Government of
St Helena

Quarterly Statistical News Bulletin

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Annual Inflation of the Retail Price Index in Q4 2012– 4.0 per cent
Resident Population at end of 2012– 4,236

Headlines

- Annual Inflation on the RPI is essentially unchanged from the previous quarterly report
  - Increases in the Services and Clothing categories are largely balanced by decreases in the Alcohol & Tobacco and Household Goods sub-categories
- The St Helena resident population continues to grow
- There has been an overall increase in the number of visitors in 2012, but Tourist arrivals in the eight-night "excursion" category are down by 26 per cent from 2011

Figure 1a: Annual rate of inflation on the St Helena Retail Price Index, Q1-2006 to Q4 2012

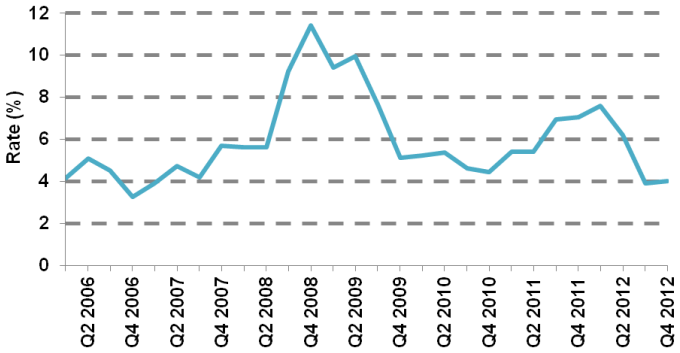
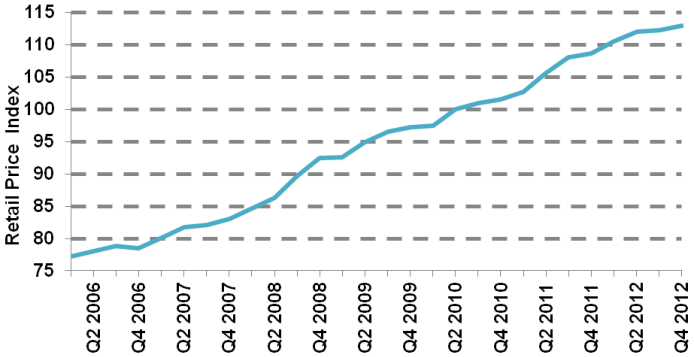


Figure 1b: St Helena retail price index, Q2 2010= 100



At the end of Q4 2012, the annual rate of inflation of the St Helena retail price index stood at 4.0 per cent. This is a marginal increase from Q3 2012 when the annual rate of inflation stood at 3.9 per cent. Figures 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.

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St Helena Statistics Office: www.sainthelena.gov.sh/statistics
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Table 1: St Helena Retail Price Index (RPI), Annual and Quarterly, Q2 2010 to Q4 2012

	Index	Annual or12 month change (%)	Quarterly or 3 month change (%)
Q2 2010	100.0	5.4	2.6
Q3 2010	101.0	4.6	1.0
Q4 2010	101.5	4.4	0.5
Q1 2011	102.7	5.4	1.2
Q2 2011	105.6	5.6	2.8
Q3 2011	108.0	7.0	2.3
Q4 2011	108.6	7.0	0.5
Q1 2012	110.5	7.6	1.7
Q2 2012	112.0	6.1	1.3
Q3 2012	112.2	3.9	0.2
Q4 2012	113.0	4.0	0.7

Table 2: Annual Inflation on the St Helena RPI, total and by category, Q4 2012

Category	Weight (%)	Annual inflation rate Q3 2012 (%)	Annual inflation rate Q4 2012 (%)	Quarterly change in annual rate
Food	33.4	*2.3*	2.6	0.3
Transport	18.6	*6.8*	6.5	-0.3
Services	12.9	*0.7*	5.5	4.8
Housing*	9.8	*0.3*	0.2	-0.1
Miscellaneous goods	8.9	*4.4*	2.4	-1.9
Fuel & light	7.8	*6.8*	6.6	-0.2
Household goods	4.1	*8.5*	1.7	-6.8
Alcohol & tobacco	3.2	*13.0*	7.4	-5.6
Clothing	1.4	*2.6*	10.9	8.3
Total	**100**	***3.9***	**4.0**	**0.1**

