

# STATISTICAL NEWS

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## PRODUCER PRICE INDEX (SERVICES) Experimental Series December Quarter and Annual 2017 [Base: March Quarter 2011 = 100.0]

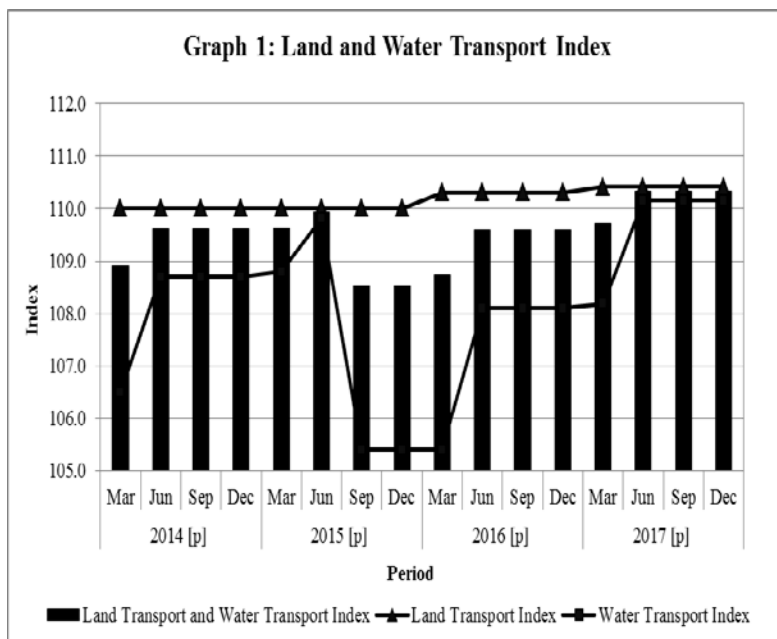
The Producer Price Index (PPI) Services reported in this release covers price changes in the activities of land and water transport services. The index is currently under development and work is progressing to include Air Transport.

The Producer Price Index (Services) measures changes in the average prices of a selected range of services sold as they leave the producer. The main uses of the Index are as follows:

- 1) Deflator in the compilation of Real Gross Domestic Product (GDP) estimates;
- 2) To provide an indicator of business inflation; and
- 3) As an indicator of the business cycles.

The Fiji Standard Industrial Classification (FSIC) 2010 has been used for classifying industries and services.

### December Quarter Highlights



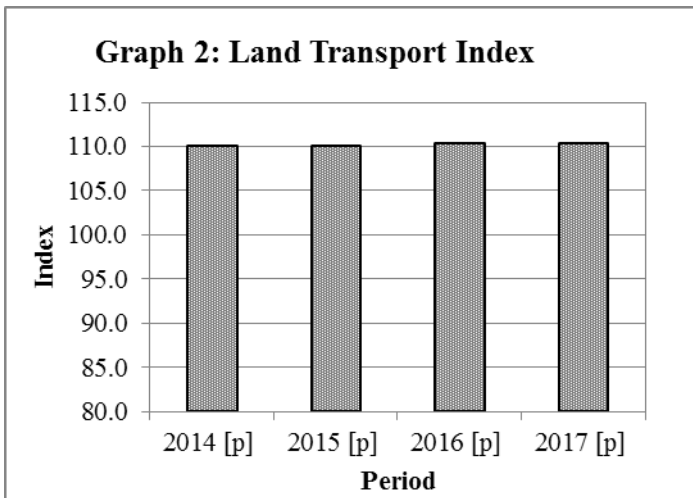
The Land and Water transport index for the December quarter of 2017 slightly increased by 0.6 per cent when compared to the same period in 2016.

Contributing to the corresponding quarter increase were higher prices recorded for water transport (+1.9) and freight transport by road (+0.7).

However, no change was recorded in the Land and Water transport index when compared to the September quarter of 2017.

## Annual 2017 Highlights

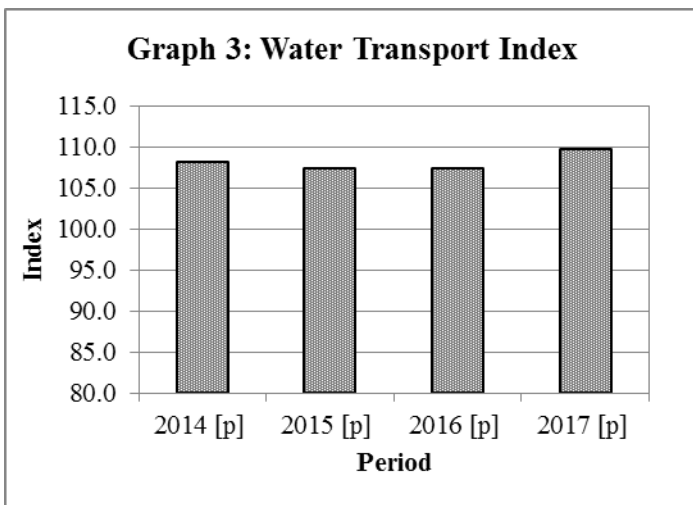
The annual Land and Water transport index for 2017 stands at 110.2, representing a slight increase of 0.7 percentage points over the annual 2016 index. Following are the detailed highlights:



### Land Transport

The annual 2017 PPI for land transport stands at 110.4, a slight increase of 0.1 per cent over the annual 2016 PPI of 110.3.

The increase in the land transport index was due to higher prices recorded for freight transport by road (+0.7) as a result of an increase in operational costs.



### Water Transport

The annual 2017 PPI for water transport stands at 109.7, an increase of 2.1 per cent over the annual 2016 PPI of 107.4.

The increase in the water transport index (+2.1) was driven by the increase in customer demand.

**Please find attached the following:**

**Table 1:** Yearly & Quarterly SPPI series; and

**Appendix I:** Technical notes.

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The Producer Price Index for March Quarter 2018 will be released in June, 2018.



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## **APPENDIX I**

### **Technical Notes**

#### **Service Producer Price Index (SPPI)**

Measures the changes in the average prices received by domestic service producers for a selected range of services in Fiji. It is a fixed weighted index with March Quarter 2011 = 100.0 and is calculated on a quarterly basis using the Fiji Standard Industrial Classification (FSIC).

#### **Index Formula**

The Producer Price Index is compiled using the Laspeyres index formula with March Quarter 2011 = 100.0 as the reference base period.

#### **FSIC**

Fiji Standard Industrial Classification.

#### **GDP**

Gross Domestic Product.