



# Economic and Social Indicators

**Issue No 1733**

**Consumer Price Index**

**2<sup>nd</sup> Quarter 2023**

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# CONSUMER PRICE INDEX

(Base period: January – December 2017 = 100)

2<sup>nd</sup> Quarter 2023

## 1. INTRODUCTION

This issue of Economic and Social Indicators presents the Consumer Price Index (CPI) for the second quarter 2023. The methodology used for computing CPI and inflation rate is given in the technical note at Annex.

## 2. KEY POINTS

### 2.1 Overall CPI

The Consumer Price Index, which stood at 131.1 in March 2023, registered a net increase of 0.6 point (or +0.5%) to reach 131.7 in June 2023 (Table 1A).

On a monthly basis, the CPI decreased by 0.1 point in April, increased by 0.2 point in May and 0.5 point in June 2023.

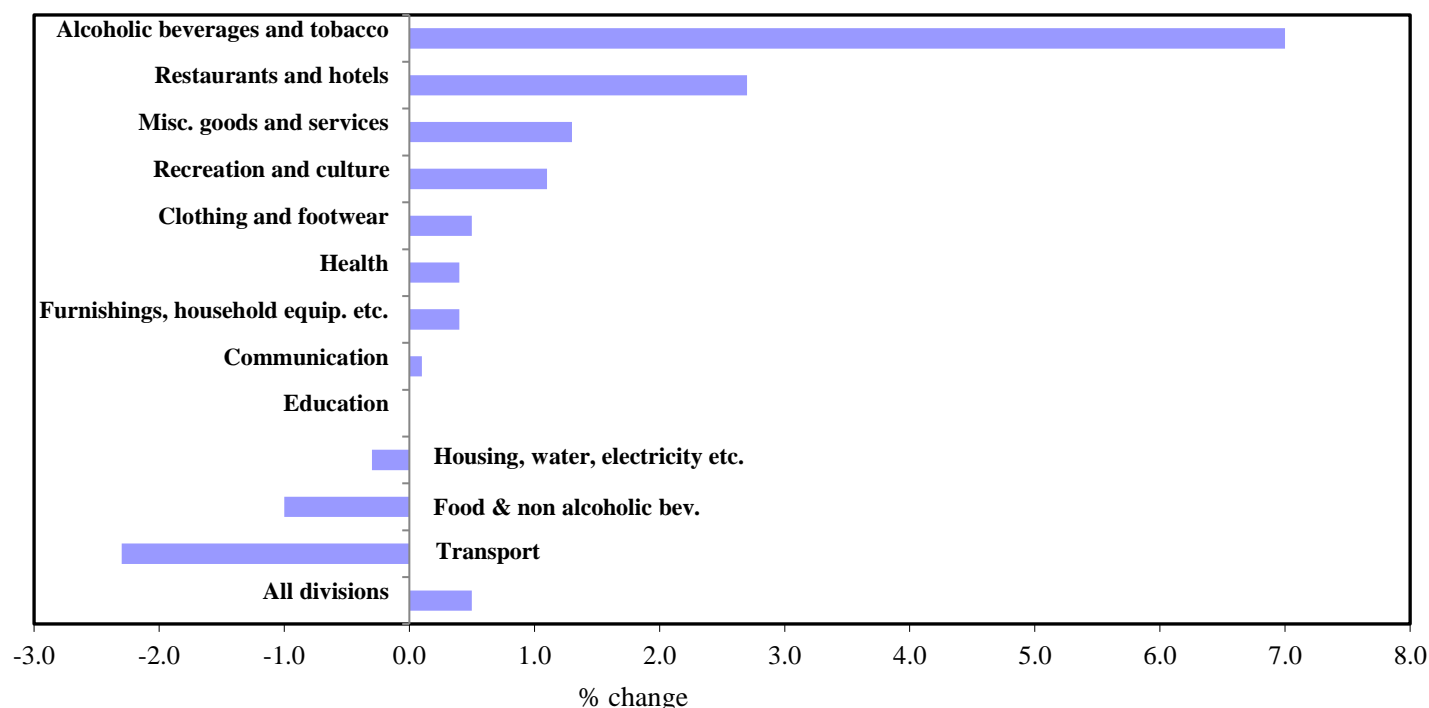
### 2.2 Overview of CPI movements

The main contributors for the net increase in CPI from March 2023 to June 2023 (Table 2) were:

