



Annual inflation of the Retail Price Index in Q1 2014 – 0.9 per cent Resident Population at end of March 2014 – 4,527

Headlines

- Annual inflation of the RPI stood at 0.9 per cent at the end of March 2014
- St Helena is home to an increasing number of people. The Saint Helenian resident population, temporary residents and number of visitors have all increased from 2013 to 2014.

Figure 1a: Annual rate of inflation of the St Helena Retail Price Index, Q1-2006 to Q1 2014

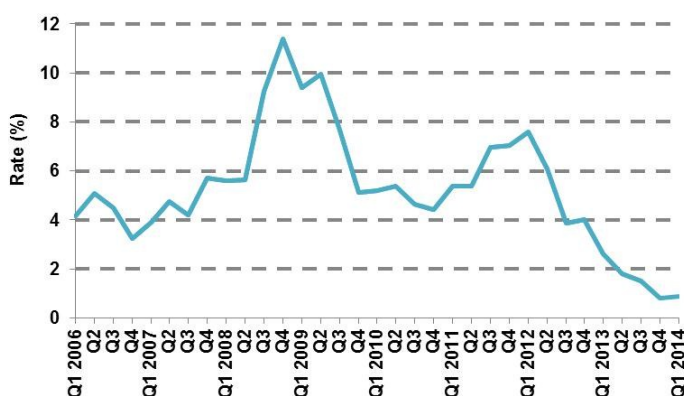


Figure 1b: St Helena retail price index, Q2 2010= 100

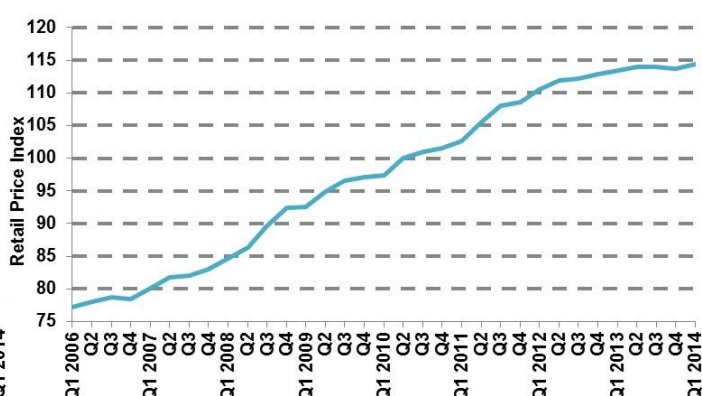


Figure 1a shows the historical trend in annual inflation and figure 1b the trend in the RPI. Table 1, overleaf, lists annual and quarterly changes in inflation of the RPI since it was re-based at the end of Q2 2010. The annual rate of inflation of the RPI stands at 0.9 per cent at the end of Q1 2014. In financial year 2013/14 the average rate of inflation of the RPI was 1.25 per cent.

An analysis and description of the major pressures and price changes behind the headline figures is given on pages 2-3 of this publication.

In This Bulletin

Front Page: Headline Statistics and trends of the RPI
Page 2: Changes in the RPI by category.
Page 4: Other High-Level Economic Information on St Helena,
Page 4: Global Context: Headline economic indicators from UK and South Africa
Page 5: Methodology and Fact Sheet for RPI calculations
Page 6: St Helena Estimated Resident Population
Page 7: Visitors to St Helena, Q1 2013
Page 9: St Helena Retail Price Index, 2002 to Present

Additional Updates

“Provisional analysis of Income from Employment 2011/12 to 2012/13 “

A brief report describing the average income from direct employment on St Helena in financial years 2011/12 and 2012/13.

Available for download from the Statistics page on the SHG website or directly from the Statistics Office, call on 22138 or visit us in person in the courtyard of the Castle.

Table 1: St Helena Retail Price Index (RPI), Annual and Quarterly, Q2 2010 to Q1 2014.

	Index	Annual or 12 month change (%)	Quarterly or 3 month change (%)
Q2 2010	100.00	5.4	2.6
Q1 2011	102.70	5.4	1.2
Q1 2012	110.49	7.6	1.7
Q1 2013	113.36	2.6	0.4
Q2	113.95	1.8	0.5
Q3	113.91	1.5	-0.0
Q4	113.75	0.8	-0.1
Q1 2014	114.33	0.9	0.5

At the end of Q1 2014 annual inflation of the St Helena retail price index (RPI) stood at 0.9 per cent. This means that a basket of goods and services that cost £100 in March 2013 would have cost £100.90 at the time of price checks—the second week in March 2014.

