



# September 2012 quarter Consumer Price Index

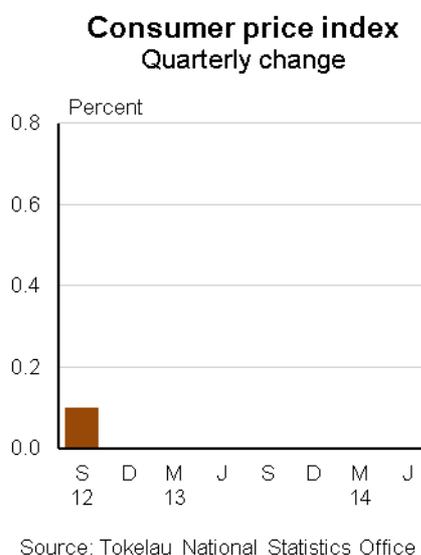
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## Key facts

In the September 2012 quarter compared with the June 2012 quarter:

- The consumer price index (CPI) rose 0.1 percent.
- The main upward contribution came from the alcoholic beverages and tobacco group (up 1.6 percent), reflecting higher prices for cigarettes.
- Furnishings, household equipment, and routine household maintenance prices rose 1.0 percent, reflecting higher prices for disinfectants and refrigerators.
- The main downward contribution came from the food and non-alcoholic beverages group (down 0.3 percent), reflecting lower prices for potatoes, milk powder, and long-life milk.
- The miscellaneous goods and services group also fell, by 1.6 percent, reflecting lower prices for toilet paper.

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.



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**National Statistician**

**12 December 2012**

## CPI rises 0.1 percent in September 2012 quarter

The CPI rose 0.1 percent in the September 2012 quarter.

Two groups had price rises in the September 2012 quarter. The alcoholic beverages and tobacco group (up 1.6 percent) made the main upward contribution.

The key individual upward contribution came from higher cigarette prices, up 2.1 percent.

Higher prices were also recorded for:

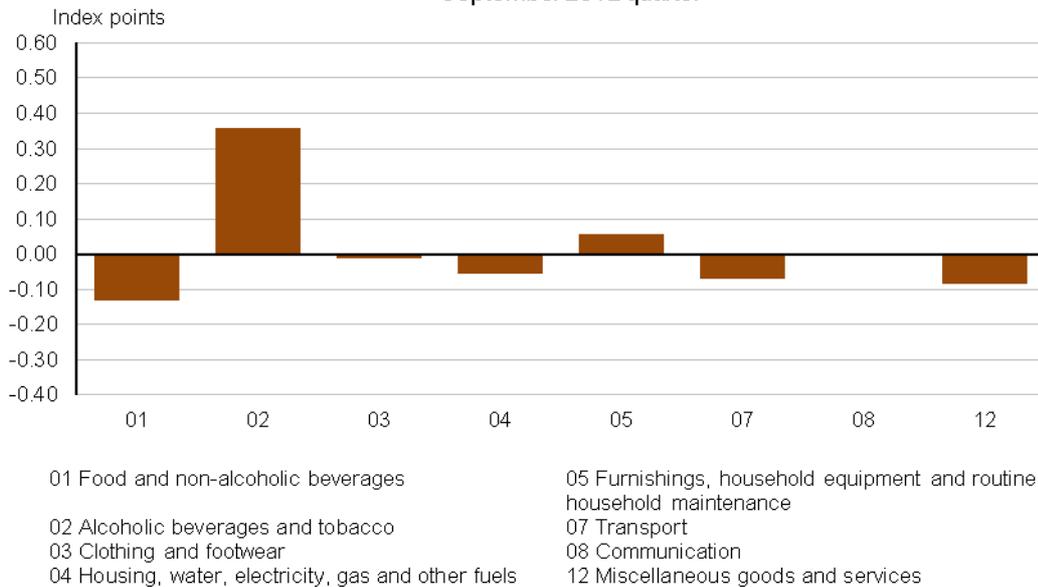
- rice (up 8.1 percent)
- cooking oil (up 12.3 percent)
- deodorant (up 23.9 percent)
- mayonnaise (up 19.5 percent)
- canned fish (up 8.4 percent).

Five groups fell in price. The food and non-alcoholic beverages group (down 0.3 percent) made the main downward contribution.

The main individual downward contributions were lower prices for potatoes (down 31.9 percent), milk powder (down 13.2 percent), toilet paper (down 16.0 percent), long-life milk (down 10.2 percent), and sugar (down 7.8 percent).

| <b>Consumer price index groups: September 2012 quarter</b>             |   |                                    |
|--|---|------------------------------------|
| <b>Group</b>   | <b>Index points contribution to CPI</b> | <b>Quarterly percentage change</b> |
| Alcoholic beverages and tobacco  | 0.360                                   | 1.6                                |
| Furnishings, household equipment and routine household maintenance     | 0.056                                   | 1.0                                |
| Communication  | 0.000                                   | 0.0                                |
| Clothing and footwear  | -0.013                                  | -1.2                               |
| Housing, water, electricity, gas and other fuels                       | -0.055                                  | -0.6                               |
| Transport  | -0.069                                  | -0.8                               |
| Miscellaneous goods and services                                       | -0.083                                  | -1.6                               |
| Food and non-alcoholic beverages                                       | -0.132                                  | -0.3                               |
| <b>All groups CPI</b>  | <b>0.063</b>                            | <b>0.1</b>                         |
| <b>Note:</b> Points contribution may not sum to total due to rounding. |   |                                    |

### Index points contribution to consumer price index September 2012 quarter



Source: Tokelau National Statistics Office

## Higher cigarette and beer prices push up alcoholic beverages and tobacco group

Alcoholic beverages and tobacco prices rose 1.6 percent in the September 2012 quarter.

