverages group rose 2.0 percent in the December 2014 quarter. This compares to a 0.1 percent fall in the September 2014 quarter.

Prices for the Non-alcoholic beverages subgroup decreased 8.4 percent for the quarter, led by a decrease in the prices of chocolate-flavoured drink powder (down 28 percent).

Prices for the Food subgroup increased by 3.1 percent, led by higher prices for biscuits and crackers (up 78 percent), rice (up 14 percent), and mayonnaise (up 21 percent).

The most significant downward contributions came from lower prices for lamb or mutton (down 9.1 percent) and cooking oil (down 10 percent).

Annual prices

For the year to the December 2014 quarter, prices for the Food and non-alcoholic beverages group increased 0.2 percent.

Higher prices were recorded for biscuits and crackers (up 34 percent), potato chips (up 71 percent), and long-life milk (up 11 percent).

The most significant downward contributions for the year came from lower prices for fruit drink powder (down 33 percent), bottled water (down 22 percent), and milk powder (down 11 percent).

Prices for Alcoholic beverages and tobacco group rise 1.1 percent

The Alcoholic beverages and tobacco group rose 1.1 percent in the December 2014 quarter, with higher prices for both cigarettes (up 1.3 percent) and alcoholic beverages (up 0.2 percent).

Annual prices

For the year to the December 2014 quarter, Alcoholic beverages and tobacco prices increased 11 percent. An increase in the price of beer (up 24 percent) was a major contributor to the group's overall increase. Prices also increased for cigarettes (up 10 percent) and spirits (up 4.7 percent).

The rise in prices for cigarettes contributed 1.96 index points to the overall rise of 2.75 index points for the year to the December 2014 quarter.

Summary of other group movements in the quarterly CPI

In the December 2014 quarter, the Transport group rose 0.3 percent, influenced by a rise in petrol prices (up 0.7 percent). The Housing, water, electricity, gas, and other fuels group rose 0.2 percent, influenced by a rise in the price of timber (up 4.3 percent).

The Furnishings, household equipment, and routine household maintenance group fell 4.1 percent, and Miscellaneous goods and services fell 2.1 percent.

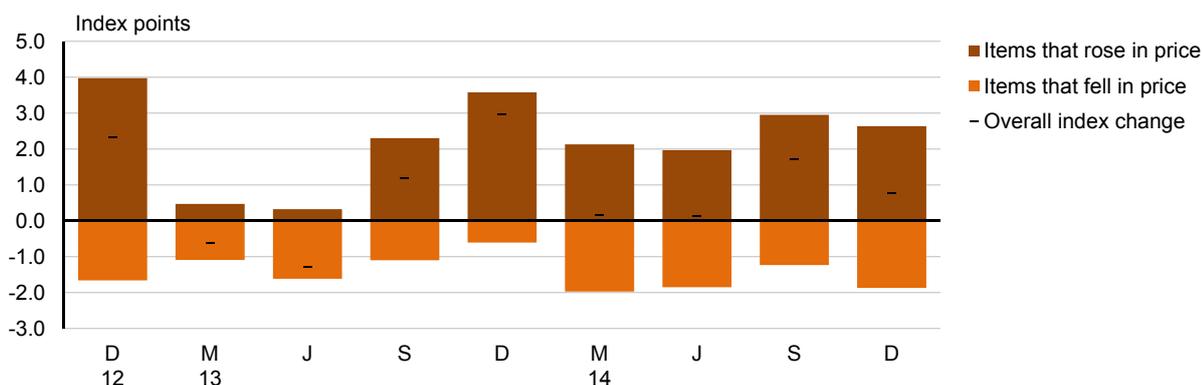
The Clothing and footwear and Communication groups remained unchanged.

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 0.7 percent increase in the CPI for the December 2014 quarter.

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

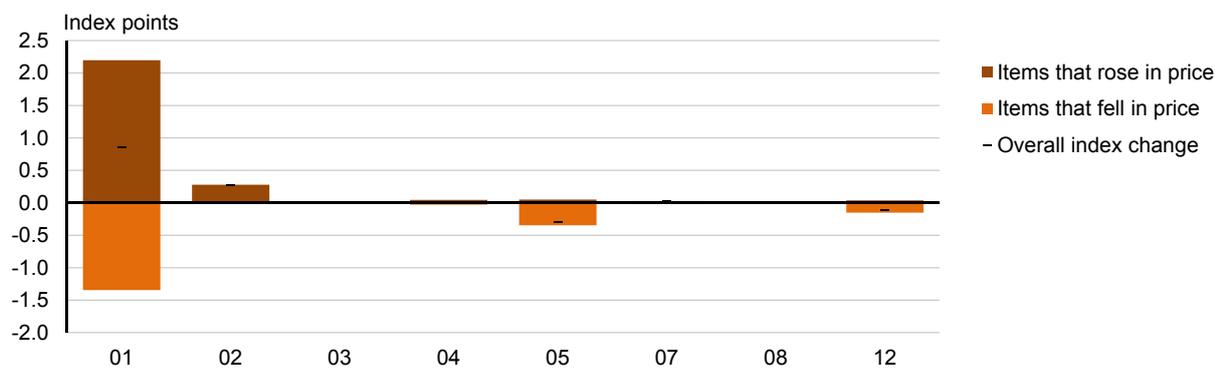
Index points contribution to consumer price index
Quarterly change to December 2014 quarter



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
December 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 percent since the index reference period). Prices for later periods can also be compared in similar fashion. The Tokelau CPI has as index reference period 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 December 2014 quarter were collected between 14 and 28 November 2014. Prices for the September 2014 quarter were collected between 15 and 28 August 2014. Staff working for the nuku administrative centres collected the prices for the September and December 2014 quarters.

Prices for the December 2013 quarter were collected between 6 November and 4 December 2013, with the majority being collected during November. 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 December 2014 quarter CPI, and the December 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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