



# Economic and Social Indicators

Issue No 1893

**Consumer Price Index (CPI)** 

3rd Quarter 2025

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Statistics Mauritius Ministry of Finance Port Louis



# CONSUMER PRICE INDEX

(Base period: January – December 2023 = 100)

3rd Quarter 2025

#### 1. INTRODUCTION

This issue of Economic and Social Indicators presents the Consumer Price Index (CPI) for the third quarter 2025. The methodology used for computing CPI and inflation rate is given in the technical note at Annex.

#### 2. KEY POINTS

# 2.1 Overall CPI

The Consumer Price Index, which stood at 108.2 in June 2025, registered a decrease of 0.3 point (or -0.3%) to reach 107.9 in September 2025 (Table 1A).

On a monthly basis, the CPI remained unchanged in July at 108.2, then decreased by 0.1 point in August 2025 and by -0.2 point in September 2025.

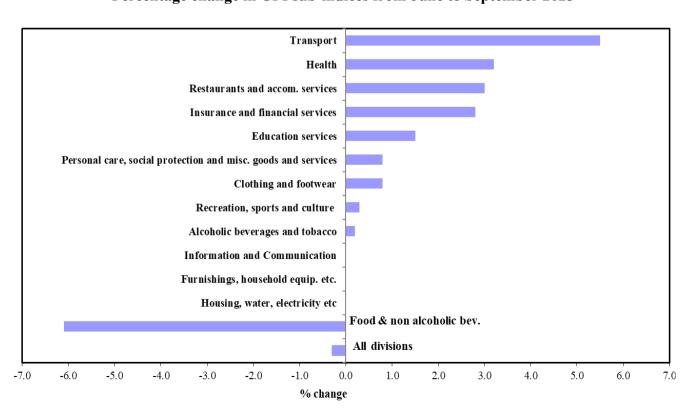
# 2.2 Overview of CPI movements

The main contributors for the decrease in CPI from June 2025 to September 2025 (Table 2) were:

- (a) lower prices of vegetables (-1.2 point), powdered milk (-0.2 point), ginger (-0.1 point), cooking oil (-0.1 point), trader's rice (-0.1 point) and preserved vegetables (-0.1 point); partly mitigated by
- (b) higher clinic fees (+0.2 point);
- (c) higher prices of motor vehicles (+0.7 point), air tickets for international travel (+0.1 point) and higher road tax (+0.1 point);
- (d) higher prices of some prepared meals in international fast-foods outlets (+0.1 point) and other prepared foods (+0.1 point);
- (e) higher prices of other goods and services (+0.2 point).

#### 3. MOVEMENT OF CPI SUB INDICES

# Percentage change in CPI sub-indices from June to September 2025



The changes in the sub-indices (Table 3) for the thirteen divisions of consumption expenditure from June 2025 to September 2025 were as follows:

Food and non-alcoholic beverages (-6.1%)

The decrease was mainly due to lower prices for vegetables (-24.5%), powdered milk (-11.1%), ginger (-30.4%), cooking oil (-14.4%), trader's rice (-5.7%) and preserved vegetables (-13.1%), partly mitigated by higher prices of fruit juices and syrups (+7.2%) and mutton (+4.2%).

Alcoholic beverages and tobacco (+0.2%)

The increase was due to higher prices of wine (+2.0%), beer (+0.1%), whisky (+0.3%) and rum (+0.3%).

Clothing and footwear (+0.8%)

The increase was mainly due to higher prices of ready-made clothing (+0.8%) and footwear (+1.2%).

Housing, water, electricity, gas and other fuels

Unchanged.

Furnishings, household equipment and routine household maintenance

Unchanged. Higher prices of some furniture (+3.7%) and some cleaning materials (+1.4%) were fully offset by lower prices of some washing materials (-4.4%), detergents (-1.8%) and, heaters and air conditioners (-3.3%).

*Health* (+3.2%)

The increase was mainly due to higher clinic fees (+9.1%) and higher prices of some medicinal products (+1.3%) partly offset by lower prices of adult diapers (-1.2%).

