



Solomon Islands Government

Statistical Bulletin:11/2023

NATIONAL CONSUMER PRICE INDEX

(August & September 2023)

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COMMENTARY

HEADLINE CPI

The National Consumer Price Index (CPI) was stable at 119.9 during the months of August and September 2023. Through the year, compared to the same months in 2022, the National CPI rose by 2.0 percent in August 2023 and a further 1.2 percent in September 2023.

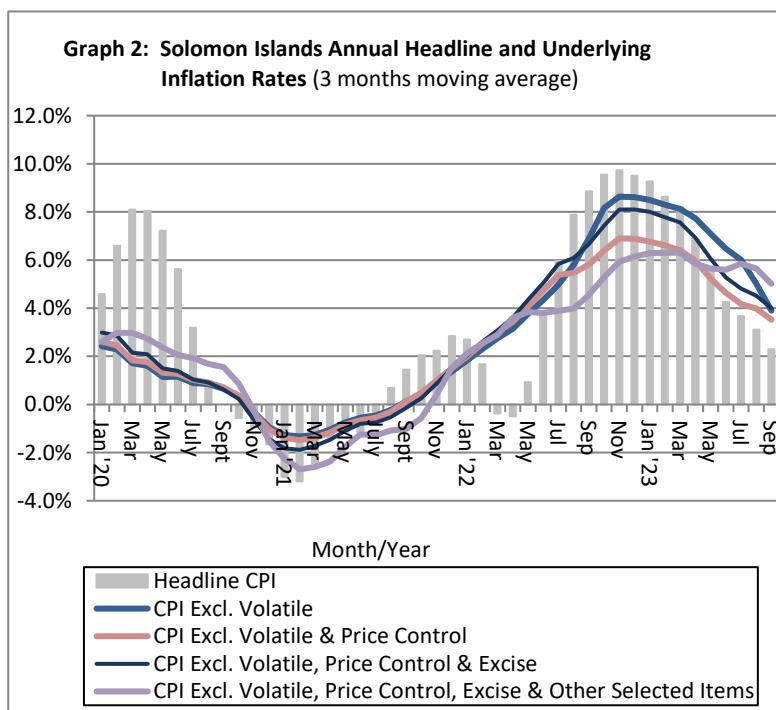
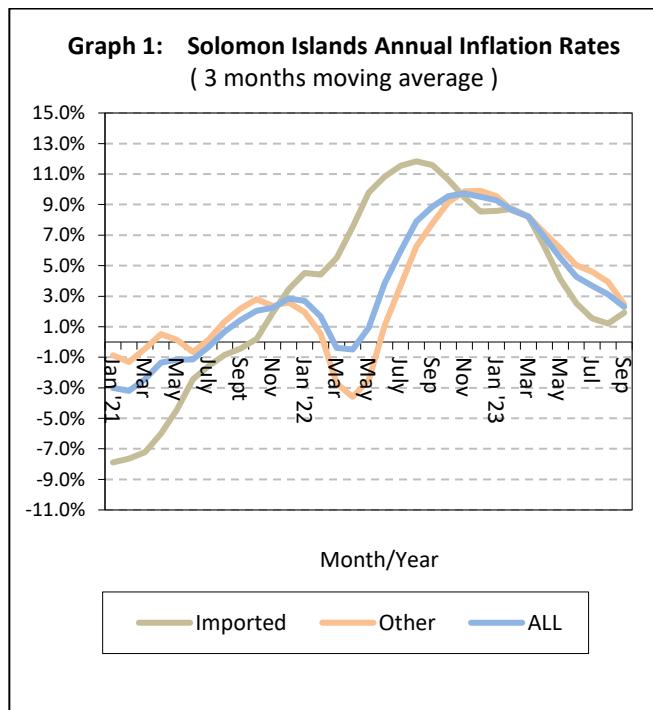
The most significant changes by major expenditure groups from the previous month include:

- Food and Non-Alcoholic Beverages: August (+2.2%); September (-1.5%).
- Alcoholic beverages, tobacco and narcotics: August (-4.0%); September (+0.7%).
- Housing, water, electricity, gas and other fuels: August (-1.0%); September (+1.2%)
- Furnishings, household equipment & routine household maintenance: August (+1.2%); September (+0.5%)
- Transport: August (+0.2%); September (+0.9%)
- Miscellaneous goods & services: August (+0.0); September (+0.1%)

The Solomon Islands inflation rate calculated on a 3-months moving average basis was +3.1% in August 2023 and +2.3% in September 2023. The corresponding inflation rates for imported items was +1.2% in August 2023 and +1.9% in September 2023, while other (domestic) items inflation rate was +3.9% in August 2023 and +2.5% in September 2023.

