



Annual inflation of the Retail Price Index (RPI) in Q2 2016 – 1.8 per cent
Average Resident Population in Q2 2016 – 4,588
Average Resident *St Helenian* Population in Q2 2016 – 4,099

Headlines

- The St Helena RPI grew by 1.8 percent in the year leading up to the second calendar quarter of 2016, a 1.1 percentage point increase from the annual growth in the year leading to the previous quarter
- The resident population decreases slightly from Q1 2016 and there was noticeable decline in the St Helenian population during the same period
- Summary Report for the 2016 Population & Housing Census published – report and data available from: <http://www.sainthelena.gov.sh/2016-st-helena-census/>

Figure 1a: Annual rate of inflation of the St Helena Retail Price Index, Q1-2006 to Q2 2016

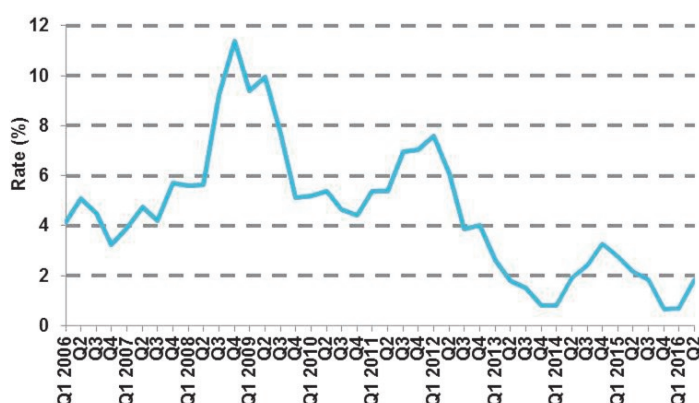


Figure 1b: St Helena Retail Price Index, Q2 2010 = 100

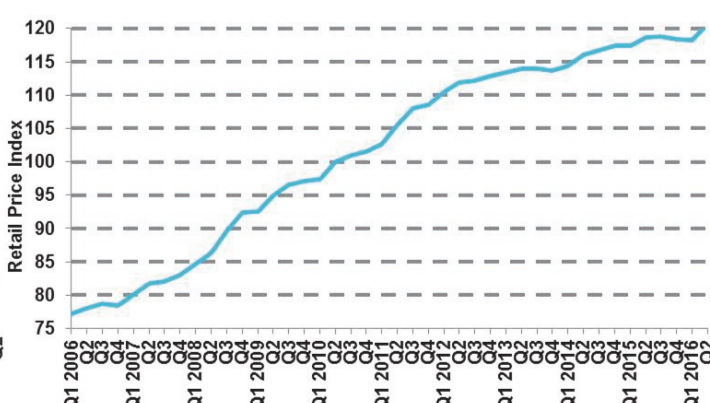


Figure 1a shows the historical trend in annual inflation and figure 1b the trend in the RPI. Table 1, overleaf, lists annual and quarterly changes in inflation of the RPI since it was re-based at the end of Q2 2010. The annual rate of inflation of the RPI stands at 1.8 per cent at the end of Q2 2016, an increase of 1.1 percentage points from the previous quarter.

A discussion of changes and pressures on the RPI is given on pages 2-4 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

Page 8: St Helena Retail Price Index, 2002 to Present

New Reports Available from Statistics Website: www.sainthelena.gov.sh/statistics

- Analysis of Income from Employment 2011/12 to 2014/15 ***New***
- 2016 Census Summary Report and Data ***published June 2016***

Table 1: St Helena Retail Price Index (RPI), Annual and Quarterly, Q2 2010 to Q2 2016

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	1.6
Q3	116.69	2.4	0.5
Q4	117.49	3.3	0.7
Q1 2015	117.48	2.8	-0.0
Q2	118.61	2.1	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

Table 2: Annual Inflation on the St Helena RPI, total and by category, Q1 2016 and Q2 2016.

