



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

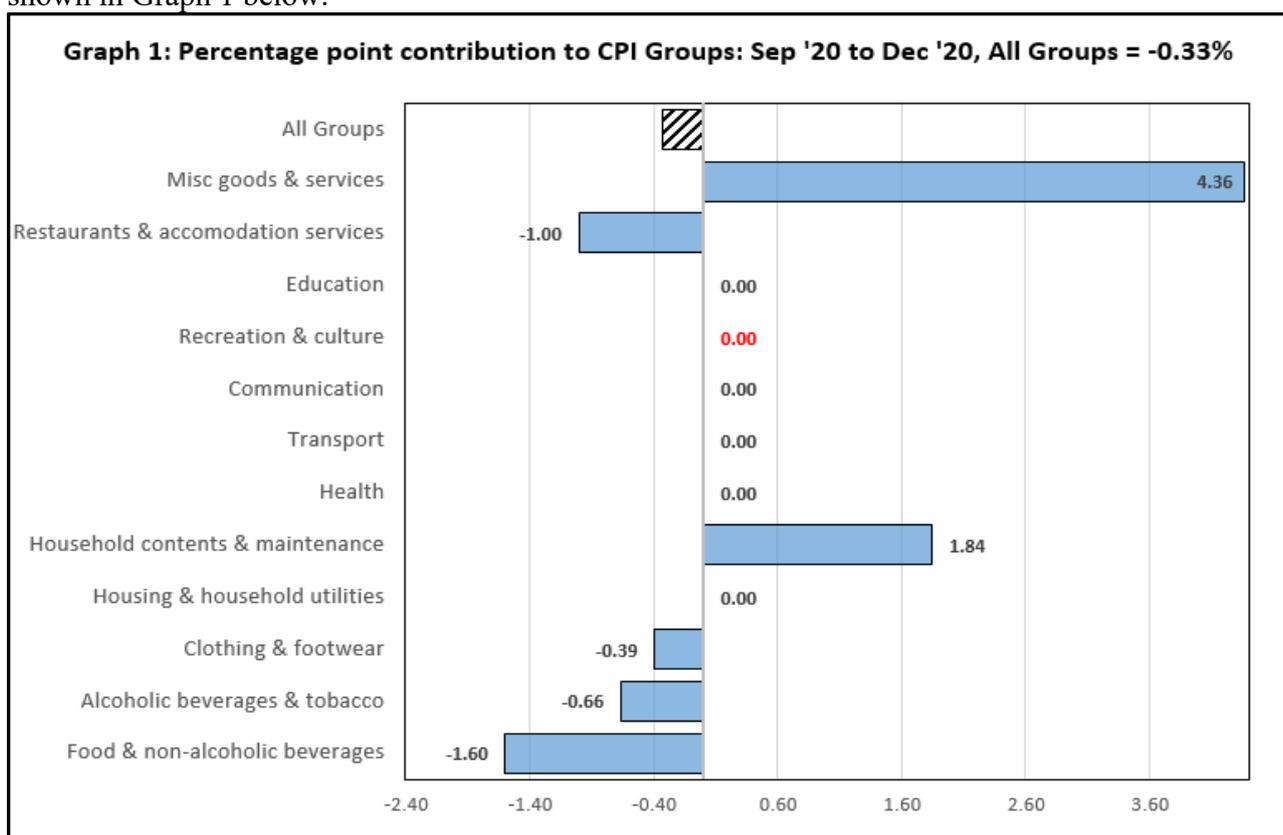
**CONSUMER PRICE INDEX**  
**December Quarter 2020**

Consumer Price Index (CPI) in the December quarter 2020 increased by 0.3 per cent when compared to September quarter 2020 and rose by 0.9 per cent over December quarter 2019.

