



Inflation of the Retail Price Index (RPI) in Q1 2017 compared to previous quarter - 2.2 per cent Annual inflation of the Retail Price Index (RPI) in Q1 2017 - 7.0 per cent

Headlines

- The St Helena RPI grew by 2.2 per cent in the first quarter of 2017 compared to the previous quarter
- The St Helena RPI grew by 7.0 per cent in one year between quarter 1 of 2016 and the end of the first quarter of 2017
- Information on St Helena's Estimated Resident Population and Visitor numbers cannot be published at this time due to data availability

Figure 1a: Annual rate of inflation of the St Helena Retail Price Index, Q1 2006 to Q1 2017

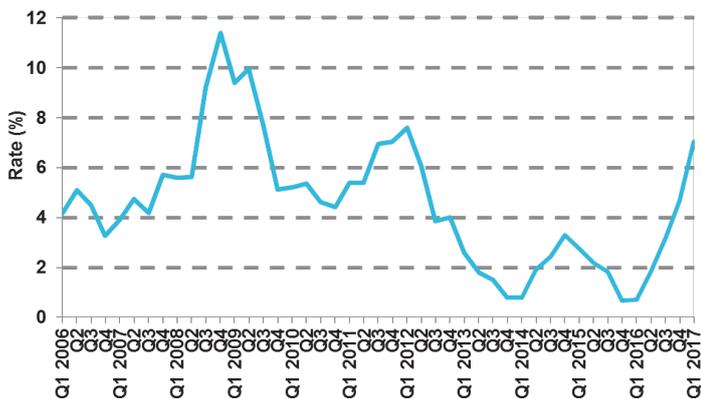


Figure 1b: St Helena Retail Price Index, Q2 2010 = 100

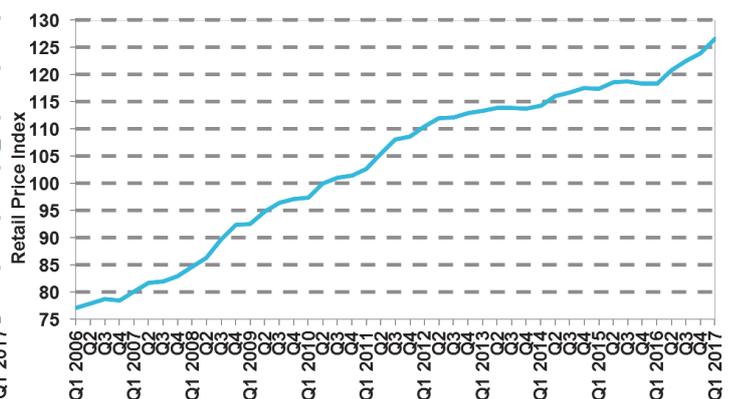


Figure 1a shows the historical change in annual inflation rate and figure 1b the trend in the RPI. Table 1, overleaf, lists annual and quarterly changes in inflation of the RPI since it was re-based at the end of Q2 2010. The annual rate of inflation of the RPI experienced a 2.2 percent increase compared to the previous quarter and a 7.0 per cent increase over a 12-month period.

A discussion of changes and pressures on the RPI 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: Global Context: Headline Economic Indicators from UK and South Africa
- Page 5: International Headlines Continued and Births and Deaths Q1 2017
- Page 6: Methodology and Fact Sheet for RPI calculations
- Page 7: News from the Statistics Office
- Page 8: St Helena Retail Price Index, 2002 to Present

Table 1: St Helena Retail Price Index (RPI), Annual and Quarterly, Q2 2010 to Q1 2017

Q2 = April to June, beginning of the financial year	Index	Annual or 12-month change (%)	Quarterly or 3-month change (%)
Q2 2010	100.00	5.4	2.6
Q2 2011	105.55	5.6	2.8
Q2 2012	111.96	6.1	1.3
Q2 2013	113.95	1.8	0.5
Q2 2014	116.08	1.9	1.5
Q2 2015	118.61	2.2	1.0
Q3	118.83	1.8	0.2
Q4	118.34	0.7	-0.4
Q1 2016	118.30	0.7	-0.0
Q2	120.78	1.8	2.1
Q3	122.60	3.2	1.5
Q4	123.87	4.7	1.0
Q1 2017	126.62	7.0	2.2

Table 2: Annual Inflation on the St Helena RPI, total and by category, Q4 2016 and Q1 2017

