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## **HONIARA CONSUMER PRICE INDEX**

(June 2018)

**Solomon Islands National Statistics Office**

**Ministry of Finance & Treasury**

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**Honiara**

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# Commentary

## Headline CPI

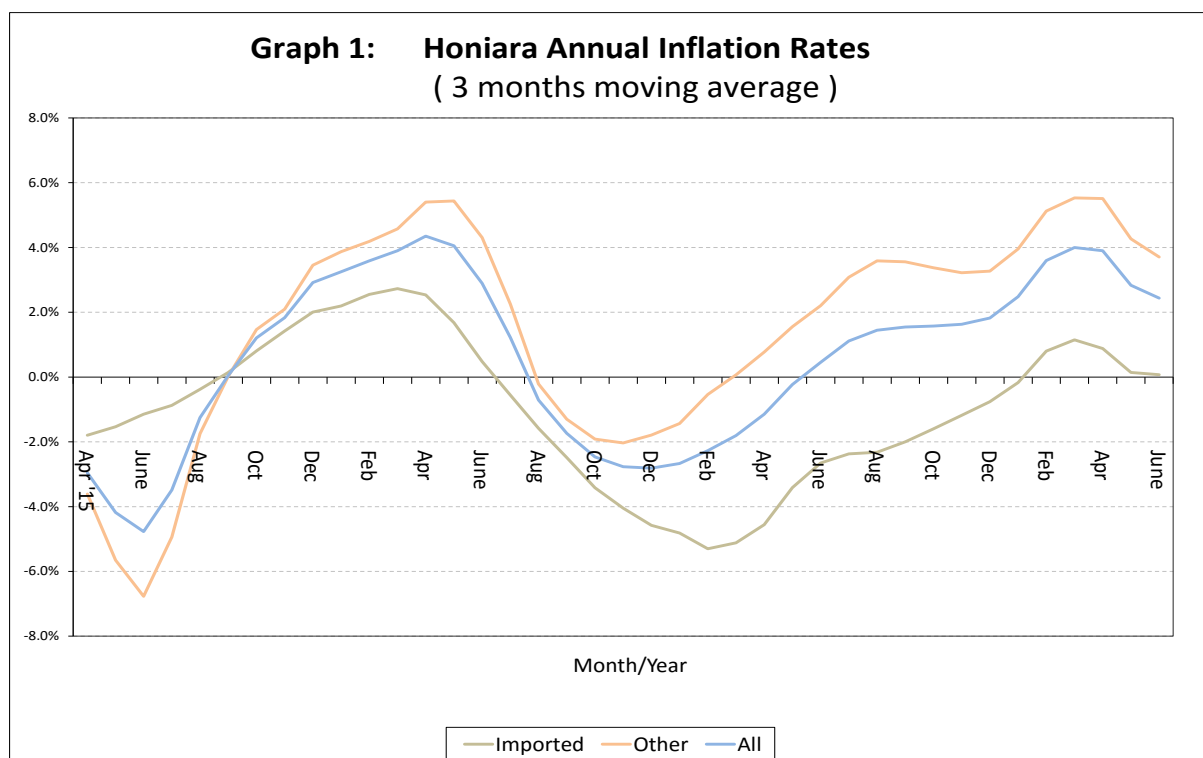
The Honiara Consumer Price Index (CPI) for the month of June 2018 dropped a further 0.2 % from 192.9 the previous month to 192.5. This was predominantly driven by price drops in the Housing and Utilities category of the index, offsetting marginal price rises mainly in Food, and Transportation and Communication categories.

The Food index slightly rose during the month by 0.02% to 178.5. This was mainly driven by price rises in powdered milk (0.9%), second grade tuna (0.6%) and in fresh fruits and vegetables at the Honiara market; most notable were cucumber (25.8%), green beans (16.9%), spring onion (12.2%), fern cabbage (11.1%), melon (10.1%), cooking banana (6.7%), cassava (6.4%), bush cabbage (2.9%), kumara heaps (1.5%), ripe bananas (1.4%) and green coconut (1.3%). These outweighed price drops in dry coconuts (-1.8%), tomatoes (-7.0%), chinese cabbage (-9.0%), pawpaw (-1.3%), green pepper (-6.4%) and coral fish (-19.2%) resulting in the slight rise of the overall food index.

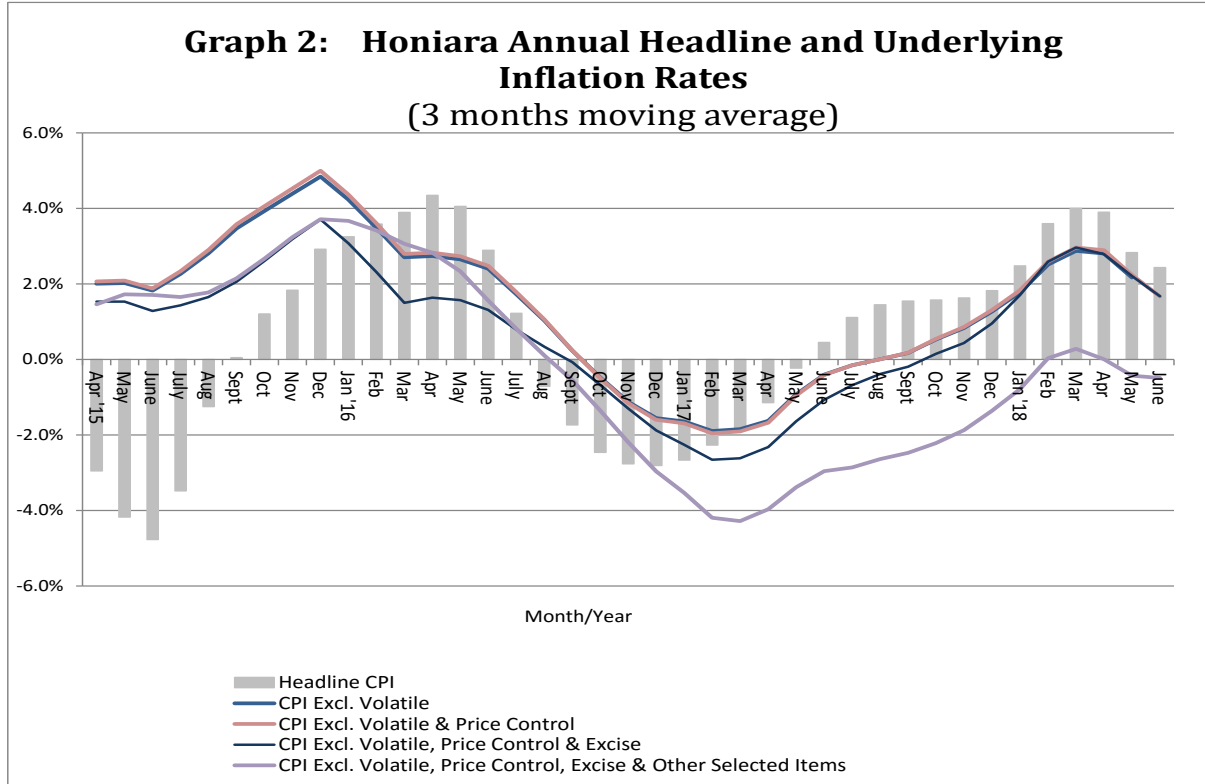
Major changes in other sub-index categories were as follows:

- Drinks and Tobacco increased 0.4% driven by a rise (2.5%) in the price of betel nut outweighing a fall (-1.0%) in tobacco prices.
- Housing and Utilities dropped 1.9% on account of a drop (-8.0%) in electricity charges.
- Household Operations went up 0.4% due to an increase (0.9%) in price of household supplies and services, in particular, washing powder (4.8%).
- Transport and Communication went up 1.3% resulting from increases in diesel and petrol prices by 7.9% and 6.3%, respectively.
- Miscellaneous Items rose 0.6% on account of a 3.0% rise in the price of personal care products.

Apart from the above, price movements elsewhere in the consumption basket were negligible.



The overall annual headline inflation rate for the month of June 2018 calculated on a 3 months moving average basis was 2.4%, down by 0.4 percentage points from 2.8% the previous month. The corresponding inflation rates for imported and other items were 0.1% and 3.7%, respectively.



### Underlying Inflation

The main underlying rates of inflation based on a 3 months moving average for the month of June 2018 were observed between -0.5% and 1.7% while the headline inflation rate was at 2.4%.

**Table 1. The Honiara Consumer Price Index by Group (4<sup>th</sup> Qtr. 2005=100)**

Year/ Month	Food	Drinks & Tobacco	Clothing & Footwear	Housing & Utilities	Household Operations	Transport & Communications	Recreation health & Oth. Serv.	Misce-llaneous	All Items	(%) Change
<b>Wght</b>	<b>429</b>	<b>47</b>	<b>38</b>	<b>181</b>	<b>47</b>	<b>164</b>	<b>76</b>	<b>18</b>	<b>1000</b>	
<b>2017</b> May	178.4	305.3	166.5	247.8	173.8	149.6	151.9	159.2	189.2	0.3
June	178.2	292.9	167.5	248.5	173.8	148.3	151.9	158.0	188.4	-0.4
July	178.0	292.6	167.5	248.5	174.0	147.9	151.9	158.9	188.3	-0.1
August	175.0	293.8	167.5	250.8	174.2	147.6	151.9	158.9	187.4	-0.4
September	172.1	295.2	167.5	250.5	174.3	148.4	151.9	158.9	186.3	-0.6
October	170.5	298.7	167.5	254.6	173.7	147.7	151.9	158.9	186.4	0.1
November	169.2	305.7	167.5	255.4	173.8	147.9	151.9	159.1	186.4	0.0
December	170.2	313.7	167.2	255.6	174.4	151.3	151.9	159.1	187.8	0.8
<b>2018</b> January	<b>172.0</b>	<b>351.8</b>	<b>167.4</b>	<b>252.5</b>	<b>173.3</b>	<b>151.8</b>	<b>168.5</b>	<b>158.9</b>	<b>191.1</b>	<b>1.7</b>
February	180.7	349.6	167.4	253.2	173.8	152.8	168.5	158.9	195.1	2.1
March	180.3	343.7	167.4	254.0	174.0	152.3	168.5	158.9	194.7	-0.2
April	181.9	320.9	167.0	256.0	173.7	152.3	168.5	156.6	194.6	-0.03
May	178.4	317.8	167.0	254.8	173.6	153.2	168.5	156.6	192.9	-0.9
June	178.5	319.0	167.0	250.0	174.3	155.2	168.5	157.7	192.5	-0.2
<b>Percentage Change in the CPI by Group</b>										
<b>(a) on the same month a year ago</b>										
<b>2017</b> May	-0.9	17.6	-4.3	0.2	-4.6	3.6	3.1	-20.4	0.7	
June/r	1.0	11.8	-2.7	0.4	-2.6	2.1	3.0	-15.9	1.2	
July	1.4	10.8	-2.5	0.8	-1.6	0.8	2.9	-11.6	1.4	
August	1.4	10.8	-1.8	1.8	-1.5	0.9	2.9	-11.6	1.7	
September	0.3	11.3	-2.4	1.7	-1.4	2.3	2.9	-6.3	1.5	
October	-0.1	12.4	-2.8	2.6	-1.4	1.4	2.9	-7.2	1.5	
November	0.2	11.4	-2.8	3.8	-1.3	1.1	2.9	-7.1	1.8	
December	0.3	9.6	-3.1	3.8	-0.1	3.3	2.9	-7.8	2.1	
<b>2018</b> January	<b>0.6</b>	<b>15.5</b>	<b>0.4</b>	<b>4.4</b>	<b>-0.8</b>	<b>3.1</b>	<b>11.0</b>	<b>-5.1</b>	<b>3.5</b>	
February	4.7	16.8	0.5	4.4	-0.2	3.0	11.0	-5.9	5.2	
March	1.5	14.1	0.5	3.1	0.0	1.8	11.0	-0.9	3.3	
April	2.0	6.7	0.3	4.0	-0.1	2.4	11.0	-2.3	3.2	
May	0.0	4.1	0.3	2.8	-0.1	2.4	11.0	-1.6	2.0	
June	0.2	8.9	-0.3	0.6	0.3	4.7	11.0	-0.2	2.1	
<b>(b) 3 months moving average on same period a year ago</b>										
<b>2017</b> May	-1.7	10.9	-4.8	-0.6	-5.1	4.1	3.2	-21.3	-0.2	
June	-0.9	15.2	-4.1	0.0	-4.2	2.9	3.1	-19.4	0.5	
July	0.5	13.4	-3.2	0.5	-3.0	2.2	3.0	-16.1	1.1	
August	1.3	11.1	-2.4	1.0	-1.9	1.3	2.9	-13.1	1.4	
September	1.0	11.0	-2.2	1.5	-1.5	1.3	2.9	-9.9	1.5	
October	0.5	11.5	-2.3	2.0	-1.5	1.5	2.9	-8.5	1.6	
November	0.1	11.7	-2.7	2.7	-1.4	1.6	2.9	-6.9	1.6	
December	0.1	11.1	-2.9	3.4	-0.9	2.0	2.9	-7.4	1.8	
<b>2018</b> January	<b>0.4</b>	<b>12.3</b>	<b>-1.9</b>	<b>4.0</b>	<b>-0.7</b>	<b>2.5</b>	<b>5.6</b>	<b>-6.7</b>	<b>2.5</b>	
February	1.9	14.1	-0.8	4.2	-0.3	3.1	8.3	-6.3	3.6	
March	2.3	15.5	0.5	4.0	-0.3	2.6	11.0	-4.0	4.0	
April	2.7	12.5	0.4	3.9	-0.1	2.4	11.0	-3.1	3.9	
May	1.2	8.3	0.3	3.3	0.0	2.2	11.0	-1.6	2.8	
June	0.7	6.6	0.1	2.5	0.1	3.2	11.0	-1.4	2.4	

