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Economic Indicators

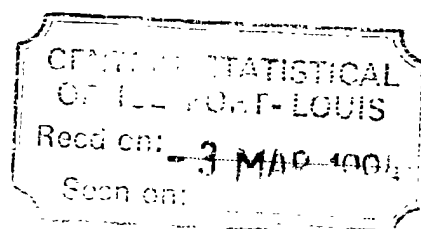
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Consumer Price Index 1993

MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
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CONSUMER PRICE INDEX 1993

1. Movements in Consumer Price Index in 1993.

The year 1993 has been marked with some major price movements for a wide variety of consumption goods and services. The Consumer Price Index which has been on an increasing trend during the year reached 118.5 in December 1993. From January to December 1993, an overall increase of +10.9 points has been registered due to the following factors:

- a). Higher prices of vegetables during the first quarter of 1993 caused by adverse climatic conditions.
- b). Price increases of some basic commodities such as rice, flour, bread, etc.
- c). Price of some services such as domestic, medical and educational have been revised upwards.

2. Changes by Major Commodity Group and Items.

The evolution of the different commodity group indices (sub-indices) of the C.P.I. is shown in table 2. Except for commodity group "Fuel and light", all the other major commodity groups have undergone significant increases in the range 8% to 14%.

The highest annual increase was registered in the most important group "Food and non alcoholic beverages" (14%). The rise in this group was mainly contributed by price increases of fresh vegetables (20%), rice (70%), bread (40%), flour (90%), cakes and snacks (24%), dairy products (15%), poultry (10%), soft drinks (15%), etc. It is worth mentioning that food commodity items accounted for more than 55% of the overall point increase of +10.9 registered during the year 1993.

Medical care and medical services underwent respective increases of the order 5% and 30% and the net overall effect was a 13% rise in the "Medical care" group.

The group "Clothing and footwear" went up by 11% and this was attributed to price increases of ready made clothing (14%), clothing materials (4%) and footwear (14%).

About the same percentage increase(11%) was observed in the group "Recreation, entertainment, education and cultural services". Increases were registered mainly in January 1993 for items pre-primary school fees (30%), private tuition (24%) and school requisites(17%).

Increase in road tax (70%), taxi fare (12%) and cost of telephone services (40%) contributed to a rise of 8% in the group "Transport and communication".

Table 3 gives the net contribution of commodities that have affected the index in 1993.

3. Rate of inflation.

The annual rate of inflation for calendar year 1993 was 10.5%, compared to 4.6% for the previous year. This rate was 8.9% for financial year 1992/93.

As at the end of January 1994, the rate of inflation for financial year 1993/94 was forecast at around 10%. However, taking into consideration the adverse effects of cyclone Hollanda, this figure is now revised upwards to around 11%.

4. Purchasing power of the Rupee.

Table 6. shows the internal purchasing power of the rupee between 1962 and 1993. With a 10.5% inflation rate, the purchasing power of the rupee has further deteriorated by about 9% in 1993.

Central Statistical Office,
Ministry of Economic Planning and Development,
PORT LOUIS

February 1994.

Table 1 - Monthly Consumer Price Index - January 1989 - December 1993

Base: July 1986 - June 1987 = 100 **Base: July 1991 - June 1992 = 100**

<u>Month</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1992</u>	<u>1993</u>
January	116.8	131.9	152.0	150.6		109.0
February	118.6	133.4	151.0	151.3		110.2
March	118.5	135.2	149.0	151.5		110.7
April	121.7	134.9	148.3	151.0		111.1
May	122.3	135.7	146.2	153.1		114.0
June	122.6	135.4	147.0	156.4		114.7
July	124.0	139.9	151.9		104.0	115.4
August	123.9	139.9	150.1		105.6	116.3
September	126.0	146.1	149.8		106.4	117.2
October	126.4	146.6	150.0		106.6	117.3
November	128.1	149.2	150.2		106.8	117.9
December	128.7	148.7	148.8		107.6	118.5
Yearly average	123.1	139.7	149.5		103.5	114.4
Annual Change (%)	+12.6	+ 13.5	+ 7.0		+4.6	+ 10.5

