

HOUSEHOLD EXPENDITURE



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Household Income and Expenditure Survey (HIES)
Analytical Report II: Household Expenditure
2016

National Bureau of Statistics
Ministry of Finance & Treasury
Male', Maldives

The Household Income and Expenditure Survey (HIES) collects information on the income and expenditure of households in Maldives. It also obtains information on household characteristics, demographic and socio-economic characteristics and access and ownership of consumer durables. These include aspects such as education, migration, employment, marriage and fertility of household members.

Field work of HIES was carried out during March to May 2016 and August to November 2016, with a break during the month of Ramazan. This is the first time that HIES data has been collected with a sample size and design, that enabled results to be representative at the level of individual Atolls, in addition to Male' and the national level. The initial sample size was 4,985 households across the country. This sample size represents 8% of households at the national level, 3% in case of Male' and 11% for the rest of the Atolls. Response rate for the survey was 98%. Based on the response rate, the sample of HIES 2016 included 4,910 households with a population of 26,025 individuals across the country.

The HIES 2016 is the third nationwide HIES conducted by the National Bureau of Statistics (NBS) of Maldives. It is a household sample survey conducted regularly, once in every five years, by NBS. The first nationwide HIES was undertaken in 2002-2003 and its results representative at national level, for Male' and for Atolls as a whole. The second HIES carried out in 2009-2010 provided data at an additional level of detail, whereby results were also representative at region level, based on the grouping of islands that government used as regions at the time.

The 2016 HIES included a special labour force module designed to capture detailed information and to collect relevant data to study the labour market situation in the country. Data needed to measure different forms of work and labour underutilization were collected as per international definitions using the new guidelines adopted by the International Labour Organisation (ILO) in 2013. In the absence of a Labour Force Survey (LFS) in the country this is the best option available for NBS to collect employment statistics on a more

frequent basis. Special focus and efforts were made in the HIES 2016 to include additional data needed to improve the methodology used in the estimation of poverty in the country. Due to these methodological improvements direct comparisons with previous estimates are not possible. Hence data users need to take these methodological differences into consideration.

This publication primarily focused on the key finding on Household Expenditure from HIES 2016. A series of publications with key findings and analysis focused on different aspects will be released from HIES 2016 by the NBS.

Results of the survey will be used by NBS to improve the statistics produced on national accounts and Gross Domestic Product (GDP) as well as the Consumer Price Index (CPI). Data on household expenditure will be used to update the estimates of household final consumption aggregates in GDP. Similarly changes in household consumption pattern observed in HIES will be used to update the expenditure weights assigned and revise the basket of goods and services. In addition to this NBS will compile poverty statistics, employment statistics and compile and update the Sustainable Development Goal (SDG) indicators using the data from HIES 2016.

It is expected that this report and data will be a valuable resource for other government agencies, researchers, students, NGOs, international agencies as well as the general public in making evidence-based and informed decisions. I hope that data from this survey will be used extensively and additional analysis and research outputs will be produced.

I would like to take this opportunity to thank each and every household that participated in the HIES 2016, for providing valuable information and time during this important exercise. The hard work and dedication of all the enumerators and supervisors in gathering the information and those who worked in coding and data entry is appreciated. It is the

cooperation extended by the households and the efforts during the field work, that made this survey results possible at this level of geographic disaggregation and high level of precision.

The technical support provided by the World Bank (WB), International Labour Organisation (ILO) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is highly valued.

Support and guidance provided at the policy level by the Ministry of Finance and Treasury enabled the mobilization of finances and the smooth implementation of this survey possible and this is gratefully appreciated.

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I fully acknowledge and value the support provided at the policy level by the Minister of Finance and Treasury Hon. Ahmed Munawar and Minister of State for Finance and Treas-

sury Mr. Mohamed Ashmalee, throughout this survey.

We hope for continued support from the general public, to our surveys, to be able to provide high quality statistics, we consider a public good. We welcome your feedback and the staff of NBS will remain at your service to provide technical support and to facilitate the use of this data for informed decision making.



Aishath Shahuda

Chief Statistician

National Bureau of Statistics

4 July 2018

A study of this magnitude cannot be undertaken without the active help and support of a number of individuals and organizations.

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Average Monthly Expenditure per household



Average monthly **household expenditure**

Maldives: **MVR 25,119**



Male': **MVR 34,341**

Atolls: **MVR 18,498**



Average monthly **per capita expenditure**

Maldives: **MVR 4,768**

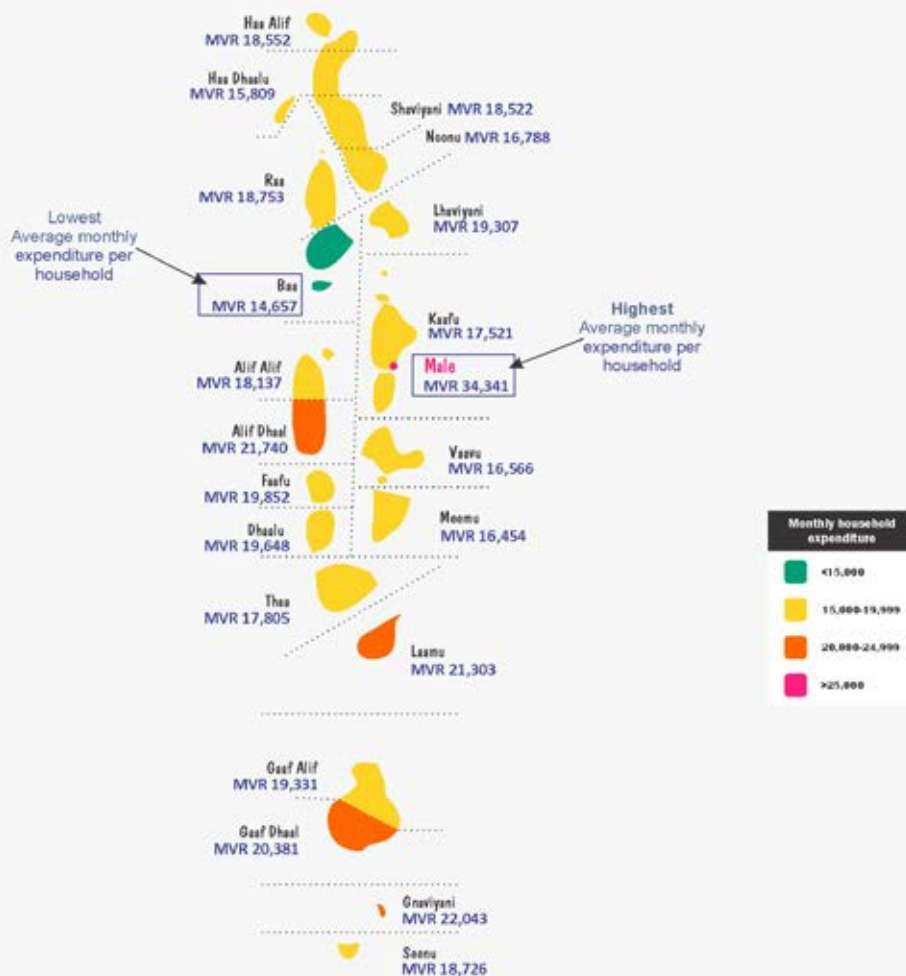
Male': **MVR 6,505**

Atolls: **MVR 3,517**

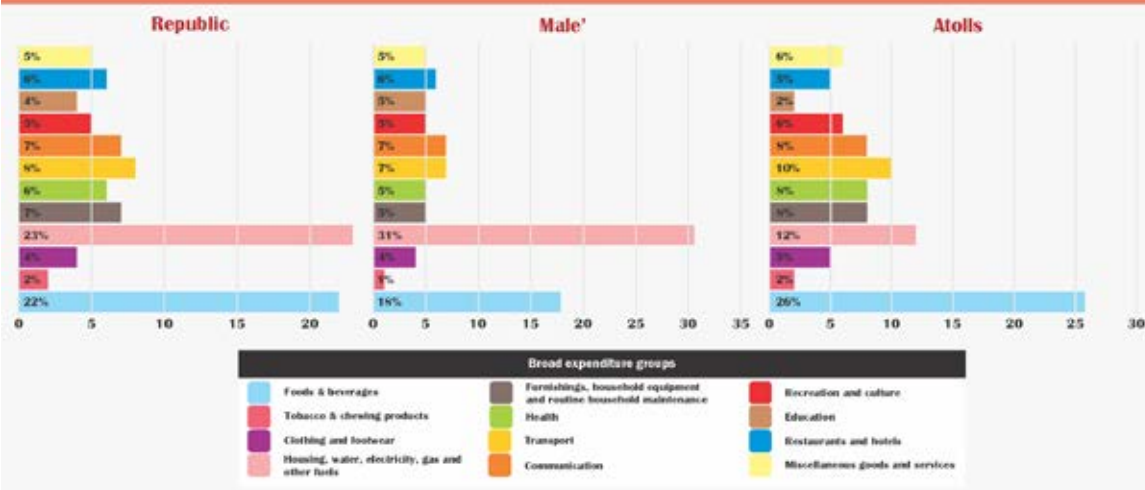
Average household expenditure per month by broad expenditure groups.

