



MAURITIUS

Economic Indicators

An Occasional Paper

ISSUE NO. 87

28th April, 1989

NATIONAL ACCOUNTS 1986-89

MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
PORT LOUIS
MAURITIUS

National Accounts 1986 - 1989

1. The present series of National Accounts data relating to the years 1986 to 1989 contains final revisions in respect of year 1987, preliminary estimates for the year 1988 and a forecast for the current year, 1989.

2. The Economic Performance - Year 1988

After having attained growths of 8.9% and 8.4% during the previous two years, the economy in 1988, grew by 5.7%. Gross Domestic Product (GDP) at factor cost increased in nominal terms by 15.2% to reach Rs 22,643 million from Rs 19,625 million in 1987. Net indirect taxes amounted to Rs 4,750 million so that GDP at market prices stood at Rs 27,393 million. Per capita national income also increased, in nominal terms, by 15.1% and reached Rs 26,391.

3. Sectoral Analysis

The sugar sector registered a fall of around 10% resulting from a crop of some 634,000 tons compared to around 691,000 the previous year. The output of the EPZ enterprises is estimated to have increased by some 14% in real terms after recording growths of 35% and 22% in 1986 and 1987 respectively.

The construction sector fared very well with a 12% growth so that on the whole, it is estimated that the production industries grew by around 4.5%.

The service sectors' performance was relatively higher, at around 6.5%. The distribution services grew by 11% compared to 20% the previous year and the hotels and restaurants (tourism) sector increased likewise by 10%.

4. Consumption and Savings

Import and local production statistics suggest that household consumption expenditure in 1988 was again very high. It is estimated to have increased, in volume terms, by nearly 10% over 1987 when the high growth of 20% was registered.

In nominal terms, household consumption increased by 20% representing an increase of Rs 2,835 million to reach Rs 17,210 million from Rs 14,375 million, a year ago. After elimination of the effects of price increases, which was around 9%, the growth, in real terms, works out to nearly 10%.

Government consumption expenditure increased by Rs 650 million to reach Rs 3,360 million so that total consumption expenditure for the year 1988 stood at Rs 20,570 million.

Because of the high level of consumption and inflation, the ratio of consumption to GDP at market prices continued the upward trend and reached 75.1% from 72.5% in 1987 and 71.4% in 1986.

Consequently, the savings rate which had been increasing during the previous years dropped to 24.9% after reaching a peak 28.6% in 1986.

5. Investment

Investment as measured by Gross Domestic Fixed Capital Formation (GDFCF) registered an exceptionally high real growth rate of 30.6% and increased to Rs 7,620 million from Rs 5,090 million the previous year. However, this figure includes the acquisition of two Boeing 767 aircrafts by the national airline. Excluding the aircrafts, investment works out to only 11.2%, which compares with growths of 24.8% and 19.8% recorded in 1986 and 1987 respectively.

There were also considerable investment in buildings, with dwellings increasing in volume by 15% to reach Rs 1,055 million and non-residential buildings 37% (Rs 1,205 million), bringing total investment in building to Rs 2,260 million.

A total sum of Rs 4,570 million was spent on the purchase of transport equipment and machinery (Rs 2,250 million on transport equipment including aircrafts and Rs 2,320 million on machinery).

The analysis by use shows that the transport, storage and communication sector has more than doubled its investment following the acquisition of the aircrafts in 1988.

It is worth mentioning that the 'Other Services' sector has for the first time registered a considerable growth of 78%. The other sectors with high investment are: Manufacturing (Rs 1,895 million), Wholesale & retail trade including hotels (Rs 925 million), Electricity, gas & water (Rs 455 million).

The Public Sector's share amounted to Rs 4,275 million whilst that of the Private Sector reached Rs 3,345 million.

6. Cost Components of GDP at Factor Cost

Compensation of employees, one of the main factors of production increased by Rs 1,635 million to reach Rs 10,545 million. Of the latter, the Government's share was Rs 2,920 million. The ratio of compensation of employees to GDP at factor cost therefore increased to 46.6% from 45.4% the previous year.

7. The Economy, 1989 (forecast)

In the light of information available on the likely performance of the different sectors of the economy this year, a forecast of the volume growths and price increases expected this year has been worked out.

The economy this year is expected to grow by around 4% compared to 5.7% last year and 8.4% in 1987. GDP at factor cost will reach around Rs 25,250 million, net indirect taxes around Rs 5,300 million bringing GDP at market prices to Rs 30,550 million.

