AMERICAN SAMOA STATISTICS NEWS

Subject: American Samoa Consumer Price Index – 2nd Quarter 2021

Release Date: July 13, 2021

Director's Approval: _____

Cost of Goods and Services normally purchased by the residents measured by the Consumer Price Index for the second quarter of 2021 (April-June) registered at 106.9 points: a 1.7% increase from the first quarter of 2021 and an Annual Inflation Rate of 3.2%. Inflation usually happens when there is an increase in money supply, higher wages, or implementation of new/changes in taxations.

The infusion of COVID-19 stimulus economic impact payments of more than $130 million to individuals resulting in higher disposable income, prompted this local demand-pull inflation, coupled with a rise in oil prices as well as the implementation of a new cigarette tax in the quarter. Higher demands for products/services, supply shortages, internal product re-distributions amongst local retail vendors/businesses, and higher cost of commodities imported from the mainland and other countries were contributing factors to the increase. This year's inflations are expected to remain high as more stimulus payment disbursements, tax refunds, American Rescue Plan Act Funds disbursements, and a proposed increase in government wages (new ASG hourly minimum wage of $7.25 and new teacher/general pay scales) are implemented or become available.

Quarterly movements of Major CPI Groups:

Food Group recorded a quarterly increase of 2.2% but since the same quarter of 2020, the overall cost of food has gone up by 6.6%. Food items reflected various quarterly increases of major food groups: bread, flour, cake/pancake mix, crackers, rice, noodles and spaghetti from the **Grains Group;** steak, boneless/salt beef, sausage, bacon, ham, pork ribs, pigs feet, chicken legs/wings, whole turkey, turkey tails/wings, shrimp and fish from the **Meat and Poultry Group;** eggs, milk and ice cream from the **Dairy Group;** and apples, tomatoes and onions from the **Fruits and Vegetable Group.** Other food items with increases included cookies, soft drinks/juices, coffee/creamer, sugar, mayonnaise, salt, spam, corned beef, chips/candies and restaurant meals.

Alcoholic Beverage Group registered a 1.0 percent increase in wine.

Housing Group recorded a 0.8% quarterly increase due to high cost of construction materials and tools, water, electricity, air conditioners, standing fans and toiletries.

Apparel Group remained the same for this quarter.

Transportation Group recorded the largest quarterly increase of 3.3% due to higher costs of unleaded gas and diesel.

Medical Care Group increased by 3.2% caused by a raise in prices in non-prescription drugs, prescription eyeglasses, supplemental health income payments, and children's gripe water on-the-

counter medicine.

Recreation Group dropped by –0.2% this quarter due to dropped costs of books and bingo paper.

Education and Communication Group slightly increased by 0.5%. Costs of school supplies and postal service charge went up.

Other Goods and Services Group went up by 2.0% due to high costs of cigarettes, hair conditioners, tooth paste, soap, cosmetics and laundry detergents.

AMERICAN SAMOA CONSUMER PRICE INDEX 2ND QUARTER 2021					
	2ND Quarter 2021	1ST Quarter 2021	2ND Quarter 2020	Quarterly Percent Change	Annual Percent Change
All Items	106.9	105.1	103.6	1.7	3.2
Food	113.8	111.4	106.8	2.2	6.6
Alcoholic Beverages	105.0	104.0	104.6	1.0	0.4
Housing	103.6	102.8	102.6	0.8	1.0
Apparel	101.7	101.7	101.3	0.0	0.4
Transportation	105.8	102.4	102.8	3.3	2.9
Medical Care	104.2	101.0	100.3	3.2	3.9
Entertainment (Recreation)	100.6	100.8	100.9	-0.2	-0.3
Education and Communications	100.8	100.3	100.2	0.5	0.6
Other Goods and Services	102.7	100.7	100.6	2.0	2.1

For more information please contact the Department of Commerce – Statistics Division at 633-5155 or email americansamoastatistics@doc.as