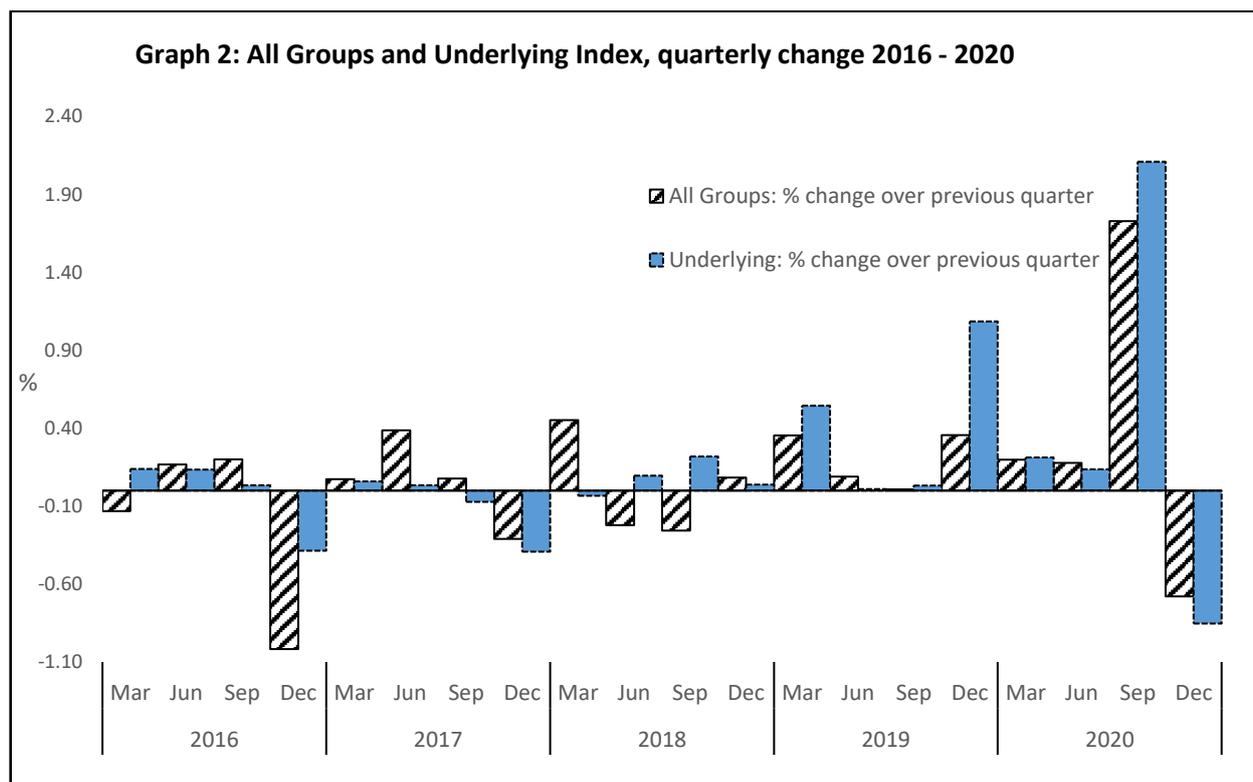
The main upward contribution came from the **Miscellaneous and Services group** of 4.4 per cent caused by an increase in prices in the *Personal Effects and Personal Care subgroups* of 31.0 per cent and 3.7 per cent. **Household contents and household maintenance group** prices also increased by 1.9 per cent.

Offsetting the increases was a decline in the **Food & non-alcoholic beverages, Restaurants & accommodation services, Alcoholic beverages & tobacco and Clothing & footwear Groups** prices with 1.6 per cent, 1.0 per cent, 0.7 per cent and 0.4 per cent respectively, triggered by a reduction in *Non-alcoholic beverages, Food prices, Catering services, Alcoholic beverages and Clothing*.

The changes in the major groups between September quarter 2020 and December quarter 2020 are shown in Graph 1 below.



Removing all volatile items, the **Underlying CPI** decreased by 0.9 per cent over the September quarter 2020 and showed an increase of 1.6 per cent over the December 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  
 March 2021

## 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>

Cook Islands Statistics Office

Ministry of Finance and Economic Management

P O Box 120, Rarotonga

COOK ISLANDS

Phone: (682) 29-511

Email: [statsinfo@cookislands.gov.ck](mailto:statsinfo@cookislands.gov.ck)

Website: [www.mfem.gov.ck/statistics](http://www.mfem.gov.ck/statistics)