

# September 2020 Quarter Consumer Price Index of Nauru



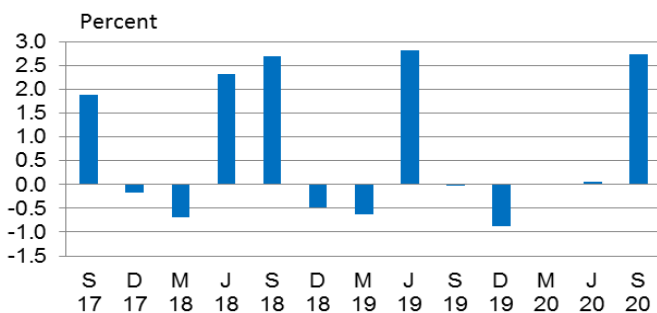
## Key facts

In the September 2020 quarter compared with the June 2020 quarter:

- The consumer price index (CPI) increased by 2.7 percent.
- The largest upward change in prices this quarter is by Alcohol beverage and tobacco group which rise to 14.0 percent, contributing 1.2 percent to the overall CPI growth.
- The Transport group prices reported the highest decrease 4.1 percent, contributing negative 0.6 percent to the CPI.
- The Clothing and footwear group, up 4.8 percent, contributing increase 0.3 percent to the overall CPI growth, the Furnishings, household equipment and routine household group, up 4.2 percent contributing increase 0.2 percent to overall CPI growth and Restaurants and hotels group, up 1.5 percent contributing increase 0.1 percent to overall CPI.

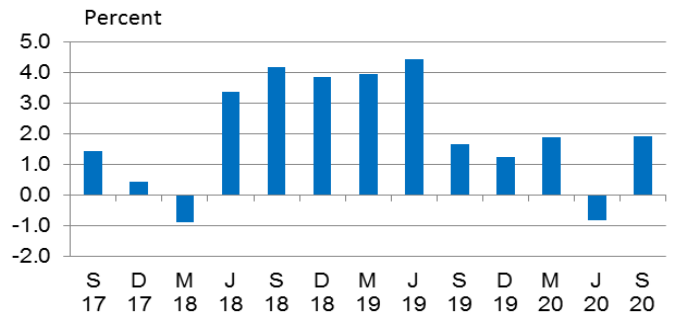
From the September 2019 quarter to the September 2020 quarter, CPI increase 1.9 percent. This compares with June 2019 quarter to the June 2020 quarter decrease 0.9 percent

**Consumer Price Index**  
Quarterly change



Source: Nauru Bureau of Statistics

**Consumer Price Index**  
Annual change



Source: Nauru Bureau of Statistics

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.

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for Director of Statistics

5 January 2021

## 1. Observation

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

- [Quarterly CPI increase of 2.7 percent for September 2020](#)
- [Alcohol beverages and tobacco group increased this quarter 14.0 percent](#)
- [Summary of other group movement in the quarterly CPI](#)
- [Impact of items that rose and fell in prices](#)
- [CPI shows 1.9 percent increase for the year to the September 2020 quarter](#)
- [Definitions](#)

### 1. Quarterly CPI increase of 2.7 percent for September 2020

The September 2020 CPI rose by 2.7 percent. In contrast, the quarterly inflation 0.1 percent in June 2020 quarter. Five of the CPI's ten groups recorded price increases for the September 2020 quarter, three groups recorded price decreases and two remained stagnant.

Prices in the Food and non-alcohol beverage group prices this quarter also increase to 3.7 percent, contributing 1.6 percent to the quarterly inflation.