*Transport* (+5.5%)

The increase was due to higher prices of motor vehicles (+14.4%), air tickets for international (+3.4%) and domestic (+6.5%) travels and, higher road tax (+26.1%).

Information and Communication

Unchanged. Lower prices for some audio-visual equipment (-0.8%) and mobile phones (-0.1%) were fully mitigated by higher prices of some information processing equipment (+0.3%).

Recreation, sports and culture (+0.3%)

The increase was mainly due to higher prices of pet foods (+2.3%), stationery (+0.8%) and higher fees for some recreational services (+3.6%), partly offset by lower prices of some video games (-3.9%).

*Education services (+1.5%)* 

The increase was due to higher fees in private universities (+3.8%) and higher charges for some post-secondary and non-tertiary courses (+5.2%).

Restaurants and accommodation services (+3.0%)

The increase was mainly due to higher prices of prepared meals in international fast-food outlets (+4.5%), in snacks (+1.1%), in restaurants (+1.6%), in food-courts (+0.8%) and in some other prepared foods (+5.5%) and, higher rates for hotel accommodation services (+7.3%).

*Insurance and financial services* (+2.8%)

The increase was due to higher charges for motor vehicle insurance (+10.4%).

Personal care, social protection and miscellaneous goods and services (+0.8%)

The increase was due to higher prices of some goods for personal care and hygiene (+1.2%), some religious items (+0.5%) and some other personal effects (+0.8%).

#### 4. INFLATION RATE

The headline inflation rate was 3.6% for year 2024 compared to 7.0% for year 2023 (Table 5). On the basis of trends in previous years and recent price changes, the headline inflation rate for calendar year 2025 is forecasted at around 3.8%.

The headline inflation rate excluding 'Alcoholic beverages and tobacco' was 3.6% for year 2024, compared to 6.6% for year 2023.

The headline inflation rate for the twelve months ending September 2025 worked out to 3.4%, compared to 3.8% for the twelve months ending September 2024.

The headline inflation rate excluding "Alcoholic beverages and tobacco" for the twelve months ending September 2025 worked out to 3.4%, compared to 3.6% for the twelve months ending September 2024.

#### 5. INTERNATIONAL COMPARISON OF INFLATION RATE

The table below compares the inflation rate (as measured by the percentage change in the average CPI for a given year relative to the previous year) of Mauritius with those of our main importing countries and some countries in the region for year 2024.

Inflation rate (%) of selected countries, year 2024

Country	Inflation rate (%)	Country	Inflation rate (%)
France	2.3	Australia	3.2
United Kingdom	2.5	United States	3.0
China	0.2	Botswana	2.8
India	4.7	Mauritius	3.6
Japan	2.7	Seychelles	0.2
Singapore	2.4	South Africa	4.4

Source - World Economic Outlook Database, April 2025

Statistics Mauritius Ministry of Finance Port Louis 14 October 2025

#### Note:

- (i) This publication is available on the website of Statistics Mauritius at <a href="https://statsmauritius.govmu.org">https://statsmauritius.govmu.org</a> From the homepage, choose "Publications" followed by "Economic and Social Indicators", then "Consumer Price Index".
- (ii) The monthly CPI is also available on our website. It is posted within 5 working days after the reference month.
- (iii) More detailed information on CPI can be made available upon request.

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Table 1A - Monthly Consumer Price Index, January 2018 - September 2025

