

The Consumer Price Index, 1983

The Consumer Price Index (CPI) stood at 107.5 in December 1983 as compared with 103.4 for the corresponding month of the previous year, thus showing an increase of 4.1 points or 4.0% over the twelve months of calendar year 1983. However the average for 1983 was 106.6 as against 100.9 in 1982. The annual rate of inflation which may be calculated as a ratio of the former figure to the latter, expressed as a percentage, works out to 5.6.

This is the lowest inflation rate recorded in Mauritius for the past ten years. As a matter of fact, the last time that such a low rate was registered was in 1972 when it was of the order of 5.4%. The inflation rate for calendar year 1982 was 11.4% and that for financial year 1982/83 was 7.5%. Table 4 shows the inflation rate since 1972.

Apart from a fairly stable level of prices of all goods and services during 1983, the prices of fresh vegetables have played a prominent role in the movement of the CPI. This commodity, in spite of one of the worst droughts that the country has ever witnessed, was in abundant supply. Consequently its prices were kept at the lowest possible level and thus producing a beneficial effect on the CPI. In December 1983 the prices of vegetables were at roughly the same level of the corresponding month a year ago.

Other commodities that have had significant influence on the movement of the index during 1983 were soft drinks, alcoholic beverages and cigarettes, water and electricity charges, cooking oil, soap, pulses and petroleum products. Except the last two items, all the other ones sent the index in an upward direction.

The introduction of sales tax in January 1983 affected the prices of a variety of commodities during the months of January to March. The two items that registered the greatest price rise as a result of the sales tax were soft drinks and alcoholic beverages. The former recorded a rise of 0.5 point while the latter went up by 0.3 point during those three months.

Water charges were raised by 15% in January and electricity tariffs were revised upward by 12% in October. The results of these measures affected the index by 0.2 and 0.4 point respectively.

A 15% increase in the price of cooking oil became effective in October and was responsible for a 0.4 point rise in the index.

There were two increases in the price of soap, the first one of the order of 5% in January and the second one of about 12% in December. The two increases pushed up the index by 0.1 and 0.2 point respectively.

On the other hand two commodities registered a fall in their prices. They are petroleum products and pulses. The prices of petrol and kerosene were reduced by R 1.00 per gallon in January and affected favourably the index by 0.2 point.

The price of pulses was reduced on two occasions : the first one in July and the second one in December. Each time the decrease was more than 15% and the effect on the index was approximately 0.1 point.

Details of changes in the index during 1983 are shown in Table 3.

Central Statistical Office
Rose Hill

February 1984

Table 1 - Consumer Price Index

| | <u>1982*</u> | <u>1983</u> |
|-----------|--------------|-------------|
| January | 241.7 | 104.6 |
| February | 245.7 | 106.1 |
| March | 246.4 | 106.4 |
| April | 247.0 | 106.7 |
| May | 248.5 | 106.2 |
| June | 248.4 | 105.8 |
| July | 101.4 | 106.4 |
| August | 101.6 | 106.5 |
| September | 101.1 | 107.0 |
| October | 101.5 | 108.1 |
| November | 102.2 | 107.6 |
| December | 103.4 | 107.5 |

*January - June 1982, Base : January - June 1976 = 100

From July 1982, Base : January - June 1982 = 100

Table 2 - Sub indices by major commodity group (Base : January - June 1982=100)

| <u>Commodity Group</u> | <u>Yearly Average 1982</u> | <u>Yearly Average 1983</u> |
|----------------------------------|----------------------------|----------------------------|
| Food and Non-Alcoholic Beverages | 101.1 | 108.5 |
| Alcoholic Beverages and Tobacco | 100.1 | 106.5 |
| Fuel and Light | 99.3 | 96.4 |
| Housing | 101.8 | 109.8 |
| Clothing, footwear and bedding | 101.8 | 108.0 |
| Transport and Communication | 100.1 | 100.9 |
| Medical care | 101.1 | 105.6 |
| Education | 100.1 | 103.1 |
| Miscellaneous | 101.1 | 107.1 |
| | <u> </u> | <u> </u> |
| All Groups | <u>100.9</u> | <u>106.6</u> |
| | <u> </u> | <u> </u> |

Table 3 - Summary of changes in 1983

| <u>Commodity</u> | <u>Change</u> |
|--------------------------|---------------|
| Pulses | - 0.2 |
| Edible oil | + 0.4 |
| Fresh beef | + 0.2 |
| Dried fish | + 0.1 |
| Fresh vegetables | + 0.2 |
| Fresh fruits | - 0.2 |
| Other food products | + 0.4 |
| Soft drinks | + 0.5 |
| Alcoholic drinks | + 0.3 |
| Cigarettes | + 0.1 |
| Electricity | + 0.4 |
| Petroleum products | - 0.2 |
| Water charges | + 0.2 |
| Construction materials | + 0.1 |
| Laundry soap | + 0.3 |
| Medicinal products | + 0.1 |
| Other goods and services | + 1.4 |
| Total | <u>+ 4.1</u> |

Table 4 - Inflation Rate (Percentage), 1972 - 1983

| <u>Calendar Year</u> | <u>Inflation Rate</u> | <u>Financial Year</u> | <u>Inflation Rate</u> |
|----------------------|-----------------------|-----------------------|-----------------------|
| 1972 | 5.4 | 1971 - 72 | 3.2 |
| 1973 | 13.5 | 1972 - 73 | 7.2 |
| 1974 | 29.1 | 1973 - 74 | 25.4 |
| 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 |