Category	Weight (%)	Annual inflation rate Q4 2016 (%)	Annual inflation rate Q1 2017 (%)	Quarterly change in annual rate
Food	33.4	8.4	12.5	+4.1
Transport	18.6	2.8	3.7	+0.9
Services	12.9	-0.5	-0.5	0.0
Housing*	9.8	1.6	1.7	0.1
Miscellaneous goods	8.9	2.4	8.2	+5.8
Fuel & light	7.8	9.0	10.3	+1.3
Household goods	4.1	2.4	6.1	+3.7
Alcohol & tobacco	3.2	2.6	7.1	+4.5
Clothing	1.4	9.4	2.8	-6.6
Total	100	4.7	7.0	+2.3

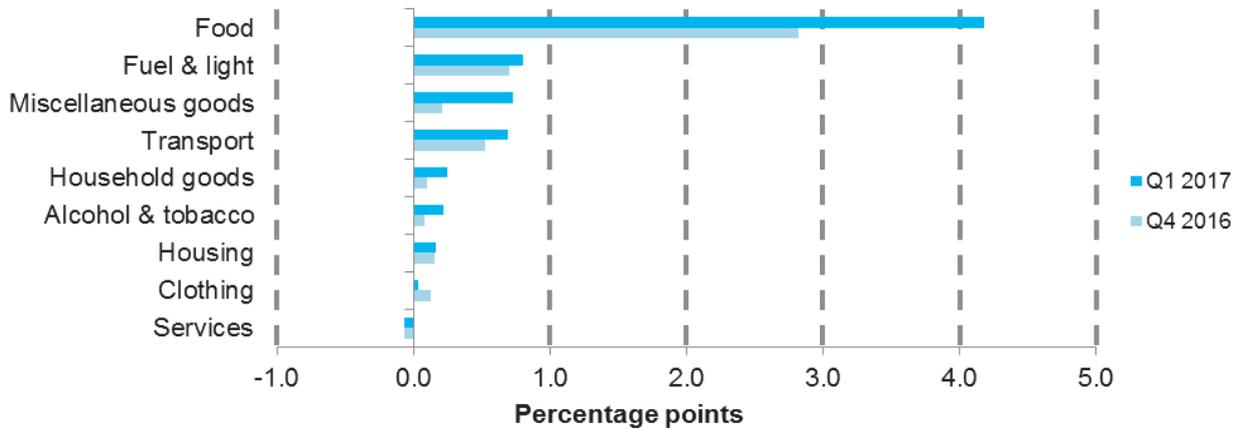
**Note: Housing includes Government Landlord Housing but not private rentals*

The rate of annual inflation of the RPI rose by 2.3 percentage points from the previous quarter. This means that a basket of goods and services that cost £100 in December 2016 would have cost £102.30 in the second week of March 2017. At the end of Q1 2017 annual inflation of the St Helena Retail Price Index (RPI) stood at 7.0 per cent. This means that a basket of goods and services that cost £100 in March 2016 would have cost £107.00 at the time of price checks - the second week of March 2017.

Inflation at the end of March 2017 was the highest since Q1 2012. Notable increases in food items, both imported and local, have resulted in this category having the highest individual inflation this quarter. At 12.5 percentage points, this is up by 0.5 per cent, or 4.1 percentage points, from the previous quarter and 30 per cent, or 12.1 percentage points from the same period in 2016. In this round of price checks positive inflation was experienced in all categories apart from Services. The effect of the March 2017 price reductions in the broadband internet charges resulted in the Services category contributing -0.5 percentage points to the overall rate of inflation, unchanged from that contributed in Quarters 3 and 4 of the previous year.

Over the 2016/17 financial year, the rate has been steadily increasing following a period of relatively low inflation between 2013 - 2015. The average rate of annual inflation of the Retail Price Index in financial year 2016/17 was 4.2 per cent, up by 2 per cent from 1.4 per cent in 2015/16.

Figure 2: Contribution to the headline rate of annual inflation of the St Helena RPI, Q4 2016 (AI =4.7%) and Q1 2017 (AI = 7.0%)



The 2.3 percentage point increase in the rate of annual inflation of the RPI from Q4 2016 to Q1 2017 reflects larger overall annual price increases on the goods and services in the St Helena shopping basket in the year leading up to Q1 2017 than in the year leading up to Q4 2016.

The largest *upwards* pressures on the annual inflation of the RPI include:

Food - price increases in the Food category continue to contribute a notable upward pressure to the headline rate of inflation. Increases in both imported and local goods contributed 1.4 percentage points, 58 per cent, towards the 2.3 percentage point increase in the annual rate of inflation.

