PRICE INDICES ADVISORY COMMITTEE

Introduction

An index number is a measure, over time, designed to show average changes in the price, quantity, or value of a group of related items.

Most of us are mainly familiar with the index of consumer prices, but index numbers are not restricted to these. Index numbers showing economic and business trends include quantity indices (volume of industrial production, volume of foreign trade), value indices (value of sales, value of exports) as well as price indices such as the Consumer Price Index, Producer Price Index, Construction Price Indices and indices of Wage Rates etc.

With the fast economic development of the country particularly the rapidly growing industrial sector, the Central Statistical Office (CSO) considers that the computation of the three indices, namely the Consumer Price Index and the Export and Import Unit Value price indices now in use, are inadequate for all prices and other related policy decisions.

2. The CSO has, therefore, established a price indices programme and proposes to construct the following indices:

(a) Producer Price Index - Agricultural Sector
(b) Producer Price Index - Manufacturing Sector
(c) Export and Import Price Indices
(d) Construction Price Indices
(e) Index of Wage Rates

Technical assistance was obtained from two experts, Messrs Guckes and Strohel from the Federal Republic of Germany who were on mission in April 1992 to advise on the setting up of an integral system of price statistics. Mr. Guckes is at present on a second mission to review progress of work and to train staff on the construction of price indices.

3. In this context, a Price Indices Advisory Committee has been set up for consultation and advice on all activities connected with the construction of the above indices.
4. The Committee consists of the following members:

(a) The Director of Statistics (Chairperson),
(b) a representative of the Ministry of Finance,
(c) a representative of the Ministry of Economic Planning and Development,
(d) a representative of the University of Mauritius,
(e) a representative of the Mauritius Employers' Federation,
(f) a representative of Consumers' Association; and
(g) two representatives of Trade Unions.

Representatives of relevant Ministries and organisations will be co-opted to sit on the Committee whenever specific indices will be discussed.

5. The first meeting of the Price Indices Advisory Committee was held on Thursday 23rd September 1993. Mr. Guckes, expert and adviser on price statistics also attended the meeting.

6. The new indices will prove valuable analytical instruments to decision makers in Government and for private firms. Price indices will also be most helpful in studies on analysis of sources of inflation, and in the measurement of productivity and competitiveness.

7. The success of the price indices programme depends entirely on the cooperation of responding firms. The selected producing firms will be required to provide information on prices regularly to the CSO.

8. The CSO is, therefore, making a special appeal to the managers of selected firms to collaborate and provide the information required for the construction of the price indices. Respondents are given the assurance that all individual information provided will be treated with the strictest confidence and will be used solely for statistical purposes.

Central Statistical Office.
Ministry of Economic Planning and Development.
PORT LOUIS.

28th September, 1993.