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MAURITIUS

Recent Economic Developments and Selected Issues

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Approved by the African Department

February 21, 1997

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General Glossary—Abbreviations, Acronyms, and Terminology

ACP	African, Caribbean, and Pacific
AHC	Area Health Center
AMB	Agricultural Marketing Board
BFCOI	Banque Française Commerciale Océan Indien
BOT	Build, Operate and Transfer
CAD	Civil Aviation Authority
CBI	Cross Border Initiative
CEB	Central Electricity Board
CHC	Community Health Care
COLA	Cost of Living Adjustment
COMESA	Common Market for Eastern and Southern Africa
CPE	Certificate of Primary Education
CSAT	Civil Service Arbitration Tribunal
CSC	Cambridge School Certificate
CWA	Central Water Authority
DBM	Development Bank of Mauritius
DWC	Development Works Corporation
EIP	Environment Investment Program
EPZ	Export Processing Zone
FOM	Freeport Operations Mauritius Ltd.
FRN	Floating Rate Note
GSL	Government Sponsored Loan
HSC	Higher School Certificate
IRA	Industrial Relations Act
IVTB	Industrial and Vocational Training Board
MCB	Mauritius Commercial Bank
MCCB	Mauritius Cooperative Central Bank Ltd.
MEDIA	Mauritius Export Development and Investment Authority
MFA	Mauritius Freeport Authority
MFA	Multi-Fibre Agreement
MFDC	Mauritius Freeport Development Company Ltd.
MGI	Mahatma Gandhi Institute
MHC	Mauritius Housing Company (former Corporation)
MIE	Mauritius Institute of Education
MLC	Mauritius Leasing Company
MOBAA	Mauritius Offshore Business Activities Authority
MSE	Mauritius Stock Exchange
MSS	Mauritian Sugar Syndicate
NHDC	National Housing Development Company
NIDF	National Investment Development Fund
NIT	National Investment Trust
NPF	National Pensions Fund
NRB	National Remuneration Board
NTC	National Transport Corporation
PAT	Permanent Arbitration Tribunal
PAYE/CPS	Pay-As-You-Earn/Current Payment System
PRB	Pay and Research Bureau
PSB	Postal Savings Bank
PVT	Pre-Vocational Training
SADC	Southern African Development Community
SBM	State Bank of Mauritius
SIC	State Investment Corporation
SICOM	State Insurance Corporation of Mauritius
SIFB	Sugar Insurance Fund Board
SIL	State Informatics Limited
SPS	Special Preferential Sugar
STC	State Trading Corporation
UIB	Union International Bank
UOM	University of Mauritius
WRU	Water Resource Unit

I. INTRODUCTION

1. The island of Mauritius lies in the Indian Ocean, nearly 1,000 km east of Madagascar. The Republic of Mauritius, with a population of slightly more than 1.1 million people, comprises the island of Mauritius, the small island of Rodrigues (some 560 km further to the east), and a few smaller and uninhabited islands to the north. Mauritius lies within a cyclone-prone area of the Indian Ocean, and the cyclone season is usually between December and March. Mauritius gained independence from Britain in 1968 and was declared a republic in 1992.

2. At independence, the Mauritian economy was almost entirely reliant on sugar. However, since then it has evolved significantly. Sustained policies of diversification, liberalization and export orientation, coupled with the country's political stability and completely bilingual labor force, have succeeded in attracting foreign investment. As a result, economic growth is currently well balanced around the so-called four pillars of the economy, namely agriculture, principally sugar; tourism; manufacturing for export, mainly the Export Processing Zone (EPZ); and more recently, financial and offshore services.

II. INCOME AND PRODUCTION

A. Aggregate Demand and Supply

Output developments

3. While the Mauritian economy has continued to expand during the past three years, output growth has occurred at a slower rate than during the early 1990s. Thus, real GDP growth during the period 1993/94 to 1995/96 averaged about 4.1 percent, compared with 6.0 percent for the preceding three years (Table 1; Chart 1). The decline in GDP growth, especially in 1994/95, was largely on account of the adverse impact of Cyclone Hollanda which hit the island in February 1994. The negative effects of the cyclone were the most pronounced in the sugar sector, where output in 1994 declined by 12 percent compared with 1993, which itself had seen a marked drop in sugar production as a result of severe drought (Appendix II, Tables I and VIII). Preliminary estimates for 1995/96 suggest that GDP growth has recovered to about 4.7 percent, thanks, in part, to a rebound in sugar production.

4. In the EPZ sector, real output growth during 1994 and 1995 averaged 4.7 percent, compared with 6.0 percent during 1992 and 1993. This decline followed a pattern of steadily diminishing growth rates in the EPZ sector since the second half of the 1980s, reflecting some erosion of international competitiveness in the textile sector (Appendix II, Table I).¹ However,

¹See *Mauritius - Background Paper and Statistical Annex*, IMF Staff Country Report No. 96/1.

this trend was reversed in 1996 as a number of customers, who had previously moved to suppliers in Asia, have reportedly returned.

5. There have also been some marginal changes in the structure of GDP. Thus, during 1994 and 1995, the share of agriculture in GDP has continued to decline, while that of the services industry (including trade, transport, and finance) continued to grow. Also, after strong growth in the early 1990s, the construction industry contracted by about 2 percent in 1995, largely on account of an acute scarcity of cement in the country resulting from delivery problems.

Aggregate expenditure and savings

6. Domestic savings during 1994/95 and 1995/96 averaged approximately 24.5 percent of GDP, down from an average of 28.2 percent of GDP during the preceding two years. The drop in savings was entirely attributable to a deterioration in the public sector's savings performance (Table 3). While government disposable income, as a percent of GDP, declined from an average of 21.8 percent during 1992/93-1993/94 to 18.9 percent during 1994/95-1995/96, government consumption remained substantially unchanged during the same period at about 20 percent. As a result, government savings declined by an average of 3.7 percent of GDP between 1992/93-1993/94 and 1994/95-1995/96 (Tables 3 and 11).

7. Private sector savings remained largely unchanged during the last four years. This occurred because the increase in private sector disposable income from 81.2 percent of GDP during 1992/93-1993/94 to 83.2 percent of GDP during 1994/95-1995/96—owing largely to a reduction in the tax burden that averaged almost 3 percent of GDP—was used to increase consumption from an average of 55.5 percent of GDP during 1992/93-1993/94 to an average of 57.4 percent of GDP during 1994/95-1995/96 (Tables 3 and 11).

8. Meanwhile, domestic investments slowed down, most significantly during 1995/96, largely as a result of weak private sector investments which in turn were partly attributable to a “wait-and-see” attitude on the part of the business community during the parliamentary election period and the subsequent change of government. The sharp drop in private sector investment between 1994 and 1995 is also due in part to the one-time purchase in 1994 by Air Mauritius of a large aircraft from the European Airbus consortium. However, an analysis of the sectoral breakdown of gross capital formation also reveals a decline in 1995 of private sector capital formation in sectors other than transport equipment, notably in manufacturing, construction, and finance, insurance, and other services (Appendix II, Table V).

9. The resulting saving-investment gap for the economy as a whole (equivalent to the external current account deficit) narrowed substantially to 0.9 percent of GDP in 1995/96, compared with an average of 4.9 percent of GDP during 1993/94-1994/95. The improvement in the resource gap has been, as shown above, the result of a weakening of investment activity rather than a strengthening of domestic savings (Table 3; Chart 2).

B. Sectoral Developments

Sugar sector

Sectoral characteristics

10. The sugar sector remains an important source of foreign currency for the country, accounting in 1995/96 for nearly 15 percent of earnings from exports of goods and services. However, its prominent position in this regard has been surpassed by the EPZ (nearly 45 percent) and tourism (18 percent) sectors, thus reflecting the ongoing diversification of the Mauritian economy (Appendix II, Table XLIII). The sugar sector's share of GDP in 1994 and 1995 was in the range of 6 percent, down from about 7.5-8 percent in the early 1990s (Appendix II, Table II). Sugarcane still covers nearly half of Mauritius's total land area and more than 80 percent of its cultivated land. Moreover, about 14 percent of the work force is employed in the sugar sector (including milling operations). The sugar sector remains extremely vulnerable to weather conditions, in particular droughts and cyclones.

Production developments

11. Reflecting the sector's vulnerability to adverse weather, the sugar crop has fluctuated considerably since the early 1990s. After a bumper harvest resulting in 643,200 tons of sugar production in 1992, a prolonged drought reduced the 1993 sugar output to 565,100 tons. In February 1994, the intense tropical Cyclone Hollanda hit the island's northwest coast. In spite of favorable climatic conditions during the remainder of the sugarcane growing period, sugar production for 1994 was severely affected and ended the year at 500,200 tons, or 11.5 percent lower than the previous year. In 1995, less severe cyclones precluded an expected strong recovery of sugar production, and sugar output reached only 540,000 tons, some 85,000 tons below the average for the ten-year period 1984-93 (Table 4; and Appendix II, Table VIII). The 1995 sugar production included a costly mini-harvest, between February and June, that is, outside the usual sugarcane harvesting season of July-November. The mini-harvest, following the disappointing 1994 sugar crop, was seen as necessary to meet Mauritius's sugar export commitments to the European Union for the delivery year ending June 15, 1995. Based on data available at the end of November 1996, the 1996 sugar production is estimated to have increased to about 590,000 tons, its highest level since 1992.

12. Consequently, Mauritius is expected to fulfill its 1996/97 commitments to the European Union as well as to the United States. Sugar exports, which are closely related to the level of output, have also fluctuated considerably in the recent past, with volumes falling from a peak of 588,700 tons in the 1992/93 delivery year to 492,200 tons in 1994/95, and recovering to 518,800 tons in 1995/96 (Table 4; and Appendix II, Table XI). Meanwhile, the

area under cultivation declined from well over 190,000 arpents² in the early 1990s to slightly more than 182,000 arpents in 1995, as urbanization has continued to encroach on agricultural land (Appendix II, Table VIII).

13. In June 1995, the Minister of Agriculture commissioned a task force, headed by Dr. Régis Julien, the Director of the Mauritian Sugar Industry Research Institute, to study and propose appropriate policy measures to increase the efficiency and output of the sugar sector in the wake of Mauritius's increased quota access to the European market under the Special Preferential Sugar Agreement signed on June 1, 1995 (see para. 17). The Julien Report recommended a number of measures, including varietal improvements; enhancement of irrigational facilities; wider use of fertilizers; rehabilitation of hitherto fallow sugarcane lands; development of sugarcane plantations on former tea-growing areas; enhancement of sugar recovery rates at the factory level; and regrouping of small plots of land into larger units for wider use of derocking and mechanization techniques. If implemented on a broad scale, these measures were estimated to increase sugar output by almost 60,000 tons by 1998. However, progress on this front has been mixed. While some sugarcane has started to be harvested from converted tea lands, efforts to regroup small plots into viable larger entities, with centralized Farmers' Service Centers providing agricultural services to member planters, have faced sociological and psychological difficulties at the small farmers' level. In addition, the legal framework, including previously established government transfer and incentive systems offered to small farmers that would be lost in the event of collectivization, has proven to be a serious impediment to the advancement of this process.

