



DEPARTMENT OF FINANCE
BUREAU OF STATISTICS



September 2018 Quarter Consumer Price Index of Nauru

Key facts

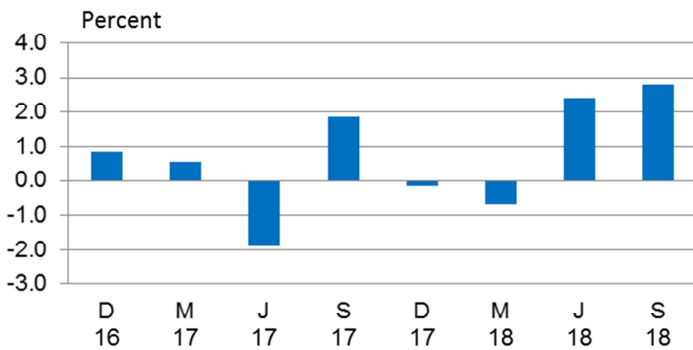
In the September 2018 quarter compared with the June 2018 quarter:

- The consumer price index (CPI) increased by 2.8 percent.
- The largest upward change in prices this quarter is by the Furnishings, household equipment and routine household maintenance group which rose 8.5 percent, contributing 0.4 percent to CPI.
- The Food and non-alcohol beverages group prices increased 3.5 percent, contributing 1.4 percent to the CPI.
- The largest downward change in prices came from Recreation & Culture group, down 2.2 percent, contributing negative 0.05 to the CPI.

From the September 2017 quarter to the September 2018 quarter, CPI increased 4.4 percent. This compares with a 3.4 percent increase in the June 2017 quarter to the June 2018 quarter.

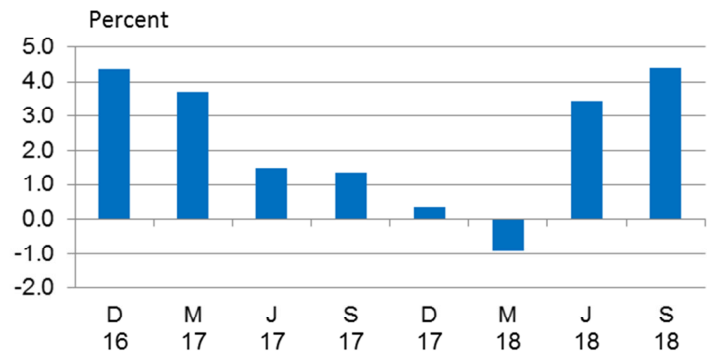
The CPI measures the rate for price change of goods and services purchased by Nauru’s residence household. The Nauru Bureau of Statistics (NBS) collects prices from five major outlets in Nauru including some Chinese Shops, as well as prices from other service providers, including transport, energy and telecommunications.

Consumer Price Index
Quarterly change



Source: Nauru Bureau of Statistics

Consumer Price Index
Annual change



Source: Nauru Bureau of Statistics

For assistance please contact the staff at the NBS on email at statistics@naurugov.nr.

for Director of Statistics

23 November 2018

1. Observation

The following sections provide detailed observation on the consumer price index of Nauru:

- [Quarterly CPI increase of 2.8 percent for September 2018](#)
- [Alcohol beverages and tobacco group up this quarter](#)
- [Summary of other group movement in the quarterly CPI](#)
- [Impact of items that rose and fell in prices](#)
- [CPI shows 4.4 percent increase for the year to the September 2018 quarter](#)
- [Definitions](#)

2. Quarterly CPI increase of 2.8 percent for September 2018

The September 2018 CPI rose by 2.8 percent. By contrast, quarterly inflation was 2.4 percent in June 2018 quarter.

Seven of CPI's ten groups recorded price increases for the September 2018 quarter, two groups recorded price decreases and one remained unchanged.

Prices in the Food and non-alcoholic beverages group rose 3.5 percent in the September 2018 quarter, contributing 1.4 percent to the quarterly inflation.

