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CONSUMER PRICE INDEX NEWSLETTER

DEPARTMENT OF COMMERCE - STATISTICS DIVISION

CPI — 4th QUARTER, 2022

VOLUME : 1 - ISSUE 22-04

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Groups	Q4/2022	Q3/2022	Q4/2021	Quarterly Percent Change	Annual Percent Change
All Items	124.7	123.6	113.7	0.9	9.7
Food	140.8	137.8	124.6	2.2	13.0
Alcoholic Beverages	114.7	113.1	107.1	1.5	7.1
Housing	125.5	124.2	112.1	1.0	12.0
Apparel	109.6	108.0	104.1	1.5	5.3
Transportation	122.8	126.3	112.9	-2.7	8.8
Medical Care	109.9	109.0	105.4	0.9	4.3
Entertainment (Recreation)	107.3	107.0	102.9	0.3	4.3
Education and Communications	115.9	115.1	105.4	0.7	9.9
Other Goods and Services	106.1	106.0	103.3	0.1	2.7

Annual Group Change %

INFLATION RATE	9.7%
FOOD	13.0
ALCOHOLIC BEVRAGES	7.1
HOUSING	12.0
APPAREL	5.3
TRANSPORATION	8.8
MEDICAL CARE	4.3
RECREATION	4.3
EDUCATION	9.9
OTHER	2.7

POINT OF INTEREST

The local inflation has finally come down from a double digits at the end of 2022. Food is the highest expenditure group followed by Housing and Transportation. Changes in the top three groups affected the overall rise and fall in cost of goods and services. These changes were driven by the global cost of fuel and oil, the COVID-19 pandemic, the 2022 Russian invasion of Ukraine and supply chains.

Monthly Unleaded gas *has dropped* by an average of 4.9% and Diesel as well by 4.2%.

Avg. Gas (NOV): $4.87

Avg. Gas (DEC): $4.63

Avg. Diesel (NOV): $5.75

Avg. Diesel (DEC): $5.50

GROUP INDEX COMPARISON

GROUP 1: Food

The Food Group recorded a quarterly increase of 2.2%. Compared to the same quarter last year, the overall cost of food has gone up by 13%. Food items with a higher increase this quarter are, Apples (24%), Mayonaise (13%), Potatoes (14%), Tomatoes (13%). This quarter the price of Cases of Chicken has gone down by 15%. Items such as Cucmbers, Bananas, Butter and Bottled Water remain the same.

GROUP 2: Alcoholic Beverages.

Alcoholic Beverage Group increased this quarter by 1.5%. The Annual increase now registers at 7.1%.

GROUP 3: Housing

Annually, this group has gone up by 12% . Quarterly it has only increased by 1% . A noticeable change comes from a drop in the cost per kilowatt in electricity which was recorded at $0.49 in the month of November.

GROUP 4: Apparel

Apparel has grown slighty by 1.5% this quarter. It's annual increase is observed at 5.3% . Most items across the group have relatively remained at the same price. The few items that have increase are Women's Undergarments (6.5%) and Tshirts (5.2%).

GROUP 5: Transportation

Last quarter recorded an increase in the transportation group by 2.5%. This quarter however, *has decreased by 2.7%* which is evident in the drop of unleaded gas and diesel prices.

GROUP 6: Medical Care

Medical Care prices such as Emergency Room charges remain constant. Most of this quarter's increase (0.9%) stems once again from the prices of Non-prescription drugs (5.6%).

GROUP 7: Recreation

Items in this group with an increase are Sewing/Tailored Puletasi-Dresses (up by 1.5%), Cat-food (10%) and old electronics such as MP3 Players (10%).

Changes to out dated items such as MP3's will be discussed at a later date.

GROUP 8: Education/Comm.

Education and Communication increased this quarter by 0.7%. This quarter's increase is mainly due to slender increases in school supplies such as notebooks and smartphones.

GROUP 9:Other Goods/Service

Other Goods and Services have only increased by 0.1% this quarter. Items that have contributed to the overall annual increase (2.7%) are common household items such as Soap, Toothpaste, Shampoo and Conditioner.

The American Samoa CPI measures price changes on a quarterly and annual basis. The American Samoa Department of Commerce conducts the CPI data price collection on the 15th of the middle month of every quarter. For more information on the CPI calculation and methodology please see Page 4 of this newsletter or call the Department of Commerce—Statistics Division at 633-5155.