14. The sugar industry also produces food crops,³ as well as molasses and bagasse, the latter being by-products of the refining process. Production of food crops on sugar estates grew by 60 percent over a six-year period to reach nearly 71,000 tons in 1994. Molasses output averaged some 147,000 tons during 1994 and 1995, providing additional earnings of slightly more than 2 percent of the value of sugar exports during that period (Appendix II, Table XLIV). Bagasse is used during the harvest season to generate electricity.⁴ Electricity in excess of the sugar industry's own energy requirements is supplied to the national grid of the Central Electricity Board (CEB). Fourteen sugar factories supplied an average of 124 GWh electricity to the national grid during 1994 and 1995, about 12 percent of the country's electricity production (Appendix II, Table XVIII).

²One arpent equals 0.4221 hectare.

³Food crops are grown mostly by "interlining" between rows of sugarcane early in the growing season and after harvest.

⁴When bagasse is not available, the combined bagasse/coal power station at Union Flacq uses coal to drive its steam turbines.

Marketing, producer prices, and industry finances

15. Mauritius's sugar output is marketed through a central organization called the Mauritius Sugar Syndicate (MSS). The MSS is responsible for the export and domestic sale of the country's sugar production, and the net proceeds are distributed to the large estates as well as to small farmers on the basis of the average realized price per ton (Appendix II, Table XII). The MSS also subscribes on behalf of its members to an elaborate insurance scheme with the Sugar Insurance Fund Board (SIFB) to compensate the country's sugar sector against financial losses stemming from droughts and cyclones.⁵

16. While the world sugar price is subject to considerable volatility (Chart 3; Appendix II, Table X), Mauritius's sugar exports are shielded from the price fluctuations in the world sugar market by preferential access agreements with the European Union (EU) and the United States. Under the provisions of the Sugar Protocol signed between the EU and the African, Caribbean, and Pacific (ACP) sugar supplying states and annexed to the Lomé Convention, Mauritius is allocated an annual quota of 507,000 tons (representing the largest share among ACP states, equivalent to about 35 percent of the total allocation) for delivery to the EU under a guaranteed price. For the 1995/96 quota year, the guaranteed price was ECU 523.70 per ton (c.i.f.).⁶

17. As mentioned earlier, on June 1, 1995, the Special Preferential Sugar (SPS) Agreement was concluded between the EU, the ACP countries, and India, covering a six-year period ending June 30, 2001. Under the SPS Agreement, the sugar-producing states would supply the EU with nearly 354,000 tons of raw sugar annually to cover the so-called refiners' deficit, mainly in the United Kingdom, Portugal, France, and Finland. Mauritius's share under the SPS Agreement for 1995/96 was almost 94,000 tons at a guaranteed price of ECU 442.70 per ton (c.i.f.).

18. As part of the U.S. Farm Bill passed by Congress in April 1996, the U.S. Sugar Program was renewed for another seven-year period (1996-2002), thus continuing to provide Mauritian sugar preferential access to the U.S. market. For the 1995/96 delivery period ending September 30, Mauritius was allocated a quota of about 25,600 tons at a fixed price of US\$497.14 per ton of raw sugar.

⁵During the 1995/96 crop year, the MSS paid Mau Rs 618 million in insurance premiums to the SIFB, or nearly 9 percent of its export revenues for that year.

⁶While the volume under the Sugar Protocol is fixed indefinitely, the guaranteed price is likely to decrease after 2001, if tariffs in Europe are lowered as a result of further trade liberalization in the context of WTO negotiations.

19. During 1995/96, Mauritius delivered to the EU 498,300 tons of sugar under the EU/ACP Sugar Protocol and 13,500 tons under the SPS Agreement,⁷ compared with 469,600 tons in the previous year. Given the higher price under the SPS Agreement and the sub-average crop in 1995/96, deliveries to the U.S. market declined from 14,200 tons in 1994/95 to 2,900 tons in 1995/96. Also, sales of predominantly special sugar products to the world market declined from a peak of 58,900 tons in 1992/93 to only 4,100 tons in 1995/96 (Chart 3; Appendix II, Table IX). Finally, local consumption, which averages about 40,000 tons a year, has, in the past few years, been covered almost entirely by imports of sugar from the world market.

20. The financial situation of the sugar industry has improved considerably since the removal of the export duty and surcharge in 1994. In spite of lower output, the industry's overall profits almost doubled in 1994, to reach Mau Rs 717 million, also reflecting higher export unit values in rupees. In 1995, overall profits declined to Mau Rs 569 million, mainly on account of higher depreciation, and lower nonsugar income (Appendix II, Tables IX and XIII). The profitability of the sector during 1996/97 and 1997/98 will be affected by a new levy, which was announced in the 1996/97 budget, and which is expected to be borne by the 40 or so largest sugar enterprises. It will be calculated based on the 1996/97 sugar crop and paid over the 1996/97 and 1997/98 fiscal years, amounting in total to about Mau Rs 300 million.

Other agriculture

21. Nonsugar agriculture in Mauritius comprises a number of crops, mainly to cover local demand as well as some products destined for export. Food production including, inter alia, onions, tomatoes, garlic, and other fresh produce, has been on a steady rise in Mauritius, reaching 97,500 tons in 1995, an increase of about 20 percent from 1994, on account of higher yields and expanded arable areas. The increase in arable areas resulted from additional interline and rotational lands. Nonetheless, the tropical depressions and cyclones during 1994 and 1995 have also taken their toll on agricultural output, affecting in particular fresh fruits and vegetables, such as bananas, cabbages, and tomatoes (Appendix II, Table XIV). While current production can satisfy a growing share of the domestic demand for potatoes, chicken, pork, and a number of fresh vegetables, the main staples of the Mauritian diet—rice and wheat—have to be imported in large quantities, because the Mauritian land and weather conditions are not suitable for their efficient farming. Finally, local production of tobacco amounted to slightly more than 1,000 tons during 1994-95, providing more than 90 percent of leaf tobacco for the local manufacture of cigarettes.

⁷Since Mauritius could not cover its allotted quota under the SPS Agreement in 1995/96, the balance for that year was distributed among the other sugar-supplying countries of the agreement.

22. Agricultural products being exported are mainly fish, tea, and cut flowers. Fish exports grew significantly, from Mau Rs 396 million in 1993 to Mau Rs 537 million in 1994, and to Mau Rs 657 million in 1995. In addition, cut flowers, predominantly *Anthuria andraena*, have experienced buoyant export growth over recent years, reaching 14 million stems, valued at Mau Rs 134 million in 1995 (almost double the 1990 exports in value terms), making Mauritius the world's second largest exporter of these flowers. While tea has been a traditional export commodity, its production has declined steadily since 1992. The most significant drop occurred in 1995 when tea lands were converted to sugarcane growing areas in order to fulfill the higher-yielding additional quota under the SPS Agreement. Thus, tea production dropped by nearly 36 percent, from 30,300 tons in 1993 to 19,500 tons in 1995 (Appendix II, Table XV), and tea exports by more than 50 percent, from Mau Rs 103 million in 1993 to Mau Rs 51 million in 1995. Tea production is likely to further decline to about 12,000 tons in 1996 and stabilize at a level of about 6,000 tons beginning in 1997, which is expected to meet only domestic demand for tea.

23. Meanwhile, the Mauritian authorities are undertaking a wide range of measures aimed at diversifying and increasing the value added of the agricultural sector, including better mechanization; cultivation of higher-value crops; improvement of irrigational infrastructure; and enhancement of agricultural research.⁸

Manufacturing

24. Since the early 1980s, when the strategy of export-oriented manufacturing was introduced and subsequently pursued with a high degree of commitment and consistency, Mauritius has enjoyed remarkable success in expanding its manufacturing industry and export base. During 1993-95, the manufacturing sector accounted for approximately 23 percent of GDP, about half of which was attributable to the EPZ sector (Appendix II, Table II). Indeed, the nonsugar sector's share of manufacturing continued to increase from slightly less than 89 percent in 1989 to almost 93 percent in 1994 (Appendix II, Table XVI). Moreover, as total merchandise exports rose by some 78 percent from Mau Rs 15.1 billion in 1989 to almost Mau Rs 26.8 billion in 1995, nonsugar exports as a percentage thereof expanded during the same period from 67 percent to 76 percent, thus providing further evidence of the country's successful diversification strategy (Appendix II, Table XLIV).

25. The EPZ sector, which continues to be dominated by textiles and wearing apparel, represents a steadily growing share of merchandise exports, reaching more than 68 percent during 1993-95, up from some 60 percent in 1989 (Appendix II, Table XLIV). Indeed, over the last 15 years, EPZ exports grew more than sixfold in foreign currency terms to reach almost SDR 700 million in 1995 (Chart 4; and Appendix II, Table XVII). More than 90 percent of the EPZ sector's exports are destined to the EU and the United States (Appendix II, Table XLVI). However, the sector's export growth has slowed down over the past few years,

⁸See SM/94/214 (8/12/94).

reflecting a possible loss of competitiveness as compared with other textile exporters in Asia, Eastern Europe, and Latin America.⁹ The main reason for the erosion of international competitiveness has been a succession of wage increases, particularly since the early 1990s, which have been out of line with labor productivity, thus driving up unit labor costs by more than 50 percent between 1990 and 1995 (Chart 5 and Table 8.). The conclusion of the Uruguay Round negotiations and the accompanying agreement to phase out the *Multi-Fibre Agreement* over the ten-year period 1995-2005 will add to the challenges facing the EPZ sector, as the Mauritius's trading partners liberalize their textiles and clothing markets, thus eroding the country's preferential access to these markets.¹⁰

26. Faced with these realities, the EPZ sector has embarked on a process of consolidation, investing heavily in plant and machinery and gradually reducing its work force with a view to increasing productivity and moving to higher value-added products. Thus, between 1991 and 1995, the number of EPZ firms declined by almost 18 percent, from 586 units to 481, and the number of employees by more than 11 percent, from about 91,000 to nearly 80,500. These contractions have been accompanied by an increase in investment for plant and machinery (as well as management techniques), from an average of nearly Mau Rs 600 million (or 1.3 percent of GDP) during 1991 and 1992 to an average of Mau Rs 900 during 1993 and 1994 (or 1.5 percent of GDP). However, in 1995, investments in the EPZ sector declined by about 10 percent in nominal terms to Mau Rs 815 million (or 1.2 percent of GDP). While growth of value added in the EPZ sector declined from 6.0 percent during 1992 and 1993 to an average of about 4.7 percent during 1994 and 1995, there are indications that this trend may have been reversed, with higher growth expected in 1996 (Appendix II, Table XVII). Nevertheless, both investment and growth continue to be constrained by the lack of an adequately qualified labor force with the necessary skills to operate an increasingly sophisticated technology. Mindful of the risks of too high a dependency on textiles, the authorities are also pursuing a number of initiatives to encourage diversification of the EPZ sector into other industries. Thus, the Mauritius Export Development and Investment Authority is promoting investments in nontextile industries, including plastics, leather, jewelry, computer software, electronics, and pharmaceuticals. Between 1991 and 1995, employment in the nontextile EPZ companies has increased by about 10 percent, from slightly less than 9,400 to about 10,300 persons. During the same period, exports of this subsector grew by almost 71 percent from about Mau Rs 2.0 billion to almost Mau Rs 3.5 billion, while those of the textiles sector grew at a slower pace: a cumulative 46 percent, from about Mau Rs 10.1 billion to about Mau Rs 14.8 billion (Appendix II, Table XVII).

