



MAURITIUS

Economic Indicators

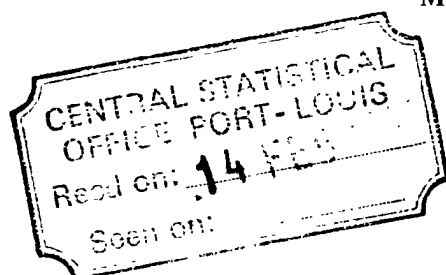
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Consumer Price Index (1994)

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CONSUMER PRICE INDEX 1994

1. Main movements in Consumer Price Index in 1994.

The Consumer Price Index (C.P.I) has continued to increase during the year 1994 reaching the figure of 125.6 as at December (Table 1). However, the overall increase in prices for the year 1994 was much lower than that of 1993. An increase of +7.1 points (+6%) was registered in 1994 compared to +10.9 points (+10.1%) in the year 1993.

The main causes of those increases were:

- i). Adverse climatic conditions during the first couple of months and their incidence on prices of fresh vegetables and fresh local fruits. Acute drought conditions at the beginning of the year, followed by cyclone Hollanda in February, considerably affected those prices.
- ii). A large range of food commodity items underwent price changes in the course of the year. Higher prices of ready made clothing, household goods, educational and medicinal products, were also registered. .
- iii). The upward revision of bus fares.

It is observed that most of the increases occurred during the first and second quarters (+2.3 and +2.4 points respectively) representing about two thirds of the overall 1994 annual increase of +7.1 points.

2. Changes by Major Commodity Group and Items.

The main contributions to this increase are depicted in table 2 which gives the evolution of the different commodity group indices (sub-indices) of the C.P.I. The commodity group "*Fuel and light*" has remained almost at the same level during the year. "*Alcoholic beverages and tobacco*" registered a marginal increase. A 12% increase in prices of cigarettes at the beginning of the year was slightly offset by a 5% decrease in prices of alcoholic drinks due to a downward revision of fiscal duties.

Clothing and Footwear (+9.8%).

This group has kept rising all over the year with more substantial increases in the months of May and November. An overall 13% increase in prices in the group pushed up the index by +0.8 point during the year.

Transport and Communication (+9.1%).

Marginal increases were observed in that group in the early months of 1994. But with a 26% upward revision of bus fares, the increase was more pronounced in August. Prices of car repairs and postal services also increased respectively by 11% and 19%.

A + 0.8 point increase was the net contribution of the group.

Medical Care and Health Expenses (+7.5%)

Consistent increases were observed in this group during the year 1994. A total increase of 7.5% was registered, accounted for mainly by respective increases of 6% and 9% in prices of medicines and medical services. The overall influence of the group was +0.2 point increase.

Recreation, entertainment, education and cultural services (+7.3%).

After a substantial increase of 4.5% in January, caused mainly by higher prices of most educational items especially private tuition (+7%), preprimary school fees (+20%) and school textbooks (+9%), marginal increases in prices of some recreational goods were noted in certain months of the year. An overall 7.3% annual increase in prices of this group contributed a +0.5 point rise in the index.

Food and non alcoholic beverages (+7.2%).

The "*Food and non alcoholic beverages*", the most important group in the C.P.I. basket registered an increase of +7.2% during the year. Commodity items in this group usually undergo frequent changes, especially fresh vegetables, fruits, fish and meat. Fresh vegetables and fruits were the two most significant contributors, accounting for nearly half of all changes in the group. Respective increases of 10 % and 40% in prices of fresh vegetables and fruits resulting from the adverse climatic conditions pushed the index up by +1.6 points.

The remaining increase of +1.9 points in this group was caused by price increases of fresh beef (+4%), frozen beef (+22%), frozen mutton (+21%), powdered milk (+3%), cooking oil (+22%), food drinks (+9%) and a large variety of other food products.

The other two major commodity groups namely "*Housing and household operation*" and "*Miscellaneous goods and services*" showed respective increases of +3.1% and +2.0%.

