



March 2013 quarter Consumer Price Index

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Key facts

In the March 2013 quarter compared with the December 2012 quarter:

- The consumer price index (CPI) fell 0.7 percent.
- The main downward contribution came from the food and non-alcoholic beverages group (down 2.0 percent), reflecting lower prices for milk powder, rice, canned corned beef, lamb and mutton, cooking oil, chicken, mayonnaise, and biscuits and crackers.
- The main upward contribution came from the housing, water, electricity, gas and other fuels group (up 2.7 percent), reflecting higher prices for paint.
- Transport group prices fell 1.6 percent, reflecting lower prices for petrol.

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

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17 April 2013

CPI falls 0.7 percent in March 2013 quarter

The CPI fell 0.7 percent in the March 2013 quarter. This follows a 2.3 percent increase in the December 2012 quarter.

Three groups had price decreases in the March 2013 quarter. The food and non-alcoholic beverages group made the main downward contribution.

The key individual downward contribution came from lower milk powder prices, down 25.0 percent.

Lower prices were also recorded for:

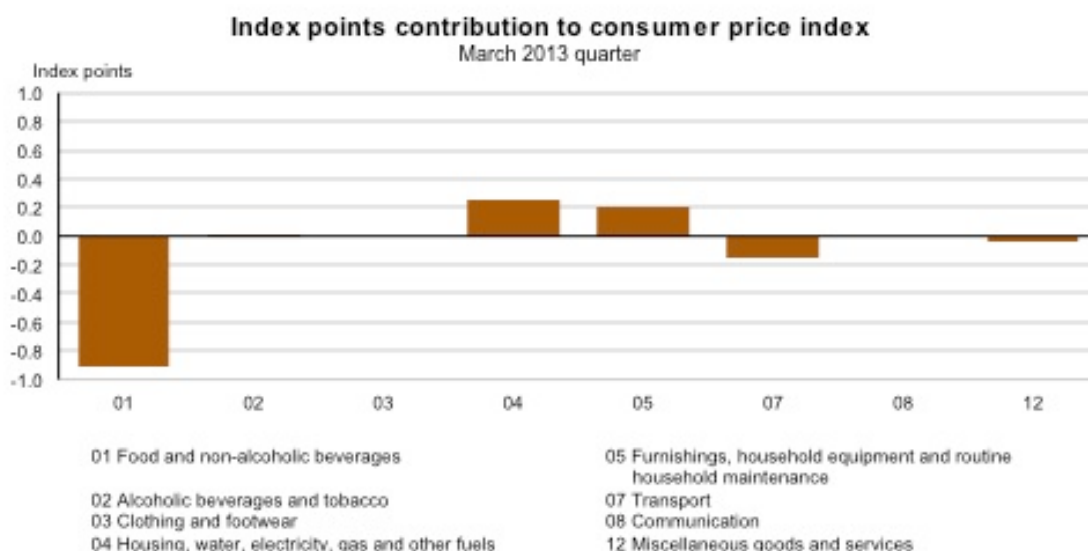
- rice (down 12.3 percent)
- canned corned beef (down 9.6 percent)
- lamb and mutton (down 7.7 percent)
- petrol (down 3.6 percent)
- cooking oil (down 9.1 percent)
- chicken (down 3.4 percent)
- mayonnaise (down 12.3 percent)
- biscuits and crackers (down 7.0 percent).

Two groups rose in price. The housing, water, electricity, gas and other fuels group (up 2.7 percent) made the largest upward contribution.

The main individual upward contributions were higher prices for noodles (up 43.0 percent), potatoes (up 38.5 percent), sugar (up 10.7 percent), and paint (up 35.0 percent).

Consumer price index groups: March 2013 quarter		
Group	Index points contribution to CPI	Quarterly percentage change
Food and non-alcoholic beverages	-0.905	-2.0
Transport	-0.145	-1.6
Miscellaneous goods and services	-0.044	-0.8
Clothing and footwear	0.000	0.0
Communication	0.000	0.0
Alcoholic beverages and tobacco	0.011	0.0
Furnishings, household equipment and routine household maintenance	0.199	3.5
Housing, water, electricity, gas and other fuels	0.257	2.7
All groups CPI	-0.627	-0.7

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



Source: Tokelau National Statistics Office

Food and non-alcoholic beverage group leads the decrease for March

Food and non-alcoholic beverage prices fell 2.0 percent in the March 2013 quarter. The group was the most significant contributor to the overall decrease of 0.7 percent in the March 2013 quarter CPI.

