

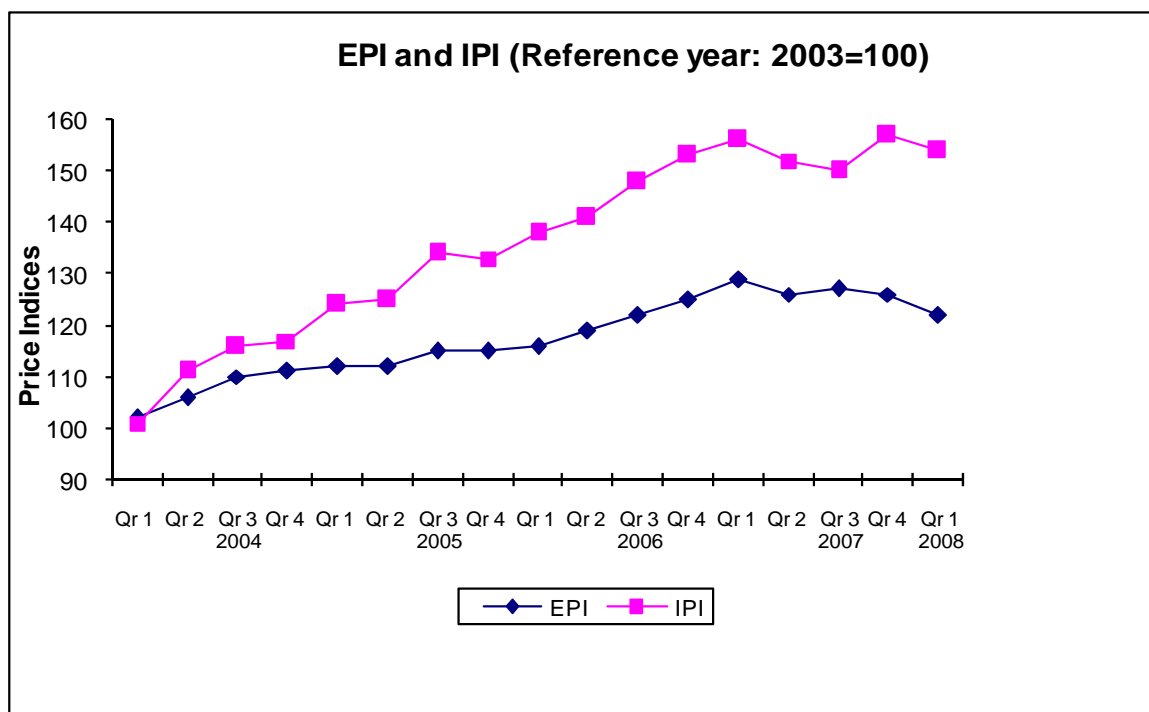
Quarterly Export and Import Price Indices
1st Quarter 2008
(Reference year: 2003=100)

1. Introduction

The Export Price Index (EPI) provides an overall measure of pure price changes (in Mauritian rupees) of domestically produced goods exported to other countries. The Import Price Index (IPI), on the other hand, measures price changes (in Mauritian rupees) of goods purchased from other countries (excluding Freeport activities). The weights used for the compilation of the indices have been derived from trade data for the year 2002 while the year 2003 is used as reference year (i.e. 2003=100). Details on the construction of the EPI and IPI are annexed.

2. Terms of trade (reference year: 2003 = 100)

The terms of trade is the ratio of export price index to import price index. A rise in this ratio indicates that the terms of trade have moved in favour of Mauritius. During the first quarter of 2008, both export and import prices went down, by 3.5% and 1.6% respectively. Consequently the terms of trade index went down by 2 percentage points to reach 79.



3. Domestic exports

During the first quarter of 2008 domestic exports were valued at Rs 10,281 million. Compared to the corresponding quarter of 2007 this figure represented a decrease of 5% in nominal terms, resulting from a decrease of 6% in prices and an increase of 1% in volume.

4. Imports

Compared to the first quarter of 2007, total imports (excluding aircraft and transactions of the Freeport) went up by 29% to reach Rs 29,584 million in the first quarter of 2008. This is explained mainly by an increase of 31% in the volume of imports while prices dropped slightly by 2% (Table 3).

5. Export Price Index (EPI) (Tables 4-10)

5.1 Structure of the EPI

The EPI covers five sections of the SITC, namely “Food and live animals”, “Crude materials, inedible, except fuels”, “Chemicals and related products”, “Manufactured goods classified chiefly by material” and “Miscellaneous manufactured articles”. Exports of goods falling under these sections covered 99% of domestic exports in reference year 2003. Distribution of weights for the different sections, groups of commodities and items are given in Table 4. In addition to the overall index, separate sub-indices are also given for different product categories.

5.2 Changes in Export Price Index (1st quarter 2008)

5.2.1 Overall Index

During the first quarter of 2008, the EPI fell by 3.5% to reach 122.0, from 126.4 in the fourth quarter of 2007. Compared to the previous quarter, decreases ranging from 2.7% to 6.0% were registered in the export prices of almost all sections with the exception of “Food and live animals” where prices went up marginally by 0.8%.

Compared to price levels in the corresponding quarter of 2007, the index was 5.5% lower, the most significant decrease being registered in “Miscellaneous manufactured articles” which carries around 67% of the total weight and whose prices went down by 10.1%. However, this was partially offset by an increase of 4.0% in the prices of “Food and live animals”, the second most important component of the index.

5.2.2 Sub-indices by section and commodity

Section 0: Food and live animals

During the first quarter of 2008, the sub-index for “Food and live animals” accounting for 29% of the total weight, went up slightly (0.8%) to reach 133.0. This rise was mainly due to an increase of 2.6% in the price of “Fish and fish preparations” which comprises 18% of the weight of this section.

When compared to the first quarter of 2007, the index for this section was higher by 4.0%, being mainly the effect of increases of 1.3% in prices of sugar and 14.8% in prices of “Fish and fish preparations”.

Section 2: Crude materials, inedible, except fuels

The index for this section went down from 109.7 in the fourth quarter of 2007 to 103.1 in the first quarter of 2008, following a decline of 6.0% in the export price of fresh cut flowers.

When compared to the corresponding quarter of 2007, the index was 4.0% lower.

Section 5: Chemicals and related products

The export price indices for this section stood at 135.0 during the first quarter of 2008 showing a decrease of 4.1% compared to both the previous quarter and the corresponding quarter of 2007.

Section 6: Manufactured goods classified chiefly by material

During the first quarter of 2008, export prices of goods in this section, which consists mainly of textile fabrics, went down by 2.7%, from 127.9 in the fourth quarter of 2007 to 124.5 in the first quarter of 2008. The export prices of “Textile yarn and fabrics”, the most important component of this section, fell by 3.4%.

Compared to the corresponding quarter of 2007, the index was up by 8.3% being mainly the result of a 9.4% rise in the price of “Textile yarn and fabrics”.

Section 8: Miscellaneous manufactured articles

This is the most important section of the index as it carries about 67% of the total weight and consists mostly of articles of wearing apparel.

