



June 2013 quarter Consumer Price Index

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Key facts

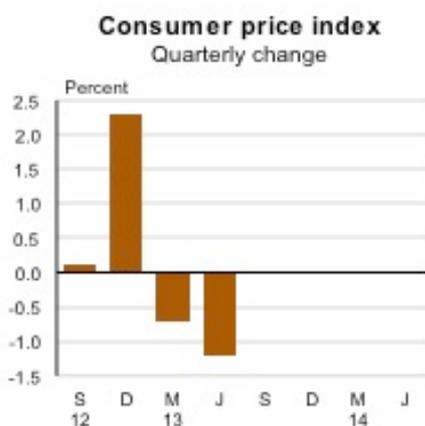
In the June 2013 quarter compared with the March 2013 quarter:

- The consumer price index (CPI) fell 1.2 percent.
- The main downward contribution came from the food and non-alcoholic beverages group (down 2.3 percent), reflecting lower prices for noodles, canned fish, sausages, chicken, and cooking oil.
- The main upward contribution came from the transport group (up 1.9 percent), reflecting higher prices for petrol.
- The alcoholic beverages and tobacco group fell 2.2 percent, reflecting lower prices for cigarettes.

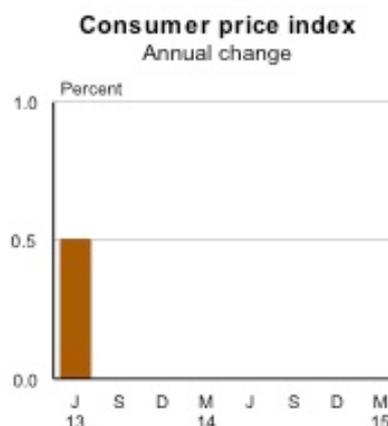
From the June 2012 quarter to the June 2013 quarter:

- The CPI increased 0.5 percent.

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

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29 July 2013

Commentary

- CPI falls 1.2 percent in June 2013 quarter
- CPI shows 0.5 percent increase for the year to June 2013
- Food and non-alcoholic beverages group down 2.3 percent
- Cheaper cigarettes push down alcoholic beverages and tobacco group
- Lower LPG gas prices lead to decrease in housing, water, electricity, gas and other fuels group
- Petrol prices push up transport group
- Summary of other group movements in the CPI
- Impact of items that rose and fell in price

CPI falls 1.2 percent in June 2013 quarter

The CPI fell 1.2 percent in the June 2013 quarter. This follows a 0.7 percent decrease in the March 2013 quarter.

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

The key individual downward contribution came from lower prices for noodles, down 33.3 percent.

Lower prices were also recorded for:

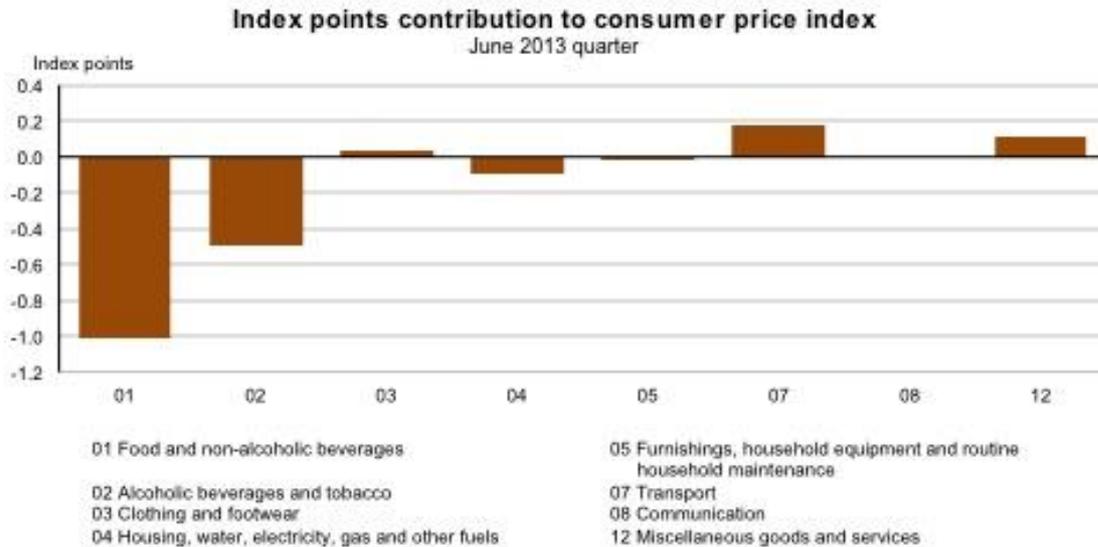
- cigarettes (down 2.6 percent)
- canned fish (down 17.1 percent)
- sausages (down 8.1 percent)
- chicken (down 4.3 percent)
- cooking oil (down 11.5 percent)
- LPG gas (down 9.8 percent)

