

**GOVERNMENT OF TUVALU
Statistics Division
Ministry of Finance,
Economic Planning and Industries**



**TUVALU
CONSUMER PRICE INDEX
REPORT
SEPTEMBER 2005**

OVERVIEW

The prices were started collecting on the 10th August and were finalized on the 17th August 2005. The quality and quantity of the priced items were properly observed with their prices. This is very important to the CPI measurement.

The current CPI calculations is based on the expenditure weights of the base year, September 2003 = 1000. The changes occurred to the CPI were according to the priced commodities that have changed prices. With this, again Mr Lito Timaio and I went to the CPI outlets to update the prices.

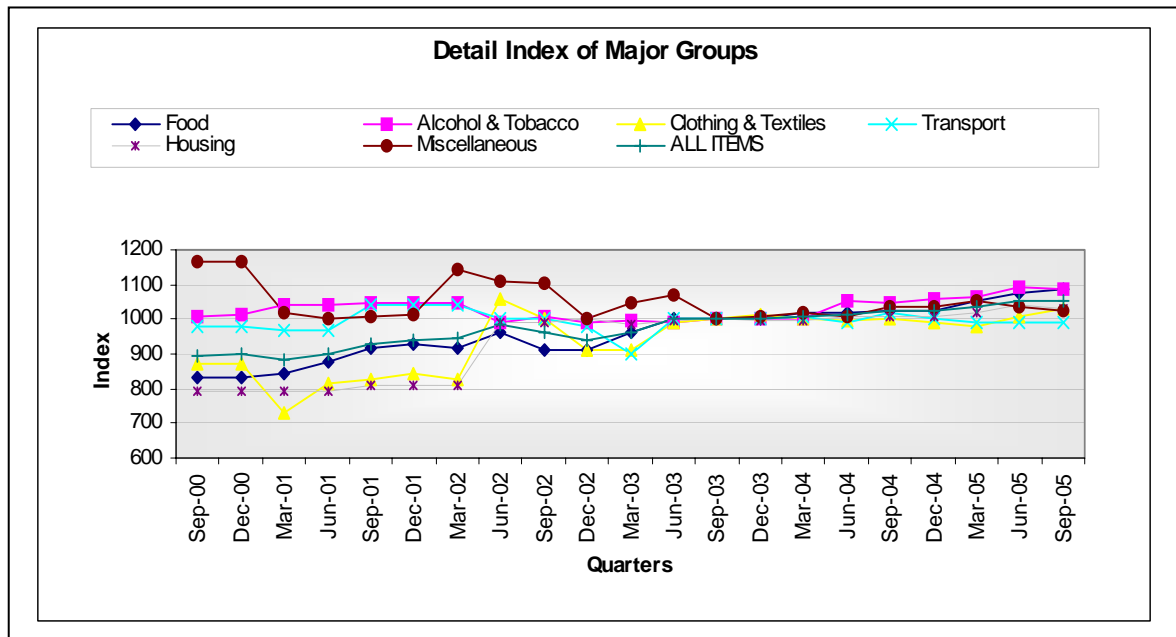
Outlets

The outlets in which the priced commodities were obtained are the Fetuvalu High School, Tuvalu Gas, NAFICOT, Marine Department, TCS, Island Supermarket, Otinielu Taxis' base, Nui Store, Kaupule Funafuti, Tuvalu General Hardware, Bakery Market, Fusi, Matagi Gali Bar, William's business, Semi & Fili buses, Samuelu Hardware, Saitala & Sulani video library, Manaema Bakery, Setusa & Tima Fish Market, VLH, Education, Telecom, Post Office, Travel Office, TEC, Personnel and Training Department, and finally at the Sunset Bar.

CONSUMER PRICE INDEX OF TUVALU

The CPI at this quarter shows a quarterly increase of 1.4% over the last three months from 1050.8 to 1052.5. This brings the annual inflation rate to 2.8% for the last twelve months.

