

CONSUMER PRICE INDEX

(Base period: July 2006–June 2007 = 100)

Year 2009

1. INTRODUCTION

This issue of Economic and Social Indicators presents the Consumer Price Index (CPI) for the year 2009. The methodology used for computing the CPI and the inflation rate is given in the technical note at Annex.

2. KEY POINTS

2.1 The overall CPI

The Consumer Price Index, which stood at 115.5 in December 2008, registered a net increase of 1.7 points (or 1.5%) to reach 117.2 in December 2009 (Table 2a).

On a monthly basis, the CPI registered increases in February to April, June, July and September 2009 ranging from 0.1 to 0.9 points, and remained stable in May and November 2009. Decreases were registered during the months of January (-0.2 point), August (-0.3 point), October (-0.5 point) and December (-0.1 point).

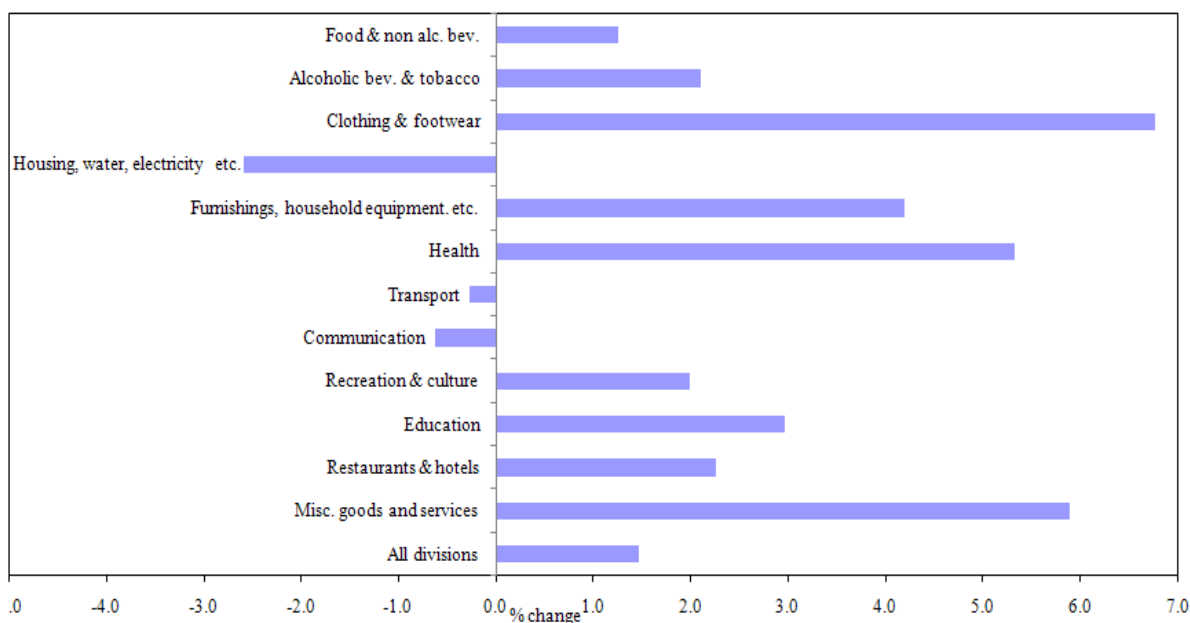
2.2 Overview of CPI movements

The main reasons for the net increase in the CPI during the year 2009 (Table 3) were:

- higher food prices mainly vegetables, sugar, fish, meat and a variety of other food products;
- higher prices of some ready-made clothing;
- higher prices of gasoline (being the net effect of price increases in February, April, June, July, September and December 2009, and decreases in January, August, October and November 2009);
- lower prices of milk; and
- lower interest rates on housing loans

3. MOVEMENT OF CPI SUB INDICES

Figure 1: % change in CPI sub indices for the year 2009



The changes in the sub-indices for the twelve divisions of consumption expenditure during the year 2009 were as follows:

