

Consumers Price Index: March 2017 quarter

Embargoed until 10:45am – 20 April 2017

Key facts

Quarterly change

In the March 2017 quarter compared with the December 2016 quarter:

- The consumers price index (CPI) rose 1.0 percent (up 1.0 percent with seasonal adjustment).
- Food prices rose 2.2 percent, influenced by higher prices for fruit (up 16 percent).
- Alcoholic beverages and tobacco prices rose 4.0 percent, influenced by higher prices for cigarettes and tobacco (up 9.7 percent).
- Housing and household utilities prices rose 0.6 percent, influenced by rentals for housing (up 0.8 percent).

Annual change

From the March 2016 quarter to the March 2017 quarter:

- The CPI inflation rate increased 2.2 percent.
- Housing and household utilities increased 3.3 percent.
- Transport prices increased 3.5 percent.
- Tradable prices increased 1.6 percent, while prices for non-tradables increased 2.5 percent.

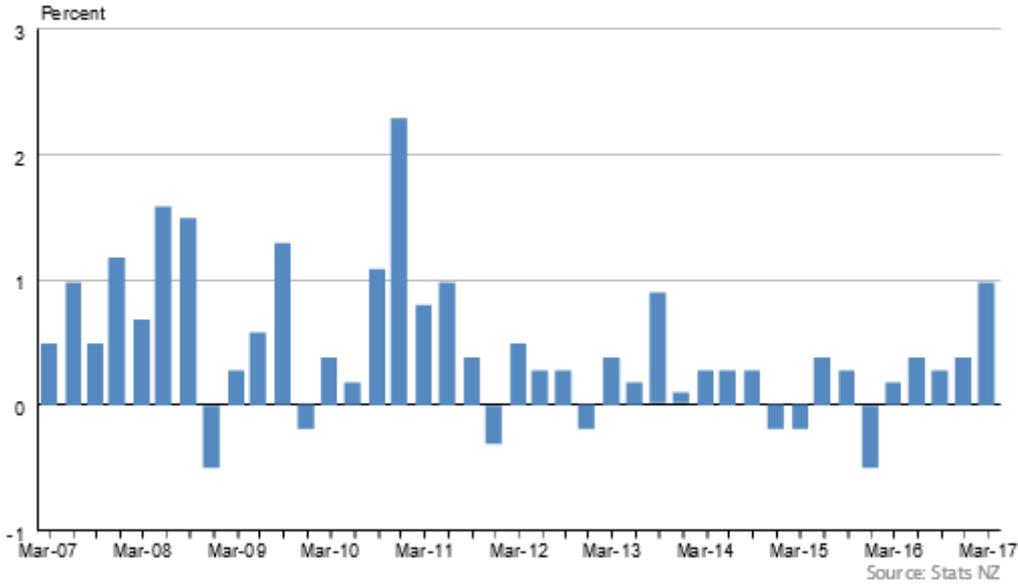
Average prices

The average price of 1 litre of 91 octane petrol was \$1.90 in the March 2017 quarter, up from \$1.82 in the December 2016 quarter, and \$1.69 in the March 2016 quarter.