Broad expenditure groups	Average household expenditure per month			Average per capita expenditure per month		
	Republic	Male'	Atolls	Republic	Male'	Atolls
Foods & beverages	5,411	6,185	4,856	1,027	1,172	923
Tobacco & chewing products	432	427	436	82	81	83
Clothing and footwear	1,070	1,274	923	203	241	176
Housing, water, electricity, gas and other fuels	5,751	10,709	2,192	1,092	2,029	417
Furnishings, household equipment and routine household maintenance	1,661	1,824	1,544	315	345	293
Health	1,632	1,742	1,554	310	330	295
Transport	2,130	2,468	1,888	404	467	359
Communication	1,865	2,401	1,481	354	455	282
Recreation and culture	1,325	1,670	1,077	252	316	205
Education	1,022	1,806	459	194	342	87
Restaurants and hotels	1,447	2,174	925	275	412	176
Miscellaneous goods and services	1,371	1,661	1,163	260	315	221

Average monthly Expenditure per household by locality, 2016



Share of Expenditure by broad groups:



Indicator	Expenditure Indicators (for expenditure reported households)					
	Average household and per capita expenditure (in MVR)					
	Average Monthly Expenditure per Household	Median Monthly Expenditure per Household	Monthly per capita Expenditure	Median monthly per capita expenditure	Expenditure per person per day	Median of Expenditure per person per day
Republic	25,119	19,843	4,768	3,850	157	127
Male'	34,341	30,560	6,505	5,653	214	186
Atolls	18,498	15,040	3,517	2,847	116	94
North Thiladhunmathi (HA)	18,552	13,588	3,844	3,209	126	105
South Thiladhunmathi (HDh)	15,809	12,722	3,157	2,538	104	83
North Miladhunmadulu (Sh)	18,522	15,106	3,408	2,871	112	94
South Miladhunmadulu (N)	16,788	12,864	3,428	2,732	113	90
North Maalhosmadulu (R)	18,753	15,040	3,579	2,926	118	96
South Maalhosmadulu (B)	14,657	11,971	2,937	2,404	97	79
Faadhippolhu (Lh)	19,307	15,639	3,821	3,352	126	110
Male' Atoll (K)	17,521	14,830	2,999	2,465	99	81
North Ari Atoll (AA)	18,137	13,990	2,982	2,523	98	83
South Ari Atoll (ADh)	21,740	18,488	3,307	2,870	109	94
Felidhu Atoll (V)	16,566	13,484	3,418	2,722	112	89
Mulakatholhu (M)	16,454	13,615	3,296	2,665	108	88
North Nilandhe Atoll (F)	19,852	16,724	3,235	2,481	106	82
South Nilandhe Atoll (Dh)	19,648	16,879	3,069	2,608	101	86
Kolhumadulu (Th)	17,805	15,397	3,416	2,854	112	94
Hadhdhunmathi (L)	21,303	15,915	3,717	2,886	122	95
North Huvadhu Atoll (GA)	19,331	16,262	4,118	3,202	135	105
South Huvadhu Atoll (GDh)	20,381	16,586	4,149	3,100	136	102
Gnaviyani (Gn)	22,043	18,937	4,129	3,395	136	112
Addu (S)	18,726	16,168	3,721	3,247	122	107

Indicator		Expenditure share by broad expenditure groups (in %)											
		Food and beverages	Tobacco and chewing products	Clothing and footwear	Housing, water and electricity	Household operations	Health	Transport	Communications	Recreation and Culture	Education	Hotels, Cafes and Restaurants	Miscellaneous Goods and Services
	Republic	22%	2%	4%	23%	7%	6%	8%	7%	5%	4%	6%	5%
	Male'	18%	1%	4%	31%	5%	5%	7%	7%	5%	5%	6%	5%
	Atolls	26%	2%	5%	12%	8%	8%	10%	8%	6%	2%	5%	6%
	North Thiladhunmathi (HA)	27%	2%	4%	11%	7%	12%	12%	6%	5%	2%	5%	6%
	South Thiladhunmathi (HDh)	25%	2%	5%	13%	8%	8%	13%	6%	6%	4%	4%	6%
	North Miladhunmadulu (Sh)	28%	2%	7%	12%	8%	10%	8%	5%	5%	3%	5%	7%
	South Miladhunmadulu (N)	26%	2%	6%	11%	9%	7%	8%	11%	6%	2%	6%	6%
	North Maalhosmadulu (R)	30%	2%	4%	12%	9%	9%	8%	7%	6%	3%	4%	6%
	South Maalhosmadulu (B)	24%	2%	7%	12%	9%	12%	8%	7%	5%	3%	4%	7%
	Faadhippolhu (Lh)	28%	2%	4%	12%	7%	5%	8%	9%	7%	3%	8%	7%
	Male' Atoll (K)	26%	4%	6%	15%	8%	5%	6%	8%	6%	3%	6%	7%
	North Ari Atoll (AA)	28%	4%	6%	12%	8%	7%	9%	8%	6%	2%	4%	6%
	South Ari Atoll (ADh)	28%	2%	6%	11%	8%	6%	11%	7%	5%	2%	7%	7%
	Felidhu Atoll (V)	29%	4%	6%	13%	9%	4%	7%	9%	7%	2%	5%	6%
	Mulakatholhu (M)	35%	3%	4%	10%	8%	5%	9%	8%	6%	2%	4%	6%
	North Nilandhe Atoll (F)	27%	3%	4%	9%	8%	8%	8%	12%	8%	2%	5%	5%
	South Nilandhe Atoll (Dh)	23%	2%	7%	11%	9%	9%	9%	8%	6%	3%	4%	7%
	Kolhumadulu (Th)	27%	3%	5%	12%	10%	6%	8%	12%	6%	2%	4%	6%
	Hadhdhunmathi (L)	23%	3%	4%	10%	7%	11%	14%	8%	5%	2%	6%	6%
	North Huvadhu Atoll (GA)	25%	4%	5%	12%	10%	6%	10%	10%	6%	2%	4%	6%
	South Huvadhu Atoll (GDh)	24%	3%	4%	12%	9%	14%	10%	9%	4%	2%	5%	5%
	Gnaviyani (Gn)	20%	1%	5%	10%	8%	12%	15%	8%	6%	2%	7%	6%
	Addu (S)	27%	1%	4%	13%	8%	6%	13%	8%	6%	3%	4%	6%

Indicator	Expenditure (for expenditure reported households)											
	Average monthly household expenditure by broad expenditure groups (in MVR)											
	Food and beverages	Tobacco and chewing products	Clothing and footwear	Housing, water and electricity	Household operations	Health	Transport	Communications	Recreation and Culture	Education	Hotels, Cafes and Restaurants	Miscellaneous Goods and Services
Republic	5,411	432	1,070	5,751	1,661	1,632	2,130	1,865	1,325	1,022	1,447	1,371
Male	6,185	427	1,274	10,709	1,824	1,742	2,468	2,401	1,670	1,806	2,174	1,661
Atolls	4,856	436	923	2,192	1,544	1,554	1,888	1,481	1,077	459	925	1,163
North Thiladhunmathi (HA)	5,071	401	775	2,122	1,345	2,188	2,147	1,021	971	356	988	1,166
South Thiladhunmathi (HDh)	3,970	302	824	2,019	1,258	1,203	2,041	984	957	557	682	1,008
North Miladhunmadulu (Sh)	5,270	383	1,207	2,198	1,574	1,912	1,414	1,002	933	485	903	1,242
South Miladhunmadulu (N)	4,285	278	978	1,902	1,541	1,163	1,348	1,861	986	389	984	1,075
North Maalhosmadulu (R)	5,695	356	733	2,269	1,654	1,683	1,428	1,394	1,207	470	726	1,135
South Maalhosmadulu (B)	3,583	286	983	1,706	1,341	1,826	1,153	1,011	784	383	593	1,004
Faadhippolhu (Uh)	5,481	302	813	2,262	1,428	966	1,475	1,785	1,281	601	1,598	1,310
Male' Atoll (K)	4,499	738	1,049	2,620	1,415	907	1,100	1,381	1,037	510	1,017	1,249
North Ari Atoll (AA)	5,124	811	1,036	2,221	1,377	1,182	1,707	1,463	1,016	383	726	1,086
South Ari Atoll (ADh)	6,087	534	1,315	2,288	1,686	1,239	2,369	1,483	1,180	529	1,479	1,551
Felidhu Atoll (V)	4,829	623	1,008	2,125	1,525	605	1,193	1,453	1,135	254	830	1,003
Mulakatholhu (M)	5,686	480	735	1,621	1,336	870	1,433	1,287	1,019	394	650	948
North Nilandhe Atoll (F)	5,275	560	856	1,881	1,617	1,579	1,517	2,398	1,576	462	1,056	1,073
South Nilandhe Atoll (Dh)	4,608	394	1,466	2,246	1,764	1,823	1,798	1,609	1,240	642	781	1,285
Kolhumadulu (Th)	4,736	500	886	2,160	1,713	1,058	1,367	2,139	1,125	359	676	1,085
Hadhdhunmathi (L)	4,904	597	872	2,229	1,513	2,329	3,075	1,740	1,133	326	1,214	1,376
North Huvadhoo Atoll (GA)	4,854	812	995	2,238	1,908	1,214	1,919	1,920	1,144	421	828	1,082
South Huvadhoo Atoll (GDh)	4,815	603	803	2,492	1,774	2,818	2,098	1,770	903	358	938	1,011
Gnaviyani (Gn)	4,513	240	1,006	2,230	1,852	2,538	3,281	1,735	1,304	538	1,435	1,370
Addu (S)	5,020	223	828	2,369	1,550	1,033	2,457	1,490	1,176	549	817	1,211

Indicator	Average monthly per capita expenditure by broad expenditure groups (in MVR)											
	Food and beverages	Tobacco and chewing products	Clothing and footwear	Housing, water and electricity	Household operations	Health	Transport	Communications	Recreation and Culture	Education	Hotels, Cafes and Restaurants	Miscellaneous Goods and Services
Republic	1,027	82	203	1,092	315	310	404	354	252	194	275	260
Male'	1,172	81	241	2,029	345	330	467	455	316	342	412	315
Atolls	923	83	176	417	293	295	359	282	205	87	176	221
North Thiladhunmathi (HA)	1,051	83	161	440	279	453	445	212	201	74	205	242
South Thiladhunmathi (HDh)	793	60	165	403	251	240	408	197	191	111	136	201
North Miladhunmadulu (Sh)	970	70	222	404	290	352	260	184	172	89	166	229
South Miladhunmadulu (N)	875	57	200	388	315	237	275	380	201	79	201	219
North Maalhosmadulu (R)	1,087	68	140	433	316	321	273	266	230	90	139	217
South Maalhosmadulu (B)	718	57	197	342	269	366	231	203	157	77	119	201
Faadhippolhu (Lh)	1,085	60	161	448	283	191	292	353	254	119	316	259
Male' Atoll (K)	770	126	180	448	242	155	188	236	178	87	174	214
North Ari Atoll (AA)	843	133	170	365	226	194	281	241	167	63	119	179
South Ari Atoll (ADh)	926	81	200	348	257	188	360	226	179	80	225	236
Felidhu Atoll (V)	995	128	208	438	314	125	246	299	234	52	171	207
Mulakatholhu (M)	1,139	96	147	325	268	174	287	258	204	79	130	190
North Nilandhe Atoll (F)	860	91	140	307	263	257	247	391	257	75	172	175
South Nilandhe Atoll (Dh)	720	61	229	351	275	285	281	251	194	100	122	201
Kolhumadulu (Th)	909	96	170	414	329	203	262	410	216	69	130	208
Hadhdhunmathi (L)	856	104	152	389	264	406	537	304	198	57	212	240
North Huvadhoo Atoll (GA)	1,034	173	212	477	406	259	409	409	244	90	176	230
South Huvadhoo Atoll (GDh)	980	123	163	507	361	574	427	360	184	73	191	206
Gnaviyani (Gn)	845	45	188	418	347	475	615	325	244	101	269	257
Addu (S)	998	44	165	471	308	205	488	296	234	109	162	241

