SERVICES PRODUCER PRICE INDEX SECOND QUARTER OF 2017

SPPI increased 1.1% in second quarter of 2017 compared to second quarter 2016

Source: Services Producer Price Index (2010=100) Second Quarter 2017
SERVICES PRODUCER PRICE INDEX (2010=100) SECOND QUARTER 2017

The Services Producer Price Index (SPPI) is designed to measure the average changes in the prices of services charged by the local services industry in Malaysia on a quarterly basis.

SPPI for the second quarter of 2017 registered an increase of 0.3 per cent compared to the previous quarter. The sub-sectors that recorded positive growth are Real Estate Activities (1.2%), Accommodation and Food & Beverage Service Activities (1.1%), Arts, Entertainment & Recreation (0.5%), Education (0.4%), Health (0.3%), Professional (0.2%) and Information & Communication (0.1%).

Year-on-year comparison for SPPI also showed an increase of 1.1 per cent. The following sub-sectors recorded positive growth i.e. Accommodation and Food & Beverage Service Activities (4.0%); Education (2.8%); Health (2.7%); Real Estate Activities (2.2%); Professional (0.9%) and Information & Communication (0.1%)

TRANSPORTATION

In the second quarter of 2017, the SPPI for Transportation was unchanged over the previous quarter. Meanwhile, compared to the second quarter of 2016, SPPI for Transportation declined 0.2 per cent as a result of the decrease in the index of Passenger Air Transport (-1.1%) and Sea & Coastal Water Transport (-0.4%).

ACCOMMODATION & FOOD AND BEVERAGE SERVICE ACTIVITIES

The SPPI for Accommodation & Food and Beverage Service Activities for the second quarter of 2017 rose 1.1 per cent compared to the previous quarter. The increase was driven by the Restaurants and Mobile Food Service Activities (1.4%), Beverage Serving Activities (0.8%), Event Catering and other Food Service Activities (0.4%) and Short-term Accommodation Activities (0.3%).

The year-on-year comparison registered a growth of 4.0 per cent contributed by Restaurants and Mobile Food Service Activities (4.8%), Beverage Serving Activities (2.7%), Event Catering and other Food Service Activities (1.5%) and Short-term Accommodation Activities (1.2%).

INFORMATION AND COMMUNICATION

The SPPI of Information & Communication in the second quarter of 2017 showed an increase of 0.1 per cent compared to the first quarter of 2017, driven by the increase in Computer Programming, Consultancy and Related Activities by 0.1 per cent.

In the second quarter of 2017, the index also grew 0.1 per cent as compared to the second quarter of 2016. This increase was led by Computer Programming, Consultancy & Related Activities (0.2%) and Wireless Telecommunication Activities (0.1%).

| Table A. Services Producer Price Index (2010=100) Second Quarter of 2017 |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Subsector                   | Index Q2 2016 | Index Q1 2017 | Index Q2 2017 | % change Q2 2017/ Q1 2017 | % change Q2 2017/ Q2 2016 |
| TOTAL                       | 106.5        | 107.4        | 107.7        | 0.3                       | 1.1                       |
| Transportation              | 103.0        | 102.8        | 102.8        | 0.0                       | -0.2                      |
| Accommodation & Food and Beverage Service Activities | 120.7 | 124.1 | 125.5 | 1.1 | 4.0 |
| Information and Communication | 100.6 | 100.6 | 100.7 | 0.1 | 0.1 |
| Real Estate Activities      | 120.1        | 121.2        | 122.7        | 1.2                       | 2.2                       |
| Professional                | 102.1        | 102.8        | 103.0        | 0.2                       | 0.9                       |
| Education                   | 109.0        | 111.7        | 112.1        | 0.4                       | 2.8                       |
| Health                      | 102.1        | 104.6        | 104.9        | 0.3                       | 2.7                       |
| Arts, Entertainment & Recreation | 101.7    | 98.9        | 99.4        | 0.5                       | -2.3                      |
REAL ESTATE ACTIVITIES

The SPPI for Real Estate Activities grew 1.2 per cent in the second quarter 2017 over the first quarter 2017. Similarly, the changes for year-on-year recorded an increase of 2.2 per cent.

