

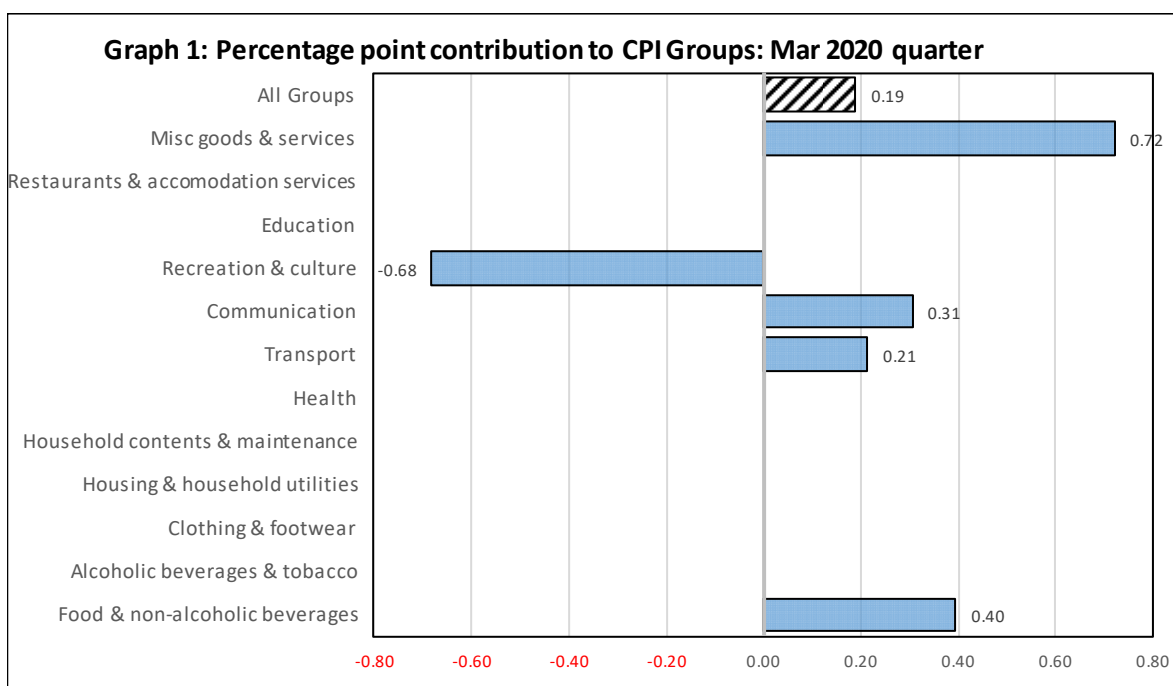


**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**  
**GOVERNMENT OF THE COOK ISLANDS**  
**COOK ISLANDS**  
**STATISTICAL BULLETIN**

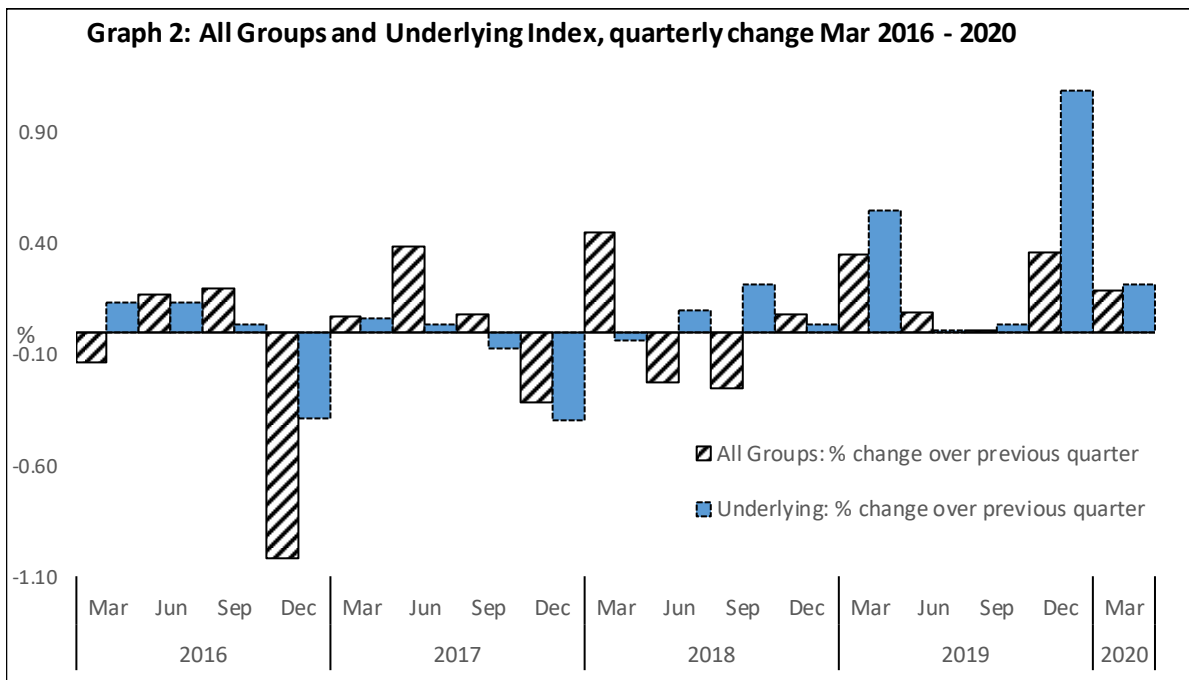
**CONSUMER PRICE INDEX**  
**March Quarter 2020**