UNDERLYING INFLATION

The Solomon Islands underlying rates of inflation based on a 3-months moving average was observed between +4.0% and +5.7% in August 2023 while it was between +3.6% and 5.0% in September 2023.

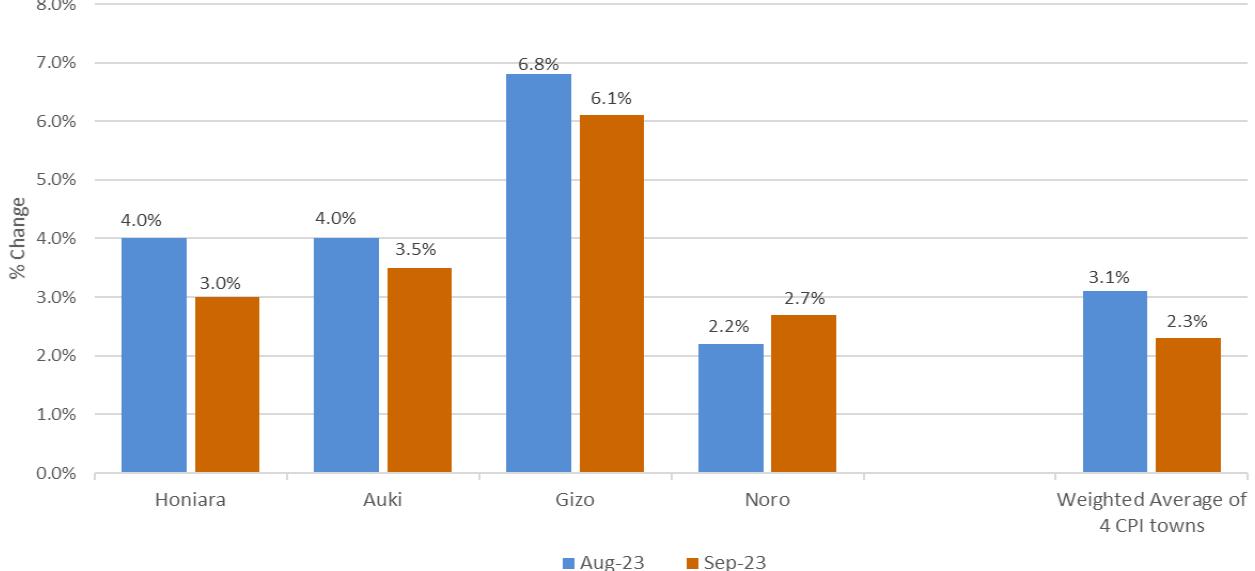


COMPONENT CONTRIBUTION BY CPI TOWN

The headline inflation rates for the respective provincial towns calculated on a 3-months moving average basis were: Honiara: Aug (+4.0%) and Sept (+3.0%); Auki: Aug (+4.0%) and Sept (+3.5%); Gizo: Aug (+6.8%) and Sept (6.1%) and Noro: Aug (+2.2%) and Sept (+2.7%).

Graph 3: All Groups Percentage Changes by CPI Towns

(3 months moving average)



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

Honiara: August (-0.2%), September (+0.2%)

The most significant changes in movements include:

- Food and Non-Alcoholic Beverages: August (+2.2%); September (-1.3%),
- Alcoholic beverages, tobacco and narcotics: August (-4.5%); September (+1.0%),
- Housing, water, electricity, gas and other fuels: August (-1.2%); September (+1.2%),
- Furnishings, household equipment & routine household maintenance: August (+1.5%); September (+0.3%),
- Transport: August (+0.2%); September (+1.0%).

Auki: August (-0.7%); September (-0.7%),

The main contributors to the movements were:

- Food and Non-Alcoholic Beverages: August (-1.5%); September (-3.3%),
- Alcoholic beverages, tobacco and narcotics: August (-0.1%); September (+2.5%),
- Housing, water, electricity, gas and other fuels: August (-0.2%); September (+2.7%),
- Furnishings, household equipment & routine household maintenance: August (+1.8%); September (+4.3%).

