



# Quarterly Producer Price Index

## Q1 (January to March) 2009

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

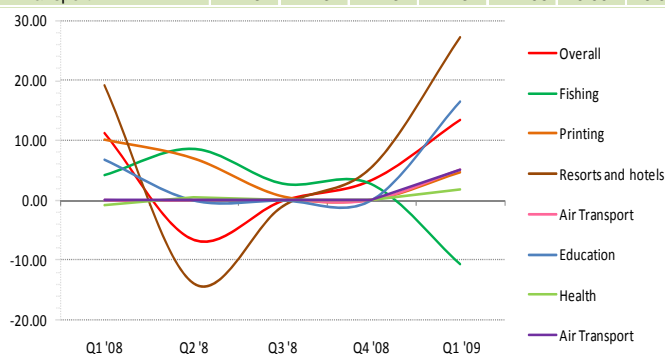
The quarter to quarter inflation of Produce Price Index is measured by comparing current quarter to that of the previous quarter. For example (Q 1- '09/ Q 4- '08).

The producer Price Index of Maldives registered a rise of 13.39% in first quarter of 2009, when compared to 3.26% rise in the previous quarter. The price of resorts & hotels sector increased by 27.25% and education sector price increased by 16.43%. The fishing index dropped by 10.65%, in contrast to the 2.63% rise in the previous quarter. The decline was caused by lower prices of frozen fish (tuna) dropped by 11% and Katsubushi (dried fish) dropped by 10%, which was caused mainly due to the higher demand for fish to countries such as Thailand, which shares 33.1% of the fish exports of Maldives.

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

Category	Index					Inflation				
	Q1 '08	Q2 '8	Q3 '8	Q4 '08	Q1 '09	Q1 '08	Q2 '8	Q3 '8	Q4 '08	Q1 '09
<b>Overall</b>	128.48	119.90	119.67	123.57	140.11	11.18	-6.68	-0.19	3.26	13.39
Fishing	245.92	266.71	273.91	281.10	251.17	4.11	8.46	2.70	2.63	-10.65
Printing	112.20	120.00	120.71	120.71	126.29	10.09	6.95	0.60	0.00	4.62
Resorts and hotels	127.39	109.74	108.62	114.57	145.79	19.21	-13.85	-1.03	5.48	27.25
Air Transport	111.37	111.37	111.37	111.37	117.06	0.00	0.00	0.00	0.00	5.11
Education	129.09	129.09	129.09	129.09	150.30	6.77	0.00	0.00	0.00	16.43
Health	126.98	127.49	127.49	127.49	129.73	-0.81	0.41	0.00	0.00	1.75
Air Transport	111.37	111.37	111.37	111.37	117.06	0.00	0.00	0.00	0.00	5.11

This increase in demand is mostly due to sharp decline in raw material prices, which favors the Thai industry further. At '09, the Thai companies are paying about USD 1 100/ton, compared to prices of the previous year, which exceeded USD 2 000/ton. The fish preparation index also fell by 3.31%, after declining by 0.17% in the preceding quarter.



Decline in Structural metal products (-1.40%) index was attributed to lower prices of aluminum windows while Increases in printing 4.62%, education 16.43% and air transport 5.11% were due to more expensive brochures, school fees and increase in domestic airfares. The increase in domestic airfares in this quarter was due to increase in fuel prices at the beginning of the year.

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

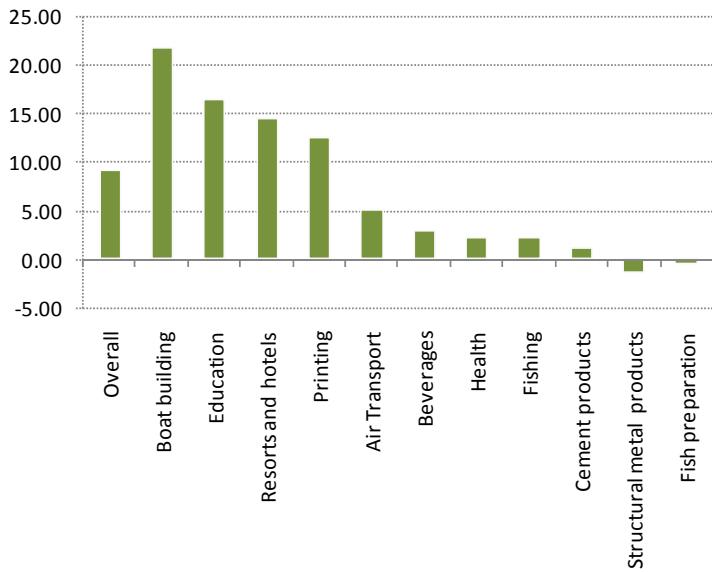
The quarter on quarter inflation of Produce Price Index is measured by comparing current quarter with the same quarter of previous year. (For example (Q 1- '09/ Q 1- '08).