The following graph generally provides the contributions of major groups onto the Consumer Price Index of Tuvalu. (Refer to appendix 3)



Studying the trend of the major groups of the CPI over the last five years, it is observed that the entire major groups have a steady increase in their index. Therefore prices of items-to price have been increase within this period.

For this quarter most of the groups showed a quarterly decrease in their index except for the Food group, and the Clothing & Textiles.

QUARTERLY SIGNIFICANT MOVEMENT OF THE CPI

Note: Refer to appendix 4

(Contributions generally show the contributions of items with price changed, sub-groups and major groups onto the overall net change of the CPI)

Food Group

The group has the highest contribution of 5.0 onto the quarterly change of the CPI. The sub-groups that show an increase in prices of their items are the meat, cereals and the sugar & sweets sub-groups. Note the increase in the price of rice (per kg) from \$1.32 to \$1.50 has a very high contribution of 3.1.

The dairy produce and the fruits & vegetables are the only sub-groups that experienced a quarterly decrease. The decrease in the price of apple from \$4.85 to \$3.85 is highly contributed to this change with a contribution of -0.9.

Hence at this quarter, the group's index increases from 1075.5 to 1088.7.

Alcohol and Tobacco

The group shows a quarterly decrease of -0.5% in its index. The alcohol sub-group depicts an increase in the prices of its commodities with gin is the only contributor to this change with a contribution of 4.7.

Opposing the above increase, the price of cake tobacco decreases from \$4.95 to \$4.30 resulting in the quarterly decrease of 5.4% with a contribution of -5.4 for the tobacco sub-groups.

However, the group experienced a quarterly decrease of -0.5% where its index changed from 1094.5 to 1089.1.

Clothing & Textile

The clothing sub-group experienced a quarterly increase of 5.8% from 1081.9 to 1145.0. The items that contribute to this change are the panties, prices of clothes from Fiji and the primary school uniform.

The changes in the prices of the mentioned items resulted in the group's total contribution of 0.6.

Transport

The group experienced a slightly quarterly decrease in its index from 988.5 to 988.2. The sub-groups that contribute to this change are the plane fares, and the private transport. The priced commodities that have changed prices are the adult air fare to Suva and Auckland and motor oil. This resulted in the group's quarterly decrease of -0.04% and a contribution of -0.1.

Housing

The group shows an increase in its index over the last three months. For the house maintenance sub-group, the price of the roofing iron increases from \$36.20 to \$38.70, the price of paint decreases from \$26.30 to \$25.80 and the price of guttering decreases from \$23.15 to \$23.05. Hence the sub-group experienced a quarterly increase of 0.4% with a contribution of 0.1.

Both the fuel & electricity and the household appliances show a decrease in their prices. The change in the prices of butane gas, electric kettle and floor coverings resulted in a total contribution of 1.9.

From the above changes, the group's index has been decreased from 1040.4 to 1029.7 with a contribution of -1.8.

Miscellaneous

The group shows a decrease of -1.2% over the last three months. The sub-groups that contributed to this change are the toiletries, cleaning materials, and the fishing gear. The increase in price occurred to toilet paper, and mosquito spray has a total contribution of 0.2 where the decrease in the prices of bath soap, washing powder, bleach, and fishing line fine has a total contribution of 1.5.

Thus the group's index decreased from 1036.6 to 1024.1 with a total contribution of -1.3.

CONCLUSION

Although the majority of the major groups of the CPI showed a quarterly decrease at this quarter, the all group's index experienced an increase from 1050.8 to 1052.5 over the last three months. Thus it indicates a general increase in the prices of items. The major groups that have shown an increase are the food and the clothing & textiles.

However at this quarter, the CPI experienced a quarterly increase of 0.2% and a total contribution of 1.7. This brings the annual inflation rate to 2.8%.

Appendix 1 Expenditure Weights under the revised and previous CPI

The table below shows the expenditure weights at the subgroup level for the revised index and for the previous index.