Year	Qtr	All	Food	Alcohol	Housing	Apparel	Transport	Medical	Recreation	Edu/Com.	Others
2021	4	113.7	124.6	107.1	112.1	104.1	112.9	105.4	102.9	105.4	103.3
2022	1	117.4	130.4	109.4	115.5	105.2	117.2	105.6	103.6	112.6	103.8
2022	2	119.7	132.3	109.6	117.6	107.1	123.1	108.2	105.6	115.2	104.0
2022	3	123.6	137.8	113.1	124.2	108.0	126.3	109.0	107.0	115.0	106.0
2022	4	124.7	140.8	114.7	125.5	109.6	122.8	109.9	107.3	115.9	106.1

New Segment: Construction

Used for large scale construction and individual home projects, these items are considered a few of the basic commodities for construction on the island. Items here are compared by the same dimensions and are found at more than 1 supplier. Construction is not a group of its own for the CPI because it is already included in the Housing Group but is shown separately here for public interest.

Items	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22
Lumber 2''x4''x16'	$ 21.62	$ 20.90	$ 21.91	$ 22.26	$ 21.14
Cement bags 40kgs	$ 16.01	$ 14.95	$ 15.10	$ 15.10	$ 16.64
Dry Wall 4'x8'	$ 17.59	$ 18.89	$ 20.65	$ 20.65	$ 20.40
Exterior Paint 1 gal	$ 39.92	$ 42.26	$ 44.19	$ 40.69	$ 37.50

Quarterly Averaged Prices

Commodity	Unit	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21
Apple	lb	2.15	1.73	1.77	1.88	1.61
Beef	lb	4.89	4.94	4.70	4.70	4.21
Beer, Coors Light	12 fl oz	1.66	1.54	1.56	3.03	1.41
Beer, Vailima	750 ml	2.86	2.84	2.82	3.16	2.60
Gas Tank	20 lbs	26.00	26.00	24.00	24.00	21.75
Bread	Loaf	2.87	2.95	2.92	2.83	2.66
Butter	227 gm	3.91	3.91	3.89	3.74	3.44
Chicken Legs Case	22 lbs	20.05	19.39	16.35	16.78	16.62
Chicken-whole	lb	2.58	2.41	2.15	2.07	1.91
Cigarettes- Benson	pk	10.89	11.00	10.86	9.86	10.71
Cigarettes-Kools	pk	10.86	10.86	10.86	10.86	10.86
Cooking Oil	24 fl oz	4.06	4.00	3.50	3.52	3.05
Corned Beef	12 oz	5.66	5.54	5.11	4.95	4.64
Electricity	per KWH	0.49	0.51	0.42	0.35	0.33
Fresh eggs	doz	2.58	2.38	2.02	1.64	1.40
Bananas	lb	0.61	0.61	0.43	0.52	0.52
Mackerel	15 oz	1.86	2.01	2.11	2.01	1.88
Milk, fresh	L	2.08	2.05	1.96	1.97	1.91
Rice	40lbs	32.15	32.15	31.56	30.87	26.66
Salt	700 gm	2.17	2.16	2.09	2.41	1.96
Soft Drinks	12 oz	1.00	0.95	0.91	0.90	0.85
Spaghetti	14.75 oz	1.68	1.72	1.72	1.67	1.63
Spam	12 oz	4.42	4.37	4.56	4.55	4.34
Sugar	2 kg	3.25	3.18	3.16	2.76	3.16
Taro	lb	2.03	2.01	2.02	3.10	1.78
Tuna	6.5 oz	2.30	2.28	2.27	2.12	2.12
Turkey tail	lb	2.13	2.06	2.29	2.31	2.21
Unleaded gas	gal	4.91	5.67	5.12	4.58	4.30
Diesel	gal	5.35	5.83	5.25	4.44	4.11
Lumber (2x4x16)	single	-	22.26	21.91	20.90	21.26
Cement bags	40 kg	16.47	15.10	15.10	14.95	16.01
Dry Wall (4x8)	single	20.66	20.65	20.65	18.89	17.59
Exterior Paint	gal	38.33	40.69	44.19	44.19	40.69