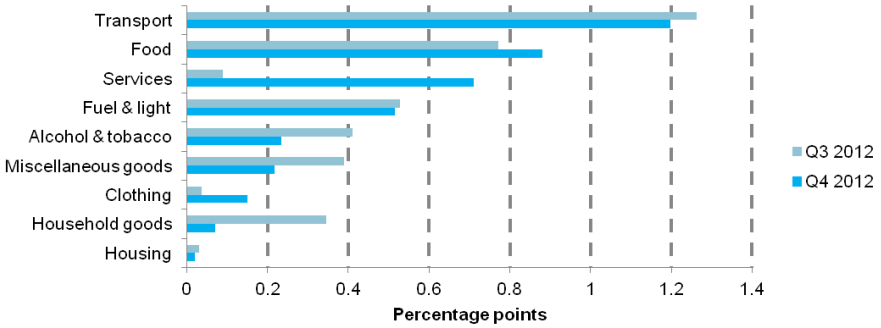

Figure 2: Contribution to the headline rate of annual inflation of the St Helena RPI, Q3 (AI = 3.9%) and Q4 (AI = 4.0%) 2012

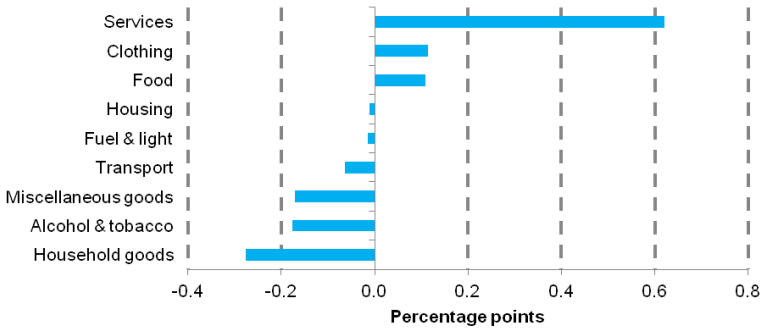

Figure 3: Contribution to the 0.1 percentage point change in the annual rate of inflation of the St Helena RPI (3.9% to 4.0%) between Q3 2012 and Q4 2012

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

The breakdown of inflation by expenditure category (table 2) shows a very variable picture. Large increases in the Services and Clothing categories are balanced by decreases in Household Goods and Alcohol and Tobacco categories.

Figure 2 shows the contribution of inflation in each category to the headline rate for Q3 and Q4 2012. Annual inflation in the Transport and Food categories, at 6.5 per cent and 2.6 per cent respectively, continue to contribute most to the headline rate of inflation due to their heavy weighting in the average St Helenian "shopping basket". Some of the biggest movers from last quarter were the Services and Clothing categories, where the annual rate of inflation increased by 4.8 and 8.3 percentage points between quarters respectively. On the other hand, the Household Goods and Alcohol & Tobacco categories show the biggest quarterly decrease in the annual rate of inflation, at -6.8 and –5.6 percentage points respectively.

Figure 3 shows the contribution of inflation in each category to the quarterly change in the headline rate of inflation of 0.1 per cent. The most significant *upward* contributions to the annual rate of inflation of the RPI between Q3 2012 and Q4 2012 came from:

- **Services:** In contrast to last quarter where the Services category contributed most to the fall in the rate of RPI inflation, the Services category was the single biggest contributory factor (0.6%) to the 0.1 per cent rise in RPI inflation in Q4 2012. The change is dominated by an increase in cost of television services following the introduction of the new, expanded, television package in October 2012.

- **Clothing:** There have been a number of increases in clothing and footwear items resulting in an annual rate of inflation of 10.9 per cent in the Clothing category, an increase of 8.3 percentage points from Q3 2012. The low weighting of Clothing in the overall RPI means that although this category sees the strongest price rises, it only contributes 0.1 per cent upward pressure on the quarterly change in the annual rate of RPI inflation.

- **Food:** Price rises, most noticeably on meat, resulted in a 0.3 per cent increase in the Food category of the RPI from the previous quarter. The high weighting of this category in the overall RPI means that this contributes close to 0.9 per cent toward the headline annual rate of inflation.

