

National Accounts Aggregates, 1987 - 1990

1. General

This issue contains revised estimates for the years 1988 and 1989 and a forecast of the likely performance of the various sectors of the economy during the current year 1990.

2. Growth rates of the economy - 1988, 1989

2.1. The constant price estimates of the Gross Domestic Product for the year 1988 have now been finalised and the growth rate previously estimated at 5.8% has been revised slightly upwards to 6.1%. Main changes were brought to the Non-EPZ manufacturing sector where a higher growth of 9% was recorded.

2.2. Production, trade and employment statistics for the year 1989 indicate that the level of activity last year was 3.9% higher than in 1988. After having sustained an annual average growth of over 7% during the past four years, the overall performance of the economy in 1989 was adversely affected by the substantial drop in the two leading sectors namely sugar and EPZ.

The sugar sector suffered a drop of around 12% following the two cyclones and a low extraction rate of 10.4%.

The EPZ sector which had been expanding at an annual average growth rate of 24% during the past four years experienced a severe contraction in its activities. On the basis of exports data available for the year 1989, it is estimated that this sector grew by only around 4% last year.

The remaining sectors of the economy, exclusive of sugar, achieved an overall growth of around 6% compared to 9% in 1988. The sectors which have recorded high growth are: construction sector (+ 11%); tourism (+ 10%), and the financial services sector (+ 10%). Detailed sectoral growths are given in table 4.

3. Gross Domestic Product (GDP), 1989

In 1989, GDP at factor cost increased, in nominal terms, by 13.5% to reach Rs 26,250 million. Indirect taxes less subsidies amounted to Rs 5,065 million which brought GDP at market prices to Rs 31,315 million. Per capita GNP at factor cost correspondingly increased from Rs 22,164 to Rs 25,159 in 1989.

Over 48% of GDP at factor cost was distributed as compensation of employees which amounted to Rs 12,650 million. Of this, the General Government's share was Rs 3,210 million.

4. Consumption and savings

Consumption expenditure is estimated to have increased by 6% in volume terms. The high inflation rate of around 12% recorded last year pushed up total consumption expenditure by Rs 4,000 million to attain Rs 24,750 million. Expenditure on goods and services by households accounted for Rs 20,900 million and government, Rs 3,850 million. The ratio of consumption expenditure to GDP at market prices rose by 4 percentage points to reach 79%.

Consequently, the savings rate in 1989 dropped to 21% from 25.5% in 1988 after having reached a peak of 28.5% in 1986. In nominal terms, Gross Domestic Savings amounted to Rs 6,565 million compared with Rs 7,079 million a year ago.

5. Investment

Investment as measured by GDFCF worked out from building permit statistics, public sector's projects and imports statistics increased to Rs 8,285 million representing, in nominal terms, an increase of 25% over the 1988 level (exclusive of aircraft). In volume terms, the growth works out to 8.5% which compares with 25% in 1987 and 17% in 1988.

The level of investment in the country as measured by its ratio to GDP at market prices increased to 26.5% from 24% (exclusive of aircraft) a year ago.

The public sector shared 25% of the total with an investment of some Rs 2,080 million. Investment by the private sector increased to Rs 6,205 million and includes the purchase of two ships amounting to around Rs 500 million.

An analysis of investment by type of goods shows that construction activities accounted for nearly half of the total. Construction of residential buildings estimated at Rs 1,470 million maintained a high growth of 20%; non-residential buildings which consist of hotels, shops and office blocks, etc. grew by 16% whilst other construction works undertaken mainly by the public sector grew at a lower rate, 6% only.

An amount of Rs 4,115 million was invested for the purchase of machinery and transport equipment. The growth, in real terms, is estimated at 8%.

6. Forecast of the economy, 1990

On the basis of information gathered from a few specialised bodies and institutions, on the likely performance of the main sectors, it is expected that the economy will grow by about 6% in 1990.

This relatively higher growth results mainly from the substantial increase which will be recorded in the sugar sector on the assumption that a sugar crop of 670,000 metric tons is attained this year. Value added in this sector will in volume terms register an increase of 18%.

The rest of the economy exclusive of sugar works out to around 4%. The EPZ sector which had experienced a substantial decline in 1988 will maintain the previous year's level and grow at 4%. EPZ exports is expected to reach Rs 10,000 million.

