

National Accounts Estimates (1998 – 2001)

March 2001 issue

General

This issue of Economic and Social Indicators on National Accounts provides data for the years 1998 to 2001. The 1998 figures are final, while those for 1999 and 2000 are provisional estimates. A forecast for 2001 is also given. The main National Accounts aggregates, growth rates and ratios are presented in Tables 1 and 2, while details by industry group are shown in Tables 3 to 6.

It is to be noted that the figures presented in this report are based on comprehensive and detailed data collected at the 1997 Census of Economic Activities. This Census was also the first opportunity to obtain the information required for implementing the latest UN recommendations for computing National Accounts, namely the 1993 System of National Accounts (SNA93), as opposed to the previous recommendations dating back to 1968 (SNA68). A revised National Standard Industrial Classification (NSIC Rev. 3) based on the international classification has also been adopted.

While these changes improve the accuracy of the accounts and make them more responsive to the needs of analysts and policy makers, they also affect to some extent the comparability with series based on previous censuses and older accounting and classification systems.

A detailed description of the changes is given in an Annex to this report.

2. Overall growth rates

The economy grew by 2.1 % in 1999 and 8.9 % in 2000. The low growth in 1999 is mainly explained by the severe drought that prevailed during that year. The year 2000 recorded a high growth mainly due to the recovery of the sugar sector and also higher growth in sectors such as "Financial intermediation", "Transport, storage and communication" and "Hotels and restaurants".

Based on the assumptions for the main sectors (Sugar, EPZ and Tourism) as detailed at paragraph 4.1, the economy is most likely to grow by 6.4% in 2001.

3. Year 2000 (Preliminary estimates)

3.1 Output, 2000

Preliminary estimates show that Gross Domestic Product (GDP) at current basic prices increased in nominal terms by 11.9 % to reach R 106,062 million in 2000 compared to R 94,769 in 1999. In real terms it grew by 8.9 % (Tables 1 and 2).

GDP at current market prices, which includes R 15,446 million as taxes (net of subsidies) on products, increased by 11.7% to reach R 121,508 million.

Gross National Income (GNI) at current market prices, which takes account of a net

outflow of R 592 million to the rest of the world, stood at R 120,916 million representing an increase of 11.6% over the previous year.

GNI per capita at current market prices increased by 10.6 % to reach R 101,948 from R 92,199 in 1999.

3.2. Sectoral growth rates, 2000

All sectors recorded positive growths ranging from 3.0% to 52.5% (Table 5).

(a) The Agricultural sector registered a growth of 28.5% following a high growth of 52.5% in "Sugarcane" and 9.4% in "Other agriculture".

(b) The Manufacturing sector witnessed a growth of 7.8%, reflecting the performances of its sub - sectors as follows:

Sugar milling : +52.5% (569,289 tonnes of sugar compared to 373,294 tonnes in 1999)

EPZ : +6.0% (Exports of R 31,174 million compared to R 28,952 million in 1999)

Other manufacturing :+7.0%

(c) "Electricity, gas and water" grew by 19.4% mainly because of a 57.3% growth in electricity production by the independent power producers of the sugar industry.

(d) The Construction sector achieved a growth rate of 7.5%, as many projects started as planned and others reached completion.

(e) "Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods" grew by 4.2%, with distributive trade growing by 4.0%.

(f) "Hotels and restaurants ", a major component of the tourism sector, registered a growth of 13.5%, in line with increases in tourist arrivals (656,453 in 2000 against 578,085 in 1999) and tourist earnings (R 14,234 million in 2000 as compared to R 13,668 million in 1999).

(g) "Transport, storage & communication" grew by 10.1% as compared to 6.0% in 1999. This is the result of higher growth rates in "air transport" and "land transport".

(h) "Financial intermediation" which comprises insurance and banking services sustained high growth rates of 9.7% in 1999 and 11.1% in 2000. Whilst the insurance sector is estimated to have maintained the same level of growth of around 6.2% during the last three years, the banking sector, on the other hand, expanded by 11.4% in 1999 and 13.0% in 2000. This high performance is mainly attributable to the increase in profitability of offshore banks following major expansion of their asset base (+152% in 1998/99 and +37% in 1999/2000).

(i) "Real estate and business services" grew by 6.5% against 6.1% in 1999.

(j) "Public administration and defence; compulsory social security" expanded by 5.9% compared to 4.3% in 1999.

(k) "Education" which includes activities of both the General Government and private operators grew by 7.5% compared to 5.4% in 1999.

(l) "Health and social work" grew by 3.7% compared to 8.3% in 1999.

(m) "Other services" which include mainly recreational services grew by 5.0 % compared to 7.0% in 1999.

3.3 National disposable income and its appropriation, 2000

Final consumption expenditure increased by 10.1% to reach R 92,827 million. In real terms, it grew by 5.3%. Of the final consumption expenditure, household expenditure amounted to R 77,802 million or 83.8%, and the rest represented general government expenditure which stood at R 15,025 million. Of this, R 5,485 million was spent on services such as education and health which benefit individuals (Tables 7 and 8).

Table 9 on the appropriation of national disposable income shows that compensation of employees reached R 45,689 million, showing an increase of 7.9% over R 42,359 million recorded in 1999. This represents 43.1% of GDP at basic prices compared to 44.7% in 1999.

Gross National Disposable Income (GNDI), which takes into account flows of primary income and transfers from and to the rest of the world, increased by 10.5% to reach R 123,616 million compared to R 111,912 million in 1999.

