



Inflation Expectations Survey¹

(IES)

Survey Month: November 2021

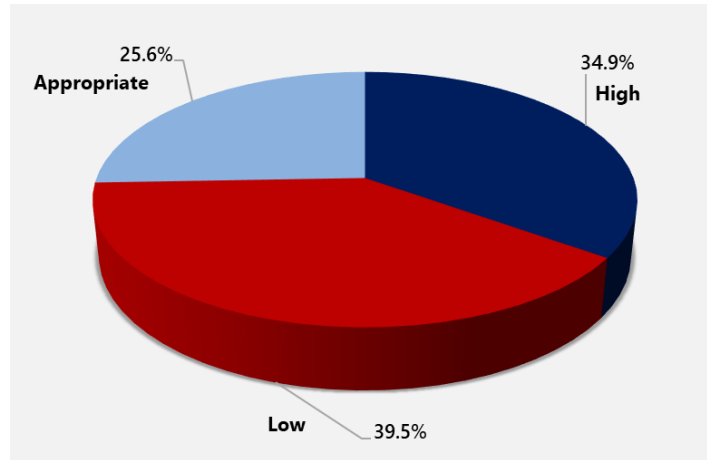
¹The reported survey findings represent the views of respondents.

1. The Bank carried out its 53rd Inflation Expectations Survey in November 2021. Out of 50 stakeholders randomly chosen from the financial and real sectors of the economy, 43 responded to the survey. The findings of the survey are thus based on these 43 responses.
2. With regard to the headline inflation² rate of 3.4 per cent in October 2021, 39.5 per cent of respondents considered this rate as being low. 25.6 per cent of respondents deemed this rate as being appropriate, while the remaining 34.9 per cent viewed the rate to be high.
3. With regard to the three major factors underpinning the current inflation environment, 53.5 per cent of respondents indicated that the change in the rupee exchange rate was the primary source of inflation in Mauritius. External factors were considered by 46.5 per cent of respondents as being the second most important factor. The change in aggregate demand was regarded by 53.5 per cent of respondents as being the third most important factor.
4. Respondents were requested to provide their expectations of headline inflation for June 2022, a year ahead (October 2022), and December 2022.
 - **June 2022:** 2.3 per cent of the respondents are expecting the inflation rate to be below 2.5 per cent, while 34.9 per cent of them are anticipating the inflation rate to be between 2.5 per cent and 3.5 per cent. 62.8 per cent of respondents reported that the inflation rate would exceed 3.5 per cent.
 - **A year ahead (October 2022):** None of the respondents are expecting the rate of inflation to be below 2.5 per cent, while 18.6 per cent of respondents are anticipating the inflation rate to range from 2.5 per cent to 3.5 per cent. 81.4 per cent of respondents are expecting an inflation rate of over 3.5 per cent.
 - **December 2022:** None of the respondents are expecting the rate of inflation to be below 2.5 per cent, while 25.6 per cent of respondents are anticipating the inflation rate to range between 2.5 per cent and 3.5 per cent. 74.4 per cent of respondents are expecting an inflation rate of over 3.5 per cent.
5. Headline inflation rates expected by respondents are 4.0 per cent for June 2022, 4.2 per cent a year ahead (i.e. October 2022), and 4.3 per cent for December 2022.

² *Headline inflation is measured by comparing the average level of prices, as measured by the CPI, during a twelve-month period with the average level during the corresponding previous twelve-month period.*

Graphical representation of responses

Q1.1. Headline inflation for the month of **October 2021 was 3.4 per cent**. Do you perceive this rate to be.....?



Q1.2. Which of the following factors account for the current inflation pattern? (Ranking in order of importance starting with 1 for most important)

Factors	Rank (starting with 1 for most important)		
	1	2	3
Fiscal policy	0	1	3
Change in interest rates	0	0	2
Change in rupee exchange rate	23	14	2
External factors	17	20	4
Change in aggregate demand	1	5	23
Wage policy	0	1	2
Domestic supply shocks	0	2	3
Other	2	0	4

Q1.3. What is your expectation of headline inflation in **(a) June 2022, (b) A year ahead (October 2022)** and **(c) December 2022?**

