

CONSUMER PRICE INDEX

2nd Quarter 1999

1. Main movements in the Consumer Price Index - 2nd Quarter 1999.

The Consumer Price Index (C.P.I) registered an increase of +2.3 points (or 2%) during the second quarter of 1999 and stood at 117.4 in June 1999. It is to be noted that an increase of +2.9 points (or 2.7%) was registered during the corresponding quarter of 1998 (Table 1).

This +2.3 points rise is attributable mainly to price changes in a variety of commodities, namely food (+0.6 point), alcoholic beverages (+0.9 point), tobacco (+0.8 point), petroleum products (-0.3 point) and some other goods and services (+0.3 point). The point change by the main items which occurred during the second quarter of 1999 is given in 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. It is observed that the sub indices of all the major commodity groups have registered changes during the second quarter of 1999. The sub index for the group '*Housing and household operations*' underwent a marginal increase in April 1999, but fell in June 1999 and stood at the same level (109.4) as in March 1999. Slight decreases were noted in the sub indices of the major commodity groups '*Fuel & light*' (-0.5%) and '*Transport and communication*' (-1.9%) while those of the other remaining major commodity groups showed increases.

The highest percentage rise (+15.4%) occurred in the sub index of the major commodity group '*Alcoholic beverages and tobacco*' and was mainly the result of increases in duties on some alcoholic drinks and tobacco. Thus prices of rum and beer went up respectively by about 29% and 17%, while those of cigarettes rose by 14%.

The sub index of the major group '*Food and non alcoholic beverages*' has constantly been increasing during the months of the second quarter, resulting to a net rise of 1.6%. The main contributors were trader' rice (+4.9%), fresh fish (+5.4%), fresh fruits (+5%) and fresh vegetables (+2.3%). Prices of a large variety of other food products have also changed in the course of the quarter.

The major commodity group '*Miscellaneous goods and services*' sub index showed an increase of 3.1%. This is mainly attributable to price changes of some items of personal care and expenditure in bars, hotels and restaurants.

The sub indices for major commodity groups '*Clothing and footwear*', '*Medical care and health expenses*' and '*Recreation, entertainment, education and cultural services*' registered slight increases in the range of 0.1% to 0.4%.

Prices of all petroleum products were revised downwards in June 1999. Thus the sub index of the group '*Fuel & light*', which stood at 100.3 since the July 1997 fell to 99.8 in June 1999 as a result of the 19.5% price decrease of kerosene. The sub index of the major group '*Transport and communication*' was affected by fall in prices of gasoline (-9.5%) and diesel (-13.1%).

3. Rate of inflation

The current rate of inflation for financial year ending June 1999 is 7.9% compared to 5.4% for the financial year 1997/98. This rate was 6.8% for calendar year 1998. (*Table 4*).

Central Statistical Office

Ministry of Economic Development, Productivity and Regional Development

Port Louis

July 1999.

Table 1 - Monthly Consumer Price Index - (January 1994 - June 1999)

<u>Month</u>	<u>(Base : July 1991 - June 1992 = 100)</u>				<u>(Base : July 1996 - June 1997 = 100)</u>		
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
January	119.4	126.9	133.7	145.9		105.5	114.6
February	119.9	127.4	134.3	145.9		106.0	114.9
March	120.8	128.2	134.3	146.2		106.7	115.1
April	121.0	128.8	134.9	146.1		107.4	115.6
May	122.6	129.0	135.6	146.7		108.0	115.8
June	123.2	129.8	139.6	147.9		109.6	117.4
July	123.2	130.0	140.4		103.0	109.7	
August	123.8	131.4	141.7		103.3	110.0	
September	124.2	131.7	141.7		103.6	112.1	
October	124.2	132.4	142.3		103.5	112.7	
November	124.9	132.9	142.5		103.6	113.1	
December	125.6	133.1	142.9		103.9	113.4	
Yearly average	122.7	130.1	138.7		102.5	109.5	
<i>Annual change(%) (Inflation rate)</i>	+ 7.3	+ 6.0	+ 6.6		+ 6.6	+6.8	

Table 2 : Monthly sub-indices by major commodity group - (January 1999 to June 1999).

