



# Quarterly Producer Price Index

## Q2(April to June) 2009

### Quarter to quarter Inflation in Producer Prices by major categories

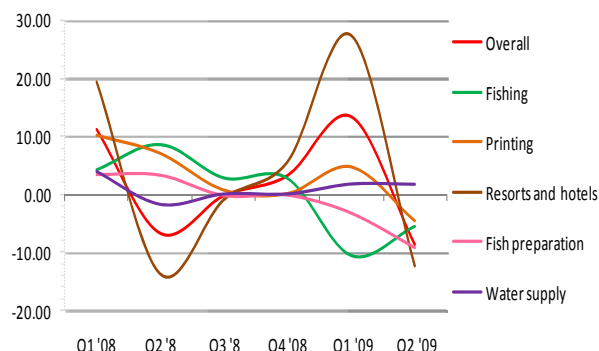
The quarter to quarter inflation of Produce Price Index is measured by comparing current quarter to that of the previous quarter. For example (Q 2- '09/ Q 1- '09).

The producer Price Index of Maldives registered a decline of 8.60% in second quarter of 2009, in contrast to the 13.39% rise in the previous quarter. This decline is due to a substantial price decline in resort & hotels by 12.44%, fish preparation by 9.33%, fishing by 5.65% and printing by 4.70%. Water supply is the only sector showing an upward movement with 1.65% increased in the index, which is due to the increase in the unit price of the product.

**Table & figure 2: Quarterly producer price index & inflation in producer prices**

Category	Index						Inflation					
	Q1 '08	Q2 '8	Q3 '8	Q4 '08	Q1 '09	Q2 '09	Q1 '08	Q2 '8	Q3 '8	Q4 '08	Q1 '09	Q2 '09
Overall	128.48	119.90	119.67	123.57	140.11	128.06	11.18	-6.68	-0.19	3.26	13.39	-8.60
Fishing	245.92	266.71	273.91	281.10	251.17	236.99	4.11	8.46	2.70	2.63	-10.65	-5.65
Fish preparation	182.92	188.99	188.52	188.21	181.99	165.01	3.42	3.32	-0.25	-0.17	-3.30	-9.33
Printing	112.20	120.00	120.71	120.71	126.29	120.36	10.09	6.95	0.60	0.00	4.62	-4.70
Resorts and hotels	127.39	109.74	108.62	114.57	145.79	145.79	19.21	-13.85	-1.03	5.48	27.25	-12.44
Water supply	88.18	86.61	86.61	86.61	88.07	89.53	3.80	-1.77	0.00	0.00	1.69	1.65

The decline in the resort & hotels prices were caused due to the "low season" factor affecting the industry, with number of tourists visiting the country lesser during the 2nd quarter, as expected.



The deflation in fishing is due to the lower prices of frozen fish in the market when compared to the previous quarter. At the same time, the fish catch decreased slightly over the same period, which resulted in an increase in the prices of raw fish slightly which halted this quarter experiencing the drastic decline felt in the previous quarter.

Furthermore, the printing index decreased due to the slowing down of the printing market after the initial burst of printing carried out early in the year for printing calendars and the educational materials.

### Quarter on quarter (seasonal factor) inflation in produce price by major categories

The quarter on quarter inflation of Produce Price Index is measured by comparing current quarter with the same quarter of previous year. (For example (Q 2- '09/ Q 2- '08).

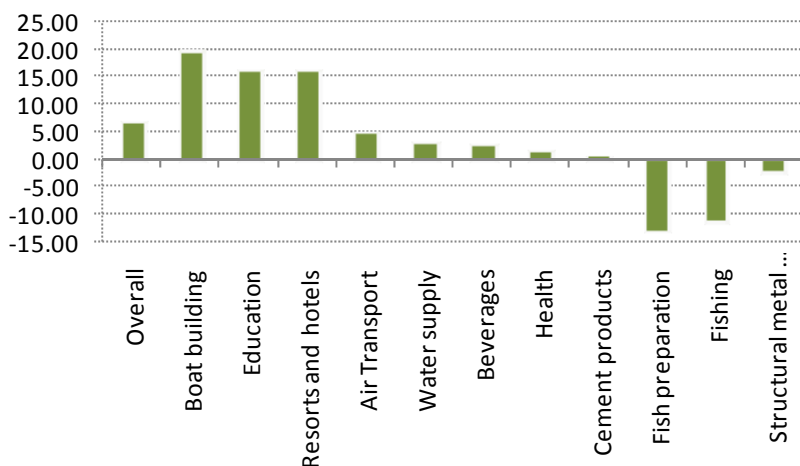
**Table & figure 2 : Quarter on quarter Inflation by major categories.**

From Q2 - '08 to Q2 - '09, prices for overall producer price index rose by 6.81% ,which was experience due to the increase in prices of boat building sector, education and resort and hotels sector by 20.14% 16.43% and 16.32% respectively.

