

# Consumer Price Index Newsletter

## Current Inflation Rate

Rate of inflation measured at the end of the Third Quarter 2004 is 7.9 percent  
The overall index registered at 122.8 index points; an increase of 1.7 percentage point from the previous quarter.

### 3RD QUARTER (JULY TO SEPTEMBER 2004) COMPARATIVE INDEX ANALYSIS

#### Food Group: 1.8%

Meat products, Fish, Fruits & Vegetables, Dairy Produce, Cereals & Bakery Products, Sugar & Sweets, Non-Alcoholic Beverages, and Other Prepared Food contributed to the slight increase in the food group.

#### Housing Group: 3.1%

Fuel & Utilities cost continued to go up in this quarter. Construction Material including lumber, roofing irons, cement and other Household items went up in this quarter.

#### Clothing Group: 0.1%

Clothing Index increase by 0.1 percent in this quarter.

#### Transportation Group: 1.4%

Transportation went up again in this quarter due to higher cost of Vehicle Ownership and Vehicle Maintenance & Operation.

#### Alcohol & Tobacco Group: 1.0%

Alcohol and Tobacco Index increased by 1.0 percent due to increase cost of American beer.

#### Miscellaneous Group: 1.6%

Toiletries, Stationery and other miscellaneous items went up by 1.6 percent increase in the Miscellaneous group.

CHART 1: FOOD & ALCOHOL TOBACCO

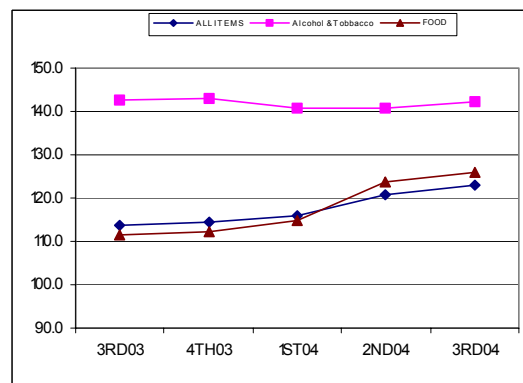
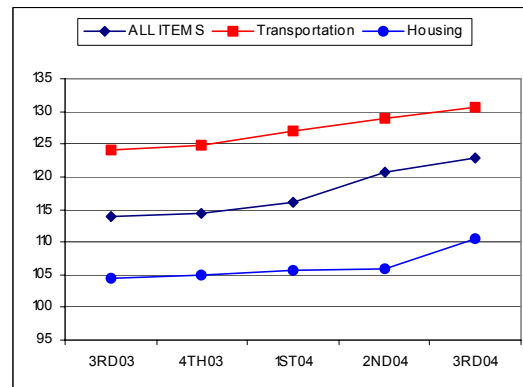


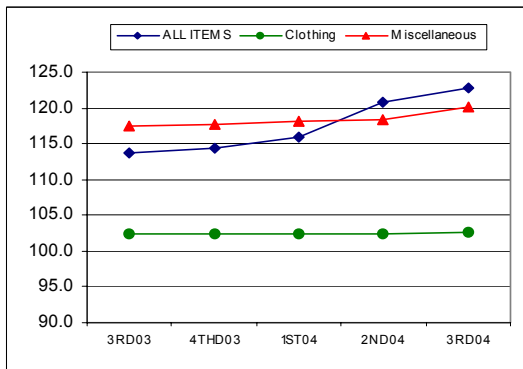
CHART 2: TRANSPORTATION & HOUSING



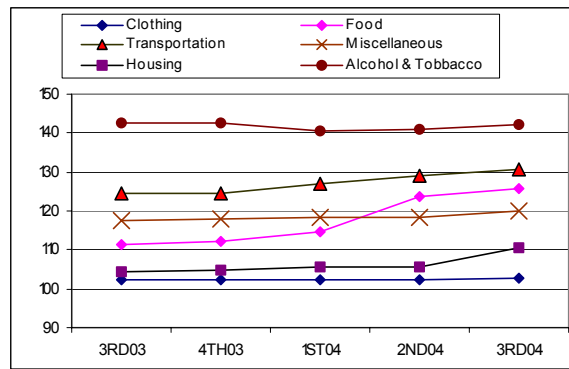
COMPARATIVE INDEX ANALYSIS

Quarter	Year	All Items	Food	Housing	Clothing	Transportation	Alcohol	Misc.
3	2004	122.8	125.9	110.4	102.6	130.7	142.2	120.2
2	2004	120.7	123.7	107.1	102.5	128.9	140.8	118.3
1	2004	116.0	114.8	105.7	102.4	127.1	140.7	118.2
4	2003	114.4	112.3	104.9	102.4	124.7	142.8	117.8
3	2003	113.8	111.3	104.4	102.5	124.1	142.6	117.5