The weights used in the revised index are shown in the second column from the right. These are based on the best estimate of household expenditure in 2002 shown in the right hand column.

The weights for the revised CPI excluding the Household appliance sub-group are shown in the second column of figures. This allows a more direct comparison with the previous CPI regimen.

The detailed allocations of subgroup weights to priced commodities are available from the Tuvalu Central Statistics Division

	Expenditure weight of the previous CPI (Base 1983), at Sept 2003	Revised CPI on weight base Calendar 2002		
		Expenditure weight excluding Home Appliances	Expenditure weight	Approximately represents an average weekly expenditure per household in 2002
FOOD GROUP				
Subgroup Meat	7.720	11.006	10.393	\$20.82
Subgroup Fish	9.364	3.512	3.316	\$6.64
Subgroup Dairy products	4.901	3.642	3.439	\$6.89
Subgroup Cereals	14.551	11.413	10.778	\$21.59
Subgroup Sugar and sweets	4.183	4.228	3.992	\$8.00
Subgroup Fruit and vegetables	2.721	2.669	2.520	\$5.05
Subgroup Beverages (Non-alcoholic)	2.144	1.556	1.469	\$2.94
Subgroup Cooking oils and fats	1.010	1.132	1.069	\$2.14
Subgroup Miscellaneous food	1.782	1.590	1.502	\$3.01
Food Group	48.376	40.746	38.479	\$77.08
Subgroup Alcohol	4.041	5.308	5.013	\$10.04
Subgroup Tobacco	7.200	9.305	8.787	\$17.60
Alcohol and Tobacco Group	11.241	14.613	13.80	\$27.65
Subgroup Clothing	3.722	1.015	0.959	\$1.92
Subgroup Textiles	2.544	1.596	1.507	\$3.02
Clothing and Textile Group	6.266	2.611	2.47	\$4.94
Subgroup Ship fares	1.278	2.023	1.910	\$3.83
Subgroup Air fares	1.258	2.266	2.140	\$4.29
Subgroup Bus and taxi fares	1.390	0.423	0.399	\$0.80
Subgroup Private transport	8.232	14.246	13.453	\$26.95
Transport Group	12.157	18.958	17.903	\$35.86
Subgroup House rental	4.406	2.363	2.231	\$4.47
Subgroup House maintenance	3.072	1.756	1.658	\$3.32
Subgroup Fuel and electricity	3.089	7.615	7.191	\$14.41
Subgroup Household appliances ⁽¹⁾	---	---	5.565	\$11.15
Housing Group	10.567	11.734	16.645	\$33.34
Subgroup Education	1.430	1.601	1.512	\$3.03
Subgroup Post and telecommunications.	1.526	1.344	1.269	\$2.54
Subgroup Entertainment	2.111	3.172	2.996	\$6.00
Subgroup Toiletries	1.433	1.226	1.157	\$2.32
Subgroup Cleaning materials	2.302	1.866	1.762	\$3.53
Subgroup Fishing gear	1.335	1.159	1.094	\$2.19
Subgroup Miscellaneous	1.255	0.970	0.916	\$1.83
Miscellaneous Group	11.392	11.338	10.707	\$21.45
All Groups	100.000	100.000	100.000	\$200.32

Appendix 2: Annual CPI

Annual indexes on the base 3rd Quarter 2003 are shown in the following table. They have been calculated as the simple average of the constituent quarters using unrounded quarterly index numbers.
(Base September 2003 = 1000)

