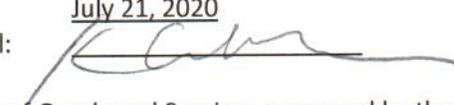


AMERICAN SAMOA STATISTICS NEWS



Subject: American Samoa Consumer Price Index – 2nd Quarter 2020

Release Date: July 21, 2020

Director's Approval: 

The All Items Index of Goods and Services measured by the Consumer Price Index in the second quarter of 2020 is registered at 103.6 points: a quarterly decrease of -0.1% and an annual inflation rate of -0.2%.

Quarterly movements of Major CPI Groups:

Food Group increased by 0.4%. Food items which increased for this quarter are mostly from each major food groups: **Grains** (cracker, rice, bread, flour, noodles, pancake mix, spaghetti), **Meat and Poultry** (beef, chicken, turkey, pork, fish, shrimp), **Dairy** (eggs and ice cream) and lastly the **Fruits and Vegetable Group** (apples, oranges, potatoes, cabbage, tomatoes, cucumber and corn). In addition to the increased food items are the high costs of energy drinks, juice, cooking oil, pizza and restaurant meals.

Alcoholic Beverage Group recorded a -0.1 percent drop in the cost of Beer in this quarter.

Housing Group registered a -0.4% quarterly decrease caused by the drop in fuel surcharges in cost of electricity and water.

Apparel Group slightly increased by 0.1% as Men's and Boy's footwear went up.

Transportation Group recorded the largest quarterly decrease of -1.8% due to lower costs of unleaded gas and diesel.

Medical Care Group remained the same in this quarter.

Recreation Group increased by 0.1% in this quarter by reason of higher prices of nutrition centers and cat food.

Education and Communication Group went up by 1.3 percent. The high costs of cell phones and tablets contributed to the increase.

Other Goods and Services Group declined by -0.1 percent as the costs of cigarettes, deodorant, soap and laundry detergents dropped.

AMERICAN SAMOA CONSUMER PRICE INDEXES 2ND QUARTER 2020

	2ND Quarter 2020	1ST Quarter 2020	2ND Quarter 2019	Quarterly Percent Change	Annual Percent Change
All Items	103.6	103.7	103.8	-0.1	-0.2
Food	106.8	106.4	107.0	0.4	-0.2
Alcoholic Beverages	104.6	104.7	105.2	-0.1	-0.6
Housing	102.6	103.0	102.8	-0.4	-0.2
Apparel	101.3	101.2	101.1	0.1	0.2
Transportation	102.8	104.7	105.3	-1.8	-2.4
Medical Care	100.3	100.3	100.0	0.0	0.3
Entertainment (Recreation)	100.9	100.8	100.7	0.1	0.2
Education and Communications	100.2	98.9	97.9	1.3	2.3
Other Goods and Services	100.6	100.7	99.9	-0.1	0.7



CONSUMER PRICE INDEX NEWSLETTER



DEPARTMENT OF COMMERCE - STATISTICS DIVISION

CPI — 2nd QUARTER, 2020

VOLUME : 1 - ISSUE 17-13

VOLUME : 1 - ISSUE 17-13

Groups	2nd Qtr 2020	1st Qtr 2019	2nd Qtr 2019	Quarterly Percent Change from Q1 2020 to Q2 2020	Annual Percent Change Q1 2020 to Q2 2020
All Items Index	103.6	103.7	103.8	-0.1	-0.2
Food	106.8	106.4	107.0	0.4	-0.2
Alcoholic Beverages	104.6	104.7	105.2	-0.1	-0.6
Housing	102.6	103.0	102.8	-0.4	-0.2
Apparel	101.3	101.2	101.1	0.1	0.2
Transportation	102.8	104.7	105.3	-1.8	-2.4
Medical Care	100.3	100.3	100.0	0.0	0.3
Recreation	100.9	100.8	100.7	0.1	0.2
Education and Communication	100.2	98.9	97.9	1.3	2.3
Other Goods and Services	100.6	100.7	99.9	-0.1	0.7

Annual Group Change %	
INFLATION RATE	-0.2
FOOD	-0.2
ALCO- BEV.	-0.6
HOUSING	-0.2
APPAREL	0.2
TRANSPORTATION	-2.4
MEDICAL CARE	0.3
RECREATION	0.2
EDUCATION	2.3
OTHER	0.7

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 2020 is -0.2%.