During the first quarter of 2008, the export prices of goods in this section registered a decrease of 5.6% moving down from 124.0 in the fourth quarter of 2007 to 117.1 in the first quarter of 2008. The export prices of “Articles of apparel and clothing accessories” declined by 5.6% and those of “Optical goods, n.e.s, watches and clocks” went down by 2.4%.

Compared to the corresponding quarter of 2007, the index fell by 10.1% being the combined effect of a decrease of 10.5% in prices of “Articles of apparel and clothing accessories” and an increase of 2.3% in prices of “Optical goods, n.e.s, watches and clocks”.

6. Import Price Index (IPI) (Tables 11 - 15)

6.1 Structure of the IPI

The IPI covers eight out of the ten Standard International Trade Classification (SITC, Rev. 3) sections, namely “Food and live animals”, “Crude materials, inedible, except fuels”, “Mineral fuels, lubricants and related materials”, “Animal and vegetable oils, fats and waxes”, “Chemical materials and related products, n.e.s”, “Manufactured goods classified chiefly by materials”, “Machinery and transport equipment” and “Miscellaneous manufactured articles”.

The two SITC sections not covered are “Beverages and tobacco” and “Commodities and transactions not classified elsewhere”. Goods in these sections represented only one per cent of all imports in 2002. They are not included because of the heterogeneity of the products and the inherent difficulties in pricing the items to a constant quality.

Thus, the index, either directly or indirectly, covers about 99% of merchandise imported during 2002. Sixty one per cent of the items are directly represented; for items which are not directly represented, the prices are considered to move similarly to those represented directly.

6.2 Changes in Import Price Index – 1st quarter 2008

6.2.1 Overall Index

The Import Price Index (IPI) for the first quarter of 2008 went down by 1.6% to reach 153.7 from 156.2 in the previous quarter. This was mainly the effect of decreases in prices of the following sections: “Manufactured goods classified chiefly by material” (-8.1%) and “Machinery and transport equipment” (-3.7%). However, these were partly offset by increases in the price indices of “Mineral fuels, lubricants and related materials” (+5.9%) and “Food and live animals” (+1.3%)

Compared to the corresponding period of 2007, the index went down by 1.6%, resulting mostly from decreases of 12.9% in prices of “Manufactured goods classified chiefly by material” and 5.7% in those of “Machinery and transport equipment”, coupled with increases of 7.2% in prices of “Mineral fuels, lubricants and related material” and 16.1% in those of “Food and live animals”.

6.2.2 Sub-indices by SITC section and division

Section 0: Food and live animals

The index for the section “Food and live animals”, comprising about 16% of total weight, went up by 1.3%, from 183.8 in the fourth quarter of 2007 to reach 186.1 in the first quarter of 2008. During the same period, the most significant price increase was registered in the division “Cereals and cereal preparations” (+20.6%) which carries 29% of the weight of this section. However, these price increases were partially offset by a fall in the import prices of “Fish, crustaceans, etc.” (-3.4%) and “Vegetables and fruit” (-14.6%).

Compared to the first quarter of 2007, the index went up by 16.1%, with most important price increases in “Dairy products and birds’ eggs” (53.7%), “Fish and fish preparations” (14.9%) and “Cereals and cereal preparations” (20.2%). However, decreases of 10.9% and 1.1% were noted in the import prices of “Vegetables and fruit” and “Miscellaneous edible products and preparations” respectively.

Section 2: Crude materials, inedible, except fuels

The index for “Crude materials, inedible, except fuels” (about 2% of total weight) went down by 5.0% from 156.9 in the fourth quarter of 2007 to 149.1 in the first quarter of 2008, as a result of decreases in import prices of “Cork and wood” (-2.9%) and “Textile fibres and their wastes” (-7.1%).

Compared to the corresponding period of last year, the index registered a decrease of 7.4%, being the effect of decreases of 3.9% and 10.7% in prices of “Cork and wood” and in those of “Textile fibres and their wastes” respectively.

Section 3: Mineral fuels, lubricants and related materials

The index for the section “Mineral fuels, lubricants and related materials” with nearly 18% of the total weight, showed an increase 5.9% during the first quarter of 2008 to reach 240.3 on account of an increase of 5.9% in the price of petroleum and petroleum products.

When compared to the first quarter of 2007, the index shows an increase of 7.2%, owing to a rise of 7.2% in prices of petroleum and petroleum products.

Section 4: Animal and vegetable oils, fats and waxes

During the first quarter of 2008, the section “Animal and vegetable oils, fats and waxes” which carries about one per cent of the total weight stood at 212.5, i.e. an increase of 16.1% over the previous quarter.

When compared to the corresponding quarter of 2007, the index showed a substantial rise of 29.7%.

Section 5: Chemical materials and related products, not elsewhere specified (n.e.s)

The index “Chemical materials and related products, n.e.s” (about 5% of total weight) went down by 5.9% in the first quarter of 2008 to reach 121.9. During this quarter, all divisions of this section registered decreases in import prices: “Medical and pharmaceutical products” (-6.1%), “Chemical materials and products, n.e.s” (-6.4%), and “Essential oils and perfume materials, etc.” (-4.7%).

The index declined by 9.0% when compared to the corresponding period of last year.

Section 6: Manufactured goods classified chiefly by material

This is the most important section, carrying about 38% of the total weight. In the first quarter of 2008 the index stood at 119.7, showing a decrease of 8.1% over the previous quarter. This is mostly attributable to a decrease of 8.8% in the import prices of “Textile yarn, fabrics, made-up-articles n.e.s”, accounting for 69% of the weight of this section.

When compared to the corresponding quarter of 2007, the index for this section shows a decrease of 12.9% with price decreases in all divisions.

Section 7: Machinery and transport equipment

The index of “Machinery and transport equipment” with 11% of total weight attained 119.9 in the first quarter of 2008, 3.7% lower than the previous quarter. Import prices of almost of all the divisions showed decreases ranging from 2.5% to 7.3% with the exception of “General industrial machinery and equipment” whose prices went up slightly by 0.7%.

Compared to the corresponding quarter of 2007, the index went down by 5.7%. This was attributable to price decreases in all divisions namely “Road vehicles” (-4.3%), “Telecommunications and sound recording and reproducing apparatus” (-7.7%), “Office machines and automatic data processing machines” (-4.0%) and “General industrial machinery and equipment” (-10.6 %).

Section 8: Miscellaneous manufactured articles

The index for “Miscellaneous manufactured articles” showed a decrease of 5.5% from 124.7 in the fourth quarter of 2007 to 117.9 in the first quarter of 2008. The index was mainly affected by a decrease of 5.4% in import prices of goods classified in the division “Miscellaneous manufactured articles, n.e.s” which accounts for 80% of the weights in this section.

When compared to the corresponding quarter of last year, the index was down by 14.8%, resulting from decreases in import prices of “Miscellaneous manufactured articles, n.e.s” (-8.4%) and “Professional, scientific instruments” (-8.7%).