	1999	2000	2001	2002	2003	2004
1 Food Group						
1.1 Meat	818	858	846	947	977	992
1.2 Fish	792	792	876	999	978	1048
1.3 Dairy Produce	798	798	935	950	1000	1078
1.4 Cereals	770	786	794	762	994	1012
1.5 Sugar and Sweets	969	962	1016	1032	981	997
1.6 Fruits & Vegetables	819	814	998	1003	964	1070
1.7 Beverages	1060	1007	958	1014	1073	996
1.8 Cooking Oil and Fats	1291	1215	1251	1152	1112	1113
1.9 Miscellaneous	1005	1118	1097	1110	1050	1049
Total Food Group	837	846	891	925	993	1022
2 Alcohol & Tobacco Group						
2.1 Alcohol	1202	1186	1264	1066	1003	1084
2.2 Tobacco	899	912	921	979	995	1016
Total Alcohol & Tobacco	1008	1011	1044	1010	998	1041
3 Clothing & Textiles						
3.1 Clothing	626	895	760	837	918	1014
3.2 Textiles	785	851	868	1114	1080	987
Total Clothing & Textiles	691	877	804	949	980	997
4 Transport Group						
4.1 Ship Fares	1465	1092	1092	1023	1000	1012
4.2 Plane Fares	1641	1320	1320	1323	1073	1013
4.3 Bus Fares	833	1000	1000	1000	1000	970
4.4 Private Transport	790	866	945	957	952	1003
Total Transport Group	922	952	1005	1007	975	1005
5 Housing Group						
5.1 House Rentals	559	571	571	893	1000	1000
5.2 House Maintenance	933	967	967	985	993	1032
5.3 Fuel & Utilities	942	927	962	989	991	990
5.4 Household Appliances	na	na	na	na	na	na
Total Housing Group	780	790	800	948	994	1006
6 Miscellaneous Group						
6.1 Education	1000	1000	1000	1000	1000	1000
6.2 Postal and Telecom	1000	1000	1000	1002	1000	901
6.3 Entertainment	1640	1640	1640	1640	1320	1038
6.4 Toiletries	1082	1145	1055	1041	1028	1092
6.5 Cleaning Materials	1126	1083	1068	970	978	1068
6.6 Fishing Gear	651	1532	1418	1262	984	1043
6.7 Miscellaneous	629	714	941	825	961	995
Total Misc. Group	1028	1149	1011	1090	1031	1024
All Groups	865	899	912	958	990	1018

Appendix 3: Quarterly contributions of major groups with sub-groups

The table below provides the quarterly index of the groups that contribute to the observed Consumer Price Index of Tuvalu (Base September 2003 = 1000)