Three groups rose in price. The transport group (up 1.9 percent) made the largest upward contribution.

The main individual upward contributors were higher prices for rice (up 38.0 percent), milk powder (up 27.3 percent), sugar (up 10.5 percent), petrol (up 4.6 percent), fabric softener (up 14.9 percent), and baby oil (up 26.1 percent).

Consumer price index groups: June 2013 quarter		
Group	Index points contribution to CPI	Quarterly percentage change
Food and non-alcoholic beverages	-1.011	-2.3
Alcoholic beverages and tobacco	-0.493	-2.2
Housing, water, electricity, gas and other fuels	-0.091	-1.0
Furnishings, household equipment and routine household maintenance	-0.023	-0.4
Communication	0.000	0.0
Clothing and footwear	0.037	3.4
Miscellaneous goods and services	0.106	1.9
Transport	0.178	1.9
All groups CPI	-1.297	-1.2

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



Source: Tokelau National Statistics Office

CPI shows 0.5 percent increase for the year to June 2013

The CPI increased 0.5 percent in the year to the June 2013 quarter. This is the first annual inflation measurement produced by the TNSO.

Six of the eight groups in the CPI made upwards contributions in the year to the June 2013 quarter.

By group, the main upward contribution came from the miscellaneous goods and services group (up 4.7 percent). Higher prices were also recorded for the:

- furnishings, household equipment and routine maintenance group (up 3.8 percent)
- food and non-alcoholic beverages group (up 0.5 percent)
- transport group (up 1.2 percent)
- clothing and footwear group (up 2.2 percent)
- housing, water, electricity, gas and other fuels group (up 0.1 percent).

By group, the only downward contribution came from the alcoholic beverages and tobacco group (down 1.6 percent).

Individually, the main upward contribution came from higher prices for rice, up 41.4 percent. Higher prices were also recorded for:

- fabric softener (up 104.6 percent)
- lamb and mutton (up 12.5 percent)
- baby oil (up 133.4 percent)
- deodorant (43.3 percent).

The main individual downward contributions came from:

- washing powder (down 44.7 percent)
- potato chips (down 40.4 percent)
- cheese flavoured corn snacks (down 25.4 percent).

Food and non-alcoholic beverages group down 2.3 percent

Food and non-alcoholic beverages prices fell 2.3 percent in the June 2013 quarter. The group was the most significant contributor to the overall decrease of 1.2 percent in the June 2013 quarter CPI.

Lower prices for noodles (down 33.3 percent) were the biggest contributor to the group's decrease. However, the largest overall contribution came from higher prices for rice (up 38.0 percent).

Several other items made significant contributions to the group's decrease. They were canned fish (down 17.1 percent), sausages (down 8.1 percent), chicken (down 4.3 percent), cooking oil (down 11.5 percent), potato chips (down 31.8 percent), cheese flavoured corn snacks (down 18.0 percent), and canned corned beef (down 4.6 percent). A further 19 items contributed to the group's decrease.