		( Base : Jan - 1	Dec 2023 = 100 )						
<u>Month</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
January	103.2	103.8	105.9	107.0	114.9	128.5	135.2		105.0
February	105.3	104.4	106.6	107.9	117.6	130.5	138.6		105.7
March	105.9	104.4	107.4	108.5	120.1	131.1	137.6		106.8
April	103.8	104.4	108.8	109.0	121.0	131.0		103.2	107.1
May	103.6	104.4	107.3	109.8	121.6	131.2		102.9	107.2
June	102.8	103.4	105.2	111.4	122.1	131.7		102.6	108.2
July	102.6	103.4	104.9	111.7	124.0	131.3		102.8	108.2
August	101.9	103.7	105.3	111.6	124.4	131.7		103.2	108.1
September	102.0	103.3	106.0	111.7	125.0	131.6		103.4	107.9
October	102.4	102.8	106.1	112.3	125.7	131.5		103.7	
November	102.8	103.1	106.3	113.1	126.8	131.9		104.0	
December	102.4	103.3	106.1	113.3	127.1	132.0		103.5	
Yearly average	103.2	103.7	106.3	110.6	122.5	131.2			
Annual change (%)	+ 3.2	+ 0.5	+ 2.5	+ 4.0	+ 10.8	+ 7.0		+ 3.6	

Table 1B - Comparative Monthly Consumer Price Index , January 2018 - September 2025  $^{1/}$  (Base: January - December 2023 = 100)

<u>Month</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
January	78.7	79.1	80.7	81.6	87.6	97.9	103.0	105.0
February	80.3	79.6	81.3	82.3	89.7	99.5	105.7	105.7
March	80.7	79.6	81.9	82.7	91.6	100.0	104.9	106.8
April	79.2	79.6	82.9	83.1	92.2	99.8	103.2	107.1
May	79.0	79.6	81.8	83.7	92.7	100.0	102.9	107.2
June	78.4	78.8	80.2	84.9	93.1	100.4	102.6	108.2
July	78.2	78.8	80.0	85.2	94.6	100.1	102.8	108.2
August	77.7	79.1	80.3	85.1	94.8	100.4	103.2	108.1
September	77.8	78.8	80.8	85.2	95.3	100.3	103.4	107.9
October	78.1	78.4	80.9	85.6	95.8	100.3	103.7	
November	78.4	78.6	81.0	86.2	96.7	100.6	104.0	
December	78.1	78.8	80.9	86.4	96.9	100.6	103.5	
Yearly average	78.7	79.1	81.1	84.3	93.4	100.0	103.6	
Annual change (%)	+ 3.2	+ 0.5	+ 2.5	+ 4.0	+ 10.8	+ 7.0	+ 3.6	

The CPI for January 2018 to March 2023, originally based on January to December 2017, has been converted to the new base January - December 2023=100 using a linking factor of 1.311723. Example: the monthly CPI for January 2023 has been converted to the new base by dividing 128.5 by 1.311723 ( $\approx 97.9$ )

Table 2 - Net contribution of main commodities that affected the index from June to September 2025

Commodity	Contribution to change in overall index point	Percentage change in price index
Vegetables	-1.2	-24.5
Powdered milk	-0.2	-11.1
Ginger	-0.1	-30.4
Cooking oil	-0.1	-14.4
Trader's rice	-0.1	-5.7
Preserved vegetables	-0.1	-13.1
Clinic fees	+0.2	+9.1
Motor vehicles	+0.7	+14.4
Road Tax	+0.1	+26.1
Air ticket	+0.1	+3.4
Prepared meals in international fast foods outlets	+0.1	+4.5
Other prepared foods	+0.1	+5.5
Other goods and services	+0.2	+0.5
Overall	-0.3	-0.3

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Table 3: Monthly sub-indices by division of consumption expenditure, January 2025 to September 2025

(Base: January - December 2023 = 100)

