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CONSUMER PRICE INDEX NEWSLETTER

DEPARTMENT OF COMMERCE - STATISTICS DIVISION

CPI — 4th QUARTER, 2021

VOLUME : 1 - ISSUE 21-04

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Groups	4TH Quarter 2021	3RD Quarter 2021	4TH Quarter 2020	Quarterly Percent Change	Annual Percent Change
All Items	113.7	108.9	103.7	4.4	9.7
Food	124.6	116.4	108.1	7.0	15.3
Alcoholic Beverages	107.1	106.9	103.7	0.2	3.3
Housing	112.1	106.3	102.6	5.4	9.2
Apparel	104.1	102.0	101.5	2.1	2.6
Transportation	112.9	106.7	100.2	5.9	12.7
Medical Care	105.4	104.4	100.6	1.0	4.8
Entertainment (Recreation)	102.9	102.4	100.8	0.5	2.1
Education and Communications	105.4	104.4	100.3	1.0	5.1
Other Goods and Services	103.3	103.4	100.8	-0.1	2.5

Annual Group Change %

INFLATION RATE	9.7
FOOD	15.3
ALCOHOLIC BEVRAGES	3.3
HOUSING	9.2
APPAREL	2.6
TRANSPORATION	12.7
MEDICAL CARE	4.8
RECREATION	2.1
EDUCATION	5.1
OTHER	2.5

POINT OF INTEREST

Most suppliers this quarter expressed their concern for shipping delays and shipping costs. Some retail prices have increase due to these causes. The cost of gas (which has also gone up) affects the cost of maintaining our source of water and electricity. With the recent influx of money from Covid-19 recovery programs, inflation is likely to continue in an upward trend.

ANNUAL RATE OF INFLATION:

The Annual Rate of Inflation (ARI) for the fourth quarter of 2021 is 9.7%, and is up again to year-end.

QUARTERLY INDEX COMPARISON

GROUP 1: Food

The Food Group recorded a quarterly increase of 7%. Compared to the same quarter in 2020, the overall cost of food in the one year period has gone up by 15%. About 70% of all food items have gone up in the quarter, *except*: : Spam, Eggs, Vegetables, Corn, Onions, Energy Drinks, Juice, Tea, and Cooking Oil. Food items with the highest percentage increase in price are as follows: Turkey Tail (43%), Pork (24%), Turkey Wings (20%), Cucumbers (19%), Sugar (17%),Bacon and Stake (15%), Beef Ribs (14%), Pigs Feet and Saimin/Noodles (13%).

GROUP 2: Alcoholic Beverages.

Alcoholic Beverage Group increased by only 0.2%. The Annual increase however registers at 3%.

GROUP 3: Housing

Housing Group recorded a 5.4% quarterly increase due a higher cost of electricity and household appliances. Construction materials also went up by 4.4%.

GROUP 4: Apparel

Apparel Group slightly moved in the quarter with a 2% increase. Personalized tailoring as well as Yard Sales have shifted preferences for ready-made clothing .

GROUP 5: Transportation

Transportation Group recorded a quarterly increase of 5.9%. Gasoline however went up by 8% in the quarter. Cost of new vehicle, auto tune up and tires contributed to the transportation increase.

GROUP 6: Medical Care

Medical Care prices did not have a significant increase this quarter although, there is an annual increase of about 5% as Non-prescription drugs have steadily increased over the year.

GROUP 7: Recreation

Recreational Price Group increased by 0.5% this quarter due to small increases in dress tailoring and bingo papers.

GROUP 8: Education/Comm.

Education and Communication also did not show significant increase for this quarter. Annually however, there has been a 5% increase due to increments in school registration.

GROUP 9:Other Goods/Service

Other Goods and Services is the only group to show a decrease this quarter. Items contributing to the decrease include Tooth Paste, Cigarettes and Laundry.

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 Analysis

Year	Qtr	All	Food	Alcohol	Housing	Apparel	Transport.	Medical	Recreation	Edu/Comm.	Others
2020	1	103.7	106.4	104.7	103	101.2	104.7	100.3	100.8	98.9	100.7
2020	2	103.5	106.8	104.6	102.4	101.3	102.8	100.3	100.9	100.2	100.6
2020	3	103.5	107.4	103.6	102.7	101.3	101.1	100.5	100.9	100.1	100.4
2020	4	103.7	108.1	103.7	102.6	101.5	100.2	100.6	100.8	100.3	100.8
2021	1	105.2	111.4	104	102.9	101.7	102.4	101	100.8	100.3	100.7
2021	2	107	113.8	105	104	101.7	105.8	104.2	100.6	100.8	102.7
2021	3	108.9	116.4	106.9	106.3	102	106.7	104.4	102.4	104.4	103.4
2021	4	113.7	124.6	107.1	112.1	104.1	112.9	105.4	102.9	105.4	103.3

