

Embargoed until 10:45am – 15 October 2009

## Lowest CPI annual rise in five years

The consumers price index (CPI) increased 1.7 percent from the September 2008 quarter to the September 2009 quarter, Statistics New Zealand said today. "This annual increase is the lowest in five-and-a-half years," said Prices Manager Chris Pike.

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

"A big contributor to the lower annual increase came from petrol prices and airfares falling during the year, which partly offset higher prices for food, electricity, and local authority rates," Mr Pike said.

Transport prices fell 5.5 percent during the year with lower prices for petrol (down 19.0 percent), international air transport (down 15.1 percent), and diesel (down 38.8 percent). Petrol and diesel prices peaked in July last year.

In the year to the September 2009 quarter, food prices increased 5.4 percent, accounting for well over half of the CPI annual increase of 1.7 percent. Electricity prices rose 4.5 percent and local authority rates rose 6.6 percent.

The annual increase in the CPI included a rise of 1.3 percent for the September 2009 quarter.

"The increase in the September 2009 quarter was driven by higher food prices and international airfares, and by levy, excise and tax increases that usually occur at this time of year," Mr Pike said.

Food prices rose 1.7 percent in the September 2009 quarter, driven by higher vegetable prices. International air transport was up 11.0 percent in the same period, rising from historically low levels in the June 2009 quarter. Vehicle relicensing fees rose 16.2 percent (reflecting an increase in the ACC levy), local authority rates rose 5.6 percent, and alcoholic beverages rose 2.5 percent (with higher excise duty from July).

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15 October 2009

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