PROFESSIONAL

In the second quarter of 2017, the SPPI for Professional recorded an increase of 0.2 per cent compared to the previous quarter. The increase was contributed by Architectural and Engineering Activities and Related Technical Consultancy (0.5%).

Year-on-year comparison also showed that the index rose 0.9 per cent, driven by Architectural and Engineering Activities and Related Technical Consultancy (1.3%), Accounting, Bookkeeping & Auditing Activities; Tax Consultancy (0.7%) and Legal Activities (0.5%).

EDUCATION

As compared to the previous quarter, the SPPI for Education increased 0.4 per cent in the second quarter of 2017. The increase was due to the increases in the index of Higher Education (0.5%).

The year-on-year comparison showed that the SPPI for Education registered an increase of 2.8 per cent, supported by Secondary Education (5.8%), Higher Education (2.6%), Pre-Primary & Primary Education (2.4%) and Other Education (1.7%).

HEALTH

In the second quarter of 2017, the SPPI for Health recorded an increase of 0.3 per cent compared to the previous quarter. The growth was propelled by the increases in the index of Medical & Dental Practice Activities (0.5%), Hospital Activities and Other Human Health Activities by 0.1 per cent respectively.

Year-on-year comparison also shows that the index rose 2.7 per cent, driven by Hospital Activities (3.1%), Other Human Health Activities (2.7%) and Medical & Dental Practice Activities (1.9%).

ARTS, ENTERTAINMENT AND RECREATION

The SPPI for Arts, Entertainment and Recreation grew by 0.5 per cent in the second quarter 2017 as against the first quarter of 2017, due to the increase in the index of Gambling and Betting Activities (0.5%), Sports Activities and Other Amusement & Recreation Activities by 0.3 per cent respectively.

Meanwhile year-on-year comparison shows a decrease of 2.3 per cent, due to the decrease in the index of Gambling and Betting Activities (-2.8%).

*Notes:

1 The industries covered are Freight Transport by Road; Transport of freight overseas and coastal waters, whether scheduled or not; Transport of passengers by air over regular routes and on regular schedules; Transport freight by air over regular routes and on regular schedules; Postal Activities; and Courier Activities other than National Post Activities.

2 The industries covered are Hotels and Resort Hotels; Restaurants and Restaurant cum Night Clubs; Cafeteria/Canteens; Fast-food Restaurants; Food Stalls/Hawkers; Event catering; Event/Food Caterers; Pubs, Bars, Discotheques, Coffee-houses, Cocktail Lounges and Karaoke; and Coffee Shops

3 The industries covered are Wired Telecommunication Services; Internet Access Providers by the Operator of the Wired Infrastructure; Wireless Telecommunication Services; Internet Access Providers by the Operator of the Wireless Infrastructure; Computer Consultancy; Data Processing Activities; and Web Portals

4 The industry covered is Activities of Real Estate Agents and Brokers for Buying, Selling and Renting of Real Estate

5 The industries covered are Legal Activities; Accounting, Bookkeeping and Auditing Activities; Tax Consultancy; and Engineering Services
6 The industries covered are Pre-primary Education (Private); Primary Education (Private); General School Secondary Education (Private); College and University Education (Private); Music and Dancing School; and Tuition Centre

7 The industries covered are Hospital Activities; General Medical Services; Specialized Medical Services; Dental Services; Dialysis Centres; and Medical Laboratories

8 The industries covered are Gambling and Betting Activities; Equestrian Clubs; Golf Courses; Bowling Centre; Fitness Centres; Activities of Amusement Parks and Theme Parks; and Cyber Café/Internet Centre

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