Value added in hotels and restaurants, a major component of the tourism industry, which grew at an annual average rate of 10% during the last 4 years is expected to perform at a slightly lower rate of 8%.

In nominal terms, GDP at factor cost will increase by 10% to reach Rs 28,950 million; net indirect taxes is estimated at Rs 5,600 million bringing GDP at market prices to Rs 34,550 million.

Consumption expenditure by households which has been growing at about 6% during the last two years is expected to increase at a lower rate of 3% in 1990. With an inflation rate of around 12% during calendar year 1990, total private expenditure will rise by Rs 2,350 million to attain Rs 23,250 million.

Total consumption expenditure including government's share will amount to Rs 27,500 million and represent 79.6% of GDP at market prices.

Correspondingly, Gross Domestic Savings will amount to Rs 7,050 million and the savings rate which has been constantly falling since 1988 will decline further to around 20% in 1990.

Investment is forecast to grow by around 6% and will amount to Rs 9,415 million of which the public sector's share is estimated at Rs 2,785 million. Construction of buildings will maintain a high growth of around 15%, while 'other construction works' is expected to drop by 5%. Investment in machinery and transport equipment is estimated at Rs 4,375 million inclusive of an aircraft (ATR) and a ship.

Central Statistical Office
Port Louis

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Annual growth rates of GDP at factor cost (%) 1986-1990
(with & without sugar)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u> ^{1/}
GDP (including sugar)	+8.9	+8.4	+6.1	+3.9	+5.7
GDP (excluding sugar)	+8.4	+10.1	+8.7	+6.1	+4.3