Indicator	Expenditure (for expenditure reported households)																
	Average monthly per capita expenditure by household size(in MVR)											Per capita monthly expenditure by per capita quintiles (MVR)					
	1 to 2 person	3	4	5	6	7	8	9	10 to 11	12 to 13	14+	1	2	3	4	5	
Republic	8,714		6,210	5,540	4,968	4,742	3,996	4,456	3,527	3,604	3,800	3,273	1,561	2,698	3,856	5,492	10,251
Male'	12,221		8,054	7,823	6,827	6,564	5,646	5,887	4,589	4,870	5,002	4,105	1,588	2,772	3,903	5,587	10,375
Atolls	6,451		4,744	3,877	3,462	3,480	3,079	3,099	2,895	2,851	3,090	2,393	1,558	2,679	3,820	5,338	9,879
North Thiladhunmathi (HA)	5,958		4,146	3,553	3,665	4,037	3,549	3,045	2,058	3,386	6,365	3,112	1,446	2,772	3,782	5,342	10,042
South Thiladhunmathi (HDh)	5,942		3,078	3,670	2,956	3,490	2,547	2,363	2,346	3,178	2,095	2,695	1,563	2,672	3,753	5,211	9,420
North Miladhunmadulu (Sh)	6,555		4,437	4,047	3,094	3,045	3,093	3,381	3,462	3,036	2,047	3,470	1,610	2,673	3,908	5,383	9,323
South Miladhunmadulu (N)	7,036		3,994	2,792	3,091	3,649	3,023	4,310	2,789	2,764	3,530	1,959	1,488	2,713	3,765	5,327	9,467
North Maalhosmadulu (R)		5,602	5,711	3,752	3,704	3,281	3,146	3,259	2,829	2,657	2,355	3,343	1,577	2,661	3,962	5,315	10,313
South Maalhosmadulu (B)		5,582	3,351	3,736	2,653	2,457	2,337	2,544	3,553	2,232	1,317	1,682	1,533	2,660	3,842	5,299	9,322
Faadhippolhu (Lh)		5,823	4,692	3,878	3,883	3,511	2,834	3,519	2,588	5,161	5,303	2,082	1,656	2,652	3,827	5,408	9,755
Male' Atoll (K)		7,136	4,034	3,612	2,977	3,003	2,537	3,332	3,396	2,150	2,655	1,654	1,387	2,652	3,808	5,245	9,395
North Ari Atoll (AA)		6,455	4,522	2,828	2,790	2,336	2,774	2,878	3,749	2,226	2,427	3,134	1,505	2,551	3,693	5,256	9,676
South Ari Atoll (ADh)		8,009	4,531	4,591	3,192	4,338	2,972	3,168	2,272	2,791	3,358	2,407	1,625	2,759	3,776	5,236	10,666
Felidhu Atoll (V)		6,394	4,652	4,029	3,135	2,740	1,903	4,054	6,094	2,017	2,283	3,390	1,691	2,636	3,776	5,414	9,390
Mulakatholhu (M)		5,619	4,206	3,434	3,144	2,710	2,590	3,309	2,070	3,420	2,904	-	1,603	2,651	3,846	5,368	10,832
North Nilandhe Atoll (F)		6,473	5,132	3,708	3,318	4,032	3,063	1,734	3,020	2,737	2,270	2,593	1,614	2,571	3,675	5,327	9,383
South Nilandhe Atoll (Dh)		9,244	3,099	3,571	3,609	3,056	3,054	2,970	2,769	2,724	2,585	2,277	1,533	2,724	3,676	5,552	9,426
Kolhumadulu (Th)		7,279	4,285	3,831	3,469	3,633	3,037	2,397	2,489	3,376	3,010	1,349	1,582	2,677	3,820	5,479	8,978
Hadhunmathi (L)		6,673	5,111	3,698	3,701	2,937	3,244	4,269	3,560	3,817	3,510	2,897	1,576	2,676	3,788	5,305	10,176
North Huvadhuru Atoll (GA)		7,580	7,256	4,322	3,908	3,884	3,113	2,117	1,772	2,626	4,347	2,866	1,683	2,753	3,834	5,415	9,795
South Huvadhuru Atoll (GDh)		7,334	6,445	4,652	4,065	4,128	4,055	4,290	2,548	1,987	1,407	-	1,514	2,660	3,785	5,367	11,576
Gnaviyani (Gn)		6,252	8,275	4,297	3,967	4,240	3,701	2,992	2,417	2,937	3,910	-	1,645	2,696	3,842	5,328	10,462
Addu (S)		5,830	5,066	4,594	3,952	3,524	2,881	2,696	3,263	2,911	2,570	2,384	1,642	2,643	3,875	5,303	9,106

The household income and expenditure survey 2016 captured the consumption expenditure incurred by households. Household consumption expenditure is the value of consumer goods and services acquired, used or paid for by a household for the satisfaction of the needs and wants of its members. The consumption expenditure includes four main broad components;

- expenditure on food items
- expenditure on non-food items/ services
- expenditure on durable goods
- expenditure on rent

For collecting food and non- food expenditures, and services acquired by households, HIES 2016 used a predefined list of commonly incurred expenses, by the households during the given reference period. The reference period varied from one week to 12 months, depending on the type of expense. This included items ‘received’ in kind and as gifts by the household but those were not valued in monetary terms and are not included in deriving the household expenditures. The expenditure values used here, reflects only those items/services which have been purchased/acquired by the household. The different expenditure components and the reference period for which information was collected in the survey is summarize below.

2.1.1 Expenditure on food items

Under food expenditure, all the food items consumed and purchased by the household during the reference period (past 7 days) was collected. This included food consumed within the household, food items purchased and food away from home, such as restaurants, take-aways, etc. For the construction of food expenditure, only the food items purchased by the household were used. Data on food was collected at item level; i.e at detail COICOP level eg: rice, sugar, tuna, apple, etc and at household level. With regard to food

away from home, the purchase of food consumed by broad food item (rice plate, juices, fried noodles) has been collected. Food expenditure was taken in the survey as:

Table 2.1: Synopsis of food expenditure detail and reference schedule given in the survey (HIES 2016)

Form	Detail (Category)	Reference Period
Form 3 (For expenditure Units)	Food away from home (unit level/nuclear families within the household) This includes detail of expenses paid for food at restaurants, café' and also takeaway meals/food purchased outside and consumed at home (meals, short eats/pizza etc.) at expenditure unit level (nuclear families within the extended families / earning members whose expenses are difficult to capture in one household form) within the household	Past 7 days
Form 7 (Food, consumed and purchased)	Food consumed and purchased. This includes food items which are normally purchased and consumed in the household. A total of 145 food items was included in the form with additions for households to report on additional items consumed/purchased by the household. Data of food consumed from own production (agricultural, fishery), received as gifts from persons outside of the household also recorded	Past 7 days
Form 7	Food away from home (household level). This includes detail of expenses paid for food at restaurants, café' by household or by majority of the household members, by broad food items/meals (units such as dishes, half or full etc.)	Past 7 days

2.1.2 Expenditure on non-food items/ services:

The non-food expenditure covers a wide variety of goods and services used by the household and with varying reference periods. This group also includes travel expenses incurred by the household both abroad and inbound (duration of trip greater than one day and less than six months included). Travel excluded business/official trips as well as hajj /Umrah trips. Health expenses is also included as a part of non-food expenditure. Non-food expenditure also excludes 'lumpy' expenses and expenses on infrequent occurrences such as birthday/wedding party, valuables like gold jewelry, new housing construction was not covered in the survey. Breakdown of different non-food items/services is as follows:

Table 2.2: Synopsis of food expenditure detail and reference schedule given in the survey (HIES 2016)

Form	Detail (Category)	Reference Period
Form 2 (household form)	Repair and Maintenance of house	Past 12 months
Form 2	Furniture	Past 12 months
Form 2	Kitchen utensils and household furnishing items	Past 3 months
Form 2	Health Expenses (in-patient)	Past 12 months
Form 2	Health Expenses (out-patient)	Past month
Form 2	Health Expenses (other medical expenses)	Past month
Form 2	Other Expenses (electricity, gas, water, waste, salary, domestic helpers salary/wage)	Past month
Form 2	Travel Abroad	Past 12 months
Form 2	Travel inbound	Past 6 months
Form 3 (For expenditure Units)	Household Maintenance	Past month
Form 3	Entertainment, Sports and Recreational Activities	Past month
Form 3	Transport, Postal and petrol	Past month
Form 3	Personal Care	Past month & past 12 month
Form 3	Media and other relatives	Past month
Form 3	Clothing	Past 3 months
Form 3	Footwear	Past 3 months
Form 3	Education expenses	Past 12 months & past month
Form 3	Insurance	Past 12 months
Form 4	Mobile phone Expenses (excl. purchase of phone)	Past month

2.1.3 Expenditure on Durable goods:

Consumer durable goods include items with a life expectancy of one year or more. This includes household appliances and electronic items, communication and transport equipment. A total of 21 specific durable goods most commonly purchased by households, were specified in the questionnaire and expenditure incurred on these items were collected and used.


For the construction of consumption expenditure, only the items/equipment which was purchased during the last year was used. Therefore, this analysis will primarily focus on expenditure incurred by the households on the purchases of these items.

2.1.4 Expenditure on Housing:

HIES 2016 collected information both on household rent for households paying and expected rent amount for owner occupied dwellings. This analysis will primarily focus on housing expenditure using actual rent paid by households living on rent.