The rate of annual inflation is low and essentially unchanged from the previous quarter. This quarter sees the end of the trend of a falling rate of annual inflation which has been seen for the preceding two years. The largest upwards contributions to annual inflation come from the costs of food and electricity. These are partially balanced by decreasing fuel prices and the cost of broadband internet services.

From Q4 2013 to Q1 2014 the RPI increased by 0.5 per cent. This follows two consecutive quarters where the RPI has fallen. The largest contribution to the quarterly increase in the RPI is from the Food sub-category, primarily due to increases in the price of local meat, flour, cooking oil and imported vegetables. The quarterly increase in food prices is partially offset by a decrease in fuel prices.

The price of goods on St Helena frequently show “step changes” as new stock and materials are received on island. This quarter this is particularly evident in the Clothing, Miscellaneous Goods and Household Goods sub-categories. The effect is noted to a smaller extent in the Housing sub-category where a decrease in the price of some building materials has resulted in a drop in the Building Materials Price Index (BMPI).

The headline inflation figures relate to a basket of goods and services and the proportion of weekly expenditure that the “average” St Helenian household spends on each of these items. This will not necessarily be the proportion of weekly expenditure that your household spends on each of these items and you may find that inflation within the sub-categories of the RPI is a more appropriate estimate of your “personal” inflation of expenditure.

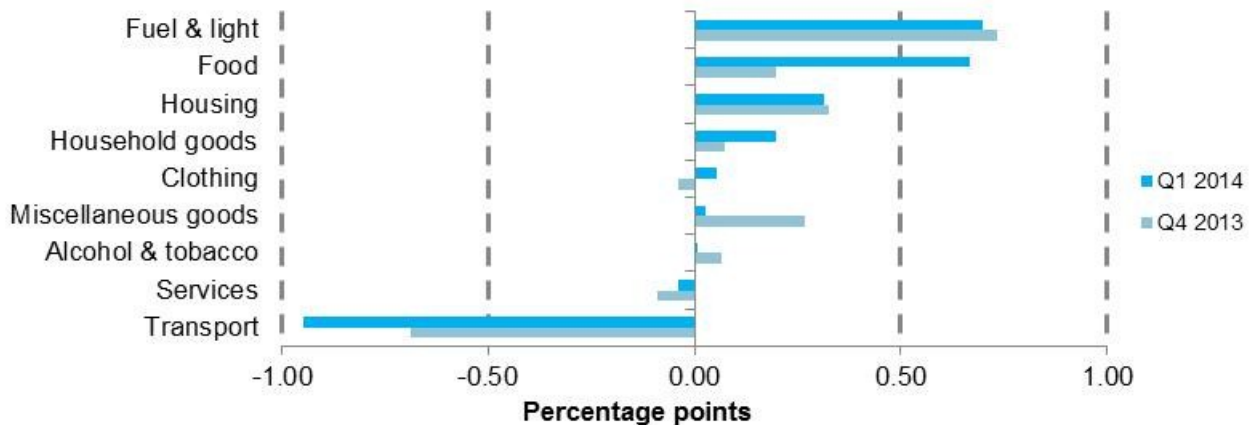
The contribution to the annual increase in the RPI and so the headline rate of inflation by each of the sub-categories is shown in figure 2. The effect of the quarterly change in the RPI from each of the sub-categories and the contribution of this to the quarterly change in the annual inflation of the RPI is shown in figure 3.

Table 2: Annual Inflation on the St Helena RPI, total and by category, Q4 2013 and Q1 2014.

Category	Weight (%)	Annual inflation rate Q4 2013 (%)	Annual inflation rate Q1 2014 (%)	Quarterly change in annual rate
Food	33.4	0.6	2.0	+1.4
Transport	18.6	-3.7	-5.1	-1.4
Services	12.9	-0.7	-0.3	+0.4
Housing*	9.8	3.3	3.2	-0.1
Miscellaneous goods	8.9	3.0	0.3	-2.7
Fuel & light	7.8	9.4	9.0	-0.4
Household goods	4.1	1.8	4.9	+3.1
Alcohol & tobacco	3.2	2.1	0.2	-1.9
Clothing	1.4	-3.2	4.1	+7.3
Total	100	0.8	0.9	+0.1

**Note Housing includes Government Landlord Housing but not private rentals.*

Figure 2: Contribution to the headline rate of annual inflation of the St Helena RPI, Q1 2014 (AI = 0.9%) and Q4 2013 (AI = 0.8%)



The largest *upwards* pressures on annual inflation of the RPI from Q1 2013 to Q1 2014 come from overall price increases in the following sub-categories:

Fuel & Light an increase in electricity tariffs, which is slightly reduced from Q4 2013 to Q1 2014 due to a decrease in the price of a gas cylinder refill

Food the most significant price increases are noted on local meat and staples such as cooking oil and flour. It is interesting to note that the increasing flour prices have not yet impacted upon the price of bread.