- (a) higher prices of fish (+0.1 point), meat (+0.1 point) and some other food products (+0.1 point);
- (b) higher prices of cigarettes (+0.4 point), beer and stout (+0.3 point), rum and other cane spirits (+0.2 point) and, whisky (+0.1 point);
- (c) higher expenditure in bar (+0.1 point) and higher prices of prepared foods (+0.1 point) and goods for personal care (+0.1 point);
- (d) higher prices of some other goods and services (+0.2 point);  
partly offset by;
- (e) lower prices of vegetables (-0.6 point), gasoline (-0.5 point) and lower interest rates on housing loan (-0.1 point).

## 3. MOVEMENT OF CPI SUB INDICES

### Percentage change in CPI sub-indices from March 2023 to June 2023



The changes in the sub-indices (Table 3) for the twelve divisions of consumption expenditure from March 2023 to June 2023 were as follows:

<u>Division of consumption expenditure</u>	<u>Main contributors to change</u>
<i>Food and non-alcoholic beverages (-1.0%)</i>	Lower prices of vegetables (-8.6%), cooking oil (-3.1%), trader's rice (-1.9%), ice cream and sweets (-6.8%), fruits (-1.0%) and culinary herbs (-3.8%), partly mitigated by higher prices of fish (+2.6%), meat (+1.0%), fruit juice (+17.1%), cheese (+9.1%), some frozen semi-prepared foods (+2.7%), sugar (+4.6%), biscuits (+2.2%), margarine and ghee (+3.7%) and some other food products (+3.5%).
<i>Alcoholic beverages and tobacco (+7.0%)</i>	Higher prices of cigarettes (+6.2%), beer and stout (+7.6%), rum and other cane spirits (+9.0%), whisky (+7.3%) and wine (+4.8%).
<i>Clothing and footwear (+0.5%)</i>	Higher prices of footwear (+1.6%), ready-made clothing (+0.2%) and clothing materials (+0.3%).
<i>Housing, water, electricity, gas and other fuels (-0.3%)</i>	Lower interest rates on housing loan (-1.5%) partly mitigated by higher prices of materials for the maintenance and repair of dwellings (+1.4%).
<i>Furnishings, household equipment and routine household maintenance (+0.4%)</i>	Higher prices of furniture (+1.5%) and household textiles (+2.0%), partly offset by lower prices of washing materials and softeners (-0.6%) and some other non- durable supplies (-0.6%).
<i>Health (+0.4%)</i>	Higher prices of some medicinal products (+1.4%).
<i>Transport (-2.3%)</i>	Lower prices of gasoline (-6.9%) and some spare parts and accessories for motor vehicles (-0.8%), partly mitigated by higher prices of motor vehicles (+0.5%) and air tickets (+1.4%).
<i>Communication (+0.1%)</i>	Higher prices of mobile phones (+1.2%).
<i>Recreation and culture (+1.1%)</i>	Higher private TV subscriptions (+1.5%) and higher prices of some audio-visual equipment (+3.0%), stationery (+2.3%), pet foods (+1.6%) and some information processing equipment (+0.7%).
<i>Education</i>	Unchanged.

*Restaurants and hotels (+2.7%)*

Higher prices of some prepared foods (+3.4%), cakes and snacks (+0.8%) and higher expenditure in bar (+3.3%).

*Miscellaneous goods and services (+1.3%)*

Higher prices of goods for personal care (+3.2%).

#### 4. INFLATION RATE

The headline inflation rate was 10.8% for year 2022, compared to 4.0% for year 2021 (Table 5).

The headline inflation rate excluding 'Alcoholic beverages and tobacco' was 11.0% for year 2022, compared to 3.7% for year 2021.

The headline inflation rate for the twelve months ending June 2023 worked out to 10.5%, compared to 8.0% for the twelve months ending June 2022.

The headline inflation rate excluding “Alcoholic beverages and tobacco” for the twelve months ending June 2023 worked out to 10.5%, compared to 7.7% for the twelve months ending June 2022.

#### 5. INTERNATIONAL COMPARISON OF INFLATION RATE

The table below compares 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 year 2022.

