



June 2015 quarter Consumer Price Index of Tokelau

Embargoed until 12.00pm (Samoa Standard Time)– 29 June 2015

Key facts

In the June 2015 quarter compared with the March 2015 quarter:

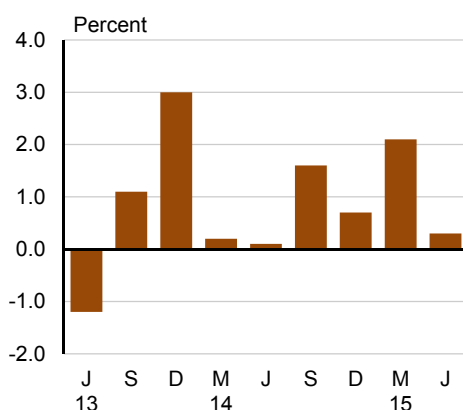
- The consumer price index (CPI) rose by 0.3 percent.
- The main upward contribution came from the Alcoholic beverages and tobacco group (up 2.8 percent), led by a higher prices for cigarettes.
- The Miscellaneous goods and services group rose by 3.4 percent, and the Clothing and footwear group by 3.6 percent.
- The main downward contribution came from the Food and non-alcoholic beverages group (down 0.9 percent), reflecting lower prices for chicken pieces, lamb or mutton, and fruit-flavoured drink powder.
- The Housing, water, electricity, gas and other fuels group fell by 2.2 percent, led by lower prices for paint.

From the June 2014 quarter to the June 2015 quarter:

- The CPI increased 4.9 percent.
- This compares with a 4.7 percent increase in the year to the March 2015 quarter.

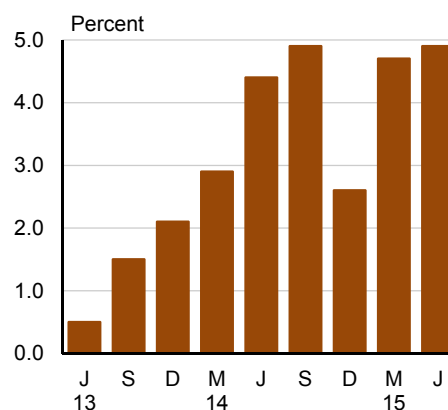
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Consumer price index
Quarterly change



Source: Tokelau National Statistics Office

Consumer price index
Annual change



Source: Tokelau National Statistics Office

Kele Lui
National Statistician

29 June 2015

Commentary

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

- [CPI rises by 0.3 percent in the June 2015 quarter](#)
- [CPI shows 4.9 percent increase for the year to the June 2015 quarter](#)
- [Prices for Alcoholic beverages and tobacco group rise 2.8 percent](#)
- [Summary of other group movements in the quarterly CPI](#)
- [Impact of items that rose and fell in price.](#)

CPI rises by 0.3 percent in the June 2015 quarter

The 0.3 percent CPI rise in the June 2015 quarter follows a rise of 2.1 percent in the March 2015 quarter.

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

Prices for the Food and non-alcoholic beverages group decreased 0.9 percent in the June 2015 quarter. This compares to a 4.2 percent rise in the March 2015 quarter.

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

- chicken pieces (down 15 percent)
- lamb or mutton (down 17 percent).

