

CPI increases 0.3 percent in June quarter

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The consumers price index (CPI) rose 0.3 percent in the June 2014 quarter, Statistics New Zealand said today. This follows rises of 0.3 percent the March quarter and 0.1 percent in the December 2013 quarter.

"Higher housing-related prices and vegetable prices were partly countered by cheaper package holidays, cars, and fruit," prices manager Chris Pike said.

Prices for housing and household utilities rose 1.2 percent reflecting higher prices for electricity (up 4.2 percent), rentals for housing (up 0.6 percent), and buying newly built houses excluding land (up 1.2 percent).

Food prices rose 0.9 percent, influenced by higher prices for fruit and vegetables (up 4.9 percent). Seasonally higher prices for vegetables (up 13 percent) were partly offset by seasonally lower prices for fruit (down 4.9 percent).

Prices for recreation and culture (down 1.1 percent) made the most significant downward contribution. Package holiday prices were down 6.5 percent and there were seasonally lower prices for accommodation services (down 4.5 percent).

Vehicle prices (down 1.2 percent) also fell, influenced by a 1.5 percent fall in second-hand car prices.

Annual change in prices

The CPI increased 1.6 percent in the year to the June 2014 quarter, following increases of 1.5 percent and 1.6 percent in the years to the March 2014 and December 2013 quarters, respectively.

"The price of buying a newly built house without land increased 4.6 percent for the year. In Auckland the increase was 5.5 percent and in Canterbury it was 6.4 percent," Mr Pike said.

Half of the latest annual increase came from housing and household utility prices, which increased 3.4 percent. In addition to newly built houses, housing rentals (up 2.2 percent), electricity (up 4.5 percent), property maintenance (up 3.4 percent), and local authority rates (up 4.1 percent) also went up.

Cigarette and tobacco prices increased 10.2 percent, reflecting an increase in excise duty in January. Petrol prices increased 2.8 percent for the year.

The main downward contribution for the year came from cheaper audio-visual and computing equipment (down 9.8 percent). Vehicle prices (down 2.9 percent) also decreased, reflecting lower prices for both new and second-hand cars. The strong New Zealand dollar has had a downward influence on the retail prices of internationally traded goods, including cars and appliances.

The CPI measures the rate of price change of goods and services purchased by New Zealand households. The CPI time series started in the June 1914 quarter and, with today's release, is now 100 years long.

Ends

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Authorised by Colin Lynch, Acting Government Statistician, 16 July 2014