Two items in the group made upward contributions in the September 2012 quarter. The key upward contribution came from cigarettes (up 2.1 percent). Beer also rose, up 0.9 percent.

## Five items see furnishings, household equipment, and routine household maintenance prices rise for the quarter

Furnishing, household equipment, and routine maintenance prices rose 1.0 percent in the September 2012 quarter.

Disinfectant (up 35.2 percent) made the key upward contribution. Refrigerators (up 5.4 percent), fabric softener (up 5.1 percent), nails (up 5.0 percent), and washing powder (up 0.4 percent) all contributed to the rise in the group.

The TNSO uses the corresponding Samoa CPI indexes, supplied by the Bureau of Statistics (SBS), to reflect price change for some items commonly purchased in Samoa by Tokelau households.

The overall rise in the furnishings, household equipment, and routine maintenance group was partially offset by a decrease in prices for dishwashing paste (down 5.6 percent) and aluminum foil (down 1.4 percent).

## Food and non-alcoholic beverage prices fall

Food and non-alcoholic beverage prices fell 0.3 percent in the September 2012 quarter.

Potatoes made the most significant downward contribution for the group. The price of potatoes fell 31.9 percent. Tokelau imports potatoes from Samoa and New Zealand. The point of origin for imported potatoes can have an impact on their price. The food and non-alcoholic beverage group as reported in the Samoa and New Zealand CPIs has recorded consecutive price decreases since the beginning of 2012.

Sixteen other items in the food and non-alcoholic beverages group fell in the September 2012 quarter. The biggest contributing items were milk powder (down 13.2 percent), long-life milk (down 10.2 percent), sugar (down 7.8 percent), and biscuits and crackers (down 6.7 percent).

The overall decrease in the food and non-alcoholic beverages group was partially offset by rising prices for other items. The largest contributing items were rice (up 8.1 percent), cooking oil (up 12.3 percent), mayonnaise (up 19.5 percent), canned fish (up 8.4 percent), and chicken (up 3.0 percent).

## Cheaper toilet paper influences fall in miscellaneous goods and services

Toilet paper (down 16.0 percent) was the biggest contributor to the overall fall in miscellaneous goods and services price (down 1.6 percent).

Shampoo (down 15.6 percent), tooth paste (down 12.3 percent), conditioner (down 5.6 percent), and lighters and matches (down 16.8 percent) all contributed to the overall decrease.

The overall decrease in the miscellaneous goods and services group was partially offset by rises in the price of deodorant (up 23.9 percent), sanitary pads (up 34.8 percent), and nappies (up 1.0 percent).

## Summary of other group movements in the CPI

In the September 2012 quarter three other groups decreased:

- transport (down 0.8 percent)
- housing, water, electricity, gas and other fuels (down 0.6 percent)
- clothing and footwear (down 1.2 percent).

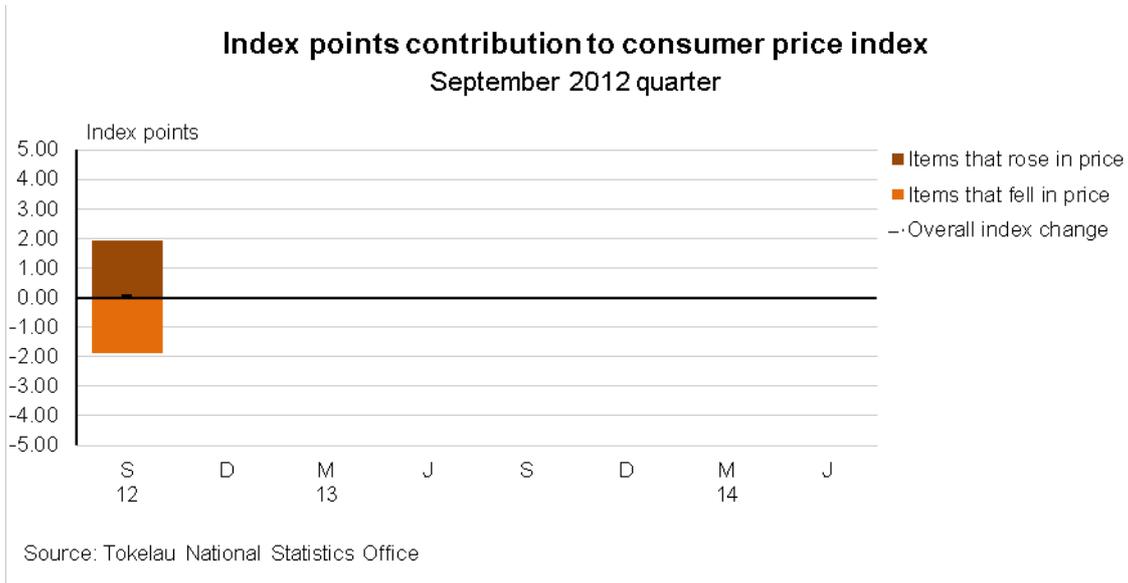
Combined, these three groups contributed -0.137 index points to the overall CPI increase of 0.063 index points.