⁹See Section II in *Mauritius - Background Papers and Statistical Annex*, IMF Staff Country Report No. 96/1.

¹⁰See Section I in *Mauritius - Background Papers and Statistical Annex*, IMF Staff Country Report No. 96/1.

Electricity

27. Electricity is distributed and largely produced by the Central Electricity Board (CEB), which is a parastatal body. The two main sources of power generation are thermal plants, which in 1995 accounted for about 87 percent of production, and hydroelectric plants, which produced the balance of nearly 13 percent. As discussed above, Mauritius relies to a sizable degree on the sugar sector for the supply of thermally generated electricity using bagasse, which is fed into the CEB's national grid. Owing to the country's previous dependence on imported fuel and coal to generate electricity, the development and expansion of bagasse-based plants will be of strategic importance, if the country is to improve the efficiency of its energy sector. The CEB's tariff rates have not been significantly increased since 1993. Indeed, with the exception of 1993, the CEB has continuously posted losses since 1988. Because electricity tariffs are already higher than those of a number of Mauritius's competitor countries, the CEB needs to improve its financial situation by way of cost reduction rather than tariff increases. To this end, the CEB has started to strengthen its management and reduce operational costs, as evidenced by a gradual reduction of the labor force of about 5 percent, from 2,016 employees to 1,917 between 1993 and 1995 (Appendix II, Table XVIII).

Tourism

28. Beginning in 1993/94, tourism emerged as the second most important source of foreign currency, behind the EPZ sector, but ahead of the sugar sector. In 1995/96, it maintained its position, and gross earnings are estimated to have risen to nearly Mau Rs 8.1 billion, compared with about Mau Rs 19.6 billion for the EPZ sector and only Mau Rs 6.5 billion for the sugar sector (Appendix II, Table XLIII). After a disappointing year in 1991 on account of the events in the Persian Gulf, tourist arrivals in 1992 increased by more than 11 percent, to 335,400. By 1995, tourist arrivals had risen by another 26 percent, to about 422,500 (Appendix II, Table XIX). Preliminary estimates for 1996 suggest that tourist arrivals could grow by a further 11 percent to a record level of about 470,000.

29. While the average stay per tourist has fallen from about 12.3 nights in the early 1990s to about 10.5 nights in 1995, the average earnings per tourist has nonetheless risen from SDR 620 during 1990-92 to SDR 671 in 1995. As a result, gross earnings increased between 1992 and 1995 by more than 60 percent in rupee terms (Mau Rs 4.7 billion to Mau Rs 7.5 billion), or by about 33.4 percent in foreign currency terms (SDR 212.4 million to SDR 283.3 million), which is a much higher rate than that of the tourist arrivals (Appendix II, Table XX). For 1996, preliminary indications are that gross earnings could exceed Mau Rs 9.2 billion. The higher earnings per tourist are further evidence of the success of the authorities' policies of targeting the higher end of the tourist market, combined with a deepening and sophistication of the travel industry to encourage increased out-of-pocket expenses in such activities as water sports, deep-sea fishing, shopping (including duty-free purchases), and car rentals. The expansion and deepening of the tourism industry has also led to an increase in employment in this sector (Appendix II, Table XXII). Thus, between March

1991 and March 1996, direct employment in tourist establishments (employing 10 persons or more) rose by nearly 43 percent, from 10,100 employees to about 14,400. Of these, about 9,700 were engaged in hotels, as compared with 6,400 in 1991.

30. The largest market for the tourist sector continues to be Europe, which maintained a share of about 54 percent during 1994 and 1995. In the Indian Ocean/Southern Africa region, the neighboring French island of Réunion and South Africa also feature prominently among tourists visiting Mauritius with an average share of about 19 percent and 10 percent during 1994 and 1995, respectively. Other small but growing markets include India, Australia, and Seychelles (Appendix II, Table XIX).

31. As of end-1995, there were about 95 hotels with a total capacity of some 6,000 rooms in Mauritius. The room occupancy rates during the first half of 1996 averaged about 65 percent for all hotels and 71 percent for the large ones. These occupancy rates have remained rather stable since 1994. However, there are growing indications that during the peak tourist season of October to January both flight capacity into the country and hotel room capacity in Mauritius, particularly in the upper end of the market, are stretched to their limits.

32. Supported by a buoyant tourist market, Air Mauritius continues to expand its capacity and destination network. Air Mauritius's passenger load grew from 552,000 passengers during its financial year 1991/92 (April/March) to 681,000 in 1995/96. For the year ended March 31, 1996, the Air Mauritius Group (which includes interests in airport catering, shopping, real estate, and a hotel) earned profits of about Mau Rs 568 million (before taxes), compared with about Mau Rs 499 million in the previous year. The airline operates two Boeing 767s, three Airbus A340s, two ATR 42s, and two helicopters to destinations in Europe, Southern Africa, Asia, Australia, and neighboring Indian Ocean islands. Over the next three years it has on firm order three more Airbus A340s as well as two ATR 42 airplanes. New destinations (including Manchester and Jakarta) have been added to the regular schedule in 1996, and Air Mauritius plans to expand and intensify its service during 1997 and 1998 to additional destinations, including Athens, Amsterdam, Madrid, and Maputo, as well as a number of cities in South Africa.

Offshore services

33. In an attempt to further diversify the Mauritian economy and establish the so-called fourth pillar, offshore services enabling legislation was passed in 1992, including the Freeport Act and the Mauritius Offshore Business Activities Act.¹¹

¹¹See SM/94/214 (8/12/94).

Freeport

34. The Mauritius Freeport is supervised by the Mauritius Freeport Authority (MFA) and provides for pure trading and transshipment operations as well as minor processing, simple assembly, and repackaging. An example of minor processing would be the quality control inside the freeport of wood imported from Madagascar for reexport to Europe. In this example, European importers take advantage of the political stability in Mauritius, as well as its well-developed travel services, including frequent airline connections to Europe and high quality of hotels, to conduct the quality control in Mauritius rather than in Madagascar. An example for simple assembly involves the importation of aluminum bars with the appropriate profiles for doors and windows, cutting and assembling them to order in Mauritius, and re-exporting the assembled doors and windows to the neighboring French island of Réunion where labor costs are much higher than in Mauritius.

35. Total trade passing through the freeport, that is, imports plus exports, has increased dramatically over the past three years, from Mau Rs 100 million in 1993/94 to Mau Rs 715 million in 1994/95, and about Mau Rs 1.2 billion in 1995/96. Nevertheless, the value added by trading companies operating in the freeport is estimated to be only about 10 percent of the value of imports. Thus, the freeport's direct contribution to GDP was estimated at about Mau Rs 50-55 million in 1995/96, or less than 0.1 percent of GDP. However, some other indirect benefits to the economy can be expected, including additional travel-related activities as well as efficiency gains in the country's sea and airports resulting from economies of scale.

36. The freeport is presently undergoing major expansion, which is developing around the construction by the Mauritian Marine Authority of a high-capacity container terminal in Port Louis. The latter is financed in part by the World Bank and is scheduled to be completed by end-1998 at an estimated cost of Mau Rs 1.5 billion. The MFA is building, adjacent to the container terminal, additional warehouses and administrative buildings for lease to freeport companies by the MFA, thereby more than doubling the existing capacity. In addition, even larger storage and warehouse facilities will be constructed by two consortia on 60-year leases under so-called Build, Operate and Transfer (BOT) arrangements with the MFA.¹² Under these BOT arrangements, the MFA will provide only basic infrastructure, including fencing,

¹²The first consortium, the Mauritius Freeport Development Company Ltd (MFDC), has started construction of a 4-phase project which is scheduled for completion by 2002. The second consortium, the Freeport Operations Mauritius Ltd (FOM), intends to build over the next eight years a trade, exhibition, and merchandizing center, in addition to warehouse and storage facilities.

road access, and public utilities, for the lease of two large plots of reclaimed land.¹³ On their part, the private sector counterparts will build and operate on their own account the warehouse facilities, which will revert to MFA's ownership at the end of the 60-year lease.

37. Finally, the authorities are studying the feasibility of combined sea-air freeport activities in Mauritius, particularly as regards airborne reexport operations to landlocked southern African countries such as Malawi, Zimbabwe, and Zambia. A study commissioned by the MFA and jointly financed with a loan from the World Bank recently concluded that, while a potential market for sea-air operations in the Indian Ocean and southern African region existed, limited air cargo services provided by Air Mauritius were a constraining factor.

Offshore business

38. The offshore business in Mauritius consists of offshore banking, which comes under the supervision of the Bank of Mauritius, and nonbanking activities, which are licensed and supervised by the Mauritius Offshore Business Activities Authority (MOBAA).¹⁴ MOBAA was established in 1992 as a one-stop shop for foreign investors and as an advisory agency for the government on offshore business matters. The Chairman of the Board of MOBAA is the Minister of Finance, while the Vice-Chairman is the Governor of the Bank of Mauritius. MOBAA's day-to-day operations are managed by its Director, who has a support staff of about 25 people, including lawyers, accountants, and economists.

39. As of end-November 1996, in addition to 7 offshore banks, about 4,300 offshore nonbank companies were registered in Mauritius. Of these, about 40 percent were so-called international companies,¹⁵ while another 37 percent were active in the field of investment holding and fund management. In spite of the large number of registered companies, the offshore business sector employs only about 500 persons, albeit in high-paying jobs such as in the legal and accounting fields, and its contribution to GDP is still very small.

40. The offshore business sector has profited greatly from a double taxation avoidance treaty between Mauritius and India, which was ratified in 1985, that is, seven years before the sector's official establishment. Under the provision of the treaty, investors, particularly Indian

¹³The MFA has already secured a World Bank loan of US\$7.1 million and a grant from the government of Luxembourg of US\$1 million for construction work.

¹⁴See SM/94/214 (8/12/94).

¹⁵International companies are not liable to taxation and, as such, are excluded from the benefits of double taxation avoidance agreements. By contrast, ordinary offshore companies can elect to be taxed at a rate of up to 35 percent and can thus benefit from double taxation avoidance agreements. See also Section III of *Mauritius - Background Papers and Statistical Annex*, IMF Staff Country Report No. 96/1.

expatriates, interested in investing in the increasingly liberalized Indian economy, could set up an investment holding company in Mauritius, and be subject to withholding tax on dividend income in India of only 5 percent instead of 15 percent. As of August 1996, Mauritius had double taxation avoidance treaties with 15 countries, including Botswana, Luxembourg, and Singapore, which ratified their treaties in 1996.

41. Starting July 1, 1998, all new companies that will be registered in the offshore business sector will be subject to a uniform 15 percent tax. However, all companies registered prior to that date will be entitled to maintain their previously granted tax incentives arrangements indefinitely.