1/ Forecast

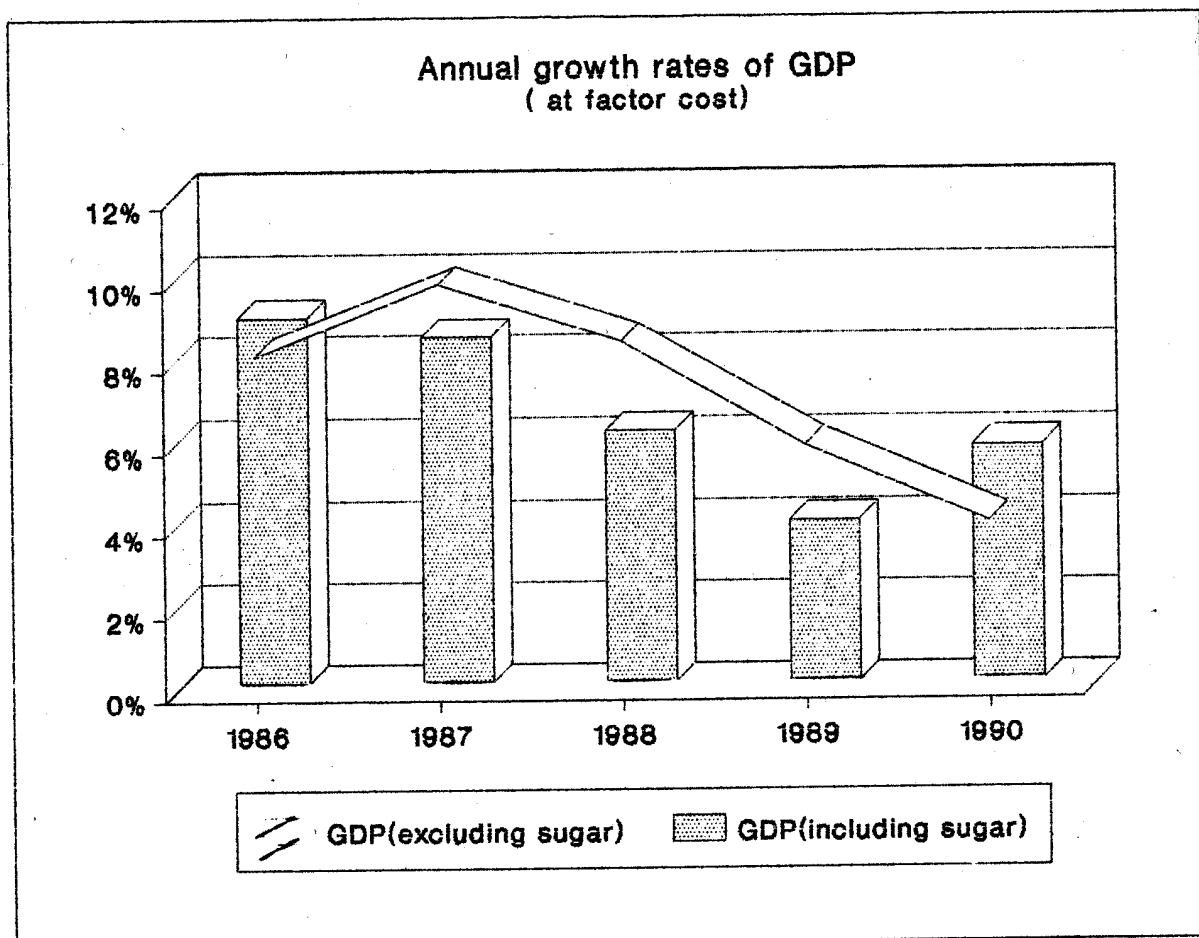


Table 1 - National Accounts - Main aggregates, 1987 - 1990

Main aggregates	Unit	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
1. Gross domestic product (GDP) at factor cost	Rs Mn	19,695	23,132	26,250	28,950
Gross domestic product at market prices	"	23,576	27,764	31,315	34,550
Net factor income from the rest of the world	"	- 538	- 600	- 300	- 250
Gross national product (GNP) at factor cost	"	19,157	22,532	25,950	28,700
Gross national product at market prices	"	23,038	27,164	31,015	34,300
2. Per capita GNP at factor cost	Rs	19,085	22,164	25,159	27,438
Per capita GNP at market prices	"	22,951	26,721	30,070	33,031
3. Compensation of employees	Rs. Mn	8,895	10,960	12,650	13,800
4. Final consumption expenditure	"	17,117	20,685	24,750	27,500
private	"	(14,395)	(17,225)	(20,900)	(23,250)
government	"	(2,722)	(3,460)	(3,850)	(4,250)
5. Gross domestic fixed capital formation (GDFCF)	"	5,090	7,990	8,285	9,415
private sector	"	(3,375)	(4,610)	(6,205)	(6,630)
public sector	"	(1,715)	(3,380) ^{4/}	(2,080)	(2,785)
6. Gross domestic savings	"	6,459	7,079	6,565	7,050
7. Net exports of goods and non-factor services	"	+ 498	- 1,423	- 2,415	- 1,870
Exports of goods and non-factor services	"	15,639	18,565	21,370	23,450
Imports of goods and non-factor services	"	15,141	19,988	23,785	25,320

^{1/} revised estimates

^{2/} preliminary estimates

^{3/} forecast

^{4/} includes purchase of two aircraft

Table 2 - Derived rates and ratios, 1987 - 1990

	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
1. Annual real growth rate of (%):				
Gross domestic product (GDP) at factor cost	+ 8.4	+ 6.1	+ 3.9	+ 5.7
Final consumption expenditure	+17.8	+ 8.1	+ 5.8	+ 3.0
Private	+19.7	+ 8.8	+ 6.3	+ 3.0
Government	+ 7.0	+ 4.0	+ 3.0	+ 3.0
Gross domestic fixed capital formation (GDFCF)	+24.7	+41.0	-10.0	+ 6.2
GDFCF (excluding aircrafts)	+24.7	+17.0	+ 8.5	+ 6.2
2. Ratios				
Compensation of employees as a % of GDP at factor cost	45.2	47.4	48.2	47.7
Final consumption expenditure as a % of GDP at market prices	72.6	74.5	79.0	79.6
Private	61.1	62.0	66.7	67.3
Government	11.5	12.5	12.3	12.3
GDFCF as a % of GDP at market prices	21.6	28.8 ^{4/}	26.5	27.2
Public sector's investment as a % of GDFCF	33.7	42.3 ^{4/}	25.1	29.6
Gross domestic savings as a % of GDP at market prices	27.4	25.5	21.0	20.4

1/ revised estimates

2/ preliminary estimates

3/ forecast

4/ includes purchase of two aircraft

Table 3 - Gross domestic product by industry group at current factor cost, 1987 - 1990

