



MAURITIUS

# Economic Indicators

An Occasional Paper

FEBRUARY 7, 1992

ISSUE NO. 139

CONSUMER PRICE INDEX 1991

MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT  
PORT LOUIS  
MAURITIUS

## CONSUMER PRICE INDEX 1991

### 1. Movements in Consumer Price Index in 1991

The consistent upward price movement observed since 1988, was reversed during the first half of 1991, then stabilised around the 150 mark during the second half giving an average of 149.5 for the year 1991 and an inflation rate of 7%. Between December 1990 and December 1991 however, the index showed an insignificant increase of 0.1 point. It may be recalled that a similar situation was observed in the year 1986 when no change was noted. The corresponding increase for 1990 was 20.0 points, the highest recorded during the eighties.

The main factors that contributed to the general movement of the index during 1991 were:

- (i) The downward revision of prices of some basic commodities such as rice, flour, frozen meat, canned meat, powdered milk, petroleum products, etc...
- (ii) The reduction of fiscal duties on certain household appliances.
- (iii) The upward revision of the prices of bread in the first quarter and those of poultry and soft drinks in the fourth quarter.

### 2. Changes by commodity group

Between December 1990 and December 1991, the commodity group "Recreation, entertainment, education and cultural services" showed an increase of about 8%, which is accounted for by increases in private tuition fees and school requisites at the beginning of 1991.

The group "Fuel and light" showed another fall of about 5% attributable to the downward revision of the price of kerosene in April 1991 which pulled down the index by 0.4 point.

The groups "Food and non-alcoholic beverages", the most important group, registered a net fall of 1% inspite of reaching a peak of 155.2 in July 1991. Prices of vegetables have again played a prominent role in the variations of this group, their overall impact on the index being a fall of 0.8 point. Some other basic food items such as rice, flour, frozen and canned meat, and powdered milk, whose prices have been revised downwards during the first quarter, have also contributed to the fall in the food index.

Groups "Clothing and footwear" and "Transport and communication" both showed falls of about 1%. Marginal increases were observed for the other remaining groups.

Details of the net contribution of the commodities that have affected the index during the year is given in Table 3.

3. Rate of inflation

The rate of inflation for calendar year 1991 which is the average annual increase of the index over the year 1990 is 7.0%. This rate was 13.5% for calendar year 1990 and 12.8% for financial year 1990-91. On the basis of the current trend for the past six months and of foreseeable price movements in the coming months, it is estimated that the rate of inflation for financial year 1991-92 may stay well within the limit of 5%.

4. Purchasing Power of the Rupee

The implication of inflation on the purchasing power of the Rupee is shown in Table 5. In 1991, the purchasing power declined by about 6.5% compared to 11.9% in 1990.

Central Statistical Office,  
Ministry of Economic Planning  
and Development,  
Port Louis.

January, 1992



Table 1. Monthly Consumer Price Index (July 1987-December 1991)

(Base: July 1986-June 1987=100)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
January		102.4	116.9	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
July	99.8	110.7	124.0	139.9	151.9
August	99.1	113.8	123.9	139.9	150.1
September	99.2	116.3	126.0	146.1	149.8
October	99.8	117.5	126.4	146.6	150.0
November	100.2	117.4	128.1	149.2	150.2
December	100.3	116.1	128.7	148.7	148.8
Average	100.1	109.3	123.1	139.7	149.5
Annual Change (%)	0.6	9.2	12.6	13.5	7.0

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

Major Commodity Group	%	Yearly avg. 1990	1991				Yearly avg. 1991
			1st Qr	2nd Qr	3rd Qr	4th Qr	
1. Food and non-alcoholic beverages	41.9	143.2	151.3	144.1	151.8	149.5	149.2
2. Alcoholic beverages and tobacco	7.2	164.0	183.0	184.2	184.4	184.8	184.1
3. Clothing and footwear	8.4	124.9	128.4	126.8	126.5	126.9	127.1
4. Fuel and light	5.7	105.9	122.5	118.3	116.0	116.3	118.3
5. Housing and household operations	13.5	133.1	138.0	137.8	139.8	140.0	138.9
6. Medical care and health expenses	3.0	143.9	154.9	156.6	156.3	156.0	156.0
7. Transport and communications	9.3	145.8	175.2	173.1	173.3	173.4	173.7
8. Recreation, entertainment, education and cultural services	6.0	136.9	148.7	148.7	148.9	149.2	148.9
9. Miscellaneous goods and services	5.0	146.9	154.6	156.9	156.9	155.9	156.6
All Groups	100.0	139.7	150.7	147.2	150.6	149.7	149.5