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

- Onions (down 34.4 percent)
- Potatoes (down 39.6 percent)
- Drink mix (down 20.6 percent)

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

- Fresh Fish - Bonito (up 100.0 percent)
- Canned Vegetables (up 14.9 percent)
- Noodle in a cup or bowl (up 9.9 percent)
- Tinned Corned Beef (up 8.7 percent)

Group	Quarterly percentage points contribution
01 Food and non-alcoholic beverages	1.6%
02 Alcoholic beverages, tobacco and narcotics	1.2%
03 Clothing and footwear	0.3%
04 Housing, water, electricity, gas and other fuels	0.0%
05 Furnishings, household equipment and routine household maintenance	0.2%
07 Transport	-0.6%
08 Communication	0.0%
09 Recreation and culture	0.0%
11 Restaurants and hotels	0.1%
12 Miscellaneous goods and services	0.0%
<b>All Items CPI</b>	<b>2.7%</b>

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

## 2. Alcohol beverages and tobacco group shows increase

The prices in the Alcohol beverages and tobacco group reported an increase this quarter. Comparing to the last quarter it has increased to 14.0 percent as a result of a high price of cigarettes which reported an increased by 19.7 percent, as well as prices in alcohol beverages of Vodka which reported an increased by 14.3 percent. For the year of the September 2020 quarter compared to the same period in the previous year, Alcohol beverages and tobacco prices have increased by 10.3 percent which increased in the prices of cigarettes (up 14.2 percent) and also in spirits prices (up 14.3 percent) contributing 0.9 percent to the annual inflation rate increasing to 1.9 percent.

## 3. Summary of other group movements in the quarterly CPI

Prices in the Transport group fell 4.1 percent contributed negative 0.6 percent to the quarterly CPI, as a result for decrease in the price of Petrol (down 13.4 percent) and Diesel (down 11.0 percent).

Prices in the Furnishing, household equipment and routine household group increased 4.2 percent, contributing increased 0.2 percent to the quarterly CPI. The evident in the increase prices of mosquito coil (up 9.5 percent) and Laundry Soaps (up 8.9 percent)

Similarly with the Clothing and footwear group with a rise 4.8 percent, contribute increase 0.3 percent to the quarterly CPI as a result of increasing prices for boys Trousers (up 38.7 percent), Men's Trousers (up 28.5 percent) and Men's shirts (21.3 percent).

The Restaurants and hotels group showed an increase of 1.5 percent, contributing increase 0.1 percent to the quarterly CPI.

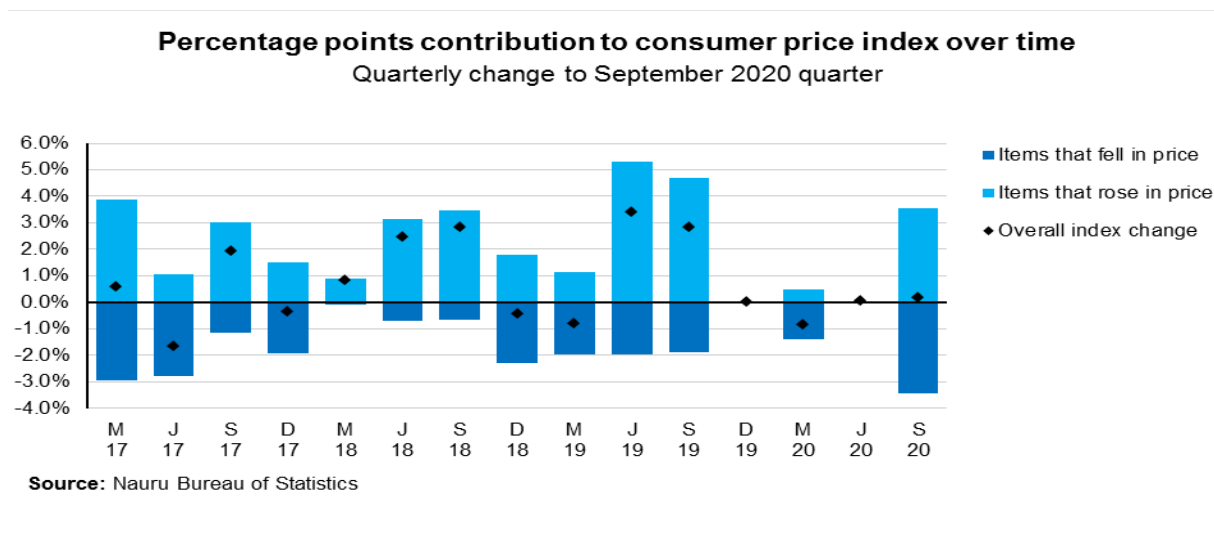
The Miscellaneous goods and services group showed a decrease of 1.0 percent mainly due to a decrease in the prices of deodorant (down 4.4 percent), toilet paper (down 3.7 percent) and bathing soap (down 3.1 percent)

Housing, water, electricity, gas and other fuels groups also posted a decrease by 0.4 percent as a result for decline for butane gas (down 3.6 percent).

