



Quarterly Producer Price Index

Q3(July to September) 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 3- '09/ Q 2- '09).

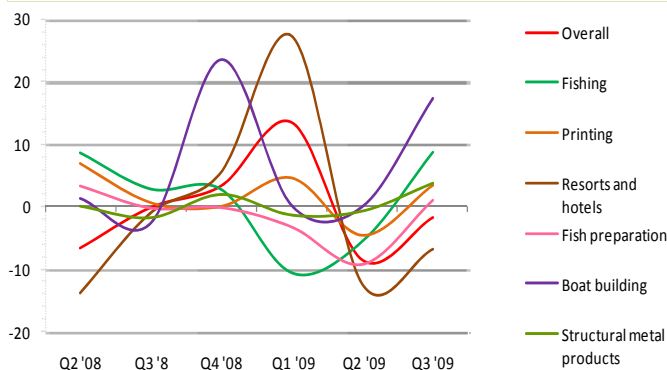
The Overall Producer Price Index declined by 1.81% in this quarter, when compared to the 8.60% fall in the Q2 - '09. This decline is due to a large price reduction in resort & hotels sector by 6.85%, when compare to the 12.44% fall in the 2nd quarter of this year.

Except resort & hotel sector, all the other sectors showing an upward movement in the inflation.

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

Category	Index						Inflation					
	Q2 '08	Q3 '8	Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q2 '08	Q3 '8	Q4 '08	Q1 '09	Q2 '09	Q3 '09
Overall	119.90	119.67	123.57	140.11	128.06	125.74	-6.68	-0.19	3.26	13.39	-8.60	-1.81
Fishing	266.71	273.91	281.10	251.17	236.99	257.24	8.46	2.70	2.63	-10.65	-5.65	8.54
Fish preparation	188.99	188.52	188.21	181.99	165.01	166.70	3.32	-0.25	-0.17	-3.30	-9.33	1.02
Printing	120.00	120.71	120.71	126.29	120.36	124.46	6.95	0.60	0.00	4.62	-4.70	3.41
Resorts and hotels	109.74	108.62	114.57	145.79	145.79	118.91	-13.85	-1.03	5.48	27.25	-12.44	-6.85
Boat building	101.74	98.99	122.16	122.29	122.23	143.28	1.26	-2.70	23.40	0.11	-0.05	17.23
Structural metal product	57.47	56.42	57.47	56.66	56.23	58.27	0.00	-1.82	1.85	-1.40	-0.77	3.63
Air Transport	111.37	111.37	111.37	117.06	117.06	122.74	0.00	0.00	0.00	5.11	0.00	4.86

Boat building index increased by 17.23% in contrast to the 0.05% fall in the previous quarter. This increased was caused mainly due to the higher demand for various types of boat, which result the producers to invest more time for production. Fishing and Air transport increased by 8.54% and 4.86% respectively. The inflation in fishing is due to



the higher prices of frozen fish in the market compared to the previous quarter. At the same time, the fish catch decreased over the same period, which resulted to increase in the price of raw fish. The price of Air transport show an increase in index by 4.86% as the corresponding entrepreneur increased their ticket fare.

Structural metal products and Printing index also increased by 3.63% and 3.41% respectively in contrast to the 0.77% and 4.70% fall in the previous quarter. Printing had decreased due to quality difference of the products compare to the previous quarter.

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 3- '09/ Q 3- '08).

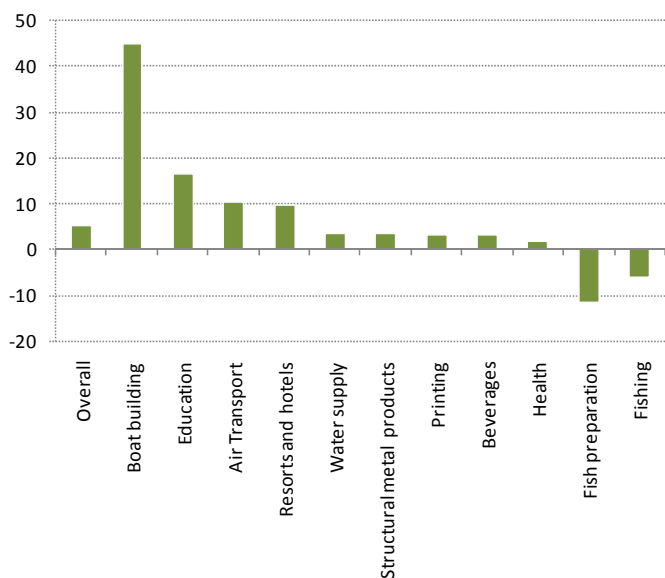
Table & figure 2 : Quarter on quarter Inflation by major categories.