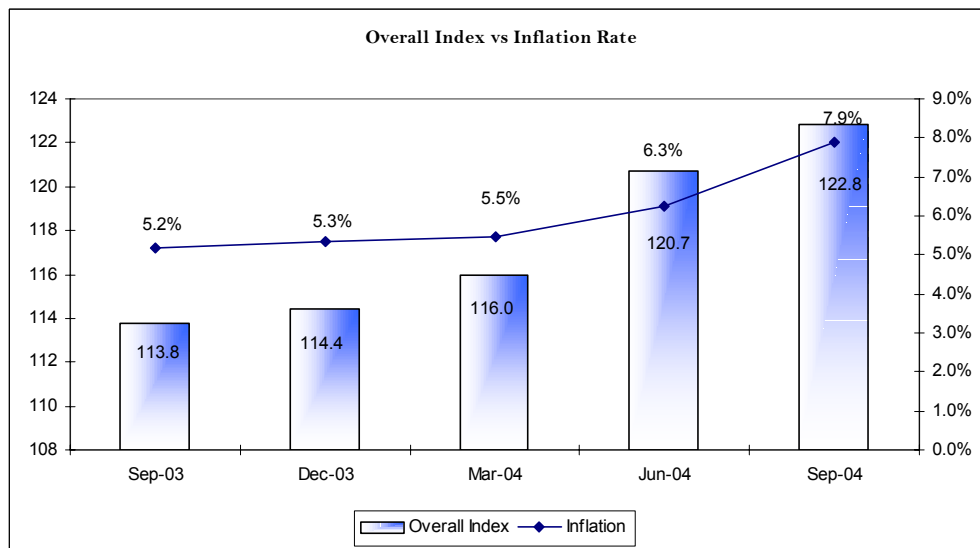
**CHART 3: CLOTHING & MISCELLANEOUS**



**CHART 4: SUB GROUP INDICES**



**INDEX & INFLATION PERCENT CHANGE BY QUARTER**



## AVERAGE RETAIL PRICES OF SELECTED COMMODITIES: 4TH QTR 2003 TO 3RD QTR 2004

Commodity	Unit	Ave. 2000	Ave. 2001	Ave. 2002	Ave. 2003	4qtr03	1qtr04	2qtr04	3qtr04
Boneless chuck	Pound	1.24	1.41	1.49	1.58	1.44	1.58	1.64	1.65
Sausage	Pound	1.27	1.41	2.31	2.41	2.39	2.40	2.36	2.50
Chicken-whole	Pound	1.00	1.02	0.94	1.04	0.93	0.95	1.07	1.19
Turkey tail	Pound	0.50	0.57	0.57	0.57	0.53	0.56	0.59	0.61
Corned beef cnd.	Pound	3.59	3.57	3.93	4.21	4.09	4.12	4.24	4.39
Spam	12 oz	2.19	2.23	2.23	2.27	2.26	2.26	2.26	2.28
Fresh fish	Pound	2.08	2.15	2.18	2.35	2.33	2.37	2.34	2.37
Mackerel, cnd.	15 oz	0.70	0.60	0.62	0.69	0.69	0.68	0.69	0.68
Tuna, cnd.	6.5 oz	0.89	1.19	1.23	1.24	1.24	1.24	1.24	1.24
Green banana	Pound	0.56	0.61	0.64	0.73	0.65	0.71	0.78	0.78
Matured coconut	Each	0.35	0.31	0.30	0.30	0.30	0.30	0.30	0.30
Apple	Pound	0.90	0.87	0.99	0.95	0.92	0.93	0.95	0.98
Taro	Pound	2.35	2.07	1.75	2.03	1.88	1.88	2.18	2.18
Cabbage	Pound	0.71	0.71	0.71	0.67	0.64	0.67	0.68	0.67
Milk, fresh	Liter	0.96	0.96	0.94	1.05	1.00	1.04	1.06	1.10
Butter	227 gm	0.70	0.62	0.62	0.81	0.76	0.81	0.80	0.85
Ice cream	2 liter	3.34	3.41	3.38	3.70	3.54	3.77	3.75	3.75
Rice	22.5 kg	14.07	13.80	13.18	15.26	14.46	14.46	15.28	16.84
Bread	Loaf	0.74	0.73	0.74	0.74	0.74	0.74	0.74	0.74
Sugar	2 kg	1.19	1.16	1.14	1.38	1.32	1.38	1.38	1.43
Coffee, cnd.	13 oz	3.43	3.48	2.82	2.56	2.40	2.47	2.57	2.81
Pepsi cola	12 oz	0.49	0.56	0.65	0.65	0.65	0.65	0.65	0.65
Soy sauce	40 oz	3.50	3.50	3.30	3.57	3.45	3.52	3.64	3.66
Salt	700 gm	0.78	0.72	0.71	0.90	0.87	0.87	0.91	0.94
Cooking oil	16 fl oz	1.12	1.10	1.13	1.23	1.21	1.23	1.21	1.28
Fresh eggs	Dozen	1.16	1.04	0.99	1.12	1.04	1.09	1.20	1.13
Spaghetti, cnd.	14.75 oz	0.79	0.80	0.78	0.82	0.80	0.81	0.81	0.85
Hamburger	Sandwich	1.92	1.85	1.85	1.96	1.95	1.95	1.95	1.98
Kerosene	Gallon	1.77	1.76	1.74	1.97	1.90	1.96	1.98	2.05
Bottle gas	91 pounds	86.25	86.25	86.25	86.25	86.25	86.25	86.25	86.25
Beer, Budweiser	12 fl oz	1.34	1.31	1.40	1.45	1.46	1.44	1.44	1.47
Beer, Vailima	750 ml	2.44	2.45	2.55	2.53	2.53	2.5	2.5	2.59
Beer, Coors Light	12 fl oz	1.42	1.35	1.39	1.41	1.41	1.41	1.41	1.41
Cigarettes-Benson	20's	4.20	4.28	4.42	4.17	4.17	4.18	4.18	4.15
Cigarettes-Kools	20's	4.58	4.30	4.26	4.10	4.35	4.01	4.05	3.99
Gasoline	Gallon	1.60	1.59	1.63	2.07	1.88	2.06	2.12	2.23
Electricity	300 kWh	47.95	50.71	49.69	56.90	53.43	54.73	58.76	60.67