Gizo: August (+2.2%); September (-3.1%),

The main drivers to these movements were:

- Food and Non-Alcoholic Beverages: August (+3.5%); September (-6.0%),
- Alcoholic beverages, tobacco and narcotics: August (+6.1%); September (-3.6%),
- Clothing & footwear: August (0.0); September (+0.9%),
- Housing, water, electricity, gas and other fuels: August (+0.2%); September (+1.3%),
- Furnishings, household equipment & routine household maintenance: August (0.0); September (-0.5%),
- Miscellaneous: August (-0.2%); September (-0.1%).

Noro: August (+0.4%); September (+0.6%)

The main contributors to the movements were:

- Food and Non-Alcoholic Beverages: August (+1.0%); September (+0.6%),
- Alcoholic beverages, tobacco and narcotics: August (-0.3%); September (-0.6%),
- Clothing & footwear: August (0.0); September (+0.6%),
- Housing, water, electricity, gas and other fuels: August (-0.1%); September (+2.4%),
- Furnishings, household equipment & routine household maintenance: August (0.0); September (+1.1%),
- Transport: August (0.0); September (+0.2%).

NOTE: Selected tables are released with accompanying extended tables in excel file. Related information can be provided upon request.
In reproducing any information related to this release, the source must be acknowledged.