The assumptions made on the growth of the key sectors of the economy are as follows:

- (a) the Sugar Sector is expected to suffer a fall of around 6% with a crop of 600,000 metric tons following the two cyclones: Firinga and Krissy.
- (b) the EPZ Sector is expected to grow by around 11% with exports of EPZ goods reaching around Rs 9,600 million.
- (c) the Tourism Sector will maintain a 10% growth with 265,000 tourist arrivals.
- (d) the Construction Sector will grow by 4% after having recorded a 12% increase last year.

8. Consumption and Savings

On the expenditure side, a slowdown in household consumption expenditure is expected. In fact the real growth in 1989 is estimated to be around 3.5% as compared to the very high growth of 20% and 10% recorded during the previous two years 1987 and 1988 respectively.

The savings rate will remain at almost the same level as 1988 at 24.7% compared to 24.9% in 1988.

9. Investment

GDFCF is expected to reach about Rs 6,700 million, which compares with Rs 6,020 million (excluding aircrafts) in 1988. The real terms, investment will remain at about the same level as last year.

As in the previous two years, construction of buildings will maintain its upward trend whilst investment in machinery and equipment is expected to remain at the level of the previous year. Most of the major projects on road construction have now been completed and new road projects are not expected to be in full swing before 1990.

Fig 1. GROSS DOMESTIC PRODUCT AT FACTOR COST, 1984-1989

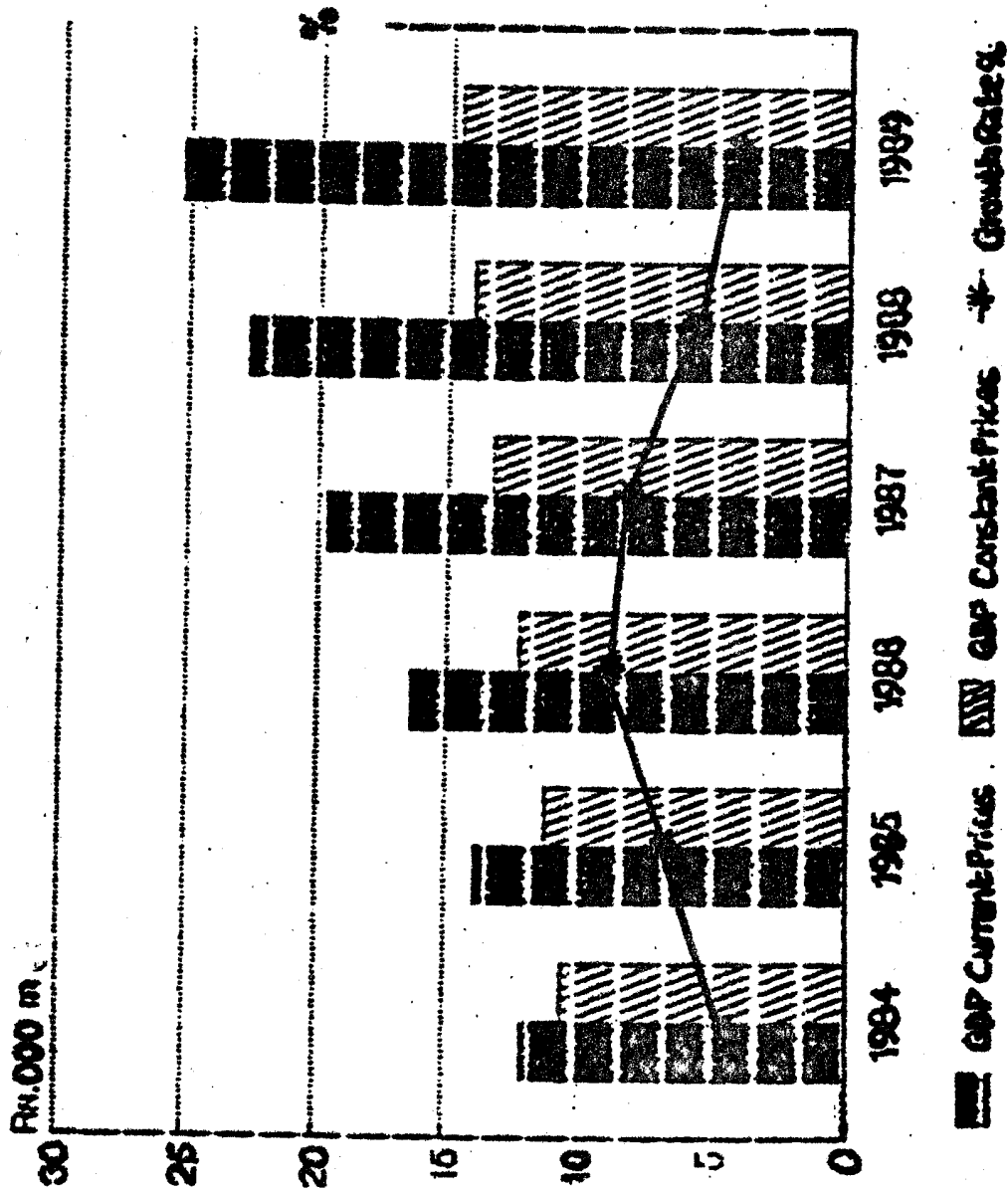


Table 1 - National Accounts - Main aggregates, 1986 - 1989

Main aggregates	Unit	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
1. Gross domestic product (GDP) at factor cost	Rs Mn	16,450	19,625	22,643	25,250
Gross domestic product at market prices	"	19,700	23,553	27,393	30,550
Net factor income from the rest of the world	"	- 729	- 538	- 580	- 310
Gross national product (GNP) at factor cost	"	15,721	19,087	22,063	24,940
