

Consumer Price Index Year 2004

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CONSUMER PRICE INDEX - 2004

1. Main movements in the Consumer Price Index in 2004

The Consumer Price Index (C.P.I.) rose from 108.9 in December 2003 to 115.0 in December 2004, representing an increase of 6.1 points (or 5.6%) during the year 2004 (*Table 1*).

Increases were noted during all the months of the year, except in March when no change was registered. Highest increases occurred in July and October with increases of 1.2 points and 1.5 points respectively. This resulted in an average monthly increase of around 0.5 point during the year.

The net contribution of the main commodities that influenced the CPI in 2004 is given in *Table 2*. The main causes for the increase were:

- higher prices of bread and government subsidised flour in February,
- higher prices of government subsidised rice in October,
- price increases of gasoline and diesel oil in April, July and October,
- higher bus fare in October,
- higher rates for electricity in October,
- price increases of milk, chicken, fish, alcoholic beverages and cigarettes,
- higher taxi fare and air fare, and
- higher charges for prepared meals, and expenditure in bars and restaurants in the course of the year.

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 year 2004. Except for sub-index "Recreation and culture", which declined by 1.8%, all sub-indices registered increases, ranging from 1.7% to 13.2%.

The sub-index for "*Food and non-alcoholic beverages*" increased by 6.5%. This was attributable mainly to price increases of bread (12.0%) and government subsidised flour (17.0%) in February, government subsidised rice (40.0%) in October, trader's rice (7.7%), milk (8.8%), cheese (14.3%), fish (8.5%), chicken (8.8%), beef (9.7%) and frozen mutton (15.2%), coupled with a decrease in the price index of fresh vegetables (2.1%).

The sub-index for "*Alcoholic beverages and tobacco*" went up by 6.0%. This was mainly due to price increases of beer and stout (13.2%), rum and other cane spirits (11.9%), and cigarettes (3.5%).

The sub-index for "*Clothing and footwear*" increased by 1.8% mainly as a result of price increases of ready made clothing (1.8%) and footwear (2.0%).

The "*Housing, water, electricity, gas and other fuels*" sub-index registered an increase of 2.5%. This was mainly attributable to higher rates for electricity (5.1%) in October and higher prices

of some materials for maintenance and repair of dwellings (8.9%), coupled with a decrease in the price of cooking gas (4.5%) in February.

The sub-index for “*Furnishings, household equipment and routine household maintenance*” rose by 3.4%. This was the result of higher charges for domestic services (5.3%) and higher prices of furniture (4.0%).

The sub-index for “*Health*” increased by 4.1% following higher doctors’ fees (9.4%) and clinic charges (6.0%).

A rise of 13.2% was observed in the “*Transport*” sub-index. This was mainly due to price increases of gasoline (27.9%) and diesel oil (45.0%) resulting from price reviews of April, July and October, higher bus fare (13.3%) in October, as well as higher taxi fare (15.4%) and air fare (16.0%).

The sub-index for “*Communication*” increased by 1.7%, mostly as a result of higher charges for telephone services (1.9%).

The sub-index for “*Recreation and culture*” decreased by 1.8% mainly due to price decreases of audio and video equipment (17.3%).

The sub-index for “*Education*” rose 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*” increased by 8.0% mainly as a result of higher charges in bars and restaurants (9.7%), and price increases of prepared meals (10.4%).

The sub-index for “*Miscellaneous goods and services*” went up by 3.2%. This was mainly due to price increases of some goods for personal care and hygiene (2.8%) and some personal effects (5.0%).

3. Rate of inflation

The rate of inflation for calendar year 2004 works out to 4.7% compared to 3.9% for calendar year 2003. The rate of inflation for financial year 2003/2004 was 3.9% (*Table 4*). On the basis of trends in previous years, it is expected that the inflation rate for financial year 2004/05 will be around 5.5%.

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**Contact person : Mr S. Bhonoo
Statistician, CPI Unit
Phone: 212-2316 /17**

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

Table 1 - Monthly Consumer Price Index, January 1998 - December 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	112.5
August	110.0	118.3	121.7	129.9		103.6	107.4	112.7
September	112.1	118.5	121.9	130.1		104.0	107.9	113.1
October	112.7	118.5	124.6	130.5		105.0	108.3	114.6
November	113.1	118.9	124.8	131.1		104.9	108.4	114.7
December	113.4	119.6	125.2	131.8		104.8	108.9	115.0
Yearly average	109.5	117.1	122.0	128.6		103.0	107.0	112.1
<i>Annual change (%)</i> <i>(Inflation rate)</i>	+ 6.8	+ 6.9	+ 4.2	+ 5.4		+ 6.4	+3.9	+ 4.7