**Table 2. Price Index of Imported Items by Group (4<sup>th</sup> Qtr. 2005=100)**

Year/ Month	Food	Drinks & Tobacco	Clothing & Footwear	Housing & Utilities	Household Operations	Transport & Commu- -nications	Recreation health & Oth. Serv.	Misce- llaneous	All Items	(%) Change
<b>Wght</b>	<b>186</b>	<b>4</b>	<b>31</b>	<b>52</b>	<b>34</b>	<b>50</b>	<b>23</b>	<b>18</b>	<b>398</b>	
<b>2017</b> May	173.9	145.5	135.4	168.4	167.5	152.7	173.5	159.2	166.0	0.2
June	173.3	145.5	136.6	166.8	167.5	148.5	173.5	158.0	165.0	-0.6
July	172.6	145.5	136.6	166.7	167.3	147.2	173.5	158.9	164.5	-0.3
August	172.9	145.5	136.6	165.9	167.6	146.2	173.5	158.9	164.5	-0.1
September	172.2	145.5	136.6	166.4	167.7	148.8	173.5	158.9	164.6	0.1
October	171.8	145.5	136.6	167.8	166.9	146.7	173.5	158.9	164.2	-0.2
November	171.5	145.5	136.6	170.0	166.8	147.3	173.5	159.1	164.4	0.1
December	171.1	145.5	136.2	170.3	167.7	150.3	173.5	159.1	164.7	0.2
<b>2018</b> January	<b>171.2</b>	<b>145.5</b>	<b>136.4</b>	<b>171.0</b>	<b>167.3</b>	<b>151.8</b>	<b>173.5</b>	<b>158.9</b>	<b>165.0</b>	<b>0.2</b>
February	171.3	145.5	136.4	171.8	167.3	155.0	173.5	158.9	165.6	0.3
March	171.0	145.5	136.4	172.1	167.2	153.5	173.5	158.9	165.3	-0.2
April	171.1	145.5	135.9	172.1	166.9	153.5	173.5	156.6	165.2	-0.1
May	170.9	145.5	135.9	172.1	166.8	156.5	173.5	156.6	165.4	0.2
June	171.0	145.5	135.9	172.1	167.8	163.0	173.5	157.7	166.4	0.6
<b>Imported Items Index by Group, Percentage Change (%) from Corresponding Month of Previous Year</b>										
<b>2017</b> May	-2.8	0.0	-1.4	-0.4	-6.5	6.6	0.7	-20.4	-2.4	
June	-2.4	0.0	1.1	-1.4	-3.8	1.6	0.3	-15.9	-2.2	
July	-3.2	0.0	1.4	-1.7	-2.6	0.2	0.0	-11.6	-2.5	
August	-2.8	0.0	2.5	-1.9	-2.7	0.0	0.0	-11.6	-2.3	
September	-2.4	0.0	1.7	-1.3	-2.2	4.8	0.0	-6.3	-1.2	
October	-1.8	0.0	0.9	-0.6	-2.2	1.7	0.0	-7.2	-1.3	
November	-2.2	0.0	0.9	3.0	-2.1	0.8	0.0	-7.1	-1.0	
December	-0.5	0.0	0.4	2.9	-0.3	2.5	0.0	-7.8	0.1	
<b>2018</b> January	<b>0.1</b>	<b>0.0</b>	<b>0.6</b>	<b>3.6</b>	<b>-0.7</b>	<b>2.0</b>	<b>0.0</b>	<b>-5.1</b>	<b>0.5</b>	
February	3.0	0.0	0.8	3.7	-0.4	1.7	0.0	-5.9	1.9	
March	2.1	0.0	0.8	0.1	-0.3	0.5	0.0	-0.9	1.1	
April	-1.1	0.0	0.4	0.6	-0.4	2.2	0.0	-2.3	-0.3	
May	-1.7	0.0	0.4	2.2	-0.4	2.5	0.0	-1.6	-0.3	
June	-1.3	0.0	-0.5	3.1	0.2	9.7	0.0	-0.2	0.9	
<b>Imported Items Index by Group, 3 Months Moving Average, Percentage Change (%) from Same Period of Previous Year</b>										
<b>2017</b> May	-4.7	0.0	-2.2	0.8	-7.2	6.3	0.8	-21.3	-3.4	
June	-3.1	0.0	-1.1	-0.3	-6.0	4.4	0.6	-19.4	-2.7	
July	-2.8	0.0	0.4	-1.2	-4.3	2.8	0.3	-16.1	-2.4	
August	-2.8	0.0	1.7	-1.7	-3.0	0.6	0.1	-13.1	-2.3	
September	-2.8	0.0	1.8	-1.6	-2.5	1.6	0.0	-9.9	-2.0	
October	-2.4	0.0	1.7	-1.3	-2.3	2.1	0.0	-8.5	-1.6	
November	-2.1	0.0	1.2	0.3	-2.2	2.4	0.0	-6.9	-1.2	
December	-1.5	0.0	0.8	1.8	-1.6	1.7	0.0	-7.4	-0.8	
<b>2018</b> January	<b>-0.9</b>	<b>0.0</b>	<b>0.7</b>	<b>3.2</b>	<b>-1.1</b>	<b>1.8</b>	<b>0.0</b>	<b>-6.7</b>	<b>-0.2</b>	
February	0.9	0.0	0.6	3.4	-0.5	2.0	0.0	-6.3	0.8	
March	1.7	0.0	0.7	2.4	-0.5	1.4	0.0	-4.0	1.1	
April	1.3	0.0	0.6	1.4	-0.4	1.5	0.0	-3.1	0.9	
May	-0.2	0.0	0.5	1.0	-0.4	1.7	0.0	-1.6	0.1	
June	-1.4	0.0	0.1	2.0	-0.2	4.8	0.0	-1.4	0.1	