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Table 1- Price indices of exports and imports and terms of trade, 2006 - 1st Qr 2008

Period		Price indices		Terms of trade
		Export	Import	
Reference year : 2003 = 1 0 0				
2006		120.7	145.1	83
2007		127.1	153.6	83
2007	1st Qr	129.1	156.2	83
	2nd Qr	126.4	151.8	83
	3rd Qr	126.5	150.2	84
	4th Qr ¹	126.4	156.2	81
2008	1st Qr ²	122.0	153.7	79

¹ Revised ² Provisional

Table 2-Percentage change in the price and volume of domestic exports, 1st Qr 2007-1st Qr 2008

SITC ¹ -section	Description	Weight	F.O.B Value (Rs Mn)		% change		
			1 st Qr 2007 ²	1 st Qr 2008 ²	Value	Price	Volume ³
	Overall	10,000	10,820	10,281	-5	- 6	+ 1
0	Food and live animals	2,942	3,383	3,547	5	+ 4	+ 1
	<i>of which:</i>						
	<i>Sugar</i>	2,296	1,954	1,818	-7	+ 1	- 8
2	Crude materials, inedible except fuels	31	98	129	+32	- 4	+ 37
5	Chemicals & related products, n.e.s	21	92	103	+12	- 4	+ 17
6	Manufactured goods classified chiefly by material	293	1,026	845	-18	+ 8	- 24
8	Miscellaneous manufactured articles	6,713	6,142	5,603	-9	- 10	+ 1

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

² Provisional ³ Volume change has been derived as the ratio of value to price change

Table 3 -Percentage change in the price and volume of imports¹, 1st Qr 2007 - 1st Qr 2008

SITC ² -section	Description	Weight	C.I.F Value (Rs Mn)		% change		
			1 st Qr 2007 ³	1 st Qr 2008 ³	Value	Price	Volume ⁴
	Overall	10,000	22,850	29,584	+29	-2	+ 31
0	Food and live animals	1,621	3,463	6,419	+85	+16	+ 59
2	Crude materials, inedible except fuels	221	832	1,374	+65	-7	+ 77
3	Mineral fuels, lubricants & related materials	1,789	4,919	6,573	+34	+7	+ 25
4	Animals and vegetables oils & fats	113	207	432	+109	+30	+ 61
5	Chemicals & related products, n.e.s	467	1,753	2,058	+17	-9	+ 28
6	Manufactured goods classified chiefly by material	3,776	4,975	5,480	+10	-13	+ 26
7	Machinery & transport equipment (excluding aircraft)	1,134	4,646	4,954	+7	-6	+ 14
8	Miscellaneous manufactured articles	879	1,702	1,821	+7	-15	+ 26

¹ Imports values exclude transactions of the freeport and aircraft

² The Standard International Trade Classification Revision 3 (SITC Rev 3)

³ Provisional ⁴ Volume change has been derived as the ratio of value to price change

Table 4 - Quarterly Export Price Index by SITC¹ section, 2006 - 1st Qr 2008

Reference year 2003=100

SITC ¹ Section	Description	Weight	2006 Average	2007					2008
				1st Qr	2nd Qr	3rd Qr	4th Qr	Average	1st Qr ²
	Overall	10,000	120.7	129.1	126.4	126.5	126.4	127.1	122.0
0	Food and live animals	2,942	123.8	127.9	128.3	130.5	132.0	129.7	133.0
2	Crude materials, inedible, except fuels	31	102.5	107.4	104.9	113.4	109.7	108.9	103.1
5	Chemicals and related products, n.e.s	21	129.1	140.7	137.9	137.9	140.7	139.3	135.0
6	Manufactured goods classified chiefly by material	293	106.7	115.0	112.5	112.1	127.9	116.9	124.5
8	Miscellaneous manufactured articles	6,713	120.0	130.3	126.2	125.5	124.0	126.5	117.1

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

² Provisional

Table 5 - Quarterly Export Price Index by SITC¹, 2006 - 1st Qr 2008

Reference year 2003=100

SITC ¹ Section	Description	Weight	2006	2007					2008
			Average	1st Qr	2nd Qr	3rd Qr	4th Qr	Average	1st Qr ²
	Overall	10,000	120.7	129.1	126.4	126.5	126.4	127.1	122.0
0	Food and live animals	2,942	123.8	127.9	128.3	130.5	132.0	129.7	133.0
	Fish and fish preparations	521	123.5	131.3	132.6	140.4	146.9	137.8	150.7
	Cereals and cereal preparations	55	128.1	177.7	178.7	182.2	207.0	186.4	226.1
	Sugar	2,296	123.4	125.3	125.3	126.9	126.9	126.1	126.9
	Molasses	15	236.1	259.0	259.0	163.4	163.4	211.2	163.4
	Feeding stuff for animals	55	110.0	119.2	124.4	123.5	121.0	122.0	120.5
2	Crude materials, inedible, except fuels	31	102.5	107.4	104.9	113.4	109.7	108.9	103.1
	Crude animal and vegetable materials	31	102.5	107.4	104.9	113.4	109.7	108.9	103.1
5	Chemicals and related products, n.e.s	21	129.1	140.7	137.9	137.9	140.7	139.3	135.0
	Fertilisers	21	129.1	140.7	137.9	137.9	140.7	139.3	135.0
6	Manufactured goods classified chiefly by material	293	106.7	115.0	112.5	112.1	127.9	116.9	124.5
	Paper, paperboard and articles of paper pulp, of paper or of paperboard	24	108.1	114.7	112.4	127.6	135.3	122.5	135.1
	Textile yarn, fabrics, made-up articles, n.e.s & related products	226	104.8	113.5	111.2	109.1	128.6	115.6	124.2
	Non-metallic mineral manufactures	43	115.7	123.4	119.4	119.5	120.7	120.8	120.2

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

² Provisional

Table 5 (cont'd) - Quarterly Export Price Index by SITC¹, 2006 - 1st Qr 2008

Reference year 2003=100

SITC ¹ Section	Description	Weight	2006	2007					2008
			Average	1st Qr	2nd Qr	3rd Qr	4th Qr	Average	1st Qr ²
8	Miscellaneous manufactured articles	6,713	120.0	130.3	126.2	125.5	124.0	126.5	117.1
	Articles of apparel and clothing accessories	6,589	119.1	129.4	125.0	124.3	122.7	125.3	115.8
	<i>Men's or boys' coats, jackets, suits, blazers, trousers, shorts, shirts etc, not knitted or crocheted</i>	1,772	116.6	123.7	117.3	118.6	116.2	119.0	109.5
	<i>Women's or girls' coats, jackets, suits, blazers, trousers, shorts, shirts etc, not knitted or crocheted</i>	1,125	109.9	118.9	115.5	113.4	110.0	114.5	102.7
	<i>Men's or boys' coats, jackets, suits, blazers, trousers, shorts, shirts etc, knitted or crocheted</i>	286	128.5	136.0	132.2	134.5	132.1	133.7	122.3
	<i>Women's or girls' coats, jackets, suits, blazers, trousers, shorts, shirts etc, knitted or crocheted</i>	172	111.6	120.7	117.4	115.6	113.2	116.7	105.9
	<i>Articles of apparel, of textile fabrics, whether or not knitted or crocheted</i>	3,209	123.3	136.0	132.3	130.7	130.3	132.3	123.8
	<i>Clothing accessories, of textile fabrics, whether or not knitted or crocheted</i>	25	118.8	131.0	128.4	128.4	131.0	129.7	125.8
	Optical goods,n.e.s, watches and clocks	124	168.6	182.7	190.1	189.4	191.5	188.4	186.9
	<i>Optical goods</i>	38	115.9	126.9	124.8	122.4	122.5	124.2	116.1
	<i>Watches and clocks</i>	86	191.9	207.4	218.9	219.0	222.0	216.8	218.1

