

CONSUMER PRICE INDEX

1st Quarter 2004

1. Main movements in the Consumer Price Index – 1st Quarter 2004.

The Consumer Price Index (C.P.I) which stood at 108.9 in December 2003 registered an increase of 1.2 points (or 1.1%) during the first quarter of 2004 to reach 110.1 in March 2004 (*Table 1*).

The index, in fact, rose by 0.8 point in January and 0.4 point in February. No change was registered in March.

As shown in *Table 2*, the main contributors to the increase in the C.P.I. during the period under review were increases in the prices of bread (+0.2 point), frozen mutton (+0.1 point), chicken (+0.2 point), milk (+0.1 point), fresh fruits (+0.1 point), vegetables (+0.2 point), soft drinks (+0.1 point), other food products (+0.2 point), school fees (+0.1 point), and other goods and services (+0.1 point) coupled with price decreases of cooking gas (-0.1 point) and motor cars (-0.1 point).

2. Changes in sub-indices by division of consumption expenditure.

Table 3 shows the evolution of the sub-indices for the twelve divisions of consumption expenditure during the first quarter of 2004.

The “*Food and non-alcoholic beverages*” sub-index increased by 3.5% mainly as a result of higher prices of bread (12.0%) as from 7 February 2004, together with increases in the prices of chicken (7.0%), vegetables (3.9%), milk (4.6%), frozen mutton (8.7%), fresh fruits (4.8%) and soft drinks (4.9%).

The sub-index for “*Alcoholic beverages and tobacco*” went up by 0.3%. This was attributable mainly to price increases of whisky (3.9%).

The “*Clothing and footwear*” sub-index registered an increase of 0.5% mainly due to higher prices of some ready-made garments (0.6%) and price decreases of some footwear (0.2%).

The sub-index for “*Housing, water, electricity, gas and other fuels*” remained unchanged. However, this was mainly the net effect of price increases of cement (19.5%), together with price decreases of cooking gas (4.5%) as from 7 February 2004.

The sub-index for “*Furnishings, household equipment and routine household maintenance*” increased by 0.8% mainly as a result of price increases of furniture (1.4%), detergents (3.9%) and laundry soap (3.6%).

The sub-index for “*Health*” increased by 0.7% mainly due to price increases of some medicinal products (1.2%).

The sub-index for “*Transport*” decreased by 1.0%. This was mainly the effect of price decreases of motor cars (3.1%) and air tickets (3.2%).

The sub-index for “*Communication*” increased by 0.5% following price increases of mobile phones (10.4%).

The “*Recreation and culture*” sub-index decreased by 0.6%. This was attributable mainly to price decreases of some audio and video equipment (5.6%) together with higher prices of school requisites (2.5%).

The sub-index for “*Education*” went up by 2.9% mainly due to higher fees for pre-primary school (13.0%) and private tuition (1.2%).

The sub-index for “*Restaurants and hotels*” registered an increase of 1.2% as a result of higher charges in bars and restaurants (0.7%) together with price increases of cakes and snacks (2.2%), and prepared meals (1.1%).

The sub-index for “*Miscellaneous goods and services*” stood at 112.8 in March 2004, that is the same level as in December 2003. This was however the net effect of price decreases of some goods for personal care and hygiene (0.2%) together with higher nursery fees (2.2%).

3. Rate of inflation

The rate of inflation for calendar year 2003 was 3.9% and that for financial year 2002/03 was 5.1% (*Table 4*). On the basis of trends in previous years and recent price changes, it is expected that the inflation rate for financial year 2003/04 will be around 4%.

**Central Statistics Office
Ministry of Finance and Economic Development
Port Louis
April 2004.**

Contact person: **Mr. L. Persand**
Statistician, CPI Unit
Phone: 212 2316 / 17
Email: cso_cpi@mail.gov.mu

Note: Monthly Consumer Price Index data are available on CSO website <http://statsmauritius.gov.mu> within 5 working days after the reference month.