<i>Food and non-alcoholic beverages (+1.3%)</i>	The rise of 1.3% was the result of higher prices of sugar (+107.1%), fish (+7.2%), fruits (+5.9%), vegetables (+4.8%), meat (+3.0%) and other food products (+3.2%). The effect of these increases was partly offset by price decreases of milk (-12.5%), cooking oil (-10.0%), bread (-3.3%) and rice (-2.5%).
<i>Alcoholic beverages and tobacco (+ 2.1%)</i>	The rise of 2.1% was attributable mainly to price increases of cigarettes (+2.6%) and beer and stout (+2.3%).
<i>Clothing and footwear (+ 6.8%)</i>	The increase of 6.8% was mainly due to higher prices of some ready-made garments (+8.5%).
<i>Housing, water, electricity, gas and other fuels (-2.6%)</i>	The fall of 2.6% was mainly the result of lower interest rates on housing loans (-9.8%) and lower prices of cooking gas (-3.3%).
<i>Furnishings, household equipment and routine household maintenance (+ 4.2%)</i>	The rise of 4.2% was largely due to higher prices of some washing materials and softeners (+7.8%).
<i>Health (+ 5.3%)</i>	The increase of 5.3% was due to higher doctors' fees (+8.3%) and price increases of medicinal products (+5.1%).
<i>Transport (- 0.3%)</i>	The 0.3% decrease was mainly the result of lower prices of diesel (-14.0%), air tickets (-13.0%) and some motor vehicles (-5.1%) partly offset by price increases of motor vehicles spare parts (+21.4), gasoline (+13.0) and repair charges (+9.2%).
<i>Communication (-0.6%)</i>	The fall of 0.6% was the net effect of a decrease of internet connection fees (-12.5%) partly offset by higher charges for some postal services (+26.5%).
<i>Recreation and culture (+ 2.0%)</i>	The increase of 2.0% was due to higher prices of ornamental plants and flowers (+46.7%), school textbooks (+4.3%) partly offset by lower prices of some audio-visual equipment (-8.7%).
<i>Education (+3.0%)</i>	The increase of 3.0% was largely due to higher school fees (+5.1%) and private tuition fees (+0.8%)
<i>Restaurants and hotels (+ 2.3%)</i>	The rise of 2.3% was mainly the result of higher rates for accommodation in hotels and bungalows (+33.6%) and price increases of food and drinks in bars and restaurants (+3.5%).
<i>Miscellaneous goods and services (+ 5.9%)</i>	The rise of 5.9% was mainly attributable to price increases of vehicle insurance (+12.6) and some goods for personal care and hygiene (+2.9%).

4. INFLATION RATE

The headline inflation rate was 9.7% for year 2008, 6.9% for financial year 2008/09 and 2.5% for year 2009. This is the lowest inflation rate since 1988.

5. INTERNATIONAL COMPARISON OF INFLATION RATE

The table below compares the inflation rate (as measured by the percentage change in the average CPI for a given year relative to the previous year) of Mauritius with those of our main importing countries and some countries in the region for the latest available year, mainly 2008.

Table 1 - Inflation rate (%) of selected countries, year 2008

Country	Inflation rate (%)	Country	Inflation rate (%)
France	3.2	Australia	3.7
United Kingdom	3.9	United States	0.7
China	2.8	Botswana	13.7
India	9.7	Mauritius	9.7
Japan	0.4	Seychelles	63.3
Singapore	5.4	South Africa	9.5

Source – World Economic Outlook database, October 2009.

Note :

- (i) This publication is available on the website of the Central Statistics Office at <http://statsmauriti.us.gov.mu>. From the homepage, choose “Publications” followed by “Economic and Social Indicators”, then “Consumer Price Index”.
- (ii) The monthly CPI is also available on our website. It is posted within 5 working days after the reference month.
- (iii) More detailed information on CPI can be made available upon request.

