

# National Accounts Estimates (1998 – 2001)

September 2001 issue

## General

This issue of Economic and Social Indicators presents the main National Accounts aggregates for the years 1998 to 2001. The 1998 figures are final, while those for 1999 and 2000 are revised estimates. A revised forecast for the current year 2001 is also given. The main aggregates, growth rates and ratios are presented in Tables 1 and 2, value added by industry groups in Tables 3 to 6, details of expenditure on GDP in Tables 7 to 8, appropriation of income in Table 9 and capital formation in Tables 10 to 12.

As stated in the March 2001 issue of Economic and Social Indicators, the national accounts are being compiled according to the 1993 System of National Accounts (SNA93) and economic activities are being classified according to a National Standard Industrial Classification (NSIC Rev. 3) based on the 1990 International Standard Industrial Classification of All Economic Activities (ISIC Rev. 3). Some of the main changes in terminology and valuation are given in an Annex to this report.

The treatment of Financial Intermediation Services Indirectly Measured (see Technical note and Annex) has been rationalised to include services provided by offshore banks whose contribution has increased dramatically in recent years.

## 2. Overall growth rates

The growth rate for 1999 has been revised slightly upwards to 2.2% from 2.1% and that of 2000 slightly down to 8.6% from 8.9%. It is recalled that the low growth in 1999 was mainly attributable to the severe drought that prevailed during that year. The high growth in 2000, is mainly due to the recovery in the sugar sector as well as the higher growth recorded in "Financial intermediation", "Transport, storage and communication" and "Hotels and restaurants". More details on sectoral performance are given at paragraph 3.2.

On the basis of additional information now available for the year 2000 and taking into consideration the most recent trends in tourist arrivals, exports and employment, economic growth for 2001 has been revised down to 6.3% from 6.4% forecast in March 2001.

## 3. Year 2000 (Revised estimates)

### 3.1 Output, 2000

Gross Domestic Product (GDP) at current basic prices increased in nominal terms by 11.2 % to R 103,664 million in 2000 from R 93,254 million in 1999. In real terms, it grew by 8.6 % (Tables 1 and 2).

GDP at current market prices, which includes R 14,814 million as taxes (net of subsidies) on products, increased by 10.3% to reach R 118,478 million.

Gross National Income (GNI) at current market prices, which takes account of a net outflow of R 783 million of primary income to the rest of the world, stood at R 117,695 million representing an increase of 10.1% over the previous year.

GNI per capita at current market prices increased by 9.0% to attain R 99,232 from R 91,014 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 28.1%, the combined effect of a high growth of 52.5% in “Sugarcane” and 9.4% in “Other agriculture”.

(b) The Manufacturing sector witnessed a growth of 7.6%, 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 30,961 million compared to R 29,131 million in 1999)

Other manufacturing :+7.0% (in line with growth in the manufacture of food and beverages)

(c) “Electricity, gas and water” grew by 21.4% mainly because of a 57.3% growth in electricity production by the Independent Power Producers.

(d) The Construction sector achieved a growth rate of 7.5%, as many projects started while others reached completion. (construction/extension of hotels, extension of airport etc.)

(e) “Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods” grew by 3.2%, with distributive trade growing by 3.0%.

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

(g) Higher growth rates in land and air transport contributed to a 10.0% growth in “Transport, storage & communication” as compared to 7.4% in 1999.

(h) After recording a growth of 10.3% in 1999, “Financial intermediation” sustained its growth momentum and expanded by 14.7% in 2000. This growth is mainly attributable to the banking sector (mainly offshore banks) which registered a growth of 18.5% against 12.2% in 1999.

(i) “Real estate, renting and business services” grew by 6.6% against 6.2% in 1999.

(j) “Public administration and defence; compulsory social security” progressed by 6.0%.

(k) “Education” which includes services provided by both public and private operators grew by 6.4%

the same as in 1999.

(l) "Health and social work" grew by 3.5% compared to 7.8% in 1999.

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

(n) Financial Intermediation Services Indirectly measured (FISIM) grew by 18.5%, in line with the growth experienced by the Banking sector.

### ***3.3 National disposable income and its appropriation, 2000***

Final consumption expenditure increased by 7.9% to reach R 89,447 million. In real terms, it grew by 3.9%. Household expenditure amounted to R 73,938 million or 82.7% of final consumption expenditure; the rest represented general government expenditure which stood at R 15,509 million. Of this, R 5,488 million was spent on services such as education and health which benefit mainly individuals (Tables 7 and 8).

Table 9 on the appropriation of national disposable income shows that compensation of employees reached R 46,222 million, showing an increase of 8.1% over R 42,770 million recorded in 1999. This represents 44.6% of GDP at basic prices compared to 45.9% 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 8.0% to reach R 119,357 million compared to R 110,520 million in 1999.

Gross National Saving (GNS), which is the difference between Gross National Disposable Income (GNDI) and final consumption expenditure, amounted to R 29,910 million compared to R 27,617 million in 1999. However, the Saving rate, calculated as the ratio of GNS to GDP at market prices, declined to 25.2% from 25.7% in 1999.

### ***3.4 Investment , 2000***

Gross Domestic Fixed Capital Formation (GDFCF) totalled R 28,069 million showing a decrease of 5.4% over 1999. In real terms it declined by 8.2%. However, compared with 1999 figures, exclusive of investment in an aircraft worth R 2,700 million, the growth rate works out to 1.0%. (Tables 10 and 11).