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

² Provisional

Table 6 - Export Price Index: Percentage change by SITC¹ section, 1st Qr 2007 - 1st Qr 2008

Reference year 2003=100

Section	Description	Weight	Percentage change from				
			1st Qr 07	2nd Qr 07	3rd Qr 07	4th Qr 07	1st Qr 07
			to 2nd Qr 07	to 3rd Qr 07	to 4th Qr 07	to 1st Qr 08	to 1st Qr 08
	Overall	10,000	-2.1	0.1	-0.1	-3.5	-5.5
0	Food and live animals	2,942	0.3	1.7	1.1	0.8	4.0
2	Crude materials, inedible, except fuels	31	-2.3	8.1	-3.3	-6.0	-4.0
5	Chemicals and related products, n.e.s	21	-2.0	0.0	2.0	-4.1	-4.1
6	Manufactured goods classified chiefly by material	293	-2.2	-0.4	14.1	-2.7	8.3
8	Miscellaneous manufactured articles	6,713	-3.1	-0.6	-1.2	-5.6	-10.1

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¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

Table 7 - Export Price Index: Percentage change by SITC¹, 1st Qr 2007 - 1st Qr 2008

Reference year 2003=100

SITC ¹ Section	Description	Weight	Percentage change from				
			1st Qr 07 to 2nd Qr 07	2nd Qr 07 to 3rd Qr 07	3rd Qr 07 to 4th Qr 07	4th Qr 07 to 1st Qr 08	1st Qr 07 to 1st Qr 08
	Overall	10,000	-2.1	0.1	-0.1	-3.5	-5.5
0	Food and live animals	2,942	0.3	1.7	1.1	0.8	4.0
	Fish and fish preparations	521	1.0	5.9	4.6	2.6	14.8
	Cereals and cereal preparations	55	0.6	2.0	13.6	9.2	27.2
	Sugar	2,296	0.0	1.3	0.0	0.0	1.3
	Molasses	15	0.0	-36.9	0.0	0.0	-36.9
	Feeding stuff for animals	55	4.4	-0.7	-2.0	-0.4	1.1
2	Crude materials, inedible, except fuels	31	-2.3	8.1	-3.3	-6.0	-4.0
	Crude animal and vegetable materials	31	-2.3	8.1	-3.3	-6.0	-4.0
5	Chemicals and related products, n.e.s	21	-2.0	0.0	2.0	-4.1	-4.1
	Fertilisers	21	-2.0	0.0	2.0	-4.1	-4.1
6	Manufactured goods classified chiefly by material	293	-2.2	-0.4	14.1	-2.7	8.3
	Paper, paperboard and articles of paper pulp, of paper or of paperboard	24	-2.0	13.5	6.0	-0.1	17.8
	Textile yarn, fabrics, made-up articles, n.e.s & related products	226	-2.0	-1.9	17.9	-3.4	9.4
	Non-metallic mineral manufactures	43	-3.2	0.1	1.0	-0.4	-2.6

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

Table 7 (cont'd) - Export Price Index: Percentage change by SITC¹, 1st Qr 2007 - 1st Qr 2008

		Reference Year 2003= 100					
SITC ¹ Section	Description	Weight	Percentage change from				
			1st Qr 07 to 2nd Qr 07	2nd Qr 07 to 3rd Qr 07	3rd Qr 07 to 4th Qr 07	4th Qr 07 to 1st Qr 08	1st Qr 07 to 1st Qr 08
8	Miscellaneous manufactured articles	6,713	-3.1	-0.6	-1.2	-5.6	-10.1
	Articles of apparel and clothing accessories	6,589	-3.4	-0.6	-1.3	-5.6	-10.5
	<i>Men's or boys' coats, jackets, suits, blazers, trousers, shorts, shirts etc, not knitted or crocheted</i>	1,772	-5.2	1.1	-2.0	-5.8	-11.5
	<i>Women's or girls' coats, jackets, suits, blazers, trousers, shorts, shirts etc, not knitted or crocheted</i>	1,125	-2.9	-1.8	-3.0	-6.6	-13.6
	<i>Men's or boys' coats, jackets, suits, blazers, trousers, shorts, shirts etc, knitted or crocheted</i>	286	-2.8	1.8	-1.8	-7.4	-10.1
	<i>Women's or girls' coats, jackets, suits, blazers, trousers, shorts, shirts etc, knitted or crocheted</i>	172	-2.7	-1.5	-2.1	-6.4	-12.3
	<i>Articles of apparel, of textile fabrics, whether or not knitted or crocheted</i>	3,209	-2.7	-1.2	-0.3	-5.0	-9.0
	<i>Clothing accessories, of textile fabrics, whether or not knitted or crocheted</i>	25	-2.0	0.0	2.0	-4.0	-4.0
	Optical goods,n.e.s, watches and clocks	124	4.1	-0.4	1.1	-2.4	2.3
	<i>Optical goods</i>	38	-1.7	-1.9	0.1	-5.2	-8.5
	<i>Watches and clocks</i>	86	5.5	0.0	1.4	-1.8	5.2

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¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

Table 8 - Quarterly Export Price Index by SITC¹ section, Year 2003

SITC ¹ Section	Description	Weight	2003 Average	2003			
				1st Qr	2nd Qr	3rd Qr	4th Qr
	Overall	10,000	100.0	98.1	98.5	101.9	101.5
0	Food and live animals	2,942	100.0	98.1	97.8	102.4	101.7
2	Crude materials, inedible, except fuels	31	100.0	95.6	98.8	102.8	102.8
5	Chemicals and related products, n.e.s	21	100.0	94.2	98.7	103.0	104.1
6	Manufactured goods classified chiefly by material	293	100.0	99.4	99.2	101.9	99.6
8	Miscellaneous manufactured articles	6,713	100.0	98.1	98.7	101.6	101.6

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

Table 9 - Quarterly Export Price Index, 1st Qr 1994 - 1st Qr 2008 (multiple base)

	Reference year 1993=100				Reference year 1997=100						Reference year 2003=100				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Qr 1	103.2	109.5	117.0	125.3	102.1	111.0	108.2	108.1	117.6	124.9	102.0	112.0	116.4	129.1	122.0 ¹
Qr 2	101.6	109.8	121.3	126.2	106.1	110.0	105.3	107.4	120.2	126.5	106.3	111.7	119.3	126.4	
Qr 3	105.2	113.2	126.8	123.8	111.3	109.7	101.6	112.6	126.5	131.2	109.5	114.6	122.0	126.5	
Qr 4	107.3	114.7	127.2	132.0	113.8	109.7	102.4	114.8	126.8	132.2	111.3	115.2	125.0	126.4	
Year	104.3	111.8	123.1	126.8	108.3	110.1	104.4	110.7	122.8	128.7	107.3	113.4	120.7	127.1	

¹ Provisional

Table 10 - Quarterly Export Price Index, 1st Qr 1994 - 1st Qr 2008 (single base)

