



March 2015 quarter Consumer Price Index of Tokelau

Embargoed until 12.00pm (Samoa Standard Time)–18 May 2015

Key facts

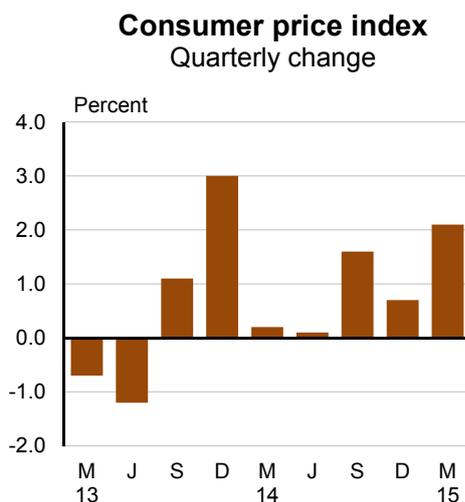
In the March 2015 quarter compared with the December 2014 quarter:

- The consumer price index (CPI) rose 2.1 percent.
- The main upward contribution came from the Food and non-alcoholic beverages group (up 4.2 percent), led by higher prices for sugar, chicken pieces, and potatoes.
- The Alcoholic beverages and tobacco group rose 1.6 percent, reflecting increased prices for cigarettes.
- The main downward contribution came from the Housing, water, electricity, gas and other fuels group (down 0.2 percent), led by lower prices for paint.
- The Miscellaneous goods and services group also fell (by 0.5 percent), led by reduced prices for cigarette lighters; as did the Transport group (by 0.1 percent).

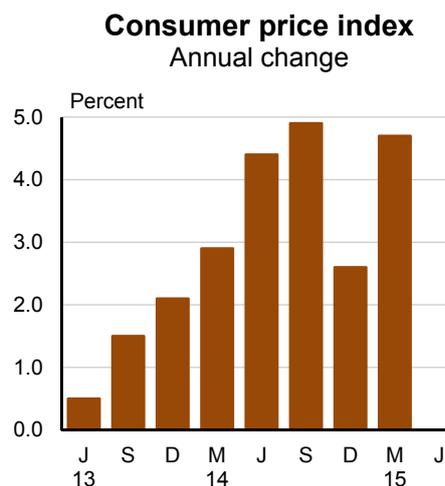
From the March 2014 quarter to the March 2015 quarter:

- The CPI increased 4.7 percent.
- This compares with a 2.6 percent increase in the year to the December 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.



Source: Tokelau National Statistics Office



Source: Tokelau National Statistics Office

Kele Lui
National Statistician

18 May 2015

Commentary

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

- [CPI rises 2.1 percent in the March 2015 quarter](#)
- [CPI shows 4.7 percent increase for the year to the March 2015 quarter](#)
- [Prices for Alcoholic beverages and tobacco group rise 1.6 percent](#)
- [Summary of other group movements in the quarterly CPI](#)
- [Impact of items that rose and fell in price.](#)

CPI rises 2.1 percent in the March 2015 quarter

The rise in CPI of 2.1 percent in the March 2015 quarter follows a rise of 0.7 percent in the December 2014 quarter.

Three of the CPI's eight groups recorded price rises for the March 2015 quarter. Three groups made downward contributions, and two groups did not move at all.

Prices for the Food and non-alcoholic beverages group rose 4.2 percent in the March 2015 quarter. This compares to a 2.0 percent rise in the December 2014 quarter.

The main individual upward contributions came from higher prices for:

- sugar (up 32 percent)
- chicken pieces (up 14 percent)
- potatoes (up 59 percent).

The key individual downward contributions came from lower prices for:

