NEWS RELEASE

STATISTICS & ANALYSIS DIVISION

AMERICAN SAMOA DEPARTMENT OF COMMERCE

Release Date: January 27, 2022

CONSUMER PRICE INDEX – 4TH QUARTER 2021 (OCTOBER – DECEMBER)

Local inflation has increased significantly in 2021. In the last quarter of 2021, the highest inflation rate was recorded at 9.7 percent in the annual cost of goods and services since December 2021. Similar to national inflations, the cost of goods and services has reached new heights in almost two years since the global COVID-19 pandemic. American Samoa is no exception from global catastrophes caused by high oil prices, shipping and transportation backlogs, labor and employment shortages, international market shifts, and global lockdown.

Earlier in 2021, Federal Reserve Chairman Jerome Powell remarked that we would experience higher inflations. We are now finding this to be true for the three main reasons as follows: increased money supply, a decline in the value of the dollar, and the supply chain.

Inflation is most likely to occur when there is a high demand for specific goods and items yet the supply level is low. Millions of dollars were poured into the economy by the federal government to provide relief assistance to the people during the pandemic. In July 2021, Governor Lemanu P. S. Mauga announced in the Fono Opening Session that American Samoa will receive $1.4 billion of allocated relief and stimulus funding for the COVID-19 global pandemic. When the money supply increases rapidly in the economy, it reduces the value of each dollar. A weakening dollar raises the cost of goods especially in economies solely dependent on imports, such as American Samoa. Consequently, companies importing goods must pay more for the same goods. To maintain corporate profits, companies then raise the prices of goods, leaving consumers to pay for the increases. This occurs in economies without price control.

When the pandemic struck, companies struggled to maintain production. It became difficult to sustain production when employees called in sick or took leave due to the pandemic. As production slowed, the federal government shut down much of the American economy, and it was no longer necessary to maintain the same level of production. This pushed millions of workers into the ranks of unemployment. A significant reduction in the supply of goods, coupled with a massive expansion of U.S. dollars, therefore, led to higher inflation.

From 2017 to the end of 2020, American Samoa's quarterly inflations averaged around 1.5 percent. However, in 2021 during a full year of lockdown, the average quarterly inflations had gone up by 4.9 percent and are now at 9.7 percent at yearend.

ANNUAL GROUP MOVEMENTS

Food Group is the highest expenditure category of the American Samoa Household Expenditure registering an annual increase of 15.3 percent in 2021. The second-largest expenditure group is Housing with an annual increase of 9.2 percent while the third largest expenditure group is Transportation with an annual increase of 12.7 percent. These three CPI Groups accounted for 63.4 percent of local household spending. There is a 5.1 percent annual increase in Education/Communications Group; a 4.8 percent increase in Medical Care; a 3.3 percent in Alcoholic Beverages; a 2.6 percent in Apparel; a 2.5 percent in Other Goods/Services; and the lowest annual increase of 2.1 percent in Entertainment/Recreation Group.

Unlike the AS CPI, Housing Group is the largest expenditure category of the US CPI followed by Transportation and Food Group. These three groups accounted for 72.8 percent of US household spending.

QUARTERLY GROUP MOVEMENTS

Quarter over quarter movement in Food registered the highest increase of 7.0 percent since September. Flour products, noodles, boneless beef, steaks, pork, chicken legs, turkey tails and wings, cucumber, sugar, meat pie, and BBQ Plates went up 10 or more percent in the quarter.

Transportation Group had the second-biggest quarterly increase of 5.9 percent due to another 11 percent quarterly increase in the cost of fuel, automotive services/repair, and airfares.

Housing Group followed with a quarterly change of 5.4 percent because of another 16 percent quarterly increase in construction materials and services, electricity, rental cost, and furniture.

Apparel Group registered an increase of 2.1 percent due to increases in jewelry, women's shoes, t-shirts, and women's accessories.

Medical Care and Educational/Communications Groups slightly increased by 1.0 percent each with Entertainment/Recreational, Alcoholic Beverages with less than a percent each. Other Goods/Services registered the only quarterly decline of -0.1 percent due to the slightly lower cost of cigarettes, toiletries and laundry services.

COMPARATIVE COST OF SELECTED GOODS AND SERVICES IN MANU'A

This is the second 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 again 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 exactly 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 34 commodities including Food (26 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 26.6 percent, which is a lot less than the cost comparison in the third quarter of 52.9 percent. Manua's prices were about 27 percent higher than Tutuila's prices at the end of 2021.

