



Ministry of Economic Development and Trade

Male', Republic of Maldives

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METHODOLOGY FOR PRICE MONITORING OF ESSENTIAL ITEMS

Provision of essential food items to the citizens at affordable prices remains an important policy of President Dr. Mohamed Muizzu. To achieve this, Ministry of Economic Development and Trade (MEDT) conducts “Price Monitoring of Essential Items” initiative with the aim to monitor the prices of essential household consumables, fresh fruits and vegetables, as well as fish and fish products in the domestic shops and markets.

This document outlines the formal methodology implemented by the Ministry of Economic Development and Trade (MEDT) for the collection, validation, and submission of price data through “AguMagu” system under the Price Monitoring of Essential Systems initiative. The methodology herein establishes standardized protocols designed to ensure the accuracy, consistency, and integrity of economic data utilized for policy formulation and market analysis.

1. Objectives

The primary objective of this initiative is to fulfill the Ministry's mandate of establishing standards for business operations (including sales and services), enforcing fair trade laws and regulations, and understanding market conditions. This enables the Ministry to:

- Maintain price stability within appropriate categories;
- Implement preemptive measures to prevent unreasonable price inflation; and
- Monitor market conditions effectively.

Along with this, the Price Monitoring of Essential Systems initiative also allows MEDT to achieve the following objectives:

- Developing and maintaining a real-time database of essential goods prices across various retail establishments and local markets;
- Monitoring fluctuations in the prices of essential commodities;
- Assessing the impact of inflation rates at household levels;
- Identifying and analyzing the causes of sudden price fluctuations;
- Collaborating with State-Owned Enterprises and private sector entities to address price inflation issues;



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- Determining the extent of import dependency in price fluctuations and its consequent impact; and
- Ensuring transparency in the pricing mechanism.

2. Legal Responsibility

Monitoring business entities (both goods retailers and service providers) for compliance with legal requirements is a statutory responsibility of MEDT under the Consumer Protection Act (Act Number: 12/2020).

In this regard, monitoring the prices of essential foodstuffs and commonly used household items in the Maldives constitutes one of the key activities undertaken to ensure that these goods meet the conditions specified above.

3. Identification of Essential Items

The current list of essential items designated by the Ministry, along with their prioritization order, is included in Appendix 1 of this document.

In identifying essential items, the Ministry looks at 4 key areas as outlined below:

3.1 Categorization of Essential Items by International Organizations

There is no single, universally accepted definition of "essential food items" by an international organization, but several global institutions has set frameworks for nutritionally essential foods based on food security, health, and humanitarian needs. As such, the approach of key organizations to essential food items considered by MEDT in categorizing essential items for price monitoring are as below:

a) World Health Organization (WHO)

- Promotes **essential nutrients** through balanced diets, focusing on food groups rather than specific "essential foods."
- Recommends **staple foods, protein sources, fruits, vegetables, and fortified foods** for overall health.



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- Provides **dietary guidelines** to prevent malnutrition and diet-related diseases.
- b) [Food and Agriculture Organization \(FAO\)](#)
 - Defines **essential food commodities** based on food security and global nutrition standards.
 - Identifies **staple crops, protein sources, and micronutrient-rich foods** as essential for meeting dietary needs.
- c) [United Nations World Food Programme \(WFP\)](#)
 - Defines "essential food items" in the context of **humanitarian aid** and food security.
 - Prioritizes **staple foods, nutrient-dense foods, and fortified products** for crisis response.
- d) [United Nations Children's Fund \(UNICEF\)](#)
 - Focuses on **child and maternal nutrition**, promoting **breastmilk, complementary foods, and fortified staples**.
 - Uses **nutrient-rich foods** and **micronutrient supplementation** to combat malnutrition.
- e) [Codex Alimentarius \(WHO & FAO Joint Commission\)](#)
 - Establishes **food standards and safety regulations** for international trade and nutrition.
 - Defines **essential food components** based on nutrient composition, labeling, and safety.
- f) [World Bank & International Fund for Agricultural Development \(IFAD\)](#)
 - Promote access to **essential food commodities** to combat hunger and support rural development.
 - Support policies ensuring availability of **nutritious staple foods** and food security initiatives.

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Based on these approaches, it was noted that while there is no single official list, essential food items generally include the following food categories, all of which have been included in the list of essential items monitored by MEDT:

- **Staples:** Rice, wheat, maize, potatoes.
- **Protein Sources:** Legumes, nuts, dairy, eggs, fish, meat.
- **Fruits & Vegetables:** Rich in vitamins and minerals.
- **Healthy Fats:** Oils, seeds, nuts, fatty fish.
- **Fortified & Supplemented Foods:** Iodized salt, fortified flour, vitamin supplements.