The Consumer Price Index (CPI) is now reviewed to a new base of Dec quarter 2019 equal to 100. The basket of goods and services has been updated to ensure that the index represents current household expenditure patterns. The March 2020 quarter is the first quarter to be released using the new base.

The All Groups CPI for March quarter 2020 increased by 0.19 per cent when compared to December quarter 2019 and rose by 0.64 per cent when compared to March quarter 2019. The **Miscellaneous goods and services group** showed the highest increase of 0.72 per cent driven predominantly by increases in prices of *products for personal care* obviously compelled by the need to keep safe during the COVID-19 pandemic. **Food and Non-Alcoholic Beverages group** also rose by 0.40 per cent driven by increase in *meat and vegetable* prices. To offset the increases was a 0.68 per cent drop in the **Recreation and Culture group** caused mainly by falling prices in *television, photographic, computer equipment*.



Removing all volatile items, the Underlying CPI showed an increase of 0.21 per cent over the December quarter 2019 and a further increase of 1.34 per cent over the March quarter 2019.



The COVID-19 pandemic have created some interruptions in data collection and methodological challenges. We were unable to price some items as stores ran out and we estimated those using previous prices. We were also faced with challenges in capturing the price freeze on electricity charges announced by the Government in March 2020.

Further information can be obtained from the Statistics Office.

Taggy Tangimetua  
 Government Statistician  
 June 2020

## Explanatory Notes

### Introduction

The Consumer Price Index (CPI) is an indicator or measure of price changes. The current CPI is classified by the UN COICOP classification. The weighting pattern and the selection of the basket of goods and services is derived from the 2015-2016 Household Income Expenditure Survey (HIES) for the purpose of compiling CPI.

### Underlying Measure

This measure of “underlying” inflation is common internationally, and is generally derived by excluding items whose prices are considered highly volatile, subject to significant seasonal fluctuations, or are largely affected by policy decisions. The Cook Islands measure of “underlying inflation” excludes some items of fruit, vegetable, meat and fish; electricity rates; purchases of new and used motor vehicles; petrol and diesel; international and domestic airfares.

### Other issues

This publication also presents the detailed contribution of each group and sub-group to the overall CPI. These details are shown in Table 5 and take into account the level of each index, its rate of change, and the weight given to that index in the overall calculation. As such, they provide a better guide to the importance of each component than is given by the simple percentage changes.

### Base period for the CPI

The base period for the index is the quarter ending 31st December 2019.

### Timing of the CPI

Prices are collected during the week, in which the mid-point of each quarter falls.

### Scope of the CPI

Prices are collected from selected outlets on Rarotonga and prices online.

### Computation of the CPI

At the elementary aggregate level, indices will be calculated as chain-linked Jevons indices (change in the geometric average price). At the higher level, indices will be calculated with standard Laspeyres-type aggregation.

## Coverage of the CPI

The All Groups index covers 199 items, which are priced every quarter. The table shows the weighting pattern and the relative importance of the items in the basket of goods and services. These items are categorised under the following major groups:

	Major Groups	No of Items 2019	Weights	
			2006	2019
1.	Food and Non-alcoholic Beverages	80	24.00	28.92
2.	Alcoholic Beverages, Tobacco and Narcotics	6	8.05	10.53
3.	Clothing and Footwear	16	4.09	3.45
4.	Housing, Water, Elec., Gas & Other Fuels	11	12.60	13.66
5.	Furnishings, Hhld Equip. & Routine Hhld Maint.	22	5.53	5.39
6.	Health	4	0.85	0.36
7.	Transport	15	17.98	17.35
8.	Communication	11	4.94	7.30
9.	Recreation & Culture	9	4.69	2.19
10	Education	3	0.95	0.32
11	Restaurants & Hotels	4	5.39	6.29
12	Miscellaneous Goods & Services	18	4.82	4.25
91	Non-consumption household expenditure	0	5.51	-
	<b>TOTAL</b>	<b>199</b>	<b>100.0</b>	<b>100.0</b>

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