Gross National Saving (GNS), which is the difference between Gross National Disposable Income (GNDI) and final consumption expenditure, amounted to R 30,789 million compared to R 27,627 million in 1999. However, the Saving rate, calculated as the ratio of GNS to GDP at market prices, declined slightly to 25.3% from 25.4% in 1999.

3.4 Investment (GDFCF), 2000

Gross Domestic Fixed Capital Formation (GDFCF) decreased by 1.8% to reach R 29,148 million as compared to R 29,676 million in 1999. In real terms it declined by 5.1%. However, exclusive of investment in an aircraft worth R 2,700 million in 1999, the growth rate in real terms works out to 4.4% compared to 10.8% in 1999 (Tables 10 and 11).

The investment rate as measured by the ratio of GDFCF to GDP at market prices, decreased to 24.0% in 2000, from 27.3% in 1999.

As shown in Table 11, investment in "Building & construction work" registered a growth of 8.4% against 8.5% in 1999. This was the combined result of an 11.8% growth in "Non-residential building", 7.1% in "Residential building" and 5.1% in "Other construction work".

Investment in "Machinery and equipment" decreased to R 13,992 million as

compared to R 16,100 million (including R 2,700 for an aircraft) in 1999. Of this, "passenger cars" represented R 1,316 million and "Other machinery and equipment", R 11,200 million and "other transport equipment", R 1,476 million.

Table 7 shows that the share of the private sector in the total GDFCF stood at 73.0% (R 21,269 million). The public sector accounted for the remaining 27.0% (R 7,879 million).

4. Year 2001 (First forecast)

4.1 Growth rate, 2001

On the basis of the assumptions given below for the key sectors, the economy is expected to grow at 6.4 % in 2001 as compared to 8.9% in 2000.

The main assumptions are as follows:

	Sector	Main assumption	Value added growth rate
(a)	Sugar cane and sugar	Sugar production of 620,000 tonnes	+8.9%
(b)	EPZ	Exports of R 34,000 million	+6.5%
(c)	Tourism	Tourist arrivals: 700,000 Tourist earnings: R 15,500 million	+7.0%
(d)	Construction		+1.0%
		The growth in the construction sector in 2001 is expected to be 1% compared to 8.5% in 1999 and 7.5% in 2000. Based on survey results investment in "Building and construction works" will most probably reach R 15,620 million (R 5,295 million for the public sector and R 10,325 for the private sector) compared to R 15,156 million in 2000 (R 3,995 million public and R 11,161 million private). In real terms public investment in "Building and construction works" is expected to grow by 28.7% whereas private investment is expected to decline by 10.2%.	
(e)	Other sectors		+6.6%
	Overall growth rate		+6.4%

4.2 Output, 2001

GDP at basic prices in 2001 is expected to increase by 11.1% to reach R 117,795 million as compared to R 106,062 in 2000. In real terms, this represents a growth of 6.4%.

4.3 Consumption and Saving, 2001

Aggregate final consumption expenditure of households and Government will most likely increase by 10.8% to R 102,880 million from R 92,827 million in 2000 (Tables 7 and 8).

Gross National Saving is expected to increase from R 30,789 million in 2000 to R 34,115 million in 2001 (Table 9). However, saving rate will remain at the previous year's level of 25.3%.

4.4. Investment, 2001

Information collected on ongoing and new projects to be implemented in 2001 indicate that investment will reach R 31,690 million (Tables 10 to 12); this represents a growth of 4.9% in real terms. However, excluding investment of around R 1,900 million in two aircrafts and one marine vessel to be acquired in 2001, a decline of 1.5% is expected as compared to a growth of 4.4% in 2000.

Investment rate, as measured by the ratio of GDFCF to GDP at market prices, is expected to decrease from 24.0% in 2000 to 23.5% in 2001 (Table 2).

Table 11 shows that investment in "Building and construction work" is expected to grow marginally by 0.1% as compared to 8.4% in 2000. "Residential building" will grow by 0.9%. "Non-residential building" will most probably decline by 5.1% after an 11.8% growth registered in 2000. "Other construction work" is expected to grow by 7.6%, mainly due to higher investments in projects such as sewerage. Public investment in "Building and construction work" is expected to grow by 28.7% compared to 3.2% in 2000, whereas private investment will most probably decline by 10.2% in 2001 as against a growth of 10.4% in 2000.

Investment in "machinery and transport equipment" is expected to grow by 10.1% as compared to a decrease of 16.4% in 2000. However, exclusive of the purchase of aircrafts and marine vessel, investment in "machinery and transport equipment" is expected to decline by 3.3% in 2001 as compared to a growth of 0.4% in 2000.

**Central Statistics Office
Ministry of Economic Development, Financial Services and Corporate Affairs.
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Technical Notes

Gross Domestic Product (GDP)

GDP is the aggregate money value of all goods and services produced within a country out of economic activity during a specified period usually a year, before provision for the consumption of fixed capital.

GDP at basic prices

GDP at basic prices is obtained as the difference between output and intermediate consumption whereby output is valued at basic prices and intermediate consumption at purchasers' prices.

The basic price is the amount receivable by the producer exclusive of taxes on products and inclusive of subsidies on products. The equivalent for imported products is the c.i.f. value, i.e. the value at the border of the importing country.

The purchasers' price is the amount payable by the purchaser exclusive of deductible taxes on products (e.g. deductible value added tax).

GDP at market prices

GDP at market prices is equal to the GDP at basic prices plus taxes (net of subsidies) on products.

Gross National Income (GNI)

GDP plus net primary income from abroad gives Gross National Income (GNI).

Gross National Disposable Income (GNDI)

Gross National Income (GNI) net of transfers from the rest of the world gives Gross National Disposable Income (GNDI).