Lower prices for milk powder (down 25.0 percent) was the biggest contributor to the group's decrease. However, the largest overall contribution came from higher prices for noodles (up 43.0 percent).

Several other items made significant contributions to the group's decrease. They were, rice (down, 12.3 percent), canned corned beef (down 9.6 percent), and lamb and mutton (down 7.7 percent). A further 19 items contributed to the group's decrease.

The main upward contributions came from noodles (up 43.0 percent), potatoes (up 38.5 percent), and sugar (up 10.7 percent).

Petrol price decrease pushes down the transport group

Transport prices fell 1.6 percent in the March 2013 quarter.

A decrease in the cost of petrol (down 3.6 percent) was the sole contributor to the movement of the group.

Hair products push down miscellaneous goods and services group

Miscellaneous goods and services prices fell 0.8 percent in the March 2013 quarter.

Hair shampoo (down 12.2 percent) was the most significant contributor to the group's overall decrease.

Two other items contributed to the group's decrease, they were baby oil (down 5.0 percent) and hair conditioner (down 2.5 percent).

An increase in the price for sanitary pads (up 14.9 percent) was the only upward contributor to the group.

Paint and kerosene help increase housing, water, electricity gas and other fuels

The housing, water, electricity, gas and other fuels group rose 2.7 percent in the March 2013 quarter.

Paint (up 35.0 percent), was the largest contributor to the overall increase in the group. The only other two items to increase in the March quarter were kerosene (up 22.3 percent), and timber (up 20.6 percent).

The group's downward contribution came from decreases in the price for LPG gas (down 2.2 percent), and cement (down 3.3 percent).

Summary of other group movements in the CPI

In the March 2013 quarter only one group increased. The furnishings, household equipment and routine household maintenance group contributed 0.199 index points to the overall CPI decrease of -0.627 index points.

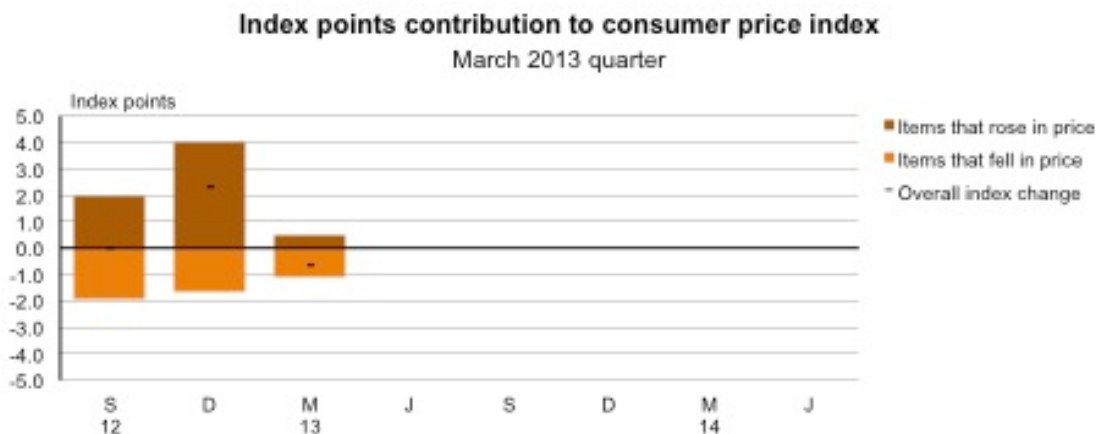
The key upward contribution for the group came from higher prices for washing powder (up 9.0 percent).

Three groups recorded no movement in the March 2013 quarter:

- clothing and footwear group
- communication group
- alcoholic beverages and tobacco.

