

KIRIBATI CONSUMER PRICE INDEX REPORT

SEPTEMBER 2024

INDEX REFERENCE JUNE 2023 = 100.0

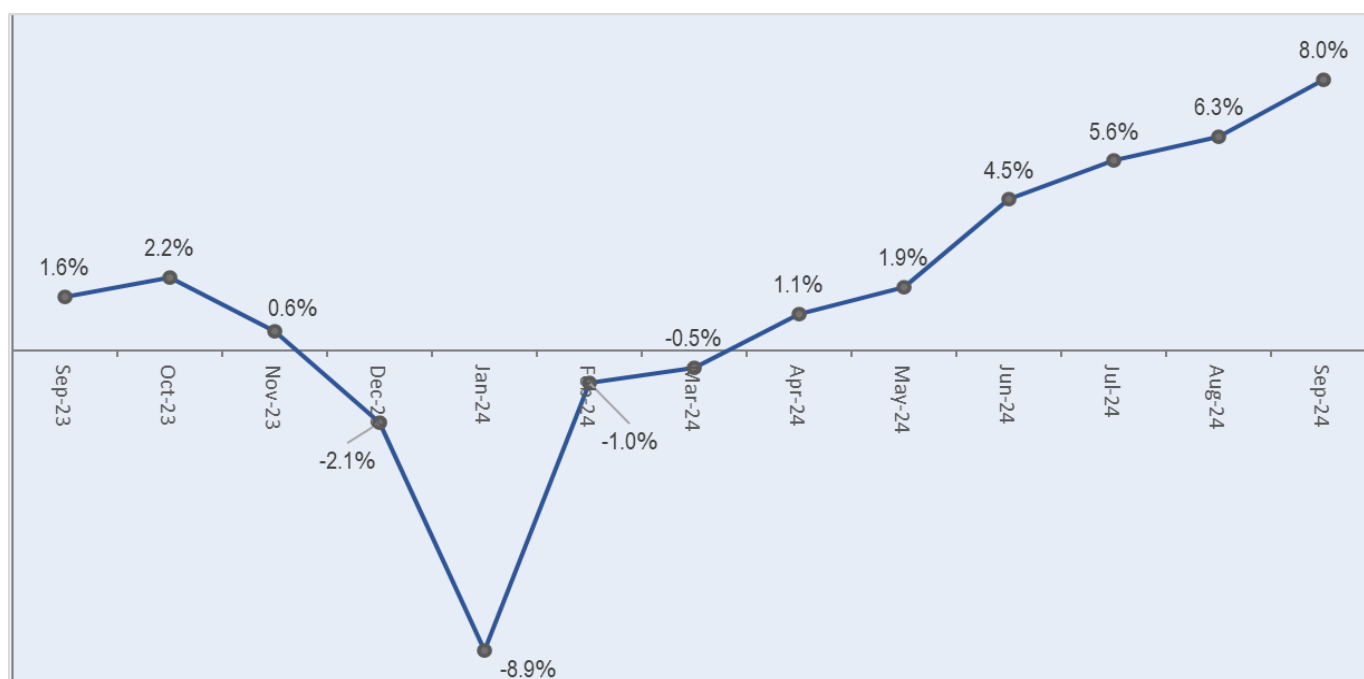
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In June 2024, Kiribati's Consumer Price Index (CPI) recorded a year-on-year increase of **8.0%**, with the All-Items index rising from 97.7 in September 2023 to 105.6 in September 2024. The month-on-month increase was modest at -0.1%.

Chart 1: Year-on-Year Average Inflation Rates



What is the CPI?

The Consumer Price Index (CPI) measures the rate of inflation for Kiribati. It is designed to measure the change in prices for a representative basket of goods and services purchased by households in Kiribati. The CPI measures the change in prices by comparing the prices for a basket of goods and services in the current month with the price for the same goods and services in the price reference period (June 2023).

The 'inflation rate' is the percentage change of the all-items CPI index for the current month compared to the same month of the previous year.

