



MAURITIUS

# Economic Indicators

An Occasional Paper

ISSUE NO. 42

24 October, 1986

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MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT  
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MAURITIUS

## Consumer Price Index - 3rd Quarter 1986

### 1. Movements in Consumer Price Index - 3rd Quarter 1986

The stability in prices noted since the beginning of the year has continued in the third quarter. The overall index which had shown an increase of 0.6 point during the first half of the year actually decreased by 0.3 point during the third quarter, from 124.6 in June to 124.3 in September.

The third quarter is usually characterised by price increases following budgetary fiscal measures. This is the first time since 1976 that the index for September is lower than that for June. Although the main contribution towards this fall comes from a continued decrease in the exchange rate of the dollar, the recent reduction of fiscal measures on petroleum products, medicinal products and certain other commodities such as gas cookers has also played an important part.

It will be recalled that in 1985 the index increased by 3 points during the third quarter from 121.2 in June to 124.2 in September as compared to only 2.1 points during the first six months of the year. (Table 1)

Table 1 - Monthly Consumer Price Index (January 1984 - September 1986)

Base : Jan. - June 1982 = 100

	<u>1984</u>	<u>1985</u>	<u>1986</u>
January	109.9	119.1	124.0
February	110.6	120.7	124.2
March	112.4	121.7	124.7
April	113.2	121.0	124.6
May	113.5	121.1	124.5
June	113.2	121.2	124.6
July	114.0	121.9	124.8
August	115.6	122.7	125.5
September	117.4	124.2	124.3
October	118.0	124.2	
November	117.4	124.0	
December	118.2	123.6	
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Yearly Average	114.4	122.1	

2. Table 2 shows the evolution of the quarterly indices by major commodity group. As expected decreases are noted in the "Fuel and light" and "Medical care" groups. "Housing" and "Miscellaneous" show some slight increase whilst the other groups have changed only marginally, if at all.

Table 2 - Sub-indices by major commodity group (Base: January - June 1982 = 100)

Commodity group	% Weight	Quarterly Average - 1985				Yearly Average 1985	Quarterly Average - 1986		
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter
1. Food and non-alcoholic beverages	43.9	125.5	125.4	127.6	128.7	126.8	129.5	130.3	130.7
2. Alcoholic beverages and tobacco	6.5	111.3	111.2	111.2	112.3	111.5	112.3	112.2	112.3
3. Fuel and light	6.4	113.5	113.5	114.2	114.5	113.9	111.3	108.5	106.6
4. Housing	10.4	122.6	123.1	124.7	125.0	123.9	124.5	124.5	125.2
5. Clothing, footwear and bedding, etc.	10.5	117.8	119.5	121.9	121.9	120.3	122.0	122.7	123.9
6. Transport and communication	10.0	110.3	111.6	112.8	113.3	112.0	113.0	112.2	112.2
7. Medical care	3.0	121.9	124.4	129.1	136.4	128.0	140.6	140.4	138.3
8. Education	2.9	113.0	113.9	115.5	115.6	114.5	118.7	119.4	119.5
9. Miscellaneous	6.4	122.7	124.7	126.6	128.0	125.5	129.9	130.8	133.2
ALL GROUPS	100.0	120.5	121.1	122.9	123.9	122.1	124.3	124.6	124.9

3. Table 3 below shows the net contribution of the main commodities which have affected the index from the beginning of July to the end of September 1986. The downward revision of the price of edible oil by 20% on 21st August 1986 was alone responsible for a 0.7 point fall in the index. The reduction of fiscal duties on medicinal products caused a decrease in the retail price of this commodity which affected the index favourably by 0.2 point. On the other hand higher prices of fresh vegetables contributed 0.4 point to the rise in the index.

Table 3 - Change in Consumer Price Index by commodity during the third quarter of 1986

<u>Commodity</u>	<u>Change</u>
Black lentils	+ 0.1
Edible oil	- 0.7
Eggs	- 0.1
Fresh vegetables	+ 0.4
Fresh fruits	- 0.1
Soft drinks	+ 0.1
Medicinal products	- 0.2
Cinema admission tickets	+ 0.1
Other goods and services	+ 0.1
Total	<u>- 0.3</u>

#### 4. Rate of Inflation

The current annual rate of inflation for the twelve months ending September 1986 is 3.2% compared to 7.8% for the twelve months ending September 1985. This rate was 6.7% for calendar year 1985 and 4.3% for financial year 1985-86.

In the light of recent price trends, the rate of inflation for calendar year 1986 forecast at around 2.5% in July 1986 is now revised downwards to about 2%.

Table 4 - Inflation Rate (%), 1975 - 1986

<u>Calendar Year</u>	<u>Inflation Rate</u>	<u>Financial Year</u>	<u>Inflation Rate</u>
1975	14.7	1974 - 75	20.6
1976	13.4	1975 - 76	14.7
1977	9.2	1976 - 77	9.6
1978	8.5	1977 - 78	10.1
1979	14.5	1978 - 79	8.0
1980	42.0	1979 - 80	33.0
1981	14.5	1980 - 81	26.5
1982	11.4	1981 - 82	13.4
1983	5.6	1982 - 83	7.5
1984	7.3	1983 - 84	5.6
1985	6.7	1984 - 85	8.3
1986	2.0 <sup>1/</sup>	1985 - 86	4.3

<sup>1/</sup> Forecast

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October 1986