ITEMS	2001				2002				2003				2004				2005		
	Mar	June	Sep	Dec	Mar	June	Sep	Dec	Mar	June	Sep	Dec	Mar	June	Sep	Dec	Mar	June	Sep
1 Food Group																			
1.1 Meat	791	822	859	911	948	944	946	951	949	959	1000	1001	992	981	998	998	1001	1023	1032
1.2 Fish	737	911	902	954	923	1023	1023	1025	938	973	1000	1000	1046	1046	1046	1053	1068	1141	1141
1.3 Dairy Produce	938	929	940	933	927	952	960	959	985	1000	1000	1013	1096	1089	1044	1086	1151	1178	1174
1.4 Cereals	758	758	849	812	766	811	721	752	959	1010	1000	1007	1006	1028	1034	978	1039	1026	1052
1.5 Sugar and Sweets	994	1008	1033	1029	1109	1041	1068	910	936	986	1000	1000	1000	1000	1000	990	1018	1018	1070
1.6 Fruits & Vegetables	950	1015	1017	1011	1028	1271	859	855	886	972	1000	1000	1058	1056	1058	1110	1076	1171	1153
1.7 Beverages	1048	839	954	992	1000	1023	995	1036	1056	1233	1000	1004	971	1003	1004	1004	1004	1004	1004
1.8 Cooking Oil and Fats	1271	1271	1105	1357	1105	1073	1208	1224	1224	1224	1000	1000	1000	1000	1151	1301	1301	1301	1301
1.9 Miscellaneous	1134	988	1118	1148	1092	1253	1047	1047	1163	1015	1000	1024	1035	1035	952	1176	1176	1317	1311
Total Food Group	845	875	915	928	916	963	913	909	965	1004	1000	1004	1016	1020	1023	1027	1053	1076	1089
2 Alcohol & Tobacco Group																			
2.1 Alcohol	1266	1266	1262	1262	1262	1001	1001	1001	1013	1000	1000	1000	1007	1125	1097	1109	1121	1101	1193
2.2 Tobacco	913	913	929	929	929	989	1011	986	989	989	1000	1000	1000	1015	1020	1030	1030	1091	1030
Total Alcohol & Tobacco	1040	1040	1049	1049	1049	993	1007	992	998	993	1000	1000	1002	1055	1048	1058	1063	1095	1089
3 Clothing & Textiles																			
3.1 Clothing	738	768	762	774	764	975	886	723	728	884	1000	1061	1033	1005	1008	1009	1002	1082	1145
3.2 Textiles	718	889	914	951	914	1179	1176	1186	1186	1152	1000	984	984	993	993	978	962	956	956
Total Clothing & Textiles	730	817	824	845	825	1058	1004	911	914	993	1000	1014	1003	998	999	990	978	1005	1029
4 Transport Group																			
4.1 Ship Fares	1092	1092	1092	1092	1092	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
4.2 Plane Fares	1320	1320	1320	1320	1320	1325	1325	1325	1145	1145	1000	1000	1023	898	1074	1057	1011	991	987
4.3 Bus Fares	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	900	971	1007	1007	936	936
4.4 Private Transport	889	889	1001	1001	1001	953	954	923	829	977	1000	1001	1004	1004	1013	993	988	988	988
Total Transport Group	967	967	1043	1043	1043	1001	1002	981	899	999	1000	1001	1006	989	1018	1002	993	989	988
5 Housing Group																			
5.1 House Rentals	571	571	571	571	571	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
5.2 House Maintenance	967	967	967	967	967	994	985	992	963	994	1000	1014	1030	1037	1027	1036	1039	1034	1038
5.3 Fuel & Utilities	935	935	986	992	986	975	975	1022	977	1000	1000	989	989	989	992	992	1000	1003	1000
5.4 Household Appliances	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1000	1000	1000	1027	1028	1026	1052	1107	1078
Total Housing Group	793	793	807	809	807	991	988	1004	982	998	1000	997	998	1008	1008	1009	1021	1040	1030
6 Miscellaneous Group																			
6.1 Education	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
6.2 Postal and Telecom	1000	1000	1000	1000	1000	1000	1008	1000	1000	1000	1000	1000	1000	868	868	868	868	883	883
6.3 Entertainment	1640	1640	1640	1640	1640	1640	1640	1640	1640	1640	1000	1000	1000	1050	1050	1050	1050	1050	1050
6.4 Toiletries	1094	1035	1040	1053	1040	1129	1023	973	1099	1020	1000	992	1042	1107	1111	1111	1232	1223	1164
6.5 Cleaning Materials	1095	1057	1057	1065	1057	991	896	937	899	967	1000	1045	1088	1077	1080	1028	1056	1042	1015
6.6 Fishing Gear	1418	1418	1418	1418	1418	1418	1514	699	910	1035	1000	991	950	939	1093	1191	1165	1040	1024
6.7 Miscellaneous	913	913	968	968	968	686	822	822	922	922	1000	1000	1041	909	1014	1014	1014	1014	1014
Total Misc. Group	1018	1002	1009	1013	1145	1109	1103	1002	1049	1069	1000	1006	1017	1009	1034	1036	1051	1037	1024
All Groups	880	898	931	939	946	987	961	940	960	999	1000	1002	1009	1015	1024	1024	1036	1051	1053
Annual Inflation Rate	-1.8	-0.5	3.9	4.6	7.5	9.9	3.2	0.02	1.5	1.2	4.1	6.7	5.1	1.6	2.4	2.2	2.7	3.5	2.8
Quarterly Percentage Change	-1.9	2.1	3.6	0.9	0.7	4.4	-2.7	-2.2	2.2	4.1	0.1	0.2	0.7	0.6	0.8	0.004	1.2	1.4	0.2
Average Annual Percentage Change	2.2	0.7	0.7	1.5	3.9	6.5	6.3	5.1	3.6	1.5	1.7	3.4	4.3	4.4	3.9	2.8	2.2	2.7	2.8

Appendix 4: Specifications of the Quarterly Change of the CPI

Quarterly change caused by the priced commodities with change in price.