III. EMPLOYMENT, WAGES, AND PRICES

A. Employment

42. The Mauritian labor market has evolved over the past 15 years from a situation of high unemployment to one of acute scarcity in particular sectors and skills (Chart 5). During 1991-94, employment grew at a steady pace of about 2.5-3.0 percent, with the growth in female employment averaging about 3.9 percent, consistently higher than that of male employment (2.1 percent). However, growth in employment fell to 2 percent in 1995, largely on account of a drop in the growth rate of female employment (Appendix II, Table XXI). These developments have been accompanied by a steady increase in female participation in the labor force, from an average of 37.5 percent during 1990 and 1991 to 40.5 percent during 1994 and 1995, while that of the male workforce remained largely unchanged over the same period, at about 76 percent.

43. The increase in employment from about 810,000 people in 1990 to nearly 880,000 in 1995 was almost entirely attributable to the expansion of work opportunities in small enterprises, where employment grew from 161,000 to 223,000, whereas in larger firms it remained almost unchanged, at about 285,000 (Appendix II, Table XXI).

44. The breakdown of employment, which is available only for firms with at least 10 employees (Table 5; and Appendix II, Table XXII), reveals that since the early 1990s, there have been marked structural shifts in employment patterns away from the primary and secondary sectors toward the tertiary sector. Thus, between March 1992 and March 1996, employment has contracted in the agricultural, manufacturing, and construction sectors, while it has expanded in all the services sectors, including whole and retail trade, restaurants and hotels, transport and communication, government services, and other community, social and personal services (Appendix II, Table XXII).

45. However, employment statistics also mask significant structural rigidities in the labor market. Outdated laws governing the sugar sector impede the shedding of labor. As a result, firms in this sector cannot take appropriate advantage of new technologies and economies of scale. It is estimated that over the next five years, 5 of the 17 plants presently

operating in milling operations alone would need to be shut down and their operations consolidated in the other factories, thereby reducing the workforce by about 1,000 people. The lower level of government administration is also considered to be seriously overstaffed. On the other hand, there is an acute shortage of skilled workers in the textile sector, particularly for luxury apparel. As a result, EPZ companies are increasingly engaged in poaching qualified workers from one another. Moreover, a growing number of companies are requesting the authorities to approve the import of highly skilled labor from Asia, in particular from China, where textile workers undergo vocational training of three years, thereby acquiring a broad foundation of specialized skills.

B. Wages

46. Following a period of high wage awards in the early 1990s, average wage increases moderated to 8.3 percent during 1994/95-1995/96 from 12.9 percent during 1990/91-1993/94 (Table 6). Nevertheless, average wage awards remained higher than the rate of inflation, which, in the absence of corresponding gains in productivity, led to a continued rise in unit labor costs averaging about 5.5 percent between 1993 and 1995 (Tables 7 and 8; Chart 5).

47. The present wage determination system¹⁶ has resulted in a severe compression of the wage structure in the civil service, where lower level wages have consistently been increased at a higher rate than those for senior civil servants. Other serious consequences resulting from the tripartite wage determination process are the indexation of wages to past inflation, thereby increasing the inertia in inflation; and the disconnect between wage awards and productivity, which has resulted in higher unit labor costs. The latter has weakened the international competitiveness of the manufacturing sector, particularly the EPZ sector, which continues to rely on low-paying jobs (Table 6; Chart 5; and Appendix II, Table XXIII).

C. Prices

48. After rising to an average of 9.2 percent during 1992/93-1993/94, CPI inflation dropped to 6.1 percent in 1994/95 and 5.8 percent in 1995/96 (Table 9). However, the end-of-period inflation rates for June through September 1996, averaging about 7.8 percent, suggest that inflationary pressures are on the rise again. The strongest surge has occurred in the categories of alcoholic beverages and tobacco; medical care and health services; and miscellaneous goods and services (Chart 6; and Appendix II, Table XXV). The price increases in these sectors are partly attributable to measures announced in the 1996/97 budget, including a 3 percentage point increase in the sales tax. In this context, the recently announced wage awards by the CSAT are likely to exert further upward pressure on inflation.

¹⁶See SM/94/214 (8/12/94) for a detailed description of the wage determination system.

49. These developments in inflation may be understated, however, as the basket of the CPI consists of a number of commodities, which are subject to some form of price controls and which represent an estimated 30 percent of the basket (see Box 1). Thus, during 1994/95-1995/96, the index of controlled commodities' prices rose by an average of 4.3 percent, compared with 7.4 percent for noncontrolled products (on an end-of-period basis). Several indications show that controlled commodities prices have not risen in line with their underlying costs over this period. In this context, as a result of higher international spot prices for crude and refined oil products, the domestic prices for petroleum products were increased in December 1996 by an average of 25 percent. This was the second price adjustment for petroleum products in 1996, after prices were raised by 11-19 percent in June 1996 (Appendix II, Tables XXVI and XXVII).

IV. PUBLIC FINANCE

A. Institutional Structure

50. The central government budgetary accounts in Mauritius cover the operations of government ministries, the legislature, the judiciary, and other central offices and commissions. They also include the receipts and expenditures of a few public utilities administered as government departments. However, they only partially reflect the operations of a variety of semiautonomous agencies, mainly through transfers that supplement any separate income sources. Local government consists of five largely independent municipalities, each drawing on its own revenues as well as transfers from the central government, and four district councils grouping about a hundred village councils; there are no provincial governments. There are also some 50 public enterprises, of which 12 are classified as financial and the rest as nonfinancial (Table 10).

51. The main instrument of fiscal policy in Mauritius is the central government budget, which is submitted to Parliament in May/June for the coming fiscal year (July/June). The central government revenue projections and spending authorizations for each fiscal year are contained in recurrent budget "Estimates" and a separate "Capital Budget." The former includes most revenues, internal loan reimbursements, most current expenditure, and all debt service; the latter includes dividend receipts, grant and loan proceeds, project expenditure (including some of a recurrent nature),¹⁷ and lending (including the on-lending of certain external borrowings). Final accounts are published annually in a "Financial Report." The data presented below have been adjusted to conform with the GFS¹⁸ format in the Ministry of Finance on the basis of Central Statistical Office guidelines for "budgetary" central

¹⁷In recent years, there has been a major effort to transfer all truly recurrent expenditures to the recurrent budget.

¹⁸GFS, *Government Finance Statistics*.

Box 1. Mauritius - Price Controls on Commodities

The Ministry of Trade and Shipping exercises price controls on a number of commodities that the authorities deem to be essential to the population. The authorities justify price controls based on the fact that Mauritius is a very small country where, in the absence of fair competition, a few unscrupulous traders can create cartels and dictate prices to the detriment of the Mauritian consumer. The ministry also claims that the price controls it imposes on firms allow for a fair return on capital, enabling them to maintain the level of their fixed assets and make reasonable payments of dividends.

The ministry distinguishes between locally produced and imported commodities subject to price controls, on the one hand, and those that are subject to maximum mark-up regulations, on the other, as follows:

Commodities under price controls

- **Locally manufactured goods:** onions, potatoes, sugar, glass bottled carbonated beverages, bread, coconut oil, edible oil, fertilizers, frozen fish, iron and steel bars, and flour.
- **Imported goods:** cement, cheese, cooking, gas, coconut oil, fertilizers, flour, frozen fish, infant milk powder, iron and steel bars, petroleum products, rice, and salted snook.

Commodities subject to maximum mark-up regulations

- School textbooks, tires and tubes, pharmaceutical products, simple drugs, magazines, helmets, sport articles, ceramic tiles, sanitary wares, vinyl, plywood, glass panes, timber, domestic washing machines, electrical flour polishers, electric irons, electric juicers, electric grinders, electric kettles, electric mixers, refrigerators and freezers, rice cookers, vacuum cleaners, and imported fresh fruit.

government. They reflect only a limited rearrangement of revenues but also a considerable adjustment of expenditure and debt service, including reclassifications into financing and net lending, as well as the treatment of all enterprise operations on a net basis. However, the data published on Mauritius in the *Government Finance Statistics Yearbook* are on a "consolidated" central government basis, which incorporates the full revenues and expenditures of autonomous agencies. Given the diversity of sources, however, the compilation of such data in a timely and reliable manner for policy discussion purposes is not practicable, especially for the year in progress and budget projections.

B. Central Government Budgetary Developments

52. In the context of Fund-supported adjustment programs through 1986, the Mauritian authorities achieved a major and uninterrupted reduction of the overall budget deficit during the 1980s (Charts 7 and 8; and Table 11). From a peak of 14 percent in 1980/81, the overall deficit was reduced in proportion to GDP to under 2 percent in 1990/91, and remained at an average of 2.3 percent over 1991/92-1993/94. This reduction in the fiscal deficit reflected mainly a curtailment of expenditure and net lending; total outlays, which had reached as high as 36 percent of GDP at the start of the 1980s, were reduced to around 24 percent in 1992/93-1993/94. Revenues increased only marginally relative to GDP during the 1980s as the effect of increasingly buoyant economic conditions and strengthened tax administration were partially offset by significant tax concessions to both enterprises and individuals. In the early 1990s, however, tax revenues began to decrease substantially from a peak of 21.7 percent of GDP in 1990/91 to 19.2 percent in 1993/94.

53. In 1994/95, the fiscal situation deteriorated markedly, as tax revenue fell sharply and expenditure was not lowered accordingly, and the overall fiscal deficit increased to 3.7 percent of GDP. The poor tax performance stemmed from sharply decreasing taxes on international trade, as import duties were reduced and rationalized, and the last remaining export tax on sugar was abolished. In 1995/96, total revenue continued to decline, as import taxes remained weak, and nontax revenue was significantly lower than in previous years. Total expenditure and net lending increased, on the other hand, as rice and flour subsidies were reintroduced, and about half of the proceeds from an international Floating Rate Note (FRN) issue was on-lent to the National Investment Development Fund (NIDF) for infrastructure projects and housing financing. As a result, the overall deficit widened sharply to the equivalent of 7.6 percent of GDP. In spite of an increase in the sales tax rate from 5 to 8 percent, the 1996/97 budget projects a deficit of around 6 percent of GDP, including the on-lending of the remaining proceeds of the FRN. Current expenditure is projected to increase by 0.7 percentage point of GDP, reflecting the effect of a public sector salary award based on the decision of the Civil Service Arbitration Tribunal, and the increase of basic pensions by 56 percent. These developments are detailed in the following sections.

Revenues

54. The Mauritian revenue structure is still dominated by taxes on international trade, with levies on imports accounting for about two fifths of total revenues (Table 12; and Appendix II, Table XXVIII).¹⁹ In recent years, however, import taxes have fallen and the export tax on sugar was abolished to enable the industry to modernize. Taxes on domestic goods and services account for slightly more than one fourth of total revenue, mainly in the form of selective excises and a sales tax. Income and profit taxes provide about an eighth of total revenue, and property taxes, only half that amount. Nontax revenues, consisting mainly of dividends and other property income, fluctuate significantly from year to year. In recent years, they accounted for about a tenth of the total on average. External grants continue to be insignificant as a source of revenue.

55. Revenue performance in the 1990s has weakened markedly, after having grown strongly in the second half of the 1980s. Tax revenues, in particular, have lagged behind the overall growth of the economy in each year since 1990/91, reflecting particularly the lowering of taxes on international trade during the last years.

