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3rd Quarter 1997

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MINISTRY OF ECONOMIC DEVELOPMENT AND REGIONAL CO-OPERATION
PORT LOUIS
MAURITIUS

CONSUMER PRICE INDEX

3rd QUARTER 1997

1. Introduction.

A new Consumer Price Index (C.P.I) has been introduced as from July 1997. This C.P.I is based on an updated market basket of goods and services derived from the 1996/97 Household Budget Survey. The base reference period is the twelve months period of the survey, that is, July 1996 to June 1997.

The monthly C.P.I , as published prior to July 1997 were computed with a different basket of goods and services based on the 1991/92 Household Budget Survey having the base period of July 1991 to June 1992 . All monthly C.P.I figures will henceforth refer to the new base period July 1996 to June 1997.

2. Main Movements in the Consumer Price Index - 3rd Quarter 1997.

The new series of the Consumer Price Index (C.P.I) for the month of July 1997 stood at 103.0. In August 1997, it registered an increase of +0.3 point to reach 103.3. A similar increase of +0.3 point brought the index of September 1997 to 103.6. The rise of +0.6 point (or +0.6 %) in the index from July 1997 to September 1997 is attributed mainly to price increases of some food commodities, such as fresh fruits (+0.1 point), potato (+0.1 point), fresh vegetables (+0.2 point), some food products (+0.1 point) and rental of video films (+0.1 point).

Table 2 shows the monthly sub indices by major commodity groups. The major group “ *Food and Non alcoholic beverages*” which is still the most important group of the C.P.I basket registered a rise of +1.3% in the third quarter of 1997. This increase is accounted for by price increases of some food commodities (*Table 3*).

The 0.8% increase in the major group "*Recreation, entertainment, education and cultural services*" is attributed to increase in the price of rental of video films.

The remaining major groups showed small increases in the range of +0.3 to +0.6%, except the major group "*Fuel and Light*" whose sub index remains at the same level of 100.5 and "*Transport and communication*" which registered a fall of -0.1%.

3. Rate of inflation

The current rate of inflation for the twelve months ending September 1997 works out to 7.3 % compared to 6.3 % for the corresponding twelve months ending September 1996. It may be noted that the rate of inflation for the twelve months period ending August 1997 was 7.4 %.

The inflation rate for calendar year 1996 was 6.6% and 7.9% for financial year 1996/97. On the basis of current price trends and of foreseeable price movements in the coming months, it is estimated that the annual rate of inflation for the year 1997 will be around 7.0%.

CENTRAL STATISTICAL OFFICE

Ministry of Economic Development & Regional Co-operation

PORT LOUIS

December 1997

Table 1 - Monthly Consumer Price Index - (January 1994 - September 1997)

<i>Month</i>	<i>(Base : July 1991 - June 1992 = 100)</i>				<i>(Base : July 1996 - June 1997 = 100)</i>
	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1997</i>
January	119.4	126.9	133.7	145.9	
February	119.9	127.4	134.3	145.9	
March	120.8	128.2	134.3	146.2	
April	121.0	128.8	134.9	146.1	
May	122.6	129.0	135.6	146.7	
June	123.2	129.8	139.6	147.9	
July	123.2	130.0	140.4		103.0
August	123.8	131.4	141.7		103.3
September	124.2	131.7	141.7		103.6
October	124.2	132.4	142.3		
November	124.9	132.9	142.5		
December	125.6	133.1	142.9		
Yearly average	122.7	130.1	138.7		
<i>Annual change(%)</i> <i>(Inflation rate)</i>	+ 7.3	+ 6.0	+ 6.6		

Table 2 : Monthly sub-indices by major commodity group - (July 1997 to September 1997).

(Base: July 1996 - June 1997 = 100)

Major Commodity Group	Weight	Jul-97	Aug-97	Sep-97	Change between July 97 & Sept 97 (%)
<i>1. Food and non alcoholic beverages</i>	364	101.7	102.5	103.0	+1.3
<i>2. Alcoholic beverages and tobacco</i>	87	111.0	111.2	111.3	+0.3
<i>3. Clothing and footwear</i>	79	100.5	100.5	101.1	+0.6
<i>4. Fuel and light</i>	44	100.3	100.3	100.3	-
<i>5. Housing and household operations</i>	132	102.0	102.0	102.2	+0.2
<i>6. Medical care and health expenses</i>	38	102.7	102.8	103.0	+0.3
<i>7. Transport and communication</i>	142	105.1	105.1	105.0	-0.1
<i>8. Recreation, entertainment, education and cultural services</i>	60	103.6	103.6	104.4	+0.8
<i>9. Miscellaneous goods and services</i>	54	101.1	101.4	101.4	+0.3
ALL GROUPS	1000	103.0	103.3	103.6	+0.6

**Table 3 - Net contribution of main commodities that have affected the index
in the third quarter of 1997.**

<u>Commodity</u>	<u>Change in index point</u>	<u>% change in price between July 97 & Sept 97</u>
Fresh fruits	+0.1	+2.3
Potato	+0.1	+12.5
Fresh vegetables	+0.2	+4.2
Other food products	+0.1	-
Rental of video films	+0.1	+50.0
<u>Total</u>	<u>+0.6</u>	

Table 4 - Inflation rate (%) , 1975 - 1997

<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
1995	6.0	1994 - 95	6.1
1996	6.6	1995 - 96	5.8
1997	Around 7.0 1/	1996 - 97	7.9

1/ Forecast