The most significant *downward* contribution to the annual rate of inflation of the RPI between Q3 2012 and Q4 2012 came from:

- **Household Goods:** The net result of price changes in this category is a negative contribution to the annual rate of RPI inflation of approximately 0.3 per cent over the quarter.

- **Alcohol & Tobacco:** Small rises in alcohol prices and no change in the tobacco products in the RPI shopping basket results in *annual inflation* in this category standing at 7.4 per cent, down from 13.0 per cent in Q3 2012. This quarterly decrease equates to 0.2 percentage points of downward pressure on the annual rate of RPI inflation over the past quarter.

- **Miscellaneous Goods**: This typically volatile category of the RPI basket shows a number of price increases and decreases in Q4 2012. Overall this equates to a little under 0.2 percentage points of downward pressure on the quarterly change in the annual rate of RPI inflation.

RPI by expenditure

In Q4 2012 annual inflation of the high–expenditure category RPI stood at 4.1 per cent, up from 4.0 per cent in Q3. The largest contributions to the headline rate of inflation came from the Transport, Food and Services categories.

Annual inflation of the low-expenditure category RPI stood at 3.8 per cent, up from 3.6 per cent in Q3. The largest contributions to the headline rate of inflation came from the Food, Fuel and Services sub-categories.

Table 3: High– and low-expenditure bracket calculation of annual inflation of the St Helena Retail Price Index.

	Average Expenditure	Low expenditure	High Expenditure
Q2 2011	5.6	4.9	5.9
Q3 2011	7.0	6.2	7.3
Q4 2011	7.0	6.1	7.4
Q1 2012	7.6	6.3	8.2
Q2 2012	6.1	5.4	6.4
Q3 2012	3.9	3.6	4.0
Q4 2012	4.0	3.8	4.1
1 year Average	5.4	4.8	5.7

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 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 influence 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).

International Headlines

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

The Retail Prices Index (RPI) annual inflation in the UK stands at 3.0 per cent in November 2012, down from 3.2 per cent in October. The largest downward pressures behind the change in the RPI rate came from motoring expenditure, housing and household goods. These were partially offset by an upward pressure from food. The RPI stands at 245.6 in November 2012 based on January 1987 = 100

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

The headline inflation rate in November 2012 (i.e. the Consumer Price Index for all South African urban areas in November 2012 compared with that at November 2011) was 5.6%, unchanged from October 2012.

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

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 price of the standard basket.

5. An RPI of 110.40 would mean that the basket of goods that cost £100 at the time of baseline would now cost £110.40.

Why do we measure the RPI?

The rate of change of price indices are an important indicators of how the economy is performing. They are used in many ways by the 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 action 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 are the upper– and lower-band RPIs?

These bandings show the rates for inflation for typical households in two weekly spending brackets– £0-100 and £150+. You may find that one of these inflation figures is more relevant to you as it more closely reflects changes in the products you regularly buy.

The upper– and lower-band RPI calculations include a different set of weights to those used in the overall RPI calculations. This reflects the differing proportions of weekly expenditure spent on items in each group of items in the RPI shopping basket. A detailed explanation of this analysis along with a description of historical trends was given in the Q3 2012 release "RPI by Expenditure". A copy of this publication is available from the Statistics Office website: www.statistics.gov.sh/statistics

Resident Population

The estimated resident population of St Helena at the end of December 2012 was 4,236. The quarterly average resident population has been consistently greater in 2012 than the same period in any year since the 2008 population Census. In 2012 the Island has seen over two hundred St Helenian nationals, absent for two-years or more, returning for a long-term stay (six months or more). Of these, over 151 (close to 70 per cent) are between 20 and 60 years of age.