**Table 3. Price Index of Other Items by Group (4<sup>th</sup> Qtr. 2005=100)**

Year/ Month	Food	Drinks & Tobacco	Clothing & Footwear	Housing & Utilities	Household Operations	Transport & Commu-nications	Recreation health & Oth. Serv.	Misce-llaneous	All Items	(%) Change
	<i>Wght</i>	<b>243</b>	<b>43</b>	<b>7</b>	<b>129</b>	<b>13</b>	<b>114</b>	<b>53</b>	<b>602</b>	
<b>2017</b> May	181.8	320.1	304.5	279.8	190.2	148.2	142.5	--	204.5	0.4
June/r	181.9	306.6	304.5	281.5	190.2	148.2	142.5	--	203.9	-0.3
July	182.1	306.3	304.5	281.5	191.7	148.2	142.5	--	204.0	0.0
August	176.6	307.6	304.5	285.1	191.7	148.2	142.5	--	202.6	-0.7
September	172.0	309.2	304.5	284.4	191.7	148.2	142.5	--	200.7	-0.9
October	169.6	313.0	304.5	289.7	191.7	148.2	142.5	--	201.2	0.2
November	167.4	320.6	304.5	289.9	192.0	148.2	142.5	--	200.9	-0.1
December	169.5	329.3	304.5	290.0	192.0	151.8	142.5	--	203.1	1.1
<b>2018</b> <b>January</b>	<b>172.5</b>	<b>370.9</b>	<b>304.5</b>	<b>285.3</b>	<b>189.2</b>	<b>151.8</b>	<b>166.4</b>	--	<b>208.3</b>	<b>2.6</b>
February	188.0	368.6	304.5	286.0	190.6	151.8	166.4	--	214.5	3.0
March	187.4	362.2	304.5	287.0	192.0	151.8	166.4	--	214.1	-0.2
April	190.2	337.2	304.5	289.8	191.4	151.8	166.4	--	214.0	0.0
May	184.2	333.9	304.5	288.1	191.4	151.8	166.4	--	211.0	-1.4
June	184.2	335.1	304.5	281.5	191.5	151.8	166.4	--	209.7	-0.6
<b>Other Index Items by Group, Percentage Change (%) from Corresponding Month of Previous Year</b>										
<b>2017</b> May	0.4	18.5	-9.5	0.3	0.0	2.3	4.5	--	2.4	
June/r	3.7	12.4	-9.5	0.9	0.0	2.3	4.5	--	3.2	
July	5.1	11.3	-9.5	1.4	0.8	1.1	4.5	--	3.6	
August	4.8	11.3	-9.5	2.7	1.1	1.3	4.5	--	3.9	
September	2.5	11.9	-9.5	2.5	0.4	1.3	4.5	--	3.1	
October	1.3	13.0	-9.5	3.3	0.4	1.3	4.5	--	3.1	
November	2.1	11.9	-9.5	4.0	0.6	1.3	4.5	--	3.5	
December	0.9	10.0	-9.5	4.0	0.6	3.7	4.5	--	3.2	
<b>2018</b> <b>January</b>	<b>1.0</b>	<b>16.2</b>	<b>0.0</b>	<b>4.6</b>	<b>-0.9</b>	<b>3.6</b>	<b>16.8</b>	--	<b>5.1</b>	
February	5.9	17.6	0.0	4.6	0.2	3.6	16.8	--	7.0	
March	1.1	14.7	0.0	3.9	0.9	2.4	16.8	--	4.5	
April	4.1	7.0	0.0	4.9	0.6	2.4	16.8	--	5.1	
May	1.3	4.3	0.0	3.0	0.6	2.4	16.8	--	3.2	
June	1.3	9.3	0.0	0.0	0.6	2.4	16.8	--	2.8	
<b>Other Index Items by Group, 3 Months Moving Average, Percentage Change (%) from Same Period of Previous Year</b>										
<b>2017</b> May	0.5	11.4	-9.5	-0.9	-0.1	3.1	4.5	--	1.6	
June/r	0.7	16.0	-9.5	0.1	0.1	2.3	4.5	--	2.2	
July	3.0	14.1	-9.5	0.9	0.3	1.9	4.5	--	3.1	
August	4.5	11.7	-9.5	1.7	0.6	1.6	4.5	--	3.6	
September	4.1	11.5	-9.5	2.2	0.8	1.2	4.5	--	3.6	
October	2.9	12.1	-9.5	2.9	0.6	1.3	4.5	--	3.4	
November	2.0	12.3	-9.5	3.3	0.4	1.3	4.5	--	3.2	
December	1.4	11.6	-9.5	3.8	0.5	2.1	4.5	--	3.3	
<b>2018</b> <b>January</b>	<b>1.3</b>	<b>12.8</b>	<b>-6.5</b>	<b>4.2</b>	<b>0.1</b>	<b>2.9</b>	<b>8.7</b>	--	<b>4.0</b>	
February	2.7	14.7	-3.4	4.4	-0.1	3.6	12.8	--	5.1	
March	2.7	16.1	0.0	4.3	0.1	3.2	16.8	--	5.5	
April	3.7	13.1	0.0	4.5	0.6	2.8	16.8	--	5.5	
May	2.2	8.6	0.0	3.9	0.7	2.4	16.8	--	4.3	
June	2.2	6.8	0.0	2.6	0.6	2.4	16.8	--	3.7	