Item	Base weight	weights (June_05)	current weights	Previous Price	Price Relative	Current Price	Quarterly % Change	Contribution
1. FOOD GROUP								
1.1 Meat								
Lamb chops	0.514	0.498	0.474	\$7.50	\$7.50	\$7.15	-4.67	-0.232
Chicken cuts frozen	1.567	1.598	1.639	\$7.75	\$7.75	\$7.95	2.58	0.412
Sausages	1.342	1.342	1.378	\$3.80	\$3.80	\$3.90	2.63	0.353
Canned Corned Beef (B)	1.399	0.999	1.033	\$3.00	\$3.00	\$3.10	3.33	0.333
Sub-Group Index(base 1000)		1023.2	1031.6				0.81	0.867
1.3 Dairy Produce								
Condense Milk	0.590	0.690	0.675	\$2.40	\$2.40	\$2.35	-2.08	-0.144
Sub-Group Index(base 1000)		1178.2	1174.0				-0.35	-0.144
1.4 Cereals								
Rice	1.813	2.176	2.482	\$1.32	\$1.32	\$1.50	14.04	3.054
Spagetti	0.057	0.058	0.057	\$2.15	\$2.15	\$2.10	-2.33	-0.014
Sweet Biscuits	0.506	0.506	0.485	\$2.45	\$2.45	\$2.35	-4.08	-0.206
Sub-Group Index(base 1000)		1025.7	1052.0				2.56	2.834
1.5 Sugar and Sweets								
Brown Sugar	2.853	2.787	2.853	\$1.31	\$1.31	\$1.34	2.35	0.656
Icing Sugar / White sugar	0.177	0.177	0.321	\$1.55	\$1.55	\$2.80	80.65	1.431
Sub-Group Index(base 1000)		1018.0	1070.3				5.14	2.087
1.6 Fruits & Vegetables								
Apples	0.356	0.454	0.361	\$4.85	\$4.85	\$3.85	-20.62	-0.937
Pears	0.254	0.254	0.281	\$3.80	\$3.80	\$4.20	10.53	0.268
Cabbages	0.364	0.484	0.459	\$3.85	\$3.85	\$3.65	-5.19	-0.251
Canned Peas	0.152	0.145	0.190	\$1.30	\$1.30	\$1.70	30.77	0.447
Sub-Group Index(base 1000)		1171.3	1152.5				-1.60	-0.473
1.9 Miscellaneous Food								
Tomato Sauce	0.564	0.581	0.571	\$2.95	\$2.95	\$2.90	-1.69	-0.098
Sub-Group Index(base 1000)		1317.3	1310.7				-0.50	-0.098
Group's Index(base 1000)		1075.5	1088.7				1.23	5.072
2. ALCOHOL & TOBACCO								
2.1 Alcohol								
Gin	0.683	0.683	1.148	\$24.00	\$24.00	\$40.35	68.13	4.652
Sub-Group Index(base 1000)		1100.5	1193.3					4.652
2.2 Tobacco								
Cake Tobacco	3.451	4.116	3.575	\$4.95	\$4.95	\$4.30	-13.13	-5.405
Sub-Group Index(base 1000)		1091.1	1029.6				-5.64	-5.405
Group's Index(base 1000)		1094.5	1089.1				-0.50	-0.753
3. CLOTHING & TEXTILES								
3.1 Clothing								
Panties	0.063	0.063	0.126	\$2.00	\$2.00	\$4.00	100.00	0.629
Prices of clothes from Fiji	0.252	0.220	0.214	\$78.59	\$78.59	\$76.49	-2.67	-0.059
Girls prim sch. uniform dress	0.025	0.026	0.027	\$10.90	\$10.90	\$11.35	4.13	0.011
Boys prim uniform shorts and shirt	0.038	0.034	0.037	\$14.50	\$14.50	\$15.50	6.90	0.024
Sub-Group Index(base 1000)		1081.9	1145.0				5.83	0.605
Group's Index(base 1000)		1004.9	1029.4				2.44	