Category	Weight (%)	Annual inflation rate Q1 2016 (%)	Annual inflation rate Q2 2016 (%)	Quarterly change in annual rate
Food	33.4	0.4	1.2	+0.8
Transport	18.6	0.1	1.9	+1.8
Services	12.9	0.3	0.3	0.0
Housing*	9.8	1.1	2.1	+1.0
Miscellaneous goods	8.9	0.1	-0.6	-0.7
Fuel & light	7.8	4.1	8.5	+4.4
Household goods	4.1	-2.4	-1.1	+1.3
Alcohol & tobacco	3.2	2.1	2.5	+0.4
Clothing	1.4	3.8	6.7	+2.9
Total	100	0.7	1.8	+1.1

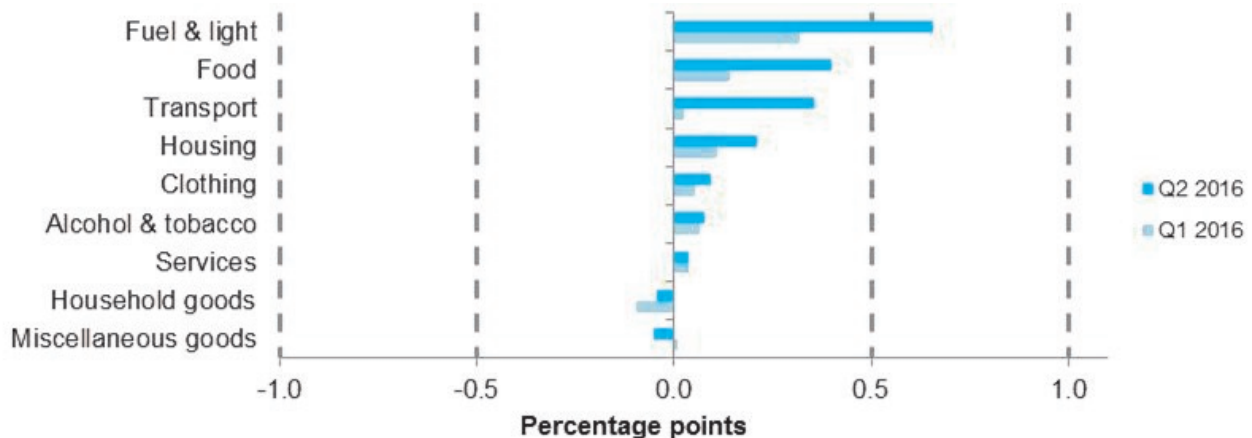
**Note: Housing includes Government Landlord Housing but not private rentals*

At the end of Q2 2016 annual inflation of the St Helena Retail Price Index (RPI) stood at 1.8 per cent. This means that a basket of goods and services that cost £100 in June 2015 would have cost £101.80 at the time of price checks - the second week of June 2016. The rate of annual inflation of the RPI rose by 1.1 percentage points from the previous quarter but has dropped by 0.3 percentage points over the previous 12 months.

The overall rate of price inflation on St Helena is low but shows considerable quarterly fluctuations in response to annual reviews of tariffs, fees and service changes. The two leading effects on the overall level of price inflation on St Helena are changes within the Food and Fuel & Light subcategories of the St Helena shopping basket - the selection of goods and services monitored for the quarterly price checks.

A number of price changes, increases and decreases, were recorded in the Q2 2016 price checks. The size of this price change along with the weighting, a measure of importance of this item in the 'typical' regular shopping of a St Helenian household, is used to monitor overall trend prices of goods of that type (grouped by subcategory with similar goods and/or service). In Q2 2016 a small number of items which have not been available for purchase for some time were substituted with estimated prices based on price changes of similar goods. These substitutions are carefully applied to ensure the RPI continues to reflect price changes on St Helena until a more thorough revision of the goods and services is carried out. Survey work for this revision is currently planned for financial year 2017/18.

Figure 2: Contribution to the headline rate of annual inflation of the St Helena RPI, Q1 2016 (AI = 0.7%) and Q2 2016 (AI = 1.8%)



The 1.1 percentage point increase in the rate of annual inflation of the RPI from Q1 2016 to Q2 2016 reflects larger overall annual price increases on the goods and services in the St Helena shopping basket in the year leading up to Q2 2016 than in the year leading up to Q1 2016.