Figure 4: St Helena resident population, averaged over quarter, Q1 2008—Q4 2012

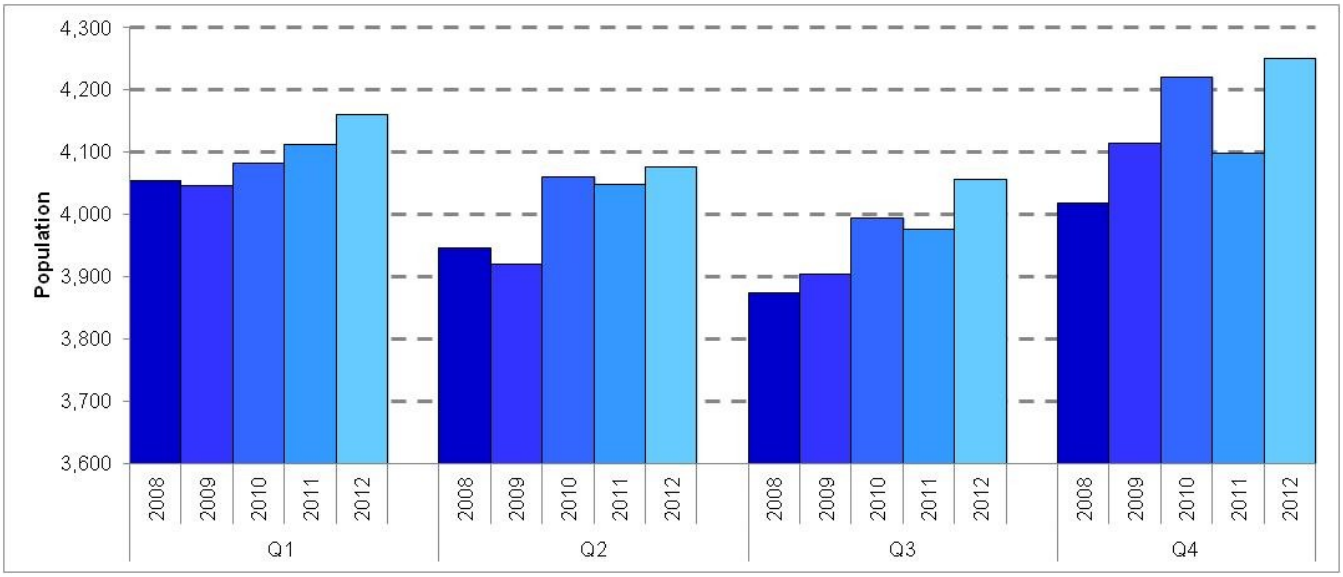

Table 4: Births, Deaths and long-term in-migration of individuals with St Helenian status, St Helena 2012.

	Births	Deaths	Saint arrivals[3]	
			All	Age 20-60
Total number (January to December 2012)	31	62	209	151
Monthly average or mean (mode[1])	2.6 (4 and 5)	5.2 (4)	17.4 (10)	12.6 (18)
Crude rate (number per 1000 head of population)	7.1 (global average: 19.15)	14.2 (global average: 8.37)	N/A	N/A

[1]Mode provided to show most frequently occurring number of births and deaths– the number which could be expected from a "typical" month.

[2] As reported in the World Handbook, Central Intelligence Agency, June 2012

[3] Long term arrivals, BOTC nationality, date of arrival two years or greater than date of departure.

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: 2012

The total number of arrivals to St Helena in 2012 was up by 3 per cent from 2011. Fuelling this rise was a 51 per cent increase in business visitors. Tourist visitors are down by 202, or 26 per cent, in 2012 from 2011.

The seasonal variation in tourist visitors to St Helena is dominant in the quarterly breakdown of annual tourist numbers. A noticeable reduction in tourist visitors to St Helena in quarters one, two and three 2012 is partly redeemed by a 50 per cent increase in tourist visitors in quarter four 2012, when compared to 2011.

Table 5: Total number of arrivals, RMS arrivals and Yacht arrivals to St Helena, 2012 and 2011. ***Source: St Helena Immigration database.***

Arrival	2012	2011	Change 2011 to 2012	
			Actual	Percentage
Total Passenger Arrivals	**3,356**	**3,262**	**+94**	**+3%**
Number of RMS arrivals	35	29	+6	+20%
Total RMS passenger arrivals	2,731	2,542	+189	+7%
Of which: Business	558	368	+188	+51%
Tourist	574	778	-202	-26%
Visiting Friends or Relatives	651	588	+63	+11%
Returning Resident	874	777	+97	+13%
Transit	74	31	+43	+139%
Total Yacht arrivals (vessels)	189	200	-11	-5%
Passengers/ Crew	595	669	-74	-10%

Table 6: Quarterly breakdown of RMS tourist (excursion) visitors to St Helena, 2012 and 2011.