The investment ratio as measured by the ratio of GDFCF to GDP at market prices, dropped to 23.7% from 27.6% in 1999.

As shown in Table 11, investment in "Building & construction work" registered a growth of 8.5%, the same as in 1999. This was the combined result of an 11.2% growth in "Non-residential building", 7.3% in "Residential building" and 6.0% in "Other construction work".

On the other hand, investment in "Machinery and equipment" decreased to R 12,902 million from R 16,100 million (including R 2,700 for an aircraft) in 1999. Of this, "Passenger cars" represented R 1,316 million, "Other machinery and equipment", R 10,110 million and "Other transport equipment", R 1,476 million.

As can be derived from Table 7, the share of the private sector in total GDFCF was 73.2% (R 20,552 million), and that of the public sector 26.8% or R 7,517 million.

#### **4. Year 2001 (Revised forecast)**

##### **4.1 Growth rate, 2001**

On the basis of revised assumptions for the key sectors, the economy is expected to grow by 6.3% in 2001 compared to 8.6% in 2000.

The main assumptions are as follows:

<b>Sector</b>	<b>Main assumption</b>	<b>Value added growth rate</b>
• Sugar cane and sugar	Sugar production of 650,000 tonnes	<b>+14.2%</b>
• EPZ	Exports of R 34,000 million	<b>+6.0%</b>
• Tourism	Tourist arrivals: 680,000 Tourist earnings: R 16,000 million	<b>+3.6%</b>
• Construction		<b>+3.5%</b>
• Other sectors		<b>+6.3%</b>
<b>Overall growth rate</b>		<b>+6.3%</b>

Latest estimates show that the sugar production will be around 650,000 tonnes against 620,000 tonnes forecast in March, 2001.

Growth rate in the EPZ sector has been reduced to 6.0% (from 6.5% in March 2001) in the light of recent trends in volume of exports and also because of factory closures. The value of exports is however maintained at R 34,000 million because of expected higher prices.

Tourist arrivals have been revised downwards from 700,000 to 680,000 mainly because many projects in pipeline will be delayed after the attacks on the World Trade Center in September, 2001. However, tourist earnings have been revised upwards because of the higher expenditure per tourist noted between January and August, 2001.

The higher growth expected in construction sector is attributable mainly to the construction and extension of secondary schools by government.

##### **4.2 Output, 2001**

GDP at basic prices in 2001 is expected to increase by 11.7% to reach R 115,800 million as

compared to R 103,664 in 2000. In real terms, this represents a growth of 6.3%.

#### ***4.3 Consumption and Saving, 2001***

Aggregate final consumption expenditure of households and Government will most likely increase by 9.8% to R 98,255 million from R 89,447 million in 2000 (Tables 7 and 8).

Gross National Saving is expected to increase from R 29,910 million in 2000 to R 35,130 million in 2001 (Table 9). Saving rate will increase to 26.7% compared to 25.2% in 2000.

#### ***4.4. Investment, 2001***

Information collected on ongoing and new projects to be implemented in 2001 indicate that investment will reach R 30,280 million (Tables 10 to 12); which represents a growth of 4.1% in real terms. This total includes an investment of R 1,360 million on the purchase of an aircraft and a marine vessel. Exclusive of aircraft and vessel, a decline of 0.6% is expected as compared to a growth of 1.0% in 2000.

The investment ratio, is expected to decrease from 23.7% in 2000 to 23.0% in 2001 (Table 2).

As shown in Table 11, investment in "Building and construction work" is expected to grow by 3.3% as compared to 8.5% in 2000; "Residential building" will grow marginally by 0.5% and "Non-residential building" by 3.9%. Growth in the latter category is mainly attributable to government projects such as construction and extension of secondary schools. Also, "Other construction work" is expected to grow by 7.3%, mainly due to investments in projects in connection with public utilities (sewerage, electricity, water etc.).

Investment in "machinery and transport equipment" is expected to grow by 5.0% after a decline of 22.2% in 2000. However, exclusive of the purchase of an aircraft and a marine vessel, investment in "machinery and transport equipment" is expected to drop by 5.0% in 2001.

The share of the private sector in total GDFCF is expected to be 68.6% (R 20,770 million) and that of the public sector 31.4% (R 9,510 million). In real terms investment by the private sector will drop by 2.5% compared to a decline of 11.5% in 2000, and that by the public sector will grow by 22.1% compared to 2.3% in 2000. Public investment in "Building and construction work" is expected to grow by 32.4% against 2.6% in 2000, whereas private investment in this sector will most probably decline by 7.0% in 2001 after growing by 10.7% in 2000.