The main individual upward contributions to the food subgroup came from higher prices for:

- Chinese steamed buns (up 22.5 percent)
- Fresh fish (Bonito) (up 22.5 percent)
- Drink mix (refresh, vita fresh, cool-c, kkol-aid, tang) (up 21.4 percent)

The main individual downward contributions to the Food subgroup came from lower prices for:

- Frozen lamb products (down 11.9 percent)
- Onions (down 9.0 percent)
- Potatoes (down 7.0 percent)

Group	Quarterly percentage points contribution
01 Food and non-alcoholic beverages	3.5%
02 Alcoholic beverages, tobacco and narcotics	5.4%
03 Clothing and footwear	2.0%
04 Housing, water, electricity, gas and other fuels	-0.4%
05 Furnishings, household equipment and routine household maintenance	8.5%
07 Transport	1.7%
08 Communication	0.0%
09 Recreation and culture	-2.2%
11 Restaurants and hotels	1.3%
12 Miscellaneous goods and services	3.5%
All Items CPI	2.8%

Note: Percentages may not sum to total due to rounding.

3. Alcohol beverages and tobacco group shows increase

Prices in the Alcohol beverages and tobacco group went up 5.4 percent, contributing 0.5 percent to CPI this quarter. This increase is due entirely to increased import levy on alcohol and tobacco policy to further discourage the use of tobacco and consumption of alcohol. The CPI found price increases for beer (up 9.7 percent), spirits (up 5.8 percent) and cigarettes (up 3.7 percent) compared to previous quarter.

For the September 2018 quarter compared to the same period in the previous year, Alcohol beverages and tobacco prices increased by 12.3 percent, contributing 1.0 percent to the annual inflation rate of 4.4 percent.

4. Summary of other group movements in the quarterly CPI

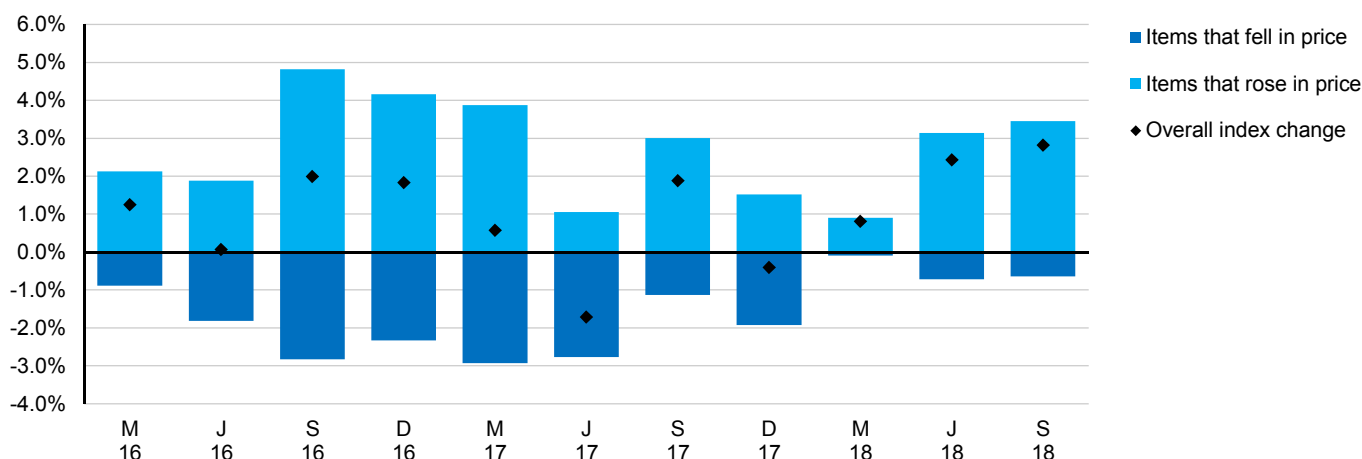
Prices in the Furnishings, household equipment and routine household maintenance group rose 8.5 percent and contributed 0.4 percent to the quarterly CPI, mainly due to an increase in the price of laundry soap (up 19.8 percent), air conditioner (up 11.8 percent) and mosquito coils (up 3.3 percent). The Miscellaneous goods and services group also showed increase of 3.5 percent and contributed a 0.1 percent to the quarterly CPI, attributing solely from an increase of bathing soap (up 20.7 percent). Prices in the Clothing and footwear group increased 2.0 percent, contributing 0.1 percent to quarterly inflation. The Transport group showed an increase of 1.7 percent and contributing 0.3 percent to the CPI mainly due to increases from petrol (up 4.7 percent) and diesel (up 4.5 percent) respectively.