	Reference year 2003=100														
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Qr 1	63.2	67.1	71.7	76.8	79.3	86.2	84.1	84.0	91.4	97.0	102.0	112.0	116.4	129.1	122.0 ¹
Qr 2	62.3	67.3	74.3	77.3	82.4	85.5	81.8	83.4	93.4	98.3	106.3	111.7	119.3	126.4	
Qr 3	64.5	69.4	77.7	75.9	86.5	85.2	78.9	87.5	98.3	101.9	109.5	114.6	122.0	126.5	
Qr 4	65.7	70.3	77.9	80.9	88.4	85.2	79.6	89.2	98.5	102.7	111.3	115.2	125.0	126.4	
Year	63.9	68.5	75.4	77.7	84.2	85.5	81.1	86.0	95.4	100.0	107.3	113.4	120.7	127.1	

¹ Provisional

Table 11 - Quarterly Import Price Index by SITC¹ section, 2006 - 1st Qr 2008

Reference year 2003=100

Section	Description	Weight	2006	2007					2008
			Average	1st Qr	2nd Qr	3rd Qr	4th Qr ²	Average ²	1st Qr ³
	Overall Index	10,000	145.1	156.2	151.8	150.2	156.2	153.6	153.7
0	Food and live animals	1,621	146.7	160.3	163.6	168.2	183.8	169.0	186.1
2	Crude materials, inedible, except fuels	221	146.8	161.0	158.3	156.4	156.9	158.2	149.1
3	Mineral fuels, lubricants and related materials	1,789	214.2	224.1	217.3	208.5	227.0	219.2	240.3
4	Animal and vegetable oils, fats and waxes	113	118.9	163.8	158.9	171.3	183.1	169.3	212.5
5	Chemical materials & related products, n.e.s	467	122.8	133.9	130.3	129.0	129.6	130.7	121.9
6	Manufactured goods classified chiefly by material	3,776	128.4	137.4	130.2	129.6	130.2	131.9	119.7
7	Machinery and transport equipment	1,134	117.1	127.2	124.0	126.0	124.5	125.4	119.9
8	Miscellaneous manufactured articles	879	124.4	138.4	134.0	124.7	124.7	130.5	117.9

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

² Revised

³ Provisional

Table 12 - Quarterly Import Price Index by SITC¹ section & division, 2006 - 1st Qr 2008

Reference year 2003=100

Section/ Division	Description	Weight	2006	2007					2008
			Average	1st Qr	2nd Qr	3rd Qr	4th Qr ²	Average ²	1st Qr ³
	Overall Index	10,000	145.1	156.2	151.8	150.2	156.2	153.6	153.7
Section 0	Food and live animals	1,621	146.7	160.3	163.6	168.2	183.8	169.0	186.1
Div 01	Meat and meat preparations	101	134.4	143.5	145.0	144.0	143.4	144.0	144.9
Div 02	Dairy products and birds' eggs	266	130.4	140.2	153.8	156.3	214.4	166.2	215.5
Div 03	Fish, crustaceans, etc, and preparations thereof	388	205.4	223.7	235.8	242.7	266.0	242.1	257.0
Div 04	Cereals and cereal preparations	472	125.8	134.6	131.6	135.5	134.2	134.0	161.8
	<i>of which:</i>								
	<i>Wheat (including spelt) & meslin, unmilled</i>	<i>196</i>	<i>118.8</i>	<i>125.7</i>	<i>123.2</i>	<i>121.7</i>	<i>120.6</i>	<i>122.8</i>	<i>120.6</i>
Div 05	Vegetables and fruit	227	128.6	149.1	142.7	150.9	155.5	149.6	132.8
Div 09	Miscellaneous edible products and preparations	167	127.6	142.3	142.2	145.3	146.8	144.2	140.7
Section 2	Crude materials, inedible, except fuels	221	146.8	161.0	158.3	156.4	156.9	158.2	149.1
Div 24	Cork and wood	102	153.9	169.7	169.1	168.6	168.0	168.9	163.1
Div 26	Textile fibres and their wastes (not manufactured into yarn or fabric)	119	140.7	153.6	149.0	146.0	147.5	149.0	137.1
Section 3	Mineral fuels, lubricants and related materials	1,789	214.2	224.1	217.3	208.5	227.0	219.2	240.3
Div 32	Coal, coke and briquettes	94	182.7	225.5	217.9	229.4	250.1	230.7	257.4
Div 33	Petroleum, petroleum products and related materials	1,554	219.4	228.7	221.8	211.3	231.5	223.3	245.2
Div 34	Gas, natural and manufactured	141	177.8	173.0	167.8	164.4	162.8	167.0	174.6
Section 4	Animal and vegetable oils, fats and waxes	113	118.9	163.8	158.9	171.3	183.1	169.3	212.5
Div 42	Fixed vegetable fats and oils, crude, refined or fractionated	113	118.9	163.8	158.9	171.3	183.1	169.3	212.5

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

² Revised

³ Provisional

Table 12 (cont'd) - Quarterly Import Price Index by SITC¹ section & division, 2006 - 1st Qr 2008

Reference year 2003=100

Section/ Division	Description	Weight	2006	2007					2008
			Average	1st Qr	2nd Qr	3rd Qr	4th Qr ²	Average ²	1st Qr ³
Section 5	Chemical materials & related products, n.e.s	467	122.8	133.9	130.3	129.0	129.6	130.7	121.9
Div 54	Medical and pharmaceutical products	252	117.1	125.6	120.4	120.3	118.7	121.3	111.4
Div 55	Essential oils and resinoids & perfume materials; toilet, etc.	103	124.9	140.7	140.6	134.5	143.6	139.9	136.9
Div 59	Chemical materials & products, n.e.s	112	133.5	146.1	142.9	143.7	141.0	143.4	132.0
Section 6	Manufactured goods classified chiefly by material	3,776	128.4	137.4	130.2	129.6	130.2	131.9	119.7
Div 64	Paper, paperboard and articles of paper pulp <i>of which:</i> <i>Paper and paperboard</i>	305	130.3	144.2	130.2	143.0	135.0	138.1	126.6
		226	131.7	140.6	136.8	139.8	130.9	137.0	119.4
Div 65	Textile yarn, fabrics, made-up articles, n.e.s <i>of which:</i> <i>Textile yarn</i>	2,590	119.3	125.4	120.3	118.8	119.0	120.9	108.5
	<i>Cotton fabrics, woven (not including narrow or special fabrics)</i>	1,141	118.6	127.1	120.9	121.7	119.8	122.4	111.2
	<i>Fabrics, woven, of man-made textile materials</i>	755	113.4	116.6	110.9	108.7	112.8	112.3	96.4
	<i>Knitted/crocheted fabric including tubular knit, fabrics, n.e.s</i>	235	124.7	128.9	127.4	113.2	114.7	121.1	105.8
		217	124.7	131.6	127.7	125.1	121.4	126.5	112.9
Div 66	Non-metallic mineral manufactures, n.e.s. <i>of which:</i> <i>Lime, cement & fab. const. materials (except glass & clay mats.)</i>	652	153.6	160.7	157.2	154.3	161.2	158.4	149.9
	<i>Pearls, precious and semi-precious stones, unworked or worked</i>	236	164.7	179.8	177.7	174.7	168.1	175.1	156.4
		292	155.1	154.4	149.6	144.8	165.3	153.5	151.9
Div 67	Iron and steel	76	207.7	230.7	223.7	219.3	221.5	223.8	200.7
Div 69	Manufactures of metals, n.e.s.	153	132.1	180.7	136.6	136.5	132.5	146.6	126.7

