



# *Inflation Expectations Survey* *(IES)*

*Survey Month: SEPTEMBER 2009*

## Introduction

The fourth Survey on inflation expectations was carried out in September 2009. Out of the 50 stakeholders chosen from the financial and real sectors of the economy, 46 responded to the survey. The survey findings are thus based on these 46 responses.

## Findings of the IES

1. With respect to how respondents perceived the 5.2 per cent inflation rate for the twelve months ended August 2009, 52.2 per cent of respondents considered this rate as being appropriate while 28.3 per cent judged it to be high. 13 per cent of respondents deemed this rate as being low and 6.5 per cent viewed this rate as being too high.

2. With regard to their best description of the movement of prices over the preceding 12 months, 50 per cent of respondents indicated that prices of goods and services had gone up while 30.4 per cent were of the opinion that they had gone down. 19.6 per cent of respondents viewed that prices had remained unchanged.

3. A propos the three main factors accounting for the prevailing inflation pattern, external factors were viewed by 71.7 per cent of respondents as the primary source of inflation in Mauritius. Wage policy was regarded by 32.6 per cent of respondents as the second most important factor while 37 per cent of respondents viewed monetary policy as the third most important factor.

4. In relation to movement of prices over the following 12 months, 63 per cent of respondents expected prices to go up, while 19.6 per cent of respondents anticipated a decrease in prices. 17.4 per cent of respondents expected that prices would remain unchanged.

5. Finally, respondents were requested to provide their expectations of the rate of inflation for the twelve months ending December 2009, June 2010 and December 2010.

- In December 2009, 37 per cent of respondents expect inflation to be less than 5.2% while 39.1 per cent expect inflation to range between 5.2% and 6%. 23.9 per cent of respondents anticipate inflation to be above 6%.

- *In June 2010*, 19.6 per cent of respondents expect inflation to be less than 5.2% while 30.4 per cent expect inflation to range between 5.2% and 6%. 50 per cent of respondents anticipate inflation to be above 6%.
- *In December 2010*, 13 per cent of respondents expect inflation to be less than 5.2% while 15.2 per cent expect inflation to range between 5.2% and 6%. 71.8 per cent of respondents anticipate inflation to be above 6%.

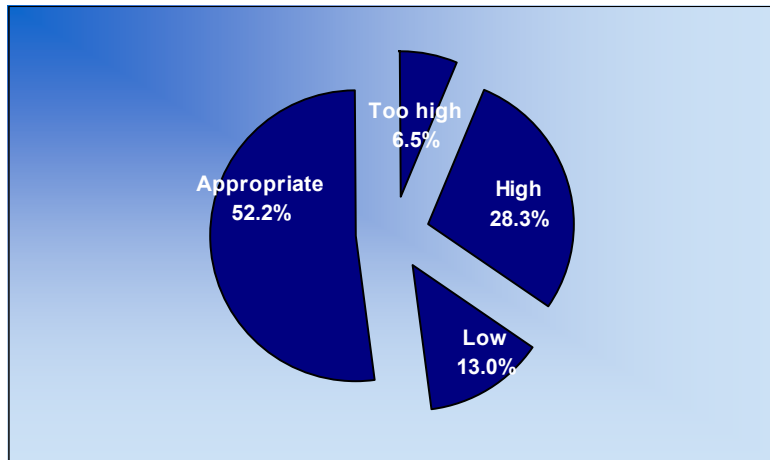
6. The mean inflation rates expected by respondents were 5.6%, 6.2% and 7.0% respectively for the twelve months ending December 2009, June 2010 and December 2010.

**Monetary and Financial Statistics Section**

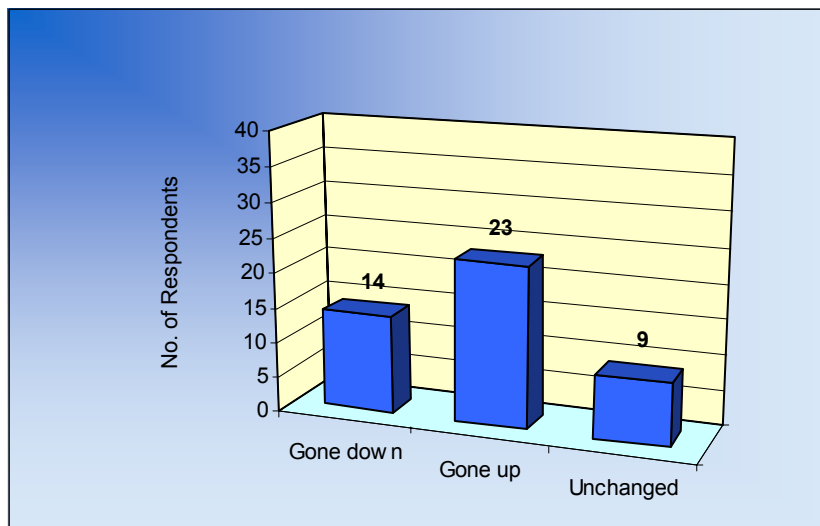
**Statistics Division  
17 November 2009**

## Graphical Representation of Responses

**Q1.1.** Inflation for the twelve-month period ended August 2009 was 5.2 per cent.  
Do you perceive this rate to be.....?



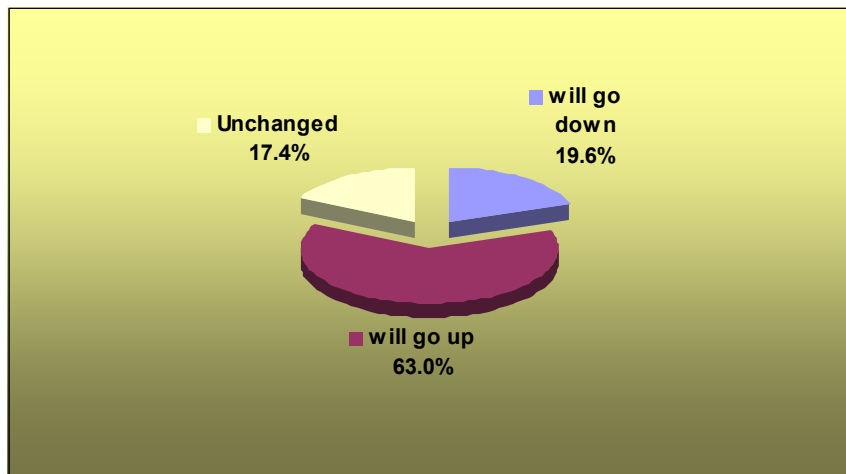
**Q1.2.** Which of the following best describes the movement of prices over the past 12 months?



**QI.3.** 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	3	7	4
Monetary policy	5	10	17
External factors	33	5	6
Wage policy	1	15	7
Fall in aggregate demand	4	7	11
Other:.....	0	2	1

**QII.1.** Which of the following would best describe the movement of prices over the next 12 months?



**QII.2** What is your expectation of inflation in? (a) December 2009; (b) June 2010; and (c) December 2010.

