



Office of the Council for the
Ongoing Government of Tokelau
Tokelau National Statistics Office

Consumer Price Index of Tokelau

September 2023 quarter

Key facts

Inflation rate for the September 2023 quarter

- Annual inflation was 7.3 percent
- Quarterly inflation was -1.5 percent.

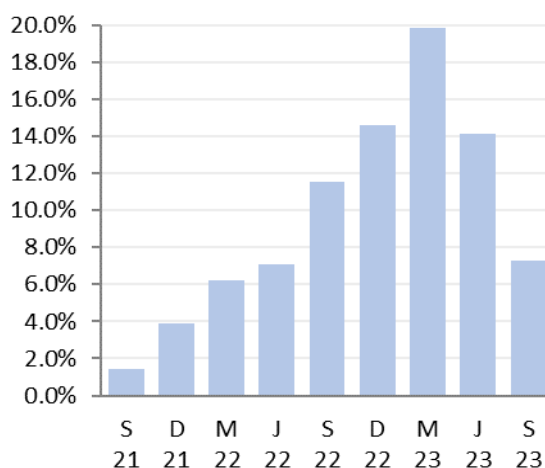
The CPI measures the rate of price change of goods and services purchased by Tokelau households. The Tokelau National Statistics Office (TNSO) collects prices from the co-op and bulk stores on all three atolls, as well as prices from service providers, including transport, energy, and telecommunications.

Annual change

In the September 2023 quarter compared to the September 2022 quarter, the CPI increased 7.3 percent.

- Food and non-alcoholic beverages increased 9.4 percent, influenced by:
 - Rice (up 23.5 percent)
 - Lamb Chops (up 19.9 percent)
 - Milk – Long Life (up 21.7 percent).
- Alcoholic beverages and tobacco increased 4.0 percent, influenced by:
 - Spirits - Whiskey (up 41.0 percent)
 - Beer – Large Bottle (up 12.2 percent)
 - Spirits – Vodka (up 17.4 percent).
- Transport increased 13.8 percent, influenced by:
 - Petrol (up 68.9 percent)
 - Air Fare (down 36.1 percent).

Consumer price index
Annual change

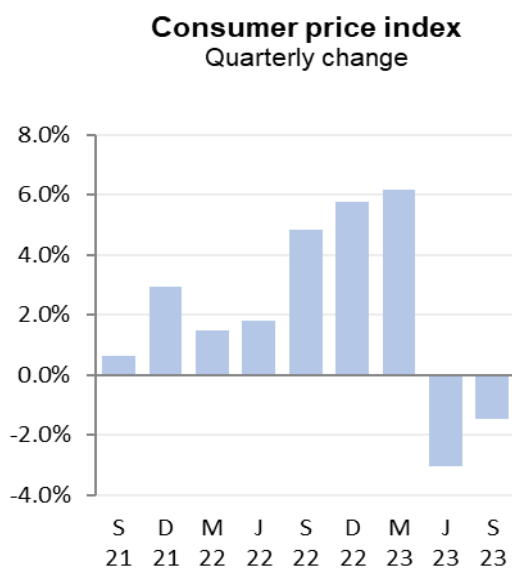


Source: Tokelau National Statistics Office

Quarterly change

In the September 2023 quarter compared to the June 2023 quarter, the CPI fell 1.5 percent.

- Alcoholic beverages and tobacco fell 3.2 percent, influenced by:
 - Spirits - Whiskey (down 21.9 percent)
 - Beer – Small Bottle (down 27.2 percent)
 - Beer – Large Bottle (up 7.1 percent).
- Transport fell 4.1 percent, influenced by:
 - Petrol (down 3.9 percent)
 - Air Fare (down 6.5 percent).
- Furnishings, household equipment and routine household maintenance rose 2.4 percent, influenced by:
 - Gas Stove (down 37.6 percent)
 - Washing Powder (up 13.0 percent)
 - Fly Spray (up 17.6 percent).



Source: Tokelau National Statistics

September 2023 contributions

Two of the CPI's nine groups recorded an increase contribution in the quarterly CPI, four recorded negative contributions, one remained unchanged, and the rest had negligible contribution to overall CPI.

