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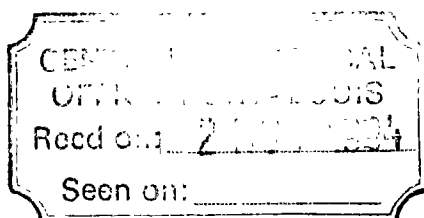
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Consumer Price Index
(3rd Quarter 1994)



MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
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NOTE

Readers are invited to make the distinction between official data which are published in the Economic Indicators and the analysis presented for the benefit of general readers. Differences of opinion may arise regarding the analytical part but these do not in any way, undermine the quality of the data. The Editors welcome constructive critical comments.

CONSUMER PRICE INDEX

3rd Quarter 1994

1. Movements in the Consumer Price Index - 3rd Quarter 1994

The Consumer Price Index (CPI) stood at 124.2 as at the end of the third quarter of 1994. Compared to the figure of the previous quarter which was 123.2, a marginal increase of 1% (+1.0 point) has been registered. The change was mainly accounted for by a revision in the tariff of bus fares, higher prices of some food products, some marginal increases in the prices of other goods and services partly offset by significant decreases in the prices of alcoholic beverages, particularly imported ones.

It might be recalled that during the corresponding quarter of 1993, the index had risen by 2.2% (+2.5 points) (Table 1).

2. Changes by Major Commodity Group and Items

Nearly all the major commodity groups constituting the CPI have undergone increases of the order of 1% to 2% during the third quarter. The exceptions were for the groups "Alcoholic beverages and tobacco" and "Miscellaneous" which went down by 4% and 1% respectively; "Transport and communication" which increased by 7% and "Fuel and light" which remained almost at the level of the preceding quarter.

The index "Alcoholic beverages and tobacco" declined from 126.9 to 122.1 at the end of September 1994. This is mainly due to the revision in the import duty on alcoholic beverages.

Following a reduction in import duty, some items of cosmetics, baby and personal care had their prices lowered during this quarter. As a result, the "Miscellaneous" group declined by 1% compared to the previous quarter.

The group "Transport and communication" registered a 7% increase compared to the previous quarter. This was the direct effect of the upward revision in the tariffs of bus fare which became operational as from 1st August 1994. An overall rise of the order of 26% in the bus tariffs pushed the CPI up by +0.8 point.

The index "Food and non alcoholic beverages" advanced marginally by less than 1% from 128.9 at the end of June 1994 to 129.4 in September 1994. The main commodity items which were responsible for this were fresh vegetables (-0.4 point) and a large variety of food products (+0.5 point).

The group "Clothing and footwear" has increased by around 2% mainly because of higher prices of ready-made clothing observed during this quarter.

An increase of 2% in the group "Housing and household operations" was registered at the end of September. The main factors which contributed to this rise were higher salaries paid for domestic services, some increases in prices of furniture and rent of dwellings, mitigated to some extent by price decreases in other household goods and cement.

The "Recreation, entertainment, education and cultural services" group went up by 1% from 121.0 in June 1994 to 122.1 in September 1994. The main items which influenced this group were football admission tickets and some recreational goods for which significant price increases were noted.

The group "Medical care and health expenses" moved up by about 1% due to higher prices of some medicinal products.

Table 2 gives the evolution of the sub-indices of the major commodity groups of the index for the first nine months while table 3 gives the net contribution of commodities that have affected the index during the third quarter of 1994.

3. Rate of inflation

The rate of inflation for the financial year 1993/94 works out to 9.4% compared to 8.9% for the previous financial year. This rate was 10.5% for calendar 1993. The rate of inflation for the calendar year 1994 is expected to be between 7% and 8%.

Central Statistical Office
Ministry of Economic Planning and Development
Port Louis
October 1994.

Table 1 - Monthly Consumer Price Index - January 1990 - September 1994

<u>Month</u>	<u>Base:</u> <u>July 1986 - June 1987 =100</u>			<u>Base :</u> <u>July 1991 - June 1992 =100</u>		
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
January	131.9	152.0	150.6		109.0	119.4
February	133.4	151.0	151.3		110.2	119.9
March	135.2	149.0	151.5		110.7	120.8
April	134.9	148.3	151.0		111.1	121.0
May	135.7	146.2	153.1		114.0	122.6
June	135.4	147.0	156.4		114.7	123.2
July	139.9	151.9		104.0	115.4	123.2
August	139.9	150.1		105.6	116.3	123.8
September	146.1	149.8		106.4	117.2	124.2
October	146.6	150.0		106.6	117.3	
November	149.2	150.2		106.8	117.9	
December	148.7	148.8		107.6	118.5	
Yearly average	139.7	149.5		103.5	114.4	
Annual change (%)	+13.5	+7.0		+4.6	+10.5	

Table 2. Monthly sub-indices by major commodity group - January 1994 - September 1994.

(Base: July 1991 - June 1992 = 100)

Major Commodity Group	Weight	1994											
		January	February	March	April	May	June	July	August	September			
1. Food and non alcoholic beverages	392	121.8	122.9	124.9	124.9	127.7	128.9	128.9	129.0	129.4			
2. Alcoholic beverages and tobacco	82	126.6	126.6	126.6	126.6	126.9	122.9	126.9	122.1	122.1			
3. Clothing and footwear	88	116.9	116.9	117.0	117.0	120.6	122.4	120.6	122.5	122.5			
4. Fuel and light	52	107.4	107.4	107.4	107.4	107.4	107.5	107.4	107.5	107.5			
5. Housing and household operations	131	118.4	118.4	118.5	118.5	119.5	121.0	119.6	120.8	121.5			
6. Medical care and health expenses	36	119.8	121.2	123.0	123.7	123.7	126.3	125.7	126.6	127.1			
7. Transport and communication	97	114.1	114.2	114.4	114.9	115.1	115.1	115.1	123.0	123.0			
8. Recreation, entertainment, education and cultural services	66	119.4	119.4	119.8	120.5	120.7	121.0	121.0	121.0	122.1			
9. Miscellaneous goods and services	56	117.8	118.1	118.2	118.6	119.4	119.0	119.7	118.2	118.3			
ALL GROUPS	1000	119.4	119.9	120.8	121.0	122.6	123.2	123.2	123.8	124.2			

Table 3 - Net contributions of commodities that have affected the index during the third quarter of 1994.

<u>Commodity</u>	<u>Change in index point</u>
Fresh beef	- 0.1
Fresh fruits	+ 0.1
Fresh vegetables	- 0.4
Food drinks	+ 0.1
Other food products	+ 0.5
Alcoholic beverages	- 0.4
Ready made clothing	+ 0.1
Domestic services	+ 0.1
Household goods	+ 0.1
Bus fares	+ 0.8
Recreational goods	+ 0.1

Total	+ 1.0

Table 4 - Inflation rate (%), 1975 - 1994

<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
1992	4.6	1991 - 92	2.9
1993	10.5	1992 - 93	8.9
1994	7-8 1/	1993 - 94	9.4

1/ Forecast