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

² Revised

³ Provisional

Table 12 (cont'd) - Quarterly Import Price Index by SITC¹ section & division, 2006 - 1st Qr 2008

Reference year 2003=100

Section/ Division	Description	Weight	2006	2007					2008
			Average	1st Qr	2nd Qr	3rd Qr	4th Qr ²	Average ²	1st Qr ³
Section 7	Machinery and transport equipment	1,134	117.1	127.2	124.0	126.0	124.5	125.4	119.9
Div 74	General industrial machinery & equipment, n.e.s.	157	118.5	131.6	124.7	123.0	116.9	124.1	117.7
Div 75	Office machines and automatic data processing machines	194	119.4	135.5	136.1	139.3	140.3	137.8	130.1
Div 76	Telecommunications and sound recording and reproducing apparatus	216	114.1	127.8	125.0	124.9	125.8	125.9	118.0
Div 78	Road vehicles (including air-cushion vehicles)	567	117.0	123.0	119.3	122.6	120.7	121.4	117.7
	<i>of which:</i>								
	<i>Motor cars & other motor vehicles for the transport of persons</i>	378	122.6	128.7	125.3	124.4	124.4	125.7	117.8
Section 8	Miscellaneous manufactured articles	879	124.4	138.4	134.0	124.7	124.7	130.5	117.9
Div 87	Professional, scientific and controlling inst. and app.	179	119.5	156.9	153.1	152.3	151.6	153.5	143.3
Div 89	Miscellaneous manufactured articles, n.e.s.	700	125.6	121.6	129.1	117.7	117.8	121.6	111.4
	<i>of which:</i>								
	<i>Articles, n.e.s. of plastics</i>	195	140.0	147.6	143.3	143.3	142.5	144.2	131.2
	<i>Jewellery, goldsmiths' & silversmiths' wares of precious/semi-precious, n.e.s.</i>	233	122.3	128.9	123.2	89.4	87.1	107.2	84.4

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

² Revised

³ Provisional

Table 13 - Import Price Index : Percentage change by SITC¹ section, 1st quarter 2007 - 1st quarter 2008

Reference year 2003=100

Section	Description	Weight	Percentage change from				
			1st Qr 07 to 2nd Qr 07	2nd Qr 07 to 3rd Qr 07	3rd Qr 07 to 4th Qr 07	4th Qr 07 to 1st Qr 08	1st Qr 07 to 1st Qr 08
	Overall Index	10,000	-2.8	-1.1	4.0	-1.6	-1.6
0	Food and live animals	1,621	2.1	2.8	9.3	1.3	16.1
2	Crude materials, inedible, except fuels	221	-1.7	-1.2	0.3	-5.0	-7.4
3	Mineral fuels, lubricants and related materials	1,789	-3.0	-4.0	8.9	5.9	7.2
4	Animal and vegetable oils, fats and waxes	113	-3.0	7.8	6.9	16.1	29.7
5	Chemical materials & related products, n.e.s	467	-2.7	-1.0	0.5	-5.9	-9.0
6	Manufactured goods classified chiefly by material	3,776	-5.2	-0.5	0.5	-8.1	-12.9
7	Machinery and transport equipment	1,134	-2.5	1.6	-1.2	-3.7	-5.7
8	Miscellaneous manufactured articles	879	-3.2	-6.9	0.0	-5.5	-14.8

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

Table 14 - Import Price Index: Percentage change by SITC¹ section & division, 1st quarter 2007 - 1st quarter 2008

Reference year 2003=100

Section/ Division	Description	Weight	Percentage change from				
			1 st Qr 07 to 2 nd Qr 07	2 nd Qr 07 to 3 rd Qr 07	3 rd Qr 07 to 4 th Qr 07	4 th Qr 07 to 1 st Qr 08	1 st Qr 07 to 1 st Qr 08
	Overall Index	10,000	-2.8	-1.1	4.0	-1.6	-1.6
Section 0	Food and live animals	1,621	2.1	2.8	9.3	1.3	16.1
Div 01	Meat and meat preparations	101	1.0	-0.7	-0.4	1.0	1.0
Div 02	Dairy products and birds' eggs	266	9.7	1.6	37.2	0.5	53.7
Div 03	Fish, crustaceans, etc and preparations thereof	388	5.4	2.9	9.6	-3.4	14.9
Div 04	Cereals and cereal preparations	472	-2.2	3.0	-1.0	20.6	20.2
	<i>of which:</i>						
	<i>Wheat (including spelt) & meslin, unmilled</i>	<i>196</i>	<i>-2.0</i>	<i>-1.2</i>	<i>-0.9</i>	<i>0.0</i>	<i>-4.1</i>
Div 05	Vegetables and fruit	227	-4.3	5.7	3.0	-14.6	-10.9
Div 09	Miscellaneous edible products and preparations	167	-0.1	2.2	1.0	-4.2	-1.1
Section 2	Crude materials, inedible, except fuels	221	-1.7	-1.2	0.3	-5.0	-7.4
Div 24	Cork and wood	102	-0.4	-0.3	-0.4	-2.9	-3.9
Div 26	Textile fibres and their wastes (not manufactured into yarn or fabric)	119	-3.0	-2.0	1.0	-7.1	-10.7
Section 3	Mineral fuels, lubricants and related materials	1,789	-3.0	-4.0	8.9	5.9	7.2
Div 32	Coal, coke and briquettes	94	-3.4	5.3	9.0	2.9	14.1
Div 33	Petroleum, petroleum products and related materials materials	1,554	-3.0	-4.7	9.6	5.9	7.2
Div 34	Gas, natural and manufactured	141	-3.0	-2.0	-1.0	7.2	0.9
Section 4	Animal and vegetable oils, fats and waxes	113	-3.0	7.8	6.9	16.1	29.7
Div 42	Fixed vegetable fats and oils, crude, refined or fractionated	113	-3.0	7.8	6.9	16.1	29.7

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

Table 14(cont'd) - Import Price Index: Percentage change by SITC¹ section & division, 1st quarter 2007 - 1st quarter 2008