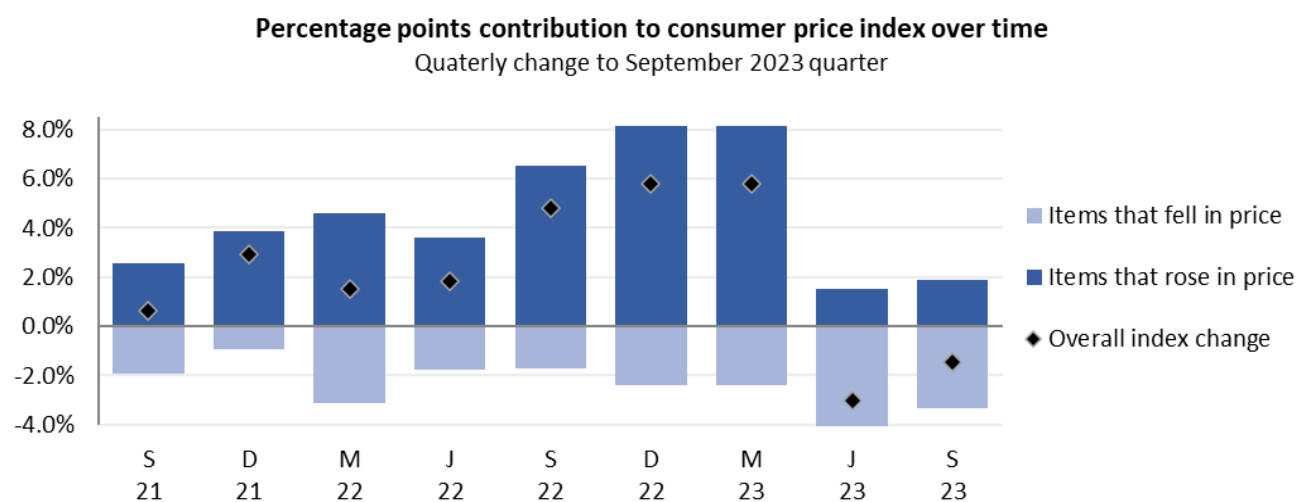
Eight of the CPI's nine groups recorded an increase contribution to the annual CPI, the rest had negligible contribution to the overall CPI.

Group	Quarterly percentage points contribution to CPI	Annual percentage points contribution to CPI
01. Food and non-alcoholic beverages	0.0%	3.1%
02. Alcoholic beverages and tobacco	-1.1%	1.5%
03. Clothing and footwear	0.1%	0.1%
04. Housing, water, electricity, gas and other fuels	-0.1%	0.5%
05. Furnishings, household equipment and routine household maintenance	0.1%	0.3%
07. Transport	-0.4%	1.1%
08. Communication	0.0%	0.0%
09. Recreation and culture	-0.1%	0.3%
12. Miscellaneous goods and services	0.0%	0.3%
Overall CPI	-1.5%	7.3%

Note: Percentages may not sum to total due to rounding.