Housing an increase in water tariffs and the cost of building labour are the most significant increases although a reduction in the cost of some building materials is noted.

The *downwards* pressures come from :

Transport the only substantial pressure comes from this sub-category where an increase in RMS travel fares only partially offsets a reduction in the vehicle purchase price.

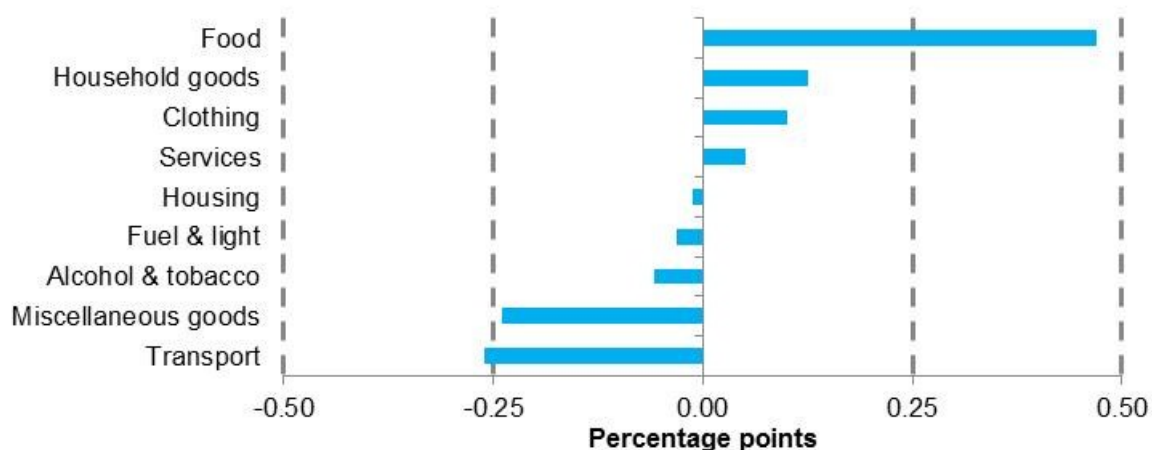
Services a slight downwards pressure as the reduction in the cost of broadband services outweighs the increase in hospital fees, and the cost of both childcare and domestic services.

Inflation in the Clothing sub-category, which carries a low weighting within the overall basket and so a low influence on the headline figures, increased by 7.3 per cent from Q4 2013 to Q1 2013. This is primarily due to an increase in some specialist clothing items, a result of new stock arriving on island.

Figure 3 shows the contribution of each sub-category to the 0.5% increase in the RPI from Q4 2013 to Q1 2014. The dominant upwards pressure on the RPI over the quarter is from the Food sub-category, as result of an increase in the price of imported vegetables and bottled water.

A reduction in fuel costs (both petrol and diesel) creates a downwards pressure on the RPI. A downwards pressure is also noted from the Miscellaneous Goods sub-category. This is a variable collection of goods showing a number of price increase and decreases on each round of checks. A decrease in the price of poultry feed and toothpaste stand out as a significant price decreases this quarter.

Figure 3: Contribution to the 0.1 percentage point decrease in the annual rate of inflation of the St Helena RPI (0.8% to 0.9%) between Q4 2013 and Q1 2014



Other High-Level Economic Information—Income to St Helena

SHG Financial Report

The unaudited St Helena Government (SHG) financial accounts statements are now available on the SHG website in the Combined SHG Performance Report for period 12 of financial year 2013/14. The budget forecast for financial year 2014/15 is also available under the finance section of the SHG website.

