



MAURITIUS

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MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT  
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External Trade - Third Quarter 1989

NOTES

Figures for 1988 and 1989 are provisional and subject to revision

1. COVERAGE

EXPORTS

- Cover
1. Domestic exports (including exports from the Export Processing Zone)
  2. Re-Exports
  3. Export ex Warehouse
  4. Returned goods
- Include
1. Government, Parcel Post and Air Freight
- Exclude
1. Trade with Outer Islands
  2. Ships' stores and bunkers

IMPORTS

- Cover
1. Landed merchandise sent to warehouse for subsequent delivery
  2. Landed merchandise issued for home consumption
- Include
1. Government, Parcel Post and Air Freight
  2. Donations from other Government and International Organisations
- Exclude
1. Trade with Outer Islands
  2. Bullion and specie

2. VALUATION

Exports are valued F.O.B. and imports C.I.F.

F.O.B. Free on Board

C.I.F. Cost, Insurance and Freight

All figures quoted are in Mauritian Rupees

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### 3. COMMODITY CLASSIFICATION

The classification used for the compilation of trade statistics is since January 1988 based on the Standard International Trade Classification (Revised III) or S.I.T.C. (Rev. III). Prior to 1988 the classification was based on S.I.T.C. (Rev. II). However, import and export bills of entry are now being worked upon according to the Harmonized Commodity Description and Coding system Nomenclature, shortly known as the Harmonized System Nomenclature (H.S.N.). Prior to 1988, the goods items were coded according to the Customs Cooperation Council Nomenclature (C.C.C.N.).

### 4. ROUNDING OF FIGURES

Figures have been rounded off to the nearest final digit and in some cases to the nearest one decimal place and as a result in some tables there may be discrepancies between the sum of the constituent items and the total.

### 5. SYMBOLS

- Nil or negligible

... Not available

-. Not applicable

### 6. ABBREVIATIONS

Rs : Rupees

000 : Thousand

Mn : Million

m.ton : Metric ton : 1,000 kilos

No. : Number

M<sup>2</sup> : Square metres

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## EXTERNAL TRADE - THIRD QUARTER 1989

### 1. Total Trade

Total international trade during the third quarter increased by 7% over the previous quarter to reach Rs 9,160 million compared with Rs 8,100 million in the corresponding quarter of 1988. The total trade for the nine months' period January to September 1989 however reached a level of Rs 25,690 million, that is, 20% higher than the corresponding figure (exclusive of aircrafts) a year earlier.

### 2. Balance of Visible Trade

The third quarter is usually the most favourable period for the trade balance of the country with both export earnings from sugar and the EPZ sector at their peak. But, unlike previous years' trend, the third quarter of 1989 registered for the third consecutive quarter a deficit of around Rs 1,100 million, i.e maintained the level reached during the first and second quarter of the year. In fact EPZ exports have for the first time registered a decline in the third quarter falling to around Rs 2,400 million from Rs 2,500 million the previous quarter. The deficit of Rs 1,100 million compares with a surplus of some Rs 150 million in the third quarter of 1988.

With exports totalling Rs 11,200 million and imports Rs 14,500 million, the cumulative trade deficit for the period January to September 1989 amounted to Rs 3,300 million which compares with a deficit of Rs 1,035 million (exclusive of aircrafts) for the corresponding period of 1988.

### 3. Terms of Trade (1988 =100)

During the third quarter, export prices are estimated to have increased by nearly 10% over the previous quarter mainly as a result of higher prices obtained for sugar. But, relative to average prices for the year 1988, the increase in the third quarter works out to around 17%.

Import prices continued the upward trend increasing by around 2% over the previous quarter. Relative to the year 1988, price increases of 17% and 23% were recorded during the first and second quarter of 1989 respectively. The level of import prices in the third quarter therefore stood at around 25% above that of 1988.

During January - September 1989, major price increases were noted in the following commodity groups:-

<u>Commodity group</u>	<u>% increase over 1988</u>
Dairy products	+ 33%
Petroleum products	+ 32%
Machinery and transport equipment	+ 15%

Because of higher prices of exports during the third quarter, the terms of trade (ratio of export price index to import price index) showed an improvement of 7 percentage points when compared to the previous quarter to reach 93. But, relative to the year 1988, the index indicates that export prices were still lagging behind import prices by about 7 percentage points.

#### 4. Exports

In the third quarter of 1989, total exports inclusive of ships' stores and bunkers increased by 9% over the previous quarter to reach Rs 4,050 million. Export prices during the third quarter rose by nearly 10% so that in volume terms, there was no significant change between the two periods.

The first nine months of year 1989 therefore recorded exports worth of around Rs 11,200 million compared with around Rs 10,200 million in the corresponding period of 1988. Although in nominal terms there was a 10% increase, in volume terms, exports seem to have declined by 4%.