	Rs Million			
	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Agriculture, hunting, forestry and fishing	2,884	3,067	3,370	3,740
Sugar	(2,124)	(2,177)	(2,350)	(2,560)
Other	(760)	(890)	(1,020)	(1,180)
Mining and quarrying	25	27	30	33
Manufacturing	4,841	5,627	6,050	6,675
Sugar	(676)	(597)	(650)	(705)
E.P.Z.	(2,585)	(3,125)	(3,150)	(3,415)
Other	(1,580)	(1,905)	(2,250)	(2,555)
Electricity, gas and water	490	500	575	575
Construction	1,045	1,370	1,700	2,000
Wholesale & retail trade, restaurants and hotels	2,962	3,813	4,615	5,050
Wholesale and retail trade	(2,427)	(3,154)	(3,800)	(4,115)
Restaurants and hotels	(535)	(659)	(815)	(935)
Transport, storage and communication	2,075	2,395	2,800	3,120
Financing, insurance, real estate and business services	2,482	2,723	3,110	3,420
Ownership of dwellings	(1,610)	(1,715)	(1,900)	(2,035)
Other	(872)	(1,008)	(1,210)	(1,385)
Producers of government services	2,035	2,650	2,860	3,065
Other services	856	960	1,140	1,272
Gross domestic product at factor cost	19,695	23,132	26,250	28,950
Indirect taxes (net of subsidies)	3,881	4,632	5,065	5,600
Gross domestic product at market prices	23,576	27,764	31,315	34,550

^{1/} revised estimates

^{2/} preliminary estimates

^{3/} forecast

Table 4 - Gross domestic product by industry group at constant 1987 prices, 1987 - 1990

	Rs Million			
	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Agriculture, hunting, forestry and fishing	2,884	2,732	2,533	2,880
Sugar	(2,124)	(1,924)	(1,693)	(1,998)
Other	(760)	(808)	(840)	(882)
Mining and quarrying	25	26	27	28
Manufacturing	4,841	5,225	5,388	5,696
Sugar	(676)	(608)	(535)	(631)
E.P.Z.	(2,585)	(2,895)	(3,011)	(3,131)
Other	(1,580)	(1,722)	(1,842)	(1,934)
Electricity, gas and water	490	490	564	564
Construction	1,045	1,223	1,358	1,467
Wholesale & retail trade, restaurants and hotels	2,962	3,312	3,535	3,674
Wholesale and retail trade	(2,427)	(2,713)	(2,876)	(2,962)
Restaurants and hotels	(535)	(599)	(659)	(712)
Transport, storage and communication	2,075	2,262	2,420	2,541
Financing, insurance, real estate and business services	2,482	2,599	2,735	2,843
Ownership of dwellings	(1,610)	(1,644)	(1,685)	(1,719)
Other	(872)	(955)	(1,050)	(1,124)
Producers of government services	2,035	2,116	2,179	2,244
Other services	856	907	961	1,009
Gross domestic product at factor cost	19,695	20,892	21,700	22,946
Indirect taxes (net of subsidies)	3,881	4,269	4,397	4,656
Gross domestic product at market prices (Production approach)	23,576	25,161	26,097	27,602

1/ revised estimates

2/ preliminary estimates

3/ forecast

Table 5 - Gross domestic product by industry group - sectoral growth rates
(indices), 1988 - 1990 (Base year : 1987 = 100)

	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Agriculture, hunting, forestry and fishing	94.7	87.8	99.9
Sugar	(90.6)	(79.7)	(94.1)
Other	(106.3)	(110.5)	(116.1)
Mining and quarrying	104.0	108.0	112.0
Manufacturing	107.9	111.3	117.7
Sugar	(89.9)	(79.1)	(93.3)
E.P.Z.	(112.0)	(116.5)	(121.1)
Other	(109.0)	(116.6)	(122.4)
Electricity, gas and water	100.0	115.1	115.1
Construction	117.0	130.0	140.4
Wholesale & retail trade, restaurants and hotels	111.8	119.3	124.0
Wholesale and retail trade	(111.8)	(118.5)	(122.0)
Restaurants and hotels	(112.0)	(123.2)	(133.1)
Transport, storage and communication	109.0	116.6	122.5
Financing, insurance, real estate and business services	104.7	110.2	114.5
Ownership of dwellings	(102.1)	(104.7)	(106.8)
Other	(109.5)	(120.4)	(128.9)
Producers of government services	104.0	107.1	110.3
Other services	106.0	112.3	117.9
Gross domestic product at factor cost	106.1	110.2	116.5
Annual growth rate of the gross domestic product (%)	+6.1	+3.9	+5.7

1/ revised estimates

2/ preliminary estimates

3/ forecast

Table 6 - Gross domestic product by industry group - sectoral deflators, 1988 - 1990

