

CONSUMER PRICE INDEX (CPI)



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Outline of the Presentation

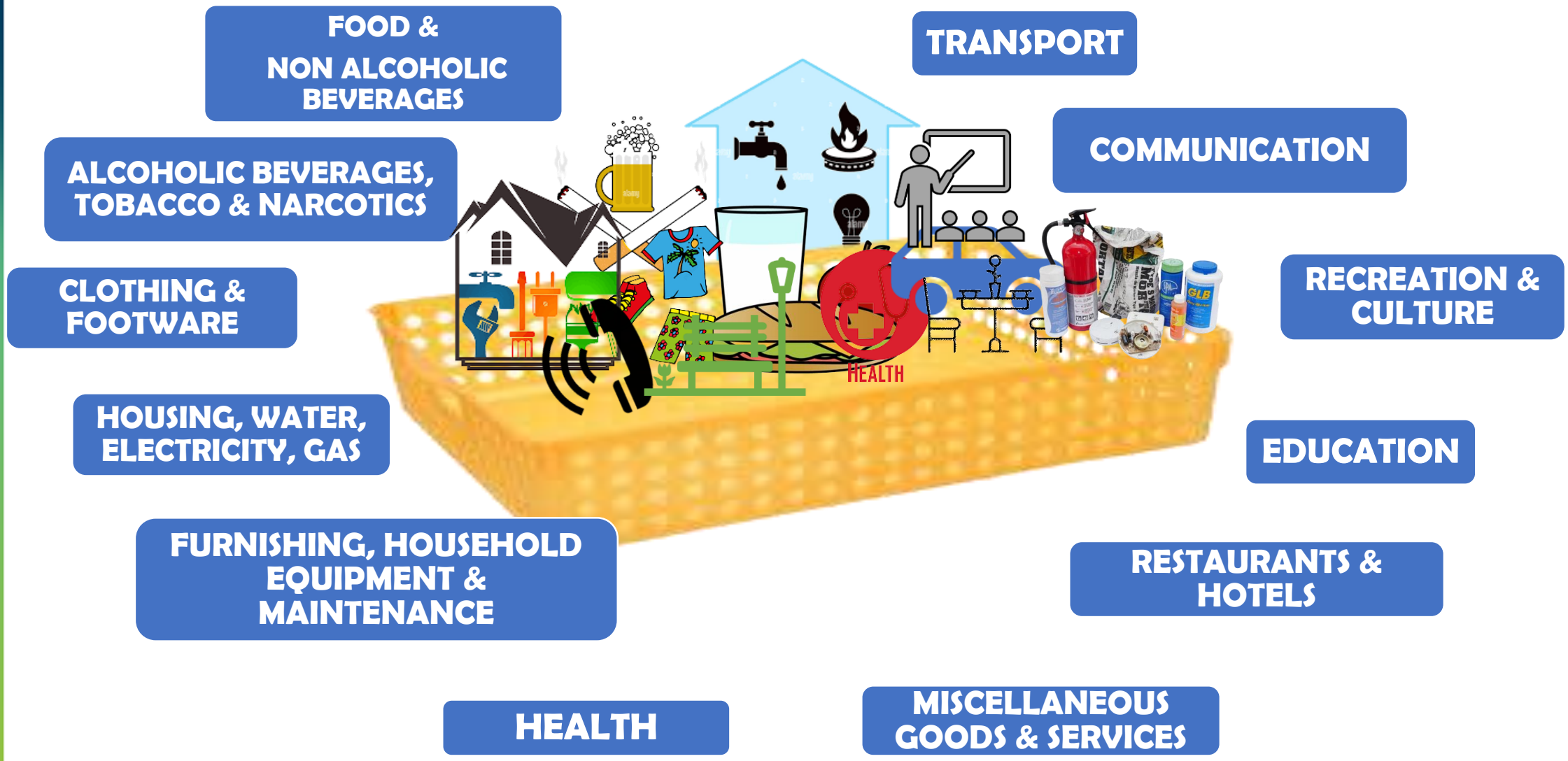
- Introduction to the CPI
- The HIES and the CPI
- Weights for the CPI
- Computation of the CPI
- Recent trends

OVERVIEW

- The Consumer Price Index measures changes in the general level of prices of consumer goods and services purchased/consumed by households.
- It is the best economic instrument to use when determining the effect of changes in retail prices on the average household budget.
- Direct indicator of the purchasing power of money in various types of transactions and other flows involving goods and services.
- Used as deflators in National Accounts.
- The Consumer Price Index is used to measure the rate of inflation.