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

Commodity	Change in overall index point	% change in price index between Dec. 2003 & Dec. 2004
Bread	+ 0.2	+ 12.0
Milk	+ 0.3	+ 8.8
Rice (Govt. subsidised)	+ 0.2	+ 40.0
Chicken	+ 0.2	+ 8.8
Trader's rice	+ 0.1	+ 7.7
Flour and flour preparations	+ 0.1	+ 10.6
Beef	+ 0.1	+ 9.7
Frozen mutton	+ 0.1	+ 15.2
Fish	+ 0.3	+ 8.5
Cheese	+ 0.1	+ 14.3
Cooking oil and margarine	+ 0.1	+ 4.0
Fresh vegetables	- 0.1	- 2.1
Other food products	+ 0.4	+ 3.9
Rum & other cane spirits	+ 0.2	+ 11.9
Beer & stout	+ 0.2	+ 13.2
Cigarettes	+ 0.2	+ 3.5
Ready made clothing	+ 0.1	+ 1.8
Materials for the maintenance and repair of dwellings	+ 0.2	+ 8.9
Electricity charges	+ 0.2	+ 5.1
Cooking gas	- 0.1	- 4.5
Furniture	+ 0.1	+ 4.0
Domestic services	+ 0.1	+ 5.3
Household products for cleaning and maintenance	+ 0.1	+ 3.7
Doctors' fees	+ 0.1	+ 9.4
Motor cars	+ 0.1	+ 3.7
Gasolene	+ 0.8	+ 27.9
Diesel oil	+ 0.2	+ 45.0
Bus fare	+ 0.4	+ 13.3
Taxi fare	+ 0.2	+ 15.4
Airfare	+ 0.2	+ 16.0
Telephone services	+ 0.1	+ 1.9
Audio & video equipment	- 0.1	- 17.3
School and tuition fees	+ 0.1	+ 4.1
Prepared meals	+ 0.2	+ 10.4
Expenditure in bars & restaurants	+ 0.2	+ 9.7
Goods for personal care & hygiene	+ 0.1	+ 2.8
Other goods and services	+ 0.1	+ 1.9
Total	+ 6.1	+ 5.6

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

Division	Description	Weight	Dec. 2003	Jan. 2004	Feb 2004	Mar. 2004	Apr. 2004	May 2004	Jun. 2004	Jul. 2004	Aug. 2004	Sep. 2004	Oct. 2004	Nov. 2004	Dec. 2004	% change between December 2003 & December 2004
01	Food and non-alcoholic beverages	299	107.7	110.0	111.8	111.5	111.7	111.8	111.8	112.2	112.3	113.2	114.5	114.4	114.7	+ 6.5
02	Alcoholic beverages and tobacco	86	115.7	116.1	116.1	116.0	115.6	116.0	120.7	122.9	122.1	122.8	123.4	123.4	122.6	+ 6.0
03	Clothing and footwear	60	103.9	103.8	104.3	104.4	104.6	104.9	104.8	105.2	105.0	105.2	105.7	105.8	105.8	+ 1.8
04	Housing, water, electricity, gas and other fuels	96	105.9	105.9	105.9	105.9	106.0	106.0	106.2	106.6	108.4	108.4	108.5	108.5	108.6	+ 2.5
05	Furnishings, household equipment and routine household maintenance	80	105.8	106.5	106.3	106.6	106.6	106.8	106.5	108.1	108.0	108.4	109.0	109.1	109.4	+ 3.4
06	Health	28	113.5	114.1	114.4	114.3	115.2	117.3	117.6	117.7	119.1	119.1	119.2	118.8	118.2	+ 4.1
07	Transport	139	106.7	106.4	105.6	105.6	107.4	107.4	107.9	112.5	112.2	112.2	118.1	118.6	120.8	+ 13.2
08	Communication	31	133.3	133.3	133.9	133.9	133.9	133.9	133.9	133.9	133.5	133.5	136.6	136.6	135.5	+ 1.7
09	Recreation and culture	53	104.7	104.3	104.1	104.1	104.0	104.2	103.2	103.5	103.2	103.3	103.4	103.6	102.8	- 1.8
10	Education	24	108.5	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.7	+ 2.9
11	Restaurants and hotels	50	109.0	109.3	109.3	110.3	110.4	111.4	114.6	115.4	115.5	116.1	116.9	117.4	117.7	+ 8.0
12	Miscellaneous goods and services	54	112.8	113.2	113.2	112.8	113.1	113.3	114.4	115.2	116.0	116.0	116.2	116.0	116.4	+ 3.2
	Total	1,000	108.9	109.7	110.1	110.1	110.4	110.7	111.3	112.5	112.7	113.1	114.6	114.7	115.0	+ 5.6

Table 4 - Inflation rate (%), 1975 - 2005

<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	4.7	2003 - 2004	3.9
		2004 - 2005	Around 5.5 ¹

¹ Forecast