Financial intermediation services indirectly measured (FISIM)

FISIM is obtained as the difference between interest received and interest paid by banks excluding those received on own funds. As it is difficult to allocate FISIM to the intermediate consumption of different industries, the total value of FISIM is imputed to a nominal industry with negative value added.

Gross Domestic Fixed Capital Formation (GDFCF)

GDFCF is the net additions to the physical assets of the country in a year. These consist mainly of investment in buildings, plants, machinery and transport equipment, all valued at market prices.

Change in inventories

Change in inventories includes the value of the physical change in inventories of raw materials, work in progress, and finished goods held by private producers.

Consumption expenditure

Consumption expenditure is made up of final consumption expenditure of households and of government.

Government final consumption expenditure is further disaggregated into collective and individual consumption expenditure. **Collective** expenditure consists of the services which government provides to the community as a whole, for example, security and defence whereas **individual** expenditure is made up of expenses incurred in providing services which are mostly beneficial to individuals, mainly in respect of health and education.

Actual Government final consumption expenditure refers to expenditure incurred for the provision of collective services.

Actual private final consumption expenditure consists of expenditure incurred by households and government on the provision of individual services.

Gross National Saving

Gross National Saving is the balancing item in the "Use of Income Account". Gross National Disposable Income (GNDI) less total consumption gives Gross National Saving.

Exports and Imports of goods and Non factor services

Both exports and imports are measured f.o.b.

Exports and imports of goods are compiled according to the General Trade System, using the national boundary as the statistical frontier. All goods entering the country are recorded in imports and goods leaving the country in exports. However, for the sake of continuity and consistency gross imports and exports through the customs and the free zone area are shown separately.

Table 1 - Main National Accounts aggregates, 1998 -2001

	Unit	1998	1999 ¹	2000 ²	2001 ³
1. Gross Domestic Product (GDP)					
at basic prices	R M	88,193	94,769	106,062	117,795
at market prices	R M	100,213	108,762	121,508	134,795
2. Net primary income from the rest of the world	R M	-637	-466	-592	-600
3. Gross National Income (GNI)					
at basic prices	R M	87,556	94,303	105,470	117,195
at market prices	R M	99,576	108,296	120,916	134,195
4. Net transfer from rest of the world	R M	+2,278	+3,616	+2,700	+2,800
5. Gross National Disposable Income (GNDI)	R M	101,854	111,912	123,616	136,995
6. Per capita GNI					
at basic prices	R	75,486	80,286	88,924	97,907
at market prices	R	85,849	92,199	101,948	112,109
7. Per capita GDP					
at basic prices	R	76,035	80,683	89,424	98,409
at market prices	R	86,398	92,596	102,447	112,610
8. Compensation of employees	R M	38,846	42,359	45,689	48,167
9. Final consumption expenditure incurred by	R M	75,697	84,285	92,827	102,880
households	R M	63,169	70,406	77,802	86,845
general government	R M	12,528	13,879	15,025	16,035
Actual final consumption expenditure of	R M	75,697	84,285	92,827	102,880
households	R M	67,544	75,334	83,287	92,695
general government	R M	8,153	8,951	9,540	10,185
10. Gross Domestic Fixed Capital Formation (GDFCF)	R M	23,082	29,676	29,148	31,690
private sector	R M	17,083	22,540	21,269	22,215
public sector	R M	5,999	7,136	7,879	9,475
11. Gross National Saving (GNS)	R M	26,157	27,627	30,789	34,115
12. Net exports of goods & non-factor services	R M	-832	-3,766	-2,426	-2,325
Exports of goods & non-factor services	R M	65,711	69,095	73,874	80,600
Imports of goods & non-factor services	R M	66,543	72,861	76,300	82,925

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 2 - Growth rates and ratios, 1998 - 2001

	¹ 1998	1999 ¹	2000 ²	2001 ³
	(%)	(%)	(%)	(%)
1. Annual real growth rate of :				
Gross Domestic Product (GDP) at basic prices	+5.8	+2.1	+8.9	+6.4
Final consumption expenditure incurred by	+5.7	+4.4	+5.3	+5.2
<i>Households</i>	+6.1	+4.4	+5.3	+5.3
<i>General Government</i>	+3.6	+4.2	+5.4	+4.3
Gross Domestic Fixed Capital Formation (GDFCF)	-6.7	+22.1	-5.1	+4.9
GDFCF (excluding aircraft and marine vessel)	+7.5	+10.8	+4.4	-1.5
2. Ratios				
Compensation of employees as a % of GDP at basic prices	44.0	44.7	43.1	40.9
Final consumption expenditure as a % of GDP at market prices	75.5	77.5	76.4	76.3
<i>Households</i>	63.0	64.7	64.0	64.4
<i>General Government</i>	12.5	12.8	12.4	11.9
GDFCF as a % of GDP at market prices	23.0	27.3	24.0	23.5
Public sector's investment as a % of GDFCF	26.0	24.0	27.0	29.9
Gross National Savings (GNS) as a % of GDP	26.1	25.4	25.3	25.3

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 3 - Gross Domestic Product by industry group at current basic prices, 1998 - 2001

(R million)

