



Inflation Expectations Survey
(IES)

Survey Month: JUNE 2009

Introduction

The third Survey on inflation expectations was carried out in June 2009. Out of the 50 stakeholders chosen from the financial and real sectors of the economy, 44 responded to the survey. The survey findings are thus based on these 44 responses.

Findings of the IES

1. With respect to how respondents perceived the 7.4 per cent inflation rate for the twelve months ended May 2009, 56.8 per cent of respondents considered this rate to be high while 13.6 per cent judged it to be too high. 25 per cent of respondents deemed this rate as being appropriate and 4.6 per cent viewed this rate as being low.
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 34.1 per cent were of the opinion that they had gone down. 15.9 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 68.2 per cent of respondents as the primary source of inflation in Mauritius. Wage policy and monetary policy were regarded by 36.4 per cent of respondents as the second and third most important factors, respectively.
4. In relation to movement of prices over the following 12 months, 47.8 per cent of respondents expected prices to go up, while 38.6 per cent of respondents anticipated a decrease in prices. 13.6 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. 56.8 per cent of respondents expect inflation in December 2009 to be less than 7.4 per cent while 50 per cent of respondents are of the opinion that inflation will be less than 7.4 per cent in June 2010. 43.2 per cent of respondents anticipate an inflation rate of less than 7.4 per cent in December 2010.

6. The mean inflation rates expected by respondents were 6.9%, 7.2% and 7.5% respectively for the twelve months ending December 2009, June 2010 and December 2010. Respondents thus expect a drop in inflation rate in the short-term but anticipate a pick-up in the medium-term.

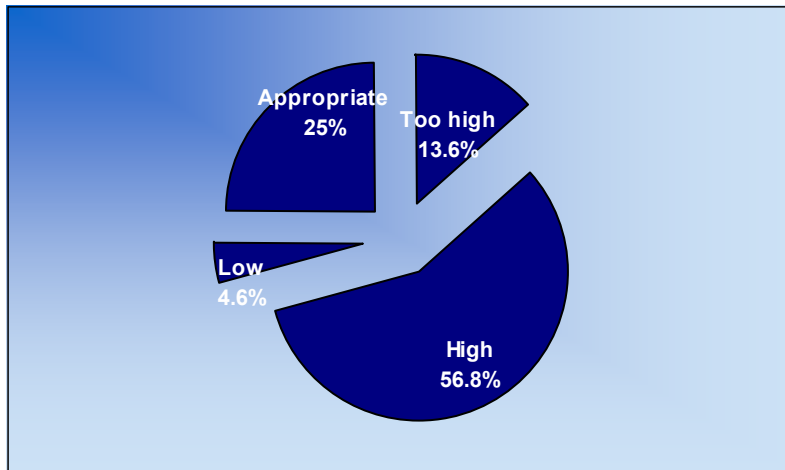
Monetary and Financial Statistics Section

Statistics Division

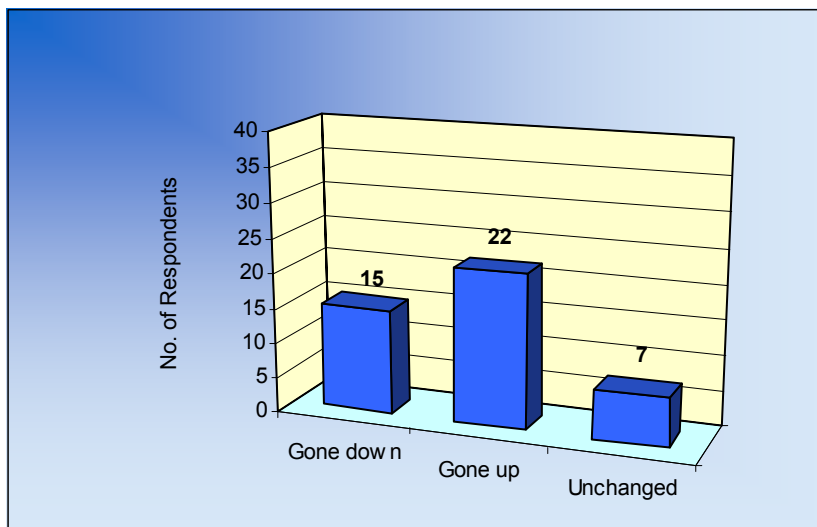
29 July 2009

Graphical Representation of Responses

Q1.1. Inflation for the twelve-month period ended May 2009 was 7.4 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?

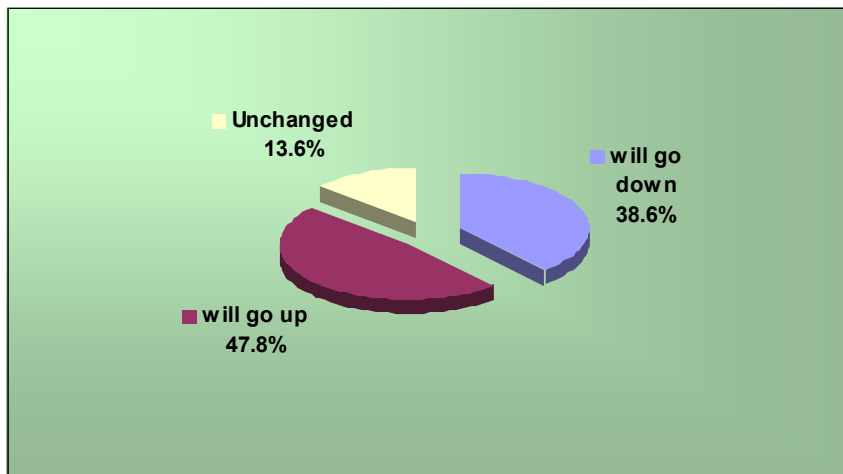


QI.3. Which of the following factors account for the current inflation pattern?

(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	4	12
Monetary policy	5	7	16
External factors	30	7	2
Wage policy	3	16	5
Fall in aggregate demand	2	7	6
Other:.....	1	3	3

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.