(Base: July 1996 - June 1997 = 100)

Major Commodity Group	Weight	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Change between Mar 99 & June 99 (%)
1. Food and non alcoholic beverages	364	115.6	115.9	115.8	116.7	117.1	117.6	+1.6
2. Alcoholic beverages and tobacco	87	129.2	131.7	131.7	132.6	133.1	152.0	+15.4
3. Clothing and footwear	79	110.4	110.5	110.6	110.8	110.9	110.9	+0.3
4. Fuel and light	44	100.3	100.3	100.3	100.3	100.3	99.8	-0.5
5. Housing and household operations	132	108.4	108.4	109.4	109.5	109.5	109.4	-
6. Medical care and health expenses	38	113.9	114.4	114.6	114.4	114.7	115.1	+0.4
7. Transport and communication	142	113.8	113.2	113.3	113.3	113.2	111.1	-1.9
8. Recreation, entertainment, education and cultural services	60	122.5	122.6	122.7	122.7	122.8	122.8	+0.1
9. Miscellaneous goods and services	54	110.8	111.1	112.0	113.8	114.1	115.5	+3.1
ALL GROUPS	1000	114.6	114.9	115.1	115.6	115.8	117.4	+2.0

Table 3 - Net contribution of main commodities that have affected the index in the second quarter of 1999.

<u>Commodity</u>	<u>Change in index point</u>	<u>% change in price between Mar 99 & June 99</u>
Trader's rice	+0.1	+4.9
Fresh fish	+0.1	+5.4
Fresh fruits	+0.1	+5.0
Fresh vegetables	+0.1	+2.3
Other food products	+0.2	-
Rum	+0.5	+28.6
Beer	+0.4	+16.5
Cigarettes	+0.8	+14.1
Gasoline	-0.3	-9.6
Other goods and services	<u>+0.3</u>	-
	<u>+2.3</u>	

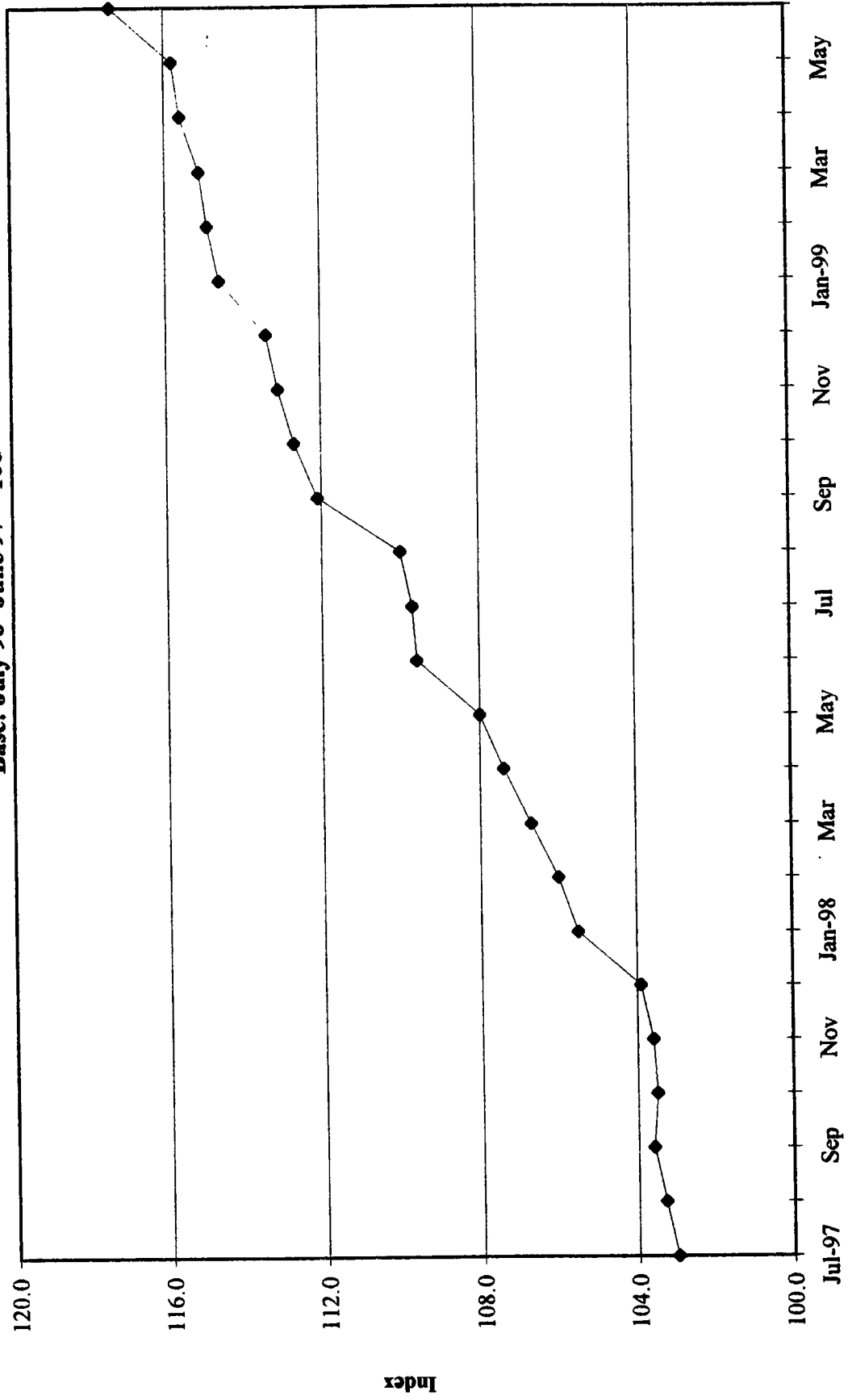
Table 4 - Inflation rate (%) , 1975 - 1999