Gross national product at market prices	"	18,971	23,015	26,813	30,240
2. Per capita GNP at factor cost	Rs	15,818	19,015	21,716	24,308
Per capita GNP at market prices	"	19,088	22,928	26,391	29,474
3. Compensation of employees	Rs Mn	7,365	8,910	10,545	11,750
4. Final consumption expenditure	"	14,076	17,085	20,570	23,000
private	"	(12,000)	(14,375)	(17,210)	(19,500)
government	"	(2,076)	(2,710)	(3,360)	(3,500)
5. Gross domestic fixed capital formation (GDFCF)	"	3,890	5,090	7,620	6,705
private sector	"	(2,515)	(3,375)	(4,275)	(4,885)
public sector	"	(1,375)	(1,715)	(3,345)	(1,820)
6. Gross domestic savings	"	5,624	6,468	6,823	7,550
7. Net exports of goods and non-factor services	"	+1,312	+ 498	-1,219	+ 400
Exports of goods and non-factor services	"	11,919	15,639	18,658	20,845
Imports of goods and non-factor services	"	10,607	15,141	19,877	20,445

1/ revised estimates

2/ provisional estimates

3/ forecast

4/ includes purchase of two aircrafts

Table 2 - Derived rates and ratios, 1986 - 1989

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
1. Annual real growth rate of (%):				
Gross domestic product (GDP) at factor cost	+ 8.9	+ 8.4	+ 5.7	+ 4.2
Final consumption expenditure	+ 5.2	+17.8	+ 8.6	+ 3.4
Private	+ 5.8	+19.7	+ 9.6	+ 3.5
Government	+ 1.7	+ 7.0	+ 3.0	+ 3.0
Gross domestic fixed capital formation (GDFCF)	+19.8	+24.8	+30.6	-16.2
GDFCF (excluding aircrafts)	+19.8	+24.8	+11.2	- 1.5
2. Ratios				
Compensation of employees as a % of GDP at factor cost	44.8	45.4	46.6	46.5
Final consumption expenditure as a % of GDP at market prices	71.4	72.5	75.1	75.3
Private	60.9	61.0	62.8	63.8
Government	10.5	11.5	12.3	11.5
GDFCF as a % of GDP at market prices	19.8	21.6	27.8	22.0
Private sector	12.8	14.3	15.6	16.0
Public sector	7.0	7.3	12.2 ^{4/}	6.0
Gross domestic savings as a % of GDP at market prices	28.5	27.5	24.9	24.7

1/ revised estimates

2/ provisional estimates

3/ forecast

4/ includes purchase of two aircrafts

Table 3 - Gross domestic product by industry group at current factor cost.

