

STATISTICS UPDATE: CONSUMER PRICE INDEX

DECEMBER QUARTER 2014 HIGHLIGHTS

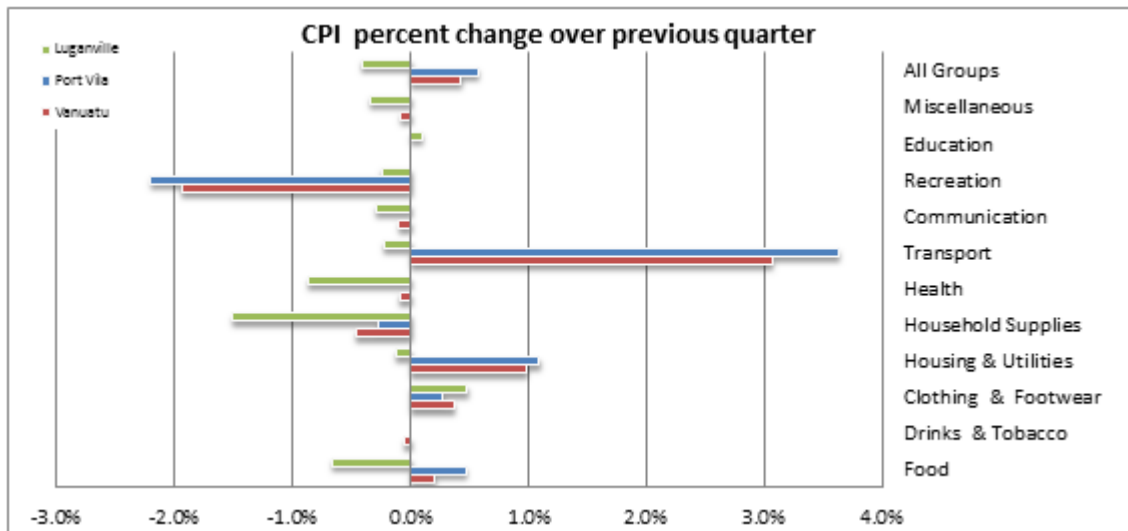


Figure 1: CPI per cent change over previous quarter

CPI QUARTERLY MOVEMENT

The Consumer Price Index (CPI) of December, 2014 indicated an increase of (+ 0.4%). Port Vila index indicated a slight growth of (+ 0.6%) while Luganville index decreased by (- 0.4%) when compared to the previous quarter. The following expenditure groups contributed to the increase in the CPI: Transport (+3.1%), Housing and Utilities (+ 1.0%); Clothing and footwear (+0.4%), Food (+0.2%). The main contributor to this movement was due to the international airfare high peak season. The price increase movement were also shown for the following groups: Electricity charges, Ladies clothing, Fruits and vegetables (seasonal). Recreation dropped by (-1.9%), Housing supplies (-0.5%), Drinks and Tobacco, Health, Communication, & Miscellaneous also decreased by (-0.1%) respectively. The decrease in price movement in Recreation was mainly due to price fall in Audio and Radio Cassette Players and other recreation activities.

CPI ANNUAL MOVEMENT

When compared to the December quarter of 2013, the Vanuatu index increased by 1.1%, Port Vila rose by 1.2 % while Luganville index slightly increased by 0.5%. At national level, the expenditure groups that contributed to the increase over the same quarter of last year were: Transport (+3.6%), Clothing and Footwear (+2.9%), Food (+1.4%), Health (+1.2%), Housing and Utilities, Education, and Miscellaneous stood at (+0.6%) respectively while Drinks and Tobacco increased by (+0.4%), Communication (+0.3%) . The increases in these expenditure groups were the result of the increase of price in international airfares, Ladies clothing, Fruits and Vegetables, and Electricity charges. However, the only group that recorded an offsetting fall was Recreation (-1.8%).

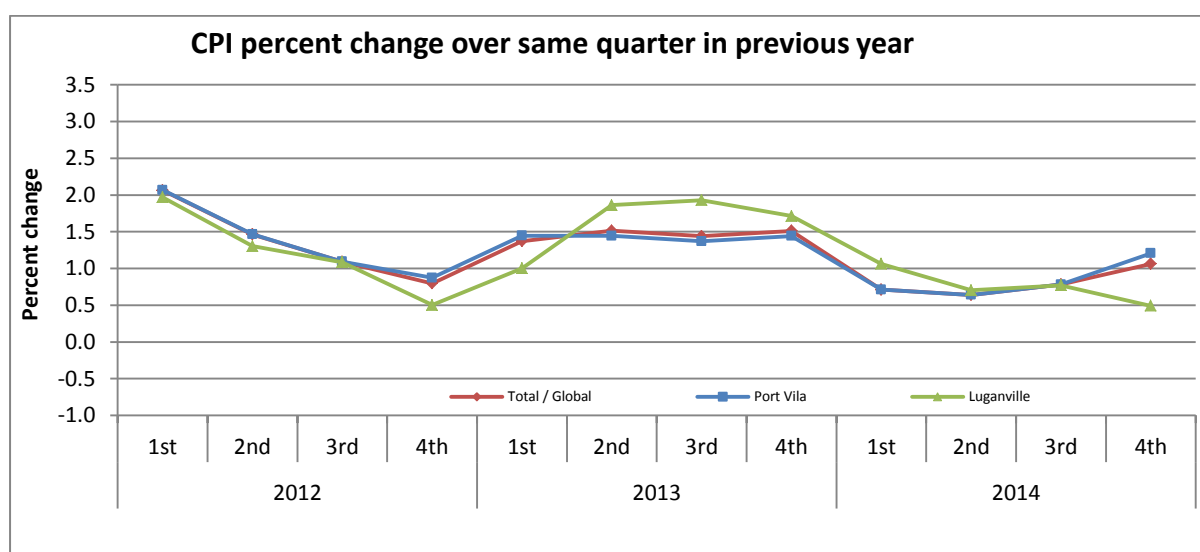


Figure 2: CPI per cent change over same quarter in previous year

UNDERLYING INFLATION

‘Underlying inflation’ is a measure derived from the CPI excluding items which typically have unstable or volatile prices; because of things like seasonal variation or policy decisions. Underlying inflation increased by (+0.3%) in December, quarter of 2014 compared to the previous quarter (September 2014). Meanwhile, it recorded an increase of (1.4%) over the same quarter of 2013.

CONCEPTS AND DEFINITIONS

The Consumer Price Index (CPI) is used to measure the changes in the prices of goods and services purchased by households in Port Vila and Luganville over a period of time. The separate indices for these two major commercial centres are then combined to create the Vanuatu CPI.

This change in prices is sometimes called inflation. Retail stores, supermarkets, liquor outlets, transport operators, service stations and other providers of goods and services help supply the Vanuatu National Statistics Office with the information to calculate the CPI.

Prices are collected for exactly the same goods and services each quarter. This ensures that changes in the cost of goods and services over time are not due to changes in the quantity or quality of the goods and services purchased.

ATTACHED:

Table 1 Consumer Price Index: All Items

Table 2 Consumer Price Index: Expenditure Groups

NEXT UPDATE (QUARTERLY)	RELEASE DATE
February	8 th May, 2015

MORE INFORMATION

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