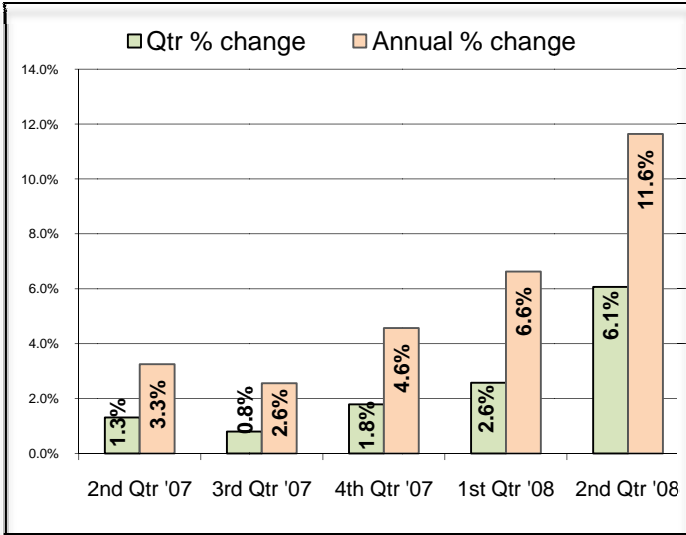




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**JUNE 2008 QUARTER RELEASE
CONSUMER PRICE INDEX**

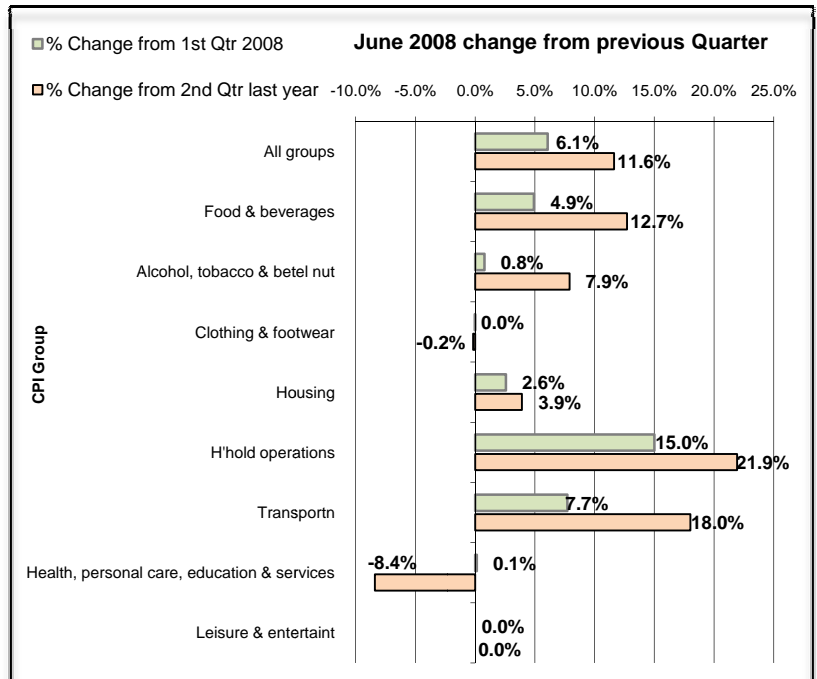


THE CPI ALL GROUPS

- Overall, the CPI has seen the greatest quarter on quarter change since the same period last year.
- An increase in the price of items categorized under the Household Operations group, the Food & Beverage group, and the Transportation group were the biggest contributors to the annual as well as the quarter on quarter percent change.
- All major categories with the exception of the Clothing & Footwear group showed increases compared with last quarter

JUNE 2008 QTR KEY FIGURES

	<i>% Change Mar Qtr 2008 Jun Qtr 2008</i>	<i>% Change Jun Qtr 2007 Jun Qtr 2008</i>
Consumer Price Index		
Major Groups		
Food & Beverage	4.9%	12.7%
Alcohol, tobacco & betel nut	0.8%	7.9%
Clothing & Footwear	0.0%	-0.2%
Housing	2.6%	3.9%
Household operations	15.0%	21.9%
Transportation	7.7%	18.0%
Health, Personal care, Educ. & Services	0.1%	-8.4%
Leisure & entertainment	0.0%	0.0%
All Groups	6.1%	11.6%



JUNE 2008 QTR KEY POINTS

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

OVERVIEW OF CPI MOVEMENT

Compared with last quarter's percentages, items in the Household Operations group contributed the largest (15%) to the overall increase, followed by the Transportation group and the Food & Beverage group, each contributing 7.7% and 4.9% respectively to the overall change.

- Higher power rates contributed to the rise in household operations costs.
- Increased gas price contributed to the rise in Transportation.
- In the Food & Beverage group, higher prices for imported foods such as rice, canned goods, select vegetables and frozen meat contributed to the overall rise.