As usual exports were dominated by EPZ products which accounted for 61% of the total whilst sugar shared 31%.

A breakdown of the main changes between January-September 1988 and January-September 1989 is given below:-

Commodity	<u>F.O.B. Value: Rs Mn</u>		
	Jan.-Sept. 1988	Jan.-Sept. 1989	Change
Sugar	3,344	3,430	+ 86
EPZ	5,968	6,803	+ 835
Other	879	987	+ 108
Total	10,191	11,220	+ 1,029

The main markets were as usual the E.E.C. with U.K. and France leading the way, accounting for 78% of the total and the US market 15%.

5. Imports

In the third quarter of 1989, the country's import bill amounted to Rs 5,110 million. By volume, imports was 4% higher compared with the previous three months and 6% higher compared with the corresponding period of 1988.

For the first nine months of 1989, total imports attained Rs 14,500 million. Excluding the aircrafts, the value jumped by Rs 3,240 million showing a nominal rise of 30% over January - September 1988. After eliminating the effect of price increases, the increase in volume terms works out to only around 4%.

A list of commodities which have recorded substantial increases between January-September 1988 and January-September 1989 is given herebelow:-

<u>Commodity</u>	<u>C.I.F. Value: Rs Mn</u>		<u>Change</u>
	<u>Jan.-Sept 1988</u>	<u>Jan.-Sept 1989</u>	
Rice	231	340	+ 109
Dairy products	220	343	+ 123
Wheat, unmilled	-	81	+ 81
Other food items	787	983	+ 196
Refined petroleum products	664	951	+ 287
Textile fibres, yarn, fabrics, made-up articles	3,077	4,006	+ 929
Cement, iron and steel	434	570	+ 136
Industrial machinery	308	410	+ 102
Telecommunications and sound recording and reproducing apparatus	328	563	+ 235
Other	5,178	6,225	+1,047
Total	<u>11,227<sup>1/</sup></u>	<u>14,472</u>	<u>+3,245</u>

1/ exclusive of aircrafts

## 6. The EPZ Sector

### 6.1 Exports

The performance of the EPZ sector in the third quarter of 1989, as measured by its exports, was contrary to expectation falling by 4% to Rs 2,400 million from Rs 2,500 million in the previous quarter. In 1988, EPZ export proceeds in the third quarter had recorded a 13% nominal increase over the previous quarter.

The total for the period January to September 1989 amounted to Rs 6,800 million as compared to Rs 5,970 million a year earlier representing an increase of 14% in nominal terms. Textile and clothing represented over 80% of the total, i.e. maintained the same share as in previous years. The EEC absorbed some 72% of the country's EPZ products whilst the U.S market took in another 22%.

### 6.2 Imports

EPZ imports in the third quarter reached the Rs 2,000 million mark increasing by 4% relative to the previous quarter.

For the period January to September 1989, EPZ imports have however registered a substantial increase of 27% in comparison with the corresponding period of 1988 when imports amounted to Rs 4,325 million. A breakdown of imports indicates that Rs 620 million worth of machinery and equipment were imported, and imports of raw materials amounted to Rs 4,860 million. As regards the suppliers of raw materials and machinery, nearly 40% were imported from the EEC followed by 12% from Hong Kong and 11% from Taiwan.

### 6.3 Net EPZ Exports (January-September 1989)

With an import bill of Rs 5,480 million and export proceeds of Rs 6,800 million, net EPZ exports for the first nine months of 1989 amounted to Rs 1,320 million. This figure compares with Rs 1,640 million for the corresponding period of 1988. The ratio of net exports to total exports consequently registered a decline falling to 19% from 28% a year earlier.

## 7. Preliminary Estimates - Year 1989

It is estimated that total exports for 1989 have reached Rs 15,500 million and imports Rs 19,800 million resulting in a trade deficit of Rs 4,300 million. This figure compares with a deficit of over Rs 1,800 million (exclusive of aircrafts) in the year 1988.

A comparative table showing figures for 1988 and 1989 is given hereunder:-

	<u>Value : Rs Mn</u>	
	<u>Year</u> <u>1988</u>	<u>Year</u> <u>1989</u>
<u>Total exports (f.o.b)</u>	<u>13,854</u>	<u>15,500</u>
of which sugar	4,467	4,800
EPZ	8,179	9,500
<u>Total imports (c.i.f)</u>	<u>17,460</u>	<u>19,800</u>
of which EPZ	5,890	7,400
<u>Trade balance inclusive of aircrafts</u> =====	<u>-3,606</u> =====	<u>-4,300</u> =====
<u>Trade balance exclusive of aircrafts</u> =====	<u>-1,831</u> =====	<u>-4,300</u> =====

As regards the terms of trade, they appear to have declined by 8 points relative to the year 1988 resulting from an average increase of 22% in import prices and 12% in export prices.

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