



# December 2012 quarter Consumer Price Index

Embargoed until 1.00pm (SDT) – 13 February 2013

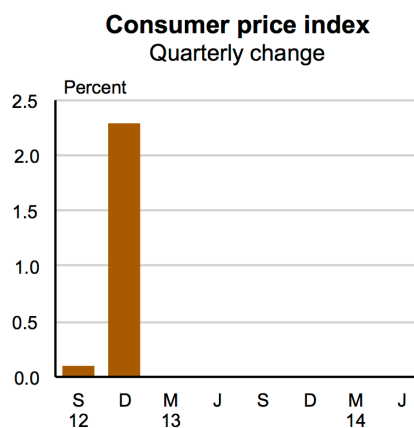
## Key facts

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

- The consumer price index (CPI) rose 2.3 percent.
- The main upward contribution came from the food and non-alcoholic beverages group (up 5.3 percent), reflecting higher prices for lamb and mutton, canned corned beef, milk powder, and canned fish.
- The main downward contribution came from the alcoholic beverages and tobacco group (down 1.0 percent), reflecting lower prices for spirits.
- Miscellaneous goods and services prices rose 5.2 percent, reflecting higher prices for baby oil.

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.

The 'Data influencers' section at the end of this release contains important information regarding Cyclone Evan's impact on data for the December 2012 quarter.



Source: Tokelau National Statistics Office

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**National Statistician**

**13 February 2012**

## CPI rises 2.3 percent in December 2012 quarter

The CPI rose 2.3 percent in the December 2012 quarter. This follows a 0.1 percent increase in the September 2012 quarter.

Three groups had price rises in the December 2012 quarter. The food and non-alcoholic beverages group made the main upward contribution.

The key individual upward contribution came from higher lamb and mutton prices, up 17.3 percent.

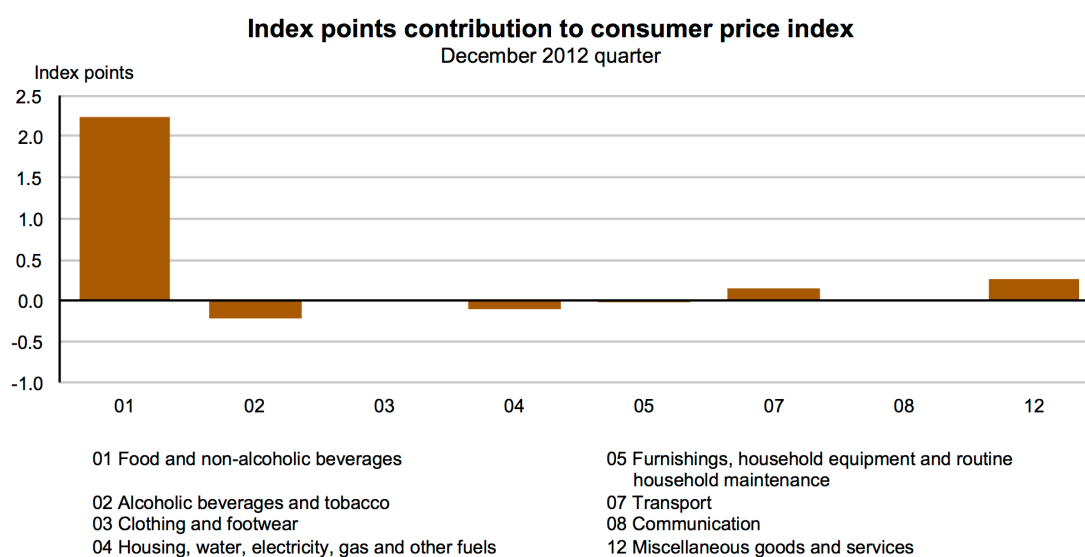
Higher prices were also recorded for:

- canned corned beef (up 16.6 percent)
- milk powder (up 22.1 percent)
- canned fish (up 18.0 percent)
- fabric softener (up 57.2 percent)
- sausages (up 12.2 percent)
- rice (up 8.1 percent).

Three groups fell in price. The alcoholic beverages and tobacco group (down 1.0 percent) made the main downward contribution.

The main individual downward contributions were lower prices for washing powder (down 38.3 percent), spirits (down 7.5 percent), eggs (down 21.9 percent), sugar (down 8.8 percent), and flour (down 17.5 percent).

<b>Consumer price index groups: December 2012 quarter</b>		
<b>Group</b>	<b>Index points contribution to CPI</b>	<b>Quarterly percentage change</b>
Food and non-alcoholic beverages	2.242	5.3
Miscellaneous goods and services	0.270	5.2
Transport	0.150	1.7
Clothing and footwear	0.000	0.0
Communication	0.000	0.0
Furnishings, household equipment and routine household maintenance	-0.017	-0.3
Housing, water, electricity, gas and other fuels	-0.099	-1.0
Alcoholic beverages and tobacco	-0.234	-1.0
<b>All groups CPI</b>	<b>2.313</b>	<b>2.3</b>
<b>Note:</b> Points contribution may not sum to total due to rounding.		



Source: Tokelau National Statistics Office

## Lamb and mutton sees food and non-alcoholic beverage group prices rise for the quarter

Food and non-alcoholic beverage prices rose 5.3 percent in the December 2012 quarter. The group was the most significant contributor to the overall rise of 2.3 percent in December 2012 quarter CPI.

Lamb and mutton prices had the largest contribution to the increase in the food and non-alcoholic beverage group, up 17.3 percent.

Tokelau sources many of its meat products from either New Zealand, or Samoa. A change in the origin of the lamb and mutton sold in Tokelau can have a significant influence on its price.