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

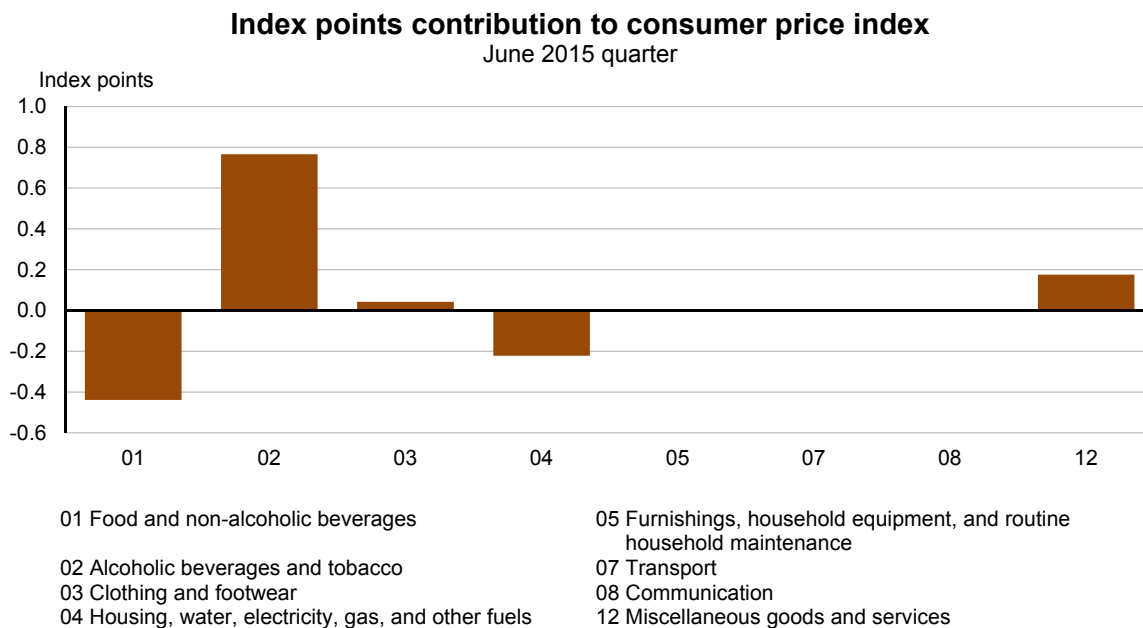
- sausages (up 10 percent)
- rice (up 4.9 percent)
- canned spaghetti (up 37 percent).

Prices for the Non-alcoholic beverages subgroup decreased 7.1 percent for the quarter, led by a drop in the price of fruit-flavoured drink powder (down 31 percent). The price of long-life milk went up 12 percent.

Consumer price index groups: June 2015 quarter

Group	Index points contribution to CPI	Quarterly percentage change
Alcoholic beverages, tobacco and narcotics	0.766	2.8%
Miscellaneous goods and services	0.176	3.4%
Clothing and footwear	0.042	3.6%
Communication	-	0.0%
Transport	-	0.0%
Furnishings, household equipment and routine household maintenance	-0.004	0.0%
Housing, water, electricity, gas and other fuels	-0.222	-2.2%
Food and non-alcoholic beverages	-0.439	-0.9%
All-groups CPI	0.319	0.3%

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



Source: Tokelau National Statistics Office

CPI shows 4.9 percent increase in the year to the June 2015 quarter

The CPI increased 4.9 percent in the year to the June 2015 quarter. This compares with a 4.7 percent increase in the year to the March 2015 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:

- Food and non-alcoholic beverages (up 5.1 percent)
- Furnishings, household equipment, and routine household maintenance (up 6.0 percent)
- Miscellaneous goods and services (up 1.7 percent).

Downward contributions came from the groups:

- Housing, water, electricity, gas, and other fuels (down 2.0 percent)
- Transport (down 0.6 percent).

The Clothing and footwear group showed no change.

Prices for the Communication group also 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 14 percent). Higher prices were also recorded for:

- biscuits and crackers (up 34 percent)
- potatoes (up 50 percent)
- sugar (up 16 percent)
- washing powder (up 22 percent).

The main individual downward contributions during the year came from:

- lamb or mutton (down 24 percent)
- paint (down 34 percent).

Prices for Alcoholic beverages and tobacco group rise 2.8 percent

The Alcoholic beverages and tobacco group rose 2.8 percent in the June 2015 quarter, with higher prices for cigarettes (up 4.0 percent) but lower prices for alcoholic beverages (down 1.1 percent).

Annual prices

For the year to the June 2015 quarter, Alcoholic beverages and tobacco prices rose 11 percent. An increase in the price of cigarettes (up 14 percent) was a major contributor to the group's overall increase. Prices increased for beer (up 3.3 percent) but dropped for spirits (down 4.3 percent).

The rise in prices for cigarettes contributed 2.79 index points to the overall rise of 5.11 index points for the year to the June 2015 quarter.

