



# *Inflation Expectations Survey (IES)*

***Survey Month: March 2010***

*(The reported survey findings represent the views of respondents and not necessarily those of the Bank of Mauritius.)*

## Introduction

The sixth Inflation Expectations Survey was carried out in March 2010. Out of the 50 stakeholders chosen from the financial and real sectors of the economy, 46 responded to the survey. Consequently, the survey findings are based on these 46 responses.

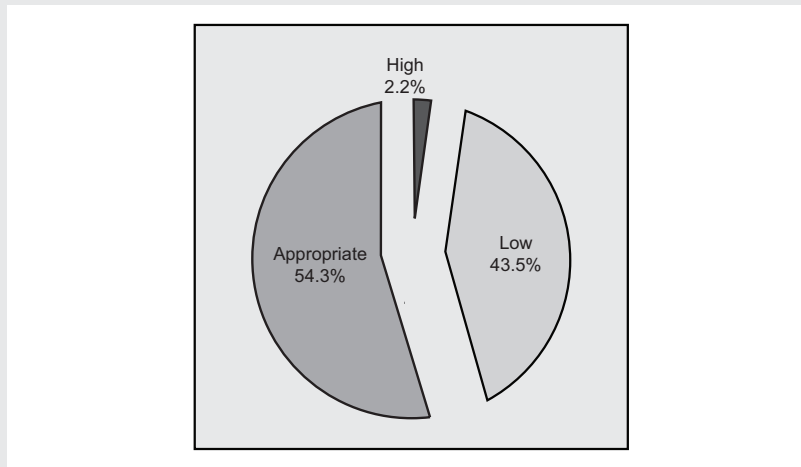
## Findings of the IES

1. With respect to how respondents perceived the 2.1 per cent inflation rate for the twelve month ended February 2010, 54.3 per cent of respondents considered this rate as being appropriate while 43.5 per cent of respondents judged it to be low. 2.2 per cent of respondents viewed this rate as being high.
2. With regard to their best description of the movement of prices over the preceding 12 months, 45.7 per cent of respondents indicated that prices of goods and services had gone up, while 36.9 per cent of respondents were of the opinion that prices had gone down. 17.4 per cent of respondents viewed that prices remained unchanged.
3. Concerning the three main factors that accounted for the prevailing inflation pattern, *external factors* were viewed by 80.4 per cent of respondents as accounting for the primary source of inflation in Mauritius. 34.8 per cent of respondents viewed *fall in aggregate demand* as the second most important factor while *monetary policy* was regarded by 37.0 per cent of respondents as the third most important factor.
4. In relation to movement of prices over the following 12 months, 82.6 per cent of respondents expected prices to go up, while 13.1 per cent of respondents expected that prices would remain unchanged. 4.3 per cent of respondents anticipated a decrease in prices.
5. Finally, respondents were requested to provide their expectations of the rate of inflation for the twelve month ending June 2010, December 2010 and June 2011.
  - *June 2010*: 76.1 per cent of respondents expected inflation to be 3% or less while 21.7 per cent of respondents expected inflation to be between 3.1% and 4%. 2.2 per cent of respondents anticipated inflation to be higher than 4%.
  - *December 2010*: 32.6 per cent of respondents expected inflation to be 3% or below and another 32.6 per cent of respondents expected inflation to range from 3.1% to 4%. 34.8 per cent of respondents anticipated inflation to be above 4%.
  - *June 2011*: 10.9 per cent of respondents expected inflation to be 3.0% or less while 32.6 per cent of respondents expected inflation to be within 3.1% and 4%. 56.5 per cent of respondents anticipate inflation to be higher than 4%.
6. The mean inflation rates expected by respondents were 3.0%, 3.8% and 4.5% respectively for the twelve months ending June 2010, December 2010 and June 2011.

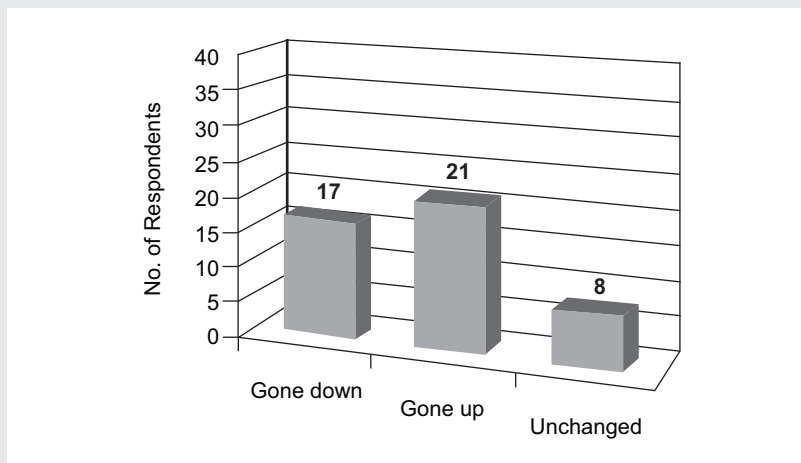
**Monetary and Financial Statistics Section**  
**Statistics Division**  
**28 April 2010**

## *Graphical Representation of Responses*

**QI.1.** Inflation for the twelve-month period ended February 2010 was 2.1 per cent. Do you perceive this rate to be.....?



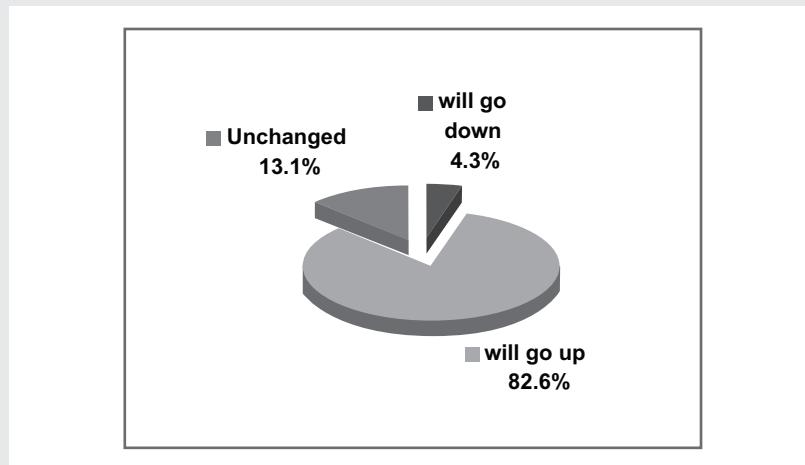
**QI.2.** Which of the following best describes the movement of prices over the past 12 months?



**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	3	6
Monetary policy	1	11	17
External factors	37	2	4
Wage policy	0	13	11
Fall in aggregate demand	4	16	5
Other	1	1	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) June 2010; (b) December 2010; and (c) June 2011?