	2012	2011	2010[1]	2009[2]
Quarter 1 (January– March)	168	236	*209*	***
Quarter 2 (April—June)	108	279	*235*	*142*
Quarter 3 (July– September)	*77* *RMS in dry dock July 2012*	117	*168*	*141*
Quarter 4 (October—December)	221	146	*422*	*289*
Total	**574**	**778**	***1,034***	***(572)***

[1,2] Due to a slight difference in definition of categories tourist vs definition "holiday" used prior to 2011, figures are not directly comparable but are included for context.

[2] * Arrivals data not available in current database, January– March 2009.**

Building Statistics

In 2012, 31 new build houses were completed, and a further 27 were started.

Table 7: Number of houses completed and new build projects started by area, 2012. ***Source: Lands Registry*****.**

	Houses		Planning Applications Approved			
	Started	Completed	All	New Build Houses	Extension	Other*
Jamestown	-	3	22	2	4	16
Half Tree Hollow	11	9	24	7	6	11
St Paul's	5	6	29	9	1	19
Blue Hill	4	1	5	3	1	1
Sandy Bay	1	-	9	2	3	4
Levelwood	4	4	7	3	1	3
Longwood	3	3	26	6	5	15
Alarm Forest	5	4	7	5	1	1
Total	**33**	**30**	**129**	**37**	**22**	**70**

***The Category of "other" includes all non-dwelling planning applications, e.g. commercial, agricultural, land clearance etc.**

Planning ahead in 2013

In quarter three of 2013, the Statistics Office is scheduled to conduct a Household Expenditure Survey. These data decide the contents of the St Helena shopping basket and the weight of items. This will also provide an opportunity to introduce additional inflation measures which may be of greater relevance to some sectors in St Helena.

As we prepare for this important exercise we will be looking for people willing to help us shape the content and style of the questions we ask. It is vital that we properly pilot our survey techniques to ensure the highest possible response rates to the important issues the survey will address. We will also be looking to recruit volunteers for focus groups on certain topics.

If you would like to contribute ideas, opinions or be involved in discussions which will shape the content of the Household Expenditure Survey please register your interest with the St Helena Statistics Office: statistics@sainthelena.gov.uk or tel: 2138

Correction and Apology

In the Q3 Statistical News bulletin, released in October 2012, discussion of inflation in the Services category made incorrect reference to an increase in insurance premiums in Q3 2011. There has been no increase in insurance premiums. The increase in cost of insurance is due to the introduction of a service tax.

We apologise for this error and regret any inconvenience it has caused to Solomon's Insurance Services or their customers.

ST HELENA RETAIL PRICE INDEX

Quarter 2 2010 = 100

	Food	Alcohol & tobacco	Housing	Fuel & light	Clothing	Household goods	Transport	Miscellaneous goods	Services	Total
Weights 2002 (1)	33.10	6.70	9.30	8.10	2.40	3.40	23.00	6.10	7.90	100.00
Weights 2009 (2)	33.40	3.15	9.84	7.78	1.37	4.05	18.57	8.92	12.92	100.00
2002 Qtr 4	61.62	57.78	88.41	50.01	96.86	93.28	70.52	81.16	81.42	67.65
2003 Qtr 4	65.88	68.51	88.74	56.69	97.70	94.16	71.59	82.39	82.89	71.21
2004 Qtr 4	70.09	68.11	90.26	60.92	104.87	102.52	69.55	85.60	83.95	73.37
2005 Qtr 4	71.95	69.42	90.83	65.89	113.13	108.35	73.33	89.09	83.99	76.03
2006 Qtr 4	72.82	74.35	91.60	68.79	115.52	97.22	79.36	94.52	84.07	78.50
2007 Qtr 4	75.51	80.90	91.84	69.63	101.79	102.53	91.05	86.83	95.90	82.98
2008 Qtr 4	91.38	93.67	96.75	74.59	107.44	105.63	97.72	90.11	96.49	92.44
2009 Qtr 4	96.95	95.34	98.72	85.86	106.93	101.93	100.13	102.15	99.29	97.18
2010 Qtr 4	101.73	105.59	100.01	100.96	101.31	100.68	101.56	103.49	100.00	101.48
2011 Qtr 1	102.50	105.98	100.30	101.13	100.87	100.46	106.13	104.09	100.15	102.70
Qtr 2	104.62	107.22	105.79	101.64	102.97	103.36	108.49	111.31	102.50	105.55
Qtr 3	106.98	110.45	105.96	101.64	106.69	106.18	110.68	111.14	110.33	108.03
Qtr 4	106.49	116.60	106.14	101.81	104.94	111.84	111.03	113.98	110.33	108.61
2012 Qtr 1	107.07	122.15	106.15	101.88	105.84	116.47	117.69	114.82	110.33	110.50
Qtr 2	108.56	122.80	106.29	108.54	107.16	118.55	119.08	115.42	110.33	111.96
Qtr 3	109.45	124.82	106.30	108.54	109.50	115.25	118.20	115.98	111.10	112.21
Qtr 4	109.29	125.28	106.37	108.54	116.40	113.78	118.20	116.76	116.40	112.97