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Table 2a - Monthly Consumer Price Index, January 2003 - December 2009

<i>Month</i>	<i>(Base : July 2001 - June 2002 = 100)</i>					<i>(Base : July 2006 - June 2007 = 100)</i>		
	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
January	105.5	109.7	116.1	123.1	133.9		109.6	115.3
February	105.7	110.1	116.7	123.5	134.9		110.7	115.8
March	105.6	110.1	117.1	124.2	136.1		110.8	116.1
April	105.8	110.4	117.1	124.0	137.5		111.9	116.2
May	106.5	110.7	117.2	124.3	138.1		113.0	116.2
June	106.9	111.3	117.3	126.2	138.8		113.4	117.1
July	107.5	112.5	118.0	129.9		103.7	115.6	117.8
August	107.4	112.7	118.0	130.9		104.1	116.3	117.5
September	107.9	113.1	117.3	131.7		105.3	116.7	117.8
October	108.3	114.6	118.2	132.3		106.8	117.2	117.3
November	108.4	114.7	118.8	133.3		107.6	116.5	117.3
December	108.9	115.0	119.5	133.7		108.2	115.5	117.2
Yearly average	107.0	112.1	117.6	128.1		103.8	113.9	116.8
<i>Annual change (%) (Inflation rate)</i>	+3.9	+ 4.7	+ 4.9	+ 8.9		+ 8.8	+ 9.7	+ 2.5

Table 2b - Comparative Monthly Consumer Price Index , January 2003 - December 2009 ^{1/}

<u>Month</u>	<i>(Base : July 2006 - June 2007 = 100)</i>						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
January	78.6	81.7	86.5	91.7	99.7	109.6	115.3
February	78.8	82.0	87.0	92.0	100.5	110.7	115.8
March	78.7	82.0	87.2	92.5	101.3	110.8	116.1
April	78.8	82.3	87.2	92.4	102.4	111.9	116.2
May	79.3	82.4	87.3	92.6	102.9	113.0	116.2
June	79.6	82.9	87.3	94.0	103.4	113.4	117.1
July	79.6	83.8	87.9	96.8	103.7	115.6	117.8
August	80.0	83.9	87.9	97.5	104.1	116.3	117.5
September	80.4	84.2	87.3	98.1	105.3	116.7	117.8
October	80.7	85.4	88.1	98.5	106.8	117.2	117.3
November	80.7	85.4	88.5	99.3	107.6	116.5	117.3
December	81.1	85.6	89.0	99.6	108.2	115.5	117.2
Yearly average	79.7	83.5	87.6	95.4	103.8	113.9	116.8
<i>Annual change (%) (Inflation rate)</i>	+3.9	+ 4.7	+ 4.9	+ 8.9	+ 8.8	+ 9.7	+ 2.5

^{1/} The CPI for January 2003 to June 2007, originally based on July 2001-June 2002, has been converted to the new base July 2006 - June 2007=100

Table 3 - Main commodities that affected the CPI between December 2008 and December 2009

Index point contribution and percentage change in price index

Commodity	Contribution to change in overall index point	% change in price index
Milk	-0.5	-12.5
Vegetables	+0.3	+4.8
Sugar	+0.2	+107.1
Fish	+0.2	+7.2
Meat	+0.2	+3.0
Cooking oil	-0.1	-10.0
Rice	-0.1	-2.5
Bread	-0.1	-3.3
Fruits	+0.1	+5.9
Other food products	+0.3	+3.2
Cigarettes	+0.1	+2.6
Beer and stout	+0.1	+2.3
Ready made clothing	+0.3	+8.5
Mortgage interest on housing loan	-0.3	-9.8
Cooking gas	-0.1	-3.3
Washing materials & softeners	+0.2	+7.8
Doctor's fee	+0.1	+8.3
Medicinal products	+0.1	+5.1
Gasolene	+0.5	+13.0
Passenger transport by air	-0.3	-13.0
Personal transport	-0.2	-5.1
Diesel	-0.1	-14.0
Spare parts & accessories	+0.1	+21.4
Maintenance & repair of transport	+0.1	+9.2
Audio & Video and information equipment	-0.1	-8.7
Expenditure in bar & restaurants	+0.1	+3.5
Vehicle insurance	+0.1	+12.6
Goods for personal care & hygiene	+0.1	+2.9
Other goods and services	+0.6	+1.6
All commodities	+1.7	+1.5