Table 3: Primary sources of St Helena Government revenue, January– March 2014 versus 2013

	January– March 2014	January– March 2013	Percentage Change
Revenue from Income Tax	662,830	584,223	+13.5%
Customs Duty	1,342,744	1,091,838	+23.0%
Of which: "Other"	604,596	419,528	+44.1%
Alcohol	383,340	267,146	+43.5%
Tobacco	249,827	338,243	-26.1%
Petrol and Diesel	104,980	66,922	+56.9%
Grant-in-Aid	3,349,000	3,264,999	+2.6%

Source: St Helena Government Combined Performance Report, Period 12 2013/14

Global Context

The economic indicators produced by the Statistics Office reflect the economy and social environment of St Helena. If you wish to find out more facts and figures about the economy of other countries, the International Monetary Fund website (www.imf.org) contains a lot of information which will help you. Some of the information which may help to provide context and information on external influences on the St Helena economy include: inflation indices in other countries, currency exchange rate and commodity prices (i.e. price of fuel and food in other countries).

Currency Exchange - South African Rand

The St Helena pound is on parity with the British pound sterling. The currency exchange rate in 2013/14 has seen a strengthening of the pound against the South African Rand.

On the 31st March 2014 one pound was equivalent to 18.89 Rand, up from 14.98 on the 1st April 2013, with an average of 17.28 in financial year 2013/14.

International Headlines

UK (Office for National Statistics: www.ons.gov.uk)

The Consumer Prices Index (CPI) grew by 1.6% in the year to March 2014, down from 1.7% in February. The largest contribution to the fall in the rate came from transport, particularly motor fuels, with other smaller downward effects from the clothing and furniture & household goods sectors. These were partially offset by upward contributions from restaurants & hotels and alcohol & tobacco. A version of the CPI which includes owner occupier housing costs (CPIH) grew by 1.5% in the year to March 2014, down from 1.6% in February.

South Africa (Statistics South Africa: www.statssa.gov.za)

The headline CPI (for all urban areas) annual inflation rate in March 2014 was 6.0%. This rate was 0.1 of a percentage point higher than the corresponding annual rate of 5.9% in February 2014. On average, prices increased by 1.3% between February 2014 and March 2014.

NOTE: INTERNATIONAL INFLATION FIGURES ARE NOT DIRECTLY COMPARABLE WITH FIGURES FOR ST HELENA. THESE FIGURES ARE INCLUDED TO PROVIDE SOME CONTEXT FOR LOCAL ECONOMIC INDICATORS.

Methodology and Fact Sheet

What is Inflation?

Inflation simply means that something is growing or increasing. In the context of the economy the most commonly measured form of inflation is the change in prices of goods and services over time. On St Helena we measure this through the increase on the Retail Price Index (RPI). Annual Inflation figures tell us by how much the RPI has grown over the preceding twelve months.

What is the Retail Price Index (RPI)?

The Retail Price Index is an official measure of prices and is calculated every three months (once per calendar quarter). The RPI measures changes in prices of a basket of goods relative to a base point in time. Increases in the RPI reflect increases in the price of goods.

How is the Retail Price Index (RPI) constructed?

1. Firstly a Household Expenditure Survey is conducted to identify a list of items bought by a range of households. Analysis of these results allow us to compile a basket of goods which represent an 'average' St Helenian household. Corresponding weights are calculated to show the relative importance of each of these items.
2. The results of this provide the new standard or baseline relative to which RPI is calculated. Price changes are measured relative to this point in time.
3. Each quarter the current price of each item in the basket is collected.
4. The change in price of each item relative to the base point is multiplied by the item weight and this is summed to produce the overall change in the price index of the basket.
5. An RPI of 114.33 indicates that the basket of goods that cost £100 at the time of the baseline would now cost £114.33 .

Why do we measure the RPI?

The rate of change of price indices are important indicators of how the economy is performing. They are used in many ways by Government, businesses and society in general. They also show the impact of inflation on family budgets.

What happens when an item is not available?

If a particular item is not available during a round of price checks, a series of prescribed steps are followed to ensure the correct measure is taken. Either the price will be carried forward from the previous quarter or a suitable substitution will be made. Great care is taken to ensure that this substitution is the closest possible comparison for the original item and that no unfair impact is made on RPI calculations.

Resident Population

St Helena is home to an increasing number of people. At the end of March 2014 it is estimated that a little over 4,500 people were staying on island. This figure includes permanent residents, temporary residents on fixed term employment contracts and long-term visitors. The estimated St Helenian resident population is also increasing and stood at a little over 4,000 at the end of March 2014. Labour migration associated with the airport project and the Government technical co-operation programme means that the proportion of St Helenian to overseas nationals on island has fallen from an annual average of 97% in 2010 to approximately 90% in March 2014.