The Contents and Structure of the CPI

BASKET OF GOODS & SERVICES

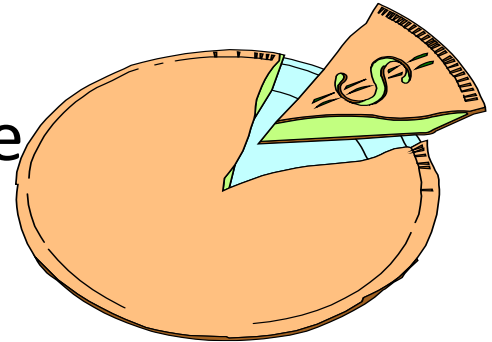


Basket of goods and services

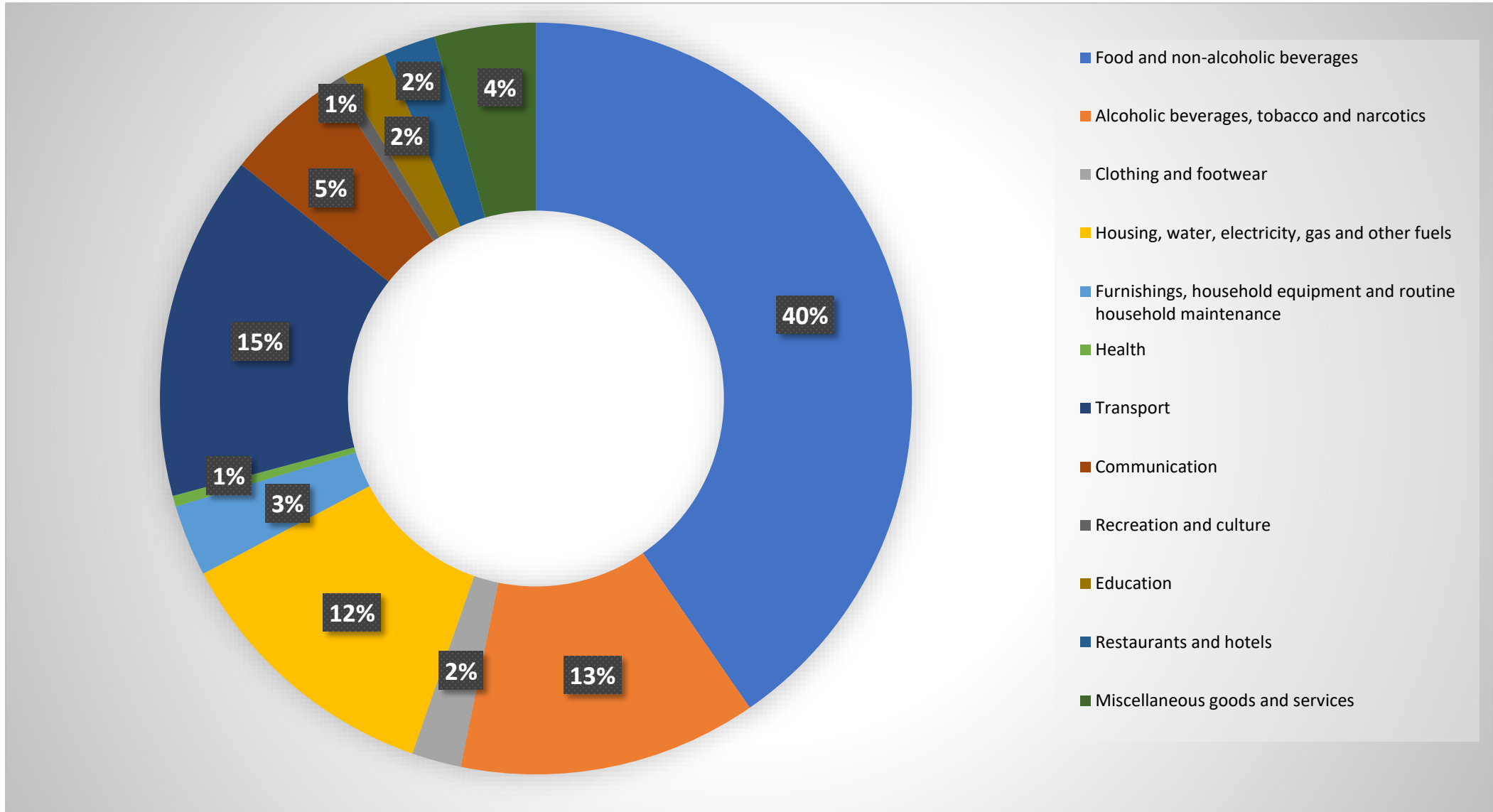
- The “basket” was derived from HIES 2013/2014 and represents a mix of consumer products purchased by the average household.