Figure 2.1: Snapshot of survey questions on rent, HIES 2016


27. Is the dwelling unit of this household Rented?

1. Yes  Skip to Q29

2. No


28. How much would you expect to receive each month for this house if you rented it out to someone?

MVR  Skip to Q30

 **Estimate the rent of unfurnished dwelling**

29. How much is the monthly rent?

MVR

 **Do not include electricity/water bills or any other service expenditure in the rent amount. If a non-house member pay the rent, make sure to include that rent.**

As this analysis is primarily focused on expenditure, the varying reference periods used in the Survey has been converted into monthly expenditure for easy interpretation of the results. The results of the survey are in nominal terms. And it is important to note that this analysis is based only the households which reported expenditure¹. It is also important to keep in mind the differences between the concepts of consumption expenditure used in this chapter and those used in deriving the main welfare measure, the “consumption aggregate” used as expenditure in the poverty analysis.

This chapter presents an analysis of expenditure based on monthly household expenditure, monthly per capita expenditure and per capita expenditure per person per day. This chapter looks into the detail of monthly expenditures on:

2.2: Average, median monthly household expenditure and per capita expenditure

2.3: Expenditure by broad expenditure groups

2.4: Breakdown of expenditure within selected expenditure groups

2.5: Limitations

2.6 Summary

¹ Out of the 72,208 households in the survey, expenditure analysis includes 71,888 households that had reported expenditure values, in order to avoid distortions.

AVERAGE, MEDIAN MONTHLY HOUSEHOLD EXPENDITURE AND PER CAPITA EXPENDITURE 2.2

2.2.1 Summary of monthly expenditure

HIES 2016 results shows that in Maldives, households spent on average MVR 25,119 per household on a monthly basis (Table 2.3). The amount spent is nearly double in Male' compared to the Atolls. The average monthly household expenditure in Male' was MVR 34,341, compared to MVR 18,498 in Atolls.

Table 2.3: Summary of Monthly Expenditure by locality, 2016

Locality	Expenditure (MVR) per month			
	Average Monthly expenditure per household	Median Monthly expenditure per household	Per capita expenditure per month	Median Per capita expenditure per month
Republic	25,119	19,843	4,768	3,850
Male'	34,341	30,560	6,505	5,653
Atolls	18,498	15,040	3,517	2,847

Source: Household Income and Expenditure Survey, 2016

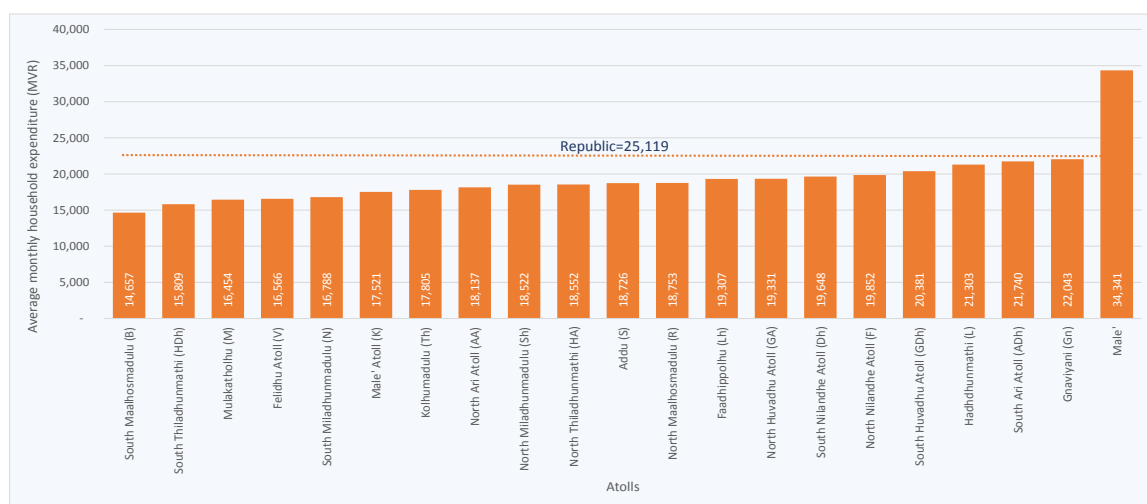
The results also showed that a person spend MVR 4,768 per month at Republic level while the expenses of a person in Male' is higher than that of the national figure, at MVR 6,505. This is again substantially lower in the Atolls (MVR 3,517), where a person spends MVR 3,000 less than that of an individual in Male'.

Median monthly expenditure per household is lower than the mean (MVR 19,843 per month vs MVR 25,119 at national level). Similarly, median per capita expenditures are lower than mean per capita expenditure (MVR 4,768 per month vs MVR 3,850 at national level).

2.2.2 Average monthly expenditure by Atolls

Figure 2.2 shows the distribution of average monthly household expenditure by Atolls. As shown from the figure, the highest average monthly household expenditure is reported in Male' and then in Gnaviyani Atoll (Gn). The lowest household expenditure is reported in South Maalhosmadulu (B) Atoll followed by South Thiladhunmathi (HDh) Atolls. All the Atolls has an average household expenditure which is lower than the benchmark of the Republic.

Figure 2.2: Average monthly expenditure per household by locality, 2016



Source: Household Income and Expenditure Survey, 2016

2.2.3 Summary of monthly expenditure by Atolls (average, median and per capita)

Table 2.4 displays the mean and median monthly household expenditure and per capita expenditure by Atolls ². When median monthly household expenditure is compared, the expenditure per household was highest in Male' followed by Gnaviyani (Gn). The median expenditure for Male' remains higher than the Republic. This also shows that there is a huge difference in the expenditure levels between Male' and Atolls. The lowest median household expenditure is reported in South Maalhosmadulu (B) followed by South Thiladhunmathi (HDh). This is similar to what is observed from the average monthly household expenditure, above.

² Average is affected by outliers in the distribution. Median is not affected by outliers. Median is the expenditure value at which the distribution is divided into two equal size groups. Median is the middle point of the distribution with one half of the population falling above and the other half below the value. Per capita expenditure adjusts the household expenditure for the differences in the household sizes. A big household expenditure value can simply be due to more members living in the household and it does not necessarily mean a bigger value per household member.

Across the Atolls the per capita expenditure is evenly distributed with a person spending between the range of MVR 3,000-4,000 per month. However, in South Maalhosmadulu (B), North Ari Atoll (AA) and Male' Atoll (K), a person spends MVR 1,000 less when compared with other Atolls. Slight differences in the order of Atolls when using per capita is due to the differences in the household size.

Table 2.4: Average and median monthly household expenditure and per capita expenditure by Atolls, 2016

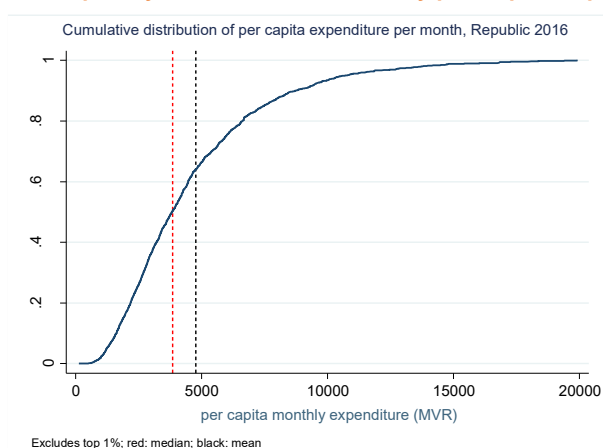
Atoll	Expenditure (MVR) per month			
	Average Monthly expenditure per household	Median Monthly expenditure per household	Per capita expenditure	Median per capita expenditure
Republic	25,119	19,843	4,768	3,850
Male'	34,341	30,560	6,505	5,653
Atolls	18,498	15,040	3,517	2,847
North Thiladhunmathi (HA)	18,552	13,588	3,844	3,209
South Thiladhunmathi (HDh)	15,809	12,722	3,157	2,538
North Miladhunmadulu (Sh)	18,522	15,106	3,408	2,871
South Miladhunmadulu (N)	16,788	12,864	3,428	2,732
North Maalhosmadulu (R)	18,753	15,040	3,579	2,926
South Maalhosmadulu (B)	14,657	11,971	2,937	2,404
Faadhippolhu (Lh)	19,307	15,639	3,821	3,352
Male' Atoll (K)	17,521	14,830	2,999	2,465
North Ari Atoll (AA)	18,137	13,990	2,982	2,523
South Ari Atoll (ADh)	21,740	18,488	3,307	2,870
Felidhu Atoll (V)	16,566	13,484	3,418	2,722
Mulakatholhu (M)	16,454	13,615	3,296	2,665
North Nilandhe Atoll (F)	19,852	16,724	3,235	2,481
South Nilandhe Atoll (Dh)	19,648	16,879	3,069	2,608
Kolhumadulu (Th)	17,805	15,397	3,416	2,854
Hadhdhunmathi (L)	21,303	15,915	3,717	2,886
North Huvadhu Atoll (GA)	19,331	16,262	4,118	3,202
South Huvadhu Atoll (GDh)	20,381	16,586	4,149	3,100
Gnaviyani (Gn)	22,043	18,937	4,129	3,395
Addu (S)	18,726	16,168	3,721	3,247

Source: Household Income and Expenditure Survey, 2016

2.2.4 Distribution of expenditure

Figure 2.3 shows the cumulative distribution of per capita monthly expenditure. The curve shows a steep rise, which indicates that large proportion of the population (a little over 60 percent), spends less than the average per capita (MVR 4,768) per month. Half of the population spent less than the median per capita expenditure of MVR 3,850 per month. When converted to a per day basis this translates to MVR 127 per day (expenditure per person per day). This means that 50 percent of the population spends less than MVR 127 per day at the national level.

