

CONSUMER PRICE INDEX

2nd Quarter 2004

1. Main movements in the Consumer Price Index – 2nd Quarter 2004

The Consumer Price Index (C.P.I) rose from 110.1 in March 2004 to reach 111.3 in June 2004 (*Table 1*) representing an increase of +1.2 points (or 1.1%) during the second quarter of 2004.

The index, in fact, rose by 0.3 point in both April and May, and by 0.6 point in June.

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 edible oil (+0.1 point), chicken (+0.1 point), other food products (+0.2 point), rum (+0.1 point), beer and stout (+0.1 point), cigarettes (+0.1 point), doctors' fees (+0.1 point), fuel (+0.2 point), airfare (+0.1 point), catering services (+0.2 point), and other goods and services (+0.3 point). These increases were however partly offset by decreases in the price indices of fresh vegetables (-0.1 point), fruits (-0.1 point), milk (-0.1 point) and audio and video equipment (-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 second quarter of 2004. Except for “*Communication*” and “*Education*”, all sub-indices registered changes during the second quarter of 2004.

The “*Food and non-alcoholic beverages*” sub-index increased by 0.3% mainly as a result of price increases of edible oil (6.9%) and chicken (2.0%), together with decreases in the price indices of fresh vegetables (1.8%), fruits (7.7%) and milk (2.4%).

The sub-index for “*Alcoholic beverages and tobacco*” went up by 4.1%. This was mainly due to the partial effect of price increases of rum (11.9%), beer and stout (12.7%) and cigarettes (3.5%) following recent budgetary measures.

The “*Clothing and footwear*” sub-index registered an increase of 0.4% mainly due to higher prices of some ready-made garments (0.3%) and footwear (0.8%).

The sub-index for “*Housing, water, electricity, gas and other fuels*” increased by 0.3% due to higher prices of some repair materials (1.7%).

The sub-index for “*Furnishings, household equipment and routine household maintenance*” decreased by 0.1% mainly as a result of price decreases of some household appliances (0.9%), washing materials and softeners (1.0%) and laundry soap (1.7%), coupled with price increases of glassware and household utensils (1.3%).

The sub-index for “*Health*” increased by 2.9% mainly as a result of higher doctors' fees (7.9%).

The sub-index for “*Transport*” rose by 2.2%. This was mainly attributable to price increases of gasoline (4.7%) and diesel oil (9.7%) which came into effect on 2 April 2004, as well as higher prices for air tickets (6.4%).

The “*Recreation and culture*” sub-index declined by 0.9% mainly due to price decreases of some audio and video equipment (6.6%).

The sub-index for “*Restaurants and hotels*” registered an increase of 3.9% mainly as a result of higher charges in bars and restaurants (5.6%).

The sub-index for “*Miscellaneous goods and services*” went up by 1.4% mostly due to price increases of some goods for personal care and hygiene (1.4%), and higher rates for home insurance (4.6%).

3. Rate of inflation

The rate of inflation for financial year 2003/2004 was 3.9% compared to 5.1% for financial year 2002/2003. On the basis of trends in previous years and recent price changes, it is expected that the inflation rate for the calendar year 2004 will be around 4.5%.

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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 - June 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	110.4
May	108.0	115.8	121.0	126.8	135.9		106.5	110.7
June	109.6	117.4	121.0	127.8	135.9		106.9	111.3
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 second quarter of 2004

Commodity	Change in overall index point	% change in price index between March & June 2004
Fruits	- 0.1	- 7.7
Edible oil	+ 0.1	+ 6.9
Fresh vegetables	- 0.1	- 1.8
Milk	- 0.1	- 2.4
Chicken	+ 0.1	+ 2.0
Other food products	+ 0.2	+ 1.0
Rum	+ 0.1	+ 7.9 ¹
Beer and stout	+ 0.1	+ 9.7 ¹
Cigarettes	+ 0.1	+ 2.3 ¹
Doctors' fees	+ 0.1	+ 7.9
Fuel	+ 0.2	+ 5.3
Airfare	+ 0.1	+ 6.4
Audio and video equipment	- 0.1	- 6.6
Catering services	+ 0.2	+ 5.4
Other goods and services	+ 0.3	+ 0.5
Total	+ 1.2	+ 1.1

¹ Prices of rum, beer and stout, and cigarettes increased by 11.9%, 12.7% and 3.5% respectively following budgetary measures announced on 11 June 2004.

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

Division	Description	Weight	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	% change in price between March & June 2004
01	Food and non-alcoholic beverages	299	110.0	111.8	111.5	111.7	111.8	111.8	+ 0.3
02	Alcoholic beverages and tobacco	86	116.1	116.1	116.0	115.6	116.0	120.7	+ 4.1
03	Clothing and footwear	60	103.8	104.3	104.4	104.6	104.9	104.8	+ 0.4
04	Housing, water, electricity, gas and other fuels	96	105.9	105.9	105.9	106.0	106.0	106.2	+ 0.3
05	Furnishings, household equipment and routine household maintenance	80	106.5	106.3	106.6	106.6	106.8	106.5	- 0.1
06	Health	28	114.1	114.4	114.3	115.2	117.3	117.6	+ 2.9
07	Transport	139	106.4	105.6	105.6	107.4	107.4	107.9	+ 2.2
08	Communication	31	133.3	133.9	133.9	133.9	133.9	133.9	-
09	Recreation and culture	53	104.3	104.1	104.1	104.0	104.2	103.2	- 0.9
10	Education	24	111.7	111.7	111.7	111.7	111.7	111.7	-
11	Restaurants and hotels	50	109.3	109.3	110.3	110.4	111.4	114.6	+ 3.9
12	Miscellaneous goods and services	54	113.2	113.2	112.8	113.1	113.3	114.4	+ 1.4
	Total	1,000	109.7	110.1	110.1	110.4	110.7	111.3	+ 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
2004 ¹	Around 4.5	2003 - 2004	3.9

¹ Forecast