NEWS RELEASE

STATISTICS & ANALYSIS DIVISION

AMERICAN SAMOA DEPARTMENT OF COMMERCE

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CONSUMER PRICE INDEX – 1ST QUARTER 2022 (JANUARY – MARCH)

Local inflation reached double digits in the first quarter of 2022. The first quarter inflation is recorded at **11.6 percent** an increase from 9.7 percent at the end of 2021. Unlike the United States with its energy sector impact, the rise in local inflation is due mainly to annual increases in the Food group of 17.0%; the Transportation group with 14.5%; Housing group with 12.2% and finally with Education/Communication with 12.3%.

The local rate of inflation is forecasted to remain above double digits throughout the year and will probably lower to 6-8% at the end of 2022. Inflation should finally run down to 2-4% around the end of 2023 or early 2024 unless there is another hike in crude oil prices in the near future.

The United States inflation in February 2022 registered at 7.9%. It is the biggest annual rise in costs of goods and services since 1981. The energy sector remained the biggest contributor, with gasoline prices surging by 40%. The U.S. inflations are forecasted to reach an annual average of 5.1% in 2022, due to the long-term impacts of the COVID pandemic and the war in Ukraine. Recent sanctions particularly the halting of Russian oil imports into the United States will have devastating impacts on our Nation's economy.

American Samoa relies heavily on imports for almost everything except a few local staple foods. In FY2021, American Samoa imported about 75% of final consumption goods from the United States (over $220 million worth of goods). In general, a rise in U.S. inflation will result in about one and one-half total impacts on the local economy because of our remote location, shipping schedules, and the ongoing challenges with delivery and supply chains.

Oil prices affect the four main drivers of local inflation mainly due to importation – the high cost of production at markets, transportation, and indirect taxes at the destination. Recently and according to Market Insiders, stock future and oil prices tick lower as investors weigh the impact on US-Europe energy talks. Oil prices cooled, with Brent crude lower by 2.09% at $116.54 a barrel and WTI crude down 2.31% at $109.93 a barrel. Another increase in oil prices will affect all economic sectors resulting in another rise in inflation in the future.

There are going to be food shortages globally as echoed by President Biden at the NATO summit. We have to address food security in areas of availability, accessibility, transportation, distributions, delivery, and especially because of our dependency on importations. As pandemic restrictions continue, the availability of food stocks may be disrupted to a certain extent hindering imports and exports. We have to ensure that we have a sustainable food reserve by encouraging import substitutions and planting of local crops. We need to prepare ourselves for any global delays in crop harvesting and distributions because of limited workers and the Ukraine war.

ANNUAL GROUP MOVEMENTS

The Food Group is the highest expenditure category of the American Samoa CPI registering an annual increase of 17% at the beginning of this year. The second-largest expenditure group; Transporation, is observed with an annual increase of 14.5%. The third-largest expenditure group: Education and Communication has increased by 12.3%, beating the Housing group by 0.1%. These 4 groups account for 65% of local household spending this quarter. Food usually being the top expenditure group.

Unlike the American Samoa CPI, the Housing Group is the largest expenditure category for the US CPI followed by Transportation and then Food. The Bureau of Labor Statistics reported that the Energy category increased by 32%. The first major component of its increase is Fuel Oil followed by Gasoline, which is a commodity measured in our local CPI under the Transportation Group.

QUARTERLY GROUP MOVEMENTS

Potatoes, Corn, Eggs, Apples, Instant Coffee, and Rice have recently increased by 15% or more since last year December. Prices for restaurant dishes such as Tuna Sandwiches and Lunch Plates (BBQ) are also seen to have increased by 14%.

Education and Communication had the second-highest quarterly increase this time by 6.8%. The main reason for this increase is the price of Computer tablets (up by 50%).

The Housing Group followed with a quarterly change of 3.8% percent caused by increases in the prices of home appliances such as toasters and freezers, gas tank refills, and a 6% increase per KWH (ASPA Electricity).

Apparel registered a 1% quarterly change this quarter. The few items to have registered an increase are infant diapers, T-shirts, watches, women's accessories, and slacks.

Medical Care slightly increased by 0.2%. The overall increase was caused by a 5% increment in Non-prescription drugs.

The Recreational and Other Goods and Services groups did not significantly increase this quarter. Recreational Group registered at 0.7% and Other Goods and Services at 0.5%. These two groups were affected most during the territory's "Code Red" state. Not being able to fully operate under Covid-19 restrictions is a likely factor for its lack of increase.

COMPARATIVE COST OF SELECTED GOODS AND SERVICES IN MANU'A

The following chart is a quarterly comparison of the cost of selected goods/services purchased in Tutuila compared to the same products/services purchased by residents in Manu'a. The objective is to identify cost differentials and the magnitude of differences between the two islands.

A sample of average commodity prices normally purchased in the regular CPI was used as the survey template with the same commodity descriptions, weights, detailed specifications, brand names, etc., to make direct comparisons. Eleven stores in Ta'u, Ofu, and Olosega islands were selected and 32 commodities including Food (24 items), Housing (3 items), Alcohol (2 items), Miscellaneous (2 items), and Transportation (1 item) were priced. The total cost differential of goods and services in Manu'a compared to Tutuila is about 43.6%. Much higher than the cost comparison of the last quarter in 2021 which was 26.6%.