COMPARATIVE AVERAGE PRICES FOR TUTUILA AND MANU'A		4TH QTR 2021 (October – December)				
COMMODITY/SERVICE	UNIT	TUTUILA AVERAGE	MANU'A AVERAGE	AVAILABLE IN MANUA	% AVAILABLE	COST DIFFERENTIAL
Apple. Loosen. Per Pound. US	lb	1.61	1.00	2 of 11 stores	18.2%	-61.0%
Boneless Beef Chuck. Per Pound. Plastic Wrap. NZ	lb	4.21	4.65	3 of 11 stores	27.3%	9.5%
Coors Light. 12oz. Can. US	12 fl oz	1.41	2.00	3 of 11 stores	27.3%	29.5%
Vailima. 750ml. Glass Bottle. Samoa	750 ml	2.6	3.99	8 of 11 stores	72.7%	34.8%
Small 20lb. Cylinder Tank (Cost to fill up)	20 lbs	21.75	43.50	4 of 11 stores	36.4%	50.0%
Pritchards "Long Bread" Sliced Bread. Plastic Wrap. Local	Loaf	2.64	4.33	3 of 11 stores	27.3%	39.0%
Anchor. Butter. 227g. NZ	227 gm	3.44	3.78	7 of 11 stores	63.6%	9.0%
Chicken Legs. 22lbs. Box. US	22 lb	16.62	25.24	4 of 11 stores	36.4%	34.2%
Whole Chicken. Per Pound. Plastic Wrap. US	lb	1.91	1.78	3 of 11 stores	27.3%	-7.3%

Benson & Hedges. 20 sticks. US	20's	10.71	13.50	10 of 11 stores	90.9%	20.7%
Kool. Filter Kings. 20 sticks. US	20's	10.86	13.67	6 of 11 stores	54.5%	20.6%
Wesson Oil. 24oz. Bottle. US	24 fl oz	3.05	4.13	9 of 11 stores	81.8%	26.2%
Palm. Corned Beef. 11.5oz. Can. NZ	12 oz	4.64	5.66	10 of 11 stores	90.9%	18.0%
Price of per KWHs.	per KWH	0.33	0.33	1 outlet	n.a.	
Nulaid. Small Eggs. Dozen. Carton.	doz	1.4	3.57	7 of 11 stores	63.6%	60.8%
Green Bananas. Sold by the bunch.	lb	0.52	n.a.	not sold	n.a.	
Peleiupu. 15oz. Can. Chile	15 oz	1.88	2.65	4 of 11 stores	36.4%	29.1%
Fresh Milk. 1Liter. 33.8oz. Box. AUS	1 Liter	1.91	3.29	10 of 11 stores	90.9%	41.9%
California Rose.Calrose Rice. 40lb. Bag. AUS	40 lbs	27.15	38.00	1 of 11 stores	9.1%	28.6%
Cerebos. 700g. Plastic Bottle. NZ	700 gm	1.96	4.39	9 of 11 stores	81.8%	55.4%
Hoffy Meat Franks. Per Pound. US	lb	2.25	2.38	2 of 11 stores	18.2%	5.5%
Coca Cola. 12oz. Can	12 oz	0.85	1.10	10 of 11 stores	90.9%	22.7%
Campbells. Spaghetti. 14 3/4oz. Can. US	14.75 oz	1.63	2.73	5 of 11 stores	45.5%	40.3%
Hormel. Spam. 12oz. Can. US	12 oz	4.34	6.01	11 of 11 stores	100.0%	27.8%
Chelsea. 2kg. Plastic Bag. NZ	2 kg	3.16	4.53	10 of 11 stores	90.9%	30.2%
Taro. Per Pound. Sold by a bunch.	lb	1.59	n.a.	not sold	n.a.	
I'apana. Tuna in Chunk Oil. 6.5oz. Can.	6.5 oz	2.12	2.86	9 of 11 stores	81.8%	25.9%
Turkey Tail. Per Pound. Plastic Wrap. NZ	lb	1.72	n.a.	0 of 11 stores	0.0%	
Unleaded Gas	Gallon	4.3	4.00	asg gas	n.a.	
Niagara. 16.9fl.oz. Bottled Water. US	16.9 fl oz	0.49	1.00	10 of 11 stores	90.9%	51.0%
Nongshim. Bowl Noodle. Hot n Spicy. 12ct. Case	Case	11.11	17.75	8 of 11 stores	72.7%	37.4%
Hunt's. 20oz. Plastic Bottle. US	20 oz	2.29	3.99	6 of 11 stores	54.5%	42.6%
Springfield "All Purpose Flour" 10lb. US	10 lb	6.87	8.75	3 of 11 stores	27.3%	21.5%
Scott Toilet Tissues. Per Roll. 1000 sheets. US	roll	1.09	1.48	10 of 11 stores	90.9%	26.4%
Gain. Liquid Detergent. Original. 50 fl.oz. Plastic Bottle. US	50 fl oz	7.7	10.75	6 of 11 stores	54.5%	28.4%
All Items Cost Differential						26.6%
Source: DOC Statistics Division						

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

Director's Approval: _____
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