Quarterly Averaged Prices

Commodity	Unit	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Apple	lb	1.61	1.59	1.53	1.49	1.52
Beef	lb	4.21	3.89	3.81	3.77	3.74
Beer, Coors Light	12 fl oz	1.41	1.44	1.43	1.46	1.43
Beer, Vailima	750 ml	2.60	2.63	2.59	2.61	2.59
Gas Tank	20 lbs	21.75	21.75	21.75	21.75	21.75
Bread	Loaf	2.66	2.63	2.58	2.46	2.25
Butter	227 gm	3.44	3.19	3.07	3.08	3.08
Chicken Legs Case	22 lbs	16.62	14.77	14.35	14.17	11.12
Chicken-whole	lb	1.91	1.85	1.80	1.81	1.77
Cigarettes- Benson	pk	10.71	10.82	10.79	9.63	9.68
Cigarettes-Kools	pk	10.86	10.96	10.82	9.81	9.85
Cooking Oil	24 fl oz	3.05	3.20	3.23	3.23	3.22
Corned Beef	12 oz	4.64	4.57	4.43	4.32	4.16
Electricity	per KWH	0.33	0.32	0.30	0.27	0.26
Fresh eggs	doz	1.40	1.44	1.42	1.35	1.30
Bananas	lb	0.52	0.47	0.48	0.48	0.48
Mackerel	15 oz	1.88	1.80	1.76	1.76	1.76
Milk, fresh	L	1.91	1.90	1.88	1.86	1.86
Rice	40/50 lbs	26.66	25.23	24.77	24.44	24.44
Salt	700 gm	1.96	1.96	1.92	1.87	1.83
Sausage	lb	15.52	15.16	14.85	14.88	14.29
Soft Drinks	12 oz	0.85	0.80	0.80	0.79	0.79
Spaghetti	14.75 oz	1.63	1.63	1.61	1.54	1.51
Spam	12 oz	4.34	4.34	4.16	4.08	3.99
Sugar	2 kg	3.16	2.69	2.47	2.35	2.35
Taro	lb	1.78	1.87	1.83	1.85	1.83
Tuna	6.5 oz	2.12	2.11	2.08	2.08	2.10
Turkey tail	lb	2.21	1.55	1.40	1.19	1.08
Unleaded gas	gal	4.30	3.87	3.67	3.12	2.79

Annually Averaged Prices

Commodity	Unit	2021	2020	2019	2018	2017
Apple	lb	1.56	1.50	1.47	1.54	1.68
Beef	lb	3.92	3.55	3.30	3.38	3.31
Beer, Coors Light	12 fl oz	1.44	1.42	1.39	1.36	1.40
Beer, Vailima	750 ml	2.61	2.60	2.62	2.34	2.51
Gas Tank	20 lbs	21.75	21.75	23.53	29.75	29.75
Bread	Loaf	2.58	2.24	2.20	2.11	1.98
Butter	227 gm	3.20	3.06	2.97	3.00	2.66
Chicken Legs Case	22 lbs	14.98	11.18	11.52	11.77	12.10
Chicken-whole	lb	1.84	1.76	1.73	1.72	1.68
Cigarettes- Benson	pk	10.49	9.68	9.58	8.86	8.98
Cigarettes-Kools	pk	10.61	9.83	9.72	9.03	9.07
Cooking Oil	24 fl oz	3.18	3.07	2.87	2.76	2.61
Corned Beef	12 oz	4.49	4.05	3.92	3.86	3.87
Electricity	per KWH	0.31	0.29	0.33	0.33	0.29
Fresh eggs	doz	1.40	1.34	1.48	1.69	1.75
Bananas	lb	0.49	0.48	0.49	0.52	0.47
Mackerel	15 oz	1.80	1.77	1.77	1.74	1.66
Milk, fresh	L	1.89	1.88	1.90	1.88	1.83
Rice	40/50 lbs	25.28	24.26	24.10	22.44	21.63
Salt	700 gm	1.93	1.86	1.95	1.89	1.83
Sausage	lb	15.10	1.72	1.63	1.60	1.51
Soft Drinks	12 oz	0.81	0.79	0.75	0.76	0.75
Spaghetti	14.75 oz	1.60	1.50	1.47	1.44	1.43
Spam	12 oz	4.23	3.88	3.78	3.70	3.67
Sugar	2 kg	2.67	2.34	2.36	2.48	2.53
Taro	lb	1.83	1.46	1.59	1.55	1.37
Tuna	6.5 oz	2.10	2.09	2.00	2.01	1.90
Turkey tail	lb	1.59	1.03	1.07	1.16	1.04
Unleaded gas	gal	3.74	3.06	3.31	3.52	3.16

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.