QUARTERLY INDEX COMPARISON

<p>GROUP 1: Food Food Group increased by 0.4%. Food items which increased for this quarter are mostly from each major food groups: Grains(cracker, rice, bread, flour, noodles, pancake mix, spaghetti), Meat and Poultry (beef, chicken, turkey, pork, fish, shrimp), Dairy (eggs and ice cream) and lastly the Fruits and Vegetable Group (apples, oranges, potatoes, cabbage, tomatoes, cucumber and corn). In addition to the increased food items are the high cost of energy drinks, juice, cooking oil, pizza and restaurant meals.</p>	<p>GROUP 2: Alcoholic Beverages. Alcoholic Beverage Group recorded a -0.1 percent drop in the cost of Beer in this quarter.</p>	<p>GROUP 3: Housing Housing Group registered a -0.4% quarterly decrease caused by the drop in fuel surcharges in cost of electricity and water.</p>
<p>GROUP 4: Apparel Apparel Group slightly increased by 0.1% as Men's and Boy's footwear went up.</p>	<p>GROUP 5: Transportation Transportation Group recorded the largest quarterly decrease of -1.8% due to lower costs of unleaded gas and diesel.</p>	<p>GROUP 6: Medical Care Medical Care Group remained the same in this quarter.</p>
<p>GROUP 7: Recreation Recreation Group increased by 0.1% in this quarter by reason of higher prices of nutrition centers and cat food.</p>	<p>GROUP 8: Education/Comm. Education and Communication Group went up by 1.3 percent. The high costs of cell phones and tablets contributed to the increase.</p>	<p>GROUP 9: Other Goods/Service Other Goods and Services Group declined by -0.1 percent as the costs of cigarettes, deodorant, soap and laundry detergents dropped.</p>

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
2020	2	103.6	106.8	104.6	102.6	101.3	102.8	100.3	100.9	100.2	100.6
2020	1	103.7	106.4	104.7	103.0	101.2	104.7	100.3	100.8	98.9	100.7
2019	4	103.9	107.0	105.2	102.9	101.2	104.7	100.4	100.3	99.3	100.6
2019	3	103.9	107.2	105.8	103.0	101.1	104.5	99.9	100.7	99.3	99.9
2019	2	103.8	107.0	105.2	102.8	101.1	105.3	100.0	100.7	97.9	99.9