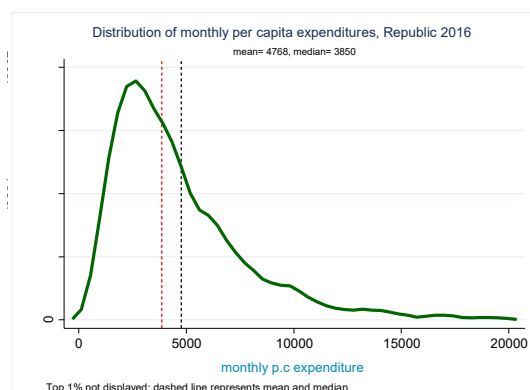
Figure 2.3: Cumulative frequency distribution of monthly per capita expenditure, 2016



Source: Household Income and Expenditure Survey, 2016

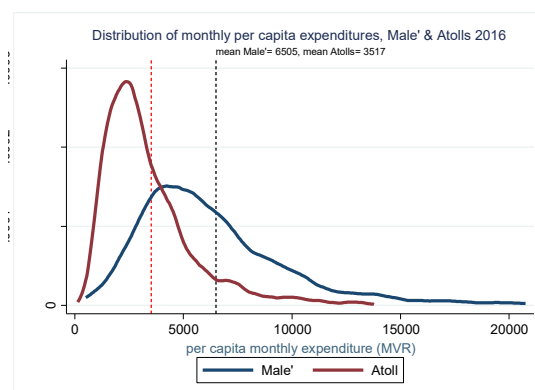
Figure 2.4, shows the distribution of per capita expenditure for the country as a whole. Majority of the people spend below the average per capita and median per capita in the country, with the peak of the distribution roughly around half the median. Huge differences can be observed in the distribution of expenditure between Male' and Atolls which is prominent in Figure 2.5. The distribution of expenditure in the Atolls was toward the left, which showed that majority of the population spent below the average per capita of MVR 3,517 per month. The distribution of the Atoll expenditure gets smaller towards the right which meant few people got to spend more than the average per capita of Male'. The distribution of expenditure in Male' is more towards the right which indicate higher level of expenses in Male' which might be due to high rent and high living standards in the capital. The right tail was more pronounced for Male'; which showed the high spending pattern of few.

Figure 2.4: Distribution of monthly per capita expenditure, Republic 2016



Source: Household Income and Expenditure Survey, 2016

Figure 2.5: Distribution of monthly per capita expenditure, Male' & Atolls 2016



Source: Household Income and Expenditure Survey, 2016

2.2.5 Expenditure quintiles

Table 2.5 shows the distribution of average household and per capita expenditure across the per capita expenditure quintiles. On average, a household in the lowest per capita quintile in the country spends MVR 9,578 per month while the households in the top per capita expenditure quintiles spends 4 times more than this. This gives a per capita expenditure of less than MVR 2000 per month for the lowest per capita quintiles and the top per capita quintile gets to spend 6 times more than this.

Table 2.5: Average household and per capita monthly expenditure by per capita expenditure quintiles, 2016

Per capita expenditure quintile	per capita expenditure quintile range (in MVR)	Average household expenditure			Per capita Expenditure		
		Republic	Male'	Atolls	Republic	Male'	Atolls
1	<2,186	9,578	9,736	9,562	1,561	1,588	1,558
2	2,187 - 3,234	16,165	18,090	15,739	2,698	2,772	2,679
3	3,235 - 4,487	22,557	27,289	19,850	3,856	3,903	3,820
4	4,489 - 6,681	28,096	31,117	24,111	5,492	5,587	5,338
5	6,683 +	40,502	43,698	32,910	10,251	10,375	9,879
	Average	25,119	34,341	18,498	4,768	6,505	3,517

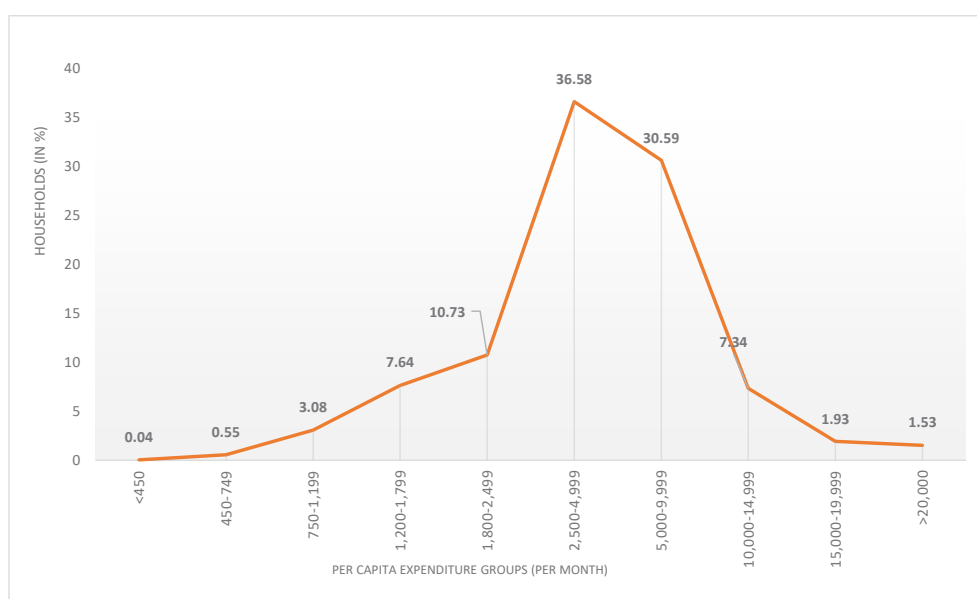
Source: Household Income and Expenditure Survey, 2016

2.2.6 Share of households by monthly per capita expenditure groups

Figure 2.6 shows that less than 5 percent of the households has a monthly per capita MVR 1,200. Majority of the households (67 percent) have a per capita expenditure concentrated between the range of MVR 2,500 and MVR 10,000. On the higher end, close to 4 percent of the households share a per capita expenditure of MVR 15,000 and above.

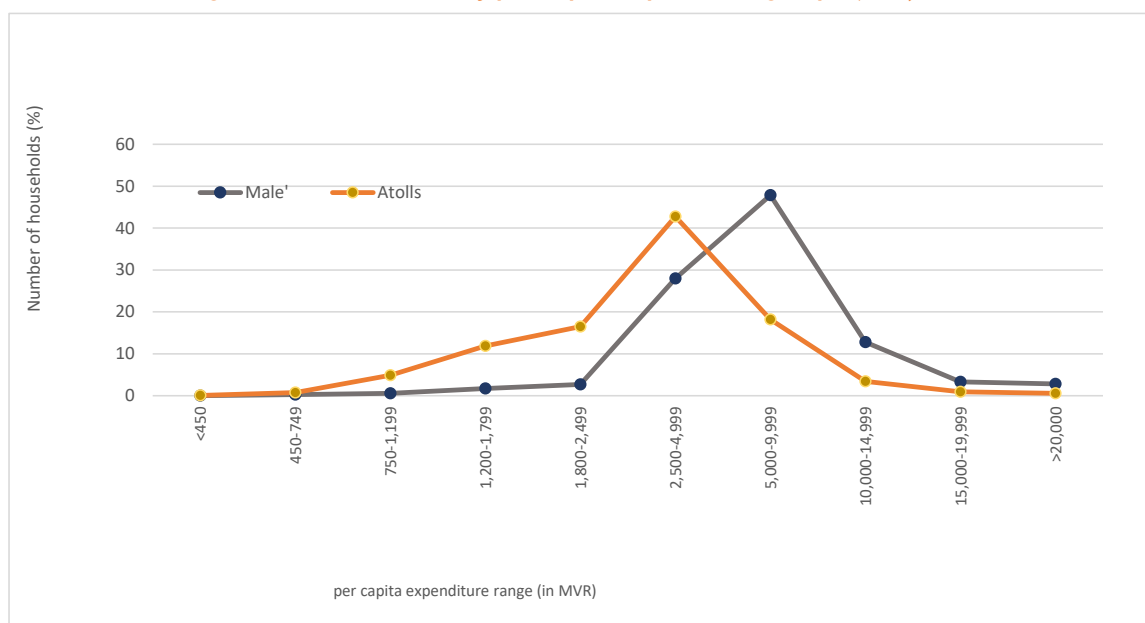
In the Atolls, majority of the households spend between the per capita range of MVR 2,500-4,999 with only 5 percent of households having a per capita expenditure more than MVR 10,000 per month. In Male' people tend to spend more, where 48 percent of the households have a per capita expenditure between the range of MVR 5,000-9,999 and one fifth (19 percent) of the households have a monthly per capita expenditure of more than MVR 10,000. Among these however only 6 percent of households spending more than MVR 15,000 per person per day.

Figure 2.6: Households by per capita expenditure groups (in %), Republic 2016



Source: Household Income and Expenditure Survey, 2016

Figure 2.7: Households by per capita expenditure groups (in %), Male' & Atolls 2016



Source: Household Income and Expenditure Survey, 2016

2.2.7 Expenditure per person per day

To summarize, on average, a household in Maldives in 2016 spends MVR 25,119 per month on expenditure which gives rise to a per capita expenditure per month as MVR 4,768.

If we look at the distribution of expenditure in terms of how much a person spends in a day, the values stand at MVR 157. While a person in Male' spends MVR 214 per day, a person in the Atolls spend close to half of this amount. The median per capita expenditure per day is MVR 94 in the Atolls and a person in Male' spends double this amount (Table 2.6).

Table 2.6: Summary indicators on expenditure, 2016

Indicator	Republic	Male'	Atolls
Average Monthly expenditure per household	25,119	34,341	18,498
Median Monthly expenditure per household	19,843	30,560	15,040
Per capita expenditure per month	4,768	6,505	3,517
Median Per capita expenditure per month	3,850	5,653	2,847
Expenditure per person per day	157	214	116
Median expenditure per person per day	127	186	94

Source: Household Income and Expenditure Survey, 2016

2.2.8 Expenditure by household size

The distribution of expenditure is associated with various household characteristics such as household size. The average household size in Maldives is 5.3 person per household.

Table 2.7: Average household expenditure and per capita expenditure by household size, 2016

Household size	per capita expenditure		
	Republic	Male'	Atolls
1 to 2	8,714	12,221	6,451
3	6,210	8,054	4,744
4	5,540	7,823	3,877
5	4,968	6,827	3,462
6	4,742	6,564	3,480
7	3,996	5,646	3,079
8	4,456	5,887	3,099
9	3,527	4,589	2,895
10+	3,559	4,632	2,809
Average	4,768	6,505	3,517

Source: Household Income and Expenditure Survey, 2016

The per capita expenditure decreases with the increase in household size. This is because larger households enjoy economies of scale in sharing the common facilities. While the per capita expenditure of the households with more than 10 members is less than MVR 5,000 per month, this is as high as MVR 8,700 for a 1 or 2- person household. The difference in the amount that a one or two-person household has to pay is quite high in Male' compared to the Atolls. On average, a person in Male' has to spend two times more than the amount a person in the Atolls has to pay in a month.

