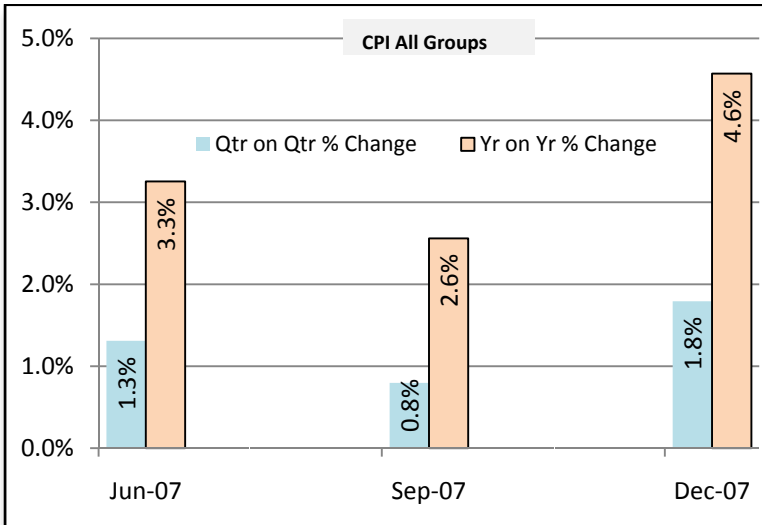




## DECEMBER 2007 QUARTER RELEASE CONSUMER PRICE INDEX

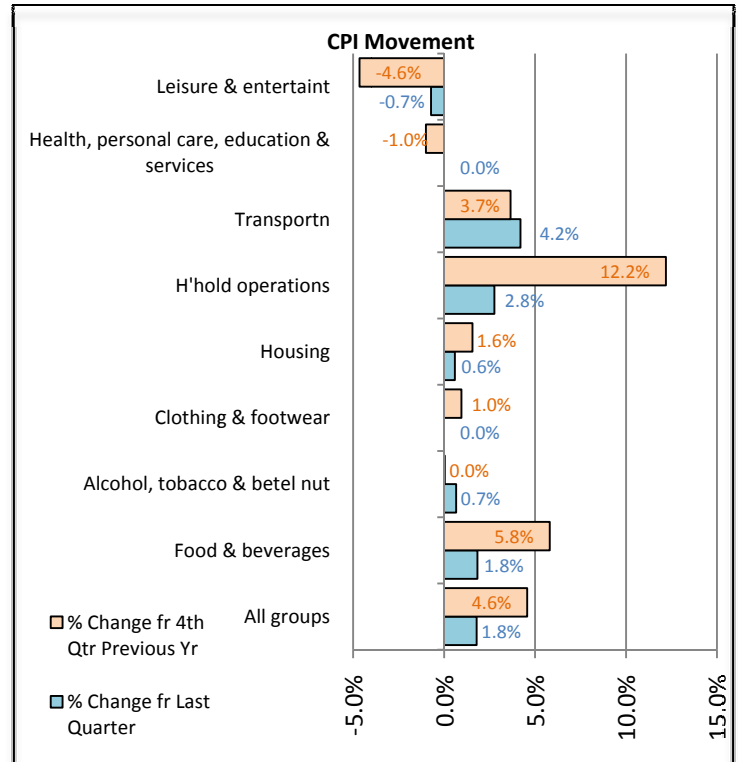


### THE CPI 'ALL GROUPS'

- Overall, the CPI has seen the greatest year on year percent change in the 4<sup>th</sup> quarter of 2007 compared to the previous two quarters
- An increase in the price of items in the Household operations group contributed the most (12.2%) to the elevated annual percent change.

### DECEMBER 2007 QTR KEY FIGURES

Consumer Price Index Major Groups	Qtr % Change Sep Qtr 2007 Dec Qtr 2007	Annual % Change Dec Qtr 2006 Dec Qtr 2007
Food & Beverage	1.8%	5.8%
Alcohol, tobacco & betel nut	0.7%	0.0%
Clothing & Footwear	0.0%	1.0%
Housing	0.6%	1.6%
Household operations	2.8%	12.2%
Transportation	4.2%	3.7%
Health, Personal care, Educ. & Services	0.0%	-1.0%
Leisure & entertainment	-0.7%	-4.6%
<b>All Groups</b>	<b>1.8%</b>	<b>4.6%</b>



### DECEMBER 2007 QTR KEY POINTS

Palau's Consumer Price Index has been reviewed and now has a new expression base of December 2004 quarter = 100.

#### OVERVIEW OF CPI MOVEMENT

Comparing from last quarter, items in the Transportation group contributed the largest (4.2%) to the overall quarter on quarter percentage increase, followed by the Household Operations (2.8%) and Food & Beverage group (1.8%).

- Increases in the average price of fuel, motor oil, tires, car and boat hires resulted in the Transportation group hike in the Consumer Price Index.
- The increase in the Household Operations group was attributed to higher average prices for power and household supplies; whereas the rise in Food & Beverages was due to higher prices for imported food products.