**Table 4. The Honiara Consumer Price Index by Group (Spliced Series, 4<sup>th</sup> Qtr 1992=100)**

Year/ Qtr/ Month	Food	Drinks & Tobacco	Clothing & Footwear	Housing & Utilities	Household Operations	Transport & Commu-nications	Recreation health & Oth. Serv.	Misce-llaneous	All Items	(%) Change
( Spliced Series )										
<b>2017</b> May	564.7	984.6	233.3	923.3	475.5	600.6	532.5	344.4	598.9	0.3
June/r	564.1	944.7	234.6	925.9	475.5	595.4	532.5	341.9	596.5	-0.4
July	563.4	943.9	234.6	925.8	476.2	593.9	532.5	343.8	596.1	-0.1
August	554.0	947.6	234.6	934.5	476.8	592.6	532.5	343.8	593.4	-0.4
September	544.7	952.2	234.6	933.3	477.0	595.8	532.5	343.8	589.9	-0.6
October	539.8	963.5	234.6	948.7	475.4	593.2	532.5	343.8	590.3	0.1
November	535.6	986.1	234.6	951.7	475.6	593.9	532.5	344.4	590.1	0.0
December	538.8	1,011.8	234.2	952.3	477.3	607.7	532.5	344.4	594.6	0.8
<b>2018</b> <b>January</b>	<b>544.4</b>	<b>1,134.6</b>	<b>234.5</b>	<b>940.6</b>	<b>474.3</b>	<b>609.4</b>	<b>591.0</b>	<b>343.8</b>	<b>604.9</b>	<b>1.7</b>
February	572.2	1,127.8	234.5	943.4	475.5	613.4	591.0	343.8	617.5	2.1
March	570.8	1,108.7	234.5	946.2	476.2	611.5	591.0	343.8	616.3	-0.2
April	576.0	1,035.0	233.9	953.8	475.2	611.5	591.0	339.0	616.1	-0.03
May	564.9	1,025.2	233.9	949.2	475.1	615.3	591.0	339.0	610.6	-0.9
June	565.1	1,028.8	233.9	931.6	477.0	623.2	591.0	341.2	609.3	-0.2
<b>CPI by Group, 12 Months Moving Average, Percentage Change (%) from Same Period of Previous Year</b>										
<b>2017</b> May	-2.8	3.3	-3.0	-1.1	-4.5	1.5	2.0	-16.0	-1.5	
June/r	-2.8	3.3	-3.1	-1.1	-4.5	1.7	2.1	-16.8	-1.5	
July	-2.6	4.1	-3.2	-1.0	-4.3	1.8	2.1	-16.9	-1.3	
August	-2.1	4.8	-3.1	-0.8	-4.1	1.9	2.2	-17.1	-1.0	
September	-1.9	5.7	-3.2	-0.6	-3.9	2.2	2.4	-16.4	-0.7	
October	-1.5	6.8	-3.3	-0.3	-3.7	2.4	2.6	-15.7	-0.3	
November	-1.0	7.9	-3.4	0.2	-3.5	2.4	2.8	-15.0	0.1	
December	-0.7	8.9	-3.5	0.7	-3.0	2.5	3.0	-14.4	0.5	
<b>2018</b> <b>January</b>	<b>-0.3</b>	<b>10.3</b>	<b>-3.1</b>	<b>1.3</b>	<b>-2.7</b>	<b>2.6</b>	<b>3.7</b>	<b>-13.3</b>	<b>1.0</b>	
February	0.4	12.0	-2.7	1.8	-2.2	2.5	4.3	-12.3	1.6	
March	0.6	13.2	-2.2	2.2	-1.8	2.2	5.0	-10.6	2.0	
April	1.0	12.4	-1.8	2.6	-1.3	2.2	5.7	-8.8	2.3	
May	1.4	11.5	-0.4	3.0	-0.6	2.5	6.7	-6.7	2.7	
June	1.1	11.0	-1.2	2.8	-0.7	2.3	7.0	-5.8	2.5	