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

Fuel & Light - revisions to utilities tariffs in April 2016 result in the single largest upwards pressure— an increase in the price of electricity which contributes 0.9 percentage points towards the headline rate of inflation. An increase in the price of Gas is noted as an upwards pressure on quarterly price inflation in the Fuel & Light subcategory.

Food - price increases on Food items outweigh, in size and weighting, observed price decreases. The monitored Food items reflect both local produce and imported goods. In Q2 2016 increases in imported Food items, particularly vegetables and staple items, outweigh decreases in sandwich fillers and fruit.

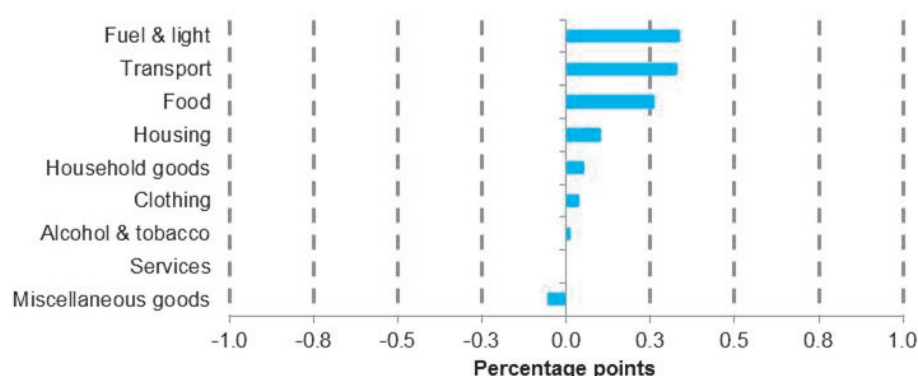
Transport - an increase in the total price of buying and importing a new vehicle is the second largest upwards pressure on inflation, contributing 0.5 percentage points towards the headline rate. A new vehicle is not suggested as a regular purchase but is one to be budgeted for over an extended period.

Housing - predominantly due to an increase in the Buildings Materials Price Index (BMPI) which measures inflation in labour and building materials. A smaller, but noteworthy, upwards pressure results from an increase in water tariffs.

Downwards pressures on annual inflation are generally grouped within the Household Goods and Miscellaneous Goods subcategories. The largest individual effects relate to some Food items and the price of broadband internet services.

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

Figure 3: Contribution to the 1.1 percentage point increase in the annual rate of inflation of the St Helena RPI (0.7% to 1.8%) between Q1 2016 and Q2 2016



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 2015/16 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-June 2015	April 2016- June 2016	Percentage Change
Revenue from Taxes	£880,909	£1,056,431	20%
<i>Of which:</i> PAYE & Self-Employed	£772,184	£927,573	20%
Corporation & Withholding Tax	£56	£46	-18%
Goods & Services	£108,669	£128,812	19%
Revenue from Customs Duty	£1,293,488	£1,178,396	-9%
<i>Of which:</i> 'Other'	£634,517	£769,815	21%
Alcohol	£204,653	£185,716	-9%
Tobacco	£232,961	£117,097	-50%
Petrol and Diesel	£175,764	£88,349	-50%
Liquor Duty	£7,323	£2,742	-63%
Excise Duty	£38,270	£14,678	-62%
Grant-in-Aid	£4,187,250	£5,625,000	34%

Source: St Helena Government Management Accounts, Period 3 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. In 2016/17 the pound has remained strong against the South African Rand. On the first Monday in June 2016 one Pound was equivalent to 21.6 Rand, up from 18.7 in 2015, with an average of 21.2 in the intervening year.

International Headlines

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

The Consumer Prices Index (CPI) rose by 0.5% in the year to June 2016, compared with a 0.3% rise in the year to May. The June rate is a little above the position seen for most of 2016, though it is still relatively low historically. Rises in air fares, prices for motor fuels and a variety of recreational and cultural goods and services were the main contributors to the increase in the rate. These upward pressures were partially offset by a fall in the price of furniture and furnishings and accommodation services.