Weights

- The amount of money spent on each item in the CPI “basket” is compared to total household spending to obtain the relative importance or “weight” of the commodities in the “basket”.
- The weights obtained from HIES 2013/14 were price updated to February 2016 – the base period that is being used for the CPI
- This price updating of the weights is also done on a monthly basis.



CPI Weights based on the HIES 2013/14



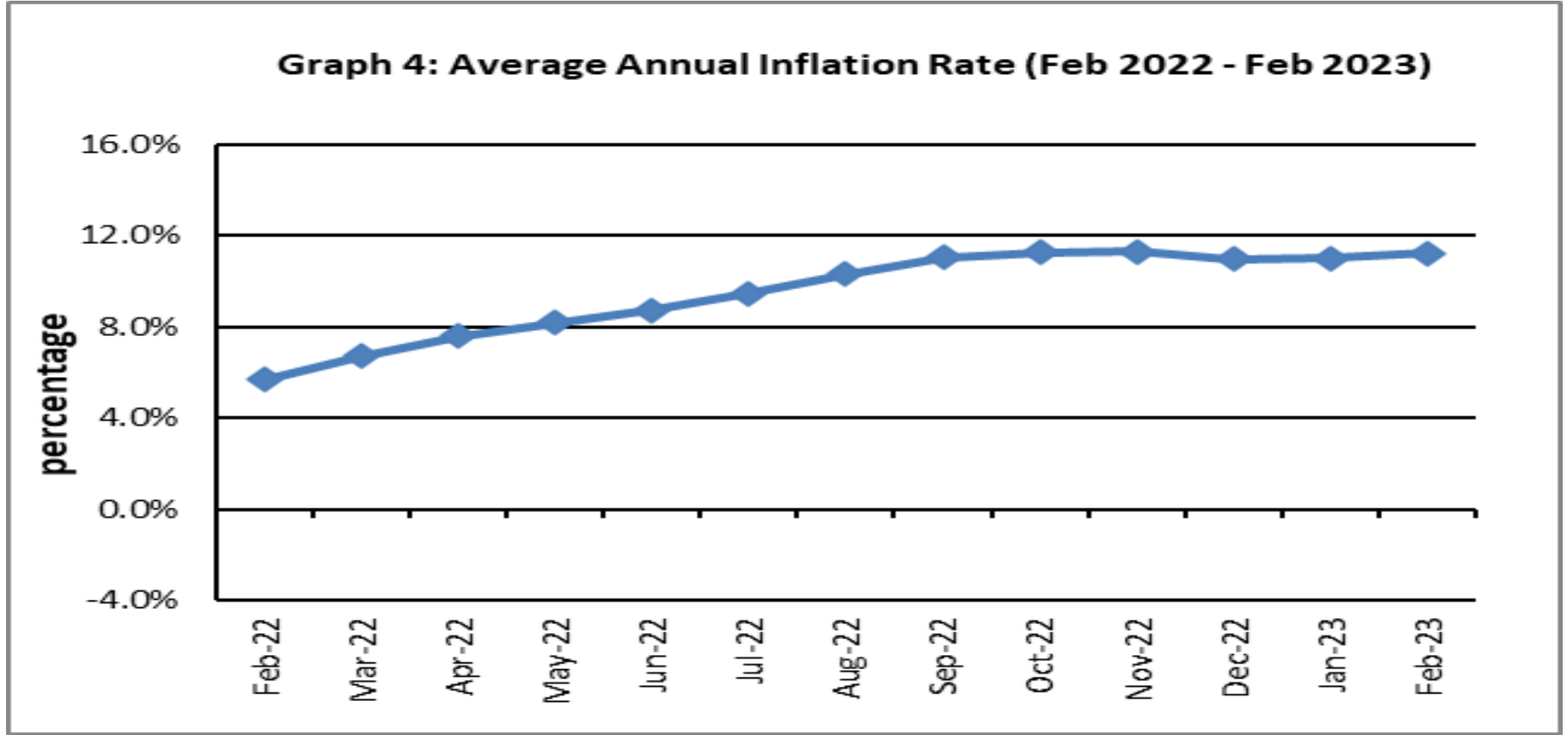
The Steps for Computing the CPI



PRICE COLLECTION & INDEX CALCULATION

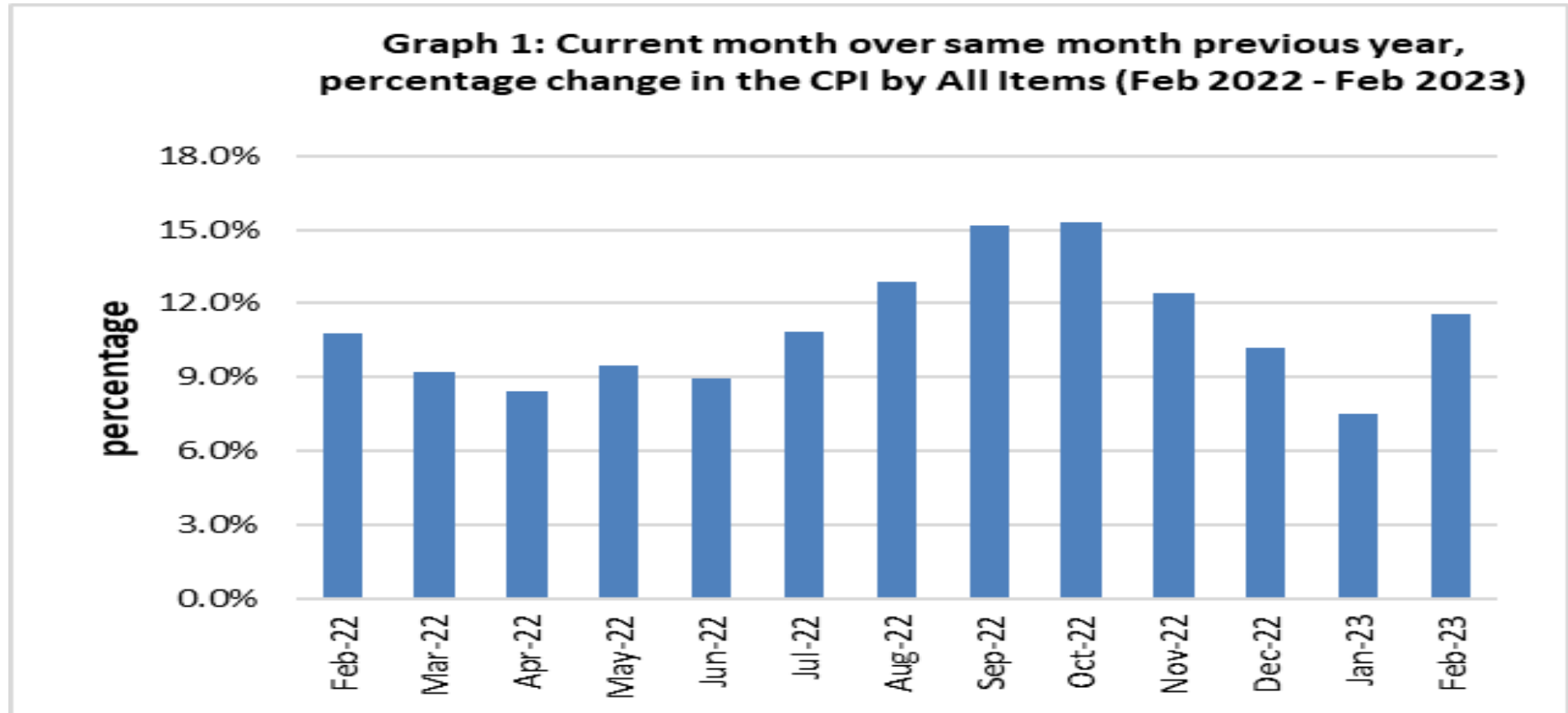
- Monthly, (quarterly and annual for some special items) price collection surveys are carried out at outlets such as: grocery stores, markets, clothing and footwear stores, furniture and appliance shops, garages, doctors, dentists, law offices, schools, insurance companies and barber and beauty salons.
- Price data are collected for 163 individual items from 128 outlets/shops in Upolu & Savaii
- Monthly publication

CONSUMER PRICE INDEX



- The average annual Inflation for the year ended February 2023 was 11.2 percent.
- Remained in that level in the last 5 consecutive years.