Item	Base weight	weights (June_05)	current weights	Previous Price	Price Relative	Current Price	Quarterly % Change	Contribution
4. TRANSPORT								
4.2 Air Fares								
Fare to Auckland (Air)	0.713	0.645	0.610	\$687.61	\$687.61	\$650.70	-5.37	-0.346
Fare to Suva(Air)	1.427	1.477	1.502	\$531.00	\$531.00	\$540.00	1.69	0.250
Sub-Group Index(base 1000)		991.3	986.9				-0.45	-0.096
4.4 Private Transport								
Motor Oil	0.084	0.083	0.085	\$4.55	\$4.55	\$4.70	3.30	0.027
Sub-Group Index(base 1000)		988.0	988.2					0.027
Group's Index(base 1000)		988.5	988.2				-0.04	-0.069
5. HOUSING								
5.2 House Maintenance								
Roofing Iron	0.156	0.177	0.189	\$36.20	\$36.20	\$38.70	6.91	0.122
Paint	0.214	0.244	0.239	\$26.30	\$26.30	\$25.80	-1.90	-0.046
Guttering	0.094	0.112	0.111	\$23.15	\$23.15	\$23.05	-0.43	-0.005
Sub-Group Index(base 1000)		1033.6	1037.9				0.42	0.071
5.3 Fuel & Electricity								
Butane Gas	0.408	0.511	0.488	\$45.00	\$45.00	\$43.00	-4.44	-0.227
Sub-Group Index(base 1000)		1003.0	999.9				-0.31	-0.227
5.4 Household Appliances								
Electric Kettle	0.476	0.476	0.513	\$79.00	\$79.00	\$85.00	7.59	0.362
Floor covering	1.163	1.312	1.113	\$3.95	\$3.95	\$3.35	-15.19	-1.993
Sub-Group Index(base 1000)		1107.0	1077.7				-2.65	-1.631
Group's Index(base 1000)		1040.4	1029.7				-1.03	-1.787
6. MISCELLANEOUS								
6.4 Toiletries								
Bath Soap	0.346	0.346	0.260	\$0.80	\$0.80	\$0.60	-25.00	-0.865
Toilet Paper	0.196	0.179	0.196	\$0.50	\$0.50	\$0.55	10.00	0.179
Sub-Group Index(base 1000)		1223.2	1163.9				-4.85	-0.686
6.5 Cleaning Materials								
Washing Powder	0.445	0.559	0.518	\$3.35	\$3.35	\$3.10	-7.46	-0.417
Bleach	0.218	0.225	0.218	\$3.00	\$3.00	\$2.90	-3.33	-0.075
Mosquito Spray	0.163	0.132	0.134	\$3.45	\$3.45	\$3.50	1.45	0.019
Sub-Group Index(base 1000)		1042.2	1015.3				-2.58	-0.473
6.6 Fishing Gear								
Fishing Line Fine	0.644	0.605	0.587	\$5.25	\$5.25	\$5.10	-2.86	-0.173
Sub-Group Index(base 1000)		1040.1	1024.3				-1.52	-0.173
Group's Index(base 1000)		1036.6	1024.1				-1.20	-1.333
All Groups Index (base 1000)		1050.8	1052.5				0.17	1.736