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1. CONSUMER PRICE INDEX - 1ST QUARTER 1991
2. BALANCE OF VISIBLE TRADE , SEPT - NOV 1990
3. GOVERNMENT REVENUE AND EXPENDITURE , OCT - DEC 1990

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MAURITIUS

## CONSUMER PRICE INDEX - 1ST QUARTER 1991

### 1. Movements in Consumer Price Index - 1st quarter 1991

The Consumer Price Index (C.P.I.) registered a marginal increase of 0.2% (0.3 point) during the first quarter of 1991. This increase compares favourably with those of the corresponding quarters of 1989 and 1990 when the C.P.I. rose by 2.4 and 6.5 points respectively. (Table 1)

The movement of the index during the first quarter of 1991 has been mainly influenced by:

- (1) The reduction in prices of some basic food commodities such as rice, bread, flour, meat and meat products.
- (2) The decline in prices of fresh vegetables and fish particularly in February and March.

### 2. Changes by group and commodity

Table 2 shows the evolution of the quarterly indices by major commodity group. The highest increase is observed in the "Recreation, entertainment, education and cultural services" group which has advanced by 7.7%, from 138.1 in the fourth quarter of 1990 to 148.7 in the first quarter of 1991. This increase is mostly attributable to the rise in private tuition fees at the start of the new school year. "Fuel and Light" has increased by more than 5% due mainly to the full effect during the first quarter of 1991 of the upward revision of cooking gas prices and electricity tariffs which became effective in November and December respectively. "Food and non-alcoholic beverages" the most important group in the C.P.I. has gone up by only 1.5%. The remaining groups have shown slight or marginal changes.

The downward revision of prices of some basic foodstuffs: bread, rice, flour, meat and meat products have together affected the index favourably by 1.7 points in March 1991.

The price of bread which was revised upwards by 18% at the end of December 1990 had raised the C.P.I. by 0.5 point in January 1991. The price of this commodity was subsequently reduced by about 8% at the end of February 1991, with a positive impact of 0.3 point on the index in March 1991.

The opening of the net fishing season at the beginning of March caused an increase in the supply of fresh fish on the market. As a consequence, the retail price of this commodity went down by about 15% and was responsible for a 0.5 point fall in the index. (Table 3)

The prices of fresh vegetables which reached a peak in January 1991 have been moving downwards in February and March.

Private tuition fees which rose by more than 25% at the beginning of the new school year pushed the index up by 0.5 point.

3. Rate of inflation

The current annual rate of inflation for the twelve months ending March 1991 works out to 13.4% compared to 12.1% for the corresponding twelve months ending March 1990. This rate was 10.7% for financial year 1989-90 and 13.5% for calendar year 1990. (Table 4)

Recent price trends and foreseeable price movements for the next few months indicate that the rate of inflation for the current financial year will most likely lie around 13%.

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Table 1 - Monthly Consumer Price Index (July 1987-March 1991)

(Base: July 86-June 87 = 100)

	1987	1988	1989	1990	1991
January		102.4	116.8	131.9	152.0
February		101.7	118.6	133.4	151.0
March		101.4	118.5	135.2	149.0
April		103.1	121.7	134.9	
May		103.8	122.3	135.7	
June		107.2	122.6	135.4	
July	99.8	110.7	124.0	139.9	
August	99.1	113.8	123.9	139.9	
September	99.2	116.3	126.0	146.1	
October	99.8	117.5	126.4	146.6	
November	100.2	117.4	128.1	149.2	
December	100.3	116.1	128.7	148.7	
Yearly average	100.1	109.3	123.1	139.7	
Annual change (%)	0.6	9.2	12.6	13.5	



Table 2 - Sub-indices by major commodity group (Base : July 1986 - June 1987 = 100)

Major Commodity Group	Percentage weight	1990					1991
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	Yearly Average	1st Qr.
1. Food and non-alcoholic beverages	41.9	138.8	141.3	143.9	149.0	143.2	151.3
2. Alcoholic beverages and tobacco	7.2	145.1	145.7	182.5	182.5	164.0	183.0
3. Clothing and footwear	8.4	123.6	123.8	124.7	127.6	124.9	128.4
4. Fuel and light	5.7	101.5	101.5	104.8	115.7	105.9	122.5
5. Housing and household operations	13.5	129.0	131.7	134.9	136.7	133.1	138.0
6. Medical care and health expenses	3.0	138.0	140.0	145.1	152.3	143.9	154.9
7. Transport and communication	9.3	130.7	130.6	147.1	174.7	145.8	175.2
8. Recreation, entertainment, education and cultural services	6.0	135.9	135.9	137.7	138.1	136.9	148.7
9. Miscellaneous goods and services	5.0	138.0	143.4	150.9	155.3	146.9	154.6
All Groups	100.0	133.5	135.3	142.0	148.2	139.7	150.7

Table 3 - Price changes and their net contributions of main commodities that have affected the C.P.I during the first quarter of 1991

<u>Commodity</u>	<u>Price change (%)</u>	<u>Change in index point</u>
Bread	+ 9.1	+0.2
Rice	-14.3	-0.5
Flour	-20.0	-0.2
Fresh beef	+ 5.4	+0.1
Frozen beef	-18.0	-0.3
Frozen mutton	-24.6	-0.3
Canned meat	-40.1	-0.2
Fresh fish	-14.4	-0.5
Frozen fish	+14.3	+0.2
Eggs	+11.2	+0.1
Fresh fruits	+16.0	+0.3
Fresh vegetables	+ 1.4	+0.2
Soft drinks	+ 9.4	+0.2
Alcoholic beverages	+ 1.5	+0.1
Private tuition	+25.7	+0.5
Other goods and services	...	+0.4
Total		<hr/> +0.3 <hr/>

Table 4 - Inflation rate (%), 1975 - 1991

<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
		1990 - 91	around 13.0 <sup>1/</sup>

<sup>1/</sup> Forecast