Table 4 : Monthly sub-indices by division of consumption expenditure, December 2008 - December 2009*(Base: July 2006 - June 2007 = 100)*

Division	Description	Weight	December 2008	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	% change between December 2008 & December 2009
01	Food and non-alcoholic beverages	286	127.3	127.7	128.1	128.4	128.7	128.7	129.8	130.0	130.1	129.7	129.2	129.7	128.9	+ 1.3
02	Alcoholic beverages and tobacco	92	114.3	114.9	115.2	116.5	116.5	116.6	116.9	116.9	116.9	117.0	117.0	117.3	116.7	+ 2.1
03	Clothing and footwear	51	112.2	112.4	113.2	112.7	112.3	112.8	114.6	115.3	116.7	116.5	116.5	118.1	119.8	+ 6.8
04	Housing, water, electricity, gas and other fuels	131	108.0	107.4	107.4	107.4	105.0	105.0	104.9	105.2	105.2	105.2	105.2	105.2	105.2	-2.6
05	Furnishings, household equipment and routine household maintenance	64	112.1	112.9	113.2	113.4	114.6	114.8	115.4	116.0	116.1	116.0	115.9	116.5	116.8	+ 4.2
06	Health	30	112.7	112.8	113.4	114.9	115.8	115.8	116.4	116.8	116.8	117.3	118.1	118.6	118.7	+ 5.3
07	Transport	147	113.2	109.4	110.9	110.6	113.0	112.3	114.7	117.4	114.8	117.4	114.7	112.4	112.9	-0.3
08	Communication	36	96.3	96.3	96.4	95.2	95.3	95.2	95.2	96.2	95.9	95.9	95.9	95.7	95.7	-0.6
09	Recreation and culture	48	100.3	101.3	101.7	102.0	102.0	102.0	102.3	102.3	102.5	103.3	103.3	102.5	102.3	+ 2.0
10	Education	32	107.7	110.9	110.9	110.9	110.9	110.9	110.9	110.9	110.9	110.9	110.9	110.9	110.9	+ 3.0
11	Restaurants and hotels	43	123.6	123.0	122.9	123.2	123.2	123.3	123.6	124.1	124.2	124.2	124.4	125.7	126.4	+ 2.3
12	Miscellaneous goods and services	40	112.0	113.0	115.3	116.1	116.0	116.7	117.2	117.9	117.6	117.6	117.7	118.1	118.6	+ 5.9
All Divisions		1,000	115.5	115.3	115.8	116.1	116.2	116.2	117.1	117.8	117.5	117.8	117.3	117.3	117.2	+ 1.5

Table 5 - Monthly CPI by division and group of consumption expenditure, December 2008 - December 2009*(Base: July 2006-June 2007=100)*

