



MAURITIUS

# Economic and Social Indicators

An Occasional Paper

**ISSUE NO. 274**

**31 July 1998**

- 1 ⇨ **CONSUMER PRICE INDEX**  
2nd Quarter 1998
  
- 2 ⇨ **PRODUCER PRICE INDEX-MANUFACTURING**  
**(PPI-M) FOOD, BEVERAGES AND TOBACCO**  
(January-March 1998)

**Price: Rs 20.-**

<http://ncb.intnet.mu/medrc.htm>

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# CONSUMER PRICE INDEX

*2nd Quarter 1998*

## 1. Main movements in the Consumer Price Index - 2nd Quarter 1998.

The Consumer Price Index (C.P.I) which stood at 106.7 in March 1998 registered an increase of 2.9 points (or 2.7%) during the second quarter of 1998 to reach 109.6 at the end of June 1998.

This 2.7% rise is mostly attributable to price changes in a variety of food commodities such as poultry (fresh and frozen ), fresh eggs, edible oil, potato, fresh vegetables, some alcoholic drinks, cigarettes and a whole range of goods and services (*Table 3* ).

## 2. Changes in Major Commodity Group Sub-indices.

*Table 2* shows the evolution of the major commodity group indices (sub-indices) during the first six months of the year. Except for the major group '*Fuel & light*', which remained at the same level as in March 1998, the other remaining major commodity groups registered increases during the second quarter of 1998 in the range of 0.6% to 12.3% .

An overall increase of 3% was registered in the sub index of the major commodity group '*Food and non alcoholic beverages*' following price changes of fresh and frozen chicken (+6.7%), fresh eggs (+3.8%), edible oil (+11.3%), fresh vegetables (+7.8% ), potato (+8.6%). These price increases were slightly offset by fall in the prices of fresh fruits (-0.3% ).

The sub index of commodity group '*Alcoholic beverages and tobacco*' underwent a substantial increase of 12.3% during the second quarter. This is accounted for by price increases of alcoholic drinks, especially rum and other cane spirits (+22.6%) and cigarettes (+16.7%) in the month of June 1998.

The sub index for major commodity group '*Clothing and footwear*' showed an increase of 0.7% due to price changes of some ready made clothing and tailoring services.

The sub index for the group '*Housing and household operations*' advanced marginally by 0.6% as a result of changes in prices of some house cleaning items such as washing powder and detergents.

The sub index for the commodity group '*Medical care and health expenses*' also underwent a slight increase of 0.9% due to price increases of some medicinal products (+1.6%).

As from the 1st June 1998, prices of all postal services such as stamps, airletters, etc. were revised upwards by about 37%. This increase coupled with price changes in personal transport equipment, motor vehicles spare parts and services influenced the sub index of the major commodity group '*Transport and communication*' by 1.2%.

The major commodity group '*Recreation, entertainment, education and cultural services*' sub index rose by 0.9%. This is the result of price increases of newspapers and magazines, and some recreational items such as cinema tickets and sports goods.

The major commodity group '*Miscellaneous goods and services*' sub index showed an increase of 2.7%. This is mainly attributable to price changes of some personal care goods, jewellery, and expenditure in consumption of alcoholic beverages in bars and restaurants (+5%).

### **3. Rate of inflation**

The current rate of inflation for financial year ending June 1998 is 5.4% compared to 7.9% for the financial year 1996/97. This rate was 6.6% for calendar year 1997. (*Table 4*).

**Table 1 - Monthly Consumer Price Index - ( January 1994 - June 1998 )**

<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>	<i>1998</i>
January	119.4	126.9	133.7	145.9		105.5
February	119.9	127.4	134.3	145.9		106.0
March	120.8	128.2	134.3	146.2		106.7
April	121.0	128.8	134.9	146.1		107.4
May	122.6	129.0	135.6	146.7		108.0
June	123.2	129.8	139.6	147.9		109.6
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		103.5	
November	124.9	132.9	142.5		103.6	
December	125.6	133.1	142.9		103.9	
<u>Yearly average</u>	<u>122.7</u>	<u>130.1</u>	<u>138.7</u>		<u>102.5</u>	
<i>Annual change(%) (Inflation rate)</i>	+ 7.3	+ 6.0	+ 6.6		+ 6.6	

Table 2 : Monthly sub-indices by major commodity group - (January 1998 to June 1998).

(Base: July 1996 - June 1997 = 100)

Major Commodity Group	Weight	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Change between Mar 98 & June 98 (%)
1. Food and non alcoholic beverages	364	104.8	105.5	107.4	109.1	110.1	110.6	+3.0
2. Alcoholic beverages and tobacco	87	113.0	113.0	113.2	113.5	113.5	127.1	+12.3
3. Clothing and footwear	79	101.9	103.2	103.3	103.1	104.0	104.0	+0.7
4. Fuel and light	44	100.3	100.3	100.3	100.3	100.3	100.3	-
5. Housing and household operations	132	103.1	103.3	103.4	103.7	103.8	104.0	+0.6
6. Medical care and health expenses	38	103.4	103.7	104.3	104.6	105.1	105.2	+0.9
7. Transport and communication	142	106.0	106.3	106.0	106.2	106.6	107.3	+1.2
8. Recreation, entertainment, education and cultural services	60	114.0	114.4	114.4	114.4	115.3	115.4	+0.9
9. Miscellaneous goods and services	54	104.1	104.9	104.5	104.6	105.4	107.3	+2.7
ALL GROUPS	1000	105.5	106.0	106.7	107.4	108.0	109.6	+2.7

Table 3 - Net contribution of main commodities that have affected the index  
in the second quarter of 1998.

<u>Commodity</u>	<u>Change in index point</u>	<u>% change in price between Mar 98 &amp; June 98</u>
Poultry	+0.1	+6.7
Fresh eggs	+0.1	+3.8
Edible oil	+0.1	+11.3
Fresh fruits	--0.1	-0.3
Fresh vegetables	+0.5	+7.8
Potato	+0.1	+8.6
Other food products	+0.4	-
Rum and cane spirits	+0.4	+22.6
Cigarettes	+0.8	+16.7
Non household durable goods	+0.1	+1.2
Postal services	+0.1	+37.2
Expenditure in bars and restaurants	+0.1	+5.0
Other goods and services	+0.2	-
<b>TOTAL</b>	<b>+2.9</b>	

**Table 4 - Inflation rate (%), 1975 - 1998**

<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	6.6	1996 - 97	7.9
		1997 - 98	5.4