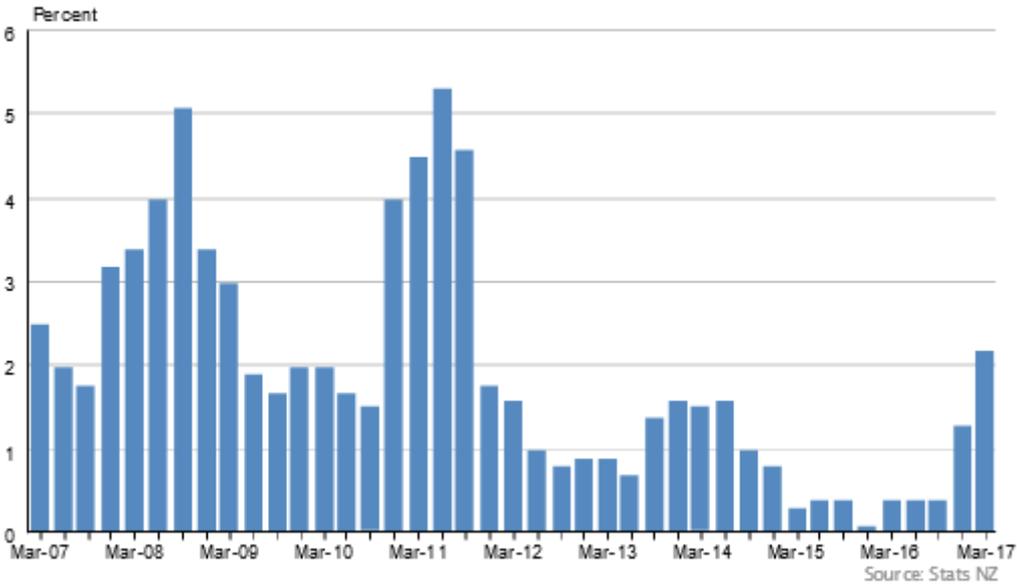
The average price for a packet of 25 cigarettes was \$31.60 in March 2017, up from \$28.79 in the March 2016 quarter.

The CPI measures the rate of price change of goods and services purchased by New Zealand households. Stats NZ visits 2,800 shops around New Zealand to collect prices for the CPI and check product sizes and features.

Consumers price index
Quarterly change



Consumers price index
Annual change



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ISSN 1178-0452
20 April 2017

Commentary

Food prices feed 1.0 percent quarterly rise

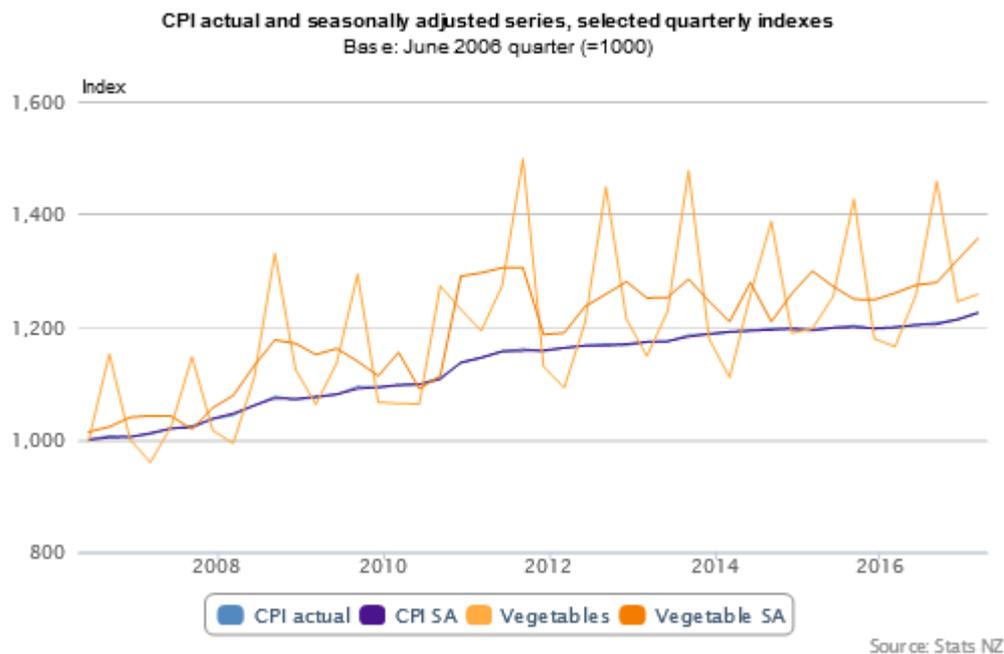
Tradable prices continue to rise in March quarter

Annual inflation rate moves above 2 percent

Underlying price change shows lower overall increase

Food prices feed 1.0 percent quarterly rise

The CPI rose 1.0 percent in the March 2017 quarter, following a 0.4 percent rise in the December 2016 quarter; this is the largest quarterly increase since the June 2011 quarter. Higher prices for food, alcoholic beverages and tobacco, and housing and household utilities, were partly offset by falls in recreation and culture, and communication. After adjusting for seasonal effects, prices rose 1.0 percent.