The quarter on quarter inflation of boat building sector increased by 20.14%. This increase followed a 21.72% rise when compared to Q1 - '09 to Q1 - '08. This rise in prices of boat building sector is due to the increase in the raw materials such as "hardwood", whose price had significantly increased in the year 2009.

The quarter on quarter inflation of education sector increased by 16.43%. This increase in education index is mainly due to rise in school fees and due to the boost in salaries.

Category	Q 2'09 / Q2'08
Overall	6.81
Boat building	20.14
Education	16.43
Resorts and hotels	16.32
Air Transport	5.11
Water supply	3.36
Beverages	2.93
Health	1.75
Cement products	0.81
Fish preparation	-12.69
Fishing	-11.14
Structural metal products	-2.16



As for the largest contributing sector, resort and hotels the inflation has increased by 16.32% in this quarter when compared to the same quarter of last year. The same index increased by 14.45% for first quarter. It indicates, prices charged for 2009 is in general higher than that charged for 2008 due mostly to the producer's charge a higher price from the tourists with increase in demand.

Other sectors such as air transport, water supply, beverages and health sector also registered a slight increase in prices by 5.11%, 3.36%, 2.93% and 1.75% respectively.

However price of fish preparation, fishing and structural metal products has move down by 12.69%, 11.14%

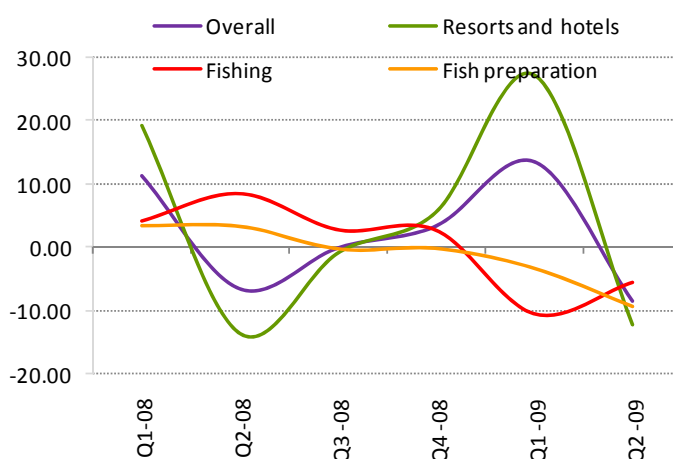
and 2.16% respectively when compare to the same quarter of '08. Fishing and fish preparation depends a lot on the seasons as well as capacity of collection.

## Time series of producer prices in major sectors

This following chart illustrates the inflation in producer prices compared to the previous quarter for a period of 6 quarters showing a seasonal cycle in the resorts and hotels sector, where Q1 experiences a higher rate of positive growth while Q2 is the lowest in the cycle.

**Table & figure 3: Time series from Q1- 08 to Q2- 09**

Category	Index						Inflation					
	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09
Overall	128.48	119.90	119.67	123.57	140.11	128.06	11.18	-6.68	-0.19	3.26	13.39	-8.60
Fishing	245.92	266.71	273.91	281.10	251.17	236.99	4.11	8.46	2.70	2.63	-10.65	-5.65
Fish preparation	182.92	188.99	188.52	188.21	181.99	165.01	3.42	3.32	-0.25	-0.17	-3.31	-9.33
Resorts and hotels	127.39	109.74	108.62	114.57	145.79	127.65	19.21	-13.85	-1.03	5.48	27.25	-12.44



*On a quarterly basis more than 250 price quotations are collected from 94 establishments for compilation of producer price index (PPI). The statistics division wishes to acknowledge the cooperation given by the business community in supplying the required price data.*