1986 - 1989

Rs Million

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Agriculture, hunting, forestry and fishing	2,510	2,859	2,998	3,158
Sugar	(1,905)	(2,124)	(2,198)	(2,303)
Other	(605)	(735)	(800)	(855)
Mining and quarrying	22	25	27	30
Manufacturing	3,830	4,841	5,593	6,447
Sugar	(605)	(676)	(617)	(664)
E.P.Z.	(1,900)	(2,585)	(3,200)	(3,750)
Other	(1,325)	(1,580)	(1,776)	(2,033)
Electricity, gas and water	462	490	500	550
Construction	880	1,022	1,275	1,440
Wholesale & retail trade, restaurants and hotels	2,300	2,935	3,677	4,288
Wholesale and retail trade	(1,885)	(2,400)	(3,030)	(3,498)
Restaurants and hotels	(415)	(535)	(647)	(790)
Transport, storage and communication	1,775	2,075	2,365	2,707
Financing, insurance, real estate and business services	2,335	2,482	2,723	2,972
Ownership of dwellings	(1,580)	(1,610)	(1,715)	(1,784)
Other	(755)	(872)	(1,008)	(1,188)
Producers of government services	1,560	2,040	2,535	2,610
Other services	776	856	950	1,048
Gross domestic product at factor cost	16,450	19,625	22,643	25,250
Indirect taxes (net of subsidies)	3,250	3,928	4,750	5,300
Gross domestic product at market prices	19,700	23,553	27,393	30,550

1/ revised estimates

2/ provisional estimates

3/ forecast

Table 4. - Gross domestic product by industry group at constant 1982 prices.
1986 - 1989 Rs Million

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Agriculture, hunting, forestry and fishing	1,652	1,601	1,516	1,460
Sugar	(1,139)	(1,089)	(976)	(915)
Other	(513)	(512)	(540)	(545)
Mining and quarrying	18	19	20	21
Manufacturing	2,450	2,810	3,039	3,258
Sugar	(330)	(317)	(284)	(271)
E.P.Z.	(1,140)	(1,391)	(1,586)	(1,760)
Other	(980)	(1,102)	(1,169)	(1,227)
Electricity, gas and water	343	360	360	396
Construction	768	834	934	971
Wholesale & retail trade, restaurants and hotels	1,677	2,016	2,234	2,351
Wholesale and retail trade	(1,322)	(1,586)	(1,761)	(1,831)
Restaurants and hotels	(355)	(430)	(473)	(520)
Transport, storage and communication	1,345	1,486	1,605	1,685
Financing, insurance, real estate and business services	1,993	2,076	2,169	2,249
Ownership of dwellings	(1,390)	(1,416)	(1,446)	(1,475)
Other	(603)	(660)	(723)	(774)
Producers of government services	1,343	1,383	1,425	1,468
Other services	675	709	751	789
Gross domestic product at factor cost	12,264	13,294	14,053	14,648
Annual growth rate of the gross domestic product (%)	+ 8.9	+ 8.4	+ 5.7	+ 4.2

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

Table 5 - Gross domestic product by industry group - sectoral growth rate (indices), 1986 - 1989 (Base year : 1982 = 100)

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Agriculture, hunting, forestry and fishing	107.9	104.6	99.0	95.4
Sugar	(99.8)	(95.4)	(85.5)	(80.2)
Other	(131.4)	(131.1)	(138.2)	(139.6)
Mining and quarrying	111.3	116.3	121.0	125.4
Manufacturing	157.0	180.1	194.7	208.7
Sugar	(105.8)	(101.6)	(91.0)	(86.8)
E.P.Z.	(254.1)	(310.0)	(353.4)	(392.3)
Other	(123.0)	(138.4)	(146.7)	(154.0)
Electricity, gas and water	132.1	138.7	138.7	152.6
Construction	122.9	133.5	149.5	155.5
Wholesale & retail trade, restaurants and hotels	130.0	156.3	173.1	182.1
Wholesale and retail trade	(126.0)	(151.2)	(167.8)	(174.5)
Restaurants and hotels	(148.4)	(179.6)	(197.5)	(217.3)
Transport, storage and communication	121.2	133.9	144.6	151.9
Financing, insurance, real estate and business services	113.6	118.4	123.7	128.3
Ownership of dwellings	(109.5)	(111.6)	(113.9)	(116.2)
Other	(124.3)	(136.1)	(149.0)	(159.5)
Producers of government services	105.5	108.7	111.9	115.3
Other services	113.3	119.0	126.1	132.4
Gross domestic product at factor cost	122.4	132.7	140.2	146.1
Annual growth rate of the gross domestic product (%)	+ 8.9	+ 8.4	+ 5.7	+ 4.2

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

Table 6 - Gross domestic product by industry group - sectoral deflators,
1986 - 1989 (Base year : 1982 = 100)