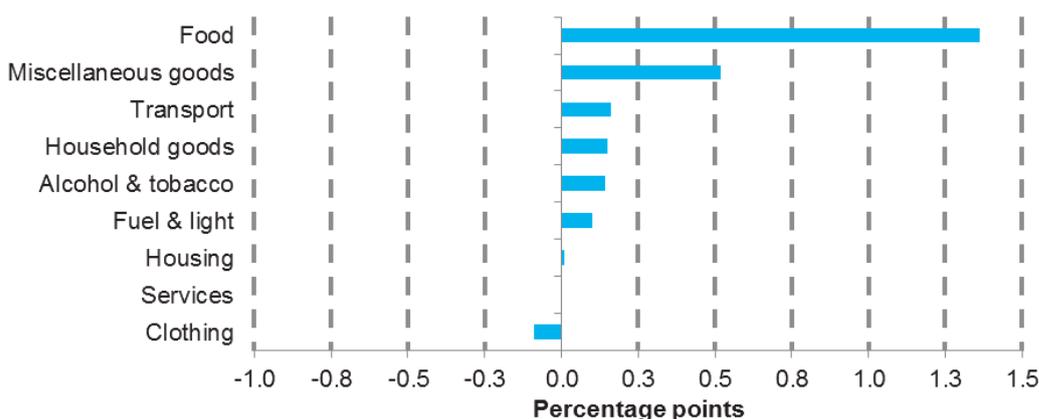
Miscellaneous Goods - a number of price changes were noted in the Miscellaneous Goods category. Prices, both during the 3-month and 12-month period, experienced an overall increase, which led to the current Quarter’s contribution of 0.5 percentage points towards the headline rate of inflation.

Transport - increases in fuel prices and other items within the Transport category contributed 0.2 percentage points, the third largest upward pressure, towards the headline rate of inflation. Overall, inflation in this category has show steady growth since the beginning of 2016.

The largest *downward* pressures on the annual inflation of the RPI include price decreases in certain items within the Clothing and Housing categories. The effect of the Q1 2016 price decrease in the monthly price of the broadband internet service also continues to contribute. A further decrease incurred in Q1 2017 ensures that this effect, though not singularly or exclusively, will continue to contribute some downward pressure on the annual rate of inflation over the coming quarters.

For further explanation of the St Helena RPI and how it is constructed please see the Methodology on page 5 of this bulletin.

Figure 3: Contribution to the 2.3 percentage point increase in the annual rate of inflation of the St Helena RPI (4.7% to 7.0%) between Q4 2016 and Q1 2017



Other High-Level Economic Information

The unaudited St Helena Government (SHG) financial accounts statements are published each month on the SHG website (www.sainthelena.gov.sh/publications) in the Combined SHG Performance Report. The budget forecast for 2016/17 is available under the Finance section of the website. Table 3 shows the performance of the major revenue streams for SHG in financial year 2016/17.

Table 3: Primary sources of St Helena Government revenue, financial year 2015/16 vs 2016/17

	April 2015 - Dec 2015	April 2016 - Dec 2016	Percentage Change
Revenue from Taxes	3,708,188	3,529,344	-5%
Of which: PAYE & Self-Employed	2,743,657	2,975,305	8%
Corporation & Withholding Tax	649,481	195,432	-70%
Goods & Services	315,050	358,607	14%
Revenue from Customs Duty	4,024,109	4,159,482	3%
Of which: 'Other'	1,957,860	1,995,444	2%
Alcohol	872,580	808,290	-7%
Tobacco	501,057	399,975	-20%
Petrol and Diesel	549,562	782,993	42%
Liquor Duty	16,874	2,742	-84%
Excise Duty	126,176	170,038	35%
Grant-in-Aid	12,590,375	16,875,000	34%