**Inflation rate (%) of selected countries, year 2022**

Country	Inflation rate (%)	Country	Inflation rate (%)
France	5.9	Australia	6.6
United Kingdom	9.1	United States	8.0
China	1.9	Botswana	12.2
India	6.7	<b>Mauritius</b>	<b>10.8</b>
Japan	2.5	Seychelles	2.7
Singapore	6.1	South Africa	6.9

Source – World Economic Outlook Database, April 2023

## Note:

- (i) This publication is available on the website of Statistics Mauritius at <http://statsmauritius.govmu.org> 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 1A - Monthly Consumer Price Index, January 2013 - June 2023**

<i><u>Month</u></i>	<i>(Base : Jan - Dec 2012 = 100 )</i>						<i>(Base : Jan - Dec 2017 = 100 )</i>					
	<i><u>2013</u></i>	<i><u>2014</u></i>	<i><u>2015</u></i>	<i><u>2016</u></i>	<i><u>2017</u></i>	<i><u>2018</u></i>	<i><u>2018</u></i>	<i><u>2019</u></i>	<i><u>2020</u></i>	<i><u>2021</u></i>	<i><u>2022</u></i>	<i><u>2023</u></i>
January	102.0	107.2	107.9	108.3	110.2	117.0	103.8	105.9	107.0	114.9	128.5	
February	102.7	108.5	110.7	110.1	111.5	119.3	104.4	106.6	107.9	117.6	130.5	
March	103.1	107.7	110.1	111.1	112.5	120.0	104.4	107.4	108.5	120.1	131.1	
April	103.4	107.7	110.0	110.2	113.4		103.8	104.4	108.8	109.0	121.0	131.0
May	103.3	106.8	107.3	108.2	114.6		103.6	104.4	107.3	109.8	121.6	131.2
June	103.4	106.8	107.2	108.4	115.3		102.8	103.4	105.2	111.4	122.1	131.7
July	103.6	106.8	107.4	108.5	114.3		102.6	103.4	104.9	111.7	124.0	
August	103.3	107.2	108.4	109.4	114.4		101.9	103.7	105.3	111.6	124.4	
September	103.5	106.5	108.6	109.6	113.4		102.0	103.3	106.0	111.7	125.0	
October	103.9	105.9	107.5	109.1	112.9		102.4	102.8	106.1	112.3	125.7	
November	105.0	105.9	107.0	109.4	113.3		102.8	103.1	106.3	113.1	126.8	
December	105.3	105.5	106.9	109.4	114.0		102.4	103.3	106.1	113.3	127.1	
<i>Yearly average</i>	<i>103.5</i>	<i>106.9</i>	<i>108.3</i>	<i>109.3</i>	<i>113.3</i>		<i>103.7</i>	<i>106.3</i>	<i>110.6</i>	<i>122.5</i>		
<b><i>Annual change (%) (Inflation rate)</i></b>	<b>+ 3.5</b>	<b>+ 3.2</b>	<b>+ 1.3</b>	<b>+ 1.0</b>	<b>+ 3.7</b>		<b>+ 3.2</b>	<b>+ 0.5</b>	<b>+ 2.5</b>	<b>+ 4.0</b>	<b>+ 10.8</b>	

**Table 1B - Comparative Monthly Consumer Price Index , January 2013 - June 2023 <sup>1/</sup>**  
*(Base: January - December 2017 = 100)*