**Table 2 - Subindices by major commodity group (January 1993 - December 1993)
Base July 1991 - June 1992 = 100**

Major commodity Group	Weight	1993												Yearly average
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	
1. Food and non alcoholic beverages	392	107.8	110.2	110.7	111.5	117.8	118.4	118.9	119.4	120.0	120.2	121.5	122.1	116.5
2. Alcoholic beverages and tobacco	82	119.6	119.9	119.9	120.2	120.2	120.0	120.2	121.1	120.9	120.9	120.9	121.2	120.4
3. Clothing and footwear	88	104.9	105.3	105.8	105.8	106.3	108.2	108.2	112.4	114.7	114.7	114.9	116.3	109.8
4. Fuel and light	52	107.3	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4
5. Housing and household operations	131	109.3	109.9	110.2	110.6	111.6	112.5	115.2	115.5	116.9	117.0	117.4	118.0	113.7
6. Medical care and health expenses	36	106.1	106.9	108.9	109.1	109.8	110.3	112.4	116.5	119.8	119.0	119.4	119.8	113.2
7. Transport and communication	97	109.6	109.8	111.0	111.0	111.4	111.9	111.9	113.2	113.3	113.3	113.4	114.0	112.0
education and cultural services	66	108.5	108.5	108.6	109.4	111.6	111.6	111.6	111.6	113.7	113.7	114.0	114.3	111.4
9. Miscellaneous goods and services	56	111.0	111.4	111.8	112.1	112.0	114.0	114.8	115.0	115.7	115.9	116.4	116.4	113.9
All Groups	1000	109.0	110.2	110.7	111.1	114.0	114.7	115.4	116.3	117.2	117.3	117.9	118.5	114.4

Table 3 - Net contributions of commodities that have affected
the index in 1993.

<u>Commodity</u>	<u>Change in index point</u>
Bread	+ 0.8
Rice(Govt. imported)	+ 0.9
Flour	+ 0.3
Flour preparations	+ 0.1
Prepared meals	+ 0.1
Cakes and snacks	+ 0.6
Poultry	+ 0.3
Powdered milk	+ 0.3
Dairy products	+ 0.1
Eggs	+ 0.1
Fruits	- 0.1
Fresh vegetables	+ 1.1
Soft drinks	+ 0.3
Other food products	+ 1.0
Alcoholic beverages	+ 0.1
Ready made clothing	+ 0.3
Clothing materials	+ 0.4
Footwear	+ 0.2
Rent of dwellings	+ 0.1
Construction materials	+ 0.1
Household goods	+ 0.6
Domestic services	+ 0.1
Other household goods and services	+ 0.1
Medical care	+ 0.3
Medical services	+ 0.1
Motor vehicles spare parts	+ 0.1
Road tax	+ 0.3
Taxi fare	+ 0.1
Telephone services	+ 0.1
Pre-primary school fee	+ 0.1
Private tuition	+ 0.3
School requisites	+ 0.1
Educational and recreational goods	+ 0.1
Hairdressing	+ 0.1
Personal care	+ 0.1
Other goods and services	+ 1.2
Total	<u>+ 10.9</u>

Table 4 - Inflation rate (%) . 1975 - 1993

<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	
		1993 - 94	Around 11.0	1/

1/ Forecast

Table 5 - Internal purchasing power(1962-1993)

EROSION OF PURCHASING POWER

	1962	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
1962	100	83.8	21.6	16.1	15.0	14.1	13.9	13.8	12.6	11.2	9.9	9.3	8.9	8.1
1970	119.3	100	25.7	19.0	17.7	16.6	16.3	16.2	14.8	13.1	11.5	10.7	10.2	9.2
1980	463.2	388.3	100	74.2	69.2	64.9	63.8	63.4	58.1	51.6	45.5	42.5	40.6	36.7
1983	624.0	523.0	134.7	100	93.2	87.3	85.8	85.3	78.1	69.4	61.1	57.1	54.6	49.4
1984	669.6	561.2	144.5	107.3	100	93.7	92.0	91.4	83.7	74.3	65.5	61.2	58.5	52.9
1985	714.5	598.8	153.2	114.5	106.7	100	98.2	97.6	89.4	79.4	70.0	65.4	62.5	56.6
1986	727.4	609.6	157.0	116.6	108.6	101.8	100	99.4	91.0	80.8	71.2	66.5	63.6	57.6
1987	731.8	613.3	157.9	117.3	109.3	102.4	100.6	100	91.6	81.3	71.6	66.9	64.0	57.9
1988	799.1	669.1	172.4	128.1	119.4	111.8	109.9	109.2	100	88.8	78.2	73.1	69.9	63.3
1989	899.8	754.1	194.1	144.2	134.4	125.9	123.7	123.0	112.6	100	88.1	82.3	78.7	71.2
1990	1021.3	855.9	220.3	163.7	152.5	142.9	140.4	139.6	127.8	113.5	100	93.5	89.4	80.9
1991	1092.8	915.8	235.7	175.2	163.2	152.9	150.2	149.4	136.7	121.4	107.0	100	95.6	86.5
1992	1143.1	957.9	246.5	183.3	170.7	159.9	157.1	156.3	143.0	127.0	111.9	104.6	100	90.5
1993	1263.1	1058.5	272.4	202.5	188.6	176.7	173.6	172.7	158.0	140.3	123.6	115.6	110.5	100