**Table 5. Honiara CPI and Measures of Underlying Inflation**

Year/ Month	Headline CPI	Measures of Underlying Inflation (Exclusion Based)				
		I. Excl. Volatile Items	II. Excl. Volatile Items & Price Control	III. Excl. Volatile, Price Control & Excise	IV. Excl. Volatile, Price Control, Excise & Other Selected Items	
	<b>Wght</b>	<b>1000</b>	<b>848</b>	<b>803</b>	<b>766</b>	<b>540</b>
<b>2017</b> May	189.2	186.6	191.2	185.6	168.8	
June/r	188.4	186.1	190.7	185.4	168.3	
July	188.3	185.9	190.5	185.3	168.1	
August	187.4	186.6	191.2	185.9	168.2	
September	186.3	186.3	190.9	185.7	167.9	
October	186.4	187.3	192.0	186.6	168.0	
November	186.4	187.7	192.4	186.7	168.1	
December	187.8	188.4	193.1	187.5	168.4	
<b>2018</b> <b>January</b>	<b>191.1</b>	<b>189.2</b>	<b>193.9</b>	<b>188.3</b>	<b>168.3</b>	
February	195.1	189.4	194.2	188.5	168.4	
March	194.7	189.5	194.3	188.6	168.4	
April	194.6	189.7	194.5	189.0	168.3	
May	192.9	189.3	194.1	188.6	168.1	
June	192.9	189.3	194.1	188.6	168.1	
<b>Percentage Change (%) from Corresponding Month of Previous Year</b>						
<b>2017</b> May	0.7	-0.2	-0.3	-1.0	-3.2	
June	1.2	-0.1	-0.1	-0.5	-2.7	
July	1.4	-0.2	-0.2	-0.5	-2.7	
August	1.7	0.2	0.2	-0.1	-2.6	
September	1.5	0.4	0.5	0.1	-2.2	
October	1.5	0.9	0.9	0.5	-1.9	
November	1.8	1.1	1.2	0.7	-1.5	
December	2.1	1.7	1.8	1.6	-0.6	
<b>2018</b> <b>January</b>	<b>3.5</b>	<b>2.4</b>	<b>2.5</b>	<b>2.8</b>	<b>-0.2</b>	
February	5.2	3.4	3.5	3.4	0.9	
March	3.3	2.8	2.8	2.7	0.1	
April	3.3	2.8	2.8	2.7	0.1	
May	2.0	1.5	1.5	1.7	-0.4	
June	2.1	1.2	1.2	1.1	-0.1	
<b>3 Months Moving Average, Percentage (%) Change from Same Period of the Previous Year</b>						
<b>2017</b> May	-0.2	-0.9	-1.0	-1.6	-3.4	
June	0.5	-0.4	-0.4	-1.1	-3.0	
July	1.1	-0.2	-0.2	-0.7	-2.9	
August	1.4	0.0	0.0	-0.4	-2.6	
September	1.5	0.2	0.2	-0.2	-2.5	
October	1.6	0.5	0.5	0.1	-2.2	
November	1.6	0.8	0.9	0.4	-1.9	
December	1.8	1.3	1.3	1.0	-1.4	
<b>2018</b> <b>January</b>	<b>2.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>-0.8</b>	
February	3.6	2.5	2.6	2.6	0.0	
March	4.0	2.9	3.0	3.0	0.3	
April	3.9	2.8	2.9	2.8	0.0	
May	2.8	2.2	2.2	2.2	-0.4	
June	2.4	1.6	1.7	1.7	-0.5	

**Table 6. Comparative Price of Selected Items**

Description	2012	2013	2014	2015				2016				2017				2018			
	Year	Year	Year	Qtr 1	Qtr2	Qtr3	Qtr4	Qtr 1	Qtr2	Qtr3	Qtr4	Qtr 1	Qtr2	Qtr3	Qtr4	Qtr 1	Apr	May	June
Dollars (\$)																			
<b>FOOD</b>																			
RICE (Solrais: 40lbs Bag)	152.19	156.11	156.40	157.45	160.22	164.20	171.91	170.10	169.82	168.64	158.16	144.70	156.70	155.14	153.30	152.83	152.83	152.83	152.83
NOODLE (Maggi: 75g pkt)	2.65	2.65	2.65	2.65	2.65	2.88	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
FLOUR (plain white flour: 25kg bag)	192.61	189.35	188.42	187.89	192.44	193.83	193.83	194.89	194.17	192.75	192.75	193.58	181.75	176.75	176.58	176.50	176.50	176.50	169.00
CHICKEN WING (imported, 500g pkt)	53.04	13.75	13.75	13.75	13.75	14.00	14.92	15.50	16.25	16.25	21.67	24.38	24.38	24.38	24.38	24.38	24.38	24.38	24.38
TUNA (second grade Taiyo: 180g can)	5.28	5.49	5.01	4.94	4.92	4.92	4.92	4.92	5.08	5.09	5.09	5.16	5.33	5.32	5.32	5.32	5.32	5.35	5.35
KUMARA HEAPS (\$/Kg)	4.37	5.02	3.94	4.60	4.65	5.11	5.13	5.25	5.26	4.80	4.52	4.98	5.32	5.58	5.58	5.59	5.64	6.45	6.55
SLIPPERY CABBAGE (\$/Kg)	7.97	9.64	14.90	11.08	11.87	8.91	9.08	9.23	9.24	8.24	5.96	8.73	10.77	8.61	6.06	11.58	16.33	14.85	15.29
WHITE SUGAR (Chelsea, 500gm pkt)	7.86	7.16	6.76	6.60	6.58	6.42	6.42	6.42	6.33	6.17	6.28	6.06	5.96	6.02	5.92	5.92	6.02	6.02	6.02
SALT (Sky salt, 1kg)	4.65	5.39	5.20	5.05	5.07	5.10	5.10	5.10	5.06	4.97	5.11	5.02	5.05	5.27	5.16	5.05	5.05	4.80	4.80
<b>DRINKS &amp; TOBACCO</b>																			
SOLBREW BEER (Solbrew, 330ml bottle)	9.79	10.50	10.50	11.25	12.10	12.10	12.10	12.10	12.10	12.10	12.10	13.85	14.02	14.10	14.44	14.60	14.60	14.60	14.60
SOLBACO (per pouch)	19.59	20.80	20.80	24.67	35.27	36.87	35.53	36.20	36.13	38.67	39.13	41.73	40.80	40.00	40.33	40.53	40.20	40.20	40.20
<b>UTILITIES</b>																			
WATER CHARGES (500gal)	122.99	174.28	214.21	215.22	218.14	223.97	221.09	220.89	221.49	218.04	220.34	220.34	220.34	220.34	220.34	220.34	220.34	220.34	220.34
ELECTRICITY (40 units)	259.53	264.35	273.75	264.12	260.84	257.16	251.79	255.68	244.01	245.69	250.88	232.00	255.78	277.46	299.35	286.13	299.21	293.25	269.75
<b>TRANSPORT &amp; COMMUNICATION</b>																			
PETROL (cents per litre)	1114.25	1080.41	1103.74	891.72	917.00	823.00	754.33	778.00	746.00	752.67	759.67	818.83	810.50	776.83	781.00	834.00	834.00	865.00	933.00
TELEPHONE CHARGES (per call, Honiara)	0.55	0.55	0.55	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
<b>MISCELLANEOUS GOODS &amp; SERVICES</b>																			
BATH SOAP (Giv. 85g cake)	2.85	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.91	2.61	2.55	2.50	2.53	2.55	2.55	2.55	2.48	2.48	2.55
TOOTHPASTE (Colgate: 110g)	19.83	20.80	20.80	21.50	21.77	22.30	22.30	22.30	19.73	14.77	11.55	9.63	9.50	9.50	9.63	9.50	9.50	9.50	9.50