**Central Statistics Office  
Ministry of Economic Development, Financial Services and Corporate Affairs.  
Port Louis.**

**October 2001.**

<b>Contact person: Mukesh Dawoonauth, National Accounts Unit – (208-0781)</b>
---

## **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 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 8).

**Table 1 - Main National Accounts aggregates, 1998 -2001**

	Unit	1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>1. Gross Domestic Product (GDP) at basic prices</b>	R M	87,781	93,254	103,664	115,800
<b>2. Taxes (net of subsidies) on products</b>	R M	12,109	14,116	14,814	15,665
<b>3. Gross Domestic Product (GDP) at market prices</b>	R M	99,890	107,370	118,478	131,465
<b>4. Net primary income from the rest of the world</b>	R M	-637	-466	-783	-380
<b>5. Gross National Income (GNI)</b>					
<b>at basic prices</b>	R M	87,144	92,788	102,881	115,420
<b>at market prices</b>	R M	99,253	106,904	117,695	131,085
<b>6. Net transfer from rest of the world</b>	R M	+2,278	+3,616	+1,662	+2,300
<b>7. Gross National Disposable Income (GNDI)</b>	R M	101,531	110,520	119,357	133,385
<b>8. Per capita GNI</b>					
<b>at basic prices</b>	R	75,131	78,996	86,742	96,148
<b>at market prices</b>	R	85,570	91,014	99,232	109,198
<b>9. Per capita GDP</b>					
<b>at basic prices</b>	R	75,680	79,393	87,402	96,465
<b>at market prices</b>	R	86,120	91,411	99,893	109,514
<b>10. Compensation of employees</b>	R M	39,061	42,770	46,222	49,050
<b>11. Final consumption expenditure incurred by</b>	<b>R M</b>	<b>75,084</b>	<b>82,903</b>	<b>89,447</b>	<b>98,255</b>
households	R M	62,436	68,711	73,938	81,455
general government	R M	12,648	14,192	15,509	16,800
<b>Actual final consumption of</b>	<b>R M</b>	<b>75,084</b>	<b>82,903</b>	<b>89,447</b>	<b>98,255</b>
households	R M	66,750	73,639	79,426	87,490
general government	R M	8,334	9,264	10,021	10,765
<b>12. Gross Domestic Fixed Capital Formation (GDFC)</b>	<b>R M</b>	<b>23,082</b>	<b>29,676</b>	<b>28,069</b>	<b>30,280</b>
private sector	R M	17,083	22,540	20,552	20,770
public sector	R M	5,999	7,136	7,517	9,510
<b>13. Gross National Saving (GNS)</b>	R M	26,447	27,617	29,910	35,130
<b>14. Net exports of goods &amp; services</b>	<b>R M</b>	<b>-832</b>	<b>-3,762</b>	<b>-672</b>	<b>885</b>
Exports of goods & services	R M	65,711	69,099	73,841	82,400
Imports of goods & services	R M	66,543	72,861	74,513	81,515

1/ revised estimates

2/ provisional estimates

3/ revised forecast



**Table 2 - Growth rates and ratios, 1998 - 2001**

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
	(%)	(%)	(%)	(%)
<b>1. Annual real growth rate of :</b>				
Gross Domestic Product (GDP) at basic prices	+5.8	+2.2	+8.6	+6.3
Final consumption expenditure incurred by	+5.7	+4.2	+3.9	+4.3
<i>Households</i>	+6.2	+3.9	+3.5	+3.9
<i>General Government</i>	+3.5	+5.6	+6.2	+6.0
Gross Domestic Fixed Capital Formation (GDFCF)	-6.7	+22.1	-8.2	+4.1
GDFCF (excluding aircraft and marine vessel)	+7.5	+10.8	+1.0	-0.6
<b>2. Ratios</b>				
Compensation of employees as a % of GDP at basic prices	44.5	45.9	44.6	42.4
Final consumption expenditure as a % of GDP at market prices	75.2	77.2	75.5	74.8
<i>Households</i>	62.5	64.0	62.4	62.0
<i>General Government</i>	12.7	13.2	13.1	12.8
GDFCF as a % of GDP at market prices	23.1	27.6	23.7	23.0
Public sector's investment as a % of GDFCF	26.0	24.0	26.8	31.4
Gross National Saving (GNS) as a % of GDP	26.5	25.7	25.2	26.7