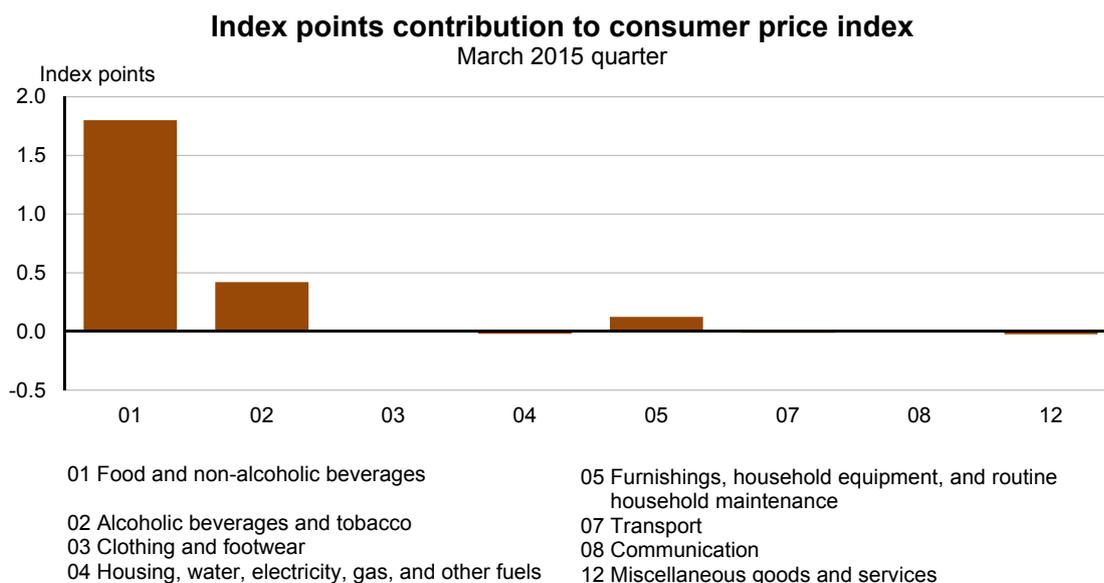
- long-life milk (down 12 percent)
- breakfast cereal (down 15 percent)
- rice (down 3.9 percent).

Prices for the Non-alcoholic beverages subgroup rose 14 percent for the quarter, led by an increase in the prices of fruit-flavoured drink powder (up 59 percent) and chocolate-flavoured drink powder (up 12 percent).

Consumer price index groups: March 2015 quarter

Group	Index points contribution to CPI	Quarterly percentage change
Food and non-alcoholic beverages	1.801	4.2%
Alcoholic beverages, tobacco and narcotics	0.421	1.6%
Furnishings, household equipment and routine household maintenance	0.124	1.7%
Clothing and footwear	-	0.0%
Communication	-	0.0%
Transport	-0.011	-0.1%
Miscellaneous goods and services	-0.024	-0.5%
Housing, water, electricity, gas and other fuels	-0.020	-0.2%
All-groups CPI	2.291	2.1%

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



Source: Tokelau National Statistics Office

CPI shows 4.7 percent increase in the year to the March 2015 quarter

The CPI increased 4.7 percent in the year to the March 2015 quarter. This compares with a 2.6 percent increase in the year to the December 2015 quarter.

Three of the eight groups in the CPI made upward contributions. By group, the main upward contribution came from Alcoholic beverages and tobacco (up 9.7 percent). Higher prices were also recorded for the groups:

- Food and non-alcoholic beverages (up 4.9 percent)
- Furnishings, household equipment, and routine household maintenance (up 15 percent).

Downward contributions came from the groups:

- Housing, water, electricity, gas, and other fuels (down 1.9 percent)
- Miscellaneous goods and services (down 3.0 percent)
- Clothing and footwear (down 6.8 percent)
- Transport (down 0.9 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 12 percent) and from an increase in the price of washing powder (up 73 percent). Higher prices were also recorded for:

- biscuits and crackers (up 36 percent)
- chicken pieces (up 19 percent)
- sugar (up 28 percent).

The main individual downward contributions during the year came from:

- lamb or mutton (down 15 percent)
- bottled water (down 22 percent)
- chocolate-flavoured drink powder (down 22 percent).

Prices for Alcoholic beverages and tobacco group rise 1.6 percent

The Alcoholic beverages and tobacco group rose 1.6 percent in the March 2015 quarter, with higher prices for both cigarettes (up 2.1 percent) but lower prices for alcoholic beverages (down 0.5 percent).

Annual prices

For the year to the March 2015 quarter, Alcoholic beverages and tobacco prices increased 9.7 percent. An increase in the price of cigarettes (up 12 percent) was a major contributor to the group's overall increase. Prices also increased for spirits (up 2.5 percent).

The rise in prices for cigarettes contributed 2.31 index points to the overall rise of 4.90 index points for the year to the March 2015 quarter.