	¹ 1998	1999 ¹	2000 ²	2001 ³
Agriculture, hunting, forestry and fishing	7,888	5,610	6,959	7,505
Sugarcane	4,842	2,491	3,557	4,005
Other	3,046	3,119	3,402	3,500
Mining and quarrying	125	134	142	150
Manufacturing	20,837	22,534	24,789	27,400
Sugar	1,277	657	939	1,060
E.P.Z products	10,512	11,700	12,526	13,740
Other	9,048	10,177	11,324	12,600
Electricity , gas and water	1,519	1,299	1,679	2,205
Construction	4,886	5,515	6,108	6,355
Wholesale & retail trade; repair of motor vehicles, motorcycles, personal and household goods	11,189	12,292	13,327	14,500
Wholesale and retail trade	10,784	11,821	12,786	13,900
Other	405	471	541	600
Hotels and restaurants	4,922	5,703	5,988	6,530
Transport , storage and communication	10,383	11,678	13,487	15,380
Financial intermediation	6,612	7,611	9,110	11,010
Insurance	2,030	2,200	2,460	2,750
Other	4,582	5,411	6,650	8,260
Real estate, renting and business activities	7,494	8,379	9,327	10,445
Owner occupied dwellings	4,080	4,370	4,681	5,015
Other	3,414	4,009	4,646	5,430
Public administration and defence; compulsory social security	5,767	6,421	6,982	7,495
Education	3,795	4,261	4,670	5,105
Health and social work	2,375	2,770	2,993	3,225
Other services	3,183	3,573	4,001	4,490
FISIM	-2,782	-3,011	-3,500	-4,000
Gross Domestic Product at basic prices	88,193	94,769	106,062	117,795
Taxes on products (net of subsidies)	12,020	13,993	15,446	17,000
Gross Domestic Product at market prices	100,213	108,762	121,508	134,795

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 4 - Value added by industry group at current basic prices for General Government, 1998 - 2001

(R million)

	1998	1999 ¹	2000 ²	2001 ³
Agriculture, hunting, forestry and fishing	¹ 663	¹ 700	¹ 721	¹ 735
Other	663	700	721	735
Manufacturing	27	29	30	31
Other	27	29	30	31
Construction	286	290	294	300
Real estate, renting and business activities	22	28	28	30
Other	22	28	28	30
Public administration and defence; compulsory social security	5,767	6,421	6,982	7,495
Construction by public works committee	138	140	150	160
Other	5,629	6,281	6,832	7,335
Education	2,022	2,251	2,430	2,606
Health and social work	1,619	1,865	1,943	2,034
Other services	36	40	41	42
General Government	10,442	11,624	12,469	13,273

- 11 -

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 5- Gross Domestic Product-sectoral growth rates (% over previous year),1998 - 2001

	¹ 1998	1999 ¹	2000 ²	2001 ³
Agriculture, hunting, forestry and fishing	-1.5	-27.2	+28.5	+5.3
Sugarcane	+2.5	-45.0	+52.5	+8.9
Other	-7.1	+1.0	+9.4	+1.6
Mining and quarrying	+3.0	+3.0	+3.0	+3.0
Manufacturing	+6.2	+2.5	+7.8	+6.8
Sugar	+2.2	-45.0	+52.5	+8.9
E.P.Z products	+6.9	+6.0	+6.0	+6.5
Other	+5.9	+5.1	+7.0	+7.0
Electricity , gas and water	+10.7	+3.2	+19.4	+13.5
Construction	+6.2	+8.5	+7.5	+1.0
Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods	+4.6	+5.1	+4.2	+4.2
Wholesale and retail trade	+4.5	+5.0	+4.0	+4.0
Other	+8.0	+7.7	+8.0	+8.0
Hotels and restaurants	+6.0	+4.0	+13.5	+7.0
Transport , storage and communication	+12.0	+6.0	+10.1	+8.9
Financial intermediation	+8.0	+9.7	+11.1	+11.3
Insurance	+6.0	+6.0	+6.5	+6.5
Other	+9.0	+11.4	+13.0	+13.0
Real estate, renting and business activities	+5.4	+6.1	+6.5	+6.9
Owner occupied dwellings	+3.0	+3.0	+3.0	+3.0
Other	+8.4	+9.8	+10.2	+10.8
Public administration and defence; compulsory social security	+3.3	+4.3	+5.9	+5.0
Education	+6.2	+5.4	+7.5	+7.3
Health and social work	+6.0	+8.3	+3.7	+4.4
Other services	+6.0	+7.0	+5.0	+5.0
<i>FISIM</i>	+9.0	+11.4	+13.0	+13.0
Gross Domestic Product at basic prices	+5.8	+2.1	+8.9	+6.4
Overall growth excluding sugar sector	+5.9	+5.6	+7.2	+6.2

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 6 - Gross Domestic Product-sectoral deflators (% over previous year),1998 - 2001

	¹ 1998	1999 ¹	2000 ²	2001 ³
Agriculture, hunting, forestry and fishing	+11.0	-2.3	-3.5	+2.4
Sugarcane	+13.1	-6.5	-6.3	+3.4
Other	+7.9	+1.4	-0.3	+1.2
Mining and quarrying	+3.0	+4.0	+3.0	+2.7
Manufacturing	+7.7	+5.5	+2.0	+3.5
Sugar	+11.0	-6.5	-6.3	+3.7
E.P.Z products	+7.0	+5.0	+1.0	+3.0
Other	+8.1	+7.0	+4.0	+4.0
Electricity , gas and water	-8.8	-17.2	+8.3	+15.8
Construction	+4.5	+4.0	+3.0	+3.0
Wholesale & retail trade; repair of motor vehicles, motorcycles, personal and household goods	+5.0	+4.5	+4.1	+4.5
Wholesale and retail trade	+4.9	+4.4	+4.0	+4.5
Other	+7.4	+7.8	+6.4	+2.7
Hotels and restaurants	+12.7	+11.4	-7.5	+1.9
Transport , storage and communication	+2.4	+6.1	+4.9	+4.7
Financial intermediation	+14.6	+4.9	+7.7	+8.6
Insurance	+7.0	+2.2	+5.0	+5.0
Other	+18.4	+6.0	+8.8	+9.9
Real estate, renting and business activities	+3.1	+5.4	+4.6	+4.8
Owner occupied dwellings	+4.1	+4.0	+4.0	+4.0
Other	+2.0	+7.0	+5.1	+5.5
Public administration and defence; compulsory social security	+6.7	+6.7	+2.7	+2.2
Education	+8.6	+6.5	+2.0	+1.8
Health and social work	+6.6	+7.7	+4.2	+3.2
Other services	+8.7	+4.9	+6.7	+6.9
FISIM	+5.2	-2.9	+2.9	+1.1
Gross Domestic Product at basic prices	+6.9	+5.2	+2.7	+4.4
Taxes on products (net of subsidies)	+7.8	+9.8	+4.1	+3.8
Gross Domestic Product at market prices	+7.0	+5.8	+2.9	+4.3