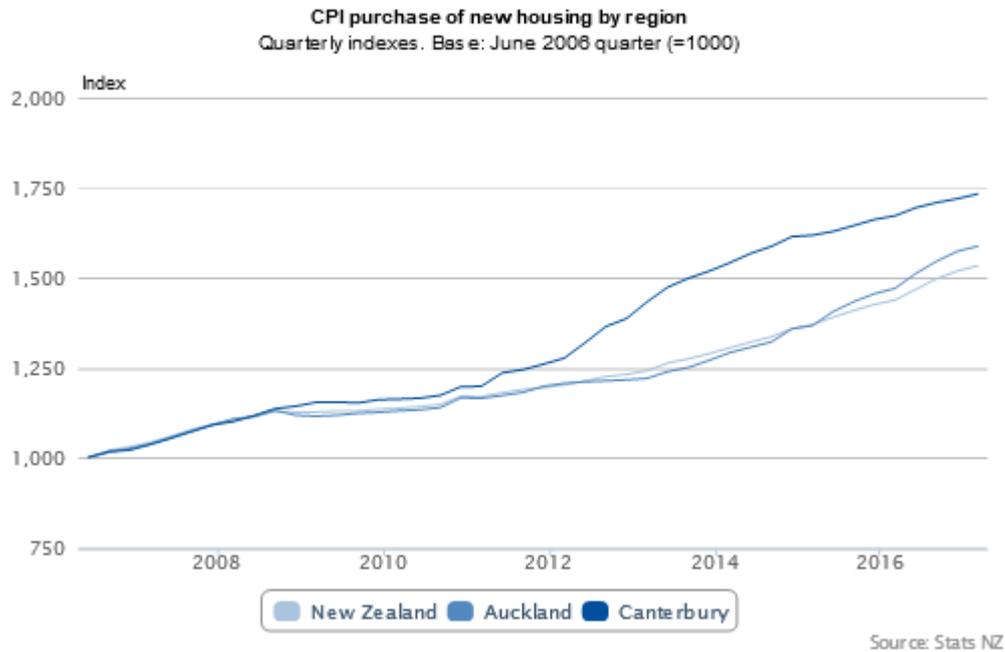


Food prices were up strongly in the March 2017 quarter.

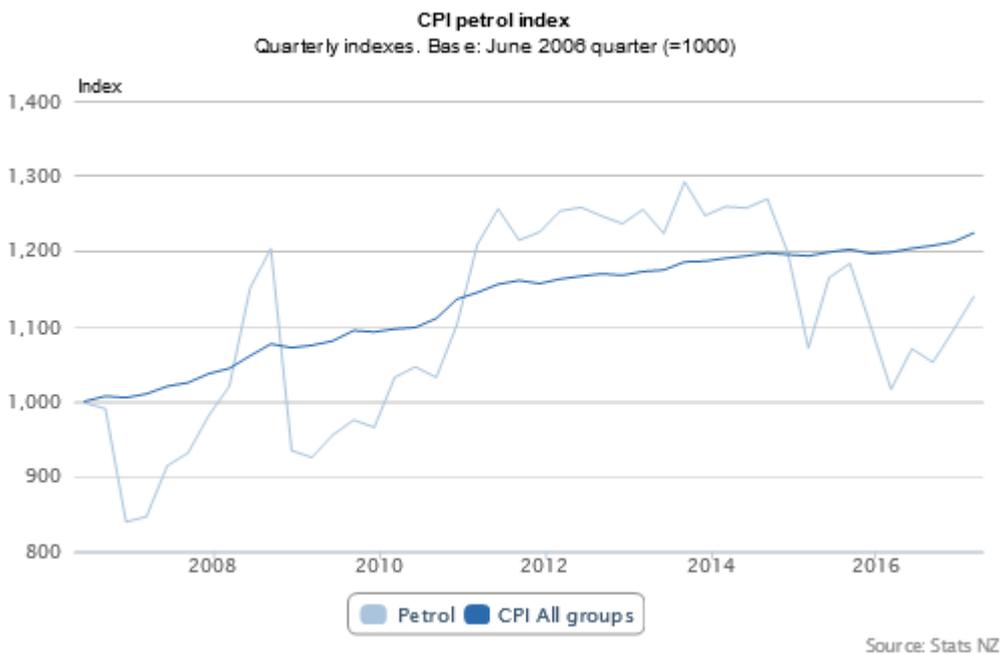
- Fruit prices rose 16 percent due to higher apple prices (up 29 percent). The average price for 1 kilogram of apples was \$4.10 in the March 2017 quarter, compared with \$3.19 in the December 2016 quarter.
- Milk, cheese, and egg prices rose 4.7 percent, due to fresh milk (up 5.0 percent).

