



MAURITIUS

Economic Indicators

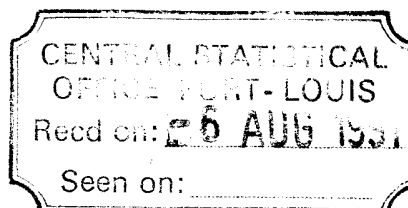
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MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
PORT LOUIS
MAURITIUS



CONSUMER PRICE INDEX - 2ND QUARTER 1991

1. Movements in Consumer Price Index - 2nd quarter 1991

The downward price movement which started in February this year continued till May and has caused the Consumer Price Index (C.P.I.) to fall by 2 points or 1.3% during the second quarter of 1991 compared to a marginal 0.3 point increase during the preceding quarter. The last time a decrease was noted during the second quarter was in 1987 when the C.P.I. fell by 0.9%. Over the first six months of 1991 the index shows a decrease of 1.7 points or 1.1% (Table 1).

The main factors that have affected price movements during the second quarter of 1991 are :

- (1) The downward revision in the price of petroleum products
- (2) Decreases in the price of household appliances following the reduction in import duties on these commodities
- (3) Decline in the prices of fresh vegetables and fruits

2. Changes by group and commodity

The evolution of the quarterly indices by major commodity group is shown in Table 2. "Food and non alcoholic beverages", the most important group in the consumer basket has declined by 4.8% from 151.3 in the first quarter of 1991 to 144.1 in the second quarter. The "Fuel and light" group has also registered a 3.7% decrease over the second quarter, due mainly to the downward revision of prices of kerosene. The remaining groups have shown only slight changes.

Food products account for about two thirds (or 1.3 points) of the 2 point decrease during the quarter. Decreases in the price of fresh vegetables have caused the vegetables index to fall by 12% and the C.P.I. by 1.3 points, while a 10% decrease in the price of fresh fruits has affected the index favourably by 0.3 point. The price of kerosene was revised downwards by 20% and that of gasoline by about 14% on 27th April 1991. The impacts of these price decreases on the C.P.I. were 0.4 and 0.3 point respectively.

Price decreases ranging from 10 to 25% for certain textile goods such as sarees and shirtings have moved the index down by 0.3 point. Government's decision to reduce import and other duties on certain essential household appliances such as refrigerators, rice cookers and washing machines have had a favourable impact of more than 25% on retail prices of these commodities, contributing 0.2 point the fall in the C.P.I.

3. Rate of Inflation

With the availability of the June 1991 index, the rate of inflation for financial year 1990-91 can be exactly determined and works out to 12.8% compared to 10.7% for the previous financial year. It might be recalled that the rate of inflation for calendar years 1989 and 1990 were 12.6% and 13.5% respectively. (Table 4).

Current price trends and foreseeable price movements for the coming months indicate that the rate of inflation for calendar year 1991 will be around 7%.

Central Statistical Office
Ministry of Economic Planning
and Development

PORT LOUIS

July 1991

Table 1 - Monthly Consumer Price Index (July 1987 - June 1991)
 Base: July 1986 - June 1987 = 100

	1987-88	1988-89	1989-90	1990-91
July	99.8	110.7	124.0	139.9
August	99.1	113.8	123.9	139.9
September	99.2	116.3	126.0	146.1
October	99.8	117.5	126.4	146.6
November	100.2	117.4	128.1	149.2
December	100.3	116.1	128.7	148.7
January	102.4	116.8	131.9	152.0
February	101.7	118.6	133.4	151.0
March	101.4	118.5	135.2	149.0
April	103.1	121.7	134.9	148.3
May	103.8	122.3	135.7	146.2
June	107.2	122.6	135.4	147.0
12 month average	101.5	117.7	130.3	147.0
Annual rate of inflation (%)	1.5	16.0	10.7	12.8

Table 2 - Sub-indices by major commodity group (Base : July 1986 - June 1987 = 100)

Major Commodity Group	Percentage weight	1990				1991		
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	Yearly Average	1st Qr.	2nd Qr.
1. Food and non-alcoholic beverages	41.9	138.8	141.3	143.9	149.0	143.2	151.3	144.1
2. Alcoholic beverages and tobacco	7.2	145.1	145.7	182.5	182.5	164.0	183.0	184.2
3. Clothing and footwear	8.4	123.6	123.8	124.7	127.6	124.9	128.4	126.8
4. Fuel and light	5.7	101.5	101.5	104.8	115.7	105.9	122.5	118.3
5. Housing and household operations	13.5	129.0	131.7	134.9	136.7	133.1	138.0	137.8
6. Medical care and health expenses	3.0	138.0	140.0	145.1	152.3	143.9	154.9	156.6
7. Transport and communication	9.3	130.7	130.6	147.1	174.7	145.8	175.2	173.1
8. Recreation, entertainment, education and cultural services	6.0	135.9	135.9	137.7	138.1	136.9	148.7	148.7
9. Miscellaneous goods and services	5.0	138.0	143.4	150.9	155.3	146.9	154.6	156.9
All Groups	100.0	133.5	135.3	142.0	148.2	139.7	150.7	147.2

