

## **Basket of Goods & Services – Supplement to White Papers**

### **Introduction**

Policy Unit estimated the cost of living in the Falkland Islands in comparison to other cities worldwide. The baseline figures used to estimate the cost of living in the Falklands is the Retail Price Index (RPI) database which is compiled and maintained by Synergy Ltd. for the Treasury. This database helps FIG measure the RPI, a measure of retail price movements and indexing the cost of services.

The initial cost of living estimate was based on prices from the second quarter of 2008.

### **Methodology**

There are 169 different items that make up the RPI basket of goods and services. The list of items was broad, and generally comprises everyday items which most families would purchase. The items ranged from food, pet food, fuel, 'Airbridge' cost, vehicle purchase, rent, dishwasher, etc. (the full list of items is in the Appendix 2). These were segregated into nine categories;

1. Food and Beverages
2. Entertainment and Recreation
3. Housing
4. Utilities
5. Household Appliances
6. Clothing
7. Transport
8. Household Supplies
9. Vacations

There were a number of items that are generally not purchased often, for example, a new vehicle (five years) or a toothbrush (three months) (found in Appendix 1c). The average lifespan of each item was estimated, and the cost of the item was spread over the lifetime, similar to an instalment. A second summary table (Appendix 1b) is provided to show the cost of living without any inclusion of these infrequently purchased items.

Synergy Ltd collects the prices of each item every quarter. Most items have more than one price, as Synergy Ltd collects the price for an item from more than one retailer. In this instance, the average price was calculated and used to create the cost of living. For items such as phone bills and fuel, only a unit price was provided. After consulting with several people working in the Secretariat, an estimated amount of use for each of these items was calculated.

In each section (expense category) the total cost is calculated, this is worked out by adding each item together. The frequency of purchase may vary per section either weekly, monthly, bi-monthly, etc. After this was determined, the total cost was adjusted in the summary table (Appendix 1a).

## Appendix 1

### a. Summary Table (Standard)

Summary (Including Savings for Large Items)	£ / Month	£/Person/Annum	%
Food & Beverages	768		23%
Entertainment & Recreation	363	[Divided by 2.65]*	11%
Housing	485	£ 40,084.73	15%
Utilities	500	Above is average	15%
Household Appliances	120	household cost of	4%
Clothing	112	living per annum	3%
Transport	356		11%
Household Supplies	192		6%
Vacation	444		13%
<b>Total</b>	<b>3,340</b>	<b>15,126</b>	<b>100%</b>

\* Based on 2006 census data.

The average household size was calculated by dividing the number of people in the islands by the number of homes.

### b. Summary Table (excluding large items or Basic Necessities)

Summary (Excluding Savings for Large Items)	£ / Month	£/Person/Annum	%
Food & Beverages	768		32%
Entertainment & Recreation	363	[Divided by 2.65]	15%
Housing	485	£ 29,239.69	20%
Utilities	500	Above is Family	21%
Household Appliances	0	cost per annum	0%
Clothing	112		5%
Transport	71		3%
Household Supplies	138		6%
Vacation	0		0%
<b>Total</b>	<b>2,437</b>	<b>11,034</b>	<b>100%</b>

### c. Excluded Large Items

#### Household Appliances

Computer System  
Double Bed  
Three Piece Suite  
Sofa Bed  
CD Player  
Video Recorder  
Dishwasher  
Washing Machine  
TV

Coffee Mug  
Linen Curtains  
AA Batteries  
Bin Liners  
Double Bed Sheet  
Hollow fibre Pillow  
Clock  
Garden Compost  
Grass Strimmer

#### Transport

Car Purchase  
Vehicle Fuel:  
Petrol  
Vehicle Tax  
Vehicle Battery  
Vehicle Tyre  
Puncture Repair

#### Household Supplies

Hardback Cookery Book  
Puzzler Magazine  
Calvin Klein Perfume  
CD  
Video Camera  
Child's Bicycle  
Fish Tank Cleaner  
Fish Tank