Source: St Helena Government Management Accounts, Period 9 2016/17

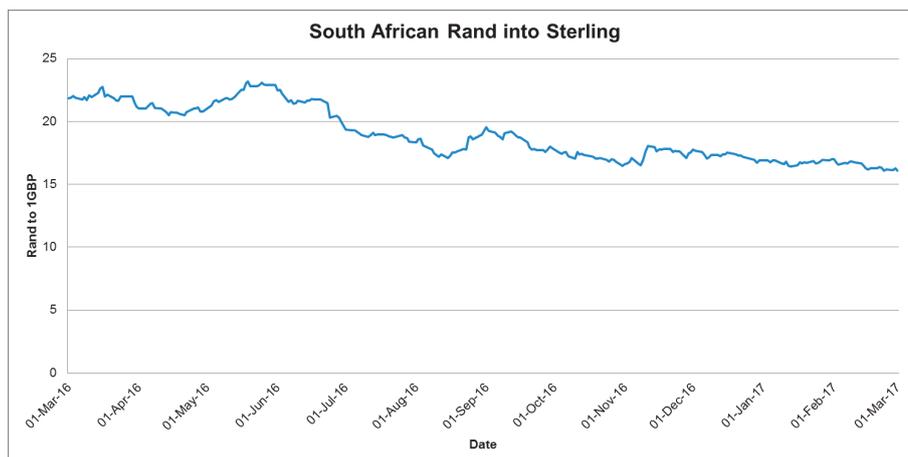
Global Context

The economic indicators produced by the Statistics Office reflect the economic and social environment of St Helena. If you wish to find out more facts and figures about the economy of other countries the IMF 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 rates 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. Although the pound has shown considerable fluctuation over the 2016/17 period, there has been a general weakening against the South African Rand. On the first Monday in March 2017, one Pound was equivalent to 15.9 Rand, down from 21.8 at the same time in 2016.

Figure 4: Exchange rate of the South African Rand into the British Pound Sterling - March 2016 to March 2017



International Headlines

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

The Consumer Prices Index (CPI) rose by 2.3% in the year to March 2017, unchanged from the previous month. The rate in March 2017 was the highest since September 2013, when it was 2.7%. The main contributors to the increase in the rate were rising prices of food, alcohol and tobacco, clothing and footwear, and miscellaneous goods and services.

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

Annual consumer price inflation was 6.1% in March 2017, down from 6.3% in February 2017. The consumer price index increased by 0.6% month-on-month in March 2017. In March the CPI for goods increased by 7.0% year-on-year (down from 7.1% in February), and the CPI for services increased by 5.4% year-on-year (down from 5.6% in February).

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.

Births and Deaths

In the first quarter of 2017, there were thirteen births and fourteen deaths. These figures are similar to those recorded for the same period in 2016 and 2015. Recent years have seen an overall decline in both annual births and deaths, however it is too early to afford any comment to whether 2017 will follow the same trend.

The below tables provide figures for the number of births and deaths for the years 2012 -2017, broken down by gender. For the last three reporting years, the number of births and deaths incurred in the first quarter have been quite similar and, so far for 2017, gender counts for births and deaths have been almost perfectly matched. However, please note that these tables show figures for on-Island births and deaths only. In addition to the information shown below, there were a small number of births and deaths reported off-Island for the period January to March 2017.

Table 4: Births and Deaths on St Helena, January to March 2012 - 2017

Total number (Jan - Mar 2017)	2012	2013	2014	2015	2016	2017
Births	9	8	6	13	13	13
<i>Of which: Male</i>	5	1	2	8	5	7
Female	4	7	4	5	6	6
Deaths	16	12	21	13	15	14
<i>Of which: Male</i>	7	8	15	7	8	7
Female	9	4	6	6	7	7

Table 5: Births and Deaths on St Helena, 2012 - 2017 (Q1)

	2012	2013	2014	2015	2016	2017 (to Mar, 3/12)
Births	32	35	48	40	35	13
<i>Of which: Male</i>	15	13	25	24	16	7
Female	17	22	23	16	19	6
Deaths	62	55	61	55	45	14
<i>Of which: Male</i>	36	34	36	32	26	7
Female	26	21	25	23	19	7

Methodology and Fact Sheet

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. The full contents and weighting of the basket of goods and services for which prices are monitored is available from the Statistics Office and can be downloaded from the Publications section of the SHG website www.sainthelena.gov.sh/statistical-publications
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 126.62 indicates that the basket of goods that cost £100 at the time of the baseline (Q2 2010) would now cost £126.62.

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. By looking at the groups of items and services for which price changes are observed the likely impact on individual household budgets can be considered.

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.

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 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
(estimates produced for both 'de jure' and 'de facto' population enumerated on Census night, 7 February 2016)

Births = Number of registered births

Deaths = Number of registered deaths

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

News from the Statistics Office

Last Quarter we introduced you to our newest recruit, Miss Asita Obey, who has been taking on the role of Statistics Assistant within the Statistics Office. Here is what Asita had to say about her first six months working in the Statistics Office.

Q: When did you join the Statistics Office?

A: I was welcomed into the Statistics Office in November 2016.

Q: What have been your main roles?

A: My main roles have been keeping on top of collecting and collating statistical returns, liaising with stakeholders and assisting in data entry.

Q: Have you learnt anything new during your time so far?

A: Yes, I have learnt about dealing/engaging with the public and more about working with formulas. By working in this role I am learning more every day.

Q: What has been your best experience so far?

A: The Retail Price Index (RPI). This is something I have never done or known about previously. Going out of the office and going to retailers to collect prices and to see whether they have increased or decreased.

Q: What are you looking forward to most over the coming months?