56. Income taxes have improved slightly, with revenues as a proportion of GDP increasing from 2.5 percent in 1993/94 to 2.7 percent in 1995/96. This slight improvement was due to higher individual tax receipts, as bringing income taxes onto a current payment basis with the introduction of the Pay-As-You-Earn/Current Payment System (PAYE/CPS) system in July 1, 1993, finally brought about the expected result. Corporate tax receipts remained constant as a proportion of GDP over this period. However, the bases of both taxes are substantially eroded by a wide range of exemptions and deductions. In particular, numerous categories of income are exempt from individual tax, including the first Mau Rs 100,000 of interest on deposit or savings accounts, and the emoluments deduction (equivalent to 12 percent of income from employment) is quite generous. The treatment of interest payments also gives rise to large deductions, including an unlimited deduction for interest incurred on mortgage loans. Similarly, various incentive schemes and deductions, which were designed to encourage investment, reduce the corporate tax base substantially. With the 1996/97 budget, some of the deductions from the income tax were restricted, with a cap on the deduction for interest on mortgage loans, as well as on the emoluments deduction and the aggregate deduction for contributions to various saving schemes.

57. Taxes on domestic goods and services, on the other hand, have grown slightly less rapidly than nominal GDP since 1993/94. Slightly less than a third of these revenues are generated by excises on alcohol and tobacco. While the tax on cigarettes is ad valorem, some alcoholic beverages are still taxed at specific rates; as a result, revenues from excises grew by slightly less than nominal GDP over the two-year period. Rates applied to domestically produced goods are generally lower than on imported goods. Slightly over one-third of taxes

¹⁹A summary of the tax system in 1995/96 is shown in Appendix I.

on domestic goods are generated by the 5 percent sales tax, which entails significant exemptions. The remaining receipts are from taxes on gambling, tourism (i.e., hotels and restaurants), and motor vehicles. In June 1996, the rate of the sales tax was increased from 5 to 8 percent, and its base was broadened somewhat, with the aim to make the sales tax play a more important role in generating revenue.

58. **Taxes on international trade** declined from 49 percent of total revenue in 1990/91 to 38 percent in 1995/96; nevertheless, they remain the largest source of government revenue. The only remaining component of such revenues is taxes on imports, since export taxes on sugar were abolished in 1994. Mauritius's import duty system was reformed in July 1994. The prevailing three import taxes were consolidated into one customs duty and 90 prevailing duty rates were reduced to 10 rates. The average duty rate declined, and as a result, revenue from import duties decreased by the equivalent of 1.5 percentage point of GDP between 1993/94 and 1994/95. This reform did not aim at broadening the narrow import tax base, with the result that almost half of imports still enjoyed a zero rate in 1994/95. Also, the structure of the rates remained without any relation to the degree of processing, and a top rate of 100 percent, together with many exempted inputs, still allowed some industries to enjoy high effective rates of protection. In 1995/96, import duties further decreased as a proportion of GDP, as new exemptions were granted, and the structure of imports shifted toward products with lower tariff rates.

59. After declining somewhat in the late 1980s, since 1990/91 **nontax revenues** have accounted on average for about 10 percent of total government receipts. Transfers of profits from the Bank of Mauritius represented more than half of nontax revenue in 1994/95. Apart from those, a major component of nontax revenue is dividend payments from the State Trading Corporation (STC) on its petroleum account. While imports of petroleum products (Mauritius has no refinery) are subject to import duties, they are sold at controlled prices and the residual surplus over and above the cost of imports, import duties, and distribution costs is captured by the STC's petroleum account and paid as dividends to the government. In 1995/96, a transfer of profits from the Bank of Mauritius amounting to Mau Rs 700 million was postponed up to July 1996, that is, fiscal year 1996/97. As a result, nontax revenue was substantially lower than in the previous year, at the equivalent of 1.6 percent of GDP. In 1996/97, given the recent rise in international petroleum product prices, the STC is not expected to be in a position to transfer any dividend from its petroleum account, notwithstanding the increase in domestic retail prices by an average of 25 percent in December 1996.

Expenditure and net lending

60. Since 1990/91 government expenditures have fluctuated around 25 percent of GDP (Chart 7; and Table 13). Expenditures on **wages and salaries**, while slightly less than a third of total expenditures, are one of the two largest expenditure accounts in the budget. After an increase of 31 percent in the civil service wage bill in 1993/94 (including a 2-percentage point grade creep), following the recommendations of the Pay Research Bureau

(PRB), these expenditures declined in the two following years, reflecting both strict controls on recruitment and keeping vacancies unfilled, as well as the effect of tapering in the tripartite award on the relatively highly paid public sector. However, following a request by trade unions to correct some wage anomalies in the civil service, the Civil Service Arbitration Tribunal (CSAT) granted a wage award to civil servants, amounting to a total of slightly more than Mau Rs 1 billion, which will be paid in two installments in 1996/97 and 1997/98.

61. **Subsidies and other current transfers** represent the other largest element on the expenditure side, accounting for nearly one-third of total outlays since 1993/94. Slightly less than half of these expenditures consist of transfers to local government, payments in support of education, and public service pensions (Appendix II, Table XXIX). All of these reflect indirectly the effect of public sector wages. One-fourth of these outlays represents the government grant to the National Pensions Fund (NPF) to cover the cost of the noncontributory basic pension paid to all Mauritian citizens aged 60 or over and other social assistance schemes (see Appendix III, Social Policies, and Appendix II, Table XXX). This basic pension has been increased by 56 percent during the second quarter of 1996, and, as a result, the government grant to the NPF is projected to account for one-third of total subsidies and other current transfers in 1996/97.

62. Another substantial subsidy item in the budget has been that for "ration" rice and flour²⁰ imported and sold at fixed prices by the State Trading Corporation (Appendix II, Table XXXI). This subsidy, which amounted to Mau Rs 220 million in each of the fiscal years 1991/92 and 1992/93, was eliminated in May 1993 when the retail prices of "ration" rice and flour were increased substantially, although they are still subject to government control. However, it was reintroduced in July 1995, amounting to Mau Rs 197 million, in order to avoid a further price increase following the rise in international market prices. With the depreciation of the rupee during 1995/96, however, this subsidy was not sufficient to cover the costs of the STC for its operation on "ration" rice and flour. As a result, rather than increasing the price of rice and flour, the government decided in December 1996 to increase the amount of the subsidy to Mau Rs 515 million for 1996/97.

63. **Interest payments** on the external debt have increased slightly in 1994/95 in Mauritian rupee terms, reflecting the continued depreciation of the rupee against most foreign currencies. Interest payments on domestic government debt sharply rose between 1993/94 and 1995/96 by almost 50 percent, as government securities were issued to finance the widening budget deficits, and interest rates on government securities were driven up by the public sector's growing financing need.

64. **Expenditures on other goods and services**, after having increased less rapidly than nominal GDP between 1991/92 and 1993/94, accelerated again as a proportion of GDP

²⁰Since 1989, part of the flour has been imported as wheat and milled locally.

mainly as a result of progressive computerization of the civil service and the rising maintenance costs.

65. **Capital outlays**, which bore much of the initial burden of budget tightening in the early 1980s, have grown slightly faster than nominal GDP since 1990/91, reflecting the increasing need to develop Mauritius's infrastructure to support both recent and future growth of the economy. Major undertakings in recent years have included extensive construction and renovation of roads and bridges, improvements to water supplies and irrigation, housing and urban development, expansion of telecommunications, and spending on environmental projects in the framework of the Environment Investment Program (EIP). In addition, in 1995/96, about half of the proceeds from the international Floating Rate Note issued in October project were on-lent to the NIDF, which in turn on-lent these proceeds to the Mauritius Housing Company, for housing projects, Mauritius Telecom and the Development Bank of Mauritius, to finance infrastructure projects.

66. The **functional** classification of expenditures shows that spending on social services, education, health, pensions, and housing accounts for just under half of the total outlays compared with two-fifths in 1990/91 (Table 14; and Appendix II, Table XXXII). While another fifth of total outlays are spent on public administration and security, defense expenditure in Mauritius accounts for less than 1.5 percent of total outlays, equivalent to 0.3 percent of GDP. About one-seventh of total outlays are on economic services, in particular agriculture, transport, and communications, with the remainder on other purposes, including debt service and transfers to local government.

Financing

67. Since the 1980s there have been marked shifts among sources of financing for the budget deficit (Chart 8; and Appendix II, Table XXXIII). Between 1988/89 and 1994/95, external amortization payments (including prepayments of the most costly loans) have exceeded new external borrowing, and the need for domestic financing has thus exceeded the budgetary deficit. While nonbank domestic borrowing was a significant source of funds through 1989/90, the nonbank sector provided virtually no new net resources in total between 1990/91 and 1994/95; there was even a decline of nonbank holdings of government debt in 1993/94. As a result, banks were the sole source of financing, reaching more than 4 percent of GDP in 1993/94 and 1994/95. In 1995/96, however, given the growing budget deficit, and the desire to limit the financing from banks, the government sought exceptional sources of financing. First, it issued in October 1995 an international Floating Rate Note of US\$150 million. This amount will have to be repaid after five years, while interest will be paid quarterly at the London Interbank Offered Rate (LIBOR), plus a 0.9 percentage point. The proceeds in Mauritian rupees of the FRN are being on-lent to a few parastatal bodies at an interest rate of about 12 percent. Second, the government issued in April 1996 two domestic bonds, the Republic and Independence bonds, with a maturity of 5 and 9 years, respectively, at adjustable interest rates, for a total amount of Mau Rs 2.4 billion (Mau Rs 2.1 billion and

Mau Rs 0.3 billion, respectively). As a result, financing from banks was limited to less than 2 percent of GDP.

68. As shown by the available stock data (Appendix II, Table XXXIV), the principal domestic nonbank investors in government paper have been the NPF, the Postal Savings Bank, the State Insurance Corporation (SIC), and, more recently, other insurance companies.

69. External loan disbursements over the last two years, apart from the Floating Rate Note issue, were somewhat lower than the Mau Rs 550-500 million borrowed in 1992/93 and 1993/94 (Appendix II, Table XXXV). Loans have been concentrated on the financing of capital projects; there have been no new program or balance of payments support loans. The World Bank has been the predominant multilateral lender, followed by the European Development Fund, and the African Development Bank. France has been the largest bilateral creditor, followed by the Kuwait Fund.

C. Public Enterprises

70. Public enterprises in Mauritius include a number of utilities operated as government departments, true "parastatals" established under separate laws and subject to ministerial direction and public service regulations, and majority or wholly state-owned enterprises operating under the same company law as do private firms. Some of these public enterprises are dependent on current operating subsidies, as well as capital subventions and loans; a few others provide considerable dividend income to the budget. Recent policy has been to transform, where possible, public enterprises in sectors that can be managed under purely commercial criteria to company law status, in order to improve efficiency and commercial viability and with a view to eventual listing on the stock exchange and/or full privatization. To this end, the government is preparing a White Paper on Privatization with the assistance of the Commonwealth Secretariat. Comprehensive and reliable financial data for the nonfinancial public sector as a whole are not yet available, since the timeliness and quality of accounts vary widely among enterprises.