#### Flights

Holiday Flight (UK)  
Holiday Flight (Chile)  
FIGAS to Port Howard

## Appendix 2 –Items in the RPI Basket of Goods and Services

#	Item	49	Tinned Soup	91	Double Bed	137	Puncture Repair
	<b>Food &amp; Beverages</b>	50	Peppercorns	92	Three Piece Suite	138	Taxi hire (evening)
1	Weetabix	51	Cheese Sauce	93	Sofa Bed		<b>House Hold Supplies</b>
2	White Sliced Bread	52	Dried Soup	94	CD Player	139	Hardback Cookery Book
3	Penguin biscuits	53	Cat Food	95	Video Recorder	140	Puzzler Magazine
4	Cake	54	Hen Food	96	Dishwasher	141	Penguin News
5	Bread Rolls	55	Dog Food	97	Washing Machine	142	Greetings Card
6	Heinz Tinned Spaghetti	56	Budweiser	98	TV	143	Roller Ball Pen
7	Minced Mutton	57	Lambs Navy Rum	99	Coffee Mug	144	Andrex Toilet Rolls
	Frozen Chicken						
8	Breasts	58	Famous Grouse Whiskey	100	Linen Curtains	145	Nappies
9	Beef Burgers	59	Baileys Liquer	101	AA Batteries	146	Calvin Klein Perfume
10	Tinned Ham	60	Red Wine	102	Bin Liners	147	Shampoo
11	Frozen Sausages			103	Double Bed Sheet	148	Tampons
			<b>Entertainment &amp; Recreation</b>				
12	Frozen Bacon			104	Hollow fibre Pillow	149	Toothpaste
13	Margarine	61	Pub Night Out: Beer	105	Clock	150	Deodorant Spray
14	Butter	62	Pub Night Out: Spirit	106	Garden Compost	151	Cold Remedy Powders
15	Cooking Oil	63	Cigarettes	107	Grass Strimmer	152	Toothbrush
16	Mayo	64	Lunch Out (beef meal)			153	Washing Powder
17	UHT Milk	65	Takeaway Meal		<b>Clothing</b>	154	Fabric Conditioner
							Automatic Washing
18	Mild Cheddar Cheese	66	Video Hire	108	Men's T-shirt	155	Liquid
					Men's Waterproof		
19	Fresh Milk	67	Camera Roll Film	109	Jacket	156	Washing Up Liquid
20	Ice Cream	68	Adult Swim Session	110	Men's white shirt	157	Carpet Cleaner
21	Yogurt			111	Men's Knitwear Jumper	158	Toy Balloons
22	Hen Eggs		<b>Housing</b>	112	Men's Jeans	159	CD
23	Coke	69	Rent	113	Ladies Watch	160	Picture Frame
24	Instant Coffee	70	Mortgage	114	Ladies Tights	161	Video Camera
25	OJ	71	Mortgage Interest Rate	115	Ladies Blouse	162	Child's Bicycle
26	Orange Cordial	72	Stanley Service Charge	116	Ladies bra	163	Fish Tank Cleaner
27	Tea Bags	73	Tools Hammer	117	Child's Briefs	164	Fish Tank
28	Mineral Water	74	White Gloss Paint	118	Babies Sleepsuit	165	Hair Cut
29	Sweets: Skittles	75	House Cladding	119	Child's Socks	166	Laundry (Trousers)
					Child's Knitwear		
30	Choco: Malteasers	76	Plaster Board Sheets	120	Jumper		
31	Choco: Kitkat	77	Electrical Socket	121	Knitting Wool		<b>Vacations</b>
32	White Sugar	78	Plywood Sheets	122	RuckSack	167	Holiday Flight (UK)
33	Marmalade	79	Cooper Pipe	123	Black Handbag	168	Holiday Flight (Chile)
34	Fresh Potatoes			124	Thread	169	FIGAS to Port Howard
35	Cucumber		<b>Utilities</b>	125	Squash Shoes		
36	Apples	80	Heating Fuel: Diesel	126	Ladies Boots		
37	Bananas	81	Electricity	127	Childs Boots		
38	Frozen Chips	82	Heating Fuel: Kerosene	128	Ladies Court Shoe		
39	Baked Beans	83	Propane Gas	129	Work Boots		
40	Tinned Tomatoes	84	Telephone Bill (Local)				
41	Fresh Lettuce	85	Telephone Bill (to UK)		<b>Transport</b>		
			TelepBill (1 month				
42	Fresh Tomatoes	86	Charge)	130	Car Purchase		
43	Peanuts	87	Stamps (airmailed letter)	131	Vehicle Fuel: Diesel		
44	Filled Roll	88	Stamps (sealed local)	132	Vehicle Fuel: Petrol		
45	Walkers Crisps	89	KTV Subscription	133	Vehicle Engine Oil		
46	Frozen Pizza			134	Vehicle Tax		
47	Worcester Sauce		<b>Household Appliances</b>	135	Vehicle Battery		
48	Tomato Ketchup	90	Computer System	136	Vehicle Tyre		