Division	Description	Weight	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Percentage change <sup>1</sup> between June and September 2025
01	Food and non-alcoholic beverages	250	108.8	110.6	114.1	115.6	115.9	115.2	111.0	109.9	108.2	- 6.1
02	Alcoholic beverages and tobacco	106	103.2	103.8	104.0	103.9	104.0	112.9	113.0	113.0	113.1	+0.2
03	Clothing and footwear	41	104.9	104.9	105.1	105.2	105.2	105.3	105.5	106.1	106.1	+0.8
04	Housing, water, electricity, gas and other fuels	100	99.7	100.8	100.8	100.8	100.9	100.9	100.9	100.9	100.9	-
05	Furnishings, household equipment and routine household maintenance	48	109.7	109.8	110.1	109.8	109.1	109.8	109.3	109.8	109.8	-
06	Health	49	110.7	110.5	110.7	111.0	111.0	111.1	114.0	114.2	114.7	+3.2
07	Transport	159	97.4	97.4	97.6	97.5	97.5	97.8	102.4	102.9	103.2	+5.5
08	Information and Communication	70	100.7	100.7	100.7	100.7	100.7	100.6	100.6	100.6	100.6	-
09	Recreation, sports and culture	20	105.6	106.7	107.1	107.1	107.0	107.4	107.2	107.3	107.7	+0.3
10	Education services	32	109.7	110.3	110.3	110.3	110.3	110.3	110.7	110.7	111.9	+1.5
11	Restaurants and accommodation services	52	110.9	111.5	112.4	112.7	113.3	114.9	115.9	117.3	118.3	+3.0
12	Insurance and financial services	41	111.9	111.9	111.9	111.9	111.9	111.9	115.0	115.0	115.0	+2.8
13	Personal care, social protection and miscellaneous goods and services	32	106.9	107.5	108.0	107.6	107.9	107.9	107.9	108.1	108.8	+0.8
	All Divisions	1000	105.0	105.7	106.8	107.1	107.2	108.2	108.2	108.1	107.9	- 0.3

*Note:* Percentage change has been computed from unrounded indices and hence may vary slightly from the change in rounded indices.

Table 4 - Monthly CPI by division and group of consumption expenditure,

January 2025 to September 2025 (Base: January - December 2023 = 100)

Item description	Weight	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
DIVISION 01 - FOOD AND NON ALCOHOLIC BEVERAGES	250	108.8	110.6	114.1	115.6	115.9	115.2	111.0	109.9	108.2
Group 1 - Food	231	108.5	110.5	114.3	115.8	116.1	114.5	110.0	108.7	106.7
Group 2: Non alcoholic beverages	19.0	112.0	111.9	111.7	113.3	113.6	123.6	123.4	124.7	126.0
DIVISION 02 - ALCOHOLIC BEVERAGES AND TOBACCO	106	103.2	103.8	104.0	103.9	104.0	112.9	113.0	113.0	113.1
Group 1 - Alcoholic beverages	57	106.7	107.6	108.0	107.8	108.1	117.7	117.8	117.8	118.0
Group 2 - Tobacco	49	99.3	99.3	99.3	99.3	99.3	107.3	107.3	107.3	107.3
DIVISION 03 - CLOTHING AND FOOTWEAR	41	104.9	104.9	105.1	105.2	105.2	105.3	105.5	106.1	106.1
Group 1 - Clothing	31	105.0	105.0	105.3	105.3	105.3	105.4	105.5	106.2	106.2
Group 2 - Footwear	10	104.7	104.7	104.7	104.7	104.7	104.7	105.6	106.0	106.0
DIVISION 04 - HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	100	99.7	100.8	100.8	100.8	100.9	100.9	100.9	100.9	100.9
Group 1 - Actual rentals for housing	10	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2
Group 2 - Mortgage Interest on housing loan	30	91.7	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1
Group 3 - Maintenance and repair of the dwelling	14	125.9	126.1	126.2	126.3	126.8	126.8	127.0	127.0	127.0
Group 4 - Water supply and miscellaneous services relating to the dwelling	7	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2
Group 5 - Electricity, gas and other fuels	39	95.2	95.2	95.2	95.2	95.2	95.2	95.2	95.2	95.2
DIVISION 05 - FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOSEHOLD MAINTENANCE	48	109.7	109.8	110.1	109.8	109.1	109.8	109.3	109.8	109.8
Group 1 - Furniture and furnishings, carpets and other floor coverings	9	105.5	105.5	105.6	106.0	106.1	105.7	105.5	107.8	109.4
Group 2 - Household textiles	3	105.6	105.6	106.0	106.0	106.0	106.0	106.0	107.1	108.5
Group 3 - Household appliances	9	104.8	104.6	104.6	104.8	103.6	103.3	102.8	103.5	102.1