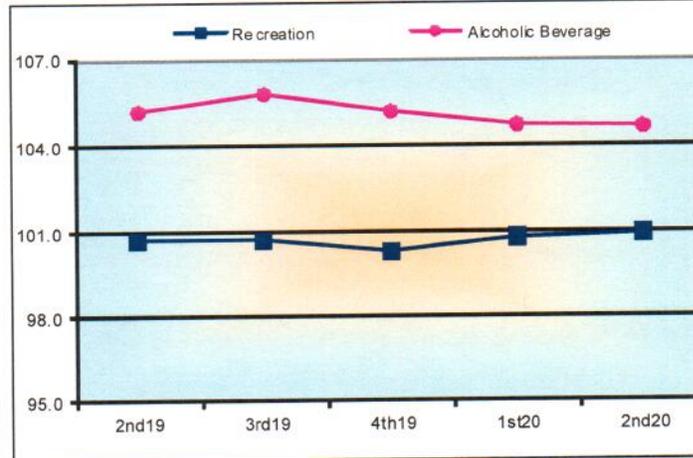
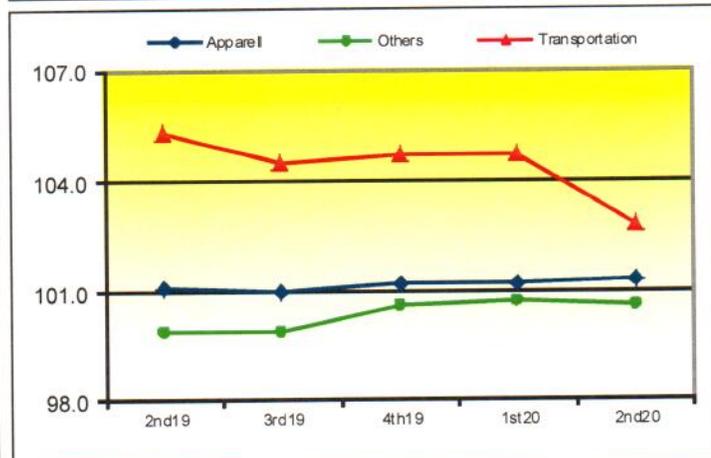
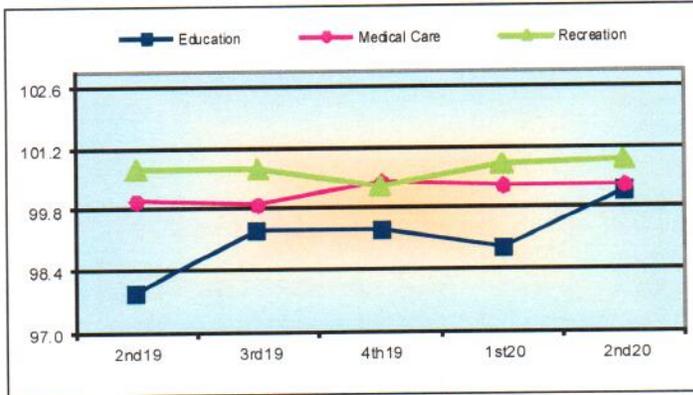
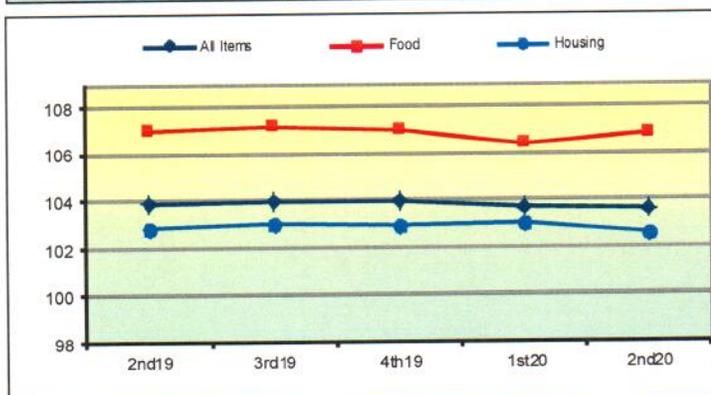
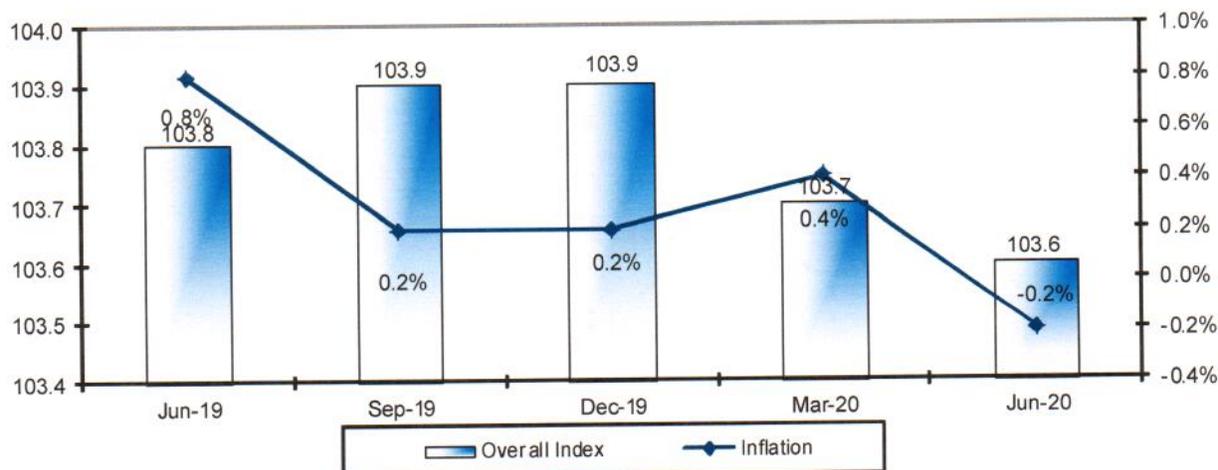