<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
January	90.0	94.6	95.2	95.6	97.3	103.2	103.8	105.9	107.0	114.9	128.5
February	90.6	95.7	97.7	97.2	98.4	105.3	104.4	106.6	107.9	117.6	130.5
March	90.9	95.0	97.1	98.1	99.3	105.9	104.4	107.4	108.5	120.1	131.1
April	91.2	95.0	97.1	97.3	100.1	103.8	104.4	108.8	109.0	121.0	131.0
May	91.1	94.2	94.7	95.5	101.1	103.6	104.4	107.3	109.8	121.6	131.2
June	91.2	94.2	94.5	95.7	101.7	102.8	103.4	105.2	111.4	122.1	131.7
July	91.4	94.2	94.8	95.7	100.9	102.6	103.4	104.9	111.7	124.0	
August	91.1	94.6	95.6	96.5	100.9	101.9	103.7	105.3	111.6	124.4	
September	91.3	94.0	95.8	96.7	100.1	102.0	103.3	106.0	111.7	125.0	
October	91.7	93.4	94.9	96.2	99.6	102.4	102.8	106.1	112.3	125.7	
November	92.7	93.4	94.4	96.5	100.0	102.8	103.1	106.3	113.1	126.8	
December	92.9	93.1	94.3	96.5	100.6	102.4	103.3	106.1	113.3	127.1	
<i>Yearly average</i>	<i>91.4</i>	<i>94.3</i>	<i>95.5</i>	<i>96.5</i>	<i>100.0</i>	<i>103.2</i>	<i>103.7</i>	<i>106.3</i>	<i>110.6</i>	<i>122.5</i>	
<b>Annual change (%) (Inflation rate)</b>	<b>+ 3.5</b>	<b>+ 3.2</b>	<b>+ 1.3</b>	<b>+ 1.0</b>	<b>+ 3.7</b>	<b>+ 3.2</b>	<b>+ 0.5</b>	<b>+ 2.5</b>	<b>+ 4.0</b>	<b>+ 10.8</b>	

<sup>1/</sup> *The CPI for January 2013 to March 2018, originally based on Jan to Dec 2012, has been converted to the new base January - December 2017=100 using a linking factor of 1.133167. Example: the monthly CPI for January 2018 has been converted to the new base by dividing 117.0 by 1.133167 (=103.2)*



**Table 2 - Net contribution of main commodities that affected the index from March to June 2023**

<b>Commodity</b>	<b>Contribution to change in overall index point</b>	<b>Percentage change in price index</b>
Vegetables	- 0.6	- 8.6
Fish	+ 0.1	+ 2.6
Meat	+ 0.1	+ 1.0
Other food products	+ 0.1	+ 0.5
Cigarettes	+ 0.4	+ 6.2
Beer and stout	+ 0.3	+ 7.6
Rum and other cane spirits	+ 0.2	+ 9.0
Whisky	+ 0.1	+ 7.3
Interest rates on housing loan	- 0.1	- 1.5
Gasolene	- 0.5	- 6.9
Prepared foods	+ 0.1	+ 3.4
Expenditure in bar	+ 0.1	+ 3.3
Goods for personal care	+ 0.1	+ 3.2
Other goods and services	+ 0.2	+ 0.4
<b>Overall</b>	<b>+ 0.6</b>	<b>+ 0.5</b>

**Table 3 : Monthly sub-indices by division of consumption expenditure, January to June 2023 - (Base: January - December 2017 = 100)**

Division	Description	Weight	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Percentage change <sup>1</sup> between March to June 2023
01	Food and non-alcoholic beverages	248	142.4	147.4	148.3	146.8	147.3	146.9	- 1.0
02	Alcoholic beverages and tobacco	110	128.6	131.3	132.6	132.2	132.6	141.9	+ 7.0
03	Clothing and footwear	46	115.9	116.2	116.2	116.3	116.5	116.7	+ 0.5
04	Housing, water, electricity, gas and other fuels	112	106.5	110.3	110.3	110.4	110.4	110.0	- 0.3
05	Furnishings, household equipment and routine household maintenance	59	133.0	134.2	134.7	135.0	134.8	135.2	+ 0.4
06	Health	38	130.8	130.7	130.8	130.9	131.0	131.3	+ 0.4
07	Transport	147	141.6	141.6	142.1	142.6	143.1	138.8	- 2.3
08	Communication	44	99.0	98.8	98.8	98.8	98.9	98.9	+ 0.1
09	Recreation and culture	42	115.3	115.6	116.1	117.0	116.7	117.4	+ 1.1
10	Education	50	112.6	113.0	114.6	114.6	114.6	114.6	-
11	Restaurants and hotels	54	130.8	130.8	131.0	132.0	132.1	134.6	+ 2.7
12	Miscellaneous goods and services	50	124.2	123.9	124.5	125.3	126.0	126.1	+ 1.3
<b>All Divisions</b>		<b>1000</b>	<b>128.5</b>	<b>130.5</b>	<b>131.1</b>	<b>131.0</b>	<b>131.2</b>	<b>131.7</b>	<b>+ 0.5</b>

<sup>1/</sup> % change has been computed from unrounded indices and hence may vary slightly from the change in rounded indices.