1/ revised estimates

2/ provisional estimates

3/ revised forecast

**Table 3 - Gross Domestic Product by industry group at current basic prices, 1998 - 2001**  
(R million)

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>7,888</b>	<b>5,613</b>	<b>6,870</b>	<b>7,505</b>
Sugarcane	4,842	2,433	3,468	3,970
Other	3,046	3,180	3,402	3,535
<b>Mining and quarrying</b>	<b>125</b>	<b>134</b>	<b>142</b>	<b>150</b>
<b>Manufacturing</b>	<b>21,044</b>	<b>22,432</b>	<b>24,640</b>	<b>27,190</b>
Sugar	1,475	546	779	890
E.P.Z products	10,510	11,697	12,523	13,800
Other	9,059	10,189	11,338	12,500
<b>Electricity , gas and water</b>	<b>1,485</b>	<b>1,334</b>	<b>1,721</b>	<b>2,185</b>
<b>Construction</b>	<b>4,982</b>	<b>5,620</b>	<b>6,225</b>	<b>6,640</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motorcycles, personal and household</b>	<b>11,330</b>	<b>12,312</b>	<b>12,940</b>	<b>13,950</b>
Wholesale and retail trade	10,925	11,842	12,400	13,350
Other	405	470	540	600
<b>Hotels and restaurants</b>	<b>4,861</b>	<b>5,630</b>	<b>5,879</b>	<b>6,720</b>
<b>Transport , storage and communication</b>	<b>10,241</b>	<b>11,619</b>	<b>13,307</b>	<b>15,395</b>
<b>Financial intermediation</b>	<b>6,536</b>	<b>7,607</b>	<b>9,360</b>	<b>11,500</b>
Insurance	2,030	2,220	2,460	2,750
Other (mainly banking including offshore)	4,506	5,387	6,900	8,750
<b>Real estate, renting and business activities</b>	<b>7,507</b>	<b>8,431</b>	<b>9,385</b>	<b>10,505</b>
Owner occupied dwellings	4,060	4,358	4,672	5,010
Other	3,447	4,073	4,713	5,495
<b>Public administration and defence; compulsory social security</b>	<b>5,792</b>	<b>6,402</b>	<b>6,965</b>	<b>7,440</b>
<b>Education</b>	<b>3,790</b>	<b>4,300</b>	<b>4,709</b>	<b>5,210</b>
<b>Health and social work</b>	<b>2,378</b>	<b>2,765</b>	<b>2,946</b>	<b>3,150</b>
<b>Other services</b>	<b>3,318</b>	<b>3,723</b>	<b>4,134</b>	<b>4,660</b>
<b>FISIM</b>	<b>-3,496</b>	<b>-4,668</b>	<b>-5,559</b>	<b>-6,400</b>
<b>Gross Domestic Product at basic prices</b>	<b>87,781</b>	<b>93,254</b>	<b>103,664</b>	<b>115,800</b>
<b>Taxes on products (net of subsidies)</b>	<b>12,109</b>	<b>14,116</b>	<b>14,814</b>	<b>15,665</b>
<b>Gross Domestic Product at market prices</b>	<b>99,890</b>	<b>107,370</b>	<b>118,478</b>	<b>131,465</b>

1/ revised estimates

2/ provisional estimates

3/ revised forecast

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

(R million)

	1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>724</b>	<b>773</b>	<b>798</b>	<b>815</b>
Other	724	773	798	815
<b>Manufacturing</b>	<b>41</b>	<b>45</b>	<b>49</b>	<b>56</b>
Other	41	45	49	56
<b>Construction</b>	<b>286</b>	<b>290</b>	<b>294</b>	<b>300</b>
<b>Transport , storage and communication</b>	<b>209</b>	<b>251</b>	<b>264</b>	<b>286</b>
<b>Real estate, renting and business activities</b>	<b>50</b>	<b>73</b>	<b>85</b>	<b>88</b>
Other	50	73	85	88
<b>Public administration and defence; compulsory social security</b>	<b>5,792</b>	<b>6,402</b>	<b>6,965</b>	<b>7,440</b>
Construction by public works committee	138	140	150	160
Other	5,654	6,262	6,815	7,280
<b>Education</b>	<b>2,017</b>	<b>2,283</b>	<b>2,459</b>	<b>2,685</b>
<b>Health and social work</b>	<b>1,622</b>	<b>1,854</b>	<b>1,926</b>	<b>2,011</b>
<b>Other services</b>	<b>185</b>	<b>199</b>	<b>220</b>	<b>231</b>
<b>General Government</b>	<b>10,926</b>	<b>12,170</b>	<b>13,060</b>	<b>13,912</b>

- 11 -

1/ revised estimates

2/ provisional estimates

3/ revised forecast

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

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>-1.5</b>	<b>-25.8</b>	<b>+28.1</b>	<b>+8.1</b>
Sugarcane	+2.5	-43.9	+52.5	+14.2
Other	-7.1	+3.1	+9.4	+2.0
<b>Mining and quarrying</b>	<b>+3.0</b>	<b>+3.0</b>	<b>+3.0</b>	<b>+3.0</b>
<b>Manufacturing</b>	<b>+6.2</b>	<b>+2.0</b>	<b>+7.6</b>	<b>+6.3</b>
Sugar	+2.5	-45.0	+52.5	+14.2
E.P.Z products	+6.9	+6.0	+6.0	+6.0
Other	+5.9	+5.1	+7.0	+6.0
<b>Electricity , gas and water</b>	<b>+11.7</b>	<b>+2.5</b>	<b>+21.4</b>	<b>+13.0</b>
<b>Construction</b>	<b>+6.0</b>	<b>+8.5</b>	<b>+7.5</b>	<b>+3.5</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motor cycles, personal and household goods</b>	<b>+4.6</b>	<b>+5.1</b>	<b>+3.2</b>	<b>+3.7</b>
Wholesale and retail trade	+4.5	+5.0	+3.0	+3.5
Other	+8.0	+7.7	+8.0	+8.0
<b>Hotels and restaurants</b>	<b>+6.0</b>	<b>+4.0</b>	<b>+13.5</b>	<b>+3.6</b>
<b>Transport , storage and communication</b>	<b>+11.7</b>	<b>+7.4</b>	<b>+10.0</b>	<b>+9.2</b>
<b>Financial intermediation</b>	<b>+8.3</b>	<b>+10.3</b>	<b>+14.7</b>	<b>+15.1</b>
Insurance	+6.5	+6.0	+5.5	+5.5
Other (mainly banking including offshore)	+9.2	+12.2	+18.5	+18.5
<b>Real estate, renting and business activities</b>	<b>+5.6</b>	<b>+6.2</b>	<b>+6.6</b>	<b>+6.9</b>
Owner occupied dwellings	+3.2	+3.2	+3.1	+3.1
Other	+8.5	+9.7	+10.3	+10.8
<b>Public administration and defence; compulsory social security</b>	<b>+3.6</b>	<b>+3.6</b>	<b>+6.0</b>	<b>+4.5</b>
<b>Education</b>	<b>+6.0</b>	<b>+6.4</b>	<b>+6.4</b>	<b>+7.4</b>
<b>Health and social work</b>	<b>+6.0</b>	<b>+7.8</b>	<b>+3.5</b>	<b>+4.0</b>
<b>Other services</b>	<b>+6.5</b>	<b>+7.0</b>	<b>+5.0</b>	<b>+6.0</b>
<b>FISIM</b>	<b>+9.2</b>	<b>+12.2</b>	<b>+18.5</b>	<b>+18.5</b>
<b>Gross Domestic Product at basic prices</b>	<b>+5.8</b>	<b>+2.2</b>	<b>+8.6</b>	<b>+6.3</b>
<b>Overall growth excluding sugar sector</b>	<b>+5.9</b>	<b>+5.8</b>	<b>+7.0</b>	<b>+5.9</b>

