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GOVERNMENT OF SAMOA

File Ref: CPI 05/2020

SAMOA BUREAU OF STATISTICS

CONSUMER PRICE INDEX MAY 2020

Key findings:

The Consumer Price Index for May 2020 decreased by 2.5 percent compared to the previous month.

- The continued decrease of oil prices internationally in May 2020 has pushed local fuel prices down as reflected in the 6.4 percent decrease in the Transport index.
- The Food and Non-Alcoholic Beverages index also decreased 3.7 percent.
- The price of toilet paper continues to increase since March 2020.
- The Average Annual Inflation for the year ended May 2020 was 1.7 percent.

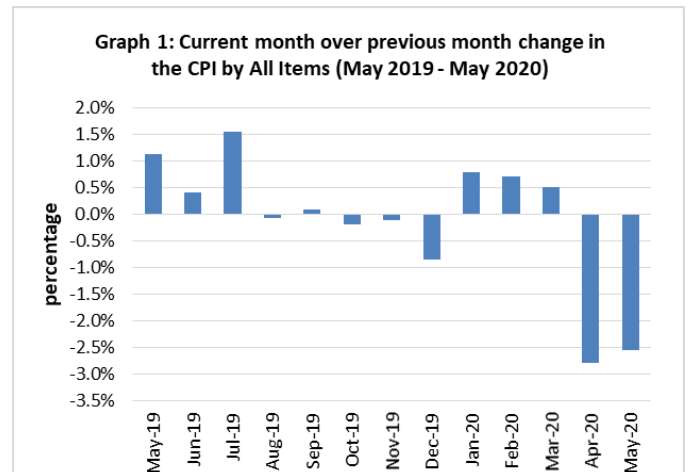
The CPI fell 2.6 percent from May 2020.

SUMMARY

The Consumer Price Index for May 2020 was 2.5 percent lower than in April 2020 and was 2.6 percent lower than May 2019.

The decrease of the Imported Goods component by 4.7 percent from the previous month was due to lower prices for fuel and imported food which was also the main contributor to the decrease of 2.5 percent in the All Items Consumer Price Index.

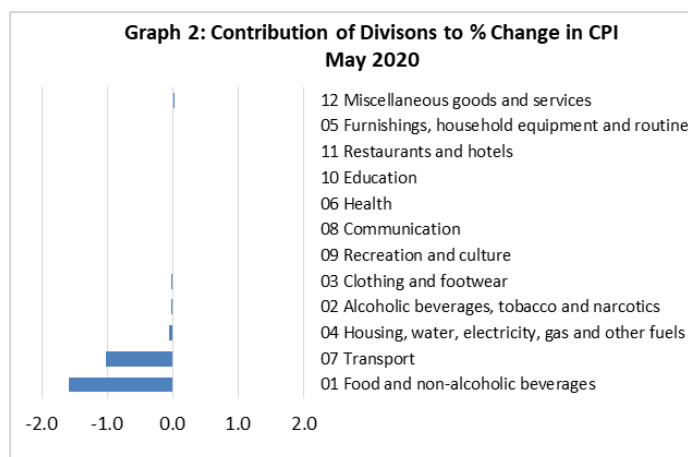
The Local Goods Component also registered a decrease of 0.3 percent from the previous month. Graph 1 shows the month to month percentage changes in the Consumer Price Index by all Divisions from May 2019 to May 2020.



Source : Samoa Bureau of Statistics

Total All Divisions Contribution

As depicted in Graph 2, Food and Non Alcoholic Beverages and Transport divisions were the main contributors to the overall decrease of 2.5 percent in the All Division Consumer Price Index.



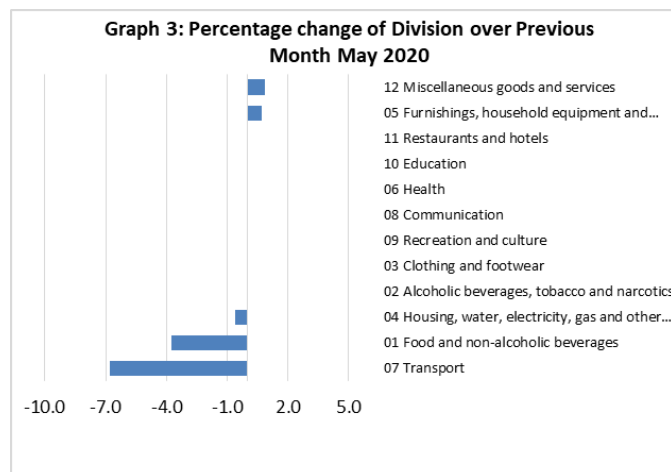
Source : Samoa Bureau of Statistics

Consumer Price Index (% Change)

The 2.5 percent decrease in the Overall Index was mainly due to a decrease of 6.4 percent in the Transport index. Food and Non-Alcoholic Beverages and Housing, Water, Electricity, Gas and other Fuels indices showed decreases of 3.7 and 0.6 percent respectively.