Three other groups showed small changes this quarter: Restaurants and hotels (up 1.3 percent), Recreation and culture (down 2.2 percent) and Housing, water, electricity, gas and other fuels (down 0.4 percent); their contribution to CPI is insignificant. Communication group remained stable.

5. Impacts of items that rose and fell in price

The graph below shows the impact of items that rose and fell in price overtime: the overall impact was a 1.0 percent decrease in the CPI for the September 2018 quarter.

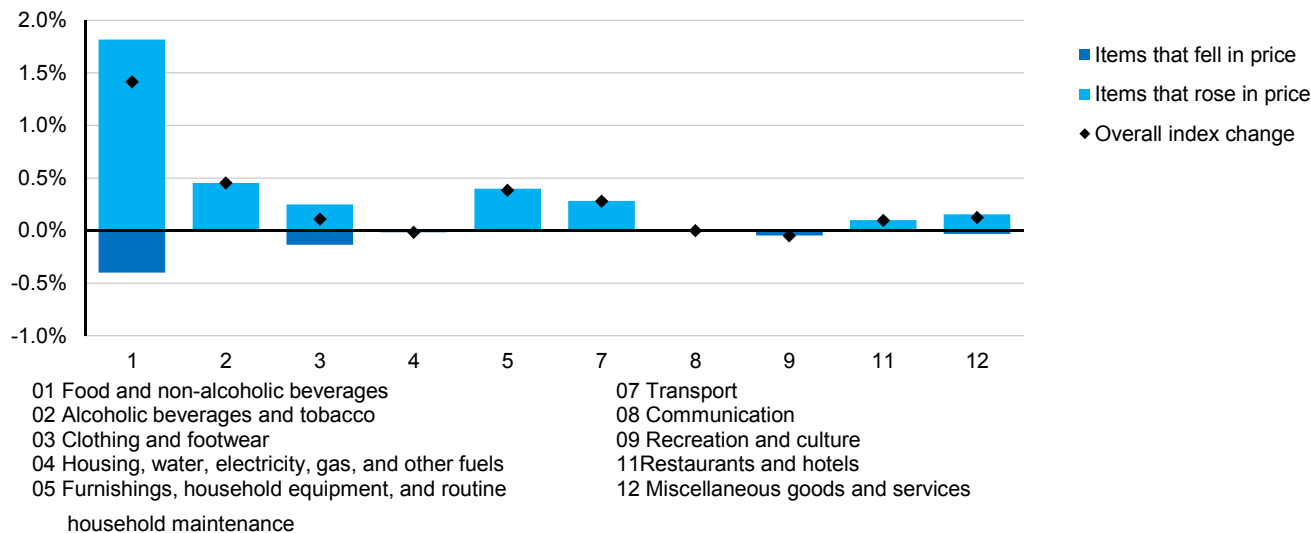
Percentage points contribution to consumer price index over time
Quarterly change to September 2018 quarter



Source: Nauru Bureau of Statistics

The graph below shows the impact of items that rose and fell in price by group this quarter.