Alcoholic beverages and tobacco prices rose 4.0 percent in the March 2017 quarter, influenced by higher cigarette and tobacco prices (up 9.7 percent). The average price for a packet of 25 cigarettes was \$31.60 in March 2017, compared with \$28.82 in December 2016.

Housing and household utilities prices rose 0.6 percent in the March quarter. Prices for actual rentals for housing rose 0.8 percent nationally, with rental prices in Auckland rising 0.7 percent. Prices for newly built houses, excluding land, were up 1.0 percent nationally.



Transport prices rose 0.8 percent, influenced by higher prices for petrol (up 4.1 percent).



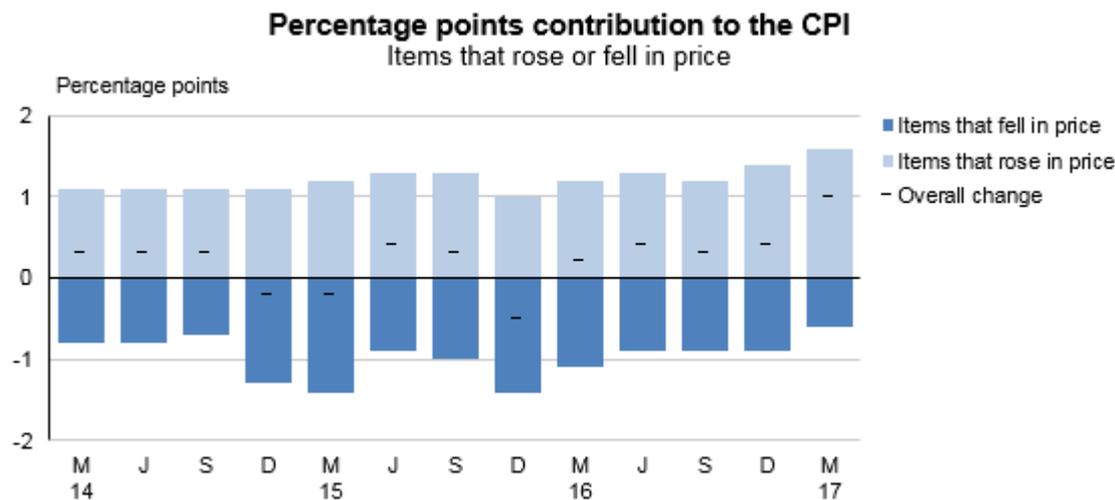
Recreation and culture made the largest downwards contribution (down 1.0 percent), influenced by lower prices for package holidays (down 7.5 percent).

Tradable prices continue to rise in March quarter

Tradables rose 0.8 percent in the March 2017 quarter – the first increase in tradables in the March quarter since 2011. Petrol and fruit prices rose. These rises were partly offset by lower prices for international air transport.