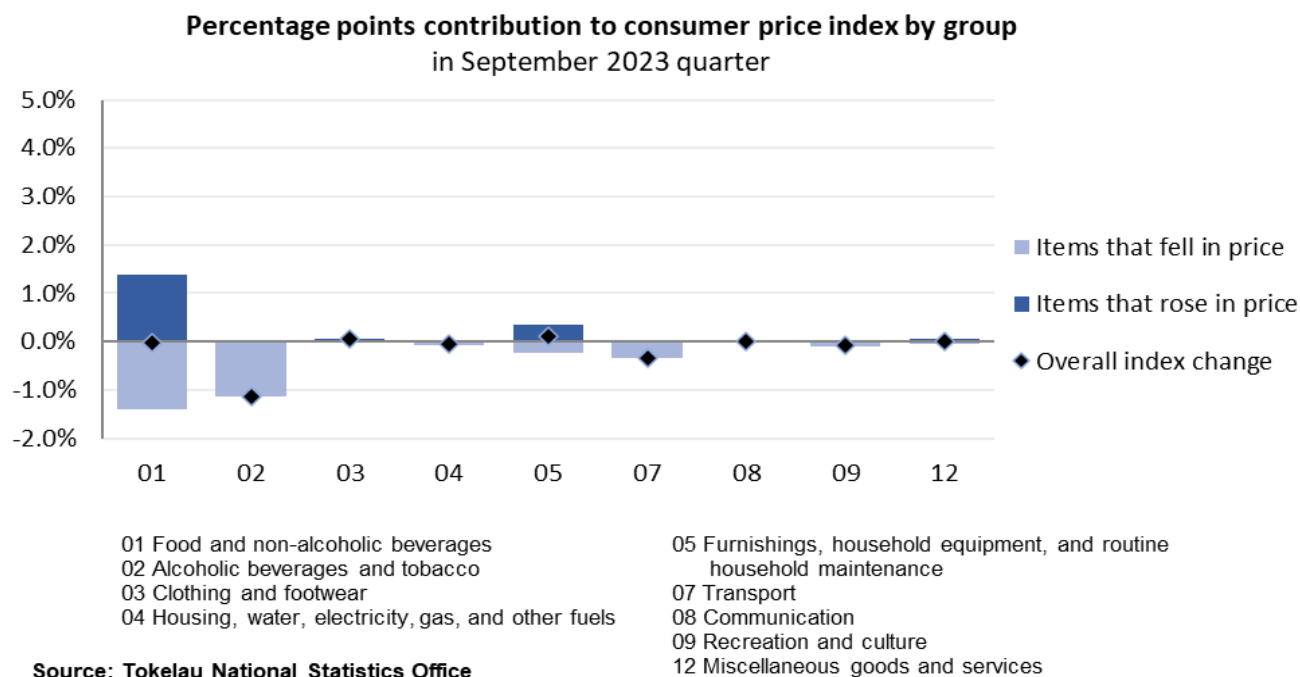
Impact of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price over time: the overall impact was a 1.5 percent decrease in the CPI for the September 2023 quarter.



Source: Tokelau National Statistics Office

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



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 households. The selection and relative importance of the goods and services in the CPI basket represents the overall expenditure pattern of households in Tokelau.

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 of Tokelau has been published quarterly since September 2012, and was rebased in March 2017. The index reference period is the March 2017 quarter (=100.0).

An updated 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” (October 2017 version) at www.tokelau.org.nz/Stats.html.

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 (eg if the index number in a later period is 115.0, prices have increased by 15.0 percent since the index reference period).

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 (its relative importance, based on its share of household spending on goods and services covered by the CPI) and the magnitude of price movement. If two items record the same percentage rise in price, then the item with the larger CPI weighting will make a larger contribution to the overall movement. This contribution is also referred to as points (or index points) contribution.

Reference period

Prices for the September 2023 quarter were collected between 15 August and 11 September 2023, by staff working for the village administrative centres, as well as TNSO staff in Apia and Tokelau.

Price influencers

Price changes may be influenced by external events. Factors that affected the quarterly and the annual September 2023 CPI include:

- Tokelau uses the New Zealand dollar as its currency; so major changes in the strength of the New Zealand dollar over the Samoan tala can change Tokelau's buying power in Samoa. The Tokelau Department of Finance determines its exchange rate every beginning of the month, with the New Zealand dollar fluctuating rate to the Samoan tala this quarter from: July NZD/SAT=1.68, August NZD/SAT=1.68, and September NZD/SAT=1.66.
- Since 2013 nearly all goods sold in Tokelau have been sourced directly from Samoa. Many of these goods are re-exports, originating from various other countries including China, Australia, and New Zealand. This introduces price fluctuation between quarters, and can be caused both by local demand, and by 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.
- Each village sets pricing policy (such as for cigarettes, alcoholic and non-alcoholic drinks) independently, and this can change at any point.
- In July 2017, General fono (Parliament) approved a national 325 percent tax increase on cigarettes, in an effort to reduce smoking and hence the prevalence of non-communicable diseases in the atoll population. Since then, each Taupulega has introduced further price rises. Because cigarettes have a relatively large weight in the CPI, any change in their price will significantly impact the overall CPI movement as seen since 2017. To separate out the anomaly created by the cigarette pricing policy (combined with reduced availability in the atoll stores), we calculate CPI with and without cigarettes. This will provide for a smooth transition to "Tobacco free Tokelau 2020", which has nil cigarette imports as a target.

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