Samoan Translation

Ua toe si'itia fo'i i luga le tau o le soifuaga i le 3.2 pasene i le fa'aiuga o le kuata lua o 2021, e tusa ai ma le fua fa'atatau fa'aletausaga o le tau o oloa ma tautua i lo tatou atunu'u. O lona uiga o oloa na fa'atauina i le atunu'u i le taimi lenei i le tausga 2020, ua si'itia nei le tau i le 3.2 pasene. Pe a fa'atusatusa atu i le kuata muamua o lenei tausaga, ua si'itia le tau o oloa ma tautua i le 1.7 pasene. E tele ni mafua'aga e alai ona si'itia le tau o oloa ma tautua. O tupe fa'aopopo mo tagata e i ai le $130 miliona e pei ona fa'asoa mai e le Malo Amerika mo fesoasoani mo le fa'ama'i o le KOVITI-19, ua maitauina ai le si'isi'i i luga o tupe e mafai ona fa'aaoga mo fa'atauga, ma ua avea lea ma ala ua le lava ai ma fa'aititia oloa mo'omia mo le fa'atauina atu. O le fa'atuai o le taunu'u mai o oloa mai fafo ona o tulaga i va'a la'u oloa ma fa'a'ete'etega o le fa'ama'i, ua mafua ai lenei si'itaga.

E ono tumau le maualuga o si'itaga o oloa ma tautua i lo tatou atunu'u i lenei tausaga atoa, ona o lo'o tele pea nisi tupe fa'aopoopo mai le Malo Amerika mo le toe tapenaga ma le fa'aleleia o le atunu'u mai

le fa'ama'i (American Rescue Plan Act), atoa ai ma nisi fuafuaga a le Malo Amerika Samoa e ala i totogi amata ma totogi toe fa'atulaga mo Faiaoga ma tagata faigaluga a le malo.

E maitauina o Mea'ai Taumafa lava o lo'o lalamua i le maualuga i le si'itaga o oloa ma tautua; ua si'itia i le 6.6 pasene mai le taimi lenei o le tausaga 2020. O le tele o taumafa e pei o 'a'ano o manufasi, o taumafa e fai i falaoamata, ma fua o laau 'ai'na ua taufai alu uma i luga le tau. O oloa ma tautua mo'omia mo le Soifua Maloloina atoa ai ma tulaga tau Femalaga'iga o lo'o soso'o mai ai ona o le si'itia o tau o le kesi ma suau'u o ta'avale ma vailaau/fualaau mo togafitiga o lo'o fa'atau i faleoloa tua, o va'aiga ma mata tioata, atoa ai ma vai manava mo fanau iti.

Valaau mai I le DOC – Statistics Division mo nisi fa'amatalaga mo'omia o le tau o le soifuaga.

AMERICAN SAMOA GOVERNMENT Newsletter Date: July 13 2021

CONSUMER PRICE INDEX NEWSLETTER

DEPARTMENT OF COMMERCE - STATISTICS DIVISION

CPI — 2ND QUARTER, 2021

VOLUME : 1 - ISSUE 21-02

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Groups	2nd Qtr 2021	1st Qtr 2020	2nd Qtr 2020	Quarterly Percent Change from Q1 2021 to Q2 2021	Annual Percent Change Q2 2020 to Q2 2021
All Items Index	106.9	105.1	103.6	1.7	3.2
Food	113.8	111.4	106.8	2.2	6.6
Alcoholic Beverages	105.0	104.0	104.6	1.0	0.4
Housing	103.6	102.8	102.6	0.8	1.0
Apparel	101.7	101.7	101.3	0.0	0.4
Transportation	105.8	102.4	102.8	3.3	2.9
Medical Care	104.2	101.0	100.3	3.2	3.9
Recreation	100.6	100.8	100.9	-0.2	-0.3
Education and Communication	100.8	100.3	100.2	0.5	0.6
Other Goods and Services	102.7	100.7	100.6	2.0	2.1

Annual Group Change %

INFLATION RATE	3.2
FOOD	6.6
ALCO- BEV.	0.4
HOUSING	1.0
APPAREL	0.4
TRANSPORTA-TION	2.9
MEDICAL CARE	3.9
RECREATION	-0.3
EDUCATION	0.6
OTHER	2.1

POINT OF INTEREST

To compare the revised index to the old index, a statistical computation is done to harmonized the two systems. The old index is translated to the new revision therefore, the Fourth Quarter Index of 135.4 points under the 2007 base is the same as 100 points in the revised index of Fourth Quarter 2016. This is done throughout the sub-group indices.

ANNUAL RATE OF INFLATION:

The Annual Rate of Inflation (ARI) for the second quarter of 2021 is 3.2%.