Summary of other group movements in the quarterly CPI

In the March 2015 quarter, the Furnishings, household equipment, and routine household maintenance group rose 1.7 percent, influenced by a rise in prices of kitchen cleaner (up 20 percent) and disinfectant (up 64 percent).

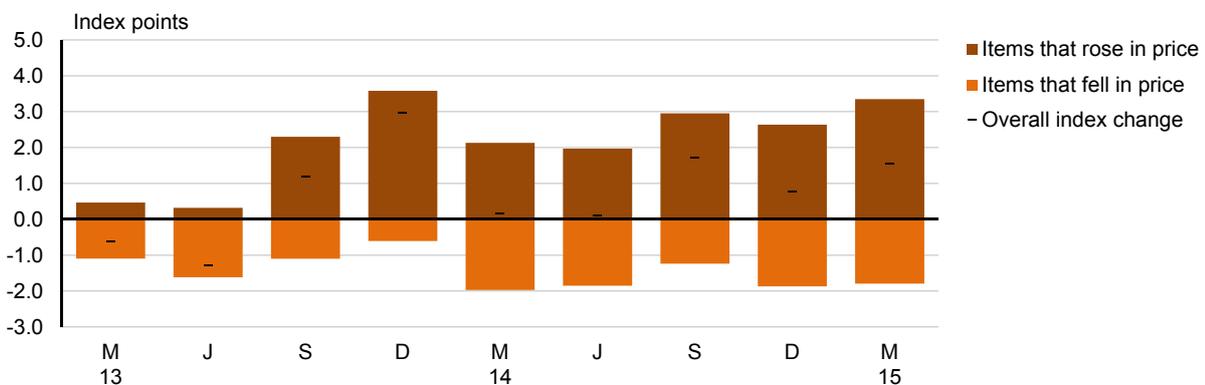
The Housing, water, electricity, gas, and other fuels group fell 0.2 percent, influenced by a drop in the price of paint (down 6.4 percent). The Miscellaneous goods and services group fell 0.5 percent, influenced by a drop in the cost of cigarette lighters (down 20 percent). The Transport group fell 0.1 percent, influenced by a decrease in petrol prices (down 0.3 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: the impact of the items rising is greater than of items falling in price. This led to a 2.1 percent increase in the CPI for the March 2015 quarter.

Index points contribution to consumer price index
Quarterly change to March 2015 quarter

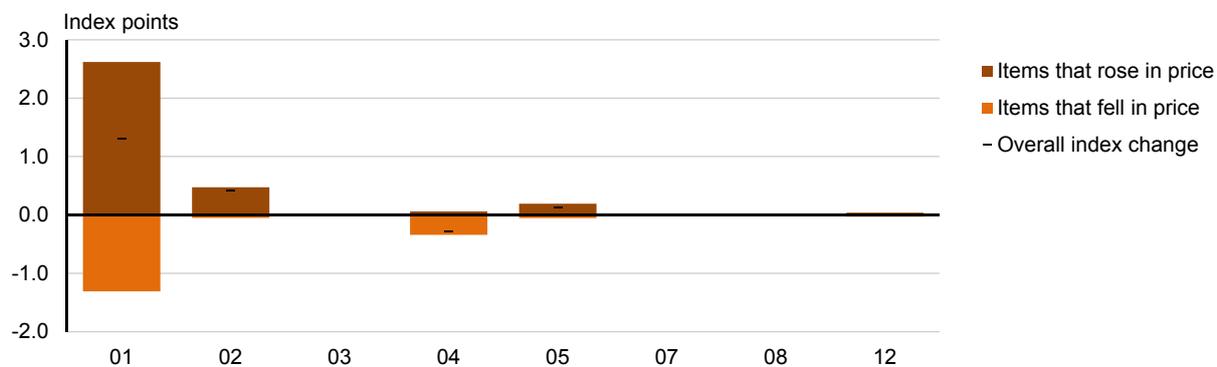


Source: Tokelau National Statistics Office

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

Index points contribution to consumer price index

March 2015 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 March 2015 quarter were collected between 11 February and 3 March 2015. Prices for the December 2014 quarter were collected between 14 and 28 November 2014. Staff working for the nuku administrative centres collected the prices for the December 2014 and March 2015 quarters.

Prices for the March 2014 quarter were collected between 3 February and 7 March 2014, with the majority being collected during March. 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 March 2015 quarter CPI, and the March 2015 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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