Copies of this newsletter can be picked up at Executive Office Building in Utulei from the Department of Commerce, Statistics Division 2nd floor or call (684)633-5155 or visit our website: [www.amsamoa.com](http://www.amsamoa.com)

American Samoa Government  
Department of Commerce/Statistic Division  
Pago Pago American Samoa 96799  
Phone:(684)633-5155  
Fax: (684)633-4195  
Email: [amsamoa@doc.asg.as](mailto:amsamoa@doc.asg.as)

## GENERAL INFORMATION

The American Samoa Consumer Price Index (CPI) is designed to measure changes in prices of commodities and services normally purchased by the consuming community. The American Samoa CPI (like the U.S. CPI) is based on the concept of representative "market basket," a sample of goods and services that the consumer purchases. The CPI was first developed during the early part of 1974. The selection of weight distribution was based on "General Statement of Articles of Import of Merchandise into American Samoa from July 1970 - June 1971". The weight distributions was later updated using household expenditure patterns derived from a house hold income and expenditure survey conducted by EDPO in 1982.

A total of approximately 268 items are divided into 6 major groups and sub-groups, and indices are computed at different levels of aggregations..

### CPI GROUPS AND WEIGHTS

Food	470	118
Housing	170	47
Clothing	60	24
Transportation	140	22
Miscellaneous	105	47
Alcohol/Tobacco	55	10
	1000	268

The index uses a system, which is known as Modified Laspeyres. This gives exactly the same result as an ordinary Laspeyres index, but the method of calculation is different. The formula for the Modified Laspeyres Index can be written as:  $I_n = \frac{\sum (W_{n-1} \times P_n / P_{n-1})}{\sum W_{n-1}}$  where  $I_n$  is the value of the index in the current period (i.e. period 'n'),  $W_{n-1}$  is the weight (or index value) of each item in the previous period (i.e. in period 'n-1'), and the fraction  $P_n/P_{n-1}$  is the price relative for each item, between the current price ( $P_n$ ) and the price in the previous quarter ( $P_{n-1}$ ).

Closes to 800 price quotations are collected during the middle month of each quarter for computing the CPI. The total number of business and government outlets included in the collection and construction of the CPI is approximately 51, ranging from major retail outlets and grocery stores to a variety of services establishments such as gas stations, snack bar and government utility offices.

### Interpreting index changes.

In compiling the CPI, price movements for the different component items are combined using WEIGHTS, which represent the relative importance of each of the components to total expenditure of the population.

In determining price relatives, average prices of the selected consumer basket are matched to previous prices to get actual movements. These price relatives are then multiplied by the previous expenditure weights to derive new expenditure weights. These weights are then combined into composite expenditure groups and sub-groups.