1/ revised estimates

2/ provisional estimates

3/ revised forecast

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

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Agriculture, hunting, forestry and fishing</b>	<b>+11.0</b>	<b>-4.2</b>	<b>-4.4</b>	<b>+1.0</b>
Sugarcane	+13.1	-10.5	-6.5	+0.3
Other	+7.9	+1.2	-2.2	+1.9
<b>Mining and quarrying</b>	<b>+3.0</b>	<b>+4.0</b>	<b>+3.0</b>	<b>+2.7</b>
<b>Manufacturing</b>	<b>+8.1</b>	<b>+4.5</b>	<b>+2.1</b>	<b>+3.9</b>
Sugar	+15.4	-32.7	-6.5	+0.1
E.P.Z products	+7.0	+5.0	+1.0	+4.0
Other	+8.3	+7.0	+4.0	+4.0
<b>Electricity , gas and water</b>	<b>-11.4</b>	<b>-12.4</b>	<b>+6.3</b>	<b>+12.3</b>
<b>Construction</b>	<b>+4.0</b>	<b>+4.0</b>	<b>+3.0</b>	<b>+3.1</b>
<b>Wholesale &amp; retail trade; repair of motor vehicles, motorcycles, personal and</b>	<b>+4.8</b>	<b>+3.4</b>	<b>+1.9</b>	<b>+4.0</b>
Wholesale and retail trade	+4.7	+3.2	+1.7	+4.0
Other	+7.4	+7.8	+6.4	+2.7
<b>Hotels and restaurants</b>	<b>+14.3</b>	<b>+11.4</b>	<b>-8.0</b>	<b>+10.3</b>
<b>Transport , storage and communication</b>	<b>+2.7</b>	<b>+5.6</b>	<b>+4.1</b>	<b>+5.9</b>
<b>Financial intermediation</b>	<b>+15.9</b>	<b>+5.6</b>	<b>+7.3</b>	<b>+6.8</b>
Insurance	+6.5	+3.2	+5.0	+6.0
Other (mainly banking including offshore)	+20.7	+6.6	+8.1	+7.0
<b>Real estate, renting and business activities</b>	<b>+3.7</b>	<b>+5.8</b>	<b>+4.5</b>	<b>+4.7</b>
Owner occupied dwellings	+4.1	+4.0	+4.0	+4.0
Other	+3.3	+7.7	+4.9	+5.3
<b>Public administration and defence; compulsory social security</b>	<b>+6.4</b>	<b>+6.7</b>	<b>+2.6</b>	<b>+2.2</b>
<b>Education</b>	<b>+8.8</b>	<b>+6.7</b>	<b>+3.0</b>	<b>+3.0</b>
<b>Health and social work</b>	<b>+6.6</b>	<b>+7.9</b>	<b>+2.9</b>	<b>+2.8</b>
<b>Other services</b>	<b>+9.0</b>	<b>+4.9</b>	<b>+5.8</b>	<b>+6.3</b>
<b>FISIM</b>	<b>+22.9</b>	<b>+19.0</b>	<b>+0.5</b>	<b>-2.8</b>
<b>Gross Domestic Product at basic prices</b>	<b>+6.5</b>	<b>+3.9</b>	<b>+2.3</b>	<b>+5.1</b>
<b>Taxes on products (net of subsidies)</b>	<b>+7.7</b>	<b>+10.0</b>	<b>+1.0</b>	<b>+5.0</b>
<b>Gross Domestic Product at market prices</b>	<b>+6.6</b>	<b>+4.7</b>	<b>+2.2</b>	<b>+5.1</b>

1/ revised estimates

2/ provisional estimates

3/ revised forecast

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

(R million)

