

# NATIONAL CONSUMER PRICE INDEX

Ministry of Planning and National Development

Issue 1: 2006

## Inflation Rates

<b>National</b>	<b>3.5%</b>
<b>Male'</b>	<b>2.7%</b>
<b>Atolls</b>	<b>4.2%</b>

## Comparison of Rates of Inflation (%) for some selected countries (2006)

Sri Lanka	2.1%
India	6.6%
Malaysia	3.6%
Thailand	4.7%
Singapore	1.0%
Maldives	3.5%

Data source :

Ministry of Statistics & Program Implementation - India  
Department of Statistics Malaysia - Malaysia  
Department of Census & Statistics Sri Lanka - Sri Lanka  
Ministry of Commerce - Thailand  
Department of Statistics Singapore - Singapore  
Ministry of Planning and National Development - Maldives

## Annual Inflation Rates (%) by Major Categories, 2005-2006

	Maldives	Male'	Atolls
00. Total	3.46	2.74	4.15
01. Food and beverages	4.67	4.00	4.90
02. Fish	-6.72	-5.92	-9.38
03. Tobacco	6.96	4.54	8.23
04. Clothing & footwear	0.71	0.58	0.74
05. Housing, water, electricity, gas & other fuels	4.85	2.71	8.38
06. Furnishing, household equip. & routine maint.	4.42	3.21	5.73
07. Health	10.03	12.19	6.01
08. Transport	6.18	4.94	7.88
09. Communication	-7.66	-9.63	-4.21
10. Recreation & culture	-2.75	-2.84	-2.56
11. Education	2.35	4.79	0.02
12. Hotels, cafes & Restaurants	6.43	6.43	Na
13. Miscellaneous goods & Services	0.36	0.60	0.22
14. Religious Activities	0.00	0.00	Na

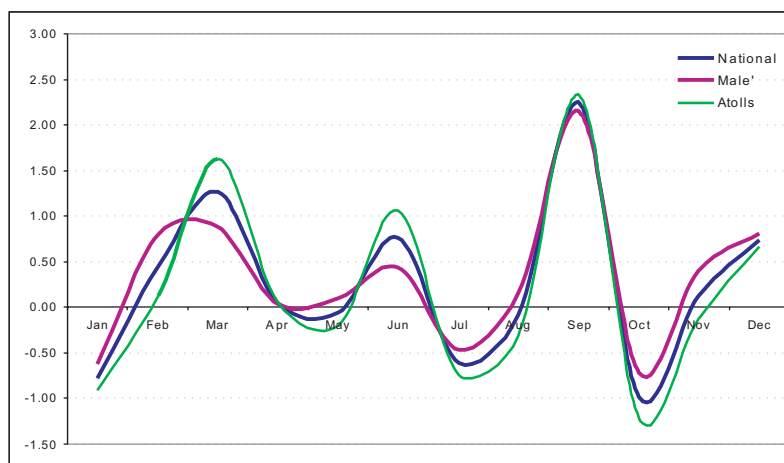
On a monthly basis more than 8800 price quotations are collected from 360 outlets nation wide for the compilation of the Consumer Price Index (CPI) for the

## Overview ( 2005 to 2006)

In general, consumers paid 3.5% more in the year 2006 than they did in 2005 for the basket of goods and services included in the Consumer Price Index (CPI). However, consumers in Male' paid 2.7% more while those in the Atolls paid 4.2% more than 2005.

The index for the whole country increased from 101.86 index points in 2005 to 105.39 in 2006. This means that the basket of goods and services which costs Rf100 in June 2004 costs Rf 102 in 2005 and Rf105 in 2006.

Figure 1: Monthly Inflation Rates 2006, Total Maldives, Atolls and Male'



## Price changes by Major Categories - Annual Inflation

### Food and Beverages category

Food and beverages category registered a price increase of 4.7% at national level while at Atolls and Male' this value stood at 4.9% and 4.0% respectively. In general, prices of food products had the same movements in price in Male' as well as in the atolls.

### Transport Category

Atolls price movement in this group was almost double to that of Male'. This was primarily due to rise in the price of petrol prices in the Atolls by about 75% while it changed by about 65% in Male'.

