

Methodology

1 Concepts and definitions

The Consumer Price Index (CPI) measures the change in the level of prices of a fixed basket of goods and services that the private consumer buys. Goods produced by households and utilised for their own consumption as well as those received free, are excluded. The composition of this basket reflects the general consumption pattern of all types of private households of the Republic of Mauritius. The computation of the CPI follows the ILO standards, as spelt out in the **CPI Manual**.

The commodities in the basket are classified according to the UN **COICOP** (Classification of Individual Consumption according to Purpose) at four levels with 15 divisions, 63 groups, 186 classes and 338 sub-classes.

2 Scope

2.1 Scope of the data

All non-institutional households in the Republic of Mauritius are represented in the CPI. Therefore, all private households comprising Mauritians and Non-Mauritians are covered in the Republic of Mauritius.

Second hand goods are not included in the CPI except for reconditioned motor vehicles.

2.2 Exceptions to coverage

Excluded from the household consumption expenditure for the computation of CPI weights are direct taxes such as income tax; social security contributions; life insurance premiums; saving bank deposits; disbursement for investments such as purchase of land, houses and major house repairs; gambling losses; and cash grants to other households. Goods produced by households and utilised for their own consumption as well as those received free or at a reduced price are excluded.

Owner occupied dwellings are excluded.

2.3 Unrecorded activity

Illegal activities (prostitution, drugs and narcotics) are excluded.

3 Classification/sectorization

The commodities in the basket are classified according to the UN **COICOP** (Classification of Individual Consumption according to Purpose) at four levels with 15 divisions, 63 groups, 186 classes and 338 sub-classes.

The CPI is disseminated at the aggregate level and disaggregated by the **COICOP** division (13 sub-indices) for the whole country.

Division 14 - 'Individual consumption expenditure of non-profit institutions serving households (NPISHS)' and Division 15 - 'Individual consumption expenditure of general government' do not fall under the scope of CPI.

4 Basis for recording

4.1 Valuation

With regards to CPI weights, consumption expenditure is valued at purchasers' prices.

The observed prices are transaction prices, that is, those that any member of the public would be paying to purchase the specified goods or services in specific outlets and regions. Any value added tax or excise duty attached to the goods is included.

4.2 Recording basis

The collection of prices for non-perishables is done between 10th and 20th of each month, whilst for perishables weekly price collection is done.

5. Accuracy and reliability

5.1 Source data collection programs

The composition of the CPI basket used for computing the CPI as from April 2024 has been derived from data obtained at the Household Budget Survey (HBS) conducted over the twelve-months period from January to December 2023. The HBS involved 7,000 households out of a total number of households of around 368,000. The weights are kept fixed and updated every five years after the conduct of another HBS.

Around 1,300 representative items and varieties were selected on the basis of sales volume. Outlets were selected on the basis of regional distribution and sales volume; in addition, they are expected to offer the selected items on a regular basis. Some 8,740 price quotations are collected from around 610 selected outlets.

5.2 Source data definitions, scope, classifications, valuation, and time of recording

The prices of perishable items are collected on a weekly basis (always on the same day and in a three-hour time interval), whilst those for non-perishables are recorded once a month on a day falling between the 10th and 20th. The prices are collected through personal visits except for standard tariffs (electricity, water, public transport, and telephone) that are obtained from service providers.

5.3 Source data timeliness

The monthly CPI is released within five working days after the end of the reference period. The timeliness is in conformity with that prescribed for SDDS.

5.4 Source data assessment

Collected prices are validated after proper editing. Regular supervision of price collectors is organized to ensure good data quality. Major discrepancies in data collected are subject to more control from supervisors.

6 Statistical techniques

6.1 Source data statistical techniques

Whenever a product is temporarily not available in an outlet, the missing price is imputed on the basis of the price changes of similar products in other outlets within the same period.

Replacement items are sought for items that have disappeared from the market. Appropriate adjustments for quality changes are made by collecting prices for an overlap period or by consulting the selling unit. If no replacement item is found, the weight of the permanently disappeared item is distributed over remaining items.

6.2 Other statistical procedures

The weight of certain items, in particular expenditures on alcoholic beverages and tobacco, was adjusted for underreporting using information from additional sources.

The lowest level indices are determined as a geometric average of the price relatives of the basic observations. The lowest level indices are aggregated according to the Laspeyres formulae. The reliability of data processing is verified by compiling the indices independently in an Excel-based system.

For owner occupied dwellings, the imputed rentals are not included in the CPI weight system. However, rents paid for rented dwellings are included and a rent survey of about 100 rented dwellings is conducted quarterly to represent this component.

As regards to housing services, the interests paid on housing loans are included in the CPI further to requests from users (particularly workers' representatives) according to a methodology proposed by an ILO mission fielded in the country to address users' concerns.

The weight of all goods and services in the basket were determined from results on expenditure from the Household Budget Survey 2023. The base price of all the items in the CPI basket refers to the period 2023. The CPI series with the new base period 2023 starts with the month of April 2024.

Since the CPI is a Laspeyres type index, the base prices as well as the weights are kept fixed for the 5-year period.

Link factors for different base periods are available to enable comparability of historical series.

7 Data validation

7.1 Validation of intermediate results

The thirteen sub-indices published with the monthly CPI make it possible to assess the reasonableness of the data. Cross-checks are possible with selected items of the producer price and the import price indices.

7.2 Assessment of intermediate data

Unusual movements in the index are investigated regularly.

8 Revision studies

8.1 Revision studies and analyses

During the revision of weights exercise which usually takes place at intervals of 5 years, data are gathered from outlets, importers and other stakeholders on new goods/services that need to be included in the updated basket.

9 Data

9.1 Statistical presentation

The CPI is published together with sub-indices for thirteen major divisions.

Time series of CPI data are published in quarterly Economic and Social Indicators (ESI). Tabulations, charts and a write-up are given. A brief analysis of quarterly/yearly change is given at the division level.

The CPI is used in the computation of headline inflation which is also published in the ESI.

9.2 Dissemination media and format

The CPI, headline inflation and core inflation rates are published monthly on the Statistics Mauritius website (https://statsmauritius.govmu.org/Pages/Statistics/By_Subject/CPI/SB_CPI.aspx).

The CPI and inflation rates are also released through quarterly publications both on the website as well as in printed versions.