Table 3 gives the net contribution of commodities that have affected the index in 1994.

3. Rate of inflation.

During the year 1994 prices have increased at a lower rate than in 1993. Thus, the rate of inflation declined from 10.5% in 1993 to 7.3% in 1994 (Table 4).

This rate for financial year 1993/94 has increased to 9.4% from a level of 8.9% in 1992/93. However, given that the recent price increases have been lower than in 1993, it is expected that the rate of inflation for the current financial year may be lower than that for calendar year 1994.

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Table 1 - Monthly Consumer Price Index - January 1990 - December 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	124.2
November	149.2	150.2		106.8	117.9	124.9
December	148.7	148.8		107.6	118.5	125.6
Yearly average	139.7	149.5		103.5	114.4	122.7
Annual change (%)	+13.5	+7.0		+4.6	+10.5	+7.3

Table 2: Monthly sub-indices and annual change (%) by major commodity group - 1994

(Base: July 1991 - June 1992 = 100)

Major Commodity Group	Weight	1994												Change between Dec 93 and Dec 94(%)
		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
1. Food and non alcoholic beverages	382	121.6	122.9	124.9	124.9	127.7	128.9	128.9	128.0	129.4	129.0	129.5	130.9	+ 7.2
2. Alcoholic beverages and tobacco	82	126.6	126.6	126.6	126.6	126.9	126.9	122.9	122.1	122.1	122.0	122.2	122.3	+ 0.9
3. Clothing and footwear	88	116.9	116.9	117.0	117.0	120.6	120.6	122.4	122.5	122.5	122.9	127.4	127.7	+ 9.8
4. Fuel and light	52	107.4	107.4	107.4	107.4	107.4	107.4	107.5	107.5	107.5	107.5	107.5	107.5	+ 0.1
5. Housing and household operation	181	118.4	118.4	118.5	118.5	118.5	119.6	121.0	120.8	121.5	121.5	121.5	121.6	+ 3.1
6. Medical care and health expenses	36	119.8	121.2	123.0	123.7	123.7	125.7	128.3	128.6	127.1	127.2	127.2	128.8	+ 7.5
7. Transport and communication	97	114.1	114.2	114.4	114.9	115.1	115.1	115.1	123.0	123.0	123.8	124.4	124.4	+ 9.1
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	122.7	122.7	122.7	+ 7.3
9. Miscellaneous goods and services	56	117.8	118.1	118.2	118.6	119.4	119.7	119.0	118.2	118.3	118.6	118.6	118.7	+ 2.0
ALL GROUPS	1000	119.4	119.9	120.8	121.0	122.6	123.2	123.2	123.8	124.2	124.2	124.9	125.6	+ 6.0