## About the Bulletin

### Concepts and Definitions

**Consumer Price Index (CPI):** The Consumer Price Index (CPI) is a measure of the average change in the price levels of a basket of consumer goods and services at a specified time relative to a base year purchased by households. The current CPI is referred to as the Honiara CPI (HCPI) given its limited coverage of Honiara urban, as a proxy for the country.

**Inflation:** The percentage change in the CPI from one period relative to another is referred to as a measure of inflation. The CPI is often referred to as the headline CPI generating the official headline inflation. In the Solomon Islands, inflation is limited to the current CPI basket of goods and services and thus does not represent all price movements of all goods and services in the economy. It is generally a broad measure of the cost of living in the country.

**Underlying Inflation:** The underlying inflation (or the underlying rate of inflation) measure attempts to isolate the effects of the price shocks in inflation while retaining persistent movements. Such a measure is more useful than the headline inflation for purposes of analysis such as in developing and monitoring monetary and fiscal policies. This measure is often referred to as core inflation depending on the choice of the type of underlying rate measure. Four underlying rate measures have been produced based on the exclusion approach and mentioned below. More details can be sourced from previous publications (annex 1):

- I. All CPI excluding Volatile Items. The volatile items include: Fruit and Vegetables + Fresh seafood + Betel nut + Motor vehicle fuel (petrol & diesel) + Fuel for household utilities (kerosene)
- II. All CPI excluding Volatile Items and Price Control Items: The price control items include: First Grade Taiyo can fish + Bus fares + Taxi fares
- III. All CPI excluding Volatile, Price Control and Excise Items: The excise items include Alcohol + Tobacco
- IV. All CPI excluding Volatile, Price Control, Excise Items and Other Selected Items: The other selected items include: house rent (public service), telephone charges, electricity and water, 3<sup>rd</sup> party insurance, transport fares and education.

**Spliced Series:** A ‘spliced series’ is where a new series is linked to the previous series while maintaining the previous series reference period. In Table 4, the previous reference period of 4<sup>th</sup> quarter 1992 is maintained and statistically expressed as 4<sup>th</sup> quarter 1992 = 100.

### Symbols used

r : revised, p : preliminary, e : estimated, na : not available, -- : no items in this category, — : nil or rounded to zero

### Upcoming Releases

July CPI Week beginning 13 August  
August CPI Week beginning 17 September  
September CPI Week beginning 15 October

## Data Quality Statement: Consumer Price Index

<b>Data Source:</b>	Price survey (collections) of selected retail outlets and markets by the National Statistics Office (NSO)
<b>Institutional Environment:</b>	<p><b>Data Collector(s):</b> The NSO collects the data from various retail outlets, the main Honiara Central Market, other betel nut area markets, and certain service providers.</p> <p><b>Collection authority:</b> The data is collected under the Statistics Act 1970 (and 2007 Amendments), and the Census Act 1959.</p> <p><b>Data Compiler(s):</b> The NSO compiles the data.</p> <p><b>Additional information:</b> Statistical confidentiality is guaranteed under the Statistics Act 1970 (and 2007 Amendments).</p>
<b>Relevance:</b>	<p><b>Data coverage:</b> The NSO collects mainly price data on a wide range of consumer goods and services based on a ‘basket’ of 187 items reflecting the spending behavior of households in Honiara urban area. The basket of items are classified according to eight main expenditure categories or groups: Food, Drinks and Tobacco, Clothing and Footwear, Housing and Utilities, Household Operations, Transport and Communication, Recreation, Health and Other Services, and Miscellaneous.</p> <p><b>Level of geography:</b> The scope of the current CPI is limited to Honiara only. Plans are underway to extend the coverage to include other key provincial centers of Auki, Noro and Gizo.</p> <p><b>Key Data Items:</b> Key indicators include: headline inflation and underlying inflation by main expenditure categories, headline CPI by imported and domestic group, comparative prices, and the spliced index series. These indicators are presented periodically (i.e, month on month and 3-months moving average) and released on monthly frequency. The annual (year on year) series is made available on request.</p> <p>The underlying or core inflation measures include: I. All CPI excluding Volatile Items; II. All CPI excluding Volatile Items and Price Control Items; III. All CPI excluding Volatile, Price Control and Excise Items; and IV. All CPI excluding Volatile, Price Control, Excise Items and Other Selected Items. Technical notes can be sourced from previous publications (annex 1).</p> <p><b>Compilation methodology:</b> The NSO applies the internationally recognized Laspeyres method based on the weighted Laspeyres’ index for computing the CPI. The exclusion based method is applied in deriving the underlying inflation rate measures.</p> <p><b>Standard classifications:</b> The NSO adopts the UN Classification Of Individual Consumption according to Purpose (COICOP) to classify data within the Solomon Islands context. The NSO is currently harmonizing its classification in line with the pacific regional COICOP for regional comparability purposes.</p>