Non-tradables rose 1.0 percent in the March 2017 quarter, with higher prices for cigarettes and tobacco, actual rentals for housing, and newly built houses, excluding land.

The following graph shows the index points contribution to the CPI of items that rose or fell in price for each quarter (see also table 13, available from the 'Downloads' box).



Source: Stats NZ

Annual inflation rate moves above 2 percent

In the year to the March 2017 quarter, the CPI increased 2.2 percent. The latest increase is the first time annual inflation has been over 2 percent since the year to the September 2011 quarter.

Housing and household utilities were the main upward contributor, up 3.3 percent, influenced by:

- newly built houses, excluding land (up 6.7 percent)
- actual rentals for housing (up 2.3 percent), with a 3.1 percent increase in Auckland
- local authority rates (up 3.2 percent).

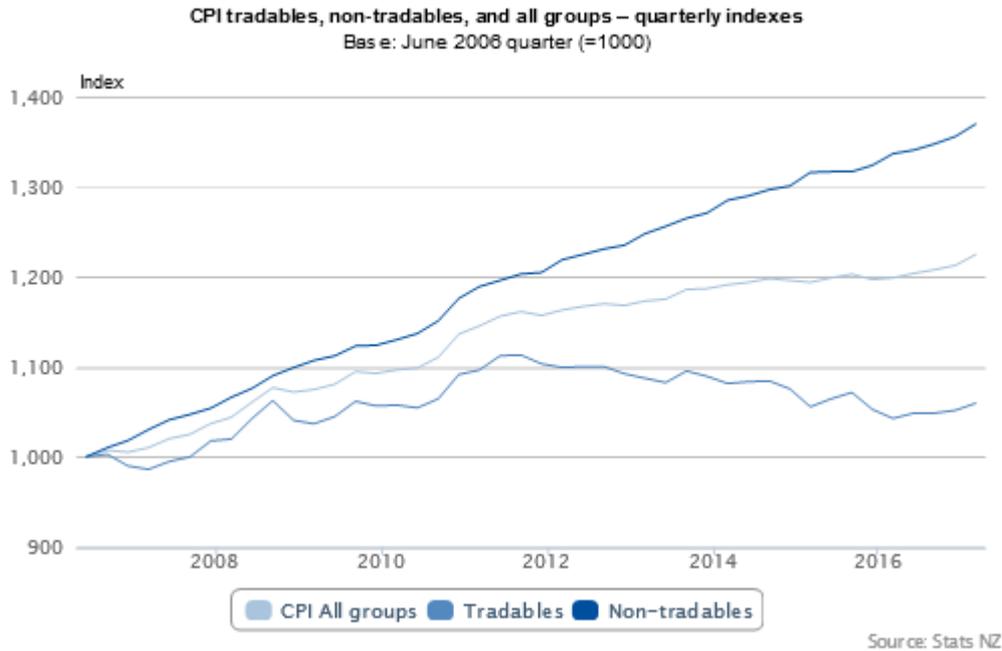
Transport prices increased 3.5 percent, influenced by:

- petrol prices (up 12 percent)
- domestic air transport (up 9.9 percent).

The annual increases in prices for housing and household utilities and transport were partly offset by lower prices for other private transport services (vehicle relicensing fees).

Tradables increased 1.6 percent in the year to March 2017. Higher prices for petrol, vegetables, and milk, cheese and eggs made the main upwards contributions. These were partly offset by decreases for package holidays and international air transport.

Non-tradables increased 2.5 percent in the year to March 2017. Prices for the purchase of newly built houses, excluding land, made the most significant upwards contribution, followed by cigarettes and tobacco, and actual rentals for housing. The increases were partly offset by decreases for other private transport services.



Underlying price change shows lower overall increase

The trimmed mean measures – which exclude extreme price rises and falls – showed quarterly changes below the 1.0 percent increase in the March 2017 quarter across all trims. This indicates the ‘underlying’ price change (excluding extreme price rises and falls) was lower overall for the quarter, with the cigarettes and tobacco class being the main upwards contributor.

