



Tokelau's basket of goods continues cheaper trend

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Does the cost of living in Tokelau go up all the time, as many people seem to think? Not so when you look at the official measure of inflation there, which has gone down for the fourth quarter in a row.

The consumer price index (CPI) of Tokelau showed a decrease of 0.8 percent for the September 2016 *quarter*. The Tokelau National Statistics Office released this result today.

The CPI measures the rate of price change of goods purchased by Tokelau households in each one of the three atolls' stores. It also includes services such as electricity, telecommunications, and transport.

In this third quarter of the year, prices fell for major food items such as lamb or mutton, rice, and potatoes. Long-life milk cost 20 percent less, and beer prices fell 19 percent with a switch-over to a competitive brand; but the price of petrol rose by 14 percent.

In the *year to* the September 2016 quarter, the CPI of Tokelau decreased 2.4 percent, compared to a fall of 0.6 percent in the year to June 2016.

Group contributions to this annual drop were from the Furnishings, household equipment and routine household maintenance group (down 11 percent), Food and non-alcoholic beverages group (down 4.5 percent), Transport group (down 2.1 percent), Housing, water, electricity, gas and other fuels group (down 1.4 percent), and Miscellaneous goods and services group (down 0.8 percent).

Only the group Alcoholic beverages and cigarettes went up (1.8 percent) due to the price of cigarettes rising 6.8 percent in the year.

These internationally standardised groups are used in the CPI to dampen the effect of major price fluctuations in individual items; these are weighted to reflect actual consumption patterns within Tokelau.

The full information release on the Tokelau CPI, including graphs, tables and technical notes, is available from <http://TokelauNSO.tk>

Tokelau is one of the world's most geographically isolated countries, and home to about 1,400 people. Tokelau uses the New Zealand dollar as its currency; most of its goods are imported from Samoa.

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