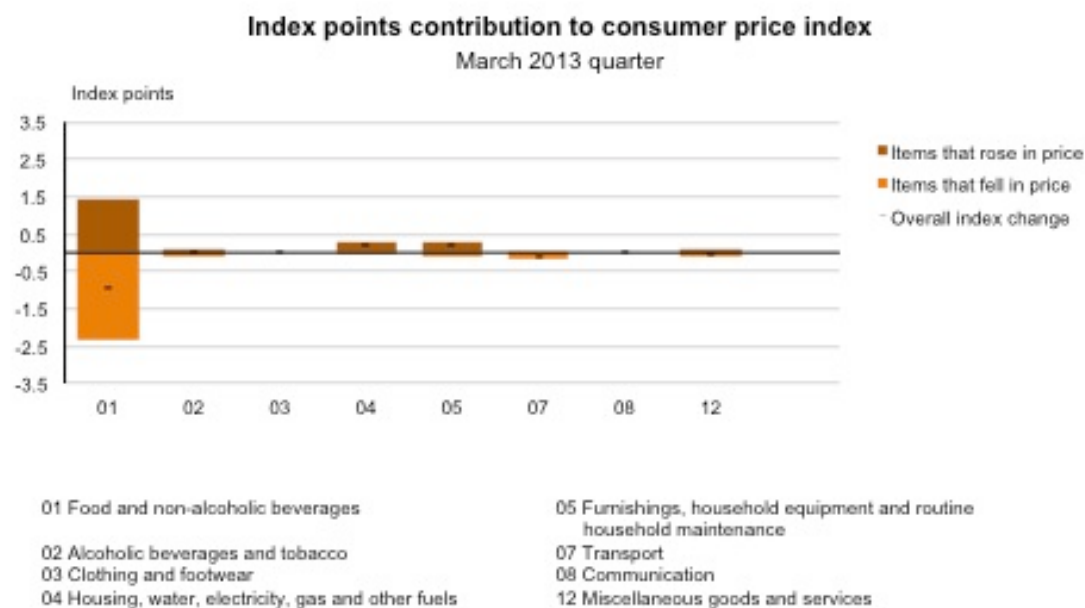
Impact of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price. For the March 2013 quarter, the impact of the items that rose is less than the impact of items that fell. This led to a 0.7 percent decrease for the March 2013 quarter CPI.



Source: Tokelau National Statistics Office

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



Source: Tokelau National Statistics Office

- | | |
|---|---|
| 01 Food and non-alcoholic beverages | 05 Furnishings, household equipment and routine household maintenance |
| 02 Alcoholic beverages and tobacco | 07 Transport |
| 03 Clothing and footwear | 08 Communication |
| 04 Housing, water, electricity, gas and other fuels | 12 Miscellaneous goods and services |

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 Tokelau households. The selection and relative importance of the goods and services in the CPI basket represents the overall expenditure pattern of Tokelau households.

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 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 - 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 (e.g. 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 (i.e. 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.

Period-specific data quality information

Reference period

Prices for the December 2012 quarter were collected between 3 and 13 December 2012. Prices for the March 2013 quarter were collected between 15 February, and 15 March 2013, with the majority being collected in February. Staff working for the nuku administrative centres collected the prices for the December 2012 and March 2013 quarters.

Data influencers

Price changes may be influenced by external events. Factors that affected the March 2013 quarter CPI include:

- Tokelau uses the New Zealand dollar as its currency; changes in the strength of the New Zealand dollar over the Samoa Tala can change Tokelau's buying power in Samoa. Changes are likely to affect the prices of goods sold in Tokelau.

- The prices collected in Tokelau, are processed and quality checked by Tokelau National Statistics Office based in the Tokelau Apia Liaison Office in Apia, Samoa. On 13 December 2012 Cyclone Evan struck Samoa, flooding the Tokelau Apia Liaison Office. The flood destroyed the completed December 2012 quarter pricing sheets from Atafu. Prices for the December 2012 quarter were imputed for Atafu. This was done by either applying the average corresponding price movement for the other two atolls, or by carrying forward the last observed price in situations where this was more appropriate. The December 2012 quarter was due to be released on Wednesday, 30 January 2013. However, due to the cyclone's severe impact on the Tokelau Apia Liaison Office the release was delayed to Wednesday, 13 February 2013.
- 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 territories, 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 by both local demand, and 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.

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