The natural rate of population change on St Helena remains negative, with only two births for every three deaths in the first three months of 2014. Population growth is due to inwards migration of both Saints and overseas nationals.

Figure 4: St Helena resident population, averaged over quarter, Q1 2008—Q1 2014

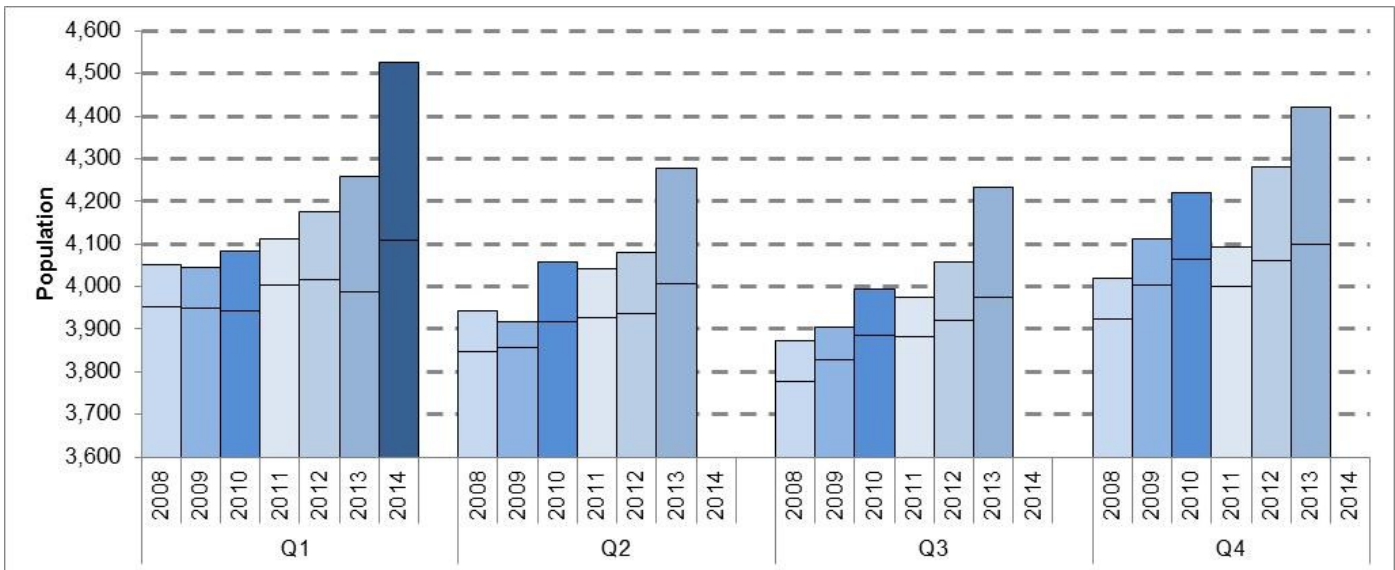


Figure 4— Associated table. Quarterly average estimated population, in brackets St Helenian population, 2010 to Q1 2014.

	2010	2011	2012	2013	2014
Q1 (January - March)	4,082 (3,942)	4,111 (4,004)	4,176 (4,017)	4,259 (3,987)	4,527 (4,108)
Q2 (April - June)	4,059 (3,919)	4,042 (3,928)	4,080 (3,938)	4,278 (4,005)	N/A
Q3 (July - September)	3,993 (3,885)	3,974 (3,882)	4,059 (3,919)	4,234 (3,973)	N/A
Q4 (October - December)	4,221 (4,063)	4,093 (4,001)	4,280 (4,061)	4,420 (4,100)	N/A

Table 6: Births, Deaths and long-term in-migration of individuals with St Helenian status, Q1- Q4 2013.

	Births	Deaths	Saint arrivals ¹	
			All	Age 20-60
Total number (Jan. to March. 2014)	8	12	42	32
Of which: Male	1	8	22	17
Female	7	4	20	15

¹BOTC nationality, first long-term stay in over two years.

What is the resident population?