The overall producer price index rise by 5.08% when compared to Q3 - '08 to Q3 - '09. The main reasons for this increase were the increase in prices of boat building by 44.74% and the education sector also increased by 16.43%. Also there was an increase in prices of air transport and resort & hotels sector by 10.21% and 9.47% respectively.

The quarter on quarter inflation of boat building sector increased due to the increase in the price of raw materials in early 2009 after falling rapidly in the previous year. And also due to various changes in the structure of boat building.

Inflation of education sector increased by 16.43% when compared to Q2 - 09 to Q2 - 08. This increase in education index is mainly due to rise in school fees at the beginning of '09.

Category	Q 3'09 / Q3'08
Overall	5.08
Boat building	44.74
Education	16.43
Air Transport	10.21
Resorts and hotels	9.47
Water supply	3.36
Structural metal products	3.27
Printing	3.11
Beverages	2.93
Health	1.75
Fish preparation	-11.58
Fishing	-6.09



The inflation of air transport sector increased by 10.21% when compared to Q2 - '09 to Q2 -'08. This is mainly due to increase in the ticket fare.

Inflation of resort and hotels sector increased by 9.47%. This increase followed a 16.32% rise when compared to Q2-'09 to Q2-'08. Mostly this increase reflects that tourism industry is demand driven.

Other sectors such as water supply, structural metal products, printing, beverages and health sector also registered a slight increase in prices by 3.36%, 3.27%, 3.11%, 2.93% and 1.75% respectively.

However price of fish preparation & fishing has moved down by 11.58% and 6.09% respectively when compared to the same quarter of '08. During 08 fish catch increased and the price of fish purchase decreased when compared to year '09.

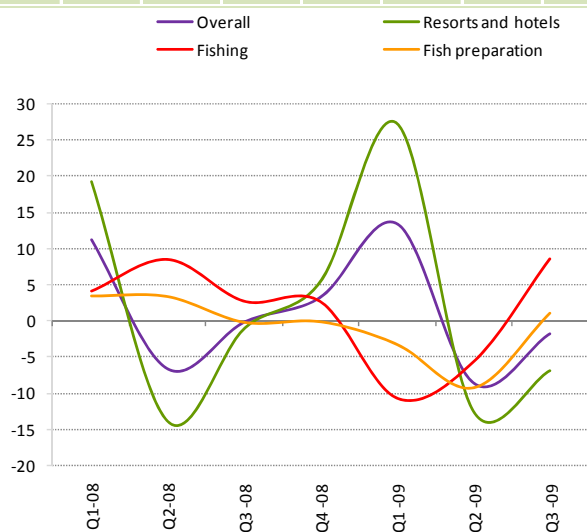
Expert says that the supply of fish has been decreasing continuously from the year '07 onwards. One reason behind this decrease is due to increasing the number of net fishing rather than the pole line fishing, result to reduce the fish catches from commonly fishing area.

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 7 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 Q3- 09

Category	Index							Inflation						
	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09
Overall	128.48	119.90	119.67	123.57	140.11	128.06	125.74	11.18	-6.68	-0.19	3.26	13.39	-8.60	-1.81
Fishing	245.92	266.71	273.91	281.10	251.17	236.99	257.24	4.11	8.46	2.70	2.63	-10.65	-5.65	8.54
Fish preparation	182.92	188.99	188.52	188.21	181.99	165.01	166.70	3.42	3.32	-0.25	-0.17	-3.31	-9.33	1.02
Resorts and hotels	127.39	109.74	108.62	114.57	145.79	127.65	118.91	19.21	-13.85	-1.03	5.48	27.25	-12.44	-6.85



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	56.62	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	126.71	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
2009	125.74	257.24	166.70	173.38	110.38	88.78	100.14	121.74	124.46	118.50	167.42	58.27	100.00	143.28	100.41	93.34	89.53	118.91	119.42	122.74	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.3 2008 / Q3 2008	5.08	-6.09	-11.58	87.46	2.93	0.00	0.00	0.00	3.11	0.00	-0.11	3.27	0.00	44.74	0.16	0.12	3.36	9.47	0.00	10.21	0.00	16.43	1.75
2008	Quarter 1	11.18	4.11	3.42	0.00	0.04	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	Quarter 2	-6.68	8.46	3.32	0.00	0.01	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	Quarter 3	-0.19	2.70	-0.25	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	Quarter 4	3.26	2.63	-0.17	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	Quarter 1	13.39	-10.65	-3.31	0.00	2.93	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	Quarter 2	-8.60	-5.65	-9.33	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
2009	Quarter 3	-1.81	8.54	1.02	87.46	0.00	0.00	0.00	3.41	0.00	0.05	3.63	0.00	17.23	0.00	0.04	0.00	-6.85	0.00	4.86	0.00	0.00	0.00