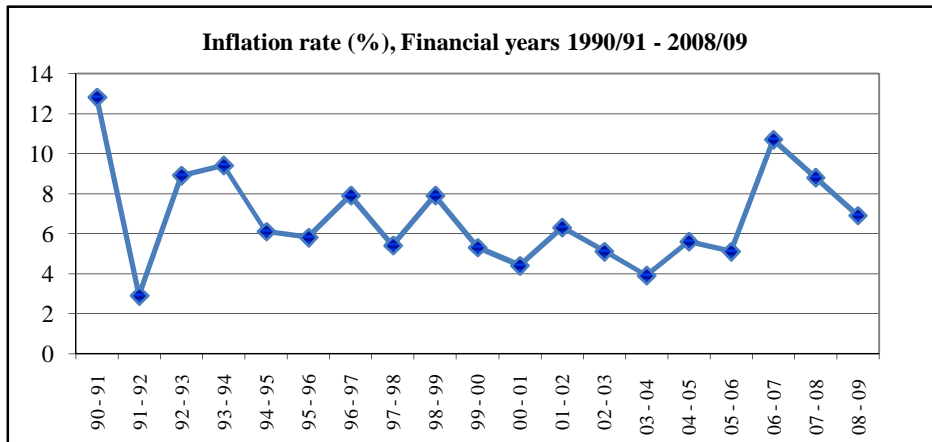
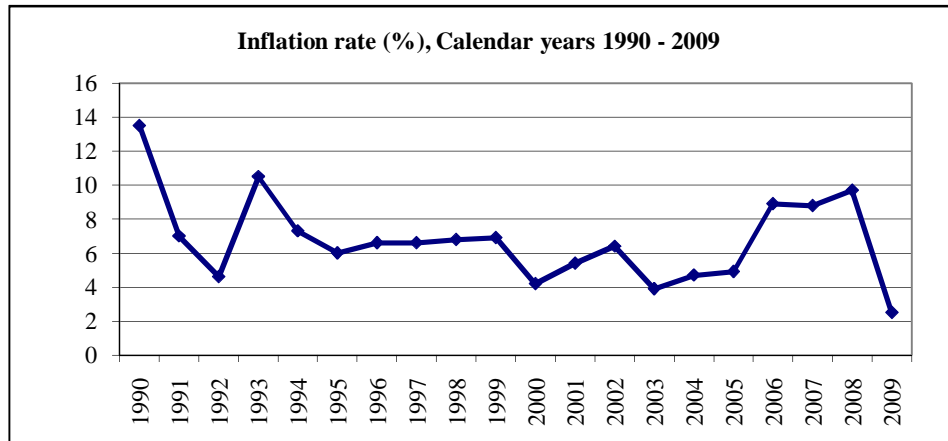
Description	Weight	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Division 01 - Food and non alcoholic beverages	286	127.3	127.7	128.1	128.4	128.7	128.7	129.8	130.0	130.1	129.7	129.2	129.7	128.9
Group 1 - Food	265	128.6	129.0	129.4	129.9	130.1	129.9	131.1	131.3	131.4	131.0	130.5	130.9	130.0
Group 2 - Non-alcoholic beverages	21	110.4	112.4	111.0	110.7	110.4	112.6	113.2	113.9	113.1	113.4	112.9	114.6	114.2
Division 02 - Alcoholic beverages and tobacco	92	114.3	114.9	115.2	116.5	116.5	116.6	116.9	116.9	116.9	117.0	117.0	117.3	116.7
Group 1 - Alcoholic beverages	50	111.8	112.9	113.1	113.4	113.4	113.5	114.1	114.2	114.1	114.3	114.2	114.8	113.7
Group 2 - Tobacco	42	117.2	117.2	117.7	120.3	120.3	120.3	120.3	120.3	120.3	120.3	120.3	120.3	120.3
Division 03 - Clothing and footwear	51	112.2	112.4	113.2	112.7	112.3	112.8	114.6	115.3	116.7	116.5	116.5	118.1	119.8
Group 1 - Clothing	39	111.6	111.9	112.7	112.3	112.4	112.8	114.7	115.7	117.2	117.0	116.7	118.6	120.7
Group 2 - Footwear	12	113.9	113.9	114.9	114.0	111.9	112.5	114.1	114.1	114.8	114.8	115.9	116.4	117.1
Division 04 - Housing, water, electricity, gas and other fuels	131	108.0	107.4	107.4	107.4	105.0	105.0	104.9	105.2	105.2	105.2	105.2	105.2	105.2
Group 1 - Actual rentals for housing	14	105.1	105.1	105.1	105.3	105.3	105.3	105.3	105.3	105.3	105.7	105.7	105.7	105.7
Group 2 - Mortgage interest on housing loan	37	86.7	86.7	86.7	86.7	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1
Group 3 - Maintenance and repair of the dwelling	14	111.5	111.5	111.6	111.3	111.0	111.0	110.6	111.0	111.1	111.1	111.3	111.3	111.3
Group 4 - Water supply and miscellaneous services relating to the dwelling	16	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2
Group 5 - Electricity, gas and other fuels	50	125.1	123.6	123.6	123.6	123.6	123.6	123.6	124.1	124.1	124.1	124.1	124.1	124.1
Division 05 - Furnishings, household equipment and routine household maintenance	64	112.1	112.9	113.2	113.4	114.6	114.8	115.4	116.0	116.1	116.0	115.9	116.5	116.8
Group 1 - Furniture and furnishings, carpets and other floor coverings	17	108.0	108.3	108.4	108.4	108.4	108.6	108.8	108.9	108.9	108.9	108.9	108.9	108.6
Group 2 - Household textiles	4	105.8	106.4	106.5	106.5	104.9	105.2	105.3	106.0	104.9	105.1	105.1	109.2	109.6
Group 3 - Household appliances	9	107.7	108.0	109.5	109.2	109.6	109.0	110.4	109.9	109.7	110.5	111.3	111.2	111.2
Group 4 - Glassware, tableware and household utensils	3	110.0	110.0	110.8	110.8	111.0	111.4	112.0	112.8	112.8	112.4	112.4	113.2	113.7
Group 5 - Tools and equipment for house and garden	2	105.7	105.5	106.0	105.8	105.9	106.1	106.1	108.8	114.6	114.5	114.1	114.4	119.0
Group 6 - Goods and services for routine household maintenance	29	117.4	118.9	119.0	119.4	122.2	122.5	123.1	124.3	124.3	123.9	123.4	124.1	124.5