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

Annual consumer price inflation was 6.3% in June 2016, up from 6.1% in May 2016. The consumer price index increased by 0.6% month-on-month in June 2016. In June the CPI for goods increased by 6.7% year-on-year (up from 6.6% in May), and the CPI for services increased by 5.8% year-on-year (up from 5.7% in May). Provincial annual inflation rates ranged from 5.4% in Northern Cape to 7.6% in Eastern Cape.

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 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 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 120.78 indicates that the basket of goods that cost £100 at the time of the baseline (Q1 2010) would now cost £120.78.

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:

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

Where P_{census} = Census enumerated usual resident population
 (estimates produced for both 'de jure' and 'de facto' 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

Resident Population

At the end of June 2016 the number of people on St Helena, residents plus visitors, stood at 4,667 with an average over Quarter 1 of 2016 of 4,588. This is a 0.2 per cent (9 person) increase over the previous 12 months. The *St Helenian* population averaged 4,099 in Q2 2016, a 0.7 per cent (29 person) increase from the same period in 2015. Results from the Population and Housing Census in February 2016 are used for population estimates from February 2016 onwards.

Net migration continues to be the largest driver of population change for the resident population. As the construction phase of the Airport project reaches a conclusion outward migration of overseas workers at the end of the Airport construction project is becoming apparent in the decreasing total resident population. In the second quarter of 2016 the Island saw eight births and 13 deaths, bringing the total for this year to date to 19 births and 23 deaths, compared to 26 births and 28 deaths in the same period in 2015.

Figure 5: St Helena resident population, averaged over quarter, Q1 2008 - Q2 2016 (top of bar = de facto population, second line = de facto *St Helenian* population)