(Base year : 1987 = 100)

	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Agriculture, hunting, forestry and fishing	112.3	133.0	129.9
Sugar	(113.1)	(138.8)	(128.1)
Other	(110.1)	(121.4)	(133.8)
Mining and quarrying	103.8	111.1	117.9
Manufacturing	107.7	112.3	117.2
Sugar	(98.2)	(121.5)	(111.7)
E.P.Z.	(107.9)	(104.6)	(109.1)
Other	(110.6)	(122.1)	(132.1)
Electricity, gas and water	102.0	102.0	102.0
Construction	112.0	125.2	136.3
Wholesale & retail trade, restaurants and hotels	115.1	130.6	137.5
Wholesale and retail trade	(116.3)	(132.1)	(138.9)
Restaurants and hotels	(110.0)	(123.7)	(131.3)
Transport, storage and communication	105.9	115.7	122.8
Financing, insurance, real estate and business services	104.8	113.7	120.3
Ownership of dwellings	(104.3)	(112.8)	(118.4)
Other	(105.5)	(115.2)	(123.2)
Producers of government services	125.2	131.3	136.6
Other services	105.8	118.6	126.1
Gross domestic product at factor cost - deflator	110.7	121.0	126.2

1/ revised estimates

2/ preliminary estimates

3/ forecast

Table 7 - Expenditure on gross domestic product at current prices, 1987 - 1990

Rs Million

	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Private consumption expenditure on goods and services	14,395	17,225	20,900	23,250
General government consumption expenditure on goods and services	2,722	3,460	3,850	4,250
Gross domestic fixed capital formation of the private sector	3,375	4,610	6,205	6,630
Gross domestic fixed capital formation of the public sector	1,715	3,380 ^{4/}	2,080	2,785
Increase in stocks	+871	+512	+695	-495
Exports of goods and non-factor services	15,639	18,565	21,370	23,450
Goods (f.o.b. value)	(11,493)	(13,465)	(15,008)	(16,000)
Non-factor services	(4,146)	(5,100)	(6,362)	(7,450)
Less Imports of goods and non-factor services	15,141	19,988	23,785	25,320
Goods (f.o.b. value)	(11,701)	(15,628)	(18,200)	(19,220)
Non-factor services	(3,440)	(4,360)	(5,585)	(6,100)
Gross domestic product at market prices	23,576	27,764	31,315	34,550

1/ revised estimates

2/ preliminary estimates

3/ forecast

4/ includes purchase of two aircraft

Table 8 - Expenditure on gross domestic product at constant 1987 prices, 1987 - 1990

Rs Million

	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Private consumption expenditure on goods and services	14,395	15,662	16,648	17,148
General government consumption expenditure on goods and services	2,722	2,831	2,916	3,003
Gross domestic fixed capital formation of the private sector*	3,375	4,140	4,845	4,800
Gross domestic fixed capital formation of the public sector*	1,715	3,035 ^{4/}	1,615	2,060
Increase in stocks**	+871	+116	-373	-282
Exports of goods and non-factor services	15,639	17,531	18,110	18,961
Less Imports of goods and non-factor services	15,141	18,154	17,664	18,088
Gross domestic product at market prices	23,576	25,161	26,097	27,602

1/ revised estimates

2/ preliminary estimates

3/ forecast

4/ includes purchase of two aircraft

* proportionate to investment at current prices

** includes all statistical discrepancies

Table 5 - Cost components of the gross domestic product at current prices, 1987 - 1990

Rs Million

	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Compensation of employees	8,895	10,960	12,650	13,800
of which paid by government*	(2,376)	(3,015)	(3,210)	(3,435)
Operating surplus	10,800	12,172	13,600	15,150
of which government industries	(103)	(82)	(50)	(...)
Consumption of fixed capital
Gross domestic product at factor cost	19,695	23,132	26,250	28,950
Net indirect taxes	3,881	4,632	5,065	5,600
Indirect taxes paid	(4,071)	(4,900)	(5,415)	(...)
Subsidies received	(190)	(268)	(350)	(...)
Gross domestic product at market prices	23,576	27,764	31,315	34,550

1/ revised estimates

2/ preliminary 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, 1987 - 1990