Table 1 - Monthly Consumer Price Index, January 1998 - March 2004

<u>Month</u>	<u>(Base : July 1996 - June 1997 = 100)</u>					<u>Base : July 2001 - June 2002 = 100</u>		
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
January	105.5	114.6	120.0	125.9	133.5		105.5	109.7
February	106.0	114.9	120.6	126.5	134.7		105.7	110.1
March	106.7	115.1	121.0	126.3	135.4		105.6	110.1
April	107.4	115.6	120.9	126.5	135.7		105.8	
May	108.0	115.8	121.0	126.8	135.9		106.5	
June	109.6	117.4	121.0	127.8	135.9		106.9	
July	109.7	117.8	121.3	129.7		103.1	107.5	
August	110.0	118.3	121.7	129.9		103.6	107.4	
September	112.1	118.5	121.9	130.1		104.0	107.9	
October	112.7	118.5	124.6	130.5		105.0	108.3	
November	113.1	118.9	124.8	131.1		104.9	108.4	
December	113.4	119.6	125.2	131.8		104.8	108.9	
Yearly average	109.5	117.1	122.0	128.6		103.0	107.0	
Annual change (%) (Inflation rate)	+ 6.8	+ 6.9	+ 4.2	+ 5.4		+ 6.4	+3.9	

Table 2 - Net contribution of main commodities that affected the index during the first quarter of 2004

Commodity	Change in overall index point	% change in price index between December 2003 and March 2004
Bread	+ 0.2	+ 12.0
Frozen mutton	+ 0.1	+ 8.7
Chicken	+ 0.2	+ 7.0
Milk	+ 0.1	+ 4.6
Fresh fruits	+ 0.1	+ 4.8
Vegetables	+ 0.2	+ 3.9
Soft drinks	+ 0.1	+ 4.9
Other food products	+ 0.2	+ 1.4
Cooking gas	- 0.1	- 4.5
Motor cars	- 0.1	- 3.1
School fees	+ 0.1	+ 10.7
Other goods and services	+ 0.1	+ 0.3
Overall	+ 1.2	+ 1.1

Table 3 : Monthly sub-indices by division of consumption expenditure, December 2003 - March 2004*(Base: July 2001 - June 2002 = 100)*

Division	Description	Weight	Dec-03	Jan-04	Feb-04	Mar-04	% change between December 2003 and March 2004
01	Food and non-alcoholic beverages	299	107.7	110.0	111.8	111.5	+ 3.5
02	Alcoholic beverages and tobacco	86	115.7	116.1	116.1	116.0	+ 0.3
03	Clothing and footwear	60	103.9	103.8	104.3	104.4	+ 0.5
04	Housing, water, electricity, gas and other fuels	96	105.9	105.9	105.9	105.9	-
05	Furnishings, household equipment and routine household maintenance	80	105.8	106.5	106.3	106.6	+ 0.8
06	Health	28	113.5	114.1	114.4	114.3	+ 0.7
07	Transport	139	106.7	106.4	105.6	105.6	- 1.0
08	Communication	31	133.3	133.3	133.9	133.9	+ 0.5
09	Recreation and culture	53	104.7	104.3	104.1	104.1	- 0.6
10	Education	24	108.5	111.7	111.7	111.7	+ 2.9
11	Restaurants and hotels	50	109.0	109.3	109.3	110.3	+ 1.2
12	Miscellaneous goods and services	54	112.8	113.2	113.2	112.8	-
	Total	1,000	108.9	109.7	110.1	110.1	+ 1.1

Table 4 - Inflation rate (%), 1975 - 2004

<i>Calendar year</i>	<i>Inflation rate</i>	<i>Financial year</i>	<i>Inflation rate</i>
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
1999	6.9	1998 - 99	7.9
2000	4.2	1999 - 2000	5.3
2001	5.4	2000 - 2001	4.4
2002	6.4	2001 - 2002	6.3
2003	3.9	2002 - 2003	5.1
		2003 - 2004 ¹	Around 4

¹ Forecast