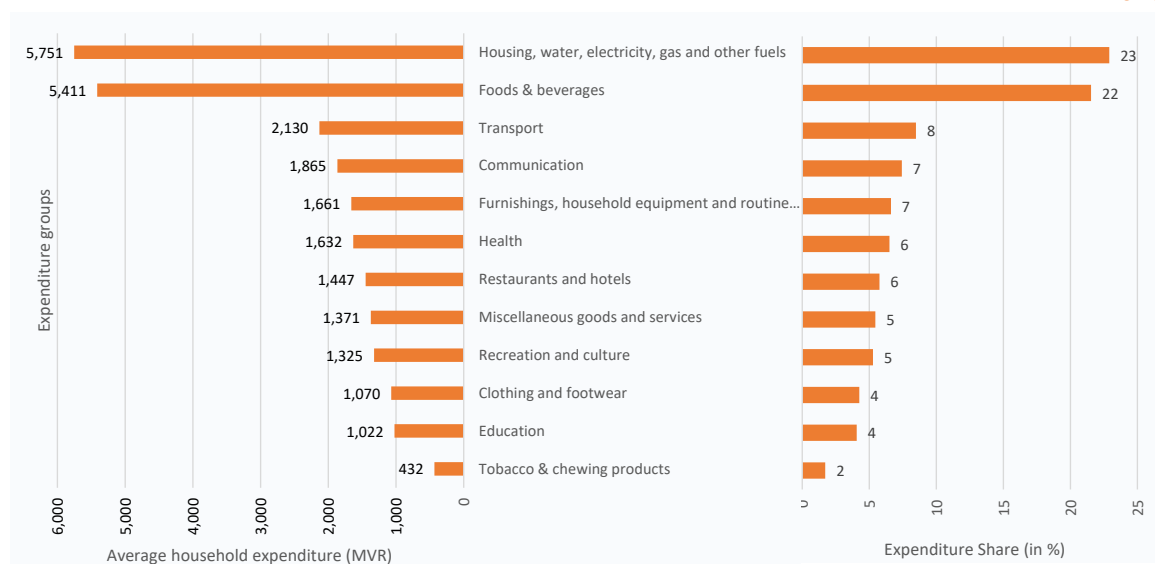
EXPENDITURE BY MAJOR GROUPS

2.3

2.3.1 Monthly household expenditure by major groups

Breakdown of expenditure by broad groups at Republic level shows that most of the household spending went for housing, water, electricity group³. Food and beverages contributed the next bulk of expenditure with a share of 22 percent. It is interesting to note that percentage share of expenditure for transport and communication took precedent over other main expenses. However, in terms of average household expenditure, health and restaurants and hotels categories were higher than that of communication category. Again, there are slight differences in the ordering of some expenditure groups when per capita expenditure is considered (refer Table 2.8).

Figure 2.8: Household expenditure and share of expenditure by broad groups, Republic 2016

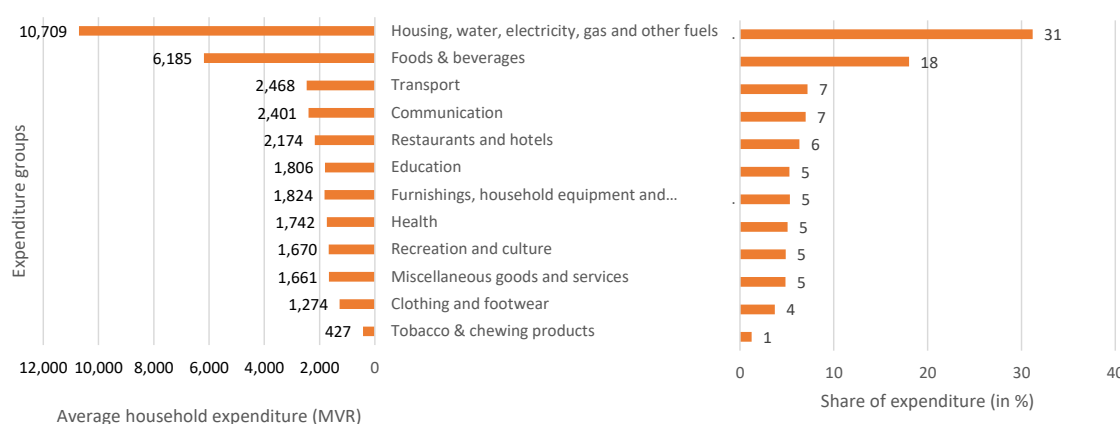


Source: Household Income and Expenditure Survey, 2016

³ When rent paid by households are excluded, this category represented 9 percent of household expenditure, much lower than the 23 percent share when actual rent paid by tenants are included. This is mainly due to the high proportion of renters and the high rents. If rent is excluded, percentage shares of other categories changes accordingly, with food expenditure share becoming the highest.

The distribution of expenditure varies in certain groups between Male' and Atolls. In Male', the bulk of the expenditure is driven by housing (31 percent), given that 63 percent of households in Male' live in rented accommodation, and the high rents owing to the high demand for housing in Male'⁴. This was followed by household spending on food, transport and communication. In terms of average household expenditure, restaurants and hotels category is the third highest falling next to food category.

Figure 2.9: Household expenditure and share of expenditure in Male', 2016



Source: Household Income and Expenditure Survey, 2016

In contrast to Male', the majority of the household expenses in the Atolls was spent on food (26 percent). This was followed by housing (12 percent). The contribution of housing share is less in the Atolls as most of the population lived in owner occupied dwellings. This was followed by household spending on transport and health. In terms of average household expenditure, transport was the second highest category, coming before housing.

Figure 2.10: Household expenditure and share of expenditure in Male', 2016



Source: Household Income and Expenditure Survey, 2016

⁴ Rent paid by households account for 23% in Male'. If we exclude rent this category represented 8 percent of household expenditure, much lower than the 31 percent share when actual rents paid by tenants are included. When rent is excluded, food expenditure share becoming the highest and the consumption pattern looks very similar to that in the Atolls.

2.3.2 Average household expenditure and per capita expenditure by major groups

Table 2.8 depicts the average household expenditure and per capita expenditure by broad groups. On average a household spends close to MVR 5,800 for housing. This is high in Male' at MVR 10,000 (due to the high proportion going to rent) while this was 5 times less in the Atolls. When converted to per capita terms, a person in Male' spent MVR 2,029 for housing per month while in Atolls a person spent close to MVR 420 per month. An average of MVR 5,400 is spent by households on food at country-level. This is slightly higher in Male' with household on average spending MVR 6,100 for food while the spending for food is less in the Atolls. When it comes to education and eating out (restaurants and hotel), there is a huge difference in the spending pattern between Male' and Atolls, with Male' having higher shares. This is mainly due to higher educational opportunities available in the capital city and eating out being more common in Male'.

Table 2.8: Average household expenditure and per capita monthly expenditure by broad expenditure groups, 2016

broad expenditure groups	Average household expenditure per month			Average per capita expenditure per month		
	Republic	Male'	Atolls	Republic	Male'	Atolls
Foods & beverages	5,411	6,185	4,856	1,027	1,172	923
Tobacco & chewing products	432	427	436	82	81	83
Clothing and footwear	1,070	1,274	923	203	241	176
Housing, water, electricity, gas and other fuels	5,751	10,709	2,192	1,092	2,029	417
Furnishings, household equipment and routine household maintenance	1,661	1,824	1,544	315	345	293
Health	1,632	1,742	1,554	310	330	295
Transport	2,130	2,468	1,888	404	467	359
Communication	1,865	2,401	1,481	354	455	282
Recreation and culture	1,325	1,670	1,077	252	316	205
Education	1,022	1,806	459	194	342	87
Restaurants and hotels	1,447	2,174	925	275	412	176
Miscellaneous goods and services	1,371	1,661	1,163	260	315	221
Average	25,119	34,341	18,498	4,768	6,505	3,517

Source: Household Income and Expenditure Survey, 2016

2.3.3 Detail of expenditure within each expenditure group

Table 2.9 presents a quick glance at the detail of expenditure (at COICOP 3-digit level) within each broad expenditure group. Detailed level of expenditure shows that major share of household expenditure was spent on food followed by actual rent the household has to pay. Out of the total expenditure, 5.5 percent of the expenses is incurred for paying electricity and gas bills.

Table 2.9: Breakdown of expenditure by coicop 3-digit, Republic 2016

Expenditure detail (coicop 3 digit)	% Share (out of total expenditure)		
	Republic	Male'	Atolls
Foods & beverages	22	18	26
Food	18.39	14.89	23.07
Non- alcoholic beverages	2.32	2.41	2.19
Food not stated	0.83	0.71	0.99
Tobacco & chewing products	2	1	2
Tobacco	1.32	0.99	1.76
Narcotics	0.40	0.25	0.59
Clothing and footwear	4	4	5
Clothes not elsewhere classified	0.11	0.09	0.14
Clothing	3.16	2.74	3.73
Footwear	0.98	0.88	1.12
Housing, water, electricity, gas and other fuels	23	31	12
Housing not stated	0.00	0.00	0.01
Actual rentals for Housing	13.63	23.10	1.01
Maintenance and repair of the dwelling	1.66	0.49	3.23
Water supply and miscellaneous services relating to the dwelling	2.08	3.35	0.38
Electricity, gas & other fuels	5.53	4.25	7.23
Furnishings, household equipment and routine household maintenance	7	5	8
Furnishing not elsewhere classified	0.04	0.05	0.03
Furniture and furnishings, carpets and other floor coverings	1.30	1.18	1.45
Household textiles	0.36	0.31	0.44
Household appliances	2.14	1.60	2.85
Glassware, tableware and household utensils	0.37	0.29	0.47
Tools and equipment for house and garden	0.36	0.13	0.67
Goods and services for routine household maintenance	2.05	1.76	2.44
Health	6	5	8
Medical products, appliances and equipment	3.08	2.52	3.84
Outpatient services	3.18	2.38	4.24
Hospital services	0.23	0.17	0.31
Transport	8	7	10
Transport not elsewhere classified	0.00	0.00	0.00
Purchase of vehicles	3.02	2.93	3.13
Operation of personal transport equipment	0.74	0.66	0.84
Transport services	4.72	3.59	6.23
Communication	7	7	8
Postal services	0.01	0.01	0.01
Telephone and telefax equipment	0.89	0.86	0.94
Telephone and telefax services	6.52	6.12	7.06
Recreation and culture	5	5	6
Recreation and cultural services not elsewhere classified	1.53	1.21	1.97
Audio-visual, photographic and information processing equipment	1.12	0.96	1.33
Other major durables for recreation and culture	0.00	0.00	0.01
Other recreational items and equipment, gardens and pets	0.42	0.44	0.39
Recreational and cultural services	1.34	1.51	1.12
Newspapers, books and stationery	0.86	0.74	1.01
Education	4	5	2
Pre-primary and primary education	1.24	1.65	0.68
Secondary education	0.86	1.20	0.41
Tertiary education	1.08	1.48	0.55
Education not definable by level	0.88	0.92	0.84
Restaurants and hotels	6	6	5
Catering services	5.07	5.79	4.12
Accommodation services	0.69	0.54	0.88
Miscellaneous goods and services	5	5	6
Miscellaneous not else where classified	0.03	0.03	0.02
Personal care	4.93	4.25	5.83
Personal effects n.e.c.	0.31	0.30	0.34
Insurance	0.19	0.26	0.10

Source: Household Income and Expenditure Survey, 2016

BREAKDOWN OF EXPENDITURE WITHIN SELECTED EXPENDITURE GROUPS

2.4

This section takes a closer look at household expenditure on some of the major expenditure groups which includes housing and food.