**Table 4 - Monthly CPI by division and group of consumption expenditure,  
January to June 2023 (Base: January - December 2017 = 100)**

Description	Wgt	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
<b>Division 01 - Food and non alcoholic beverages</b>	248	142.4	147.4	148.3	146.8	147.3	146.9
Group 1 - Food	230	142.7	148.0	148.9	147.1	147.5	147.0
Group 2 - Non-alcoholic beverages	18.0	138.4	139.5	140.8	143.1	144.4	145.2
<b>Division 02 - Alcoholic beverages and tobacco</b>	110	128.6	131.3	132.6	132.2	132.6	141.9
Group 1 - Alcoholic beverages	61	126.5	128.1	129.7	129.0	129.7	139.6
Group 2 - Tobacco	49	131.2	135.4	136.3	136.3	136.3	144.7
<b>Division 03 - Clothing and footwear</b>	46	115.9	116.2	116.2	116.3	116.5	116.7
Group 1 - Clothing	36	115.1	115.2	115.2	115.4	115.4	115.4
Group 2 - Footwear	10	119.0	119.5	119.5	119.5	120.3	121.4
<b>Division 04 - Housing, water, electricity, gas and other fuels</b>	112	106.5	110.3	110.3	110.4	110.4	110.0
Group 1 - Actual rentals for housing	10	101.8	101.8	101.8	101.8	101.8	101.8
Group 2 - Mortgage interest on housing loan	31	116.9	114.6	114.6	114.6	114.6	112.9
Group 3 - Maintenance and repair of the dwelling	13	136.8	136.8	137.2	137.7	138.0	138.1
Group 4 - Water supply and miscellaneous services relating to the dwelling	11	100.0	100.0	100.0	100.0	100.0	100.0
Group 5 - Electricity, gas and other fuels	47	93.7	104.3	104.3	104.3	104.3	104.3
<b>Division 05 - Furnishings, household equipment and routine household maintenance</b>	59	133.0	134.2	134.7	135.0	134.8	135.2
Group 1 - Furniture and furnishings, carpets and other floor coverings	14	123.3	127.3	127.3	127.1	128.7	129.2
Group 2 - Household textiles	5	119.0	119.0	119.0	121.0	121.0	121.4
Group 3 - Household appliances	12	128.4	129.3	130.2	131.8	130.1	130.5

**Table 4 (contd.) - Monthly CPI by division and group of consumption expenditure,***January to June 2023 (Base: January - December 2017 = 100)*