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Final consumption expenditure incurred by</b>	<b>75,084</b>	<b>82,903</b>	<b>89,447</b>	<b>98,255</b>
Households	62,436	68,711	73,938	81,455
General government	12,648	14,192	15,509	16,800
<i>Individual</i>	(4,314)	(4,928)	(5,488)	(6,035)
<i>Collective</i>	(8,334)	(9,264)	(10,021)	(10,765)
<b>Gross domestic fixed capital formation</b>	<b>23,082</b>	<b>29,676</b>	<b>28,069</b>	<b>30,280</b>
Private sector	17,083	22,540	20,552	20,770
Public sector	5,999	7,136	7,517	9,510
<b>Increase in inventories <sup>4</sup></b>	<b>2,556</b>	<b>-1,447</b>	<b>1,634</b>	<b>2,045</b>
<b>Exports of goods &amp; services</b>	<b>65,711</b>	<b>69,099</b>	<b>73,841</b>	<b>82,400</b>
Goods ( f.o.b ) - excluding freeport ac	40,051	40,025	40,882	46,500
Goods ( f.o.b ) freeport activities	3,660	3,115	4,825	5,300
Services <sup>5</sup>	22,000	25,959	28,134	30,600
<b>Less Imports of goods &amp; services</b>	<b>66,543</b>	<b>72,861</b>	<b>74,513</b>	<b>81,515</b>
Goods ( f.o.b ) - excluding freeport ac	46,386	53,088	51,083	54,615
Goods ( f.o.b ) freeport activities	2,930	2,410	3,400	3,800
Services	17,227	17,363	20,030	23,100
<b>Gross Domestic Product at market prices</b>	<b>99,890</b>	<b>107,370</b>	<b>118,478</b>	<b>131,465</b>

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

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Final consumption expenditure incurred by</b>	<b>+5.7</b>	<b>+4.2</b>	<b>+3.9</b>	<b>+4.3</b>
Households	+6.2	+3.9	+3.5	+3.9
General government	+3.5	+5.6	+6.2	+6.0
<i>Individual</i>	+8.3	+7.1	+8.6	+7.5
<i>Collective</i>	+1.2	+4.8	+4.9	+6.4
<b>Gross domestic fixed capital formation</b>	<b>-6.7</b>	<b>+22.1</b>	<b>-8.2</b>	<b>+4.1</b>
Private sector	-9.1	+25.3	-11.5	-2.5
Public sector	+0.9	+13.0	+2.3	+22.1
<b>Exports of goods &amp; services</b>	<b>+8.3</b>	<b>+1.4</b>	<b>+4.0</b>	<b>+6.9</b>
Goods ( f.o.b ) - excluding freeport ac	+4.0	-3.7	+0.1	+9.4
Goods ( f.o.b ) freeport activities	+90.3	-18.0	+35.5	+5.6
Services	+8.8	+13.9	+6.3	+3.6
<b>Less Imports of goods &amp; services</b>	<b>+7.3</b>	<b>+4.7</b>	<b>-2.2</b>	<b>+4.9</b>
Goods ( f.o.b ) - excluding freeport ac	+2.8	+9.3	-7.5	+2.8
Goods ( f.o.b ) freeport activities	+54.5	-21.4	+35.7	+7.5
Services	+14.8	-3.1	+8.8	+9.8

1/ revised estimates

2/ provisional estimates

3/ revised forecast

4/ includes all statistical discrepancies

5/ figure for 1999 excludes reinsurance claims in respect of sugar, treated as transfers.

**Table 9 - National Disposable Income and its appropriation at current prices, 1998 - 2001**  
(R million)

	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>Compensation of employees</b>	<b>39,061</b>	<b>42,770</b>	<b>46,222</b>	<b>49,050</b>
of which paid by general government	9,502	10,593	11,334	12,015
<b>Taxes on production and imports</b>	<b>12,932</b>	<b>14,985</b>	<b>15,777</b>	<b>16,680</b>
Taxes on products <sup>4</sup>	12,823	14,910	15,619	16,445
Subsidies on products	(714)	(794)	(805)	(780)
Other taxes on production <sup>5</sup>	823	869	963	1,015
<b>Gross operating surplus</b>	<b>47,897</b>	<b>49,615</b>	<b>56,479</b>	<b>65,735</b>
<b>Gross Domestic Product at market prices</b>	<b>99,890</b>	<b>107,370</b>	<b>118,478</b>	<b>131,465</b>
<b>Net primary income from the rest of the world</b>	<b>-637</b>	<b>-466</b>	<b>-783</b>	<b>-380</b>
<b>Gross National Income at market prices (GNI)</b>	<b>99,253</b>	<b>106,904</b>	<b>117,695</b>	<b>131,085</b>
<b>Net transfer from the rest of the world <sup>6</sup></b>	<b>+2,278</b>	<b>+3,616</b>	<b>+1,662</b>	<b>+2,300</b>
<b>Gross National Disposable Income (GNDI)</b>	<b>101,531</b>	<b>110,520</b>	<b>119,357</b>	<b>133,385</b>
<b>Less: Final consumption expenditure incurred</b>	<b>75,084</b>	<b>82,903</b>	<b>89,447</b>	<b>98,255</b>
Households	62,436	68,711	73,938	81,455
General government	12,648	14,192	15,509	16,800
<b>Gross National Saving (GNS)</b>	<b>26,447</b>	<b>27,617</b>	<b>29,910</b>	<b>35,130</b>
<b>GNS as a % of GDP at market prices</b>	<b>26.5</b>	<b>25.7</b>	<b>25.2</b>	<b>26.7</b>

1/ revised estimates      2/ provisional estimates      3/ revised forecast

4/ Include excise duties, import duties and value added tax

5/ Include road tax, municipal rates, trading licences, etc.