2.4.1 Expenditure on Housing

As housing takes up the biggest share of the expenditure, it is important to look at the distribution of expenses within this group. Rent accounts for 13 percent of the total expenditure, with 23 percent in Male' while in Atolls it accounts for only 1 percent.

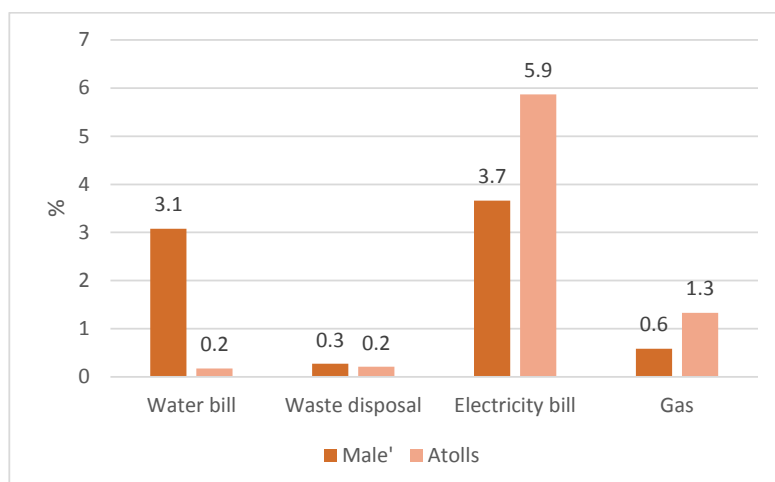
Table 2.10: Share of household expenditure and monthly average within housing category, 2016

Detail	% Share (out of total expenditure)			Average household expenditure (MVR)		
	Republic	Male'	Atolls	Republic	Male'	Atolls
Actual rentals for Housing	14	23	1	11,686	12,554	3,748
Maintenance and repair of the dwelling	2	0	3	839	380	1,107
Water supply and miscellaneous services relating to the dwelling	2	3	0	826	1,188	181
Electricity, gas & other fuels	6	4	7	1,415	1,497	1,357
Housing not stated	0	0	0	1,006	996	1,015

Source: Household Income and Expenditure Survey, 2016

In the Atolls, the expenses paid for electricity and gas takes up a bigger share of the total expenditure, at 6 percent and 1 percent respectively. In Male' electricity and gas account for 4 percent and 0.6 percent respectively. With the provision of piped water to all households in Male' the expenses on water bill is higher at 3 percent compared to that of Atolls (Figure 2.11).

Figure 2.11: Percentage share of household expenditure on utilities, 2016



Source: Household Income and Expenditure Survey, 2016

A closer look at households that rent shows that 29 percent of the households lived in rented dwelling with majority of them living in Male', where 63 percent of households live in rented premises. On average a household paid MVR 11,686 per month on rent, which is MVR 12,554 per month in Male'. There is huge contrast in the amount that a rented household in Male' pays compared to Atolls. While a person living in rented dwelling in the Atolls pays MVR 1,000 per month on rent, a person living in Male' paid double this amount. The difference in average rents between Male' and Atolls are less in per capita terms.

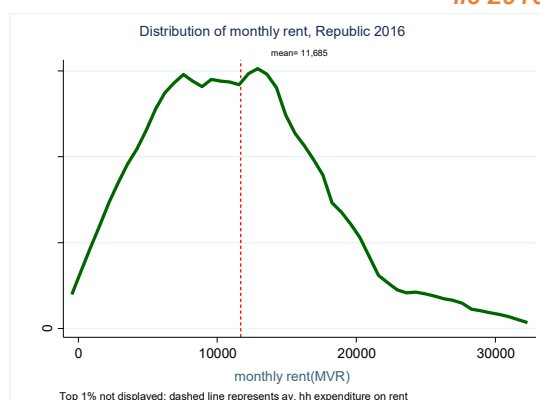
Table 2.11: Summary statistics on rent, 2016

Indicators	HIES 2016		
	Republic	Male'	Atolls
Share of households living on rent (%)	29	63	5
Share of rent out of total household expenditure (in %)	14	23	1
Average monthly household expenditure on rent (MVR)	11,686	12,554	3,748
Median monthly household expenditure on rent (MVR)	12,000	12,000	2,500
Per capita monthly expenditure on rent (MVR)	2,227	2,313	1,047
Median per capita monthly expenditure on rent (MVR)	1,857	2,000	800

Source: Household Income and Expenditure Survey, 2016

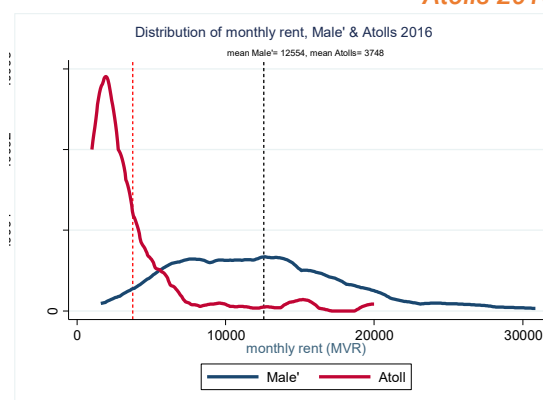
The distribution of monthly rent shows that the expenditure on rent (Figure 2.12) is mainly distributed within the center meaning that most of the households paid rent between MVR 8,000 to MVR 18,000. However, the high continuing of the distribution towards right tail showed that there were significant number of households paying rent on the higher end, the result of high rents in Male'. This is clearly depicted in Figure 2.13 where the rental value is more on the lower end (left tail) for Atolls while in Male' a large proportion of the households are paying a higher rent (right tail of the distribution). The dotted lines at the center of the distributions depicts the huge difference in monthly average rents in Male' and Atolls (MVR 12,554 vs MVR 3,748).

Figure 2.12: Distribution of monthly rent, Republic 2016



Source: Household Income and Expenditure Survey, 2016

Figure 2.13: Distribution of monthly rent, Male' & Atolls 2016



Source: Household Income and Expenditure Survey, 2016

As rent takes up a huge component of the household expenditure, it requires further investigation to look at the distribution of total expenditure between owner occupied and rented households. This will be undertaken by looking at the distribution of household expenditure in Male' as 63 percent of the households lived in rented households.

2.4.1.1 Owner occupied and rented households in Male' (actual rent):

Table 2.12 provides key facts by owner-occupied and rented dwellings. On average the number of people living in a rented household is higher compared to owner occupied households. Households that rent compensate for the large expenses in rent by spreading it across more people (larger household size). A person in owner-occupied households spends MVR 2,000 less than a person living in rented dwellings.

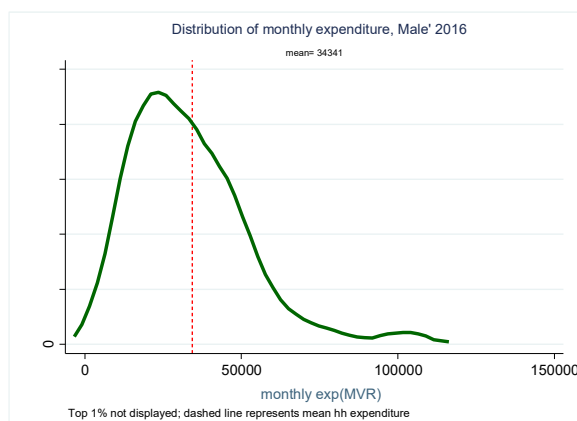
Table 2.12: Summary statistics between owner-occupied and rented households in Male', 2016

Indicator	Male'	
	Rented households	Owner occupied households
Share of households renting their dwelling (%)	63	36
Average household size	5.4	5.0
Per capita monthly expenditure (MVR)	7,292	5,060
Median per capita monthly expenditure (MVR)	6,267	4,270

Source: Household Income and Expenditure Survey, 2016

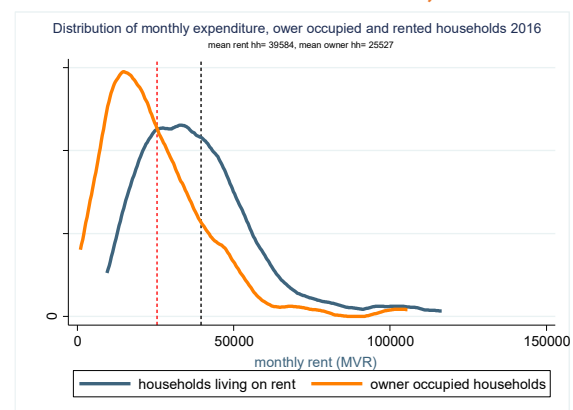
The distribution of monthly household expenditure (Figure 2.14) shows that substantial number of households spend above the average household expenditure (left tail). This is caused by households living in rented dwellings whose expenditure expands the left tail of the distribution (Figure 2.15).