Underlying price change was similar on an annual basis.

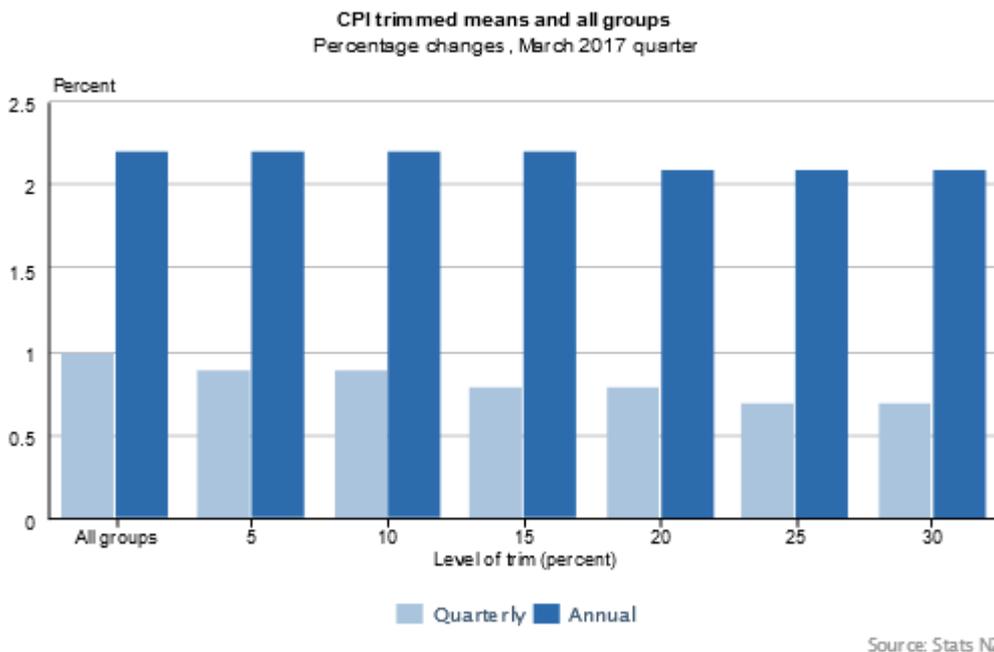


Table 3.03 of the attached Excel tables shows selected groupings in the year to the March 2017 quarter.

- CPI excluding housing and household utilities group increased 1.7 percent.
- CPI excluding alcoholic beverages and tobacco group increased 2.0 percent.
- CPI excluding transport group increased 2.0 percent.

The 'non-tradables less central and local government charges and cigarettes and tobacco subgroup' measure, which aims to reflect price change excluding direct government influence, rose 2.3 percent for the March 2017 year. Central and local government charges rose 1.0 percent in the year to the March 2017 quarter.

For more detailed data on the CPI see the Excel tables in the 'Downloads' box.

Definitions

About the consumers price index

The consumers price index (CPI) measures the changing price of a fixed basket of goods and services purchased by New Zealand households. The selection and relative importance of the goods and services in the CPI basket represents the overall expenditure pattern of New Zealand households.

The aim of the CPI is to measure price changes of the same sample of products at each outlet over time. When there is a change in the size or quality of any of the goods or services in the basket, we make an adjustment to ensure that the price change shown in the CPI is not affected by the change in size or quality.

The CPI is used to help set monetary policy and for monitoring economic performance. The government uses the CPI to adjust New Zealand Superannuation and unemployment benefit payments once a year, to help ensure that these payments maintain their purchasing power. Employers and employees use the CPI in wage negotiations.

The CPI is published quarterly. The food group is the only CPI group for which we publish an index each month.

[Consumers price index review: 2014](#) has a list of the representative goods and services monitored in the CPI basket.

[CPI sources and methods articles](#) present the sources and methods used to compile various parts of the CPI basket of goods and services.

More definitions

Price index: measures the change in price between time periods for a given set of goods and services. It summarises a set of prices for a variety of goods and services collected from a number of outlets.