On the contrary, increases were recorded for other divisions namely Miscellaneous Goods and Services with 0.9 percent and Furnishing, Household Equipment and Maintenance with 0.7 percent.

No changes were recorded for the Alcoholic Beverages and Tobacco, Clothing and Footwear, Health, Communication, Recreation and Culture, Education and Restaurants indices. Graphically presented in Graph 3 is the May 2020 percentage change for all divisions from April 2020.



Source : Samoa Bureau of Statistics

Imported Goods Component

The Imported Goods Component of the Consumer Price Index registered a decrease of 4.7 percent when compared to the previous month. This decrease was mainly due to lower prices recorded for fuel (petrol, diesel and kerosene), chicken leg quarter, rice, butter, mutton flap, pig trotter and potatoes.

Local Goods Component

Decreased prices recorded for fresh fish (string and large), eggs, koko samoa, cucumber, tomato and taamu have resulted in the 0.3 percent decrease in the Local Good Component.

Transport Index

Lower prices recorded for fuel (petrol and diesel) is reflected in the 6.4 percent decrease in the Transport Index.

Food and Non Alcoholic Beverages Index

A decrease of 3.7 percent in the Food and Non Alcoholic Beverages index was a reflection of the lower prices recorded for chicken leg quarter, rice, butter, mutton flap, fresh fish (string and large), pig trotter, eggs, koko samoa, potatoes, cucumber, tomato and taamu.

Housing, Water, Electricity, Gas and other Fuels Index

The 0.6 percent decrease in the Housing, Water, Electricity, Gas and other Fuels index was a result of the lower prices recorded for kerosene and timber.

Miscellaneous Goods and Services Index

The Miscellaneous Goods and Services index recorded an increase of 0.9 percent higher due to the increase in prices recorded for toilet paper and hair gel.

Furnishings, Household Equipment, and Maintenance Index

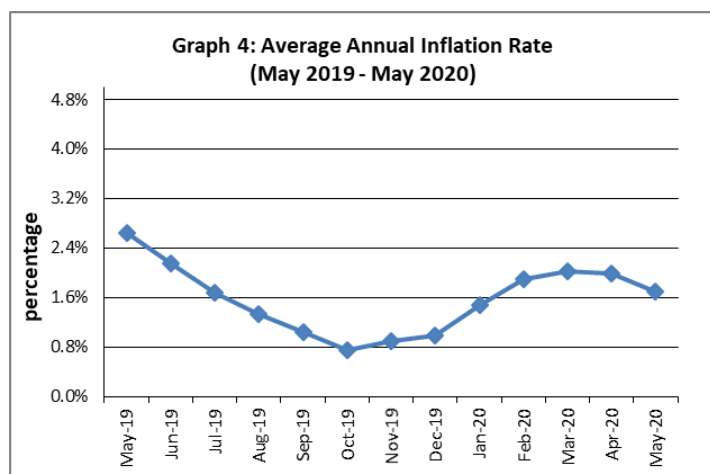
Increased prices recorded for mosquito coil and refrigerator is reflected in the 0.7 percent increase in the Furnishing, Household, Equipment and Maintenance index.

Underlying Indices ^{1/}

The All Items Underlying Index for May 2020 registered a decrease of 2.5 percent when compared to April 2020, and a decrease of 0.7 percent when compared to May 2019. The Imported Items Underlying Index registered a decrease of 3.4 percent, while the Local Items Underlying Index also recorded a decrease of 0.4 percent.

Inflation Rate

The average annual inflation rate for the year ended May 2020 was 1.7 percent. For the twelve months ending May 2019 the inflation rate was 2.6 percent. Presented in Graph 4 is the average annual inflation rate (May 2019 - May 2020).



Source : Samoa Bureau of Statistics

The attached Tables and Graphs provide the user with more detailed analysis.

Technical Notes:

The Consumer Price (CPI) measures the rate of inflation for Samoa. It is designed to measure the change in

prices for the goods purchased by households in Samoa. The CPI measures the change in prices by comparing the prices for a basket of goods and services at the collection period with the price for the same goods in a base period.

The basket of goods that is priced is based on the average expenditures of households as recorded in the Household Income and Expenditure Survey (HIES). The HIES survey identifies how much households spend on different items. The more households spend on an item on average, the more important it is to the price index, and the higher the weight in the index.

^{1/} Monthly movements in the 'headline' CPI series can be volatile. This volatility reflects price changes in particular items that may be due, among other factors, to fluctuations in commodity markets and agricultural conditions, policy changes, or seasonal or infrequent price resetting.

Underlying inflation is a measure of inflation that excludes certain items that face volatile price movements. Underlying inflation eliminates products that can have temporary price shocks because these shocks can diverge from the overall trend of inflation and give a false measure of inflation.

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The next Consumer Price Index will be released on 9th July 2020.

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