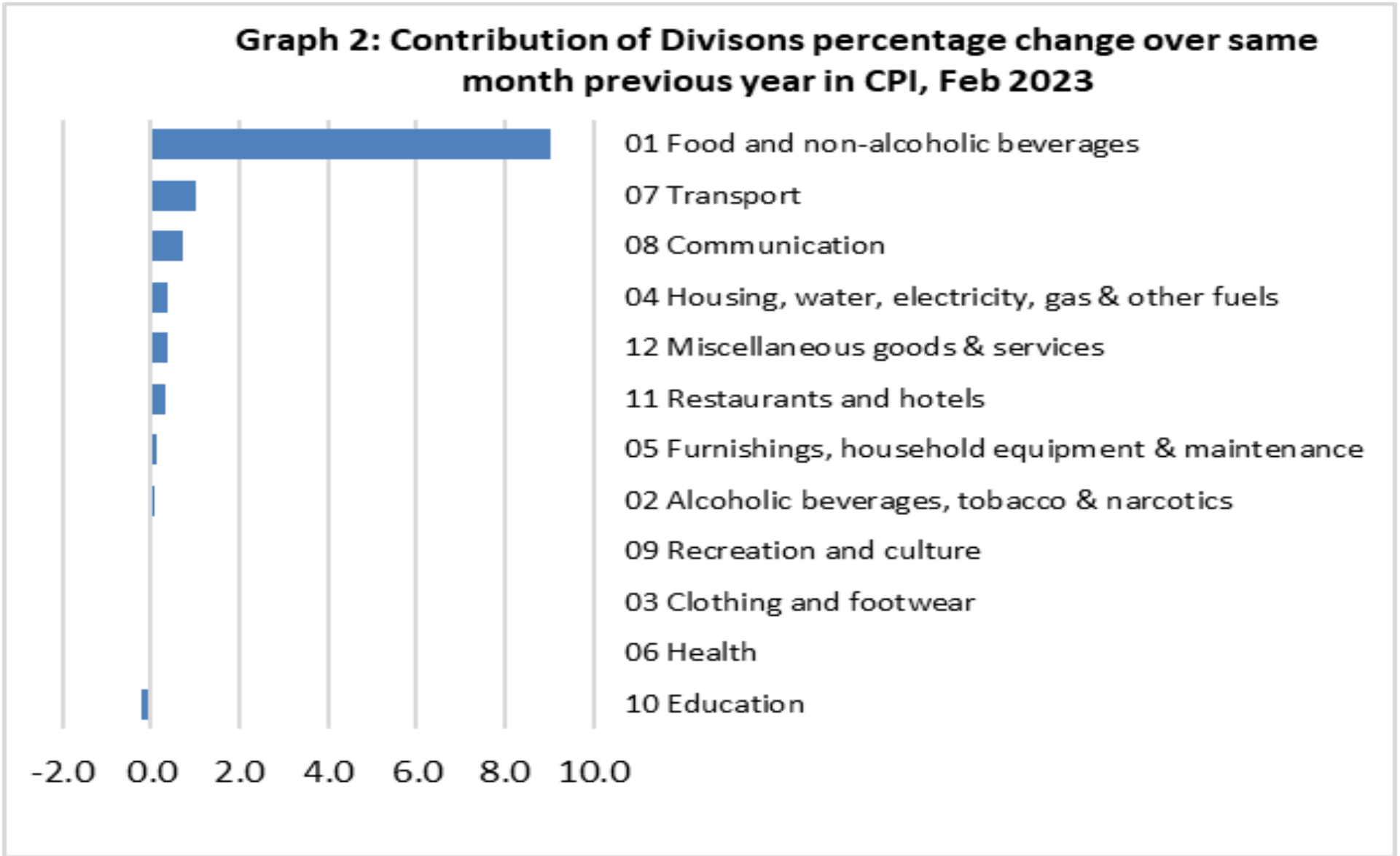
CPI Feb 23 compared to Feb 22



- The CPI for Feb 2023 increased by 11.8 percent compared to the same month last year.
- Food and Non Alcoholic Beverages increased by 20.7 percent.
- Communication increased by 14.0 percent.
- Transport also increased by 6.7 percent.