Table 5 - Monthly CPI by division and group of consumption expenditure, December 2008 - December 2009*(Base: July 2006-June 2007=100)*

Description	Weight	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Division 11 - Restaurants and hotels	43	123.6	123.0	122.9	123.2	123.2	123.3	123.6	124.1	124.2	124.2	124.4	125.7	126.4
Group 1 - Catering services	42	123.9	123.2	123.2	123.4	123.7	123.9	124.3	124.5	124.7	124.8	124.9	125.8	125.8
Group 2 - Accomodation services	1	112.1	115.3	112.1	112.1	103.0	95.5	95.5	104.4	104.4	99.4	102.0	120.3	149.7
Division 12 - Miscellaneous goods and services	40	112.0	113.0	115.3	116.1	116.0	116.7	117.2	117.9	117.6	117.6	117.7	118.1	118.6
Group 1 - Personal care	23	112.1	113.4	113.9	115.1	114.9	115.8	116.5	117.3	116.8	116.5	116.5	116.8	115.9
Group 3 - Personal effects, not elsewhere classified	3	124.4	124.2	124.9	126.0	125.9	127.7	129.7	130.0	130.3	132.0	134.4	136.1	137.8
Group 4 - Social protection	1	108.6	118.5	118.5	118.5	118.5	118.5	118.5	118.5	118.5	118.5	118.5	118.5	118.5
Group 5 - Insurance	10	109.2	109.2	116.9	116.9	116.9	117.2	117.2	117.2	117.2	117.2	117.2	117.2	120.4
Group 7 - Other services not elsewhere classified	3	109.7	109.7	110.1	110.4	110.4	110.4	110.4	112.1	112.7	112.7	111.9	113.2	113.2
All divisions	1000	115.5	115.3	115.8	116.1	116.2	116.2	117.1	117.8	117.5	117.8	117.3	117.3	117.2

Table 6 - Inflation rate (%), 1990 - 2009

<i>Calendar year</i>	<i>Inflation rate</i>	<i>Financial year</i>	<i>Inflation rate</i>
1990	13.5	1990/91	12.8
1991	7.0	1991/92	2.9
1992	4.6	1992/93	8.9
1993	10.5	1993/94	9.4
1994	7.3	1994/95	6.1
1995	6.0	1995/96	5.8
1996	6.6	1996/97	7.9
1997	6.6	1997/98	5.4
1998	6.8	1998/99	7.9
1999	6.9	1999/00	5.3
2000	4.2	2000/01	4.4
2001	5.4	2001/02	6.3
2002	6.4	2002/03	5.1
2003	3.9	2003/04	3.9
2004	4.7	2004/05	5.6
2005	4.9	2005/06	5.1
2006	8.9	2006/07	10.7
2007	8.8	2007/08	8.8
2008	9.7	2008/09	6.9
2009	2.5		



Technical note

1. Methodology used for the computation of the Consumer Price Index (Base July 2006 – June 2007 = 100)

(a) Definition

The **Consumer Price Index** (CPI) is an indicator of changes over time in the general level of prices of goods and services acquired by Mauritian consumers.