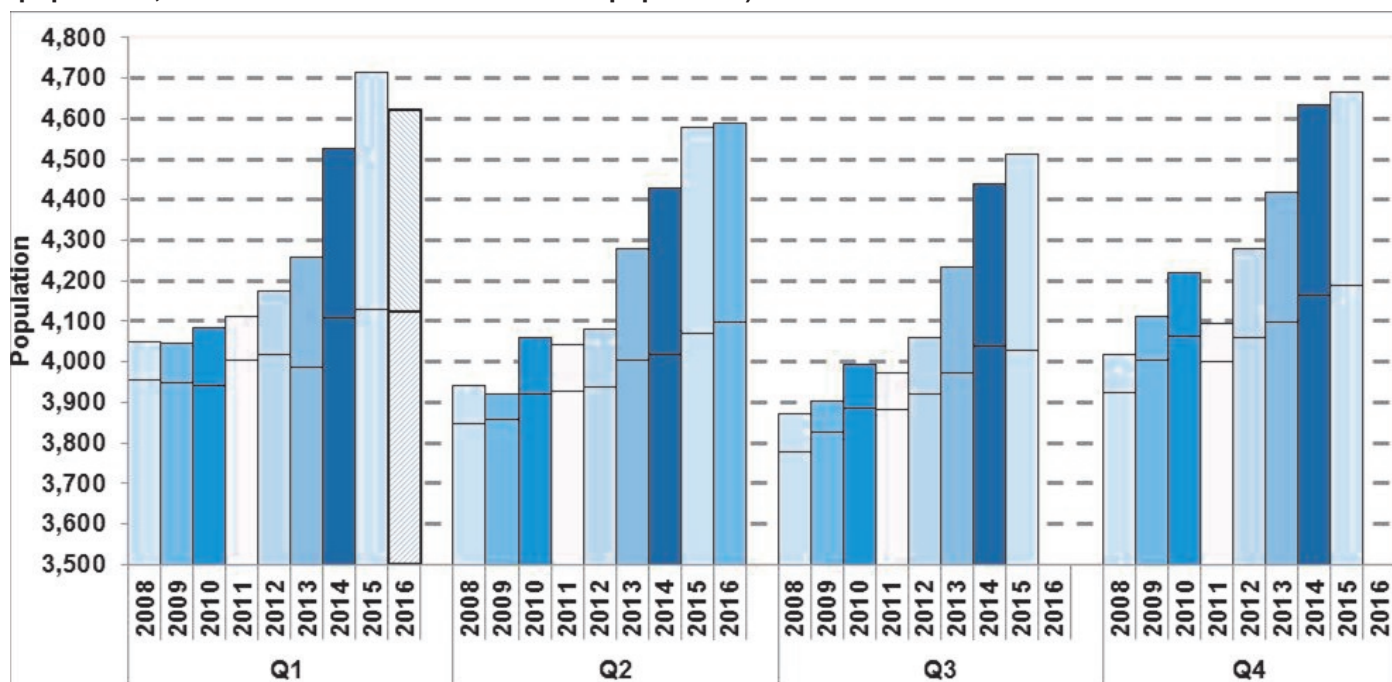


Figure 5 - Associated table. Quarterly average estimated population (St Helenian), 2011 to 2016

	2011	2012	2013	2014	2015	2016
Q1 (Jan - Mar)	4,111 (4,004)	4,176 (4,017)	4,259 (3,987)	4,527 (4,109)	4,713 (4,129)	4,694 (4,220)
Q2 (Apr - June)	4,042 (3,928)	4,080 (3,938)	4,278 (4,005)	4,428 (4,016)	4,579 (4,070)	4,588 (4,099)
Q3 (July - Sept)	3,974 (3,882)	4,059 (3,919)	4,234 (3,973)	4,439 (4,039)	4,513 (4,027)	-
Q4 (Oct - Dec)	4,093 (4,001)	4,280 (4,061)	4,420 (4,099)	4,636 (4,163)	4,666 (4,188)	-

Table 4: Births, Deaths on St Helena, 2011 - Q2 2016.

	2011	2012	2013	2014	2015	2016 (Q2 of 4)
Births	34	32	35	48	40	19
Of which: Male	18	15	13	25	24	9
Female	16	17	22	23	16	10
Deaths	49	62	55	61	55	28
Of which: Male	22	36	34	36	32	15
Female	27	26	21	25	23	13

Arrivals to St Helena: April to June 2016

Source: St Helena Immigration database

Table 5: Number of passenger and vessel arrivals to St Helena, April to June 2016 and 2015

Arrival	2015/16	2016/17	Change over year	
			Actual	Percentage
Passenger Arrivals year to date (excl. day visitors)	767	817	50	7%
Of which: By Air	-	48	48	-
By Sea	767	769	2	0%
RMS St Helena	626	560	-66	-11%
Yachts and Other Vessels	141	209	68	48%
RMS Arrivals				
Number of RMS arrivals	9	5	-4	-44%
of which: from Ascension	5	2	-3	-60%
from Cape Town	4	2	-2	-50%
from UK	-	1	1	-
Total RMS passenger arrivals	626	560	-66	-11%
of which: from Ascension	265	118	-147	-55%
from Cape Town	361	312	-49	-14%
from UK	-	130	-	-
Passenger arrivals by category:				
Business	182	84	-98	-54%
Tourist (Excursion)	108	125	17	16%
of which: stayed for Ascension turn-around	72	109	37	51%
Visiting Friends or Relatives	111	79	-32	-29%
Returning Resident	180	229	49	27%
Transit	45	43	-2	-4%
Yacht Arrivals				
Total Yacht arrivals (Vessels)	36	35	-1	-3%
Total Yacht arrivals (Passengers/ Crew)	105	124	19	18%
Other Vessels				
Arrivals of other Vessels	8	3	-5	-63%
Overnight visitors	36	85	49	136%
Day visitors	3,711	466	-3,245	-87%
Flight Arrivals				
International flight arrivals	-	3	3	-
International flight arrivals (Passengers/ Crew)	-	48	48	-

Table 6: Region of origin of RMS tourist visitors to St Helena, April to June 2016

Region of Origin	Tourist Count	Percentage of Tourist Visitors
UK	73	58%
Europe	18	14%
South Africa	5	4%
Saint Resident Overseas	5	4%
Other	24	19%
TOTAL	125	

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
	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	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	117.03	150.56	121.97	118.73	118.90	121.23	115.79	120.78
<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
	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	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	2.1	8.5	6.7	-1.1	1.9	-0.6	0.3	1.8