Contribution to change

Graph 2: Contribution of Divisions percentage change over same month previous year in CPI, Feb 2023



Contribution to change, Feb 2023

CPI increased 11.8% in Feb 2023
 (compared to the same month of the previous year)

Food and Non-Alcoholic Beverages contributed 11.8 percentage points

- Chicken leg quarters (up 30.2%)
- Fresh fish (up 23.5%)
- Flour (up 48.3%)
- Devondale (up 43.5%)
- Koko Samoa (up 59.9%)
- Corned beef (up 33.9%)
- Cooking oil (up 46.4%)
- Round pancake (up 33.3%)
- Chinese cabbage (up 65.2%)
- Cucumber (up 63.0%)
- Tomato (up 56.8%)
- Head cabbage (up 60.9%)

Transport contributed 1.0 percentage points

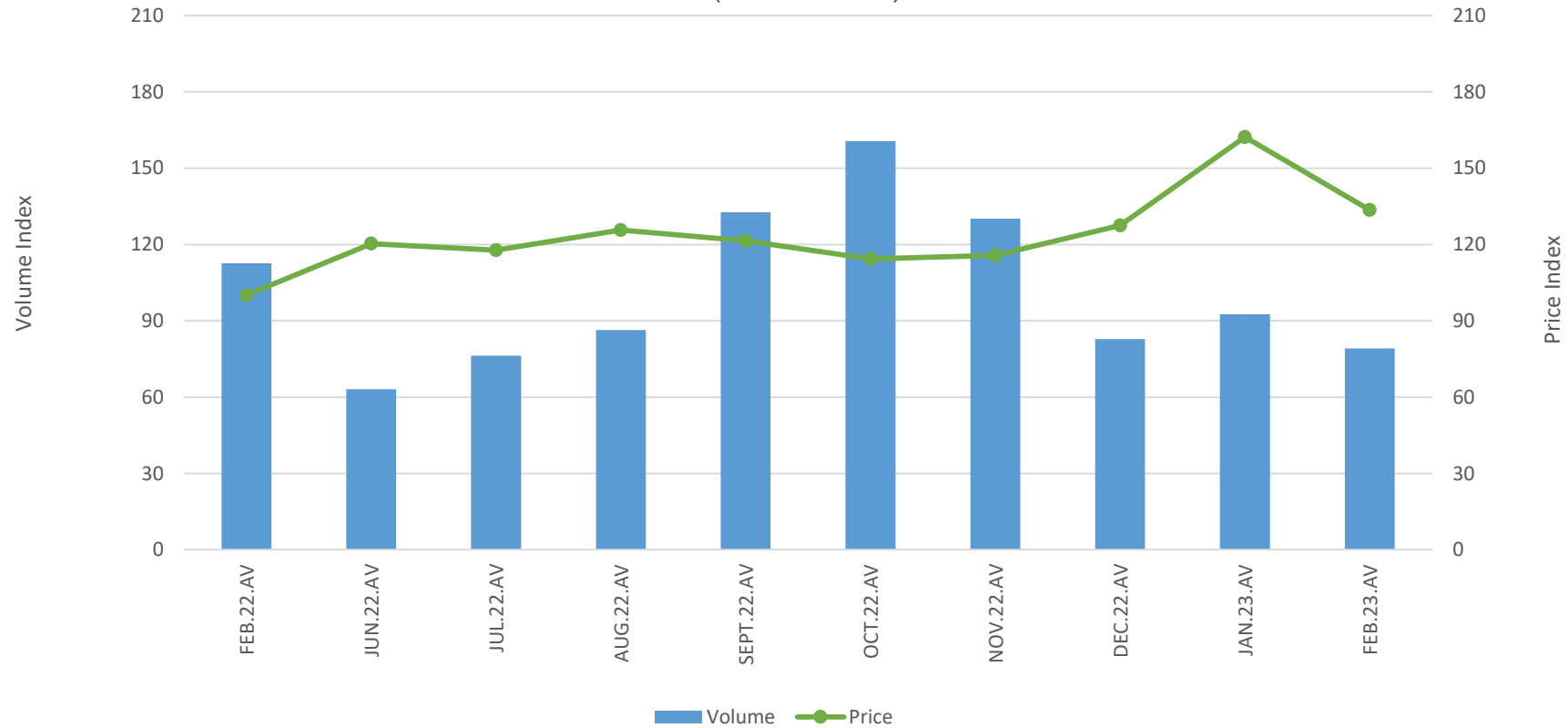
- Petrol (up 3.5%)
- Diesel (up 23.9%)
- Air fares (Apia-Pago-Apia) up 71.1% & (Apia-Auckland-Apia) up 23.2%