6/ figure for 1999 includes reinsurance claims in respect of sugar, treated here as transfers

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

	(R million)			
	<sup>1</sup> 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>I - By type of capital goods</b>				
<b>A. Building &amp; construction work</b>	<b>12,030</b>	<b>13,576</b>	<b>15,167</b>	<b>16,140</b>
Residential building	5,080	5,460	6,035	6,250
Non-residential building	3,870	5,066	5,802	6,210
Other construction work	3,080	3,050	3,330	3,680
<b>B. Machinery and equipment</b>	<b>11,052</b>	<b>16,100</b>	<b>12,902</b>	<b>14,140</b>
Aircraft	-	2,700	-	960
Marine vessel	-	-	-	400
Passenger car	1,295	1,310	1,316	1,340
Other transport equipment	1,370	1,407	1,476	1,840
Other machinery and equipment	8,387	10,683	10,110	9,600
<b>Gross Domestic Fixed Capital Formation</b>	<b>23,082</b>	<b>29,676</b>	<b>28,069</b>	<b>30,280</b>
<b>II - By Industrial use</b>				
Agriculture, hunting, forestry and fishing	790	864	692	655
Mining and quarrying	-	-	-	-
Manufacturing	3,832	4,332	4,464	4,390
of which EPZ	(1,445)	(1,755)	(1,702)	(1,610)
Electricity , gas and water	2,202	2,616	1,918	1,890
Construction	533	545	606	565
Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods	1,681	1,932	2,263	2,420
of which Wholesale and retail trade	(1,622)	(1,847)	(2,195)	(2,320)
Hotels and restaurants	1,646	2,837	2,915	2,460
Transport , storage and communication	3,745	7,321	4,533	6,265
Financial intermediation	635	629	544	595
Real estate , renting and business activities	5,723	6,219	6,941	6,985
<i>Owner occupied dwellings</i>	<i>5,080</i>	<i>5,460</i>	<i>6,035</i>	<i>6,250</i>
<i>Other</i>	<i>643</i>	<i>759</i>	<i>906</i>	<i>735</i>
Public administration and defence; compulsory social s	901	1,288	1,278	1,415
Education	499	440	497	1,255
Health and social work	307	235	353	350
Other services	588	418	1,065	1,035
<b>Gross Domestic Fixed Capital Formation</b>	<b>23,082</b>	<b>29,676</b>	<b>28,069</b>	<b>30,280</b>

1/ revised estimates

2/ provisional estimates

3/ revised forecast



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

	1 1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>I - By type of capital goods</b>				
<b>A. Building &amp; construction work</b>	<b>+5.0</b>	<b>+8.5</b>	<b>+8.5</b>	<b>+3.3</b>
Residential building	+5.0	+3.3	+7.3	+0.5
Non-residential building	+0.4	+25.9	+11.2	+3.9
Other construction work	+11.3	-4.8	+6.0	+7.3
<b>B. Machinery and equipment</b>	<b>-17.0</b>	<b>+37.0</b>	<b>-22.2</b>	<b>+5.0</b>
<i>Machinery and equipment(excluding aircraft &amp; marine vessels)</i>	+10.4	+13.3	-6.5	-5.0
Passenger car	+7.8	-2.7	-2.5	-2.1
Other transport equipment	-69.2	+191.0	-65.1	+108.5
<i>Other transport equipment(excluding aircraft &amp; marine vessels)</i>	+9.5	-0.3	+1.8	+21.2
Other machinery and equipment	+11.0	+17.9	-8.1	-9.1
<b>Gross Domestic Fixed Capital Formation</b>	<b>-6.7</b>	<b>+22.1</b>	<b>-8.2</b>	<b>+4.1</b>
<b>GDFCF (excluding aircraft &amp; marine vessel)</b>	<b>+7.5</b>	<b>+10.8</b>	<b>+1.0</b>	<b>-0.6</b>
<b>II - By Industrial use</b>				
Agriculture, hunting, forestry and fishing	+10.9	+4.1	-22.2	-8.8
Mining and quarrying	-	-	-	-
Manufacturing	+24.0	+5.6	+0.0	-5.7
of which EPZ	+8.2	+13.0	-5.8	-9.3
Electricity, gas and water	+42.9	+11.7	-28.8	-4.9
Construction	+1.8	-4.2	+8.0	-10.6
Wholesale & retail trade; repair of motor vehicles, motor cycles, personal and household goods	+2.0	+9.7	+13.7	+3.3
of which Wholesale and retail trade	+1.8	+8.8	+15.4	+2.1
Hotels and restaurants	+17.2	+64.1	-0.2	-18.3
Transport, storage and communication	-46.1	+86.0	-39.9	+32.9
Financial intermediation	+33.5	-6.9	-16.0	+5.0
Real estate, renting and business activities	+8.0	+4.4	+8.4	-2.4
<i>Owner occupied dwellings</i>	+5.0	+3.3	+7.3	+0.5
<i>Other</i>	+39.6	+12.9	+15.9	-21.9
Public administration and defence; compulsory social security	-38.1	+36.6	-3.7	+7.1
Education	-33.4	-16.6	+9.7	+144.4
Health and social work	-4.6	-28.3	+45.8	-4.7
Other services	+3.9	-31.9	+147.4	-5.9
<b>Gross Domestic Fixed Capital Formation</b>	<b>-6.7</b>	<b>+22.1</b>	<b>-8.2</b>	<b>+4.1</b>