The CPI measures price changes for monetary transactions only, barter system and own-production are excluded.

The composition of the basket of goods and services are based on the results of the Household Income and Expenditure Survey (HIES) 2019. The HIES survey identifies how much households spend on different categories of household expenditure. A higher average household spending for a particular type of good or service indicates that certain goods or services are more important in terms of average household expenditure.

METHODOLOGICAL NOTES

The CPI is calculated using a Jevons (Geometric Mean) formula, a geometric mean approach. This method compares the current prices of a fixed basket of goods and services to those in the base period. The Jevons formula is particularly effective in smoothing out the effects of extreme price changes, offering a more stable and reliable measure of average price movements.

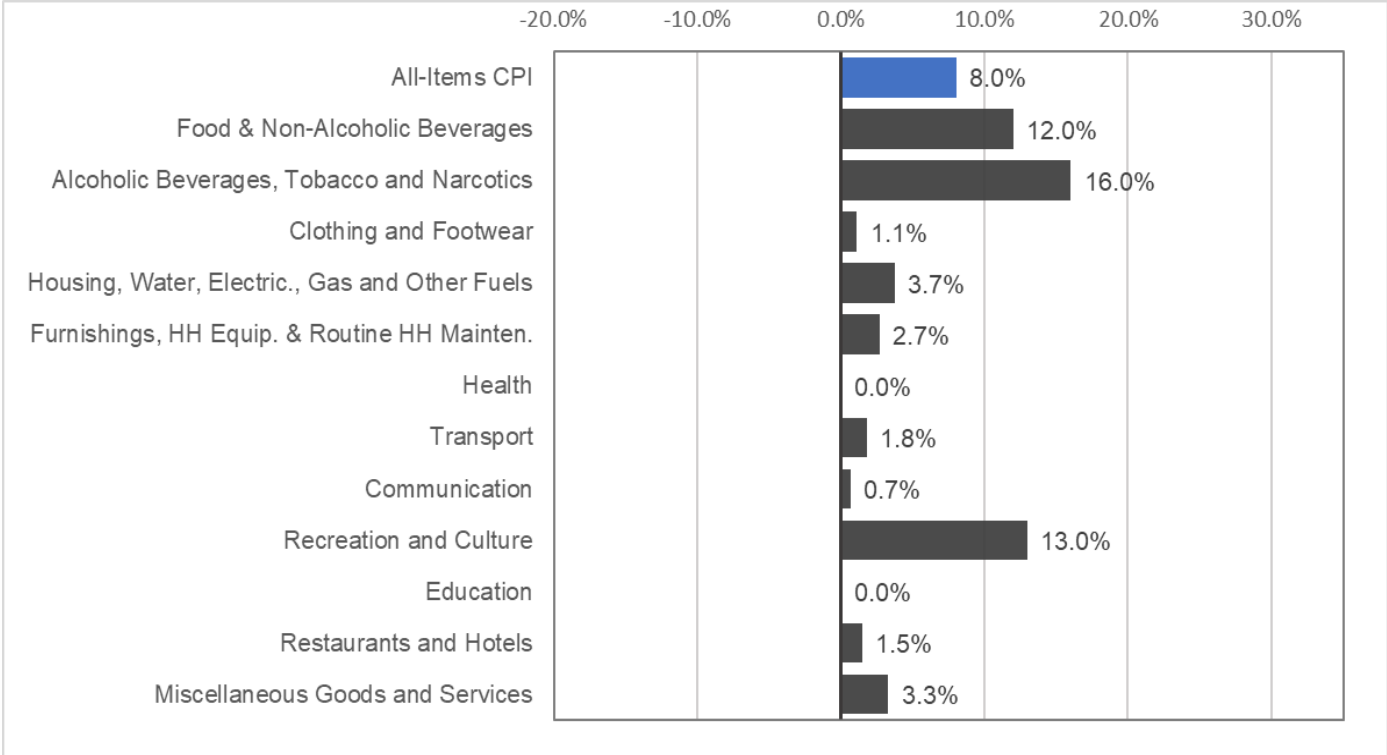
Kiribati National Statistics Office conducts its Data Collection monthly across a wide range of retail outlets, service providers and utilities in South Tarawa.