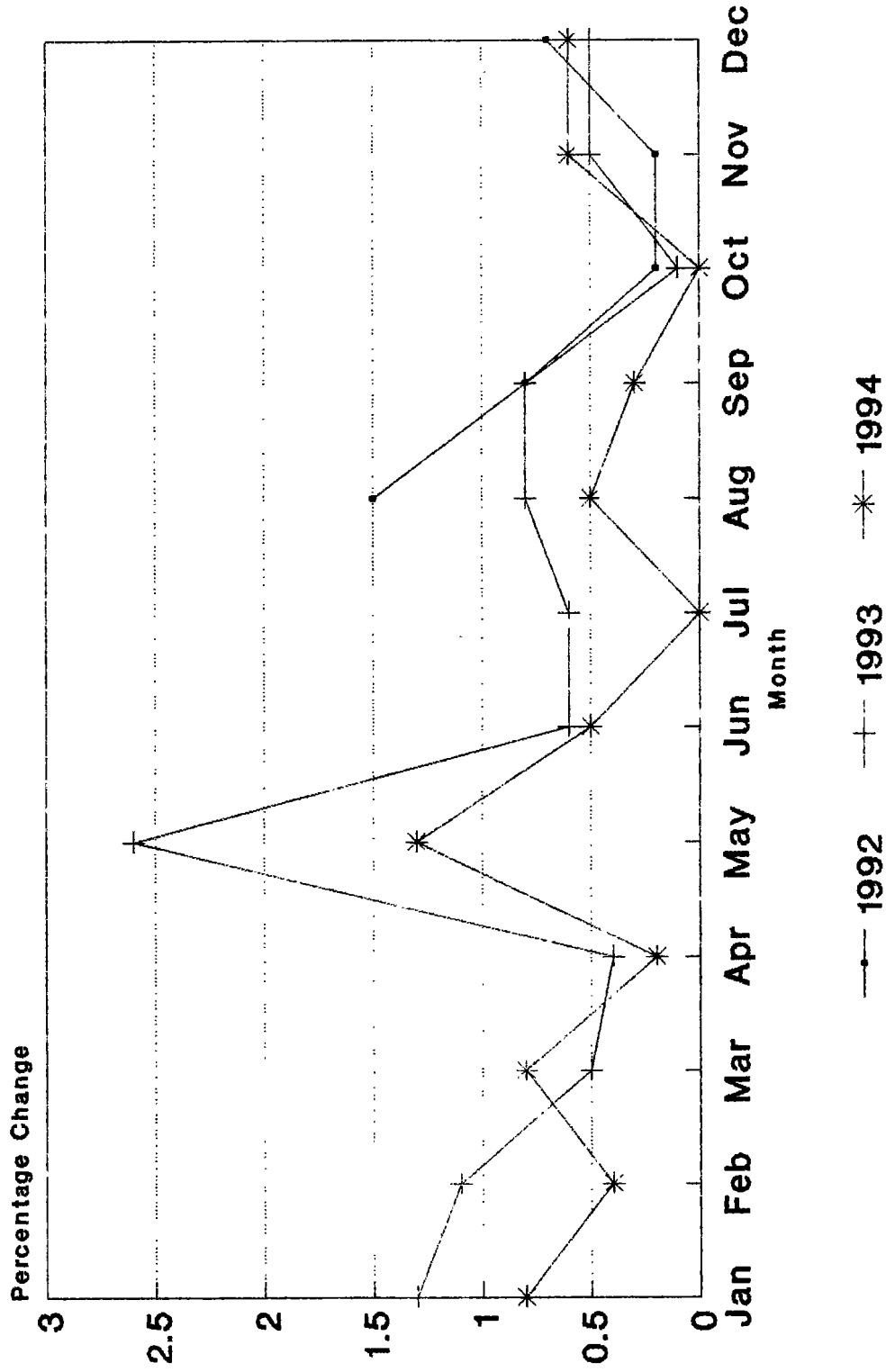
Table 3 - Net contribution of commodities that have affected the index in 1994.

<u>Commodity</u>	<u>Change in index point</u>	<u>% change in price</u>
Fresh beef	+ 0.1	+ 3.7
Frozen meat	+ 0.3	+ 21.5
Powdered milk	+ 0.1	+ 2.7
Cooking oil	+ 0.2	+ 22.1
Fresh fruits	+ 0.6	+ 39.1
Fresh vegetables	+ 1.0	+ 10.4
Food drinks	+ 0.1	+ 9.3
Other food products	+ 1.1	-
Alcoholic beverages	- 0.4	- 5.4
Cigarettes	+ 0.4	+ 12.7
Ready made clothing	+ 0.8	+ 15.1
Household goods and services	+ 0.2	+ 2.7
Domestic services	+ 0.1	+ 9.5
Medicines and medical services	+ 0.2	+ 7.5
Bus fare	+ 0.8	+ 26.3
Pre-primary school fees	+ 0.1	+ 20.1
School textbooks	+ 0.1	+ 8.7
School requisites	+ 0.1	+ 10.2
Educational services	+ 0.1	+ 6.9
Recreational goods	+ 0.1	+ 6.0
Other goods and services	+ 1.2	-
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Total	+ 7.1	+ 6.0
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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	7.3	1993 - 94	9.4

Consumer Price Index - All Groups Monthly Movements (1992-1994)



Base: July 91 - June 92-100