71. The following sections provide some information on the more important non-financial public enterprises, in order of the list shown in Table 10, focusing on their financial performance, their need for budgetary support, and their current legal status:

- **Development Works Corporation (DWC).** Generally recognized as the financially weakest of the larger public enterprises, the DWC continues to need and receive substantial support from the government budget, including the payment of its wage bill. Although efforts have been made in recent years to improve efficiency in this overstuffed parastatal, largely by putting most of its work on a contract basis, its statutory wage structure and fringe benefits keep it uncompetitive with private contractors. It is therefore confined largely to public works. A recent report on the DWC recommended a phased reduction in the DWC work force, but the government has been unable to carry through this proposal for

political reasons. In Mauritius's past situation of surplus labor, DWC was a major employer of last resort, so that many of its employees are now aging and are expected to be difficult to place with other potential employers. For 1996/97, a transfer from the budget of Mau Rs 91 million was envisaged. However, the DWC has been facing acute liquidity problems. Thus, the government has recently approved a new disbursement program and has requested the Management Audit Bureau to review the DWC with a view to making it more efficient.

- **Tea Industry** (Tea Board, Belle Rive Tea Factory, La Pipe Tea Factory, Mauritius Tea Factories, Nouvelle France Tea Estate). The government is pursuing a diversification program, whereby state land formerly under tea cultivation is now being used for sugarcane plantation and growing vegetables. Incentives are being given to private owners as well to replace tea bushes by sugarcane or vegetables. The government is undertaking all the uprooting and land conversion activities including construction of roads. Around 60 per-cent of land has been replanted with sugarcane and will be ready for harvest at the next 1997 season.

- **The Agricultural Marketing Board (AMB)** is responsible for marketing and subsidizing locally produced food crops and milk; it also operates a cool storage facility. Most of the food crops subsidy is spent on potatoes. The AMB guarantees a fixed price, above market in the case of subsidized products, to local producers. The AMB is also the government's instrument for ad hoc imports of foodstuffs to deal with spot shortages, such as vegetables after cyclone passages.

- **Port services** (Cargo Handling Corporation, Mauritius Marine Authority). The Cargo Handling Corporation is the monopoly Mauritian stevedoring enterprise. It is now run as a private company but remains wholly publicly owned. Although it is profitable, it is a major contributor to high port costs in Mauritius. Mauritius's island status and critical dependence on imported foodstuffs made it difficult in the past to control wage costs and eliminate featherbedding work practices. The Marine Authority runs the port and is also profitable. In the context of its wider study of the seaport and the problem of high shipping costs, the World Bank is studying the possible privatization of the Marine Authority. The question of port costs will be a major factor in the success of the Freeport expansion project.

- **Central Electricity Board (CEB)**. The financial position of the CEB remains weak in spite of significant debt forgiveness by the government, which converted its loans into share capital in the CEB. The World Bank, which has recommended the formal incorporation of the already essentially autonomously managed CEB, has completed a major review of the enterprise. The CEB is studying its recommendations.

- **Central Water Authority (CWA)**. The financial position of the CWA has reflected political pressure to keep the cost of water low, especially for agriculture, which enjoys preferential tariffs. The CWA has balanced its operating accounts, but it has en-

countered difficulty in meeting the debt-servicing costs of the massive investment needed to meet the rapidly rising demand for water from the household, tourism, and industrial sectors as well as agriculture. The government has written off Mau Rs 800 million in government loans; the CWA continues to service foreign loans. Present plans are to restructure the CWA along the following lines: (i) capital works, such as dams, are being taken over by a Water Resources Unit (WRU) in the Ministry of Energy, and new investment will be included in the investment budget and financed as public infrastructure; (ii) the CWA will become a distribution company, buying the water from WRU, maintaining the distribution system, and selling the water to the final consumer; and (iii) its agricultural irrigation business will be assumed by the Irrigation Authority under the Ministry of Agriculture.

- **Civil Aviation Department (CAD)** has been divided into three units: (i) the civil aviation regulatory functions (air traffic control, etc.) will remain in the CAD; (ii) a property company will take over the CAD's physical assets, such as airports; and (iii) a management company has been set up to manage the airports. These two latter companies have the legal structure of private companies. However, the government is considering the possibility of merging these two companies.

- **Mauritius Export Development and Investment Authority (MEDIA)** has two main functions. First, it organizes trade missions and investment promotion missions abroad, promotes the participation of Mauritian exporters in trade fairs (for which some minor fees are charged), and operates some representative offices abroad—this function is financed directly from the government budget, with Mau Rs 60 million allocated in 1996/97. Second, MEDIA builds and manages industrial estates. This latter function, for which revenues of about Mau Rs 7 million per annum are received, is managed in a separate fund. The government's initial investment of Mau Rs 67 million to start building industrial estates has been converted to share capital in MEDIA. Net revenues are reinvested in further construction. The government is considering the possibility of having these industrial buildings and those belonging to the Development Bank of Mauritius under a government-owned company.

- **Mauritius Meat Authority** imports meat and operates the local abattoirs in order to supply private butchers. The authority was established in part as a public health measure to provide properly run, hygienic abattoirs. The Authority is not self-financing, but, as private butchers reportedly make large profits, even though meat prices are controlled, the Authority is examining a proposal to open its own shops.

- **The sugar industry** (Mauritius Sugar Authority, Mauritius Sugar Industry Research Institute, Mauritius Sugar Bulk Terminal Corporation, Sugar Planters Mechanical Pool Corporation, Rose Belle Sugar Estate). Even though the bulk of the Mauritian sugar industry is privately owned, a number of public enterprises play an important role in the sector. The first four listed above are financed by a cess on sugar revenues. The Rose Belle Sugar Estate is the only government-owned sugar estate; it makes small losses. The African Development Bank is financing an upgrade of the mill.

- **Mauritius Telecoms** was created from a merger of the domestic and overseas telecommunications services and is highly profitable. It is structured as a private company but remains wholly government-owned. A subsidiary company has been set up jointly with a Singapore firm to offer a pager service in Mauritius.

- **National Housing Development Company (NHDC)** is a contractor, building house on sites with government-provided services.²¹

- **National Transport Corporation (NTC)** is the government-owned bus company subject to significant private competition, particularly on the profitable routes. The government also uses NTC to serve unprofitable routes. In return, the NTC uses lines of credit from India to buy buses, and the government services the loans.

- **State Informatics Limited (SIL)**. Structured as a private company, SIL's major project has been the introduction of computers into government.

- **State Trading Corporation (STC)**. Since July 1995, the STC has again received a substantial budgetary subsidy to cover its losses on sales at officially fixed prices of imported "ration" rice and flour. The STC is the sole authorized importer for these two products as well as for petroleum products. It also imports half of the country's cement requirements. The STC's profits on its petroleum account have traditionally been paid to the government as dividends. However, the STC has recently been making losses on its petroleum account, because controlled petroleum product prices were not adjusted to reflect the increase in international petroleum prices. Consequently, petroleum product prices were increased by around 25 percent on average in December 1996.

V. MONEY AND CREDIT

A. The Structure of the Financial System

72. There has been little change in the structure of the financial system in recent years. The system essentially comprises the central bank (the Bank of Mauritius, BOM), 10 commercial banks, 7 offshore banks, several nonbank financial institutions (largely public in nature), and the stock exchange.

Commercial banks

73. Mauritius has a highly developed commercial banking system, with 10 commercial banks, 5 of which are incorporated locally while the remaining 5 are branches of foreign banks. As of end-June 1996 there were 148 branches of banks (including head offices),

²¹See discussion in Appendix III, Social Policies.

15 counters, and 2 mobile vans, meaning that there were fewer than 8,000 inhabitants per branch.

74. The major noteworthy change in the institutional structure in 1995/96 was the closure of two banks. In April 1996, the BOM formally closed the Mauritius Cooperative Central Bank Ltd. (MCCB), which had been experiencing financial problems for some years and had been placed into receivership in 1994. All of MCCB's depositors were paid off at a final cost to the BOM of nearly Mau Rs 400 million, including the recovery of assets amounting to about Mau Rs 300 million. The BOM also revoked the licence of the Union International Bank (UIB) in May 1996, after it had collapsed because of fraud on the part of its management. In November 1996, the Bankruptcy Court approved an offer by the Delphis Bank to take over the assets and liabilities of the UIB.

75. The banking system is highly concentrated, with the two largest banks accounting for more than half of private sector deposits and credit to the private sector. The State Bank of Mauritius (SBM) is majority state owned—although 34 percent of its capital has been sold to the public and consideration is being given to further privatization—and is responsible for much of the banking business of the parastatals and the public sector, while the Mauritius Commercial Bank (MCB) has strong ties to the private industrial (including the EPZ), sugar, and tourism sectors. In addition to the SBM and MCB there are three other Mauritian banks: the Indian Ocean International Bank, Delphis Bank, and the South East Asian Bank. The remaining banks are branches of foreign banks, namely, Barclays Bank, Bank of Baroda, Habib Bank, Hong Kong and Shanghai Banking Corporation, and Banque Nationale de Paris Intercontinentale (BNPI). With the exception of the SBM, all banks are members of the Mauritius Bankers' Association.

Offshore banks

76. There are presently seven offshore banks: Barclays Bank PLC; State Bank International (a joint venture of the State Bank of India and the SBM); Bank of Baroda; BNPI; Banque Privée Edmond de Rothschild (Océan Indien) Ltée; Hong Kong and Shanghai Banking Corporation; Banque Internationale des Mascareignes (a joint venture of Crédit Lyonnais, Banque de la Réunion, and the MCB). There have been no new entrants since 1994.

77. Offshore banks are allowed to conduct all types of banking business with nonresidents and are also allowed to grant credits in foreign currencies to residents of Mauritius. Despite the advantages that offshore banks enjoy—they are not subject to Mauritian taxes, or liquidity and reserve requirements—there has been very little demand from onshore business for loans expressed in foreign currency. As of end-December 1995, total assets of the offshore banks amounted to US\$669.1 million, up from US\$377.7 million as of end-1993 (Appendix II, Table XXXVI).

Nonbank financial institutions

78. The major nonbank financial institutions are the Mauritius Housing Corporation (MHC), which provides government-subsidized mortgages to low-income homebuyers,²² and the Development Bank of Mauritius (DBM), which provides financing for priority sectors. The MHC is mainly financed by government agencies and the National Pensions Fund (NPF). The DBM provides medium- and long-term financing for industry, agriculture, construction, and tourism. It is financed by long-term borrowing from the government and from abroad and by the domestic issue of tax-free bonds.

79. The Postal Savings Bank (PSB) mobilizes small-scale deposits through a country-wide network of counters and transfers the resources to the government. The PSB is relatively insignificant in size, with its total deposits amounting to less than 1 percent of the deposits of the commercial banks.

80. The Mauritius Leasing Company (MLC) is a joint venture of two commercial banks (the MCB and the BNPI) and quasi-public sector entities (the SBM, the DBM, and the State Investment Corporation (SIC)).