	<p><b>Numerator/Denominator Source:</b> The numerators and denominators for percentages are from the same data source.</p> <p><b>Additional information:</b> The CPI and inflation are key economic indicators that are able to inform the country's key monetary and fiscal (budgetary) policies, and inform the general public about the general cost of living in Honiara or the country. Apart from the availability of other official price measures, other uses of the CPI include informing decision making and assessments about inflation adjusted wage indexation policies.</p> <p>The CPI is also used as a deflator of other economic data. For example, the CPI and its components are used to adjust the Gross Domestic Product (GDP) in current prices for price changes and to convert these series into inflation adjusted series or real GDP.</p>
<p><b>Timeliness:</b></p>	<p><b>Data collected:</b> The NSO collects the prices of fresh fruit, vegetables and meat weekly and collects the prices of all other items during any one day in the second half of the month.</p> <p><b>Data available:</b> The data is usually available 2 weeks after the reference month.</p> <p><b>Referenced Period:</b> The data is published for a particular calendar month. The data is published on a monthly, quarterly (3-months moving average) and annual frequencies.</p> <p><b>Additional information:</b> There are sometimes revisions to data after release where data for missing prices becomes available or if adjustments need to be made to accommodate changes following recognized statistical techniques.</p>
<p><b>Accuracy:</b></p>	<p><b>Method of Collection:</b> The NSO collects data mainly by direct approach (visits) in the collections of prices in retail outlets and markets, and by face-to-face approach from selected service providers.</p> <p><b>Data Adjustments:</b> Data are sometimes adjusted to accommodate changes in product specifications and branding following recognized statistical techniques</p> <p><b>Additional information:</b> The NSO uses a quality assurance process to minimise data quality issues, item specifications issues and processing errors.</p>
<p><b>Coherence:</b></p>	<p><b>Consistency over time:</b> The data is consistent over time since 1992. The series was linked (spliced) in 2005 to maintain consistency in series back to the 1992 base year. Due to the loss of past data records as a consequence of the ethnic tensions from 1998 to 2003, the NSO has not officially published a linked series prior to 1992. However, users who possess older records of the data are able to link back the series to meet their own interests.</p> <p>Progressive improvements in definitions and methods have been applied since the first iteration of the index. Prior to independence in 1978 and up to mid-1990s (with the conduct of the 1982 and 1990/91 sample household income and expenditure surveys (limited coverage)), the Retail Price Index (RPI) was the first index used as a measure of the changes in the prices of goods and services in Honiara. The weighting scheme and the basket of goods and services captured in the 1982 HIES reflected predominantly residents and expatriate household expenditures in urban Honiara.</p>

	<p>In the 1990/91 HIES, the statistical focus shifted towards Solomon Islands citizen and resident households whose expenditure shares then formed the basis of the weight, and selection of the basket of goods and services. With the updated weighting scheme and basket, and following the weighted Laspeyres' index procedure, the subsequent index was referred to as the Honiara CPI (HCPI) in 2000 (covering the September-December 1999 period). In 2005/6, another more comprehensive HIES covering Solomon Islands citizen/resident households was undertaken to update of the CPI weights based on the 1990/91 survey. The construction of the CPI (2005=100) followed similar methods noting improvements in weights and the basket of goods and services. In 2012/13, the NSO completed the conduct of the 2012/13 HIES. The results for the updated CPI are currently being finalized and planned for release in the third quarter of 2018. This release will include an update on the weighting scheme, concepts and methodology applied ensuring consistency in the time series data.</p> <p>It should be noted that a number of users currently refer to the current CPI as the RPI and/or use the term interchangeably.</p> <p>The relative weights of the basket of goods and services are now planned for updating approximately every 10 years from data from the household income and expenditure survey (HIES).</p> <p><b>Additional information:</b> There are no actual price data for some months of the year 2000 during the period of 'The Tensions'. During the civil unrest period in 1998 to 2003, the NSO also lost a number of data files and records during this period.</p>
<p><b>Interpretability:</b></p>	<p>The movement in index from one period relative to another can be expressed as a percentage change or change in index points. In the Solomon Islands context, this percentage change is referred very broadly as headline inflation. The following simple example shows the change in index points and percentage change:</p> <p>If we look at the recent CPI (All Items) for April 2018 = 194.59 and April 2017 (All Items) CPI=188.55 periods, the index point is the difference between the two index levels, i.e, 6.04 (194.59-188.55). This implies that the CPI increased by 6.04 points since April 2017. However, it is useful to express this movement as a percentage change. Thus, we can calculate the percentage change by subtracting the index value of the previous period (April 2017) from the current period (April 2018) and dividing the resulting value by the index value of the previous period (April 2017) and then multiplying by 100.</p> <p>Thus, <math>[(194.59 - 188.55)/188.55] \times 100 = (6.04/188.55) \times 100 = 0.032034 \times 100 = 3.2\%</math> (rounded to one decimal point). This implies that prices have increased by 3.2% since April 2017 or from the period April 2017 to April 2018. So while the CPI has increased by 6.04 index points, prices have increased by 3.2 percent.</p> <p>Similar interpretations can be applied to various periods of comparisons of interest. The NSO officially reports the headline CPI and headline inflation based on the 3-months moving average period, on the same period in the preceding year. However, data by month and annual are provided for users to support their choice of a particular period for CPI and inflation.</p>

<b>Accessibility:</b>	<p>Users can request unpublished data for issues of statistical bulletins that have already been released by contacting the Prices Unit. There are no costs associated with the provision of this data.</p> <p>Contact details:</p> <p>Email: <a href="mailto:STATS-Economics@mof.gov.sb">STATS-Economics@mof.gov.sb</a></p> <p>Telephone: (+677) 27835 or (+677) 25451</p> <p><b>Additional information:</b> The data will be made available in a spreadsheet format from the SINSO website (<a href="http://www.statistics.gov.sb">www.statistics.gov.sb</a>) and in a hard copy.</p>
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