The main upward contributions came from rice (up 38.0 percent), milk powder (up 27.3 percent), and sugar (up 10.5 percent).

Annual prices

For the year to the June 2013 quarter, food and non-alcoholic beverages prices increased 0.5 percent. The key contributors to the group's overall increase were rice (up 41.4 percent), and lamb and mutton (up 12.5 percent).

Cheaper cigarettes push down alcoholic beverages and tobacco group

Alcoholic beverages and tobacco prices decreased 2.2 percent in the June 2013 quarter.

A decrease in the cost of cigarettes (down 2.6 percent) was the largest contributor to the group's overall decrease. Lower prices were also recorded for beer (down 1.5 percent), and spirits (down 0.5 percent).

No price increases were recorded for the alcoholic beverage and tobacco group in the June 2013 quarter.

Annual prices

For the year to the June 2013 quarter, alcoholic beverages and tobacco prices decreased 1.6 percent. The key contributors to the group's overall decrease were:

- spirits (down 5.6 percent)
- cigarettes (down 0.6 percent)
- beer (down 2.4 percent).

Lower LPG gas prices lead to decrease in housing, water, electricity, gas and other fuels group

Housing, water, electricity, gas and other fuels prices decreased 1.0 percent in the June 2013 quarter.

LPG gas (down 9.8 percent) was the most significant contributor to the group's overall decrease.

Decreases in the prices for cement (down 15.3 percent), and kerosene (down 2.9 percent) also contributed to the group's decrease for the quarter.

Upward contributions were made by increased prices for roofing iron (up 16.8 percent), timber (up 10.9 percent), and PVC piping (up 7.0 percent).

Annual prices

For the year to the June 2013 quarter, housing, water, electricity, gas and other fuels group prices increased 0.1 percent. The key contributors to the group's overall increase were paint (up 40.9 percent), and kerosene (up 28.7 percent).

Petrol prices push up transport group

The transport group increased 1.9 percent in the June 2013 quarter.

Petrol (up 4.6 percent) was the only item to contribute to the transport group's movement.

Annual prices

For the year to the June 2013 quarter, prices in the transport group increased 1.2 percent. The only contributor to the group's overall increase was petrol prices, up 2.9 percent.

Summary of other group movements in the CPI

In the June 2013 quarter, the furnishings, household equipment and routine household maintenance group also decreased (down 0.4 percent). A decrease in the price for washing power (down 18.1 percent) made the most significant downward contribution. The most significant upward contribution was made by an increase in the prices for fabric softener (up 14.9 percent).

Two additional groups recorded increases in the June 2013 quarter:

- miscellaneous goods and services (up 1.9 percent)
- clothing and footwear (up 3.4 percent).

The communication group recorded no movement for the quarter.

Annual prices

In the year to the June 2013 quarter, prices also increased for the:

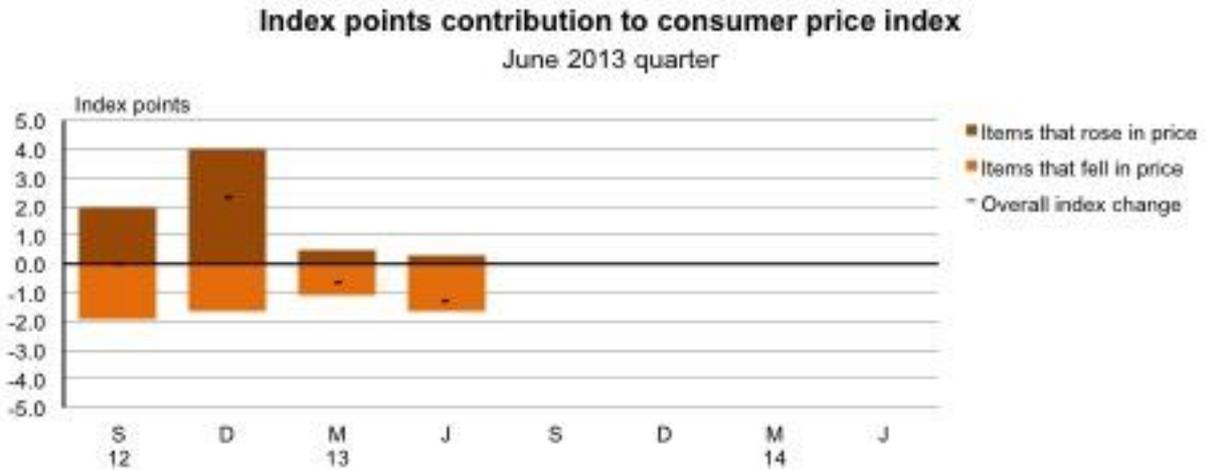
- miscellaneous goods and services group (up 4.7 percent)
- furnishings, household equipment and routine household maintenance (up 3.8 percent)
- clothing and footwear (up 2.2 percent).

The communication group recorded no change in the year to the June 2013 quarter. This reflects the fact that there is only one telecommunications provider in Tokelau, and price change is infrequent.

Impact of items that rose and fell in price

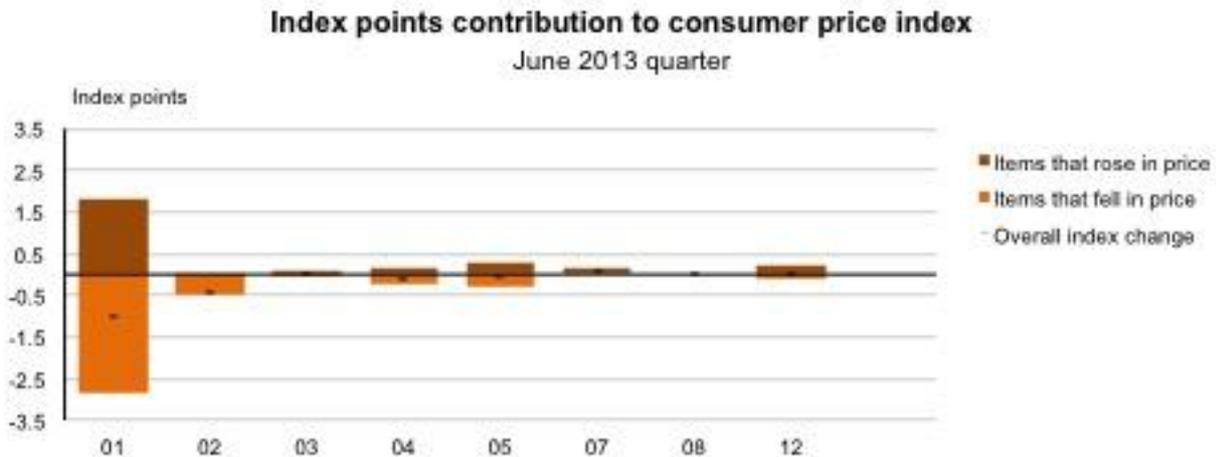
The graph below shows the impact of items that rose and fell in price. This led to a 1.2 percent decrease for the June 2013 quarter CPI.

For the June 2013 quarter, the impact of the items that rose is less than the impact of items that fell.



Source: Tokelau National Statistics Office

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



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 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 June 2013 quarter were collected between 15 May, and 10 June 2013, with the majority being collected in May. 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 March 2013 and June 2013 quarters.

Data influencers

Price changes may be influenced by external events. Factors that affected the June 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.

- 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.
- The Samoa Bureau of Statistics has reported consecutive decreases in its CPI each month from March to June 2013.
- Statistics New Zealand reported its smallest annual CPI increase since 1999 for the year to June 2013.

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