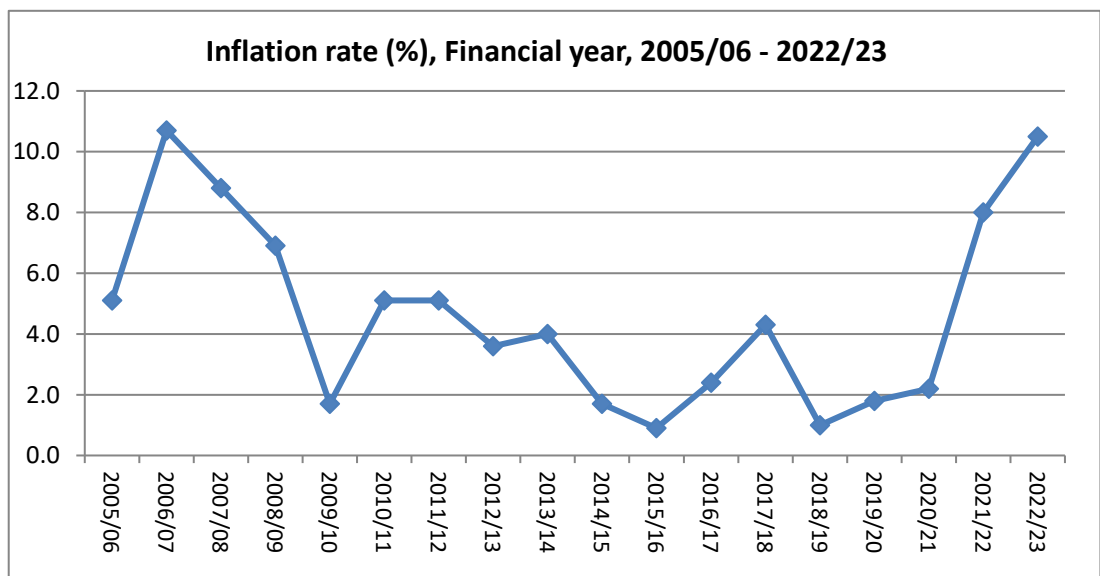
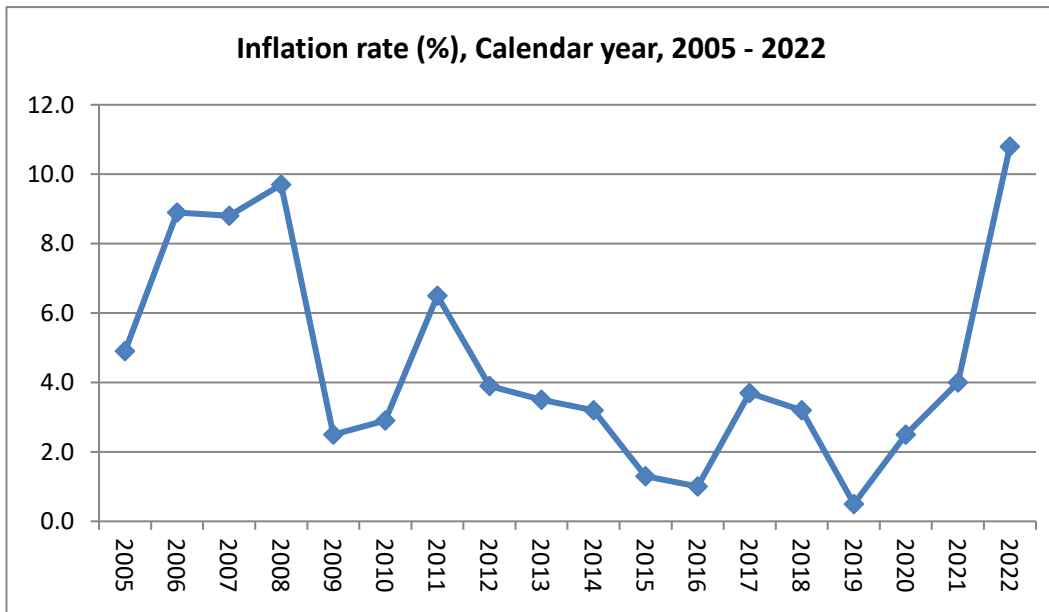
Description	Wgt	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Group 4 - Glassware, tableware and household utensils	2	123.8	123.8	123.8	123.8	123.2	123.8
Group 5 - Tools and equipment for house and garden	2	116.5	116.8	116.9	117.5	117.4	117.4
Group 6 - Goods and services for routine household maintenance	24	145.9	146.1	146.9	146.6	145.9	146.3
<b>Division 06 - Health</b>	<b>38</b>	<b>130.8</b>	<b>130.7</b>	<b>130.8</b>	<b>130.9</b>	<b>131.0</b>	<b>131.3</b>
Group 1 - Medical products, appliances and equipment	14	119.7	119.5	119.6	119.9	120.1	120.8
Group 2 - Outpatient services	15	146.4	146.4	146.4	146.4	146.4	146.4
Group 3 - Hospital services	9	122.3	122.3	122.3	122.3	122.3	122.3
<b>Division 07 - Transport</b>	<b>147</b>	<b>141.6</b>	<b>141.6</b>	<b>142.1</b>	<b>142.6</b>	<b>143.1</b>	<b>138.8</b>
Group 1 - Purchase of vehicles	50	129.8	130.3	130.8	132.2	133.1	131.4
Group 2 - Operation of personal transport equipment	64	159.5	159.7	159.6	159.5	159.5	151.1
Group 3 - Transport services	33	124.7	123.9	125.2	125.6	126.2	126.1
<b>Division 08 - Communication</b>	<b>44</b>	<b>99.0</b>	<b>98.8</b>	<b>98.8</b>	<b>98.8</b>	<b>98.9</b>	<b>98.9</b>
Group 2 - Telephone and telefax equipment	5	91.1	89.3	89.3	89.3	90.4	90.4
Group 3 - Telephone and telefax services	39	100.0	100.0	100.0	100.0	100.0	100.0
<b>Division 09 - Recreation and culture</b>	<b>42</b>	<b>115.3</b>	<b>115.6</b>	<b>116.1</b>	<b>117.0</b>	<b>116.7</b>	<b>117.4</b>
Group 1 - Audio-visual, photographic and information processing equipment	9	106.5	108.1	108.1	108.8	108.2	109.9
Group 3 - Other recreational items and equipment, gardens and pets	6	123.1	123.0	123.8	125.5	122.3	124.5