Another 25 items contributed to the group's increase. Corned beef (up 16.6 percent), milk powder (up 22.1 percent), canned fish (up 18.0 percent), sausages (up 12.2 percent), and rice (up 8.1 percent) all made significant contributions to the increase.

The main downward contributions came from eggs (down 21.9 percent), sugar (down 8.8 percent), and flour (down 17.5 percent)

## Higher prices for baby oil push up miscellaneous goods and services group

Miscellaneous goods and services prices rose 5.2 percent in the December 2012 quarter.

Baby oil (up 94.8 percent) was the only significant contributor to the group's overall increase.

The availability of items in Tokelau varies between quarters. When a brand change occurs, such as with baby oil, it is rarely possible for a consumer to choose a substitute item. Stores in Tokelau are unlikely to import an alternative product until their current stock is depleted. The TNSO shows the

full impact of the price change in the CPI, in situations where two products are considered to be of comparable quality.

The main downward contributions came from sanitary pads (down 27.3 percent) and toothpaste (down 16.4 percent).

## **Petrol prices rise pushes up the transport group**

Transport prices rose 1.7 percent in the December 2012 quarter.

A rise in the cost of petrol (up 4.0 percent) was the sole contributor to the movement of the group.

## **Cheaper spirits influences fall in alcoholic beverages and tobacco group**

Spirits (down 7.5 percent) was the biggest contributor to the overall fall in the alcoholic beverages and tobacco group (down 1.0 percent).

The group's main upward contribution came from a rise in the prices for beer (up 2.2 percent).

## **Summary of other group movements in the CPI**

In the December 2012 quarter two other groups decreased:

- housing, water, electricity, gas and other fuels (down 1.0 percent)
- furnishings, household equipment and routine household maintenance (down 0.3 percent)

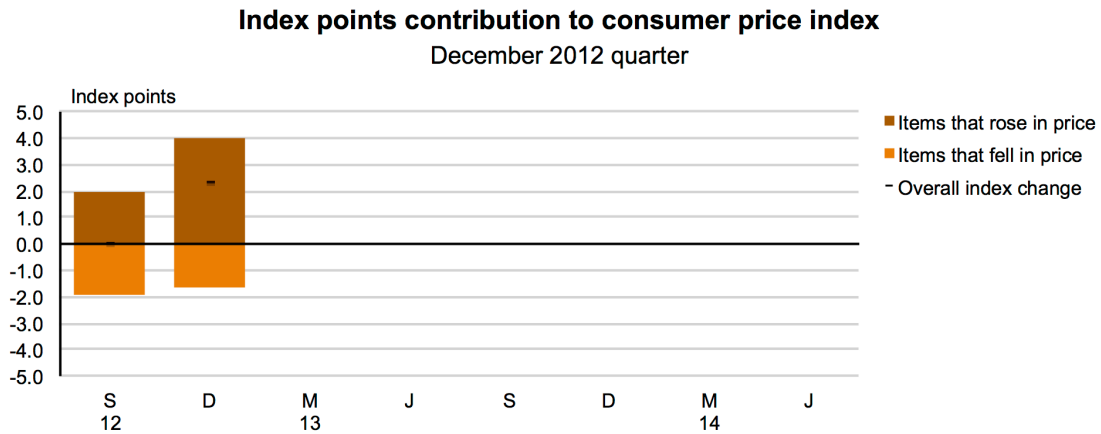
Combined, these two groups contributed -0.115 index points to the overall CPI increase of 2.313 index points.

The key downward contributions within these groups came from lower prices for washing powder (down 38.3 percent), roofing iron (down 16.6 percent), and timber (down 13.5 percent)

Neither clothing and footwear, nor the communication groups moved in the December 2012 quarter.

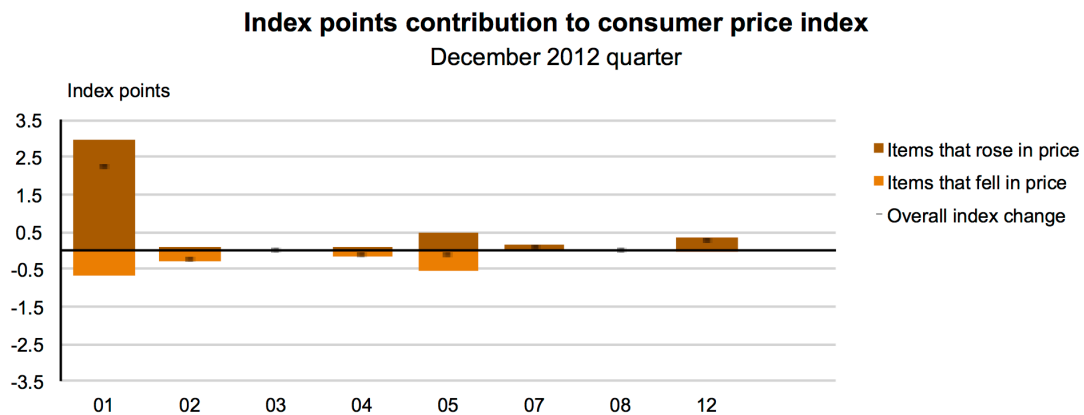
## Impact of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price. For the December 2012 quarter, the impact of the items that rose is greater than the impact of items that fell. This led to a 2.3 percent increase for the December 2012 quarter CPI.



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](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 September 2012 quarter were collected between 20 and 28 September. Prices for the December 2012 quarter were collected between 3 and 13 December. TNSO staff visited the atolls to conduct pricing training and oversaw the collection of prices for the September 2012 quarter, and staff working for the nuku administrative centres collected the prices for the December 2012 quarter.

### Data influencers

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

- 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.

- 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 changes in availability and changes in price in Samoa have a strong influence on the Tokelau CPI.

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