Communication contributed 0.7 percentage points

- Mobile phone calling per minute (up 19.5%)
- Internet data bundle (up 15.8%)

LOCAL MARKET SURVEY

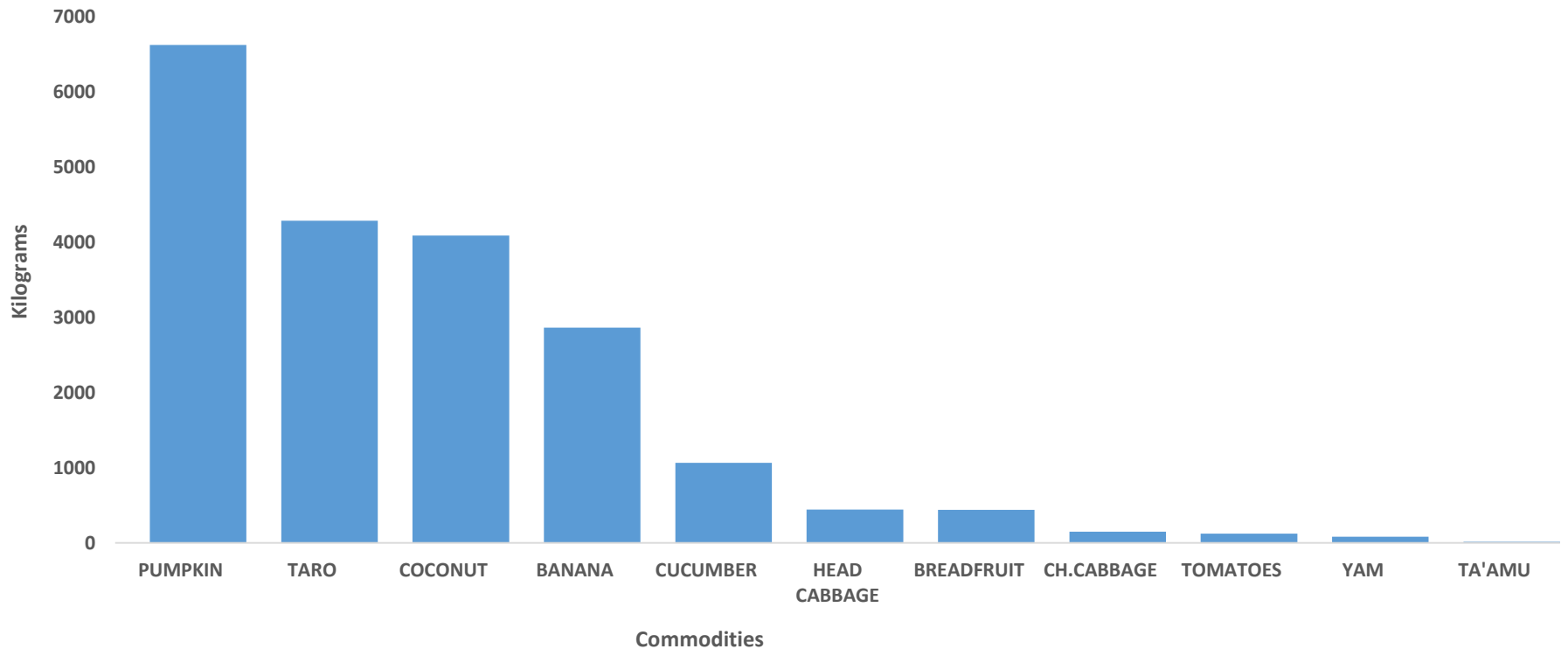
SUPPLY AND PRICE INDICES BY MONTH**
 (2014 = 100)



- The Local Market Survey in February 2023 compared to February 2022
- Overall volume decreased 14.0 percent
- Average prices also dropped 18.0 percent

QUANTITY SUPPLY IN FEB 2023 OVER FEB 2022

Commodities supply at the Markets February 2023



- Taro supply dropped 48.0 percent (to 4,286 kilograms)
- Coconut fell 47.0 percent at (4,090 kilograms)
- Pumpkin went up 12.0 percent (to 6,626 kilograms)
- Banana rose 28.0 percent (to 2,865 kilograms)

MALO LE ONOSAI