**Table 4 (contd.) - Monthly CPI by division and group of consumption expenditure,  
January to June 2023 (Base: January - December 2017 = 100)**

Description	Wgt	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Group 4 - Recreational and cultural services	15	106.6	106.6	106.6	108.0	108.0	108.0
Group 5 - Newspapers, books and stationery	12	128.9	129.0	130.1	130.2	131.1	131.0
<b>Division 10 - Education</b>	<b>50</b>	<b>112.6</b>	<b>113.0</b>	<b>114.6</b>	<b>114.6</b>	<b>114.6</b>	<b>114.6</b>
Group 1 - Pre-primary and primary education	5	118.1	118.1	118.1	118.1	118.1	118.1
Group 2 - Secondary education	10	111.5	111.5	111.5	111.5	111.5	111.5
Group 3 - Post-secondary and non-tertiary education	0.5	135.0	135.0	135.0	135.0	135.0	135.0
Group 4 - Tertiary education	34	112.6	113.2	115.5	115.5	115.5	115.5
Group 5 - Education not definable by level	0.5	58.7	58.7	58.7	58.7	58.7	64.1
<b>Division 11 - Restaurants and hotels</b>	<b>54</b>	<b>130.8</b>	<b>130.8</b>	<b>131.0</b>	<b>132.0</b>	<b>132.1</b>	<b>134.6</b>
Group 1 - Catering services	51	131.7	131.7	131.8	132.6	132.7	135.6
Group 2 - Accommodation services	3	117.1	117.1	117.1	122.1	121.5	116.8
<b>Division 12 - Miscellaneous goods and services</b>	<b>50</b>	<b>124.2</b>	<b>123.9</b>	<b>124.5</b>	<b>125.3</b>	<b>126.0</b>	<b>126.1</b>
Group 1 - Personal care	22	129.5	128.8	129.7	131.6	133.1	133.3
Group 3 - Personal effects, not elsewhere classified	2	147.0	148.3	152.7	152.7	152.2	153.5
Group 4 - Social protection	1	132.9	132.9	132.9	132.9	132.9	132.9
Group 5 - Insurance	21	116.7	116.7	116.7	116.7	116.7	116.7
Group 6 - Financial services not elsewhere classified	1	100.0	100.0	100.0	100.0	100.0	100.0
Group 7 - Other services not elsewhere classified	3	127.3	127.3	127.3	127.3	127.3	127.3
<b>All divisions</b>	<b>1000</b>	<b>128.5</b>	<b>130.5</b>	<b>131.1</b>	<b>131.0</b>	<b>131.2</b>	<b>131.7</b>

**Table 5 - Headline inflation rate (%), 2005 - 2023**

<i>Calendar year</i>	<i>Inflation rate</i>	<i>Financial Year</i>	<i>Inflation rate</i>
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	2009/10	1.7
2010	2.9	2010/11	5.1
2011	6.5	2011/12	5.1
2012	3.9	2012/13	3.6
2013	3.5	2013/14	4.0
2014	3.2	2014/15	1.7
2015	1.3	2015/16	0.9
2016	1.0	2016/17	2.4
2017	3.7	2017/18	4.3
2018	3.2	2018/19	1.0
2019	0.5	2019/20	1.8
2020	2.5	2020/21	2.2
2021	4.0	2021/22	8.0
2022	10.8	2022/23	10.5



## Technical note

### 1. Methodology used for the computation of the Consumer Price Index (Base period: January - December 2017 = 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 households in a reference period, currently January to December 2017. The composition of the current CPI basket has been derived from the 2017 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, 42 groups and 80 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 8,000 price quotations are collected in respect of 1,093 item indicators from some 520 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 January to December 2017, 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 2017 Methodological Report and updated CPI’](#)

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