Summary of other group movements in the quarterly CPI

In the June 2015 quarter, prices in the Miscellaneous goods and services group rose 3.4 percent, influenced by a rise in prices of hair conditioner (up 35 percent) and deodorant (up 5.2 percent). Prices in the Clothing and footwear group rose by 3.6 percent.

The Housing, water, electricity, gas, and other fuels group fell 2.2 percent, influenced by a drop in the price of paint (down 29 percent).

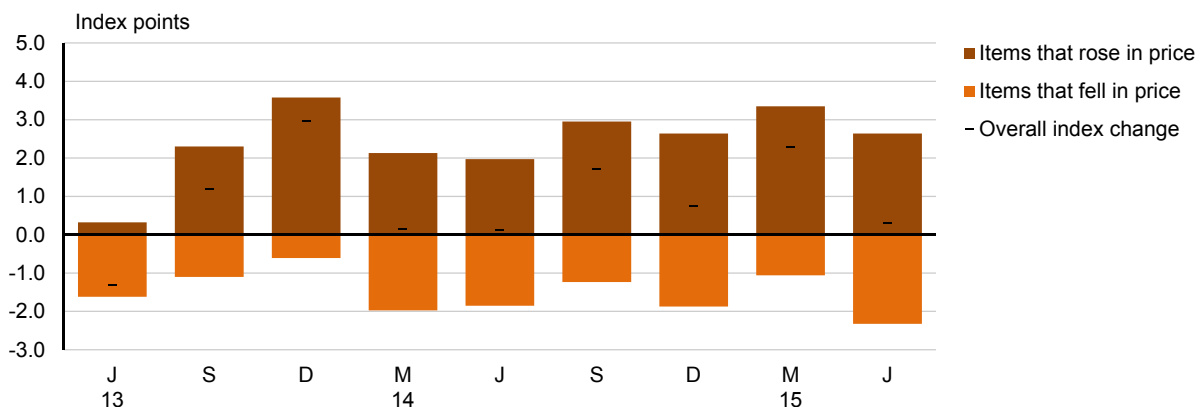
The Furnishings, household equipment, and routine household maintenance group, the Transport group, and the Communication group remained unchanged.

Impact of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price: their overall impact is small: this led to a 0.3 percent increase in the CPI for the June 2015 quarter.

Index points contribution to consumer price index

Quarterly change to June 2015 quarter

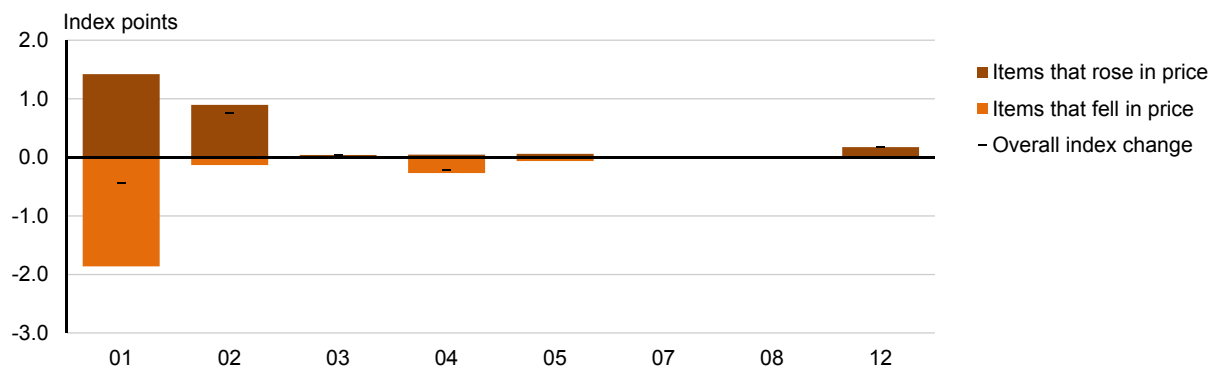


Note: March 2015 data revised

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
June 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 June 2015 quarter were collected between 15 and 26 May 2015. Prices for the March 2015 quarter were collected between 11 February and 3 March 2015. Staff working for the nuku administrative centres collected the prices for the March and June 2015 quarters.

Prices for the June 2014 quarter were collected between 14 May and 10 June 2014, with the majority being collected in May. 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 June 2015 quarter CPI, and the June 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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