Table 4 (contd.) - Monthly CPI by division and group of consumption expenditure,

January 2025 to September 2025 (Base: January - December 2023 = 100)

Item description	Weight	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Group 4 - Glassware, tableware and household utensils	2	102.87	103.37	104.20	104.18	104.08	104.68	105.44	105.44	106.25
Group 5 - Tools and equipment for house and garden	2	104.3	105.2	105.3	105.3	105.3	106.0	106.0	106.0	106.0
Group 6 - Goods and services for routine household maintenance	23	114.8	115.1	115.5	114.5	113.6	115.2	114.3	114.1	113.8
DIVISION 06 - HEALTH	49	110.7	110.5	110.7	111.0	111.0	111.1	114.0	114.2	114.7
Group 1 - Medical products, appliances and equipment	20	111.3	110.8	111.3	112.0	112.1	111.9	111.7	112.1	113.2
Group 2 - Outpatient services	11	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9	112.9
Group 3 - Hospital services	15	109.9	109.9	109.9	109.9	109.9	109.9	119.9	119.9	119.9
Group 4 - Other Health services	3	103.1	103.1	103.1	103.1	103.1	104.5	104.5	104.5	104.5
DIVISION 07 - TRANSPORT	159	97.4	97.4	97.6	97.5	97.5	97.8	102.4	102.9	103.2
Group 1 - Purchase of vehicles	44	103.8	104.4	104.8	104.8	105.1	105.5	118.6	120.0	120.6
Group 2 - Operation of personal transport equipment	85	91.8	91.8	92.0	92.0	92.1	92.2	93.6	93.6	93.6
Group 3 - Transport services	30	103.8	103.3	103.0	102.4	102.0	102.7	103.7	104.5	105.0
DIVISION 08 - INFORMATION AND COMMUNICATION	70	100.7	100.7	100.7	100.7	100.7	100.6	100.6	100.6	100.6
Group 1 - Information and communication equipment	6	100.3	100.3	100.9	100.9	100.9	99.9	99.6	99.5	99.6
Group 3 - Information and communication services	64	100.7	100.7	100.7	100.7	100.7	100.7	100.7	100.7	100.7
DIVISION 09 - RECREATION, SPORT AND CULTURE	20	105.6	106.7	107.1	107.1	107.0	107.4	107.2	107.3	107.7
Group 2 - Other recreational goods	6	100.6	101.9	102.7	102.2	102.3	102.6	101.5	101.7	101.7
Group 3 - Garden products and pets	4	108.3	110.3	111.1	111.6	109.9	110.1	110.0	110.6	112.1
Group 4 - Recreational services	2	114.7	114.7	114.7	114.7	114.7	117.3	117.3	117.3	117.3
Group 6 - Cultural services	2	103.8	103.8	103.8	103.8	106.1	106.2	107.6	107.2	107.2

Table 4 (contd.) - Monthly CPI by division and group of consumption expenditure,

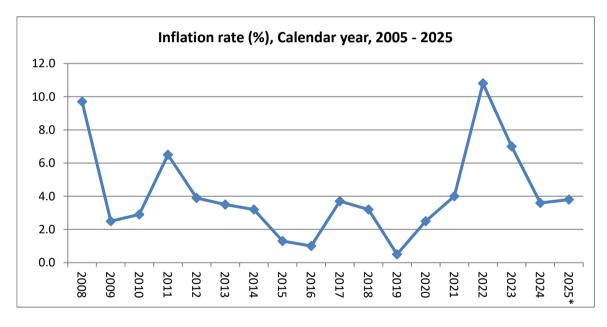
January 2025 to September 2025 (Base: January - December 2023 = 100)

