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CONSUMER PRICE INDEX
2nd Quarter 1993

MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
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MAURITIUS

CONSUMER PRICE INDEX

2nd Quarter 1993.

1. Movements in Consumer Price Index - 2nd Quarter 1993.

The Consumer Price Index (C.P.I) registered an increase of 3.6% during the second quarter to reach a level of 114.7 in June 1993. The increase for the corresponding quarter of the previous year was 3.9% (Table 1).

This rise of +4.0 points in the C.P.I during the second quarter of 1993 was mainly attributable to significant increases in prices of some food commodity items as a result of the removal of subsidies on flour and rice during the month of May. Increases in the prices of flour and rice, together with their effects on the prices of other commodities based on them, like bread, flour preparations, cakes, snacks, and other prepared meals, greatly influenced the average level of prices during the second quarter, especially in the months of May and June 1993.

2. Changes by Commodity Groups.

The evolution of the indices by major commodity groups for the first six months of 1993 is shown in Table 2.

The most striking increase is observed in the group "Food and non alcoholic beverages" which advanced by about 7% from March to June 1993, mainly because of the removal of subsidies on rice and flour. The prices of rice and flour having gone up by 70% and 90% respectively, the commodities based on them followed the trend. For example the price of bread was revised upwards by about 30%, significantly influencing the price level of this major commodity group.

Items of the group "Food and non alcoholic beverages" in fact accounted for about 75% of the overall increase in the C.P.I. which occurred during that quarter.

The group index for " Recreation, entertainment, education and cultural services" increased by about 3% as a result of price changes of some educational and recreational goods.

Higher prices of some ready made garments have pushed the "Clothing and footwear" group index up by about 2.3% .

The "Housing" and "Miscellaneous" group indices each showed a rise of about 2% . The remaining groups showed only marginal or negligible increases, indicating a relative stability of their level of prices.

Table 3 gives the net contributions of the main commodities that have affected the index during the second quarter of 1993. The major contribution to the +4.0 points increase came from food items (+3.0 points). Ready made clothing and household goods each influenced the index by +0.2 point.

3. Rate of Inflation.

The rate of inflation for financial year 1992/93 works out to 8.9%, compared to 2.9% for financial year 1991/92. This rate was 4.6% for calendar year 1992.

On the basis of current price trends and foreseeable price movements for the coming months, it is estimated that the rate of inflation for calendar year 1993 will be in the range of 10 to 12% .

Central Statistical Office
Ministry of Economic Planning and Development
Port Louis
July 1993.

Table 1- Monthly Consumer Price Index - January 1989-June 93

Month	Base July 1986 to June 1987 = 100				Base July 91-June 92=100	
	1989	1990	1991	1992	1992	1993
January	116.8	131.9	152.0	150.6		109.0
February	116.6	133.4	151.0	151.3		110.2
March	118.5	135.2	149.0	151.5		110.7
April	121.7	134.9	148.3	151.0		111.1
May	122.3	135.7	146.2	153.1		114.0
June	122.6	135.4	147.0	156.4		114.7
July	121.0	139.9	151.9		104.0	
August	123.9	139.9	150.1		105.6	
September	126.0	146.1	149.8		106.4	
October	126.4	146.6	150.0		106.6	
November	128.1	149.2	150.2		106.8	
December	128.7	158.7	148.8		107.6	
Yearly average	123.1	139.7	149.5		103.5	
Annual change (%)	12.6	13.5	7.0		4.6	

Table 2- Subindices by major commodity group (Base: July 1991 = June 1992=100)

Major Commodity Group	Weight %	1993					
		January	February	March	April	May	June
1. Food and non alcoholic beverages	39.2	107.8	110.2	110.7	111.5	117.8	118.1
2. Alcoholic beverages and tobacco	8.2	119.5	119.9	119.9	120.2	120.2	120.0
3. Clothing and footwear	8.8	101.9	105.3	105.8	105.8	105.3	108.2
4. Fuel and light	5.2	107.3	107.1	107.7	107.1	107.1	107.1
5. Housing and household operations	13.1	109.3	109.9	110.2	110.5	111.5	112.5
6. Medical care and health expenses	3.5	106.1	106.9	108.9	109.1	109.8	110.3
7. Transport and communication	9.7	109.7	109.8	111.1	111.0	111.1	111.9
8. Recreation, entertainment, education and cultural services	6.5	108.5	108.5	108.6	109.3	111.6	111.6
9. Miscellaneous goods and services	5.5	111.0	111.1	111.8	112.1	112.0	111.0
ALL GROUP	100.0	109.0	110.2	110.7	111.1	111.0	111.7

Table 3 - Net contributions of main commodities that have affected the index during the second quarter of 1993.

<u>Commodity</u>	<u>Change in index point</u>
Bread	+ 0.8
Rice	+ 0.9
Flour	+ 0.3
Flour preparations	+ 0.1
Prepared meals	+ 0.1
Cakes and snacks	+ 0.5
Powdered milk	+ 0.1
Fresh fruits	- 0.1
Other food products	+ 0.3
Ready made clothing	+ 0.2
Household durables	+ 0.1
Household goods	+ 0.1
Educational and recreational goods	+ 0.1
Personal care	+ 0.1
Other goods and services	+ 0.4
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TOTAL	+ 4.0
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Table 1- Inflation rate (%) , 1975 - 1993

<u>Calendar year</u>	<u>Inflation Rate</u>	<u>Financial Year</u>	<u>Inflation Rate</u>
1975	14.7	1974-75	20.6
1976	13.1	1975-76	11.7
1977	9.2	1976-77	9.6
1978	8.5	1977-78	10.1
1979	14.5	1978-79	8.0
1980	12.0	1979-80	33.0
1981	11.5	1980-81	26.5
1982	11.1	1981-82	13.1
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	1.3
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
1992	1.6	1991-92	2.9
1993	(10 - 12) 1/	1992-93	8.9

1/ Forecast