COMPARATIVE AVERAGE PRICES FOR TUTUILA AND MANU'A

Q1 2022 (January- March)

COMMODITY/SERVICE	UNIT	TUTUILA AVERAGE	MANU'A AVERAGE	AVAILABLE IN MANUA	% AVAILABLE	COST DIFFERENTIAL
Apple. Loosen. Per Pound. US	lb	$1.88	N/A	None	0.0%	N/A
Boneless Beef Chuck. Per Pound. Plastic Wrap. NZ	lb	$4.70	$5.10	3 of 11 Stores	27.3%	8.5%
Coors Light. 12oz. Can. US	12 fl oz	$1.51	$1.96	4 of 11 Stores	36.4%	30.0%
Vailima. 750ml. Glass Bottle. Samoa	750 ml	$2.81	$3.88	8 of 11 Stores	72.7%	37.9%
Small 20lb. Cylinder Tank (Cost to fill up)	20 lbs	$24.00	$42.50	4 of 11 Stores	36.4%	77.1%
Pritchards "Long Bread" Sliced Bread. Plastic Wrap. Local	Loaf	$2.81	$5.00	1 of 11 Stores	9.1%	77.9%
Anchor. Butter. 227g. NZ	227 gm	$3.74	$3.80	9 of 11 Stores	81.8%	1.7%
Chicken Legs. 22lbs. Box. US	22 lb	$16.78	$25.14	7 of 11 Stores	63.6%	49.8%
Benson & Hedges. 20 sticks. US	20's	$10.86	$13.33	9 of 11 Stores	81.8%	22.8%
Kool. Filter Kings. 20 sticks. US	20's	$10.86	$13.43	7 of 11 Stores	63.6%	23.7%
Wesson Oil. 24oz. Bottle. US	24 fl oz	$3.48	$4.83	9 of 11 Stores	81.8%	38.9%
Palm. Corned Beef. 11.5oz. Can. NZ	12 oz	$4.95	$5.63	9 of 11 Stores	81.8%	13.8%
Price of per KWHs.	per KWH	$0.35	$0.33	1 of 11 Stores	9.1%	5.7%
Nulaid. Small Eggs. Dozen. Carton.	doz	$1.64	$3.59	8 of 11 Stores	72.7%	119.1%
Green Bananas. Sold by the bunch.	lb	$0.52	N/A	None	0.0%	N/A
Peleiupu. 15oz. Can. Chile	15 oz	$2.11	$2.64	7 of 11 Stores	63.6%	25.3%
Fresh Milk. 1Liter. 33.8oz. Box. AUS	1 Liter	$1.97	$3.34	All Stores	100.0%	69.4%
California Rose.Calrose Rice. 40lb. Bag. AUS	40 lbs	$29.30	$38.00	1 of 11 Stores	9.1%	29.7%
Cerebos. 700g. Plastic Bottle. NZ	700 gm	$2.07	$3.64	9 of 11 Stores	81.8%	76.0%
Hoffy Meat Franks. Per Pound. US	lb	$2.25	$2.56	4 of 11 Stores	36.4%	13.9%
Coca Cola. 12oz. Can	12 oz	$0.90	$1.07	All Stores	100.0%	18.7%
Campbells. Spaghetti. 14 3/4oz. Can. US	14.75 oz	$1.67	$2.59	10 of 11 Stores	90.9%	55.1%
Hormel. Spam. 12oz. Can. US	12 oz	$4.55	$5.59	All Stores	100.0%	22.9%

Chelsea. 2kg. Plastic Bag. NZ	2 kg	$3.16	$4.62	9 of 11 Stores	81.8%	46.2%
Taro. Per Pound. Sold by a bunch.	lb	$2.02	N/A	None	0.0%	N/A
I'apana. Tuna in Chunk Oil. 6.5oz. Can.	6.5 oz	$2.18	$2.85	10 of 11 Stores	90.9%	30.5%
Unleaded Gas	Gallon	$4.58	$4.00	1 of 11 Stores	9.1%	12.7%
Niagara. 16.9fl.oz. Bottled Water. US	16.9 fl oz	$0.50	$1.02	All Stores	100.0%	104.5%
Nongshim. Bowl Noodle. Hot n Spicy. 12ct. Case	Case	$11.05	$18.88	8 of 11 Stores	72.7%	70.8%
Hunt's. 20oz. Plastic Bottle. US	20 oz	$2.40	$4.34	9 of 11 Stores	81.8%	81.0%
Springfield "All-Purpose Flour" 10lb. US	10 lb	$7.35	$9.35	7 of 11 Stores	63.6%	27.2%
Scott Toilet Tissues. Per Roll. 1000 sheets. US	roll	$1.15	$1.60	All Stores	100.0%	38.7%
Gain. Liquid Detergent. Original. 50 fl. oz. Plastic Bottle. US	50 fl oz	$7.70	$13.73	5 of 11 Stores	45.5%	78.3%

Source: DOC Statistics and Analysis Division

All Items Cost Differential: 43.6%

For more information, please refer to the *CPI Newsletter* or contact the Department of Commerce – Statistics Division at 633-0120 or email americansamoastatistics@doc.as.gov.

Director's Approval: _____
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