Percentage points contribution to consumer price index by group
September 2018 quarter



Source: Nauru Bureau of Statistics

CPI shows 4.4 percent increase for the year to the September 2018 quarter

The CPI increased 4.4 percent in the year to the September 2018 quarter. This compares with a 3.4 percent annual inflation rate in the June 2018 quarter.

The main upward movement came from the group Furnishings, household equipment and routine household maintenance, up 13.8 percent and contributing a 0.6 percent to annual CPI. Prices in the Alcohol beverages and tobacco group rose 12.3 percent, contributing a 1.0 percent to the annual CPI as a result from further increase in imports tariff. Clothing and footwear group recorded an increase of 11.2 percent, contributing a 0.6 percent to the annual inflation. Prices in the group Food and non-alcoholic beverages rose 6.7 percent, contributing 2.7 percent to annual CPI.

Key individual upward contributions to the Food subgroup came from higher prices for:

- Chinese steamed bun (up 50.0 percent)
- Fresh bonito (up 50.0 percent)
- Fresh Yellow fin tuna (up 50.0 percent)

The main individual downward contributions to the Food subgroup came from lower prices for:

- Butter (down 16.6 percent)
- Onions (down 16.5 percent)
- Instant Noodles in a Cup or Bowl (down 15.9 percent)

Definitions

About the consumer price index

The consumer price index (CPI) measures the changing price of a fixed basket of goods and services purchased by households. The selection and relative importance of the goods and services in the CPI basket represents the overall expenditure pattern of household in Nauru

The aim of the CPI is to measure price changes of the same sample of products at each outlet over time. When there is a change in the size or quality of any of the goods and services in the basket, an adjustment is made to ensure that the price change shown in the CPI is not affected by the change in size or quality.

The CPI of Nauru is published quarterly.

A listing of the representative goods and services monitored in the CPI basket, and the sources and methods used to compile various parts of the CPI, are available in the “Technical notes: Consumer Price Index” at <http://nauru.prism.spc.int/>

More definitions

A **price index** measures the change in price between time periods for a given set of goods and services. It summarises a set of prices for a variety of goods and services collected from a number of outlets.

The **index reference** period is the benchmark to which prices in other periods are compared (eg if the index number in a later period is 150, prices have increased by 50 percent since the index reference period). Prices for latter period can also be compared in similar fashion. The Nauru CPI has as index reference period the December 2015 quarter (=100).

Upward/downward contributions: items mentioned in this release are often those that made a large contribution to the overall movement in the CPI. An item's contribution is a combination of its weight in the index (its relative importance, based on its share of household spending on goods and services covered by the CPI) and the magnitude of price movement. For example, for two items recording the same percentage rise in price, the item with the larger weight in the CPI will make a larger contribution to the overall movement. This contribution is also referred to as points (or index points) contribution.

Data quality information

Reference period

Price for the September 2018 quarter was collected between 24 to 26 September 2018. Prices for the September 2017 quarter were collected between 26 and 28 September 2017. Staff of the Bureau of Statistics collected the prices for December 2016 and September 2018 quarter.

Price influencers

Price changes may be influenced by external events. Factors that affected the quarterly and the annual September 2018 CPI include:

- Nauru uses the Australian dollar as its currency; so changes in the strength of the Australian dollar can change Nauru's purchasing power in other countries other than Australia.
- Nearly all goods sold in Nauru have been sourced directly from Australia and Fiji however many of these goods are re-exports, originating from various other countries including China, and New Zealand. The reopening of the shipping connection from Fiji in the late 1990's not only reopened the Fiji market but also goods from other pacific countries. In addition it's a vital link for re-export, transshipment and transit goods. This activity has an ongoing impact on price levels by local demand, and by international variables including demand, availability, seasonal effect and change in exchange rates. Changes in availability and prices in both Australia and Fiji will flow onto the Nauru CPI.
- Policy implication on Imports tariff, pricing regulations (such as fuel) or any related taxes can impact the CPI at any point.

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