**Table 2.1: Solomon Islands Consumer Price Index of Imported Items by Group
(2017=100.0), Weighted Average 4 Towns**

Year/ Month	Food & Non-Alcoholic Beverages	Alcoholic beverages, tobacco & narcotics	Clothing & footwear	Housing, water, electricity, gas & other fuels	Furnishings, household equipment & routine household maintenance	Health	Transport	Recreation & culture	Miscellaneous goods & services	All Items	
Percentage Change in the CPI by Group (c) 3 months moving average on same period a year ago											
2021											
June	-7.6	-5.4	1.2	6.0	-5.0	0.4	7.4	0.4	1.7	-2.4	
July	-7.7	-10.7	1.0	8.4	-5.1	0.8	11.7	1.0	3.0	-1.5	
August	-7.4	-11.2	0.4	9.5	-5.1	1.2	14.7	1.0	3.4	-0.8	
September	-7.2	-12.0	-0.2	10.3	-5.3	1.2	16.8	0.4	3.3	-0.4	
October	-6.6	-12.2	-0.6	11.5	-4.9	1.2	17.9	-0.1	3.1	0.2	
November	-4.4	-12.4	-0.6	13.7	-4.7	1.2	19.6	-0.1	3.0	1.9	
December	-2.3	-12.4	-0.6	16.0	-4.4	1.2	20.5	-0.1	2.9	3.4	
2022	January	-0.2	-13.4	-0.6	16.2	-2.7	1.3	19.3	-0.4	3.0	4.5
February	0.4	-14.8	-1.3	15.4	-0.8	1.3	16.5	-0.3	3.4	4.4	
March	1.4	-16.2	-2.0	14.3	1.2	0.2	19.2	-0.2	3.9	5.5	
April	2.4	-16.6	-2.4	15.4	2.0	-1.1	25.8	0.2	4.5	7.5	
May	3.4	-12.6	-2.1	17.3	1.7	-2.2	33.7	0.1	3.7	9.7	
June	4.1	-8.1	-1.7	18.7	1.1	-2.6	36.6	-0.5	2.3	10.8	
July	4.7	-2.6	-1.6	17.8	0.9	-3.0	39.1	-1.0	0.9	11.5	
August	5.6	-2.0	-0.8	15.7	0.7	-3.5	37.9	1.0	1.3	11.8	
September	7.0	-1.2	-0.1	13.9	0.9	-3.5	32.5	3.7	2.0	11.6	
October	8.6	-0.9	0.5	12.0	0.7	-3.5	24.0	6.2	2.7	10.6	
November	10.0	-0.7	0.5	9.5	1.0	-3.5	16.0	6.5	2.8	9.5	
December	10.7	-0.7	0.5	7.0	0.9	-3.5	10.7	6.8	2.8	8.5	
2023	January	10.9	-0.7	0.5	6.3	1.2	-3.6	10.4	8.2	3.3	8.6
February	10.8	-0.5	1.8	6.4	2.1	-3.6	10.1	9.3	4.0	8.7	
March	10.3	-0.2	3.0	9.6	3.0	-2.4	6.7	10.2	4.8	8.2	
April	9.7	0.0	4.3	10.8	3.0	-1.2	-1.3	10.0	5.5	6.2	
May	8.9	0.0	4.3	11.0	2.5	-1.3	-8.1	9.9	5.8	4.1	
June	8.6	0.0	4.4	7.7	2.6	-2.7	-12.6	9.9	6.3	2.5	
July	8.6	0.0	4.4	5.4	2.8	-4.0	-15.3	9.9	6.5	1.5	
August	8.6	0.0	4.2	4.2	3.6	-4.0	-16.0	7.6	6.0	1.2	
September	8.2	0.0	4.0	4.8	4.3	-3.9	-13.0	5.5	5.2	1.9	
Consumer Price Index - Annual (2017 =100.0)											
2010	98.4	95.3	88.3	87.2	93.2	81.6	103.3	80.0	99.5	95.5	
2011	102.5	97.7	87.8	103.0	96.4	79.8	122.6	82.0	103.8	102.2	
2012	105.3	98.8	88.7	106.3	103.0	82.6	119.8	86.8	110.1	105.1	
2013	106.2	99.8	100.2	107.6	101.7	101.4	118.5	86.8	113.1	106.3	
2014	102.3	99.8	100.3	106.8	102.6	100.6	118.2	86.8	117.3	104.8	
2015	105.0	99.9	100.5	99.3	104.1	100.0	104.2	95.9	119.6	104.4	
2016	104.4	100.0	99.3	99.4	103.6	100.0	97.3	99.5	112.4	102.9	
2017	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
2018	99.4	100.0	100.3	104.1	98.1	100.0	107.1	100.0	98.8	100.8	
2019	99.6	100.0	100.5	97.8	96.1	98.0	103.7	100.8	99.4	99.5	
2020	100.1	100.0	100.5	95.9	95.9	98.1	90.2	101.1	100.1	96.9	
2021	93.9	93.6	101.0	103.5	91.0	98.8	95.8	101.2	102.3	95.2	
2022	99.4	87.0	100.1	117.3	91.9	96.5	119.3	103.7	105.3	103.9	
(d) Annual Percentage Change											
2010	-6.0	5.2	1.6	8.4	2.2	2.5	12.6	1.0	6.5	0.1	
2011	4.2	2.5	-0.6	18.0	3.4	-2.3	18.7	2.5	4.3	7.0	
2012	2.7	1.2	1.0	3.2	6.9	3.6	-2.3	5.8	6.0	2.8	
2013	0.9	1.0	13.0	1.3	-1.3	22.8	-1.1	0.0	2.7	1.2	
2014	-3.7	0.0	0.0	-0.7	0.9	-0.8	-0.2	0.0	3.8	-1.4	
2015	2.6	0.1	0.2	-7.0	1.5	-0.6	-11.9	10.5	2.0	-0.4	
2016	-0.5	0.1	-1.2	0.1	-0.5	0.0	-6.7	3.8	-6.0	-1.4	
2017	-4.3	0.0	0.7	0.6	-3.5	0.0	2.8	0.5	-11.0	-2.8	
2018	-0.6	0.0	0.3	4.1	-1.9	0.0	7.1	0.0	-1.2	0.8	
2019	0.2	0.0	0.2	-6.1	-2.1	-2.0	-3.1	0.8	0.6	-1.3	
2020	0.4	0.0	0.0	-1.9	-0.2	0.1	-13.1	0.2	0.7	-2.7	
2021	-6.2	-6.5	0.4	7.8	-5.1	0.7	6.2	0.1	2.1	-1.8	
2022	5.8	-7.0	-0.9	13.3	1.0	-2.4	24.6	2.4	2.9	9.1	