QUARTERLY INDEX COMPARISON

GROUP 1: Food

Food Group recorded a quarterly increase of 2.2% but since the same quarter of 2020, the overall cost of food has gone up by 6%. Food items reflected various increases of major food groups: bread, flour, cake/ pancake mix, crackers, rice, noodles and spaghetti from the **Grains Group**, steak, boneless/salt beef, sausage, bacon, ham, pork ribs, pigs feet, chicken legs/wings, whole turkey, turkey tails/wings, shrimp and fish from the **Meat and Poultry Group,** eggs, milk and ice cream from the **Dairy Group** and apples, tomatoes and onions from the **Fruits and Vegetable Group.** Other food items with increases included cookies, soft drinks/ juices, coffee/creamer, sugar, mayonnaise, salt, spam, corned beef, chips/candies and restaurant meals.

GROUP 2: Alcoholic Beverages.

Alcoholic Beverage Group registered a 1.0 percent increase in wine.

GROUP 3: Housing

Housing Group recorded a 0.8% quarterly increase due to high cost of construction materials and tools, water, electricity, air conditioners, standing fans and toiletries.

GROUP 5: Transportation

Transportation Group recorded the largest quarterly increase of 3.3% due to higher costs of unleaded gas and diesel.

GROUP 6: Medical Care

Medical Care Group increased by 3.2% caused by a raise in prices in non-prescription drugs, prescription eyeglasses, supplemental health income payments, and children's gripe water on-the-counter medicine.

GROUP 4: Apparel

Apparel Group remained the same for this quarter.

GROUP 9:Other Goods/Service

Other Goods and Services Group went up by 2.0% due to high costs of cigarettes, hair conditioners, tooth paste, soap, cosmetics and laundry detergents.

GROUP 7: Recreation

Recreation Group dropped by –0.2% this quarter due to dropped costs of books and bingo paper.

GROUP 8: Education/Comm.

Education and Communication Group slightly increased by 0.5%. Costs of school supplies and postal service charge went up.

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.

COMPARATIVE INDEX ANALYSIS

Year	Qtr	All	Food	Alco	Housing	Apparel	Transpt.	Medical	Rec.	Ed /Com.	Others
2021	2	106.9	113.8	105.0	103.6	101.7	105.8	104.2	100.6	100.8	102.7
2021	1	105.1	111.4	104.0	102.8	101.7	102.4	101.0	100.8	100.3	100.7
2020	4	103.7	108.1	103.7	102.6	101.5	100.2	100.6	100.8	100.3	100.8
2020	3	103.6	107.4	103.6	102.8	101.3	101.1	100.5	100.9	100.1	100.4
2020	2	103.6	106.8	104.6	102.6	101.3	102.8	100.3	100.9	100.2	100.6

Chart 6: Quarterly Indices & Inflation Rates

QUARTERLY AVERAGE RETAIL PRICES OF SELECTED COMMODITIES: 2nd QTR 2020 - 2nd QTR 2021

		QAP	QAP	QAP	QAP	QAP
Commodity	**Unit**	**Q2-20**	**Q3-20**	**Q4-20**	**Q1-21**	**Q2-21**
Apple (pnd)	lb	1.50	1.52	1.52	1.49	1.53
Beef (chuck)	lb	3.50	3.58	3.74	3.77	3.81
Beer, Coors Light (oz)	12 fl oz	1.41	1.43	1.43	1.44	1.43
Beer, Vailima (ml)	750 ml	2.59	2.58	2.59	2.61	2.59
Bottle (LP) gas (pnd)	30 lbs	21.75	21.75	21.75	21.75	21.75
Bread (bag)	Loaf	2.23	2.26	2.26	2.46	2.57
Butter (gm)	227 gm	3.05	3.07	3.08	3.08	3.07
Chicken legs	5lb bag					
Chicken legs (Case)	22lb	11.12	11.06	11.12	14.17	14.35
Chicken-whole	lb	1.76	1.76	1.77	1.81	1.80
Cigarettes-Benson (pk)	20's	9.68	9.68	9.68	9.78	10.79
Cigarettes-Kools (pk)	20's	9.81	9.81	9.85	9.81	10.82
Cooking oil (btl)	24 fl oz	3.01	3.12	3.22	3.23	3.23
Corned beef (can)	12 oz	3.98	4.07	4.16	4.32	4.43
Electricity (kwh)	per kWh	0.29	0.28	0.26	0.27	0.30
Fresh eggs (dzn)	doz	1.37	1.35	1.30	1.35	1.42
Green banana (pnd)	lb	0.48	0.48	0.48	0.48	0.48
Mackerel (can)	15 oz	1.78	1.77	1.76	1.76	1.76
Milk, fresh (each)	Liter	1.89	1.88	1.86	1.86	1.88
Rice (bag)	40 lbs	24.15	24.30	24.44	24.44	24.77
Salt (gm)	700 gm	1.87	1.83	1.83	1.87	1.92
Sausage (packet)	lb	1.67	1.85	1.75	1.90	1.90
Soft-Drinks (can)	12 oz	0.78	0.79	0.79	0.79	0.80
Spaghetti (can)	14.75 oz	1.50	1.51	1.51	1.54	1.61
Spam (can)	12 oz	3.84	3.91	3.99	4.08	4.16
Sugar (kg)	2 kg	2.35	2.35	2.35	2.35	2.47
Taro (pnd)	lb	1.46	1.47	1.48	1.49	1.48
Tuna (can)	6.5 oz	2.07	2.09	2.10	2.08	2.08
Turkey tail (bag)	lb	1.00	1.03	1.08	1.19	1.40
Unleaded Gas (Gal)	Gallon	3.19	2.89	2.79	3.12	3.67