Figure 2.14: Distribution of monthly expenditure, Male' 2016



Source: Household Income and Expenditure Survey, 2016

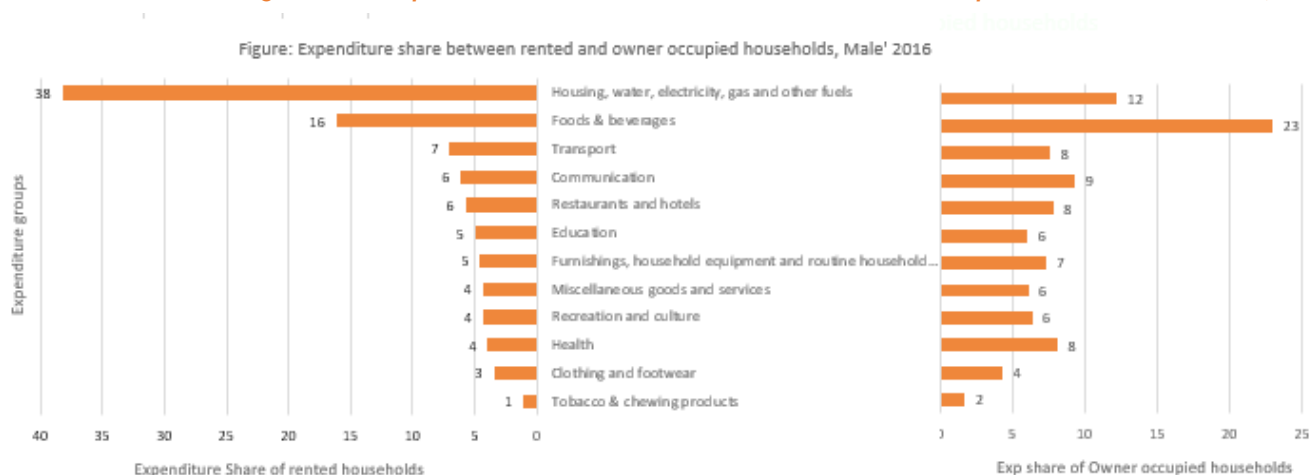
Figure 2.15: Distribution of monthly expenditure between owner occupied and rented households, Male' 2016



Source: Household Income and Expenditure Survey, 2016

Households living in rented dwellings spend bulk of their expenditure on paying rent, water and electricity bills while household living in owner occupied dwellings spend a higher percentage share on food. The pattern of household spending in owner occupied dwelling is more similar to the distribution of expenditure share in the Atolls (refer to Figure 6.10).

Figure 6.16: Expenditure share between rented and owner-occupied households in Male', 2016



Source: Household Income and Expenditure Survey, 2016

Average household expenditure between owner-occupied households and households living in rented dwellings show household that rent pay close to MVR 15,100 for housing category while owner occupied households pay 5 times less this amount (which mostly stem from electricity, water and gas bills). Table 2.13 also shows that rented households on average spends more in Male' in most of the other categories of expenditures such as food, clothing, transportation, communication, education, recreation as well. However, when it comes to health, restaurants and hotels category and household furnishing categories, the average household expenditure is somewhat higher for owner occupied households. There are slight differences in the groupings if average per capita expenditure is used instead of average household expenditure.

Table 2.13: Average household expenditure between rented and owner-occupied households in Male', 2016

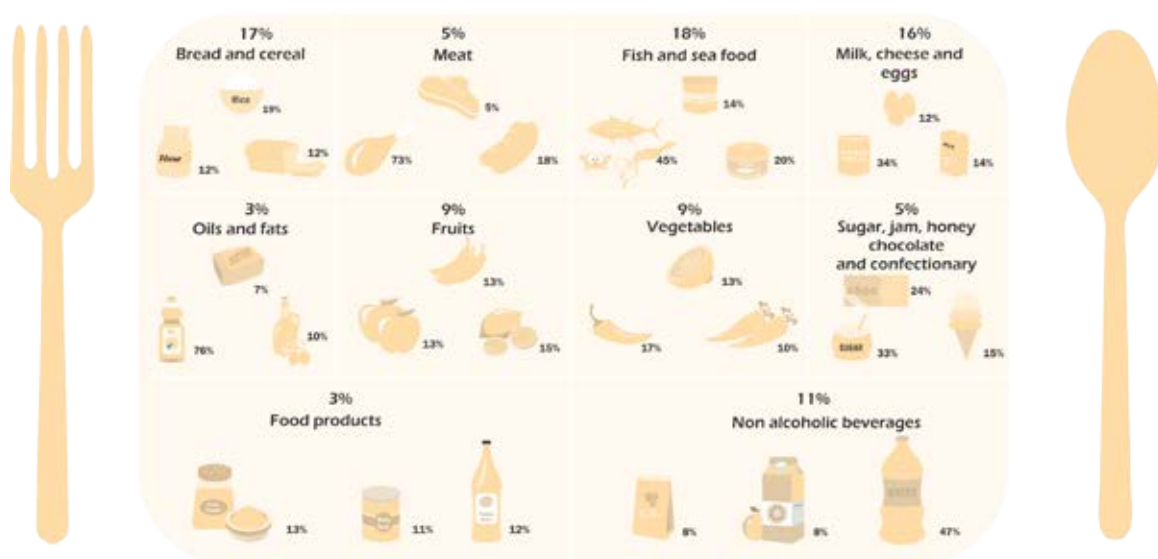
Expenditure groups	Average monthly household expenditure (MVR)		Per capita monthly expenditure (MVR)	
	Owner occupied households	Rented households	Owner occupied households	Rented households
Foods & beverages	5,826	6,394	1,160	1,178
Tobacco & chewing products	764	724	133	124
Clothing and footwear	1,233	1,421	232	259
Housing, water, electricity, gas and other fuels	3,197	15,145	624	2,790
Furnishings, household equipment and routine household maintenance	1,890	1,814	372	333
Health	2,738	2,064	507	365
Transport	2,064	2,858	404	520
Communication	2,393	2,440	475	450
Recreation and culture	1,709	1,756	331	319
Education	2,220	2,331	372	402
Restaurants and hotels	2,968	2,883	557	524
Miscellaneous goods and services	1,602	1,740	314	320
Average expenditure	25,527	39,584	5,060	7,292

Source: Household Income and Expenditure Survey, 2016

2.4.2 Expenditure on food

Food constitute 22 percent of household expenditure share at the Republic level and in the Atolls, it is the main contributor to the expenditure groups. Figure 2.17 reveals the percentage share of the expenditure on major 10 food groups. Out of the total food expenditure fish and seafood contributed the highest share (18%) followed by bread and cereal group (17%) and milk, cheese and eggs group (16%).

Figure 2.17: Expenditure share on food by major food groups and top food items purchased within each group, 2016



Source: Household Income and Expenditure Survey, 2016

2.5 LIMITATIONS

The analysis and results presented in this chapter is based on the expenditure information collected at individual, unit level and at household level in the Household Income and Expenditure Survey 2016. Out of the 72,208 households in the survey, expenditure analysis includes 71,888 households that had reported expenditure values, in order to avoid distortions. The results presented in this chapter are in nominal terms.

This chapter does not provide any comparison with the previous household income and expenditure surveys as many changes took place between the two survey periods and within the survey. And for comparison purpose the past results has to be brought to real terms to adjust for inflation. Below highlights some of the changes that took place, which is of importance for data users when doing comparison with HIES 2009/10 and to understand the changes that has taken place overtime.

Year	Month	Detail
2008-2011	Aug 2008- Dec 2011	<p>Madhana, the government assisted health coverage was introduced in 2008 and continued till end of 2011. During this period different policies of Madhana was introduced:</p> <ul style="list-style-type: none"> - Madhana basic - Madhana - Madhana Plus <p>Data captured with regard to health in HIES 2009/10 include Madhana.</p>
2012	January	Universal health coverage programme 'Aasandha' was started.
2012	August	Private sector clinics was included in 'Aasandha' and co-payment system was introduced
2014	February	'Husnuvaa Aasandha' was introduced
2016	October	<p>Government removed food subsidy. The food subsidy was given for staple foods (Rice, flour and sugar). And the government targeted food subsidies for people living in poverty under the social protection act. Each eligible beneficiary receives MVR 40 per month to a maximum of MVR 240 per household. The targeted cash transfer for food subsidy was started in May 2016.</p> <p>Food subsidy was removed while HIES 2016 was in field.</p>
2009-2016	Nov 2009- Feb 2016	<p>The electricity subsidy was introduced in November 2009 for domestic category and for business categories. Various reforms were brought to electricity subsidy:</p> <ul style="list-style-type: none"> - Tariff and subsidy rate was changed in Dec 2010 - Tariff and subsidy rate was changed in February 2016 <p>At the end of February 2016 government stopped giving electricity subsidy to better target it for the poor.</p>

In addition, various improvement was brought in the questionnaire to capture the expenditures in a accuracy way. This includes the changes in the number of items, durable good, consumption diary being changed to a recall of past 7 days, etc. For detail on the changes that took place in the survey instrument, please refer to ‘Technical Report’ of this release.

2.6 SUMMARY

The household Income and Expenditure Survey showed that on average a household in Maldives spends MVR 25,119 per month. The average spending is higher in Male' (MVR 34,341) when compared with the Atolls and is above the Republic average. The distribution of spending across the Atolls shows that the highest average monthly expenditure is reported in Gnaviyani Atoll (Gn) and the lowest household expenditure is reported in South Maalhosmadulu (B) Atoll.

On average a person spends MVR 4,768 per month while MVR 6,505 is incurred by a person living in Male'. A person in the Atolls spends MVR 3,517 per month which is less than half of what person spends in Male'.

When we convert this to daily basis, a person spends MVR 157 per day at the Republic level. A person in the Atolls spends MVR 116 per day while a person in Male' spends twice this amount (MVR 214 per day).

On average the household size in Maldives is 5.3 persons per households. The results of the survey showed that the per capita expenditure decreases with the increase in household size. A person in a household of 1 or 2 person spends MVR 8,700 per month while a person in a household with more than 10 person spends one third of this amount.

Breakdown of expenditure by broad groups shows that major share went for housing, water electricity group (23 percent). Food and beverages ranked second with 22 percent. The high contribution of housing, water, electricity at the National level is due to the high rent incurred by households living in Male'. In Male', this group topped the highest share with 31 percent followed by the contribution of food at 18 percent. In Male' actual rent for housing took 23 percent of the total expenditure.

In the Atolls, food contributed 26 percent of the expenditure share followed by 12 percent housing, water and electricity group. This group is mainly driven by electricity bills and gas in the Atolls.

The average household expenditure per month for housing, water and electricity group is MVR 5,751. This is followed by households spending MVR 5,411 per month on food. In Male', on average a household spends close to 10,700 per month for housing, water and electricity group while one fifth of this was spend in the Atolls. This means a person spends MVR 2,029 per month for housing, water and electricity in Male' while only MVR 417 per person per month was spend in the Atolls.



National Bureau of Statistics
Ministry of Finance & Treasury
Male', Maldives