**Table 4.0: Solomon Islands CPI and Measures of Underlying Inflation,
Weighted Average 4 Towns**

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
2021	June	107.6	101.9	102.0	102.7
	July	107.2	102.1	102.3	102.7
	August	107.6	102.6	102.8	103.2
	September	108.3	102.9	103.2	103.6
	October	108.5	103.2	103.5	104.0
	November	108.4	103.1	103.4	103.8
	December	108.9	103.5	103.8	104.4
	2022 January	109.8	104.2	104.6	105.2
	February	110.4	104.5	104.9	105.6
	March	110.6	105.2	105.7	106.5
	April	112.7	105.7	106.2	107.2
2022	May	114.3	106.8	107.4	108.4
	June	114.6	107.0	107.6	108.7
	July	115.8	107.3	107.9	109.0
	August	117.5	110.1	108.4	109.7
	September	118.5	111.4	109.9	111.4
	October	119.4	112.4	111.0	112.8
	November	118.9	112.1	110.6	112.4
	December	118.4	112.0	110.5	112.3
	2023 January	120.1	113.1	111.8	113.8
	February	119.0	113.0	111.7	113.6
	March	118.9	113.3	111.9	113.9
2023	April	118.8	113.5	112.1	113.9
	May	118.5	113.4	112.0	113.8
	June	118.8	113.3	112.0	113.7
	July	119.9	113.7	112.4	114.3
	August	119.9	113.7	112.4	114.2
	September	119.9	114.2	112.9	114.8
Percentage change, on the same month a year ago					
2021	June	-0.4	-0.6	-0.7	-0.8
	July	0.3	-0.2	-0.2	-0.5
	August	1.4	0.2	0.1	-0.2
	September	1.7	0.6	0.6	0.4
	October	2.1	0.7	0.7	-0.6
	November	2.0	1.6	1.7	1.7
	December	3.6	2.0	2.1	2.3
	2022 January	1.8	2.1	2.3	2.2
	February	-1.0	3.1	3.3	3.3
	March	-2.6	3.1	3.5	3.6
	April	1.5	3.1	3.4	3.8
2022	May	3.5	4.7	5.2	5.6
	June	6.5	5.1	5.4	5.9
	July	8.0	5.0	5.4	6.0
	August	9.1	7.2	5.5	6.2
	September	9.5	8.2	6.5	7.4
	October	10.2	8.9	7.3	8.5
	November	9.8	8.6	7.1	8.3
	December	8.7	8.1	6.4	7.5
	2023 January	9.4	8.5	6.9	8.2
	February	7.8	8.1	6.4	7.5
	March	7.5	7.7	6.0	6.9
2023	April	5.3	7.4	5.6	6.3
	May	3.8	6.2	4.4	5.0
	June	3.7	5.9	4.1	4.6
	July	3.5	6.0	4.2	4.9
	August	2.0	3.3	3.7	4.1
	September	1.2	2.5	2.7	3.1
Percentage change, 3 months moving average on the same period a year ago					
2021	June	-1.2	-0.6	-0.6	-0.8
	July	-0.3	-0.5	-0.5	-0.7
	August	0.7	-0.2	-0.3	-0.5
	September	1.4	0.2	0.2	-0.1
	October	2.0	0.5	0.5	0.2
	November	2.2	0.9	1.0	0.9
	December	2.8	1.4	1.5	1.5
	2022 January	2.7	1.8	2.0	2.1
	February	1.7	2.4	2.6	2.6
	March	-0.4	2.7	3.0	3.1
	April	-0.5	3.1	3.4	3.6
2022	May	0.9	3.8	4.1	4.3
	June	3.9	4.3	4.7	5.1
	July	6.0	5.0	5.4	5.8
	August	7.9	5.8	5.4	6.1
	September	8.9	6.8	5.8	6.7
	October	9.6	8.2	6.4	7.5
	November	9.7	8.6	6.9	8.1
	December	9.5	8.6	6.9	8.1
	2023 January	9.3	8.5	6.8	8.0
	February	8.6	8.3	6.6	7.7
	March	8.2	8.2	6.4	7.5
2023	April	6.9	7.7	6.0	6.9
	May	5.5	7.1	5.3	6.1
	June	4.3	6.4	4.6	5.3
	July	3.7	6.0	4.2	4.8
	August	3.1	5.1	4.0	4.5
	September	2.3	4.0	3.6	4.0

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 purchased by households at a specified time relative to a base year. The current CPI is referred to as the Solomon Islands CPI given its coverage of Honiara urban, Auki urban, Gizo urban and Noro urban as a proxy for the country.