## producer prices index - PPI (2001 = 100)

Categories	Overall	Fishing	Fish preparation	Other food products	Beverages	Wearing apparel	Manufacture of wood products	Publishing	Printing	Chemical products	Cement products	Structural metal products	Manufactur of machine tools	Boat building	Furniture	Electricity	Water supply	Resorts and hotels	Sea Transport	Air Transport	Telecommunication	Education	Health
Weight	100.00	6.02	4.60	1.13	0.48	4.30	0.04	0.67	0.19	0.29	0.75	0.50	0.03	0.22	0.43	2.81	0.53	57.38	4.87	7.48	6.02	1.27	0.01
2005	99.86	169.46	114.14	92.49	102.25	88.94	102.85	121.74	101.91	90.32	122.88	57.39	0.00	101.02	101.45	89.94	89.22	93.69	119.42	100.00	71.43	117.58	100.09
2006	103.24	155.36	114.72	92.46	101.70	88.78	100.14	121.74	101.91	91.33	152.79	56.10	0.00	101.75	108.86	86.64	86.56	100.77	119.42	100.00	71.43	118.07	99.79
2007	111.69	194.22	160.68	92.49	103.67	88.78	100.14	121.74	105.49	118.50	160.04	56.82	0.00	101.83	100.24	88.06	84.95	106.29	119.42	108.53	71.43	120.91	114.63
2008	128.48	245.92	182.92	92.49	107.22	88.78	100.14	121.74	112.20	118.50	165.67	57.47	100.00	100.47	100.18	93.22	88.18	127.39	119.42	111.37	71.43	129.09	126.98
2008	119.90	266.71	188.99	92.49	107.24	88.78	100.14	121.74	120.00	118.50	165.99	57.47	100.00	101.74	100.25	93.22	86.61	109.74	119.42	111.37	71.43	129.09	127.49
2008	119.67	273.91	188.52	92.49	107.24	88.78	100.14	121.74	120.71	118.50	167.60	56.42	100.00	98.99	100.25	93.22	86.61	108.62	119.42	111.37	71.43	129.09	127.49
2008	123.57	281.10	188.21	92.49	107.24	88.78	100.14	121.74	120.71	118.50	168.66	57.47	100.00	122.16	100.18	93.22	86.61	114.57	119.42	111.37	71.43	129.09	127.49
2009	140.11	251.17	181.99	92.49	110.38	88.78	100.14	121.74	126.29	118.50	167.50	56.66	100.00	122.29	100.41	93.37	88.07	145.79	119.42	117.06	71.43	150.30	129.73
2009	128.06	236.99	165.01	92.49	110.38	88.78	100.14	121.74	120.36	118.50	167.34	56.23	100.00	122.23	100.41	93.30	89.53	127.65	119.42	117.06	71.43	150.30	129.73

## % change in producer prices index - PPI

Categories	Overall	Fishing	Fish preparation	Other food products	Beverages	Wearing apparel	Manufacture of wood products	Publishing	Printing	Chemical products	Cement products	Structural metal products	Manufactur of machine tools	Boat building	Furniture	Electricity	Water supply	Resorts and hotels	Sea Transport	Air Transport	Telecommunication	Education	Health
Weight	100.00	6.02	4.60	1.13	0.48	4.30	0.04	0.67	0.19	0.29	0.75	0.50	0.03	0.22	0.43	2.81	0.53	57.38	4.87	7.48	6.02	1.27	0.01
2005	2.78	15.82	18.89	0.00	-2.27	0.49	2.13	0.00	3.39	0.81	15.13	-7.75	0.00	0.00	2.89	-1.74	-8.78	-1.15	19.42	0.00	0.00	8.68	-0.26
2006	3.39	-8.32	0.51	-0.03	-0.54	-0.19	-2.63	0.00	0.00	1.12	24.34	-2.25	0.00	0.73	7.31	-3.67	-2.98	7.56	0.00	0.00	-0.01	0.42	-0.30
2007	8.18	25.02	40.06	0.03	1.94	0.00	0.00	0.00	3.50	29.75	4.74	0.93	0.00	0.08	-7.92	1.65	-1.86	5.47	0.00	8.53	0.00	2.41	14.87
Q 12009 / Q1 2008	9.06	2.14	-0.51	0.00	2.95	0.00	0.00	0.00	12.55	0.00	1.10	-1.40	0.00	21.72	0.23	0.16	-0.12	14.45	0.00	5.11	0.00	16.43	2.17
2008	11.18	4.11	3.42	0.00	0.04	0.00	0.00	0.00	10.09	0.00	0.37	1.47	0.00	-0.29	0.00	4.99	3.80	19.21	0.00	0.00	0.00	6.77	-0.81
2008	-6.68	8.46	3.32	0.00	0.01	0.00	0.00	0.00	6.95	0.00	0.19	0.00	0.00	1.26	0.07	0.00	-1.77	-13.85	0.00	0.00	0.00	0.00	0.41
2008	-0.19	2.70	-0.25	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.97	-1.82	0.00	-2.70	0.00	0.00	0.00	-1.03	0.00	0.00	0.00	0.00	0.00
2008	3.26	2.63	-0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63	1.85	0.00	23.40	-0.07	0.00	0.00	5.48	0.00	0.00	0.00	0.00	0.00
2009	13.39	-10.65	-3.31	0.00	2.93	0.00	0.00	0.00	4.62	0.00	-0.69	-1.40	0.00	0.11	0.23	0.16	1.68	27.25	0.00	5.11	0.00	16.43	1.75
2009	-8.60	-5.65	-9.33	0.00	0.00	0.00	0.00	0.00	-4.69	0.00	-0.10	-0.77	0.00	-0.05	0.00	-0.08	1.65	-12.44	0.00	0.00	0.00	0.00	0.00