



Inflation Expectations Survey
(IES)

Survey Month: FEBRUARY/MARCH 2009

Introduction

The Bank of Mauritius (BOM) carried out the second survey on inflation expectations in February/March 2009. Out of the 50 stakeholders chosen from the financial and real sectors of the economy, 40 responded to the survey. The survey findings are thus based on these 40 responses.

Findings of the IES

1. With respect to how respondents perceived the 9.3 per cent inflation rate for the twelve months ended January 2009, 47.5 per cent of respondents considered this rate to be too high while 32.5 per cent judged it to be high. 20 per cent of respondents deemed this rate as being appropriate.

2. With regard to their best description of the movement of prices over the preceding 12 months, 62.5 per cent of respondents indicated that prices of goods and services had gone up while 25 per cent were of the opinion that they had gone down. 12.5 per cent of respondents viewed that prices had remained unchanged.

3. With respect to the three main factors accounting for the prevailing inflation pattern, external factors were viewed by 80 per cent of respondents as the primary source of inflation in Mauritius. Wage policy and monetary policy were regarded by 40 per cent and 37.5 per cent of respondents, respectively, as the second most important factor. The third most important factor was identified by 37.5 per cent of respondents as being fiscal policy.

4. In relation to movement of prices over the following 12 months, 52.5 per cent of respondents expected prices to go down, while 22.5 per cent of respondents anticipated an increase in prices. 25 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 June 2009, December 2009 and June 2010. 70 per cent of respondents expect inflation in June 2009 and December 2009 to be less than 9.3

per cent. 75 per cent of respondents anticipate an inflation rate of less than 9.3 per cent in June 2010.

6. The mean inflation rates expected by respondents were 8.5%, 7.5% and 7.6% respectively for the twelve months ending June 2009, December 2009 and June 2010. Respondents thus expect a drop in the inflation rate in the near-term.

Monetary and Financial Statistics Section

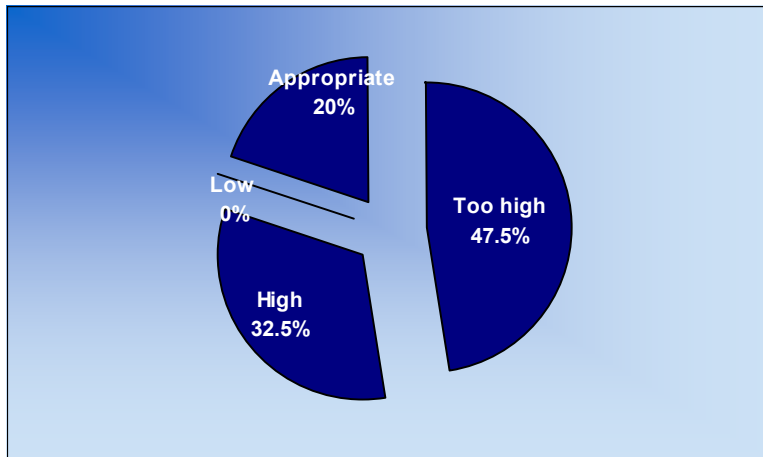
Statistics Division

25 May 2009

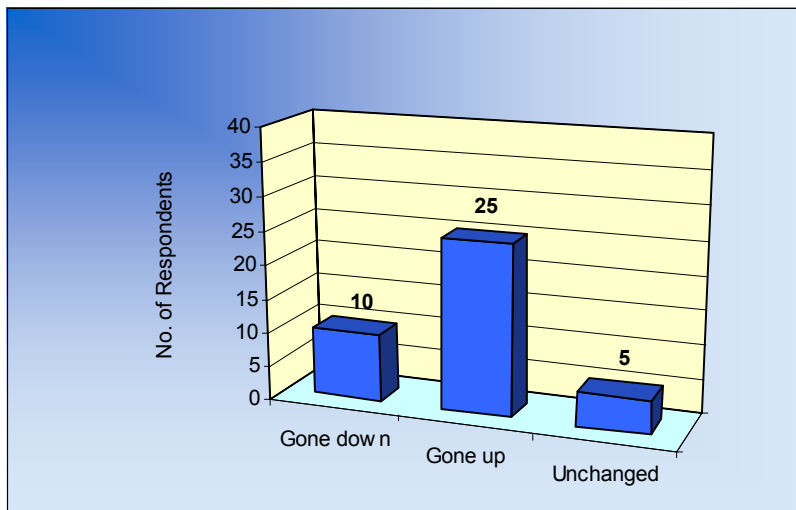
Graphical Representation of Responses

Q1.1. Inflation for the twelve-month period ended January 2009 was 9.3 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?

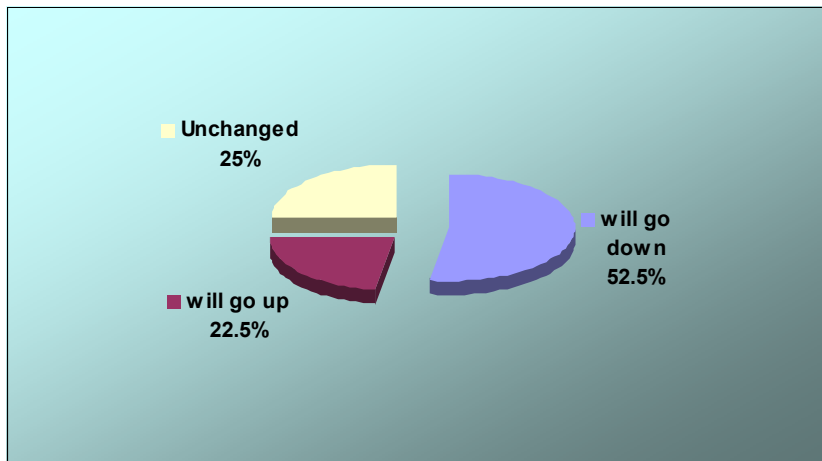


QI.3. Which of the following factors account for the current inflation pattern?

(Ranking in order of importance starting with 1 for most important)

Factors	Rank(starting with 1 for most important)		
	1	2	3
Fiscal policy	2	1	15
Monetary policy	3	15	10
External factors	32	5	2
Wage policy	0	16	9
Increase in investment	1	0	3
Other:.....	2	3	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) June 2009; (b) December 2009; and (c) June 2010

