

CPI rises 0.1 percent in December quarter

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The consumers price index (CPI) rose 0.1 percent in the December 2013 quarter, Statistics New Zealand said today. Higher international air fares and rising housing and dairy prices were partly countered by lower vegetable prices and cheaper petrol.

International air fares rose 12 percent in the December 2013 quarter – the highest quarterly rise since the December 2009 quarter. "International air fares usually rise in December quarters. This quarter's rise reflects seasonally higher air fares to Asia and Europe," prices manager Chris Pike said. Package holiday prices (up 7.3 percent) also showed a seasonal rise.

Prices for housing and household utilities (up 0.5 percent) also rose, reflecting higher prices for property maintenance, purchase of newly built houses, and rentals for housing.

Prices for milk, cheese, and eggs rose 4.2 percent, the highest quarterly rise since the September 2010 quarter.

Vegetable prices (down 20 percent) fell in the December quarter, as they usually do. Prices for tomatoes, lettuce, and cucumber were about half what they had been in the previous quarter.

Petrol prices fell 3.5 percent in the December quarter after a 5.6 percent rise in the September quarter, when they peaked at their highest level – an average of \$2.17 per litre for 91 octane. The average price in the December quarter was \$2.09 per litre.

Annual change in prices

The CPI increased 1.6 percent in the year to the December 2013 quarter. This is the highest annual rise since the March 2012 quarter.

Almost half of the increase came from housing and household utility prices, which increased 3.2 percent. There were increases across the board: purchase of newly built houses (up 4.7 percent), housing rentals (up 2.1 percent), property maintenance (up 4.3 percent), household energy (up 2.4 percent), and property rates and related services (up 4.1 percent).

Cigarette and tobacco prices (up 12 percent) continue to affect the annual increase, reflecting a rise in excise duty in January 2013.

The main downward contribution came from cheaper audio-visual and computing equipment (down 10 percent). Telecommunication services and car prices also fell.

The CPI measures the rate of price change of goods and services purchased by New Zealand households. Statistics NZ visits 3,000 shops across New Zealand to collect prices for the CPI and check product sizes and features.

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For media enquiries contact:

Chris Pike
Wellington 04 931 4600
Email: info@stats.govt.nz

Authorised by:

Liz MacPherson
Government Statistician
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