A: I am looking forward to more training, learning new things in my role and hopefully working towards becoming a Senior Statistics Assistant.

Next edition of the Stats News - July 2017

Updates will include:

- St Helena Retail Price Index (RPI) for Q2 2017 (April - June 2017)
- Estimated population and visitor updates for Q2 2017
- Updates on global context and high level economic information

How to Contact the Statistics Office

In person - the Statistics Office is on the first floor of the Castle, Jamestown

Telephone - direct line 22138 or via the Castle switchboard on 22470 (the international dialling code for St Helena is +290)

Email - statistics@sainthelena.gov.sh (general office address) or if you know who you want to speak to you can email members of the team directly:

Kelly Clingham	kelly.clingham@sainthelena.gov.sh
Justine Joshua	justine.joshua@sainthelena.gov.sh
Asita Obey	asita.obey@sainthelena.gov.sh

All data and reports are available from our website: www.sainthelena.gov.sh/statistics

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 Weight	33.40	3.15	9.84	7.78	1.37	4.05	18.57	8.92	12.92	100.00
2009 Q1	89.97	89.85	96.27	82.41	105.76	105.39	97.94	93.03	96.49	92.62
2010 Q1	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
2013 Q1	109.74	127.85	108.46	108.58	111.79	115.83	118.94	115.50	115.73	113.36
2014 Q1	111.89	128.15	111.88	118.36	114.07	121.54	112.84	115.80	115.39	114.30
Q2	111.82	128.71	113.19	121.86	114.14	121.11	118.82	118.50	115.83	116.08
Q3	112.82	131.81	114.20	121.86	114.24	118.91	119.44	119.10	115.83	116.69
Q4	113.06	132.77	114.14	131.44	114.27	120.17	119.44	117.79	115.89	117.49
2015 Q1	114.18	134.37	114.16	130.85	116.32	120.57	116.84	118.91	115.45	117.48
Q2	114.94	135.47	114.60	138.82	114.33	120.04	116.66	121.93	115.45	118.61
Q3	115.38	136.80	115.28	137.99	114.38	120.10	116.63	120.97	116.35	118.81
Q4	113.67	137.11	115.25	137.99	113.57	120.23	117.00	121.03	116.35	118.34
2016 Q1	114.66	137.21	115.42	136.22	120.75	117.68	117.00	119.00	115.79	118.30
Q2	116.32	138.80	117.18	150.56	121.97	118.73	118.90	121.23	115.79	120.78
Q3	120.10	139.40	117.07	150.65	122.15	121.55	120.04	123.52	115.79	122.60
Q4	123.26	140.74	117.12	150.46	124.20	123.10	120.31	123.88	115.79	123.87
2017 Q1	129.02	146.97	117.39	150.26	124.14	124.80	121.34	128.74	115.22	126.62
<i>Percentage change current quarter on corresponding quarter in previous year</i>										
2009 Q1	18.0	3.4	3.7	18.3	-6.4	9.3	3.5	6.7	0.4	9.4
2010 Q1	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
2013 Q1	2.5	4.7	2.2	6.6	5.6	-0.5	1.1	0.6	4.9	2.6
2014 Q1	2.0	0.2	3.2	9.0	2.0	4.9	-5.1	0.3	-0.3	0.8
Q2	0.9	0.1	1.9	4.0	1.8	2.4	4.3	3.1	-0.8	1.9
Q3	2.1	2.4	1.9	3.4	1.9	0.4	5.2	1.9	0.3	2.4
Q4	2.9	3.8	2.0	10.6	1.4	1.3	5.0	1.3	0.3	3.3
2015 Q1	2.1	4.8	2.0	10.6	2.0	-0.8	3.5	2.7	0.1	2.8
Q2	2.8	5.3	1.2	13.9	0.2	-0.9	-1.8	2.9	-0.3	2.2
Q3	2.3	3.8	0.9	13.2	0.1	1.0	-2.3	1.6	0.3	1.8
Q4	0.5	3.3	1.0	5.0	-0.6	0.0	-2.0	2.8	0.4	0.7
2016 Q1	0.4	2.1	1.1	4.1	3.8	-2.4	0.1	0.1	0.3	0.7
Q2	1.2	2.5	2.2	8.5	6.7	-1.1	1.9	-0.6	0.3	1.8
Q3	4.1	1.9	1.6	9.2	6.8	1.2	2.9	2.1	-0.5	3.2
Q4	8.4	2.6	1.6	9.0	9.4	2.4	2.8	2.4	-0.5	4.7
2017 Q1	12.5	7.1	1.7	10.3	2.8	6.1	3.7	8.2	-0.5	7.0