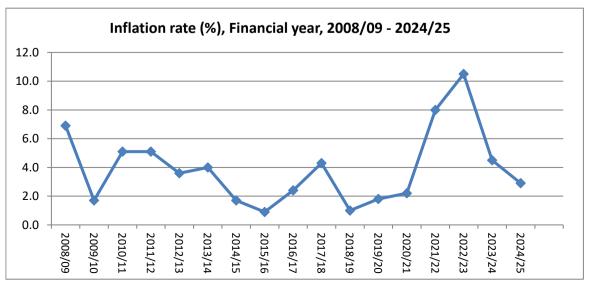
Item description	Weight	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Group 7 - Newspapers, books and stationery	6	106.4	107.5	107.3	107.4	107.5	107.4	107.6	107.4	107.7
DIVISION 10 - EDUCATION SERVICES	32	109.7	110.3	110.3	110.3	110.3	110.3	110.7	110.7	111.9
Group 1 - Early childhood and primary education	5	126.4	126.4	126.4	126.4	126.4	126.4	126.4	126.4	126.4
Group 2 - Secondary education	1	116.0	116.0	116.0	116.0	116.0	116.0	116.0	116.0	116.0
Group 3 - Post-secondary and non-tertiary education	1	104.8	104.8	104.8	104.8	104.8	104.8	110.2	110.2	110.2
Group 4 - Tertiary education	18	103.3	104.3	104.3	104.3	104.3	104.3	104.9	104.9	107.0
Group 5 - Education not defined by level	7	113.9	113.9	113.9	113.9	113.9	113.9	113.9	113.9	113.9
DIVISION 11 - RESTAURANTS AND ACCOMMODATION SERVICES	52	110.9	111.5	112.4	112.7	113.3	114.9	115.9	117.3	118.3
Group 1 - Food and beverage serving services	50	111.1	111.7	112.6	112.9	113.6	115.4	116.5	117.7	118.8
Group 2 - Accommodation services	2	106.6	106.6	106.6	106.6	106.6	100.3	100.3	107.6	107.6
DIVISION 12 - INSURANCE AND FINANCIAL SERVICES	41	111.9	111.9	111.9	111.9	111.9	111.9	115.0	115.0	115.0
Group 1 - Insurance	40	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Group 2 - Financial Services	1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DIVISION 13 - PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	32	106.9	107.5	108.0	107.6	107.9	107.9	107.9	108.1	108.8
Group 1 - Personal care	23	104.4	105.3	106.1	105.5	105.9	105.9	105.7	106.1	107.0
Group 2 - Other personal effects	5	108.0	107.4	107.5	107.5	107.5	107.6	108.2	107.8	108.2
Group 3 - Social protection	2	128.5	128.5	128.5	128.5	128.5	128.5	128.5	128.5	128.5
Group 9 - Other services	2	111.3	111.3	111.3	111.3	111.3	111.3	111.9	111.9	111.9
All Divisions	1000	105.0	105.7	106.8	107.1	107.2	108.2	108.2	108.1	107.9

Table 5 - Headline inflation rate (%), 2008 - 2025

Calendar year	Inflation rate	Financial Year	Inflation rate
2008	9.7	2008/09	6.9
2009	2.5	2009/10	1.7
2010	2.9	2010/11	5.1
2011	6.5	2011/12	5.1
2012	3.9	2012/13	3.6
2013	3.5	2013/14	4.0
2014	3.2	2014/15	1.7
2015	1.3	2015/16	0.9
2016	1.0	2016/17	2.4
2017	3.7	2017/18	4.3
2018	3.2	2018/19	1.0
2019	0.5	2019/20	1.8
2020	2.5	2020/21	2.2
2021	4.0	2021/22	8.0
2022	10.8	2022/23	10.5
2023	7.0	2023/24	4.5
2024	3.6	2024/25	2.9
2025*	3.8		

<sup>\*</sup> Forecast





#### Technical note

# 1. Methodology used for the computation of the Consumer Price Index (Base period: January - December 2023 = 100)

# (a) Definition

The Consumer Price Index (CPI) is an indicator of changes over time in the general level of prices of goods and services acquired by Mauritian consumers.