The Solomon Islands CPI is the weighted average of the four urban localities priced. These collected representative prices are aggregated using the data from the 2012/13 Household Income and Expenditure Survey (HIES). Further details are discussed in the Data Quality Statement below and in the Technical Note: 1/2018 CPI – Series 3 Reweighting released in September 2018.

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 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 any copy of a 2017 CPI publication (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, 3rd party insurance, transport fares and education.

Symbols used

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

Small discrepancies between totals and sums are due to rounding.

Upcoming Releases

October CPI Week beginning November 27th, 2023

November CPI Week beginning December 27th, 2023

December CPI Week beginning January 23rd, 2024

Data Quality Statement: Consumer Price Index

Data Source:	Price survey (collections) of selected retail outlets and markets by the National Statistics Office (SINSO)																																																																																																																								
Institutional Environment:	<p>Data Collector(s): The SINSO collects the data from various retail outlets, the main Honiara Central Market, other betel nut area markets, and certain service providers.</p> <p>Collection authority: The data is collected under the Statistics Act 1970 (and 2007 Amendments), and the Census Act 1959.</p> <p>Data Compiler(s): The SINSO compiles the data.</p> <p>Additional information: Statistical confidentiality is guaranteed under the Statistics Act 1970 (and 2007 Amendments).</p>																																																																																																																								
Relevance:	<p>Data coverage: The SINSO collects price data on a wide range of consumer goods and services that constitutes an updated Solomon Islands 'basket' of 205 items based on the 2012/13 Household Income and Expenditure Survey (HIES). This basket reflects broadly the spending behavior of households in urban areas of Honiara (Guadalcanal Province), Auki (Malaita), Gizo (Western Province) and Noro (Western Province). The basket of items by national and urban locality are classified according to 12 main expenditure categories or groups: 1. Food & non-alcoholic beverages, 2. Alcoholic beverages, tobacco & narcotics, 3. Clothing & footwear, 4. Housing, water, electricity, gas & other fuels, 5. Furnishings, household equipment & routine household maintenance, 6. Health, 7. Transport, 8. Communication, 9. Recreation & culture e, 10. Education, 11. Restaurants & hotels, 12. Miscellaneous goods & services. The respective basket of items for the four urban areas include Honiara (205 items), Auki (169 items), Gizo (176 items) and Noro (168 items).</p> <p>The goods and services that are included in the basket and their relative importance represented by the weights allocated from expenditure information from the HIES 2012/13 are shown in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="8">SERIES THREE CPI WEIGHTS - 2012-13 HIES</th> </tr> <tr> <th>Division</th> <th>Solomon Islands</th> <th>Auki</th> <th>Gizo</th> <th>Noro</th> <th>Honiara</th> <th>Honiara weight to SI</th> <th>Auki, Gizo & Noro weight to SI</th> </tr> </thead> <tbody> <tr> <td>All Groups</td> <td>100.000</td> <td>100.000</td> <td>100.000</td> <td>100.000</td> <td>100.000</td> <td>88.102</td> <td>11.898</td> </tr> <tr> <td>Food and Non-Alcoholic