*** QAP = QUARTERLY AVERAGE PRICES

5 YEAR ANNUAL AVERAGE RETAIL PRICES OF SELECTED COMMODITIES: YEAR 2016 - YEAR 2020

		AAP	AAP	AAP	AAP	AAP
Commodity	**Unit**	**2020**	**2019**	**2018**	**2017**	**2016**
Apple (pnd)	lb	1.50	1.47	1.54	1.68	1.68
Beef (chuck)	lb	3.55	3.30	3.38	3.31	3.72
Beer, Coors Light (oz)	12 fl oz	1.42	1.39	1.36	1.40	1.49
Beer, Vailima (ml)	750 ml	2.60	2.62	2.34	2.51	2.75
Bottle (LP) gas (pnd)	20 lbs	21.75	23.53	29.75	29.75	29.75
Bread (bag)	Loaf	2.24	2.20	2.11	1.98	1.51
Butter (gm)	227 gm	3.06	2.97	3.00	2.66	2.22
Chicken legs	5lb bag					4.73
Chicken legs (Case)	22lb	11.18	11.52	11.77	12.10	
Chicken-whole	lb	1.76	1.73	1.72	1.68	1.81
Cigarettes-Benson (pk)	20's	9.68	9.58	8.86	8.98	8.32
Cigarettes-Kools (pk)	20's	9.83	9.72	9.03	9.07	8.41
Cooking oil (btl)	24 fl oz	3.07	2.87	2.76	2.61	3.11
Corned beef (can)	12 oz	4.05	3.92	3.86	3.87	3.83
Electricity (kwh)	per kWh	0.29	0.33	0.33	0.29	0.26
Fresh eggs (dzn)	doz	1.34	1.48	1.69	1.75	2.05
Green banana (pnd)	lb	0.48	0.49	0.52	0.47	0.47
Mackerel (can)	15 oz	1.77	1.77	1.74	1.66	1.59
Milk, fresh (each)	Liter	1.88	1.90	1.88	1.83	1.82
Rice (bag)	40 lbs	24.26	24.10	22.44	21.63	26.42
Salt (gm)	700 gm	1.86	1.95	1.89	1.83	1.85
Sausage (packet)	lb	1.72	1.63	1.60	1.51	1.48
Soft-Drinks (can)	12 oz	0.79	0.75	0.76	0.75	0.69
Spaghetti (can)	14.75 oz	1.50	1.47	1.44	1.43	1.43
Spam (can)	12 oz	3.88	3.78	3.70	3.67	3.65
Sugar (kg)	2 kg	2.34	2.36	2.48	2.53	2.42
Taro (pnd)	lb	1.46	1.59	1.55	1.37	1.97
Tuna (can)	6.5 oz	2.09	2.00	2.01	1.90	1.76
Turkey tail (bag)	lb	1.03	1.07	1.16	1.04	1.02
Unleaded Gas (Gal)	Gallon	3.06	3.31	3.52	3.16	2.79

*** AAP = ANNUAL AVERAGE PRICES

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: $In = (Wn\text{-}1 x Pn/Pn\text{-}1)$ 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.