# (b) Measurement of the CPI

The CPI measures price change by comparing, through time, the cost of a fixed basket of goods and services. As prices vary over time, the total cost of the basket also changes and thus the CPI measures the change in the cost of this basket. It provides a way to compare what this basket costs at a given period relative to a reference or base period.

The cost of the CPI basket is assigned a value of 100 in the base period and the costs in other periods are expressed as percentage changes compared to the base period. For example, if the CPI is 110, this means that there has been an increase of 10% in the cost of the basket since the base year; similarly an index of 90 means a 10% decrease in the cost of the basket.

# (c) The CPI basket

The CPI basket is based on the expenditures of private households in a reference period, currently January to December 2023. The composition of the current CPI basket has been derived from the 2023 Household Budget Survey (HBS) data. It has been determined in accordance with latest ILO and SADC recommendations.

The items constituting the basket have been selected on the basis of the importance of household consumption expenditure on them. The basket includes all important items on which consumption expenditure is significant, i.e. accounting for around 0.1% or more of total household consumption expenditure. Each item's relative importance, which is called the "weight" (usually expressed on a total of 1000), is the expenditure share of the item. Nonconsumption items such as income tax, social security contributions, purchase of land, shares and life insurance are excluded.

The commodities in the basket are classified according to the UN COICOP (Classification of Consumption Expenditure according to Purpose) with 13 divisions, 44 groups, 92 classes and 173 subclasses.

# (d) Price coverage

The prices used in the CPI calculation are those that any member of the public would have to pay to purchase the specified goods or services. Any taxes on products attached to the goods are included.

Price collection is done on a regular basis. Each month, around 8,740 price quotations are collected in respect of around 1,300 item indicators from some 610 outlets selected to be representative of regions across the islands of Mauritius and Rodrigues.

Prices of non-perishable items are collected monthly in the nine geographical districts of the island of Mauritius and in Rodrigues.

Prices of fresh fruits, vegetables, meat and fish are collected on a weekly basis from 9 markets in Port Louis, Rose Hill, Quatre Bornes, Vacoas, Rose Belle, Flacq, Goodlands, Pamplemousses and Port Mathurin.

Information on rent is obtained from a quarterly rent survey of some 100 rented dwellings.

# (e) Formula for computation of the CPI

The CPI is computed according to the Laspeyres Formula as a weighted average of price relatives of individual items. The weights are fixed and correspond to the base period expenditures. The Laspeyres Index measures the cost of a basket of goods and services at different points in time, relative to the cost of the same basket in the base period.

The formula used for computing the CPI at time *t* is

$$I_{t} = \frac{\sum W_{i} \left(P_{it} / P_{i0}\right)}{\sum W_{i}} X 100$$

where,

I t : CPI for period t with reference to a base period 0 Pio : Price of item i at time 0, i.e. during base period

 $P_{it}$ : Price of item *i* at time t

 $\mathbf{W_i}$ : Weight of item i

The base period is January to December 2023, the period during which the latest HBS was conducted.

#### 2. Inflation

# (a) <u>Definition of Inflation</u>

Inflation is the percentage change in the level of prices (as measured by the CPI) from one period to another.

# (b) Calculating the Inflation Rate

The headline inflation rate in Mauritius, like in many other countries, is calculated by using the annual average method, that is, by comparing the average level of prices during a twelve-month period with the average level during the corresponding previous twelve-month period. This type of inflation rate is more appropriate for adjusting wages, salaries and pensions to compensate for loss of purchasing power. *All inflation rates presented in this publication relate to the headline inflation*.

Another commonly used method of calculating the inflation rate is the so called 'year-on-year' method. The year-on-year inflation rate is calculated as the percentage change in the CPI for a given month with respect to the CPI for the corresponding month of the previous year. It is generally used by central banks for monetary policy decisions. Year-on-year inflation rates are not presented in this publication but can be easily calculated through the available monthly CPI.

Note: More information about the concept, computation and use of the CPI is available online in the publication "<u>Household Budget Survey</u>".

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