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 7 - Expenditure on Gross Domestic Product at current prices, 1998 -2001

(R million)

	¹ 1998	1999 ¹	2000 ²	2001 ³
Final consumption expenditure incurred by	75,697	84,285	92,827	102,880
Households	63,169	70,406	77,802	86,845
General government	12,528	13,879	15,025	16,035
<i>Individual</i>	(4,375)	(4,928)	(5,485)	(5,850)
<i>Collective</i>	(8,153)	(8,951)	(9,540)	(10,185)
Gross domestic fixed capital formation	23,082	29,676	29,148	31,690
Private sector	17,083	22,540	21,269	22,215
Public sector	5,999	7,136	7,879	9,475
Increase in inventories*	2,266	-1,433	1,959	2,550
Exports of goods & non-factor services	65,711	69,095	73,874	80,600
Goods (f.o.b) - excluding freeport activities	40,051	40,025	41,064	46,000
Goods (f.o.b) freeport activities	3,660	3,110	4,810	5,300
Non-factor services	22,000	25,959	28,000	29,300
Less Imports of goods & non-factor services	66,543	72,861	76,300	82,925
Goods (f.o.b) - excluding freeport activities	46,386	53,088	50,900	56,025
Goods (f.o.b) freeport activities	2,930	2,410	3,400	3,800
Non-factor services	17,227	17,363	22,000	23,100
Gross Domestic Product at market prices	100,213	108,762	121,508	134,795

Table 8 -Expenditure on GDP-Growth rates (% over previous year), 1998 - 2001

	¹ 1998	1999 ¹	2000 ²	2001 ³
Final consumption expenditure incurred by	+5.7	+4.4	+5.3	+5.2
Households	+6.1	+4.4	+5.3	+5.3
General government	+3.6	+4.2	+5.4	+4.3
<i>Individual</i>	+2.2	+5.6	+8.4	+4.3
<i>Collective</i>	+4.4	+3.4	+3.8	+4.3
Gross domestic fixed capital formation	-6.7	+22.1	-5.1	+4.9
Private sector	-9.1	+25.3	-8.8	+0.8
Public sector	+0.9	+13.0	+6.7	+16.1
Exports of goods & non-factor services	+8.3	+1.4	+4.1	+4.5
Goods (f.o.b) - excluding freeport activities	+4.0	-3.7	+0.6	+7.7
Goods (f.o.b) freeport activities	+90.3	-18.1	+35.3	+5.9
Non-factor services	+8.8	+13.9	+5.7	-0.3
Less Imports of goods & non-factor services	+7.3	+4.7	+0.1	+3.5
Goods (f.o.b) - excluding freeport activities	+2.8	+9.3	-7.8	+4.8
Goods (f.o.b) freeport activities	+54.5	-21.4	+35.7	+6.4
Non-factor services	+14.8	-3.1	+19.5	+0.0

1/ revised estimates

2/ preliminary estimates

3/ first forecast

* includes all statistical discrepancies

Table 9 - National Disposable Income and its appropriation at current prices, 1998 - 2001

(R million)

	¹ 1998	1999 ¹	2000 ²	2001 ³
Compensation of employees	38,846	42,359	45,689	48,167
of which paid by general government	9,263	10,320	11,059	11,730
Gross operating surplus	48,531	51,550	59,402	68,628
Gross Domestic Product at basic prices	88,193	94,769	106,062	117,795
Taxes on products net of subsidies	12,020	13,993	15,446	17,000
Taxes on products	12,825	14,911	16,314	17,900
Subsidies	805	918	868	900
Gross Domestic Product at market prices	100,213	108,762	121,508	134,795
Net primary income from the rest of the world	-637	-466	-592	-600
Gross National Income at market prices (GNI)	99,576	108,296	120,916	134,195
Net transfer from the rest of the world *	+2,278	+3,616	+2,700	+2,800
Gross National Disposable Income (GNDI)	101,854	111,912	123,616	136,995
Less: Final consumption expenditure	75,697	84,285	92,827	102,880
Households	63,169	70,406	77,802	86,845
General government	12,528	13,879	15,025	16,035
Gross National Saving (GNS)	26,157	27,627	30,789	34,115

1/ revised estimates

2/ preliminary estimates

3/ first forecast

* figure for 1999 includes reinsurance claims from abroad in respect of sugar

**Table 10 - Gross Domestic Fixed Capital Formation at current prices
by type and use, 1998 - 2001**

(R million)