<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
1998	6.8	1997 - 98	5.4
		1998 - 99	7.9

CONSUMER PRICE INDEX - ALL GROUPS

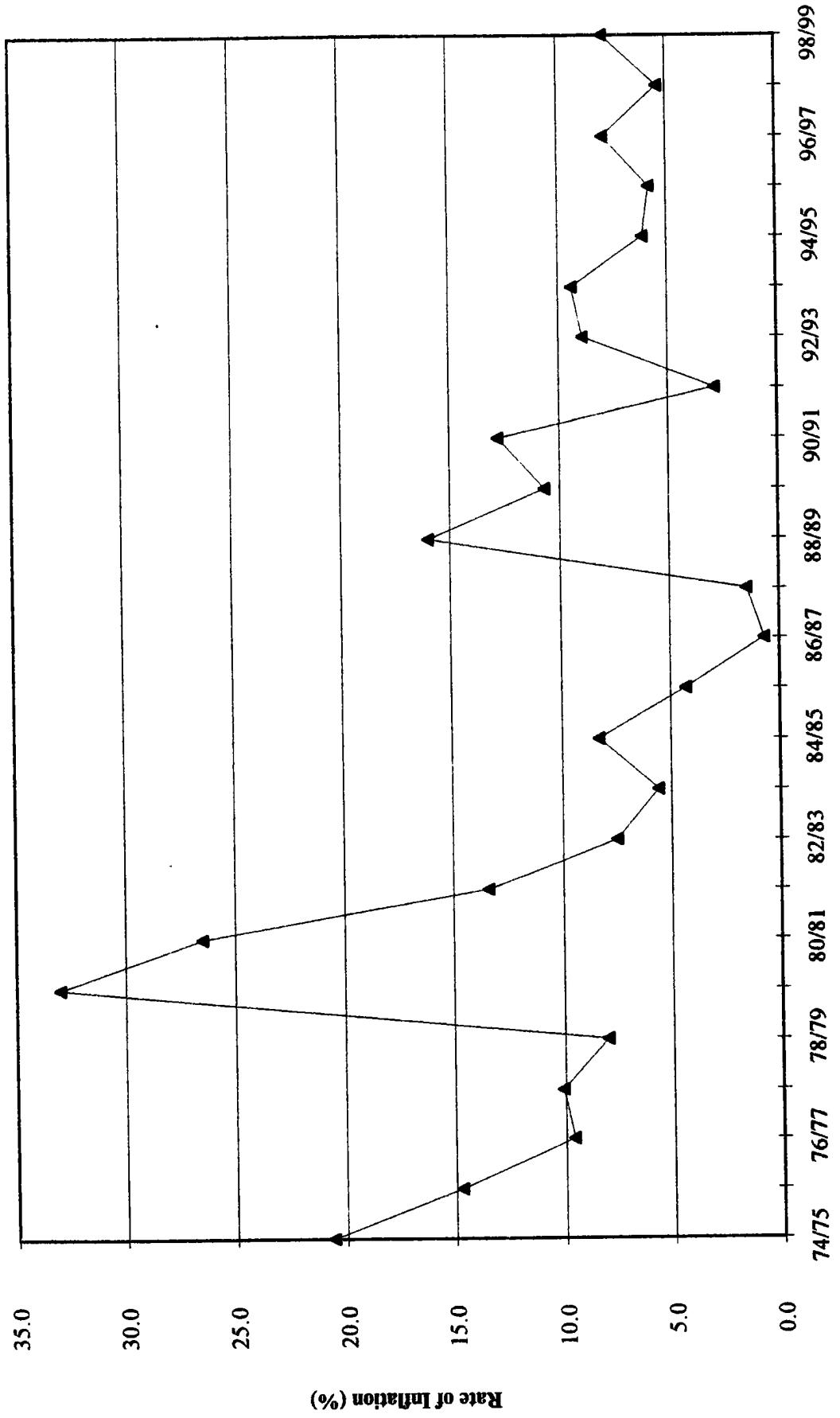
Monthly indices (July 97 - June 99)

Base: July 96 - June 97 = 100



Month
Fig. 1

CONSUMER PRICE INDEX
Rate of inflation (%)
Financial Year



Financial Year
Fig. 2