Chart 6: Quarterly Indices & Inflation Rates



ANNUAL AND QUARTERLY AVERAGE RETAIL PRICES OF SELECTED COMMODITIES: 2ndQTR 2019 - 2nd QTR 2020

Commodity	Unit	AAP	AAP	QAP	QAP	QAP	QAP	QAP
		2015	2016	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20
Apple (pnd)	lb	1.64	1.68	1.47	1.46	1.48	1.47	1.50
Beef (chuck)	lb	3.74	3.72	3.36	3.16	3.28	3.39	3.50
Beer, Coors Light (oz)	12 fl oz	1.48	1.49	1.39	1.38	1.39	1.39	1.41
Beer, Vailima (ml)	750 ml		2.75	2.71	2.71	2.66	2.64	2.59
Bottle (LP) gas (pnd)	30 lbs	34.75	29.75	25.30	21.75	21.75	21.75	21.75
Bread (bag)	Loaf	1.36	1.51	2.18	2.21	2.21	2.21	2.23
Butter (gm)	227 gm	2.25	2.22	2.93	2.95	3.02	3.05	3.05
Chicken legs	5lb bag	5.05	4.73					
Chicken legs (Case)	22lb			11.39	12.28	12.18	11.46	11.12
Chicken-whole	lb	1.83	1.81	1.73	1.72	1.74	1.74	1.76
Cigarettes-Benson (pk)	20's	4.37	8.32	9.50	9.46	9.64	9.68	9.68
Cigarettes-Kools (pk)	20's	4.29	8.41	9.70	9.60	9.74	9.85	9.81
Cooking oil (btl)	24 fl oz	3.60	3.11	2.86	2.87	2.89	2.91	3.01
Corned beef (can)	12 oz	3.74	3.83	3.94	3.96	3.97	3.97	3.98
Electricity (kwh)	per kWh	0.29	0.26	0.33	0.33	0.33	0.33	0.29
Fresh eggs (dzn)	doz	1.97	2.05	1.51	1.43	1.37	1.32	1.37
Green banana (pnd)	lb	0.37	0.47	0.49	0.49	0.48	0.48	0.48
Mackerel (can)	15 oz	1.58	1.59	1.76	1.76	1.75	1.78	1.78
Milk, fresh (each)	Liter	1.81	1.82	1.89	1.89	1.90	1.89	1.89
Rice (bag)	40 lbs	26.71	26.42	24.42	24.56	24.13	24.13	24.15
Salt (gm)	700 gm	1.95	1.85	1.96	1.95	1.93	1.92	1.87
Sausage (packet)	lb	1.46	1.48	1.60	1.75	1.60	1.60	1.67
Soft-Drinks (can)	12 oz	0.67	0.69	0.76	0.76	0.78	0.79	0.78
Spaghetti (can)	14.75 oz	1.26	1.43	1.48	1.48	1.49	1.49	1.50
Spam (can)	12 oz	3.63	3.65	3.84	3.81	3.81	3.79	3.84
Sugar (kg)	2 kg	2.75	2.42	2.36	2.36	2.31	2.31	2.35
Taro (pnd)	lb	1.32	1.97	1.49	1.47	1.44	1.44	1.46
Tuna (can)	6.5 oz	1.71	1.76	2.08	2.08	2.08	2.08	2.07
Turkey tail (bag)	lb	1.15	1.02	1.13	1.08	1.06	1.01	1.00
Unleaded Gas (Gal)	Gallon	2.81	2.79	3.61	3.40	3.43	3.43	3.19

*** AAP = ANNUAL AVERAGE PRICES

*** QAP = QUARTERLY 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	No. of Items
Group	Weights	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: $I_n = (W_{n-1} \times P_n / P_{n-1})$ where I_n is the value of the index in the current period (i.e. period 'n'), W_{n-1} is the weight (or index value) of each item in the previous period (i.e. in period 'n-1'), and the fraction P_n / P_{n-1} is the price relative for each item, between the current price (P_n) and the price in the previous quarter (P_{n-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.