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

The Producer Price Index (PPI) of resorts & hotels sector rose by 14.45% in 1<sup>st</sup> quarter of '09, extending the 7.22% rise in the previous quarter. This is because the producer's charge a higher price from the tourists due to high demand, with the theories stating demand pushes price up. Furthermore, there are many high-end resorts commanding a much higher price than the average resort, hence contributing to the increase of the PPI of resorts & hotels sector.

The fishing index rose by 2.14%, while fish preparation index declined by 0.51%. The main reason for rise in fishing category is due to increase in export prices due to the high demand in international market compared to '08.

Category	Q 1'09 / Q1'08
<b>Overall</b>	9.06
Boat building	21.72
Education	16.43
Resorts and hotels	14.45
Printing	12.55
Air Transport	5.11
Beverages	2.95
Health	2.17
Fishing	2.14
Cement products	1.10
Structural metal products	-1.40
Fish preparation	-0.51



The decline in fish preparation index was caused by lower prices of frozen fish (tuna) which dropped by 43%. The major increases were seen in printing (12.55%), boat building (21.72%), education(16.43 %), air transport (5.11%)and health (2.17 %) sectors.

The increase in printing sector was due to increase in the printing services from various printing shops, since the prices of ink cartridges had increased when compared with the previous years.

The boat building sector had increased due to increase of prices of raw materials such as resin, which has slowly begun to creep up in 2009.

Education sector had Increased due to increase in tuition fees in some tuition centers, which had increased from Rf 300 for 5 subjects per student to Rf. 500 for 5 subjects per student.

The increase in air transport sector was mostly due to increase in fuel prices at the beginning of the year.

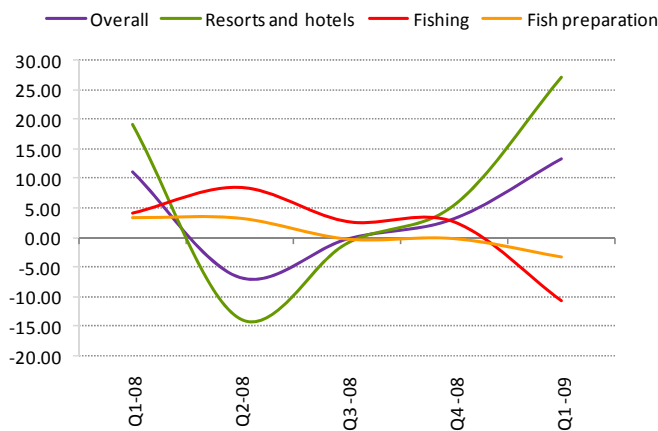
The health sector had increased mainly due to increase in consultation fees in some of the health centers, which had risen by about 20% in most health centers.

## 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 5 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 Q1- 09

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



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	Manufacture of machine tools	Boat building	Furniture	Electricity	Water supply	Resorts and hotels	Sea Transport	Air Transport	Telecommunication	Education	Health
<b>Weight</b>	<b>100.00</b>	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
<b>2005</b>	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
<b>2006</b>	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
<b>2007</b>	111.69	194.22	160.68	92.49	103.67	88.78	100.14	121.74	105.49	118.50	160.04	56.62	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

## % 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	Manufacture of machine tools	Boat building	Furniture	Electricity	Water supply	Resorts and hotels	Sea Transport	Air Transport	Telecommunication	Education	Health
<b>Weight</b>	<b>100.00</b>	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
<b>2005</b>	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
<b>2006</b>	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
<b>2007</b>	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