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## CPI up 0.3 percent in June 2010 quarter

The consumers price index (CPI) rose 0.3 percent for the June 2010 quarter, Statistics New Zealand said today. "Higher tobacco, transport, and housing prices in the June quarter were partly offset by lower food prices," prices manager Chris Pike said.

The CPI measures the rate of price change of goods and services purchased by households.

Cigarette and tobacco prices rose 8.7 percent, reflecting excise duty increases on cigarettes and tobacco. Retail prices for cigarettes rose between 8 and 10 percent, and tobacco prices about 20 percent. With these increases occurring at the end of April, two-thirds of the impact was shown in the June 2010 quarter CPI.

Food prices fell 0.9 percent, reflecting lower prices for meat, poultry, and fish (down 3.3 percent) and fruit and vegetables (down 2.6 percent).

The transport group rose 0.9 percent in the June 2010 quarter, reflecting higher prices for petrol (up 1.4 percent) and second-hand cars (up 2.4 percent).

The housing and household utilities group rose 0.5 percent, with higher prices for rentals for housing (up 0.5 percent) and electricity (up 1.0 percent).

The CPI increased 1.8 percent for the year to the June 2010 quarter. The transport group (up 6.6 percent) accounted for half the increase, reflecting higher prices for petrol (up 9.5 percent), international air transport (up 16.1 percent), and second-hand cars (up 7.7 percent). Food prices fell 0.7 percent.

Non-tradable goods and services (which do not face foreign competition) increased 2.2 percent for the year to the June 2010 quarter. The annual increases for non-tradables have been no more than 2.3 percent for the past three quarters, whereas annual increases were at least 3.0 percent for the previous eight years. Tradables (which are exported, imported, or compete with imported goods) rose 1.1 percent in the year to the June 2010 quarter.

Statistics NZ visits 3,000 shops around New Zealand to collect prices for the CPI and check product sizes and features.

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