	¹ 1998	1999 ¹	2000 ²	2001 ³
I - By type of capital goods				
A. Building & construction work	12,030	13,576	15,156	15,620
Residential building	5,080	5,460	6,021	6,260
Non-residential building	3,870	5,066	5,832	5,700
Other construction work	3,080	3,050	3,303	3,660
B. Machinery and equipment	11,052	16,100	13,992	16,070
Passenger car	1,295	1,310	1,316	1,370
Other transport equipment	1,370	4,107	1,476	4,000
Other machinery and equipment	8,387	10,683	11,200	10,700
Gross Domestic Fixed Capital Formation	23,082	29,676	29,148	31,690
II - By Industrial use				
Agriculture, hunting, forestry and fishing	790	864	686	670
Mining and quarrying	-	-	-	-
Manufacturing	3,832	4,332	4,796	5,010
of which EPZ	(1,445)	(1,755)	(1,642)	(1,830)
Electricity , gas and water	2,202	2,616	1,976	1,940
Construction	533	545	732	685
Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods	1,681	1,932	2,446	2,370
of which Wholesale and retail trade	(1,622)	(1,847)	(2,319)	(2,235)
Hotels and restaurants	1,646	2,837	2,898	2,345
Transport , storage and communication	3,745	7,321	4,916	7,340
Financial intermediation	635	629	798	605
Real estate , renting and business activities	5,723	6,219	6,785	7,395
<i>Owner occupied dwellings</i>	<i>5,080</i>	<i>5,460</i>	<i>6,021</i>	<i>6,260</i>
<i>Other</i>	<i>643</i>	<i>759</i>	<i>764</i>	<i>1,135</i>
Public administration and defence; compulsory social security	901	1,288	1,270	1,385
Education	499	440	548	580
Health and social work	307	235	301	345
Other services	588	418	996	1,020
Gross Domestic Fixed Capital Formation	23,082	29,676	29,148	31,690

1/ revised estimates

2/ preliminary estimates

3/ first forecast

**Table 11 - Gross Domestic Fixed Capital Formation -Annual real growth rates(%)
by type and use, 1998 - 2001**

	¹ 1998	1999 ¹	2000 ²	2001 ³
I - By type of capital goods				
A. Building & construction work	+5.0	+8.5	+8.4	+0.1
Residential building	+5.0	+3.3	+7.1	+0.9
Non-residential building	+0.4	+25.9	+11.8	-5.1
Other construction work	+11.3	-4.8	+5.1	+7.6
B. Machinery and equipment	-17.0	+37.0	-16.4	+10.1
<i>Machinery and equipment(excluding aircraft & marine vessel)</i>	+10.4	+13.3	+0.4	-3.3
Passenger car	+7.8	-2.7	-3.4	+0.1
Other transport equipment	-69.2	+191.0	-65.4	+160.6
<i>Other transport equipment(excluding aircraft & marine vessel)</i>	+9.5	-0.3	+0.9	+34.2
Other machinery and equipment	+11.0	+17.9	+0.8	-8.6
Gross Domestic Fixed Capital Formation	-6.7	+22.1	-5.1	+4.9
GDFCF (excluding aircraft & marine vessel)	+7.5	+10.8	+4.4	-1.5
II - By Industrial use				
Agriculture, hunting, forestry and fishing	+10.9	+4.1	-23.3	-6.3
Mining and quarrying	-	-	-	-
Manufacturing	+19.8	+5.6	+6.6	+0.2
of which EPZ	+8.2	+13.0	-10.0	+6.9
Electricity , gas and water	+53.5	+11.7	-27.0	-5.2
Construction	+1.8	-4.2	+29.2	-10.1
Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods	+2.0	+9.7	+22.4	-6.5
of which Wholesale and retail trade	+1.8	+8.8	+21.4	-7.0
Hotels and restaurants	+17.2	+64.1	-1.1	-21.6
Transport , storage and communication	-46.1	+86.0	-35.3	+43.5
Financial intermediation	+33.5	-6.9	+22.3	-27.0
Real estate , renting and business activities	+8.0	+4.4	+5.9	+5.7
<i>Owner occupied dwellings</i>	+5.0	+3.3	+7.1	+0.9
<i>Other</i>	+39.6	+12.9	-2.8	+43.4
Public administration and defence;compulsory social security	-38.1	+36.6	-4.6	+5.5
Education	-33.4	-16.6	+20.6	+1.9
Health and social work	-4.6	-28.3	+23.4	+10.0
Other services	+3.9	-31.9	+130.9	-0.7
Gross Domestic Fixed Capital Formation	-6.7	+22.1	-5.1	+4.9

1/ revised estimates

2/ preliminary estimates

3/ first forecast

Table 12 - Gross Domestic Fixed Capital Formation - Deflators (% over previous year), 1998 - 2001

	¹ 1998	1999 ¹	2000 ²	2001 ³
I - By type of capital goods				
A. Building & construction work	+4.0	+4.0	+3.0	+3.0
Residential building	+4.0	+4.0	+3.0	+3.0
Non-residential building	+4.0	+4.0	+3.0	+3.0
Other construction work	+4.0	+4.0	+3.0	+3.0
B. Machinery and equipment	+6.9	+6.4	+4.0	+4.3
Passenger car	+4.0	+4.0	+4.0	+4.0
Other transport equipment	+3.0	+3.0	+4.0	+4.0
Other machinery and equipment	+8.0	+8.0	+4.0	+4.5
Gross Domestic Fixed Capital Formation	+5.4	+5.3	+3.5	+3.7

1/ revised estimates

2/ preliminary estimates

3/ first forecast

ANNEX

1. The 1997 Census of Economic Activities

The Central Statistics Office carries out the 'Census of Economic Activities' every five years to provide benchmark estimates for National Accounts aggregates. The last two censuses were taken in 1992 and 1997. Whereas 'large' (10 or more persons engaged) establishments are surveyed every year to obtain updated data for National Accounts compilation, economic data from 'small' (less than 10 persons engaged) establishments can only be collected through the 'Census of Economic Activities'. Once data from the Census are available, a major revision of the National Accounts aggregates is carried out. This eventually leads to a revision in the structure of National Accounting as well as a revision of estimates produced during the intercensal period.