Reference year 2003=100

Section/ Group	Description	Weight	Percentage change from				
			1 st Qr 07 to 2 nd Qr 07	2 nd Qr 07 to 3 rd Qr 07	3 rd Qr 07 to 4 th Qr 07	4 th Qr 07 to 1 st Qr 08	1 st Qr 07 to 1 st Qr 08
Section 5	Chemical materials & related products, n.e.s	467	-2.7	-1.0	0.5	-5.9	-9.0
Div 54	Medical and pharmaceutical products	252	-4.1	-0.1	-1.3	-6.1	-11.3
Div 55	Essential oils and resinoids & perfume materials; toilet, etc,	103	-0.1	-4.3	6.8	-4.7	-2.7
Div 59	Chemical materials & products, n.e.s	112	-2.2	0.6	-1.9	-6.4	-9.7
Section 6	Manufactured goods classified chiefly by material	3,776	-5.2	-0.5	0.5	-8.1	-12.9
Div 64	Paper, paperboard and articles of paper pulp	305	-9.7	9.8	-5.6	-6.2	-12.2
	<i>of which:</i>						
	<i>Paper and paperboard</i>	226	-2.7	2.2	-6.4	-8.8	-15.1
Div 65	Textile yarn, fabrics, made-up articles nes	2,590	-4.1	-1.2	0.2	-8.8	-13.5
	<i>of which:</i>						
	<i>Textile yarn</i>	1,141	-4.9	0.7	-1.6	-7.2	-12.5
	<i>Cotton fabrics, woven (not including narrow or special fabrics)</i>	755	-4.9	-2.0	3.8	-14.5	-17.3
	<i>Fabrics, woven, of man-made textile materials</i>	235	-1.2	-11.1	1.3	-7.8	-17.9
	<i>Knitted/crocheted fabric including tubular knit, fabrics nes</i>	217	-3.0	-2.0	-3.0	-7.0	-14.2
Div 66	Non-metallic mineral manufactures, n.e.s.	652	-2.2	-1.8	4.5	-7.0	-6.7
	<i>of which:</i>						
	<i>Lime, cement & fab. const. materials (except glass & clay mats.)</i>	236	-1.2	-1.7	-3.8	-7.0	-13.0
	<i>Pearls, precious and semi-precious stones, unworked or worked or worked</i>	292	-3.1	-3.2	14.2	-8.1	-1.6
Div 67	Iron and steel	76	-3.0	-2.0	1.0	-9.4	-13.0
Div 69	Manufactures of metals, n.e.s.	153	-24.4	-0.1	-2.9	-4.4	-29.9

¹ The Standard International Trade Classification Revision 3 (SITC Rev 3)

Table 14(cont'd) - Import Price Index: Percentage change by SITC¹ section & division, 1st quarter 2007 - 1st quarter 2008

Reference year 2003=100

Section/ Division	Description	Weight	Percentage change from				
			1 st Qr 07 to 2 nd Qr 07	2 nd Qr 07 to 3 rd Qr 07	3 rd Qr 07 to 4 th Qr 07	4 th Qr 07 to 1 st Qr 08	1 st Qr 07 to 1 st Qr 08
Section 7	Machinery and transport equipment	1,134	-2.5	1.6	-1.2	-3.7	-5.7
Div 74	General industrial machinery & equipment, n.e.s.	157	-5.2	-1.4	-5.0	0.7	-10.6
Div 75	Office machines and automatic data processing machines	194	0.4	2.4	0.7	-7.3	-4.0
Div 76	Telecommunications and sound recording and reproducing apparatus	216	-2.2	-0.1	0.7	-6.2	-7.7
Div 78	Road vehicles (including air-cushion vehicles)	567	-3.0	2.8	-1.5	-2.5	-4.3
	<i>of which:</i>						
	<i>Motor cars & other motor vehicles for the transport of persons</i>	378	-2.6	-0.7	0.0	-5.3	-8.5
Section 8	Miscellaneous manufactured articles	879	-3.2	-6.9	0.0	-5.5	-14.8
Div 87	Professional, scientific and controlling inst. and app.	179	-2.4	-0.5	-0.5	-5.5	-8.7
Div 89	Miscellaneous manufactured articles, n.e.s.	700	6.2	-8.8	0.1	-5.4	-8.4
	<i>of which:</i>						
	<i>Articles, n.e.s. of plastics</i>	195	-2.9	0.0	-0.6	-7.9	-11.1
	<i>Jewellery, goldsmiths' & silversmiths' wares of precious/semi-precious, n.e.s.</i>	233	-4.4	-27.4	-2.6	-3.1	-34.5

¹ The Standard International Trade Classification Revision 3 (SITC Rev. 3)

Table 15 - Quarterly Import Price Index by SITC¹ section, Year 2003

Section	Description	Weight	Average 2003	2003			
				1st Qr	2nd Qr	3rd Qr	4th Qr
	Overall Index	10,000	100.0	100.6	97.1	101.4	100.9
0	Food and live animals	1,621	100.0	99.4	95.6	102.8	102.2
2	Crude materials, inedible, except fuels	221	100.0	91.6	92.8	101.7	113.8
3	Mineral fuels, lubricants and related materials	1,789	100.0	113.0	90.7	99.9	96.4
4	Animal and vegetable oils, fats and waxes	113	100.0	104.7	95.1	106.4	93.8
5	Chemical materials & related products, n.e.s	467	100.0	97.7	99.2	101.7	101.4
6	Manufactured goods classified chiefly by material	3,776	100.0	97.9	99.4	101.3	101.3
7	Machinery and transport equipment	1,134	100.0	97.6	100.6	102.0	99.9
8	Miscellaneous manufactured articles	879	100.0	96.4	98.7	100.2	104.7

¹ The standard International Trade Classification Revision 3 (SITC Rev. 3)

*ANNEX***Technical Note****Export Price Index (EPI)****Methodology for the Construction of the EPI****Definition**

The Export Price Index (EPI) is a measure of price change of domestically produced Mauritian products shipped to other countries, i.e it excludes re-exports. In addition to the overall index, separate sub-indices are also calculated for different product categories at more detailed level.

The first series of EPI was calculated with the year 1993 as base and reference period. The index was first revised in 1997 and subsequently revised in 2003.

Comparison with Unit Value Index

The Unit Value Export Index provides only a proxy measure for price changes of exported goods. It is derived from value and quantity data of products or groups of products obtained from trade returns and is thus highly dependent on the degree of homogeneity of the groups of products considered. On the other hand, the EPI measures pure price changes and is based on actual price measurements of relatively more homogeneous group of products. It requires elaborate specifications of products and takes into account all the main price determining factors such as country of destination, quality, mode of transport and mode of payment.

Scope and Classification

The EPI covers all domestic exports, the most important commodities being sugar and textile fabrics and articles of apparel and clothing accessories produced by the EPZ sector.

The index is based on the Nomenclature of the Standard International Trade Classification of the United Nations (SITC Rev 3). Separate sub-indices are produced for each SITC section and for more detailed groups where possible.

Selection of Items and Firms

A representative sample of 38 firms has been selected from trade declarations submitted to the Customs and Excise Department in 2002. The sample was drawn from exporting firms on the basis of regularity of their trade and their volume of exports. A total of 80 items (Entry Level Items, ELI's) which represent 36 products are priced from the selected enterprises.

Weighting Scheme

The weights are derived from the 2002 domestic exports. Weights assigned to each section and group are based on their export values in 2002. Each product or group of products selected for pricing purposes represents all products that fall within that weight group.

Base and Reference Period

The base period for the EPI is calendar year 2002 and the reference period 2003. Bench mark data for the year 2002, based on trade returns, have been used to derive weights. The selected firms have supplied prices of selected commodities for each of the 12 months in 2003. The yearly average price of each product has then been worked out and is used as base price for that product.

Price Collection

Prices are collected directly from co-operating export firms. As far as possible price quotations are reported on a free on board (F.O.B.) basis and are mostly contract prices. Each reporting firm is visited once every quarter but prices are supplied on a monthly basis and are averaged for each quarter.