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Agriculture, hunting, forestry and fishing	151.9	178.6	197.8	216.3
Sugar	(167.3)	(195.0)	(225.2)	(251.7)
Other	(117.9)	(143.6)	(148.1)	(156.9)
Mining and quarrying	122.2	131.6	135.0	142.9
Manufacturing	156.3	172.3	184.0	197.9
Sugar	(183.3)	(213.2)	(217.3)	(245.0)
E.P.Z.	(166.7)	(185.8)	(201.8)	(213.1)
Other	(135.2)	(143.4)	(151.9)	(165.7)
Electricity, gas and water	134.7	136.1	138.9	138.9
Construction	114.6	122.5	136.5	148.3
Wholesale & retail trade, restaurants and hotels	137.1	145.6	164.6	182.4
Wholesale and retail trade	(142.6)	(151.3)	(172.1)	(191.0)
Restaurants and hotels	(116.9)	(124.4)	(136.8)	(151.9)
Transport, storage and communication	132.0	139.6	147.4	160.7
Financing, insurance, real estate and business services	117.2	119.6	125.5	132.1
Ownership of dwellings	(113.7)	(113.7)	(118.6)	(120.9)
Other	(125.2)	(132.1)	(139.4)	(153.5)
Producers of government services	116.2	147.5	177.9	177.8
Other services	115.0	120.7	126.5	132.8
Gross domestic product at factor cost - deflator	134.1	147.6	161.1	172.4

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

Table 7 - Expenditure on gross domestic product at current prices, 1986 - 1989

Rs Million

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Private consumption expenditure on goods and services	12,000	14,375	17,210	19,500
General government consumption expenditure on goods and services	2,076	2,710	3,360	3,500
Gross domestic fixed capital formation of the private sector	2,515	3,375	4,275	4,885
Gross domestic fixed capital formation of the public sector	1,375	1,715	3,345 ^{4/}	1,820
Increase in stocks	+ 422	+ 880	+ 422	+ 445
Exports of goods and non-factor services	11,919	15,639	18,658	20,845
Goods (f.o.b. value)	(9,056)	(11,493)	(13,490)	(14,700)
Non-factor services	(2,863)	(4,146)	(5,168)	(6,145)
Less Imports of goods and non-factor services	10,607	15,141	19,877	20,445
Goods (f.o.b. value)	(8,294)	(11,701)	(13,870)	(15,488)
Non-factor services	(2,313)	(3,440)	(6,007)	(4,957)
Gross domestic product at market prices	19,700	23,553	27,393	30,550

1/ revised estimates

2/ provisional estimates

3/ forecast

4/ includes purchase of two aircrafts

Table 8 - Expenditure on gross domestic product at constant 1982 prices, 1986 - 1989

Rs Million

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Private consumption expenditure on goods and services	9,835	11,772	12,902	13,354
General government consumption expenditure on goods and services	1,755	1,878	1,934	1,990
Gross domestic fixed capital formation of the private sector	1,980	2,520	2,885	3,010
Gross domestic fixed capital formation of the public sector	1,055	1,265	2,190 ^{4/}	1,085
Increase in stocks	+ 200	+ 268	+ 115	+ 117
Exports of goods and non-factor services	8,736	10,326	11,513	12,204
Less Imports of goods and non-factor services	9,381	12,711	15,228	14,619
Gross domestic product at market prices (Expenditure approach)	14,180	15,318	16,311	17,141
Statistical discrepancy	+ 90	+ 383	+ 390	+ 261
Gross domestic product at market prices (production approach)	14,270	15,701	16,701	17,402

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

^{4/} includes purchase of two aircrafts

Table 9 - Cost components of the gross domestic product at current prices, 1986 - 1989

Rs Million

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Compensation of employees of which paid by government*	7,365 (1,812)	8,910 (2,370)	10,545 (2,920)	11,750 ...
Operating surplus of which government industries	9,085 (98)	10,715 (107)	12,098 (75)	13,500 ...
Consumption of fixed capital
Gross domestic product at factor cost	16,450	19,625	22,643	25,250
Net indirect taxes	3,250	3,928	4,750	5,300
Indirect taxes paid	(3,348)	(4,066)	(4,893)	...
Subsidies received	(- 98)	(-138)	(-143)	...
Gross domestic product at market prices	19,700	23,553	27,393	30,550

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

* Government includes producers of government services, government industries and departmental enterprises

Table 10 - Composition of gross domestic fixed capital formation at current prices, 1986 - 1989