Beverages</td> <td>34.290</td> <td>40.300</td> <td>43.624</td> <td>41.784</td> <td>33.262</td> <td>85.462</td> <td>14.538</td> </tr> <tr> <td>Alcoholic beverages, tobacco and narcotics</td> <td>12.446</td> <td>11.531</td> <td>9.727</td> <td>11.801</td> <td>12.639</td> <td>89.467</td> <td>10.533</td> </tr> <tr> <td>Clothing and footwear</td> <td>2.616</td> <td>3.615</td> <td>2.618</td> <td>2.178</td> <td>2.590</td> <td>87.240</td> <td>12.760</td> </tr> <tr> <td>Housing, water, electricity, gas and other fuels</td> <td>16.585</td> <td>17.423</td> <td>13.045</td> <td>11.834</td> <td>16.920</td> <td>89.879</td> <td>10.121</td> </tr> <tr> <td>Furnishings, hh equip & routine hh maintenance</td> <td>2.998</td> <td>3.230</td> <td>3.504</td> <td>5.142</td> <td>2.869</td> <td>84.301</td> <td>15.699</td> </tr> <tr> <td>Health</td> <td>0.272</td> <td>0.140</td> <td>0.170</td> <td>0.099</td> <td>0.290</td> <td>94.029</td> <td>5.971</td> </tr> <tr> <td>Transport</td> <td>17.549</td> <td>11.649</td> <td>14.069</td> <td>13.041</td> <td>18.174</td> <td>91.242</td> <td>8.758</td> </tr> <tr> <td>Communication</td> <td>6.329</td> <td>6.506</td> <td>5.440</td> <td>7.620</td> <td>6.303</td> <td>87.743</td> <td>12.257</td> </tr> <tr> <td>Recreation and culture</td> <td>1.372</td> <td>1.367</td> <td>1.700</td> <td>2.076</td> <td>1.326</td> <td>85.142</td> <td>14.858</td> </tr> <tr> <td>Education</td> <td>2.656</td> <td>2.006</td> <td>3.251</td> <td>1.934</td> <td>2.691</td> <td>89.261</td> <td>10.739</td> </tr> <tr> <td>Restaurants and hotels</td> <td>1.417</td> <td>1.048</td> <td>1.610</td> <td>0.784</td> <td>1.453</td> <td>90.366</td> <td>9.634</td> </tr> <tr> <td>Miscellaneous goods and services</td> <td>1.470</td> <td>1.186</td> <td>1.242</td> <td>1.707</td> <td>1.482</td> <td>88.852</td> <td>11.148</td> </tr> </tbody> </table> <p>Honiara has the biggest weight (88.1%) relative to the national average/all other urban areas and thus price movements in the Honiara CPI/basket has a relatively bigger effect on the national average and the CPIs of most of the other small towns, although the extent of price movements can be attributed to varying local demand and supply conditions.</p>	SERIES THREE CPI WEIGHTS - 2012-13 HIES								Division	Solomon Islands	Auki	Gizo	Noro	Honiara	Honiara weight to SI	Auki, Gizo & Noro weight to SI	All Groups	100.000	100.000	100.000	100.000	100.000	88.102	11.898	Food and Non-Alcoholic Beverages	34.290	40.300	43.624	41.784	33.262	85.462	14.538	Alcoholic beverages, tobacco and narcotics	12.446	11.531	9.727	11.801	12.639	89.467	10.533	Clothing and footwear	2.616	3.615	2.618	2.178	2.590	87.240	12.760	Housing, water, electricity, gas and other fuels	16.585	17.423	13.045	11.834	16.920	89.879	10.121	Furnishings, hh equip & routine hh maintenance	2.998	3.230	3.504	5.142	2.869	84.301	15.699	Health	0.272	0.140	0.170	0.099	0.290	94.029	5.971	Transport	17.549	11.649	14.069	13.041	18.174	91.242	8.758	Communication	6.329	6.506	5.440	7.620	6.303	87.743	12.257	Recreation and culture	1.372	1.367	1.700	2.076	1.326	85.142	14.858	Education	2.656	2.006	3.251	1.934	2.691	89.261	10.739	Restaurants and hotels	1.417	1.048	1.610	0.784	1.453	90.366	9.634	Miscellaneous goods and services	1.470	1.186	1.242	1.707	1.482	88.852	11.148
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Across all Expenditure Groups, Food and Non-Alcoholic Beverages (34.2%), Housing, Water, Electricity, Gas, Other Fuels (16.6%) and Transport (17.5%) are three most important consumer expenditures and thus have a bigger combined effect on price movements in the CPI baskets of all urban areas.