The '1997 Census of Economic Activities' results have just been finalised. In this issue of Economic and Social Indicators, the Census data have been used intensively to review the structure of National Accounting.

2. SNA 68 to SNA 93

The internationally agreed comprehensive framework that guides and governs the compilation of National Accounts is contained in the System of National Accounts (SNA) recommended by the United Nations. Since 1983 the National Accounts of Mauritius have been based on the 1968 recommendations (SNA68). In 1993, the United Nations Economic and Social Council revised the system to make it more comprehensive and to harmonise it further with other related statistical systems such as the Balance of Payments. The new recommendations were published as the 1993 System of National Accounts (SNA93).

SNA93 could not be adopted earlier because there was need for fine tuning the recommendations to the peculiarities of the region as well as individual countries within the region. Furthermore, the 1997 Census of Economic Activities was the first opportunity for the collection of the necessary information.

Some of the important changes (from SNA68 to SNA93) which attempt to address new analytical and policy concerns are explained below.

2.1 Changes in terminology

	<i>SNA68</i>	<i>SNA93</i>
(a)	Gross National Product (GNP)	Gross National Income (GNI)
(b)	Factor income	Primary income

2.2 Valuation

GDP estimated under SNA68 relates to GDP at factor cost. It is that part of the cost of producing the GDP which consists of gross payments to factors of production (land, labour and capital). This valuation had some limitations in the sense that value-added at factor cost is essentially a measure of income and not of output. SNA 93 changes the concept from Factor Cost to Basic Prices which is a better measure of output.

The definitions of the different types of prices used and the inter-relationship between them are as follows:

(i) *Basic prices*

The basic price is the amount receivable by the producer exclusive of taxes payable on products and inclusive of subsidies receivable on products. The equivalent for imported products is the c.i.f. (cost, insurance and freight) value, i.e. the value at the border of the importing country.

(ii) *Producers' prices*

The producers' price is the amount receivable by the producer inclusive of taxes on products (except deductible value added tax) and exclusive of subsidies on products. The equivalent for imported products is the c.i.f. value plus any import duties or other taxes on imports (minus any subsidies on imports).

Hence Producers' prices = Basic prices + Taxes on products (excluding value added tax) - subsidies on products.

(iii) *Purchasers' prices*

The purchasers' price is the amount payable by the purchaser. This includes trade margins realised by wholesalers and retailers (by definition their output) as well as transport margins (i.e. any transport charges paid separately by the purchaser) and non-deductible value added tax.

Hence Purchasers' prices = Producers' prices + Trade and transport margin + Non-deductible value added tax.

(iv) The relation between GDP at factor cost and GDP at basic prices is as follows:

GDP at factor cost = GDP at basic prices - (minus) Taxes on production
+ (plus) subsidies on production

2.3 Changes in methods of estimation

(a) *Output of the General Government Sector*

Output of General Government is estimated as the sum of production costs which include mainly salaries paid to staff. Another important cost is the consumption

of fixed capital; however, this cost was not included because of lack of data. Calculation of consumption of fixed capital requires numerous inputs such as lifetime of assets and valuation of these at different time periods, as well as data on investment in different assets for a relatively long time period (about 60 years' for investment in construction work other than building). The Central Statistics Office has started the compilation of such series since two years now and it has been possible to estimate the consumption of fixed capital for the General Government Sector. For this new series, consumption of fixed capital is included in the value added of General Government.

Another important change for the General Government sector is the change of industrial classification (discussed under the heading NSIC Rev 2 to NSIC Rev 3). When the National Standard Industrial Classification (NSIC) was adopted most of the activities of General Government were classified under the heading "Producers of government services", although no such class existed in the International Standard Industrial Classification. This procedure was resorted to by many countries, including Mauritius, because of data constraints.

The new ISIC (Rev 3) has been developed to enable the collection of data on sectors (e.g. education and health) which, according to analysts and policy makers, are becoming more and more important. Thus, establishments grouped under 'Producers of government services' in the older version, have now been reclassified in the relevant industry group according to their activities. As an example, in the new classification, government establishments involved in education activities are grouped under the heading "Education".

(b) *Output of Central Bank*

Using the 1968 SNA, the output of the Central Bank was calculated by the Income Approach. This included salaries and profit of the bank. As the profit declared or transferred varied considerably from year to year, the value added and growth rate of the Banking Sector fluctuated a lot and did not show clearly the growth of that sector. It has therefore been recommended that the output of Central Bank be measured as the sum of production costs which include salaries paid to staff and consumption of fixed capital.

(c) *Financial intermediation services indirectly measured (FISIM)*

The main output of banks is FISIM. SNA93 recommends that interests received on own funds be excluded when calculating the FISIM for banks. This was not the case in SNA68.

(d) *Electricity, gas and water*

This sector comprises mainly the activities of CEB and CWA in the old series. However, with the continuing increase in production of electricity by independent power producers such as the sugar industry, it is necessary to properly classify this activity in the "Electricity, gas and water" sector rather than in "Sugar milling" as in the past.

(e) *Growth rates*

The growth rate of GDP published so far was calculated using a Fixed Base Laspeyre Index. It was observed that this index could not adapt to change in structure of the economy. One of the recommendations of SNA93 is to use a Chained Index. This recommendation makes estimation of GDP at constant prices obsolete.