Index reference period: the benchmark to which prices in other periods are compared (eg if the index number in a later period is 1150, prices have increased by 15.0 percent since the index reference period). Prices for later periods can also be compared in similar fashion. The CPI has an index reference period of the June 2006 quarter (=1000).

Index points contributions: items mentioned in this release are often those that made a large contribution to the overall movement in the CPI. An item's contribution is a combination of its weight in the index (ie its relative importance, based on its share of household spending on goods and services covered by the CPI) and the magnitude of price movement. For example, for two items recording the same percentage rise in price, the item with the larger weight in the CPI will make a larger contribution to the overall movement. This contribution is also referred to as points (or index points) contribution.

Percentage points contribution: measures the contribution of each group, subgroup, and class to the overall quarterly and annual percentage change in the all groups CPI. For any particular level of the CPI classification, such as the group level, percentage points contributions add to the overall percentage change in the all groups CPI.

Percentage contribution: measures the relative contribution of each group, subgroup, and class to the overall quarterly and annual index points (or percentage) change in the all groups CPI. For any particular level of the CPI classification, such as the group level, percentage contributions add to 100 percent.

Tradable and non-tradable component series: the tradable component series contains goods and services that are imported or in competition with foreign goods, either in domestic or foreign markets. Movements in the tradables component (tradable inflation) demonstrate how international price movements and exchange rates are affecting consumer prices.

The non-tradable series contains goods and services that do not face foreign competition. It shows how domestic demand and supply conditions are affecting consumer prices.

Analytical measures of inflation: over the long term, the CPI captures the broad pattern of price change, but can be influenced by one-off events when analysing price change over shorter timeframes. To remove such influences, we calculate analytical measures of price change in an attempt to isolate the more persistent – or underlying – component of general price-level changes. Several analytical measures are constructed to give a good guide to underlying price-level change. These are a range of 'trimmed means' and a range of 'weighted percentiles' including a weighted median. We give trimmed means and weighted percentiles in table 11 and table 12 of this release.

Trimmed means: exclude the influence of the largest price increases and decreases in the CPI. We do this at the item level of about 700 goods and services in the CPI basket (eg 91 octane petrol or strawberries). The trimmed means progressively remove the influence of the largest increases and decreases.

Weighted percentiles: highlight the movement of lower-level indexes at points in the distribution of price changes for a particular time period.

Seasonally adjusted series: Seasonal adjustment aims to eliminate the impact of regular seasonal events (such as annual cycles in fruit and vegetable production, winter, or pre-Christmas shopping) on time series. Seasonal patterns can obscure the underlying behaviour of the series.

See the Excel tables in the 'Downloads' box for the seasonally adjusted series. You can also extract the seasonally adjusted series from [Infoshare](#).

Related links

Next release

Consumers Price Index: June 2017 quarter will be released on **18 July 2017**.

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The release calendar lists all information releases by date of release.

Past releases

Consumers Price Index – information releases has links to past releases.

Data quality

General information

Consumers price index – DataInfo+

General methodology used to produce the CPI and related metadata.

Related information

Food price index measures the price change of food goods and services purchased by New Zealand households.

CPI sources and methods articles present information about the basket of goods and services, and the sources and methods used to compile individual components of the CPI.

Electronic Card Transactions measure the number and value of electronic card transactions with New Zealand-based merchants.

Retail Trade Survey measures the sales of a range of household and personal goods and services.

Data quality

Period-specific information

- [Reference period](#)
- [Response rates](#)
- [Sample size](#)
- [More information](#)

Reference period

We collected prices in January to March 2017. Stats NZ staff visited retail outlets during 1–21 February. We collect prices for food and non-food groceries each month, usually between the 8th and 17th of the month. Petrol, fresh fruit, and fresh vegetable prices are collected weekly. We collected quarterly postal survey prices at 15 February 2017.