Level of geography: The scope of the Solomon Islands national CPI includes provincial urban centers of Honiara, Auki, Noro and Gizo.

Summary details of the process of updating the new basket and the reweight process based on the 2012-13 HIES can be sourced from the Technical Note 1/2018 Solomon Islands Consumer Price Index – Series 3 Reweighting.

Key Data Items: Key indicators include: headline inflation and underlying inflation by main expenditure categories and by locality, and headline CPI by imported and domestic items. 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.

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).

Compilation methodology: The SINSO applies the internationally recognized Laspeyres method based on the weighted Laspeyres' index for computing the CPI. In the current updated CPI, price relatives are calculated as geometric means and used to create the price index following international best practice. The rebase period is 2013=100 and the index reference period for the time series is 2017=100. This method is applied by locality where separate CPIs for Honiara, Auki, Gizo and Noro are produced and then aggregated as a weighted average for the national index. The exclusion based method is applied in deriving the underlying inflation rate measures.

Standard classifications: The SINSO used to adopt the UN Classification Of Individual Consumption according to Purpose (COICOP) to classify data within the Solomon Islands context but has now harmonized its classification with the pacific regional COICOP for regional comparability purposes.

International standards have been followed as closely as practical in developing the weights for the new series (2017=100) of the CPI. The ILO CPI Manual (2004) has been the primary reference, followed by ILO Resolution II: Resolution Concerning Consumer Price Indices (2003). In instances where the treatment of commodities has differed from international standards, the reasons have been to acknowledge practical difficulties in price collection, to take account of specific national conditions, or to ensure that the CPI is a robust measure of exposure to price change.

Numerator/Denominator Source: The numerators and denominators for percentages are from the same data source.

Additional information: 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.

The CPI is also used as a deflator of other economic data. For example, the CPI and its components are used to adjust Gross Domestic Product by Expenditure (GDP-E) in current prices for price changes and to convert these series into inflation adjusted series or GDP at constant prices.

	Caution must be considered in terms on interpreting data when disaggregated into sub-national (locality) level due to the relative size of the sample (basket), relative size and nature of CPI outlets and markets, and household (consumer) behavior when making inferences on the type of indicator.
Timeliness:	<p>Data collected: The SINSO 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>Data available: The data is usually available 2 weeks after the reference month.</p> <p>Referenced Period: 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>Additional information: 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>
Accuracy:	<p>Method of Collection: The SINSO 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>Data Adjustments: Data are sometimes adjusted to accommodate changes in product specifications and branding following recognized statistical techniques</p> <p>Additional information: The SINSO uses a quality assurance process to minimize data quality issues, item specifications issues and processing errors.</p>
Coherence:	<p>Consistency over time: 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 SINSO 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 Survey (HIESs, 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 2005/6, another HIES covering Solomon Islands citizen/resident households was undertaken to update of the CPI weights based on the 1990/91 survey. The updated CPI with base period (2005=100) followed similar methods in reweighting and in updating the basket which included 187 items. In 2012/13, the SINSO undertook another HIES. The data from the 2012/13 HIES formed the basis for the current updated CPI (Series 3 - Honiara) with a new reference period (2017=100). This is now being released through this publication (First Release: Honiara Consumer Price Index: Series 3). The process of updating the new basket and the reweighting process is now expanded to include other provincial towns of Auki, Noro and Gizo. Further basic information can be obtained from the Technical Note 1/2018 Solomon Islands Consumer Price Index – Series 3 Reweighting.</p> <p>The SINSO plans through the National Statistics Development Strategy (NSDS) 2015-16 to 2035 that the CPI weights and basket of goods and services be regularly updated approximately every 10 years (more preferably 5-years) from data from the conduct of HIES.</p>

	<p>Additional information: 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 SINSO also lost a number of data files and records during this period.</p> <p>Actual prices collected for the provincial localities (Gizo, Noro, Auki) started from July 2017. Data prior to July 2017 used Honiara prices as proxies.</p>
Interpretability:	<p>The movement in index from one period relative to another can be expressed as a percentage change. In the Solomon Islands context, this percentage change is referred very broadly as headline inflation. The following example illustrates and interprets the percentage change:</p> <p>If we look at the Honiara CPI (All Items) for July 2018 = 103.0 and the same period last year, July 2017 (All Items) CPI=100.5 periods, the index point is the difference between the two index levels, but it is more meaningful to express this movement as a percentage change. Thus, we can calculate the percentage change by subtracting the index value of the previous period (July 2017) from the current period (July 2018) and dividing the resulting value by the index value of the previous period (July 2017) and then multiplying by 100.</p> <p>Thus, $[(103.0-100.5)/100.5] \times 100 = (2.50/100.5) \times 100 = 0.0248756 \times 100 = 2.5\%$ (rounded to one decimal point). This implies that prices have increased by 2.5% since July 2017 or from the period July 2017 to July 2018.</p> <p>Similar interpretations can be applied to various periods of comparisons of interest. The SINSO 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>
Accessibility:	<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: STATS-Economics@mof.gov.sb Telephone: (+677) 27835 or (+677) 25451</p> <p>Additional information: The data will be made available in a spreadsheet format from the SINSO website (www.statistics.gov.sb) and in a hard copy.</p>

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