The resident population at time of publishing (P_t) is calculated as:

$$P_t = P_{census} + Births - Deaths + Net Migration$$

Where P_{census} = Census enumerated usual resident population
(‘de jure’ population enumerated on Census night, 10th February 2008)

Births = Number of registered births

Deaths = Number of registered deaths

Net Migration = Migration figures as captured on immigration forms at point of entry/exit

Visitors to St Helena: 2014

The number of arrivals to St Helena in the first three months of 2014 was up by 53 (4.3%) from the same period in 2013. The majority of arrivals were business visitors and returning residents.

There were 58 more recreational visitors in the first three months of 2014 than in 2013 – an increase in both excursion visitors, who stay on island for at least one turn-around of the RMS to Ascension or Cape Town, and transit visitors, who arrive and depart on the same leg of the RMS journey. In the first three months of 2013 the number of tourist visitors who stayed on island for one turn-around of the RMS (to Ascension island or Cape Town) constituted 66% of tourist arrivals - in 2014 this increased to 68.6%. The information available to the Statistics Office does not allow any comment on the accommodation choice of these visitors.

Table 6: Number of arrivals, RMS arrivals and Yacht arrivals to St Helena, from January to March 2014 and 2013.

Arrival	2014	2013	Change 2013 to 2014	
			Actual	Percentage
Total Passenger Arrivals year to date	1,290	1,237	53	4.3%
Number of RMS arrivals	10	9	1	11.1%
Total RMS passenger arrivals	936	722	216	29.9%
Of which: Business	305	233	72	30.9%
Tourist	204	169	35	20.7%
of which: Stayed for Ascension turn-around	104	92	12	13.0%
Stayed for Cape-Town turn-around	36	19	17	89.5%
Visiting Friends or Relatives	103	104	-1	-1.0%
Returning Resident	286	199	87	43.7%
Transit	40	17	23	135.3%
Total Yacht arrivals (vessels)	109	138	-29	-21.0%
Passengers/ Crew	350	422	-72	-17.1%
Arrivals of other Vessels	3	3	0	0.0%
Overnight visitors	2	93	-90	-96.8%
Day visitors	2,303	975	1,328	136.2%

Source: St Helena Immigration database

Table 7: Region of origin of RMS tourist visitors to St Helena, January to March 2014

Region of Origin	Tourist Count	Percentage of Tourist Visitors
UK	92	45.1%
South Africa	42	20.6%
Europe (excl. UK)	42	20.6%
Saint Resident Overseas	22	10.8%
Other	6	2.9%
TOTAL	204	

The majority, 65.7%, of tourist visitors to St Helena in the first three months of 2014 were of UK and European nationality. This is consistent with the analysis of tourist nationality from immigration data for 2010-2013. It should be noted that nationality does not necessarily indicate country of residence or origin of the journey.

Reason for arrival and departure 2013

In the calendar year 2013 the immigration database shows a grand total of 3,755 arrivals and 3,646 departures., a net influx to the island of 109 people This arrivals and departure data includes journeys by RMS, yacht and other vessels where the passenger stayed one or more night on island (day visitors are not included). The counts of arrivals and departures by category are listed in tables 6a and 6b respectively.

The majority of arrivals (1,396 or 37.2%) to the island are recreational visitors – tourists and Saints employed overseas temporarily returning to the island. The next largest category of arrivals is Returning Residents (880 or 23.4%). These are Saints and those with St Helena residence who are returning to the island from an overseas trip. The number of Saints returning to live on the island after an extended period of living or working overseas is recorded at 166, approximately one-in-five of Saints arriving on island.

The majority of departures (2,047 or 56.1%) are people leaving the island to return to their home countries. This includes tourists, business visitors and temporary residents at the end of an employment contract. There were 600 excursion, or holiday, departures from the island. A little under 600 Saints left the island for overseas employment taking with them 77 family members. The substantial majority of overseas employment was located on Ascension or the Falkland Islands. There were 29 individuals who left the island in 2013 intending to permanently settle overseas.