Table 1: All-items CPI indexes and rates of change for September 2024

Base Period (June 2023 = 100)				
		12-Month rate of change (YoY) (%)	1-month rate of change (MoM) (%)	All-items CPI index (June 2023=100)
2024	September	8.0	-0.1	105.6
	August	6.3	0.4	105.7
	July	5.6	0.8	105.3
	June	4.5	0.1	104.5
	May	1.9	0.3	104.4
	April	1.1	0.9	104.1
	March	-0.5	0.6	103.2
	February	-1.0	0.3	102.6
	January	-8.9	0.4	102.3
	2023	December	-2.1	2.0
November		0.6	0.5	100.0
October		2.2	1.8	99.4
September		1.6	-1.7	97.7

Table 1 outlines the monthly changes in All-Items CPI index. The year-on-year increase of 8.0% in September 2024 indicates a moderately high inflationary trend, primarily driven by rises in specific categories.

Figure 1: Percentage Change Over the same month in the Previous year (September 2023 – September 2024)



Key drivers of price change in September 2024

- The index for **Food & Non-Alcoholic Beverages** exhibited a 12.0% increase when compared to prices from the previous year on September 2023. The major factor of this increase is reflected by the spike in prices of Rice, canned corned Beef, Powdered Milk, Eggs, Sugar, etc.
- The **Alcoholic Beverages, Tobacco and Narcotics** index recorded a 16.0% increase, primarily influenced by increase in prices of beer, cigarettes/tobacco.
- The **Housing, Water, Electric., Gas and Other Fuels** index recorded a 3.7% increase, influenced by a slight increase in the prices of LPG Gas, Laundry Detergent, Mosquito coils, Food Storage containers, etc. compared to the corresponding month in the previous year.
- The **Recreation and Culture** index increased by 13.0%, reflected by the increase in price of Laptop, pet food, Stationaries, etc.
- The **Miscellaneous Goods and Services** index recorded a 3.3% increase due the increase in prices of Body Soap, Toothpaste, etc.

Annex 1: The CPI for September 2024 - Detailed results

Table 2: CPI indexes and rates of change by COICOP Division

	COICOP DIVISIONS	Weight (2019)	Index (June 2023=100)		12- month rate of change (YoY) (%)		1-month rate of change (MoM) (%)	
			Sep-23	Sep-24	Sept 2022- Sept 2023	Sept 2023- Sept 2024	Aug-24	Sep-24
	All-items	100	97.7	105.6	1.6	8.0	-1.7	-0.1
1	Food and non-alcoholic beverages	40	94.6	106.0	-3.9	12.0	-4.3	-0.6
2	Alcoholic beverages, tobacco and Narcotics	11	98.5	114.3	6.2	16.0	-0.3	0.6
3	Clothing and Footwear	2.9	98.3	99.4	-8.1	1.1	3.7	0.0
4	Housing, Water, Electricity, Gas and other Fuels	5.3	99.8	103.6	3.7	3.7	-0.1	-0.5
5	Furnishings, HH Equip, & Routine HH Maintenance	4.9	95.4	98.0	-2.4	2.7	-1.0	1.1
6	Health	0.1	100.0	100.0	0.0	0.0	0.0	0.0
7	Transport	9.1	100.0	101.8	7.3	1.8	0.0	0.0
8	Communication	5.2	104.1	104.8	4.1	0.7	0.0	0.0
9	Recreation & Culture	5.8	101.8	115.1	-15.0	13.0	-0.1	0.4
10	Education	1.1	100.0	100.0	11.6	0.0	0.0	0.0
11	Restaurants and Hotels	8.1	100.3	101.8	0.3	1.5	-1.7	0.0
12	Miscell. Goods and Services	6.5	98.7	101.9	-3.2	3.3	1.2	0.0