SELECTED QUARTERLY SUB-INDICES 1988-91

Base: July 86 - June 87=100

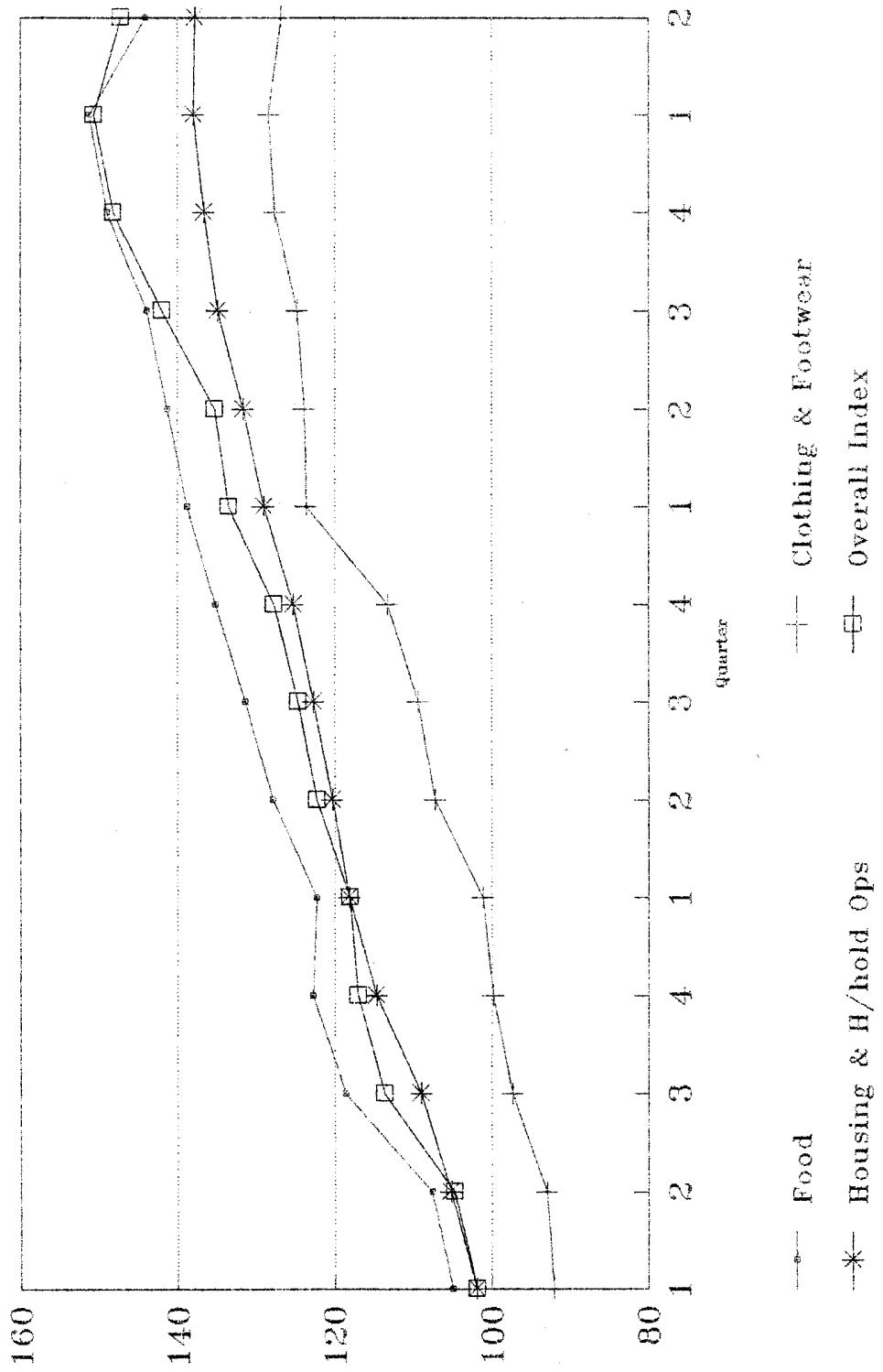


Table 3 - Net contributions of main commodities that have influenced the movement of the C.P.I. during the second quarter of 1991

<u>Commodity</u>	<u>Change in index point</u>
Frozen meat	+ 0.2
Fresh fish	+ 0.1
Powdered milk	- 0.2
Other dairy products	+ 0.1
Fresh fruits	- 0.3
Fresh vegetables	- 1.3
Other food products	+ 0.1
Textile goods	- 0.3
Kerosene	- 0.4
Furniture	+ 0.1
Household appliances	- 0.2
Motor vehicles maintenance	+ 0.1
Gasoline	- 0.3
Other goods and services	+ 0.3

<u>T o t a l</u>	- 2.0
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Table 4 - Inflation rate (%), 1975 - 1991

<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	1.8	1985 - 86	4.3
1987	0.6	1986 - 87	0.7
1988	9.2	1987 - 88	1.5
1989	12.6	1988 - 89	16.0
1990	13.5	1989 - 90	10.7
1991	around 7% ^{1/}	1990 - 91	12.8

^{1/} Forecast