Table 6a: Reason for arrival by broad category, 2013

Reason for Arrival	Total (percentage of arrivals)
All Arrivals	3,755
Tourist / recreational visitor	1,396 (37.2%)
of which: Saints Resident overseas	111 (3.0%, 8% of tourist arrivals)
Returning Residents	880 (23.4%)
of which: after two-years or more overseas	166 (4.4%, 18.9% of Returning Residents)
Business	743 (19.8%)
of which: Government	327 (8.7%, 44% of business arrivals)
Basil Read	284 (7.6%, 38% of business arrivals)
Returning from Overseas Employment	594 (15.8%)
Yacht Race (Governors Cup and World Arc Rally)	142 (3.8%)

Source: St Helena Immigration database

Table 6b: Reason for departure by broad category, 2013

Reason for Departure	Total	Saint Nationality	Other Nationality
All Departures	3,646	1,564	2,082
Returning Resident	2,047 (56.1%)	162 (10.4%)	1,885 (90.5%)
Excursion	600 (16.5%)	413 (26.4%)	187 (9.0%)
Overseas Employment	595 (16.3%)	595 (38.0%)	-
Accompanying family member - Medical	122 (3.3%)	122 (7.8%)	-
Medical	113 (3.1%)	113 (7.2%)	-
Accompanying family member - Employment	77 (2.1%)	77 (4.9%)	-
Business	39 (1.1%)	29 (1.9%)	10 (0.5%)
To Settle	29 (0.8%)	29 (1.9%)	-
Training	24 (0.7%)	24 (1.5%)	-

Source: St Helena Immigration database

ST HELENA RETAIL PRICE INDEX

Quarter 2 2010 = 100

Index numbers and percentages										
	Food	Alcohol & tobacco	Housing	Fuel & light	Clothing	Household goods	Transport	Misc. goods	Services	Overall
Category Weights	33.40	3.15	9.84	7.78	1.37	4.05	18.57	8.92	12.92	100.00
2008 Q4	76.24	86.86	92.85	69.64	113.02	96.42	94.60	87.19	96.08	84.66
2009 Q4	89.97	89.85	96.27	82.41	105.76	105.39	97.94	93.03	96.49	92.62
2010 Q4	97.63	100.45	99.34	85.86	99.06	100.00	99.86	98.63	99.28	97.44
2011 Q1	102.50	105.98	100.30	101.13	100.87	100.46	106.13	104.09	100.15	102.70
2012 Q1	107.07	122.15	106.15	101.88	105.84	116.47	117.69	114.82	110.33	110.49
Q2	108.56	122.80	106.29	108.58	107.16	118.55	119.08	115.42	110.33	111.96
Q3	109.45	124.82	106.30	108.58	109.50	115.25	118.20	115.98	111.10	112.21
Q4	109.22	125.28	108.31	108.58	116.40	116.50	118.19	112.91	116.40	112.90
2013 Q1	109.74	127.85	108.46	108.58	111.79	115.83	118.94	115.50	115.73	113.36
Q2	110.87	128.64	111.08	117.20	112.09	118.30	113.88	114.99	116.79	113.95
Q3	110.49	128.67	112.04	117.80	112.15	118.40	113.56	116.91	115.47	113.91
Q4	109.87	127.86	111.92	118.79	112.64	118.60	113.78	116.28	115.54	113.75
2014 Q1	111.89	128.15	111.88	118.36	116.34	121.54	112.84	115.80	115.39	114.33
<i>Percentage change current quarter on corresponding quarter in previous year</i>										
2008 Q4	5.3	13.8	0.5	1.2	-1.2	-0.7	8.5	-4.9	14.2	5.6
2009 Q4	18.0	3.4	3.7	18.3	-6.4	9.3	3.5	6.7	0.4	9.4
2010 Q4	8.5	11.8	3.2	4.2	-6.3	-5.1	2.0	6.0	2.9	5.2
2011 Q1	5.0	5.5	1.0	17.8	1.8	0.5	6.3	5.5	0.9	5.4
2012 Q1	4.5	15.3	5.8	0.7	4.9	15.9	10.9	10.3	10.2	7.6
Q2	3.8	14.5	0.5	6.8	4.1	14.7	9.8	3.7	7.6	6.1
Q3	2.3	13.0	0.3	6.8	2.6	8.5	6.8	4.4	0.7	3.9
Q4	2.6	7.4	2.0	6.7	10.9	4.2	6.5	-0.9	5.5	3.9
2013 Q1	2.5	4.7	2.2	6.6	5.6	-0.5	1.1	0.6	4.9	2.6
Q2	2.1	4.8	4.5	7.9	4.6	-0.2	-4.4	-0.4	5.9	1.8
Q3	1.0	3.1	5.4	8.5	2.4	2.7	-3.9	0.8	3.9	1.5
Q4	0.6	2.1	3.3	9.4	-3.2	1.8	-3.7	3.0	-0.7	0.8
2014 Q1	2.0	0.2	3.2	9.0	4.1	4.9	-5.1	0.3	-0.3	0.9