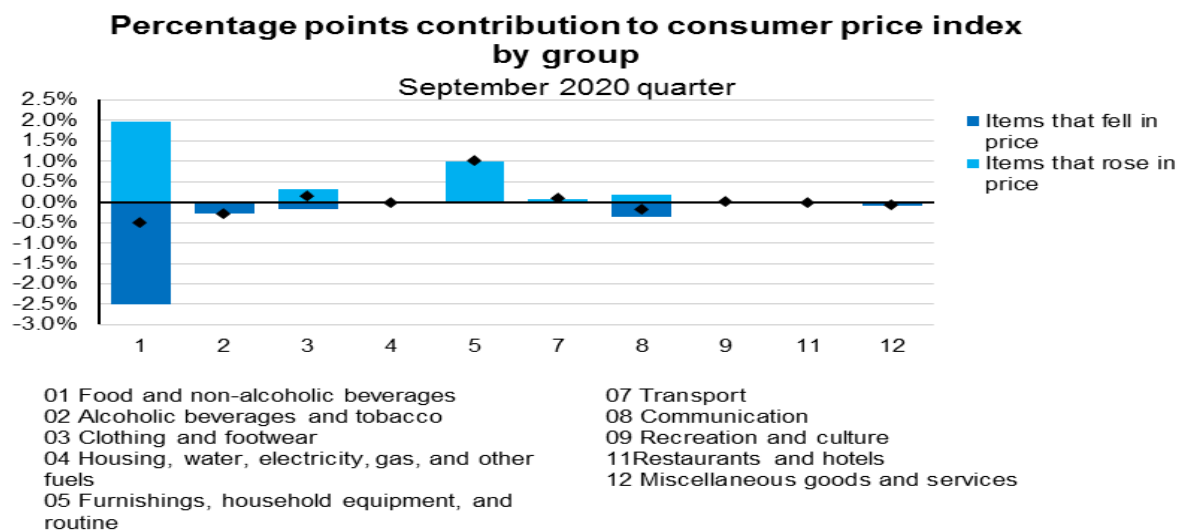
Two other groups showed no changes this quarter. Communications group and Recreation and culture group.

## 4. 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 0.1 percent increase in the CPI for the September 2020 quarter.



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



Source: Nauru Bureau of Statistics

## 5. CPI shows 1.9 percent increase for the year to the September 2020 quarter

The CPI increase 1.9 percent in the year to the September 2020 quarter.

The main driver for the inflating the annual CPI came from the group Furnishings, household equipment and routine household maintenance increase 29.9 percent and contributing a 1.2 percent to the annual CPI. The Clothing and footwear group rose 14.8 percent, contributing a 0.7 percent to the annual CPI.

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

- Onion (up 52.1 percent)
- Noodles in a cup or bowl (up 31.6 percent)
- Potato (up 19.4 percent)
- Canned vegetables (19.3 percent)
- Noodles in a Package (up 17.8 percent)

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

- Milk powder (down 12.0 percent)
- Pork sausages and Frankfurt (down 11.9 percent)
- Eggs (down 7.3 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 June 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 2020 quarter was collected between 12<sup>th</sup> to 16<sup>th</sup> October 2020. Prices for the September 2019 quarter were not collected. Staff of the Bureau of Statistics collected the price September 2020 quarter.

Price for the September 2019 quarter was spliced. Prices are from June 2019 quarter. The reason for no CPI survey on September 2019 quarter was due to full statistics staff commitment to undertaking of Nauru Mini Census 2019 during the month of September.

### Price influencers

Price changes may be influenced by external events. Factors that affected the quarterly and the annual June 2020 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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