	Rs Million			
	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
A. By type of capital goods				
(a) Residential buildings	850	1,075	1,470	1,860
(b) Non-residential buildings	800	1,215	1,600	2,030
(c) Other construction and works (including land improvement)	715	915	1,100	1,150
(d) Transport equipment				
(i) Passenger cars	255	295	360	405
(ii) Other equipment	470	1,970 ^{4/}	785	905
(e) Machinery and other equipment	2,000	2,520	2,950	3,065
Gross domestic fixed capital formation	5,090	7,990	8,285	9,415
B. By industrial use				
1. Agriculture, hunting, forestry and fishing	290	230	170	170
2. Mining and quarrying	-	-	-	-
3. Manufacturing	1,460	1,875	2,270	2,350
4. Electricity, gas and water	310	455	620	400
5. Construction	115	165	225	225
6. Wholesale & retail trade, restaurants and hotels	485	750	1,165	1,450
7. Transport, storage and communication	1,180	2,860 ^{4/}	1,680	2,040
8. Financing, insurance, real estate and business services	960	1,205	1,645	2,065
of which: ownership of dwellings	(850)	(1,075)	(1,470)	(1,860)
9. Producers of government services	200	275	315	540
10. Other services	90	175	195	175
Gross domestic fixed capital formation	5,090	7,990	8,285	9,415

1/ revised estimates

2/ preliminary estimates

3/ forecast

4/ includes purchase of two aircraft

Table 11 - Composition of gross domestic fixed capital formation at constant 1987 prices, 1987 - 1990

	1987	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
A. By type of capital goods				
(a) Residential buildings	850	975	1,170	1,345
(b) Non-residential buildings	800	1,100	1,275	1,470
(c) Other construction and works (including land improvement)	715	820	870	825
(d) Transport equipment				
(i) Passenger cars	255	270	295	305
(ii) Other equipment	470	1,760 ^{4/}	600	665
(e) Machinery and other equipment	2,000	2,250	2,250	2,250
Gross domestic fixed capital formation	5,090	7,175	6,460	6,860
B. By industrial use				
1. Agriculture, hunting forestry and fishing	290	205	130	125
2. Mining and quarrying	-	-	-	-
3. Manufacturing	1,460	1,680	1,745	1,730
4. Electricity, gas and water	310	405	485	290
5. Construction	115	150	175	170
6. Wholesale & retail trade, restaurants and hotels	485	680	920	1,060
7. Transport, storage and communication	1,180	2,560 ^{4/}	1,300	1,475
8. Financing, insurance, real estate and business services	960	1,095	1,310	1,495
of which: ownership of dwellings	(850)	(975)	(1,170)	(1,345)
9. Producers of government services	200	245	245	390
10. Other services	90	155	150	125
Gross domestic fixed capital formation	5,090	7,175	6,460	6,860

1/ revised estimates

2/ preliminary estimates

3/ forecast

4/ includes purchase of two aircraft

Table 12 - Gross domestic fixed capital formation - real growth rates, 1988 - 1990
(base year : 1987 = 100)

Type of capital goods	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Residential buildings	114.7	137.6	158.2
Non-residential buildings	137.5	159.4	183.8
Other construction and works (including land improvement)	114.7	121.7	115.4
Transport equipment			
(i) Passenger cars	105.9	115.7	119.6
(ii) Other equipment	374.5 ^{4/}	127.7	141.5
Machinery and other equipment	112.5	112.5	112.5
Gross domestic fixed capital formation	141.0	126.9	134.8
% Annual real growth rate of Gross domestic fixed capital formation	+41.0	-10.0	+ 6.2
% Annual real growth rate of Gross domestic fixed capital formation (excluding aircrafts)	+17.0	+ 8.5	+ 6.2

Table 13 - Gross domestic fixed capital formation - deflators by type of capital
goods, 1988 - 1990 (Base year : 1987 = 100)

Type of capital goods	1988 ^{1/}	1989 ^{2/}	1990 ^{3/}
Residential buildings	110.3	125.6	138.3
Non-residential buildings	110.5	125.5	138.1
Other construction and works (including land improvement)	111.6	126.4	139.4
Transport equipment			
(i) Passenger cars	109.3	128.8	132.8
(ii) Other equipment	111.9	130.8	136.1
Machinery and other equipment	112.0	131.1	136.2
Gross domestic fixed capital formation	111.4	128.2	137.2

1/ revised estimates

2/ preliminary estimates

3/ forecast

4/ includes purchase of two aircraft