### Fish Category

Fish prices declined in 2006 compared to 2005, and this was experienced in Male' as well as in the Atolls. The price decline was principally due to the large quantities of fish available in the market in the early months of the year.

The compilation of the CPI involves the processing of several thousand price quotations. The Statistics Division wishes to acknowledge the cooperation given by the business community in supplying the required price data

## Housing, water, electricity, gas & other fuels category

This category registered an increase of 8.38% in the Atolls while the figure stood at 2.71% for Male'. The increase was mainly due to the increases in the price of electricity, kerosene, cooking gas as well as cement. The price effect of the afore mentioned items were also applicable in Male', but the effect of the price change being realized into the index is lot less due to the differences in the relative importance of these items in the basket for Male' and Atolls.

## Furnishing, household equipments & routine maintenance category

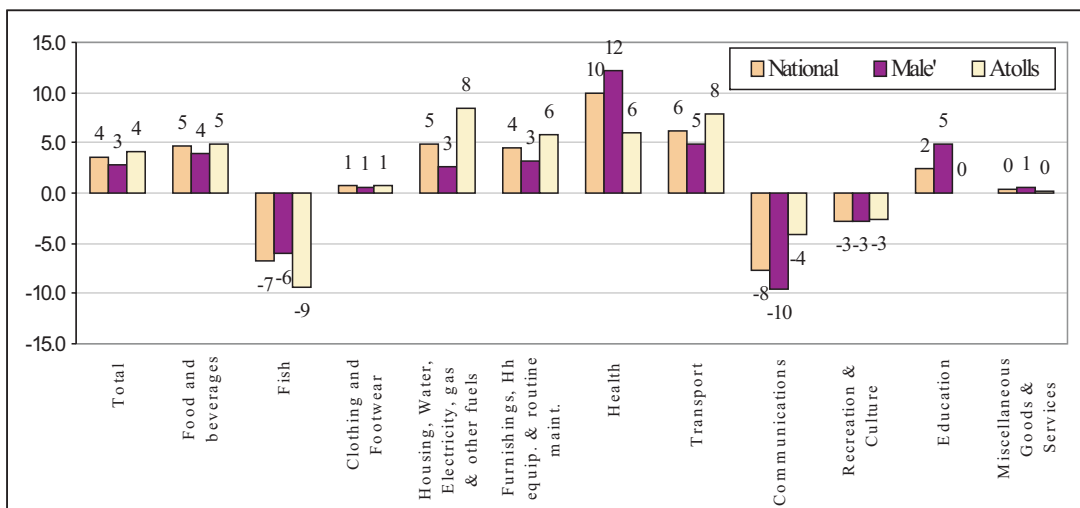
The furnishing, household equipment category also registered a higher increase in the Atolls compared to Male', 5.73% to 3.21% respectively. Generally, most of the items in this category were more expensive in the Atolls.

## Health category

Health category was one group where the increase registered in Male' was higher than that of the Atolls. Male' prices registered an increase of 12% while it was 6% in the Atolls. In Male', some small scale medical service providers streamlined their prices inline with major players in the sector during late 2005. Again during the early months of 2006 prices of medical services by the major players increased, which again the smaller providers followed to maintain the levels which is reflected in the price movement shown here.

## Communications category

Communications sector prices declined by 7.6% in the country. This decrease was largely due to 9.6% decline in the prices of communication services in Male' and 4.2% decline in the price in Atolls. Major reason behind this decline is the competitiveness introduced into the market.



## Technical Note

The consumer price index measures the changes in prices of a fixed basket of goods and services commonly consumed by the majority of households. The types and specifications of goods and services in the CPI basket as well as their weight are kept constant to ensure that any changes in the index reflect purely the changes in price.

The above analysis provides the annual change, the differences between the index of the year and that of the preceding year expressed in percentage terms.

To measure the month on month change at one point in time, the index of the month is compared with that of the same month in the preceding year (Eg: Dec'06/Dec'05).

Annex of these issue provides monthly inflation rates for January 2007 using these three approaches for Male', Atolls and at the National level.