	Rs Million			
	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
A. By type of capital goods				
(a) Residential buildings	775	850	1,055	1,270
(b) Non-residential buildings	660	800	1,205	1,390
(c) Other construction and works (including land improvement)	635	715	790	785
(d) Transport equipment				
(i) Passenger cars	155	255	295	330
(ii) Other equipment	315	470	1,955 ^{4/}	530
(e) Machinery and other equipment	1,350	2,000	2,320	2,400
Gross domestic fixed capital formation	3,890	5,090	7,620	6,705
B. By industrial use				
1. Agriculture, hunting, forestry and fishing	130	290	220	220
2. Mining and quarrying	-	-	-	-
3. Manufacturing	1,070	1,460	1,685	1,895
4. Electricity, gas and water	230	310	485	455
5. Construction	135	115	130	120
6. Wholesale & retail trade, restaurants and hotels	300	485	735	925
7. Transport, storage and communication	930	1,180	2,775 ^{4/}	1,115
8. Financing, insurance, real estate and business services	875	960	1,175	1,525
of which: ownership of dwellings	(775)	(850)	(1,055)	(1,270)
9. Producers of government services	145	200	230	215
10. Other services	75	90	185	235
Gross domestic fixed capital formation	3,890	5,090	7,620	6,705

1/ revised estimates

2/ provisional estimates

3/ forecast

4/ includes purchase of two aircrafts

Table 11 - Composition of gross domestic fixed capital formation at constant

1982 prices, 1986 - 1989

Rs Million

	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
A. By type of capital goods				
(a) Residential buildings	650	685	790	870
(b) Non-residential buildings	545	630	865	915
(c) Other construction and works (including land improvement)	520	560	560	505
(d) Transport equipment				
(i) Passenger cars	100	155	165	170
(ii) Other equipment	205	290	1,050 ^{4/}	260
(e) Machinery and other equipment	1,015	1,465	1,515	1,425
Gross domestic fixed capital formation	3,035	3,785	4,945	4,145
B. By industrial use				
1. Agriculture, hunting, forestry and fishing	115	250	165	155
2. Mining and quarrying	-	-	-	-
3. Manufacturing	805	1,060	1,095	1,140
4. Electricity, gas and water	180	235	325	290
5. Construction	95	60	60	55
6. Wholesale & retail trade, restaurants and hotels	235	350	465	550
7. Transport, storage and communication	705	855	1,710 ^{4/}	665
8. Financing, insurance, real estate and business services	725	750	845	1,005
of which: ownership of dwellings	(650)	(685)	(785)	(865)
9. Producers of government services	115	155	155	140
10. Other services	60	70	125	145
Gross domestic fixed capital formation	3,035	3,785	4,945	4,145

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

^{4/} includes purchase of two aircrafts

Table 12 - Gross domestic fixed capital formation - real growth rates,

1986 - 1989

(Base year : 1982 = 100)

Type of capital goods	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Residential buildings	88.5	93.3	107.2	117.9
Non-residential buildings	221.5	257.4	352.4	372.8
Other construction and works (including land improvement)	108.8	116.2	116.2	105.4
Transport equipment				
(i) Passenger cars	218.5	349.6	367.8	374.0
(ii) Other equipment	270.7	388.4	1,405.0 ^{4/}	347.0
Machinery and other equipment	195.4	281.2	291.3	273.8
Gross domestic fixed capital formation	144.4	180.2	235.3	197.2
% annual real growth rate of Gross domestic fixed capital formation	+19.8	+24.8	+30.6	-16.2
% annual real growth rate of Gross domestic fixed capital formation (excluding aircrafts)	+19.8	+24.8	+11.2	- 1.5

Table 13 - Gross domestic fixed capital formation - deflators by type of capital goods, 1986 - 1989

(Base year : 1982 = 100)

Type of capital goods	1986	1987 ^{1/}	1988 ^{2/}	1989 ^{3/}
Residential buildings	119.2	124.1	133.5	146.0
Non-residential buildings	121.1	127.0	139.3	151.9
Other construction and works (including land improvement)	122.1	127.7	141.1	155.4
Transport equipment				
(i) Passenger cars	155.0	164.5	178.8	194.1
(ii) Other equipment	153.7	162.1	186.2	203.8
Machinery and other equipment	133.0	136.5	153.1	168.4
Gross domestic fixed capital formation	128.2	134.5	154.1	161.8

^{1/} revised estimates

^{2/} provisional estimates

^{3/} forecast

^{4/} includes purchase of two aircrafts