(b) Measurement of the CPI

The CPI measures price change by comparing, through time, the cost of a fixed basket of goods and services. As prices vary over time, the total cost of the basket also changes and thus the CPI measures the change in the cost of this basket. It provides a way to compare what this basket costs at a given period relative to a reference or base period.

The cost of the CPI basket is assigned a value of 100 in the base period and the costs in other periods are expressed as percentage changes compared to the base period. For example, if the CPI is 110, this means that there has been an increase of 10% in the cost of the basket since the base year; similarly an index of 90 means a 10% decrease in the cost of the basket.

(c) The CPI basket

The CPI basket is based on the expenditures of private Mauritian households in a reference period, currently July 2006 to June 2007. The composition of the current CPI basket has been derived from the 2006/07 Household Budget Survey (HBS) data. It has been determined in accordance with latest ILO and SADC recommendations.

The items constituting the basket have been selected on the basis of the importance of household consumption expenditure on them. The basket includes all important items on which consumption expenditure is significant, i.e. accounting for around 0.1% or more of total household consumption expenditure. Each item's relative importance, which is called the "weight" (usually expressed on a total of 1000), is the expenditure share of the item. Non-consumption items such as income tax, social security contributions, purchase of land, shares and life insurance are excluded.

The commodities in the basket are classified according to the UN COICOP (Classification of Consumption Expenditure according to Purpose) with 12 divisions, 43 groups and 84 classes.

(d) Price coverage

The prices used in the CPI calculation are those that any member of the public would have to pay to purchase the specified goods or services. Any taxes on products attached to the goods are included.

Price collection is done on a regular basis. Each month, around 7,800 price quotations are collected in respect of 1,080 item indicators from some 400 outlets selected to be representative of regions across the islands of Mauritius and Rodrigues.

Prices of non-perishable items are collected monthly in the nine geographical districts of the island of Mauritius and in Rodrigues.

Prices of fresh fruits, vegetables, meat and fish are collected on a weekly basis from 9 markets in Port Louis, Rose Hill, Quatre Bornes, Vacoas, Mahebourg, Flacq, Goodlands, Pamplemousses and Port Mathurin.

Information on rent is obtained from a quarterly rent survey of some 100 rented dwellings.

(e) Formula for computation of the CPI

The CPI is computed according to the Laspeyres Formula as a weighted average of price relatives of individual items. The weights are fixed and correspond to the base period expenditures. The Laspeyres Index measures the cost of a basket of goods and services at different points in time, relative to the cost of the same basket in the base period.

The formula used for computing the CPI at time t is

$$I_t = \frac{\sum W_i (P_{it} / P_{i0})}{\sum W_i} \times 100$$

where,

- I_t : CPI for period t with reference to a base period 0
 P_{i0} : Price of item i at time 0, i.e. during base period
 P_{it} : Price of item i at time t
 W_i : Weight of item i

The base period is July 2006 to June 2007, the period during which the latest HBS was conducted.

2. Inflation

(a) Definition of Inflation

Inflation is the percentage change in the level of prices (as measured by the CPI) from one period to another.

(b) Calculating the Inflation Rate

The headline inflation rate in Mauritius, like in many other countries, is calculated by using the annual average method, i.e. by comparing the average level of prices during a twelve-month period with the average level during the corresponding previous twelve-month period. This type of inflation rate is more appropriate for adjusting wages, salaries and pensions to compensate for loss of purchasing power. *All inflation rates presented in this publication relate to the headline inflation.*

Another commonly used method of calculating the inflation rate is the so called ‘year-on-year’ method. The year-on-year inflation rate is calculated as the percentage change in the CPI for a given month with respect to the CPI for the corresponding month of the previous year. It is generally used by central banks for monetary policy decisions. Year-on-year inflation rates are not presented in this publication but can be easily calculated through the available monthly CPI.

Note: More information about the concept, computation and use of the CPI is available online in the publication “HBS 2006/07 and updated CPI” [<http://www.gov.mu/portal/goc/cso/ei664/toc.htm>]