3.2 Food items included in the Maldives Consumer Price Index (CPI)

The Consumer Price Index (CPI) developed by Maldives Bureau of Statistics (MBS) is an economic indicator that provides a general measure of changes in prices of consumer goods and services purchased by the Maldivian households. The CPI is a widely used measure of inflation and used as a proxy by government as well as monetary authorities in measuring economic stability. With the increase in globalization further importance is given to the CPI for international comparability of economic performance and adjustment of trade contracts.

As per the [Guide to the Consumer Price Index of Maldives 2022](#) published by MBS, the new CPI basket consists of 307 items which is broadly representative of the expenditures of households of Maldives. Prices are monitored monthly of this fixed basket of goods and services which enables to see the percentage increase/decrease in prices over time by households. The population coverage of the CPI includes all households in Maldives and the expenditure of all households was used to develop the updated CPI weights. Price collection is restricted to the capital city and 4 major islands.

As such, in identifying essential items for this initiative, the methodology published by MBS for CPI was studied and items included in the relevant baskets (i.e. foods and beverages) were included in the essential items list monitored by MEDT.



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3.3 Zero-rated Goods categorized by Maldives Inland Revenue Authority (MIRA)

Zero-rated goods by MIRA refer to goods that are subject to 0% Goods and Services Tax (GST) under the tax regulations. A major reason for zero-rated goods are to reduce price of certain essential food items to ensure affordability for the general population, supporting public welfare and access to necessities.

As such, items classified by MIRA as zero-rated goods were studied in categorizing essential items for monitoring as well.

3.4 Import data and consumption data

As import data and consumption data reveals actual market behaviors and consumer priorities rather than theoretical assumptions, analysis based on this data was utilized in identifying essential items monitored by MEDT as well.

As such, items consistently imported in large quantities were noted as critical items for the population, while also noting potential vulnerabilities in the essential goods supply chain, requiring closer monitoring and potential price stabilization measures.

Along with this, since consumption data demonstrates demand for specific products responds to price changes, this area was studied through data collected under the HIES 2019 conducted by MBS as well as real data collected by MEDT's inspection team. Through this analysis, items with widespread consumption across income levels, geographic locations, and household compositions were identified as core necessities rather than luxury or specialty goods within the Maldivian economy.

3.5 Items closely related to daily living and frequently used in households, as well as products critical to the general public's wellbeing

In identifying essential items, the Ministry also focused on products closely related to daily living and frequently used in households, as well as items critical to the general public's wellbeing (for example: rice, sugar, cooking oil, chicken, eggs, milk, salt). These items are considered by the Ministry to be those that, even with minimal price fluctuations, would have the most significant impact on the average citizen's expenditure.



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Given that consumption patterns of essential items may vary during certain periods (such as during Ramadan), changes to the Ministry's designated list of essential items may be warranted. Furthermore, if a specific brand included in the list becomes unavailable in the market for a period of three months, the brand designation for such items may be modified.

4. Monitoring Prices and Publication

4.1 Frequency

To regularly monitor the prices of essential items mentioned above, the Ministry's inspection team will collect information at least once a week from various shops and local markets. This information is collected from Malé, Hulhumalé Phase One and Phase Two.

The frequency at which monitoring is conducted during Ramadan will be increased due to high consumption and high demand for specific items.

4.2 Locations

For comprehensive geographic coverage, outlets have been chosen from different wards and zones where population for daily consumption is noted as higher than average. Monitoring a representative sample of shops rather than all establishments in Malé and Hulhumalé was strategically decided as below:

- Selecting shops frequented by most residents provides statistically valid data that accurately reflects market conditions;
- focuses on high-traffic retail locations that influence the broader market;
- Selective monitoring enables quicker identification of concerning price trends and faster intervention when necessary; and
- To ensure consistent data points since using the same shops consistently allows for better trend analysis and identification of price patterns over time.

Based on this information, studies will be conducted to identify changes in the prices of the identified essential items, and this information will be shared monthly with designated authorities.

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4.3 Price Publication on AguMagu Portal

In order to provide accurate information on the lowest prices of essential items available in the market, the prices collected by the Inspection Team will be submitted to the [AguMagu](#) portal on the date of the inspection.

Once the data is published, viewers will be able to view the following:

- The list of items monitored under the three categories (i.e. Essential Household Consumables, Fish and Fish Products and Fruits and Vegetables).
- Unit and brands monitored for the items
- Lowest Prices for all Brands Monitored.
 - The lowest prices available for viewers will be the lowest price recorded within the past 5 days for that specified brand.
- Date on which lowest price was last updated.
- Outlet from which the brand is available at lowest price.
 - This data is taken from prices collected from outlets that are inspected by the Ministry.