The key downward contributions within these groups came from lower prices for petrol (down 1.8 percent), cement (down 10.9 percent), timber (down 8.4 percent), and jandals (down 3.2 percent).

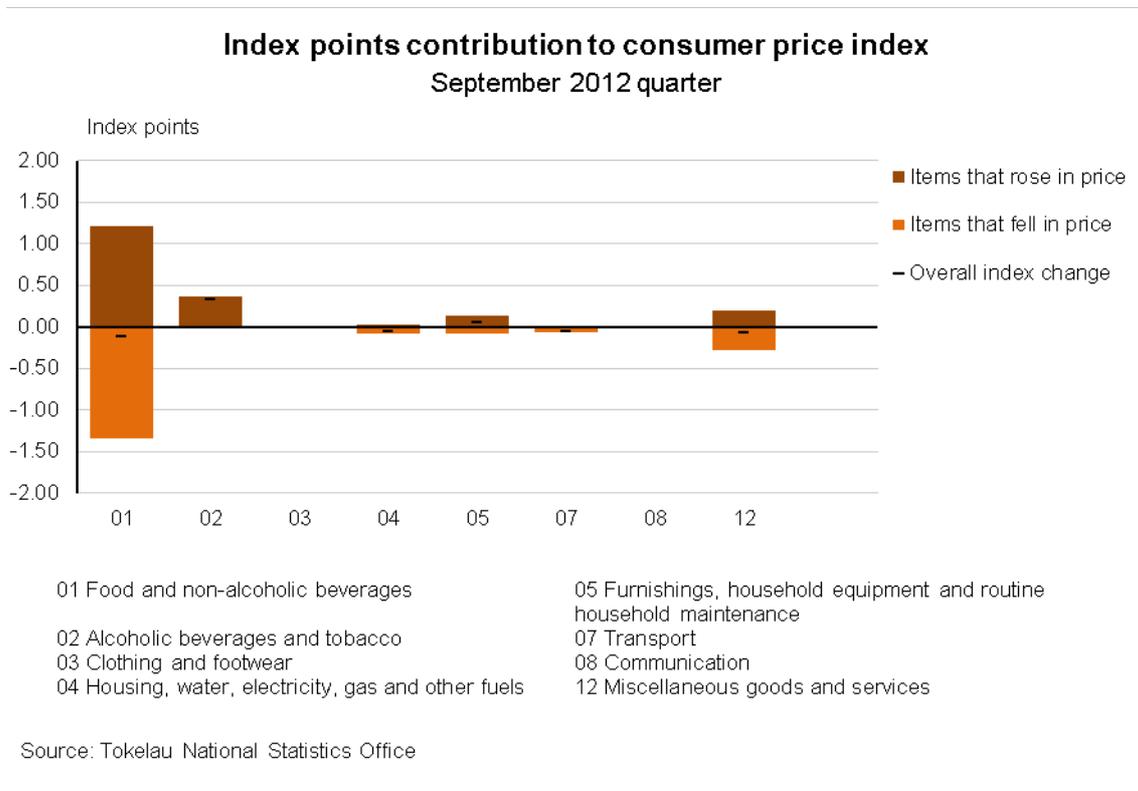
Communication was the only group not to move in the September 2012 quarter.

## 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 September 2012 quarter, the impact of the items that rose is slightly greater than the impact of items that fell. This led to a 0.1 percent increase for the September 2012 quarter CPI.



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



## 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 'Consumer Price Index Technical notes' at - [TokelauNSO.tk](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 (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 2012 quarter were collected between 15 and 23 May. Prices for the September 2012 quarter were collected between 20 and 28 September. Staff working for the nuku administrative centers collected prices for the June 2012 quarter, and TNSO staff visited the atolls to conduct pricing training and oversaw the collection of prices for the September 2012 quarter.

### Data influencers

Price changes may be influenced by external events. Factors that affected the September 2012 quarter CPI include:

- In early 2012, Tokelau began importing some goods directly from New Zealand. The items imported directly from New Zealand change depending on factors including need, price, and availability. This has an on-going 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, and seasonal effect.

- Most of the items in the food and non-alcoholic beverages group are imported directly from Samoa. Therefore change in availability and change in price in Samoa have a strong influence on the Tokelau CPI. The Samoa Bureau of Statistics' CPI has reported a month-on month decline in the food and non-alcoholic beverages group since the beginning of 2012.

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