Table 3- Net contribution of selected commodities that has affected the C.P.I. in 1991.

<u>Commodity</u>	<u>Change in index point</u>
Bread	+0.2
Rice	-0.5
Flour	-0.2
Cakes and snacks	+0.1
Fresh beef	+0.1
Frozen beef	-0.3
Frozen mutton	-0.1
Poultry	+0.3
Canned meat	-0.2
Fresh fish	-0.2
Frozen fish	+0.2
Salted fish	+0.1
Powdered milk	-0.2
Other dairy products	+0.1
Fresh fruits	+0.1
Fresh vegetables	-0.8
Soft drinks	+0.4
Other food products	+0.2
Alcoholic beverages	+0.1
Textile goods	-0.3
Kerosene	-0.4
Furniture	+0.1
Household appliances	-0.2
Construction and other domestic services	+0.3
Gasolene	-0.3
Motor vehicles repair	+0.2
Private tuition	+0.5
Other goods and services	+0.8
	<hr/>
Total	+0.1
	<hr/>

Table 4- Price changes between December 1990 and December 1991 of some selected commodities that have affected the C.P.I. in 1991.

<u>Commodity</u>	<u>Percentage change in price</u>
Bread	+8.4
Rice	-14.2
Flour	-20.0
Fresh beef	+5.4
Frozen beef	-21.8
Frozen mutton	-4.4
Poultry	+14.7
Canned meat	-27.7
Frozen fish	+14.3
Salted fish	+13.9
Powdered milk	-5.1
Other dairy products	+47.5
Fresh vegetables	-9.3
Soft drinks	+20.1
Kerosene	-19.9
Household appliances	-10.6
Construction and other domestic services	+14.8
Gasolene	-13.7
Motor vehicles repair	+20.2
Private tuition	+25.7



Table 5 - 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	7.0	1990-91	12.8
		1991-92*	5.0

\* - Forecast

EQUIVALENT PURCHASING POWER

Table 6-Internal purchasing power of the Rupee (1962-1991)

	1962	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990	1991
1962	100	83.8	21.6	16.1	15.0	14.1	13.9	13.8	12.6	11.2	9.9	9.3
1970	119.3	100	25.7	19.0	17.7	16.6	16.3	16.2	14.8	13.1	11.5	10.7
1980	463.2	388.3	100	74.2	69.2	64.9	63.8	63.4	58.1	51.6	45.5	42.5
1983	624.0	523.0	134.7	100	93.2	87.3	85.8	85.3	78.1	69.4	61.1	57.1
1984	669.6	561.2	144.5	107.3	100	93.7	92.0	91.4	83.7	74.3	65.5	61.2
1985	714.5	598.8	153.2	114.5	106.7	100	98.2	97.6	89.4	79.4	70.0	65.4
1986	727.4	609.6	157.0	116.6	108.6	101.8	100	99.4	91.0	80.8	71.2	66.5
1987	731.8	613.3	157.9	117.3	109.3	102.4	100.6	100	91.6	81.3	71.6	66.9
1988	799.1	669.7	172.4	128.1	119.4	111.8	109.9	109.2	100	88.8	78.2	73.1
1989	899.8	754.1	194.1	144.2	134.4	125.9	123.7	123.0	112.6	100	88.1	82.3
1990	1021.3	855.9	220.3	163.7	152.5	142.9	140.4	139.6	127.8	113.5	100	93.5
1991	1092.8	915.8	235.7	175.2	163.2	152.9	150.2	149.4	136.7	121.4	107.0	100