Annually Averaged Prices

Commodity	Unit	2022	2021	2020	2019	2018
Apple	lb	1.88	1.56	1.50	1.47	1.54
Beef	lb	4.80	3.92	3.55	3.30	3.38
Beer, Coors Light	12 fl oz	1.94	1.44	1.42	1.39	1.36
Beer, Vailima	750 ml	2.92	2.61	2.60	2.62	2.34
Gas Tank	20 lbs	25.00	22.00	22.00	24.00	29.75
Bread	Loaf	2.89	2.58	2.24	2.20	2.11
Butter	227 gm	3.86	3.20	3.06	2.97	3.00
Chicken Legs Case	22 lbs	18.14	14.98	11.18	11.52	11.77
Chicken-whole	lb	2.30	1.84	1.76	1.73	1.72
Cigarettes- Benson	pk	10.65	10.49	9.68	9.58	8.86
Cigarettes-Kools	pk	10.86	10.61	9.83	9.72	9.03
Cooking Oil	24 fl oz	3.77	3.18	3.07	2.87	2.76
Corned Beef	12 oz	5.31	4.49	4.05	3.92	3.86
Electricity	per KWH	0.44	0.31	0.29	0.33	0.33
Fresh eggs	doz	2.15	1.40	1.34	1.48	1.69
Bananas	lb	0.54	0.49	0.48	0.49	0.52
Mackerel	15 oz	1.99	1.80	1.77	1.77	1.74
Milk, fresh	L	2.01	1.89	1.88	1.90	1.88
Rice	40lbs	31.68	25.28	24.26	24.10	22.44
Salt	700 gm	2.20	1.93	1.86	1.95	1.89
Soft Drinks	12 oz	0.94	0.81	0.79	0.75	0.76
Spaghetti	14.75 oz	1.69	1.60	1.50	1.47	1.44
Spam	12 oz	4.47	4.23	3.88	3.78	3.70
Sugar	2 kg	3.08	2.67	2.34	2.36	2.48
Taro	lb	2.29	1.83	1.46	1.59	1.55
Tuna	6.5 oz	2.24	2.10	2.09	2.00	2.01
Turkey tail	lb	2.19	1.59	1.03	1.07	1.16
Unleaded gas	gal	5.07	3.74	3.06	3.31	3.52
Diesel	gal	5.21	n/a	n/a	n/a	n/a
Lumber (2x4x16)	single	21.69	n/a	n/a	n/a	n/a
Cement bags	40 kg	15.40	n/a	n/a	n/a	n/a
Dry Wall (4x8)	single	20.21	n/a	n/a	n/a	n/a
Exterior Paint	gal	41.85	n/a	n/a	n/a	n/a

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 household income and expenditure survey conducted by EDPO in 1982. Since then, CPI weights were later adjusted using the 2005 HIES and now the 2015 HIES. The revised CPI in 2007 used the 2005 HIES; the 2005 HIES and rebase in 2007 helped identify new item weights and were then added to the index. The item weights determined the relative importance of each item in the CPI. With the New CPI, a total of approximately 210 items are divided into 9 major groups and sub-groups, and indices are computed at different levels of aggregations. The 2015 American Samoa Household Income and Expenditure Survey (HIES) report presents current information on demographic, social and economic characteristics of the territorial population as well as expenditure details of what families and residents spent their money on. The 2015 HIES is the fifth survey of the expenditure series since the first one in 1982.

CPI GROUPS AND WEIGHTS

Group	Group Weights	No. of Items Allocated
Food	818	86
Housing	389	31
Apparel	185	18
Transportation	287	14
Other Goods	274	11
Alcoholic Beverages	131	3
Ed and Communication	101	17
Recreation	117	22
Medical Care	56	8

CPI CALCULATIONS METHODOLOGY

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: In= (Wn-1xPn/Pn-1) where In is the value of the index in the current period (i.e. period 'n'), Wn-1 is the weight (or index value) of each item in the previous period (i.e. in period 'n-1'), and the fraction Pn/Pn-1 is the price relative for each item, between the current price (Pn) and the price in the previous quarter (Pn-1).

About 1100 prices are collected during the middle month of each quarter for computing the Consumer Price Index (CPI). The total number of retail outlets that provide prices to the Statistics Division data collectors each quarter is more than 125, ranging from major retailers and grocery stores to variety of services establishments such as gas stations and snack bars.

Interpreting Index Changes

In compiling the CPI, data collectors obtain prices for those items that were selected in the item sample. For each individual item, a number of prices are collected. Each quarter, data collectors attempt to price the exact same item, or if that item is not available, an item that is of the same quality as the previously priced item. Those prices that are collected in the current quarter and are also of the same quality as the items in the previous quarter are then summed. A “price relative” is calculated by dividing the total of these “paired” prices for that item by the total of the previous prices. These respective price relatives are then multiplied by the expenditure weights in the previous quarter to derive new expenditure weights. These weights are then combined into composite expenditure groups and sub-groups.

These item weights show the relative importance of each of the items in an average household’s market basket. The weights were derived from the 2005 Household Income and Expenditure Survey. These products represent the relative importance of these items from one quarter to the next. By combining these products into various groups and subgroups, the Statistics Division is able to estimate the relative price changes for groups such as Food, Housing, Medical Care, etc. and even estimate the change in subgroups such as bread and cereals, fruits and vegetables, and other subgroups within each major group. As in most countries, the CPI in American Samoa is the government’s principle measure of inflation or deflation. By knowing what price changes are occurring for the 9 major groups in the CPI, the government’s decision makers, academics and news media can understand if retail prices are rising and how fast, and can take action to try and mitigate undesirable price changes by modifying government policies.