81. Other nonbank financial institutions include the NPF (the most important nonbank financial institution), the SIC, the State Insurance Corporation of Mauritius (SICOM), the Sugar Insurance Fund Board (SIFB), and a number of private insurance companies. The NPF has a monopoly of providing retirement, disability, and death benefits to private sector employees;²³ self-employed individuals can use the services of the NPF on a voluntary basis. The SIC provides equity financing, while SICOM manages parastatal and private pension funds. The SIFB provides stock loss insurance to sugar producers against cyclones, drought, and excessive rainfall. Private insurance companies offer life and general insurance.

The stock exchange

82. The Mauritius Stock Exchange (MSE) was opened in 1989 with five listed companies. Initially there was rapid growth but turnover has recently been static in nominal terms, and there have been no new issues in the last year. As of end-June 1996 there were forty listed companies on the MSE, and turnover amounted to Mau Rs 1.5 billion, while capitalization has grown to Mau Rs 30.3 billion from Mau Rs 1 billion at the startup. The decline in activity of the MSE in real terms has taken place despite significant tax incentives for going public. There is also an over-the-counter market with turnover of some Mau Rs 216 million.

²²See Appendix III, Social Policies.

²³See Appendix III, Social Policies.

83. In addition to the MSE, there are two closed end funds: the National Investment Trust (NIT) and the Mauritius Fund Ltd. The NIT, which is local in character, focuses on stimulating investment by small-scale investors while the Mauritius Fund, which is quoted on the London Stock Exchange, is designed to facilitate foreign investment. The Mauritius Fund is fully subscribed, despite the lackluster performance of the market during the last few years, perhaps reflecting the interest of foreign investors in diversifying their portfolios. Moreover, a second country fund, the Port Louis Fund Limited, of US\$60 million is expected to be launched during the first half of 1997. Of the Fund's US\$60 million, US\$45 million would be invested in equities of state-owned enterprises, while the remaining US\$15 million would be earmarked for investments in the MSE.

B. Monetary Policy Formulation and Instruments

84. The BOM has changed its approach to central bank credit, partly in response to growing excess liquidity on the part of the banks. The BOM had used quantitative limits on access to its refinancing facilities and changes in the rate applied with a view to regulating both liquidity and the level of interest rates. Since 1995 the BOM has de-emphasized the importance of refinancing policy in both areas.

85. Commercial banks are permitted to borrow from the BOM at the bank rate up to specified limits; beyond those limits, central bank credit is available at a penalty rate of twice the bank rate. The bank rate has, since 1994, been linked to the average treasury bill rate and the magnitude of refinancing has fallen to a level where it is equivalent to less than half a percent of total credit to the private sector. The BOM provides refinancing at preferential rates for sugar exports and export financing. The margin between the bank rate and the treasury bill rate was set at 1 percent and refinancing for export financing has been set, since July 1, 1995, at 1 percent over the bank rate, that is, 2 percent over the treasury bill rate.

86. In addition to the preferential export refinancing in an effort to aid EPZ firms in leasing machinery and equipment, the BOM created in 1995 a special line of credit for the Mauritius Leasing Company (MLC) and other approved leasing companies. This line of credit was open for three years at 8 percent for a total amount of Mau Rs 500 million. Leasing companies were allowed to charge 2 percent over the 8 percent rate and were to repay their borrowing over five years.

87. Banks are required to satisfy minimum reserve requirements and a liquid assets ratio. In July 1996, the cash reserve requirement, which includes banks' cash in hand and deposits with the BOM, was reduced from 10 percent to 8 percent. Moreover, in July 1996, the liquid assets ratio—defined as the ratio of holdings of treasury bills, government securities with a residual maturity of less than seven years, and BOM bills to total deposits—was reduced from 23 percent to 20 percent. The liquid assets ratio has had the effect, at times, of creating a captive market for government paper. More recently, though, the banks have been so liquid that the cash and liquid assets ratios have not been a binding constraint and excess liquidity has typically equaled about 10 percent of the required liquid assets (Table 15).

88. While the BOM has not used variations in the ratios for controlling liquidity, it has used changes in the modality of calculation as a means of encouraging credit to the EPZ. Between July 1995 and July 1996, an overall cash and liquid assets ratio of 28 percent (within which the cash reserve requirement was 8 percent, compared with a then overall ratio of 33 percent and a cash reserve requirement of 10 percent) was set on the new deposits to the extent that the counterparts of new deposits were lent to EPZ enterprises.

89. In September 1996, the BOM introduced a new facility when it began repurchase operations (repos). These are sales of treasury/BOM bills to banks and other financial institutions²⁴ with an agreement to repurchase the securities at an agreed rate after a specified period of up to 14 days. By the end of September 1996, there had already been a total of Mau Rs 3.3 billion in repo transactions. Interest rates have ranged from 3.79 percent (for 1-day operations) to 9.33 percent (for 14 days).

C. Banking Supervision

90. Despite the failure of two banks in the first half of 1996, the overall position of the Mauritian banking system appears to be sound. Banks in Mauritius are regulated and supervised by the Banking Supervision Department of the BOM, using relevant legislation under the Banking Act of 1988 and the Bank of Mauritius Act of 1966. The authorities also plan to introduce legislation in 1997 regarding money laundering, modeled upon the OECD Task Force's recommendations.

91. The BOM is responsible for licensing new onshore and offshore banks. On January 1, 1997, the minimum capital required was raised from Mau Rs 25 million to Mau Rs 50 million. At the same time, the ratio of Tier I capital to total assets was raised from 8 percent to 9 percent and will be further increased to 10 percent in June 1997. Adequate provisioning for bad debts was introduced in 1995. In addition, the BOM has required that external audits of the commercial banks review their risk management systems, and the BOM has held tripartite meetings with the external auditors and each commercial bank to discuss their individual positions. On-site and off-site surveillance is being strengthened and the BOM is considering the introduction of limits on open foreign exchange position of the commercial banks.

D. Monetary and Credit Developments

92. Broad money increased rapidly in 1995/96, rising by 15.9 percent as compared with 11.8 percent in 1994/95. Most of the growth was in the form of quasi-money (Table 16). This increase was a response to buoyant export-led growth but also reflected the liquidity impact of the disbursement of the US\$150 million international floating rate note (FRN) issue

²⁴Commercial banks, nonbank financial institutions, insurance companies, and licensed stockbrokers are eligible.

in October 1995. For the same reason, after having contracted by 3.2 percent in 1994/95, net foreign assets rose by 28.6 percent in 1995/96. On the other hand, domestic credit grew by only 6.4 percent in 1995/96, as compared with 17.6 percent in the previous year. The growth in 1995/96 came almost evenly from increases in claims on government and on the private sector. The former grew entirely on account of an expansion of commercial banks' claims on the government since the monetary authorities actually decreased their claims on the government in 1995/96 (Appendix II, Table XXXIX). The increase in credit to the private sector of 5 percent was considerably lower than the 10 percent growth in nominal GDP for 1995/96. This may be the result of a combination of a "wait-and-see" attitude on the part of private investors and reportedly healthy profits in the key real sectors, which are likely to have strengthened their ability to self-finance investments. The only sector to which credit increased appreciably in 1995/96 was that of "personal, professional, and housing" (Appendix II, Table XLII). The increase in credit to this sector may have partially reflected an increase in investment in ancillary tourist activities, such as small shops, restaurants, and accommodation other than hotels.

93. Interest rates showed only marginal variation, decreasing slightly (Appendix II, Table XXXVIII). To some extent this may reflect a lack of competition for deposits on the part of the banks, many of which are able to rely on their continuing business relationships with clients to cushion themselves from competition.

VI. EXTERNAL TRADE AND PAYMENTS

A. Balance of Payments

Overall developments

94. Following a policy of export diversification and product upgrading, Mauritius has experienced a period of sustained export-led economic growth since the mid-1980s. Despite the strong performance of the export sector, the external current account of Mauritius has usually been in deficit. In many years, however, the deficit has reflected purchases of aircraft and ships which, given the comparatively small size of the economy, tend to have a disproportionate impact on the balance of payments. Excluding aircraft and ships, the current account nevertheless attained a deficit of SDR 41 million in 1993/94 (equivalent to 1.8 percent of GDP), as exports stagnated (Chart 11; Table 18; and Appendix II, Table XLIII). The overall balance was strongly in surplus throughout the 1980s and early 1990s, with EPZ exports, tourist earnings, and foreign direct investment contributing to the accumulation of considerable foreign exchange reserves. However, Mauritius's reserves declined during 1992/93 because of exceptional debt prepayments by the government, a fall in foreign investment, and a major investment abroad, and again in 1993/94, because of a larger current account deficit. Consequently, foreign reserves as expressed in months of imports fell from a peak at 7.0 months in 1991/92 to 4.9 months at the end of 1993/94.

95. The current account sharply declined in 1994/95, falling to a deficit of 5.6 percent of GDP. This was caused by several factors, including very low sugar exports (as the sugar crop was hit by Cyclone Hollanda in early 1994), and the purchase of an aircraft by Air Mauritius. Although this purchase was mainly financed with external loans, the financial account was almost in balance, as deposits in foreign currency abroad soared with the suspension of the Exchange Control Act in July 1994. As a result, foreign reserves fell further, to the equivalent of 3.8 months of imports at the end of 1994/95.

96. In 1995/96, the current account improved to a deficit of SDR 23 million, or 0.9 percent of GDP. With a partial recovery in sugar exports, total exports picked up, recording the strongest growth since 1991/92, of nearly 6 percent in SDR terms. As no aircraft was purchased that year, imports declined from the previous year. The tourism sector also performed strongly, contributing to a surplus in the services balance of SDR 128 million, or 5 percent of GDP. In addition to the improvement in the current account, the financial account recorded a large surplus of SDR 95 million (excluding reserve assets), owing to the financial inflow corresponding to the international Floating Rate Note (FRN) issue in October 1995 of US\$150 million. Consequently, the declining trend in reserves assets was reversed, and international reserves recovered to the equivalent of 4.6 months of imports at end-June 1996.

Exports

97. Exports grew by 2.8 percent per annum on average in SDR terms from 1990/91 to 1995/96. With labor costs rising because of full employment, and the world economy in a recession, these average annual growth rates were well below those experienced during the 1980s. In 1995/96, however, exports are estimated to have grown by 5.8 percent in SDR terms, after 3.4 percent in 1994/95, thanks to a rebound in sugar exports. Expressed as ratios to GDP, both exports and imports have fallen in the 1990s, indicating a more active role for the domestic economy (Chart 12). The relative importance of the sugar sector declined steadily, with sugar exports accounting for only 9 percent of GDP in 1995/96, compared with 20 percent in the early 1980s, and for less than 25 percent of total exports (Appendix II, Table XLIV). On the other hand, although EPZ exports constitute nearly 30 percent of GDP, sugar is still a major source of net foreign exchange earnings, as the import content of sugar (estimated at about 20 percent) is much lower than in the EPZ (some 60 percent) (Appendix II, Table XLV). Textile products still account for more than 80 percent of the EPZ's exports, but Mauritius has begun to diversify into other products, and is successfully exporting anthurium flowers and chemicals in the world market. With a freeport having been established in 1993, Mauritius aims to increase its reexports of finished goods to Réunion and other countries in the region.