However, value added for any year at prices prevailing in a reference year may be readily calculated from the published data.

(f) *Saving rate*

Saving represents that part of disposable income that is not spent on final consumption of goods and services. Gross National Saving (GNS) is the balancing item in the "Use of Income Account" in SNA93. It is calculated as the difference between Gross National Disposable Income (GNDI) and total final consumption expenditure.

When SNA68 was implemented most of the countries in the region produced GDP at market prices but not Gross National Income (GNI) or GNDI, because of data constraints. Thus, it was not possible to calculate GNS. Instead another aggregate termed Gross Domestic Saving (GDS), was calculated as the difference between GDP at market prices and final consumption expenditure. Saving rate was calculated as GDS/GDP at market prices.

As it is now possible in most countries of the region to calculate GNS, the saving rate published relates to the ratio of GNS to GDP at market prices. It is to be noted that the best ratio would have been GNS/GNDI, but given that many indicators calculated for the economy use GDP as the denominator, it has been used here as well, for international comparison purposes.

The relation between GDS and GNS is as follows:

Gross Domestic Saving = Gross National Saving - Net primary income from
the rest of the world - Net transfer from the rest of the world

3. NSIC Rev 2 to NSIC Rev 3

The National Standard Industrial Classification (NSIC) is an adapted version of the International Standard Industrial Classification (ISIC), which is a classification of industries recommended by the UN. The new ISIC (Rev 3) has been developed to enable the collection of data on sectors (e.g. education and health) which, according to analysts and policy makers, are becoming more and more important. As an example, in the new classification, establishments involved in education activities as well as health activities are classified separately whereas in the older version these two activities were merged in the heading 'Community, social and personal Services'. It will also be observed that establishments falling under 'General government' in the

older version, have now been classified in the relevant industry group according to their activities.

It is good to note that this refinement in classification of industries will affect value added of some industry groups but does not affect the overall estimate of GDP.

The new classification is listed in Table A. Table B shows the classification of the activities of General Government. The correspondence between NSIC Rev 2 and NSIC Rev 3 is given in Table C.

Table B helps to calculate the figures for "Producers of government services" which is a heading of NSIC Rev. 2.

Example:

Value added for "Producers of government services" (2001) = 735 + 30 + 7,335 + 2,606 + 2,034 + 42 = R 12,782 million

Table C can be used to reclassify headings based on NSIC Rev 3 into NSIC Rev 2.

Example 1: Construction for 2001 (NSIC Rev 2) = 2,205 (Table 3) + 160 (Table 4) = R 2,365 million

Example 2: Community, Social and personal services for 2001 (NSIC Rev 2) = (5,105 + 3,225 + 4,490 + 600) Table 3 - (2,606 + 2,034 + 42) Table 4 = R 8,738 million.

Table A: Classification of Industrial Activity based on NSIC Rev. 3

1. Agriculture, hunting, forestry and fishing
1.1 Sugarcane
1.2 Other
2. Mining and quarrying
3. Manufacturing
3.1 Sugar
3.2 E.P.Z products
3.3 Other
4. Electricity , gas and water
5. Construction
6. Wholesale & retail trade;repair of motor vehicles, motor cycles, personal and household goods
6.1 Wholesale and retail trade
6.2 Other
7. Hotels and Restaurants
8. Transport , storage and communication
9. Financial intermediation
9.1 Insurance
9.2 Other
10. Real estate, renting and business activities
10.1 Owner occupied dwellings
10.2 Other
11. Public administration and defence; compulsory social security
12. Education
13. Health and social work
14. Other services
15. Financial intermediation services indirectly measured (FISIM)

Table B: Classification of Industrial Activity based on NSIC Rev.3 for the General Government Sector

<p>1. Agriculture, hunting, forestry and fishing</p> <p>1.2 Other</p> <p>3. Manufacturing</p> <p>3.3 Other</p> <p>5. Construction</p> <p>10. Real estate, renting and business activities</p> <p>10.2 Other</p> <p>11. Public administration and defence; compulsory social security</p> <p>11.1 Construction by public Works Committee</p> <p>11.2 Other</p> <p>12. Education</p> <p>13. Health and social work</p> <p>14. Other services</p> <p>Producers of Government services=1+10+11.2+12+13+14</p>
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Table C: Classification of Industrial Activity for NSIC Rev. 2 and correspondence with NSIC Rev. 3.

	¹ Corresponding heading based on NSIC Rev.3 (refer to annex I) (A)	General Government (B)	¹ Comparable series for NSIC Rev. 2 based on NSIC Rev. 3
Agriculture, hunting, forestry and fishing	1	1	A-B
Sugarcane	1.1	... ¹	A
Other	1.2	1.2	A-B
Mining and quarrying	2	...	A
Manufacturing	3	3	A
Sugar milling	3.1	...	A
E.P.Z	3.2	...	A
Other	3.3	3.3	A
Electricity , gas and water	4	...	A
Construction	5	11.1	A+B
Wholesale & retail trade , restaurants and hotels	6.1+7	...	A
Wholesale and retail trade	6.1	...	A
Restaurants and hotels	7	...	A
Transport , storage and communication	8	...	A
Financing, insurance, real estate and business services	9+10	10	A-B
Ownership of dwellings	10.1	...	A
Financial institutions	9.2	...	A
Insurance and other business services	9.1+10.2	10	A-B
Producers of government services	see Table B for general government		
Community, social & personal services	12+13+14+6.2	12+13+14	A-B
Imputed bank service charges (FISIM)	15	...	A

¹... Not applicable