Response rates

Postal

Target: 93 percent
Achieved: 94.8 percent

Field collection

Stats NZ price collectors gather prices directly from retail outlets.

Sample size

We collected about 100,000 prices from about 2,800 retail outlets and 2,300 other businesses and landlords.

More information

Consumers Price Index – DataInfo+

General methodology and related metadata about the consumers price index.

Principles and protocols for producers of Tier 1 statistics

Statistics in this release have been produced in accordance with the Official Statistics System principles and protocols for producers of Tier 1 statistics for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

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Tables

See the Excel tables in the 'Downloads' box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

We have updated the consumers price index table formatting from the June 2012 quarter.

1. Consumers price index, tradables, non-tradables, and all groups – index numbers and percentage changes
 - 2.01 Consumers price index, groups and subgroups – index numbers
 - 2.02 Consumers price index, groups and subgroups, percentage change from previous quarter
 - 2.03 Consumers price index, groups and subgroups, percentage change from same quarter of previous year
 - 3.01 Consumers price index, selected groupings – index numbers
 - 3.02 Consumers price index, selected groupings, percentage change from previous quarter
 - 3.03 Consumers price index, selected groupings, percentage change from same quarter of previous year
4. International comparisons of consumer price indexes, excluding housing and household utilities group and credit services class – index numbers and percentage change
5. Weighted average retail prices of selected items
6. Consumers price index, expenditure weights, by group
7. Consumers price index, regional expenditure weights
 - 8.01 Contribution to all groups and percentage change from previous quarter, by group, subgroup, or class
 - 8.02 Contribution to all groups and percentage change from same quarter of previous year, by group, subgroup, or class
9. Consumers price index, expenditure weights, by group, subgroup, or class
10. Consumers price index, COICOP divisions – index numbers and percentage changes
11. Consumers price index, trimmed means and all groups – percentage changes
12. Consumers price index, weighted percentiles and all groups – percentage changes
13. Distribution of national item-level index movements from previous quarter
14. Consumers price index, seasonally adjusted tradables, non-tradables, and all groups – index numbers and percentage changes
 - 15.01 Consumers price index, seasonally adjusted groups and subgroups – index numbers
 - 15.02 Consumers price index, seasonally adjusted groups and subgroups, percentage change from previous quarter

Supplementary tables

These tables provide longer time-series information than the tables above. Given this, they are not suitable for printing. See the 'Downloads' box.

Supplementary tables 1, 2.01, 2.02, 2.03, 3.01, 3.02, 3.03, 6, 7.01, and 7.02 are available in Infoshare. Please click the link below to find the extended time series.

- 4.01 Consumers price index, purchase of housing class, selected regions – index numbers and percentage changes
- 4.02 Consumers price index, actual rentals for housing subgroup, selected regions – index numbers and percentage changes
- 5.01 Consumers price index, percentage of prices that were discounted in quarter
- 5.02 Consumers price index, average quarterly percentage price change of items that were discounted in quarter

8. Consumers price index, all groups and selected groups – index numbers and percentage changes, by region

Access more data on Infoshare

Use [Infoshare](#), a free online tool to access time-series data specific to your needs.

To access the CPI time series, select the following from the homepage:

Subject category: **Economic indicators**

Group: **Consumers Price Index**

The CPI series provide additional information to that in this release, including:

- index series for the CPI and its groups, subgroups, classes, and selected sections
- indexes compiled under the international classification of Classification of Individual Consumption according to Purpose (COICOP)
- the CPI, and selected groups, for the five broad regions
- non-standard aggregations of indexes (for example, alcoholic beverages consumed off licensed premises)
- analytical measures of price change
- historical seasonally unadjusted index series
- average prices for a selection of items in the CPI basket.

The time series can be downloaded in Excel or comma delimited format. Percentage movements can be calculated using the following formula:

$$\left(\frac{\text{Index number for later period} - \text{Index number for earlier period}}{\text{Index number for earlier period}} \right) \times 100$$

More information about [Infoshare](#) can be found on our website.

Next release

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