Percentage change current quarter on corresponding quarter in previous

2002 Qtr 4	*-4.6*	*1.9*	*0.9*	*25.8*	*6.5*	*-2.9*	*2.5*	*0.3*	*-1.9*	*0.2*
2003 Qtr 4	*6.9*	*18.6*	*0.4*	*13.4*	*0.9*	*0.9*	*1.5*	*1.5*	*1.8*	*5.3*
2004 Qtr 4	*6.4*	*-0.6*	*1.7*	*7.5*	*7.3*	*8.9*	*-2.8*	*3.9*	*1.3*	*3.0*
2005 Qtr 4	*2.7*	*1.9*	*0.6*	*8.2*	*7.9*	*5.7*	*5.4*	*4.1*	*0.0*	*3.6*
2006 Qtr 4	*1.2*	*7.1*	*0.8*	*4.4*	*2.1*	*-10.3*	*8.2*	*6.1*	*0.1*	*3.3*
2007 Qtr 4	*3.7*	*8.8*	*0.3*	*1.2*	*-11.9*	*5.5*	*14.7*	*-8.1*	*14.1*	*5.7*
2008 Qtr 4	*21.0*	*15.8*	*5.3*	*7.1*	*5.5*	*3.0*	*7.3*	*3.8*	*0.6*	*11.4*
2009 Qtr 4	*6.1*	*1.8*	*2.0*	*15.1*	*-0.5*	*-3.5*	*2.5*	*13.4*	*2.9*	*5.1*
2010 Qtr 4	*4.9*	*10.8*	*1.3*	*17.6*	*-5.3*	*-1.2*	*1.4*	*1.3*	*0.7*	*4.4*
2011 Qtr 1	*5.0*	*5.5*	*1.0*	*17.8*	*1.8*	*0.5*	*6.3*	*5.5*	*0.9*	*5.4*
Qtr 2	*4.6*	*7.2*	*5.8*	*1.6*	*3.0*	*3.4*	*8.5*	*11.3*	*2.5*	*5.6*
Qtr 3	*5.2*	*8.7*	*6.0*	*1.6*	*6.2*	*5.4*	*9.5*	*9.3*	*10.3*	*7.0*
Qtr 4	*4.7*	*10.4*	*6.1*	*0.8*	*3.6*	*11.1*	*9.3*	*10.1*	*10.3*	*7.0*
2012 Qtr 1	*4.5*	*15.3*	*5.8*	*0.7*	*4.9*	*15.9*	*10.9*	*10.3*	*10.2*	*7.6*
Qtr 2	*3.8*	*14.5*	*0.5*	*6.8*	*4.1*	*14.7*	*9.8*	*3.7*	*7.6*	*6.1*
Qtr 3	*2.3*	*13.0*	*0.3*	*6.8*	*2.6*	*8.5*	*6.8*	*4.4*	*0.7*	*3.9*
Qtr 4	*2.6*	*7.4*	*0.2*	*6.6*	*10.9*	*1.7*	*6.5*	*2.4*	*5.5*	*4.0*