



Ministry of Finance & Treasury  
P.O. Box G6  
Honiara, Solomon Islands

Press Release

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# Rising demand for betel-nut pushes up inflation

The country's inflation better known as the change in the National Consumer Price Index (NCPI) has rose +5.1 percent to 112.4 in January 2020 with rising demand for betel-nut coupled with a general rise in prices of main goods and services have propelled the upturn.

The Solomon Islands National Statistics Office (SINSO) revealed in its latest statistical report released by the Government Statistician Douglas Kimi this week.

"Compared to the same respective months last year, the National CPI increased 7.6 percent," Mr. Kimi said according to the report.

The major changes in other expenditure categories from the previous month include:

- Food and Non-Alcoholic Beverages: (+1.2%).
- Alcoholic beverages, tobacco and narcotics: (+32.1%).
- Clothing and Footwear: (-0.3%)
- Housing, water, electricity, gas and other fuels: (+0.3%).
- Furnishings, household equipment and routine household cleaning maintenance: (+0.4%)
- Health (+9.1%)
- Transport: (+0.2%).

## Solomon Islands National Statistics Office

"The main contributors to the national price movement were in Alcoholic Beverages, Tobacco and Narcotics (+37.8%) and Health (+9.6%) emanating from Honiara.

"The former was driven by a rapid rise in betel nut prices due to poor weather and rising demand, while the latter was due to an upward revision in private consultation fees," Mr. Kimi quoted.

He said the Solomon Islands inflation rates for the months of January 2020 calculated on a 3 months moving average basis was +4.4%, up 1.6 percentage points in December 2019. "The corresponding inflation rates for imported items were -0.1% while other (domestic) items inflation rates was +6.5 %.

"The Solomon Islands underlying rates of inflation based on a 3 months moving average for the month was observed between +1.1% and +2.0%.

"The headline inflation rates for the respective provincial towns calculated on a 3 months moving average basis were: Honiara: (+5.0%) up +2.0 percentage points; Auki: +4.2%, rose +0.5 percentage points; Gizo: (+0.4%), up +0.1 percentage points and Noro: (+2.0%) dropped -0.8 percentage points."

***Ends////with chart and caption below.***

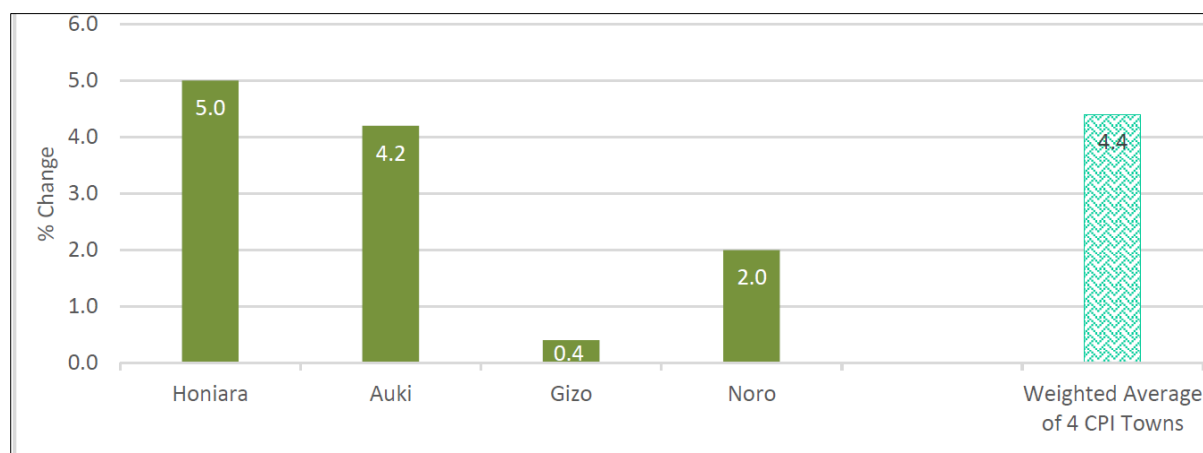


Chart shows National Consumer Price Index (CPI) percentage changes by CPI towns.

# Auki & Gizo inflation drops as price drop for utilities

Two provincial towns has noted a drop in inflation in January with utilities being the main influencer to the fall.

In its latest statistical report, the Solomon Islands National Statistics Office (SINSO) revealed that Auki town in Malaita and Gizo in the Western Province are the two towns.

The main contributors to the fall in Auki and Gizo were Housing, Water, Electricity and Gas.

The main percentage changes in index by CPI town from the previous month include:

## **Honiara: (+6.2%)**

The Honiara CPI rose +6.2% to 114.2 in January 2020. The largest contributor to the price rise was Alcoholic Beverages, Tobacco and Narcotics +37.8% due to a short supply of betel nut as a result of bad weather. Other contributors include: Food and Non-alcoholic Beverages +1.4%; Housing, water, electricity, gas and other fuels +1.2%; Health +9.6% and Transport +0.2%, offsetting Clothing and Footwear -0.4%. The rise in Health was attributed to an upward revision in private consultation fees.

## **Auki: (-0.2%)**

The main contributor to the fall in Auki was Housing, Water, Electricity and Gas and Other Fuels -1.2% partially offsetting rises in Food and Non-alcoholic Beverages +0.1%, Furnishings, household equipment and routine household maintenance +0.1% and Transport+0.1%.

## **Gizo: (-0.1%)**

The main driver to the fall in Gizo was Housing, Water, Electricity and Gas and Other Fuels -0.9%. This was partially offset by Food and Non-alcoholic Beverages +0.1% and transport +0.3%.

## **Noro: (-0.5%)**

The main contributors to the movement in Noro was Food and Non-alcoholic Beverages -1.6% and Furnishings, household equipment and routine household maintenance -0.3%. These was partially offset by Alcoholic Beverages, Tobacco and Narcotics +0.4% and Housing, water, electricity, gas and other fuels +1.5%.

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**Source: SINSO Media**