1/ revised estimates

2/ provisional estimates

3/ revised forecast

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

	<sup>1</sup>	1998	1999 <sup>1</sup>	2000 <sup>2</sup>	2001 <sup>3</sup>
<b>I - By type of capital goods</b>					
<b>A. Building &amp; construction work</b>		<b>+4.0</b>	<b>+4.0</b>	<b>+3.0</b>	<b>+3.0</b>
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>B. Machinery and equipment</b>		<b>+6.9</b>	<b>+6.4</b>	<b>+3.0</b>	<b>+4.3</b>
Passenger car		+4.0	+4.0	+3.0	+4.0
Other transport equipment		+3.0	+3.0	+3.0	+4.0
Other machinery and equipment		+8.0	+8.0	+3.0	+4.5
<b>Gross Domestic Fixed Capital Formation</b>		<b>+5.4</b>	<b>+5.3</b>	<b>+3.0</b>	<b>+3.6</b>

-18-

1/ revised estimates

2/ provisional estimates

3/ revised forecast

## Main changes in the 1993 System of National Accounts

The national accounts statistics presented in this report, covering period 1998 to 2001, have been compiled according to the recommendations of the 1993 System of National Accounts (SNA 1993). Data for the years prior to 1998 are therefore not strictly comparable with this series. It is to be noted that a new series for the years 1990 onwards is currently under preparation and will be available by the end of the year.

Some of the main changes namely in, terminology, valuation and classification that are relevant to Mauritius are given below:

### 1. Terminology

*Taxes on production and imports* replaces "indirect taxes". SNA93 argues that it is extremely difficult, if not impossible, to determine the real incidence of different kinds of taxes, and that the use of the terms "direct" and "indirect" taxes has fallen out of favour in economic theory. The distinction between "commodity taxes" and "other indirect taxes" have been replaced by *Taxes on products* and *Other taxes on production* respectively.

*Change in inventories* replaces changes in stocks.

*Financial Intermediation Services Indirectly Measured (FISIM)* replaces imputed bank service charges. The argument is that the service charges exist so that they are not really imputed but it is not possible to measure them through direct observation.

*Primary incomes* are payable out of the value added created by production. They include compensation of employees, property income (interest, dividends, etc.) and taxes on production and imports net of subsidies. The concept of "factor incomes", comprising the first two categories of primary incomes, is no longer used in SNA93.

*Gross National Income (GNI)* replaces Gross National Product (GNP). The rationale behind the change is that this aggregate is a concept of income rather than a concept of production.

### 2. Valuation

SNA93 recommends that output be valued at *basic prices*. The basic price is the amount receivable by the producer exclusive of any taxes on products and inclusive of any subsidies on products.

*Taxes on production and imports* comprise all taxes that enterprises incur by engaging in production. There are two categories of taxes, namely taxes on products and other taxes on production.

**Taxes on products** are payable on good and services when they are produced, sold or used. Examples are excise duties, import duties and Value Added Taxes (VAT).

**Other taxes on production** are taxes payable out of the value added of producers. This category of taxes includes taxes levied on property, fixed assets and labour employed. Examples are municipal rates, motor vehicle licences and business licences.

**Gross Domestic Product (GDP).** SNA93 defines only GDP at market prices and does not make any reference to GDP at factor cost. GDP at market prices, calculated by the production approach, is derived as the sum of gross values added of all industries at basic prices plus taxes (net of subsidies) on products.

### 3. Growth rates

The growth rate of GDP published so far was calculated using a fixed base Laspeyres Index (fixed weight). 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 **Chain Index**, which is equivalent to using the previous year's structure for calculation of growth rates.

### 4. Output of General Government

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, which was previously not included because of lack of data. For this new series, consumption of fixed capital has been estimated and is included in the value added of General Government.

### 5. Main changes by industry group

**Agriculture, hunting, forestry and fishing:** Include part of expenditure of the Ministry of Agriculture, previously classified under "Producers of Government Services".

**Mining and quarrying:** No change.

**Manufacturing:** Electricity produced by sugar factories as by products are still included in sugar milling. Energy production by the " Independent Power Producers (IPP) are excluded and shown under "Electricity, gas and water".

**Electricity, gas and water:** Include electricity produced by IPP.

**Construction:** Construction by the "Public works committee" of the Local Government is now transferred to "Public administration and defence; compulsory social security".

**Wholesale & retail trade; repair of motor vehicles, motorcycles, personal and household goods:** Repair of motor vehicles and in respect of personal and household goods previously under "Community, social and personal services" are now classified here.

**Hotels and Restaurants:** No change.

**Transport, storage and communication:** No change.

**Financial intermediation:** In 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. The output of Central Bank is now measured at cost as for other non-market producers, in line with the recommendations of the Inter-Secretariat Working Group on National Accounts (ISWGNA).

**Real estate, renting and business activities:** This sector, now includes activities of the Central Information System Division, which was previously recorded in “Public administration and defence; compulsory social security”.

**Public administration and defence; compulsory social security:** The establishments grouped under 'Producers of government services' in SNA68, 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".

**Education, Health and social work and Other services:** In SNA68, all these activities were classified under “Community, social and personal services”. These categories now include government establishments (e.g Ministry of Education, Health) involved in these activities.

**Financial intermediation services indirectly measured (FISIM):** FISIM is measured in the same way as in the 1968 SNA, that is, the total property income receivable (e.g interests) less their total interest payable, excluding the value of any property income from their own funds.

The 1993 SNA recommends that the consumption of these services be allocated among users. However, because of practical difficulties of allocating FISIM among the different users, FISIM is recorded as intermediate consumption of a nominal industry.