Sugar and Molasses

Due to their specificity, sugar and molasses have been treated differently. Sugar and molasses produced during a crop year, which normally extends between July and June of the following year, are usually exported during that same crop year. Export prices of these commodities, sugar in particular, are mostly negotiated prices. These prices can be quite volatile between quarters depending on the destination of the shipments. Therefore, in order to eliminate these price distortions between quarters, the same average yearly price for the crop year is used for the four quarters comprising that crop year. The base price of these commodities for the year 2003 is the average price for crops years 2002/03 and 2003/04.

Calculation of the EPI

A modified Laspeyres formula based on the weighted average of price relatives is used to calculate the EPI: the mathematical form of the formula is shown below:

$$I_{ot} = \frac{\sum w_i \times \frac{P_{it}}{P_{io}} \times 100}{\sum w_i}$$

Where I_{ot} is the index for period t compared to base period 0

w_i is the weight of the i^{th} element

P_{io} is the base price of the i^{th} element

P_{it} is the price of the i^{th} element in period t

$\frac{P_{it}}{P_{io}}$ is the price relative of the i^{th} element
in period t relative to base period 0

Σ means summation over all selected elements

Uses

The primary use of the EPI is to deflate export trade statistics. It provides quarterly measures of price trends of Mauritian products sold abroad and can be used for calculating changes in the volume of exports.

It can also serve as a basis to assess the competitiveness of Mauritian products in relation to price trends of common products of other countries with which Mauritius competes for markets.

Import Price Index (IPI)

Methodology for the Construction of the IPI

1. Definition

The Import Price Index (IPI) provides an overall measure of pure price changes (in Mauritian Rupees) of goods imported into the country.

Unlike Unit Value Import Index which is affected by product mix and country of imports, the IPI is based on actual price measurements of a fixed basket of imported goods. It requires elaborate specifications of products and takes into account all the main price determining factors such as country of origin and quality.

2. Scope and Classification

The commodities are classified according to the United Nations Standard International Trade Classification (SITC Rev 3). Under this nomenclature, commodities are classified under 3,118 basic headings arranged into 261 groups. These groups are, in turn, assembled into 67 divisions designed to summarise the groups according to their broader characteristics. The divisions are finally consolidated into 10 sections.

Sub-indices are produced for each SITC section and for more detailed groups where possible.

The Import Price Index covers eight out of the 10 SITC sections, namely “Food and live animals”, “Crude materials, inedible, except fuels”, “Mineral fuels, lubricants and related materials”, “Animal and vegetable oils, fats and waxes”, “Chemical materials and related products, n.e.s”, “Manufactured goods classified chiefly by materials”, “Machinery and transport equipment” and “Miscellaneous manufactured articles”.

The two SITC sections not covered are “Beverages and tobacco” and “Commodities and transactions not classified elsewhere”. Goods in these sections represent a low one per cent of all imports in 2002. They are not included because of the heterogeneity of the products and the inherent difficulties in pricing the items to a constant quality.

Thus, the index, either directly or indirectly, covers about 99% of the value of merchandise imported during 2002. Items directly represented constitute 61% of the total value of imports, and for those items which are not directly represented, their prices are considered to move similarly to those represented directly.

3. Weighting scheme

The weights were derived from total imports in 2002. Weights assigned to each section and group are based on their import values in that year. Each product or group of products selected for pricing purposes represents all products that fall within that weight group.

4. Reference Period

The base price for the calculation of the indices refers to calendar year 2003 to be in line with the reference period used for the Export Price Index. The firms have supplied prices of selected commodities for each quarter in 2003. The yearly average price of each product has been used as base price for that product.

5. Selection of items and firms

The commodities forming the basket were selected according to the following criteria:

- (i) As far as possible, an item is included if it is imported regularly and frequently
- (ii) The items selected had to be, to a large extent, representative of the bulk of the trader's import
- (iii) There must be a sustained demand of the commodity variety
- (iv) Items had to be specific and detailed enough for pricing.

Similarly, an importer for a particular product is selected provided that he imports that product on a regular basis.

At the end of the selection process, 171 importers and 142 commodities were selected for subsequent price collection.

6. Price collection

There are two common practices for the collection of prices of items falling in the basket. Prices for the specified goods are collected each month from importers and average quarterly prices are then derived for compiling the index, or, in case where most imports occur at intervals longer than a month, prices are collected only once every quarter and refer to the last consignment. A preliminary survey of the importers has shown that, in the case of Mauritius, the second practice is more suitable.

Prices are reported on a cost, insurance and freight (c.i.f) basis and are expressed in Mauritian Rupees. Exchange rates from the Customs and Excise Department are used in case prices are reported in foreign currencies.

Though the frequency of imports has been taken into consideration in selecting items and importers, it may happen that some items in the basket have not been imported during a certain period. In such cases, the prices are estimated using the variations in the exchange rate of the currency of imports. The underlying assumption is that the only factor affecting the price is the value of the Mauritian Rupee relative to the transaction currency.

7. Uses of the Import Price Index

The Import Price Index is an important economic indicator which is used, inter alia, to:

- measure changes in prices of imports
- analyse the effect of import price changes on the various sectors of the economy
- calculate changes in the volume of imports
- calculate the terms of trade (that is the ratio of export prices to import prices)
- analyse the effect of exchange rates on import prices.

8. Calculation of the IPI

The compilation of the Import Price Index involves first the derivation of weighted averages through the four levels of the SITC, namely item, group, division and section as follows:

(a) Commodity item level

The price relative of each item forms the most basic level for the compilation of higher aggregate indices:

$$\text{Price index at commodity level: } I_{it} = \frac{\sum P_{it}}{\sum P_{io}} \times 100$$

where I_{it} is the price relative of the i^{th} commodity in period t relative to the base period

$\sum P_{it}$ is the sum of the prices of all commodity varieties imported in period t
 $\sum P_{io}$ is the sum of the prices of all commodity varieties imported in the base period

(b) Group level

The group index is derived as a weighted average of the commodity indices:

$$\text{Price index at group level: } I_{G(j)} = \frac{\sum W_i I_{it}}{\sum W_i}$$

where $I_{G(j)}$ is the index for group j
 W_i is the weight of commodity i

(c) Division level

Similarly a weighted average of the group indices yields the index at division level:

$$\text{Price Index at division level: } I_{D(k)} = \frac{\sum W_j I_{G(j)}}{W_j}$$

where $I_{D(k)}$ is the index for division k
 W_j is the weight of group j

(d) Section level

The index at the division level is then derived as a weighted average of the indices of the divisions falling within that section.

$$\text{Price index at section level: } I_{s(l)} = \frac{\sum W_k I_{D(k)}}{\sum W_k}$$

where $I_{s(l)}$ is the index for section k
 W_k is the weight of group k

(e) Overall index

Finally, the overall Import Price Index is computed as a weighted average of the indices of the sections.

$$\text{Overall Import Price index: } I_{o(m)} = \frac{\sum W_m I_{s(l)}}{\sum W_m}$$

where $I_{o(m)}$ is the overall Price Index
 W_m is the weight of section m