98. Sugar exports exceeded SDR 250 million between 1990/91 and 1992/93 (Appendix II, Table IX), but a drought in 1993/94 caused them to fall to a level of SDR 230 million. Mauritius was also struck by a cyclone in early 1994, which destroyed a considerable part of the sugar crop, thus further diminishing exports in 1994/95 to SDR 222 million. Sugar pro-

duction began to recover in 1995/96, and exports reached SDR 236 million. Most Mauritian sugar exports (85-90 percent) go to the European Union. The EU has recently committed itself in the Final Act of the Uruguay Round to import a volume of 1,295,000 tons of sugar at preferential prices from African, Caribbean and Pacific (ACP) countries. For Mauritius, this implies that the country will keep the export quota of 507,000 tons that was fixed under the Lomé Convention's Sugar Protocol.²⁵ In June 1995, the EU and ACP countries concluded the Special Preferential Sugar (SPS) Agreement covering a six-year period, to cover the so-called refiners' deficit. This gives Mauritius an additional quota (negotiated every year), which amounted to 94,000 tons in 1995/96, at a guaranteed price equivalent to 85 percent of the one guaranteed under the Sugar Protocol. However, Mauritius was only able to export 13,500 tons under the SPS Agreement in 1995/96, as the production level was still far below its full potential. Sugar export prices are related to the EU prices under the Common Agricultural Policy (CAP), which have fluctuated in recent years, reaching ECU 523.7 in 1995/96. As European tariffs on agricultural products are expected to be lowered after 2001 as a result of further trade liberalization in the context of WTO negotiations, European sugar producer prices, as well as guaranteed prices under the Sugar Protocol, are likely to decrease at that time.

99. Sugar exports to the United States are comparatively small in size. Mauritius is allocated 1.2 percent of the total sugar import quota as announced annually by the U.S. Department of Agriculture. After the EU and U.S. quota requirements have been met, the residual of the sugar production is sold in the world market at unremunerative prices (Appendix II, Table X). These exports to the world market were only marginal during the last two years, reflecting low levels of production. Moving successfully into the production of high-quality sugar (produced according to strict norms of hygiene and destined both for consumption as well as industrial usage), Mauritius has been able to increase sales of special sugars up to a volume of 70,000 tons in 1993/94 and 57,000 tons in 1995/96. These sugars are sold at a premium and contribute to higher export unit values.²⁶

100. Exports from the EPZ grew yearly by an average of 4.5 percent in SDR terms between 1990/91 and 1995/96. Over this period, the share of EPZ exports in total exports continued to rise slightly, from 65 percent to 68 percent (Appendix II, Table XLIV). It is expected that 1996 will have been a particularly successful year, as a number of customers who had previously switched to suppliers in Asia have reportedly returned. Despite efforts aimed at steering production into areas other than textiles and garments, the nontextile share of exports has remained practically constant over the past few years, at less than 20 percent.

²⁵The Sugar Protocol was brought into conformity with GATT rules, allowing the volume of quotas to be fixed indefinitely.

²⁶Sales of such special sugars to the EU are included in the quota, but the value added to Mauritius is much higher than that on raw sugar, which accounts for the bulk of Mauritius's quota exports to EU refiners.

101. More than 90 percent of EPZ exports are directed to the European Union and the United States, owing to the preferential access Mauritius enjoys under the Lomé Convention and the Multi-Fibre Agreement (MFA), respectively (Appendix II, Table XLVI). Sales to the United States proved to be particularly successful since 1993 as a major competitor failed to fulfill its quota obligations and Mauritius was able to meet the ensuing demand, thereby increasing its share of exports to the United States from 18 percent in 1992 to 25 percent in 1993 and 1994. However, the U.S. market for textiles has been both competitive and highly volatile in the past. In the European market, Mauritius has been able to establish close relationships with its customers and has achieved high flexibility in adjusting its production to short-term demand conditions, which has given Mauritius a competitive edge over low-cost producers from the Far East. However, with the phaseout of the MFA as agreed under the Uruguay Round, Mauritius will face stronger competition both in Europe and in the United States.²⁷

102. The export share of other goods (such as tea, molasses, flour, cut flowers, and chemicals) amounted to 9.6 percent of total exports in 1995/96. Mauritius has become the leading producer of anthurium flowers, but exports of tea are declining. Nearly half of other exports consist of reexports of finished goods, which have undergone bulk breakage or minor processing and which are directed mostly toward countries in the region. The significance of the reexport business is likely to increase as the freeport comes into full operation.

Imports

103. Imports grew by 3.1 percent per annum on average in SDR terms between 1990/91 and 1995/96, excluding ships and aircraft (Table 18; and Appendix II, Table XLIII). As for exports, import growth slowed down in the 1990s, compared with the 1980s. The overall structure of imports for the whole economy has not changed significantly over the past four years. Petroleum and intermediate goods account on average for 53 percent of all imports (Appendix II, Tables XLVII and XLVIII), with the rest divided between consumer and capital goods. Since 1990, the share of consumer goods has increased, as incomes have been rising on a broad scale; this has been at the expense of imports of capital goods. As a result, the share of capital goods in total imports fell further, to 20.1 percent in 1995, from 27.2 percent in 1990.

104. The terms of trade increased steadily between 1988/89 and 1992/93, as import prices were increasing more slowly than export prices were. In particular in 1991/92, the growth of import unit values was less than 3 percent, owing mainly to a decline in petroleum prices (Chart 12, and Appendix Tables XLIX and L). In 1993/94, this trend was reversed, caused by a strong growth in prices for manufactured materials and machinery, which pushed up production costs for enterprises. In 1994/95, the terms of trade declined further, as the

²⁷See *Mauritius - Background Papers and Statistical Annex*, IMF Staff Country Report No. 96/1.

growth in export prices was limited to 4.5 percent, reflecting the stiff competition in international markets.

105. The imports of the EPZ grew by 4.6 percent in SDR terms on average between 1990/91 and 1995/96. Consisting mainly of intermediate goods and machinery, EPZ imports are necessarily related to EPZ exports. As a result of sustained efforts to move to higher-quality export products and thereby to increase the local amount of value added, the import content of EPZ exports declined from 83 percent in 1990 to 55 percent in 1992 (Appendix II, Table XLV). In 1993, this trend was broken, reflecting the pressure on the textile sector to compete more effectively in the world market by investing in more sophisticated and expensive machinery and equipment. Consequently, the ratio in the import content of EPZ exports rose to about 60 percent in 1994 and 1995.

106. Imports of basic food ingredients (rice, flour, and wheat) grew nominally by 20 percent in rupee terms on average in 1994/95 and 1995/96, partly as a consequence of increases in the price of rice (which is Mauritius's main food staple). In real terms, food imports grew by about 8 percent each year on average between 1992 and 1995. Petroleum imports have risen by only 4 percent per annum in rupee terms since 1990, partly reflecting an average annual fall in prices of 2 percent.

Services and transfers

107. The services account reflects mostly activities in the tourist sector and has remained consistently in surplus since 1986/87, and amounted to 5 percent of GDP in 1995/96 (Chart 11). After a drop in 1991/92 and 1992/93, reflecting a slowdown of growth in tourism—resulting from adverse events in the Persian Gulf region—and in exports of other services, the surplus grew by nearly 60 percent per annum in SDR terms between 1992/93 and 1995/96, and is estimated to have reached SDR 128 million in 1995/96.

108. Most of the tourist activities are reflected as part of "transportation," consisting of port disbursements and passenger fares, and in the "travel" accounts. With tourist numbers having grown by 60 percent between 1989 and 1995 (Appendix II, Table XX), the growth on the credit side of transportation mainly reflects an increasing number of passengers carried by the local airline. Air Mauritius has a share of about 50-55 percent of the total passenger load to the island. The airline has become attractive by offering nonstop flights and high quality service. However, given that premium hotels are attaining full capacity during the peak season, prospects for further strong growth in tourism are uncertain. The debit side of services has also increased by nearly 60 percent in SDR terms since 1989/90, owing to rising exports and a growing volume of outbound travel, both for business and for private purposes. The travel item contains payments for tourist exchange and related services, as reported by the commercial banks. The credit side rose by about 15 percent in 1995/96, reflecting the growing number of tourists and their increased per capita spending (average earnings per tourist were SDR 671 in 1995 compared with SDR 544 in 1989), while the debit side stagnated.

109. "Transportation" accounts consist to a large extent of freight that is closely related to imports. Only about 30 percent of freight charges are paid to resident carriers; therefore, with slowing growth in trade volumes, payments to foreign carriers and insurers grew less rapidly over the last two years. Consequently, the deficit in the "Transportation" accounts was stable, at SDR 47 million, in 1994/95 and 1995/96.

110. Other services continue to have a net balance deficit, estimated at SDR 20 million in 1995/96. These comprise nonmerchandise insurance (e.g., insurance for the sugar harvest), telecommunications, expenditure for promotion and consultation (both public and private), payments for the newly established computer technology park and other government services. Expenses for telecommunications have markedly increased in recent years, reflecting the closer integration of Mauritius in the world economy.

111. As for income, government and parastatal companies are carrying about half of the interest burden on the debit side. With the early repayment of some external loans, income debits decreased from SDR 55 million in 1991/92 to SDR 41 million in 1994/95. However, they rose to SDR 48 million in 1995/96, owing mainly to interests paid on the FRN. The bulk of income credits (around 90 percent) comes from foreign reserves. Owing to a decrease in these foreign reserves and declining interest rates in international markets, receipts have recently declined, from SDR 62 million in 1992/93 to SDR 24 million in 1995/96.

112. Current transfers include essentially private transfers originating from Mauritian expatriates, with about a third of the private funds coming from the United Kingdom. In SDR terms, the credit side of current transfers has increased by 50 percent since 1990/91, and is estimated to have reached SDR 112 million in 1995/96.

Financial accounts and reserves

113. After showing a surplus averaging SDR 37 million per annum, the financial account (excluding reserve assets) weakened in 1992/93 and 1993/94 and posted a deficit of SDR 12 million on average over these two years. This was mainly due to a number of exceptional transactions, in particular major investment by commercial banks abroad. At the end of 1992, the Mauritius Commercial Bank (MCB) acquired 66 percent of the share capital of the Banque Française Commerciale Océan Indien (BFCOI) for Mau Rs 620 million.²⁸ The BFCOI, based in Paris, has branches in Madagascar, Mayotte, Réunion, and Seychelles. In 1993/94, there was another transaction of a similar nature as the State Bank of Mauritius invested Mau Rs 440 million in its new branch in Bombay, again leading to a negative private direct investment balance. In addition, external loans extended to the private sector during these two years only slightly exceeded repayments, in contrast with previous years. As a

²⁸The BFCOI was formerly a subsidiary of the Banque Indosuez, which retains a 34 percent shareholding and remains responsible for the BFCOI with respect to the French banking supervisory authorities.

result, international reserves decreased between June 1992 and June 1994 by SDR 182 million, to the equivalent of 4.9 months of imports at end-June 1994, from the peak of 7 months at end-June 1992.

114. In 1994/95, notwithstanding the financial inflow corresponding to the financing of the purchase of an aircraft by Air Mauritius, amounting to some SDR 75 million, the financial account balance (excluding reserve assets) recorded only a small surplus of SDR 5 million. As the Exchange Control Act was suspended in July 1994, foreign currency transfers to accounts abroad increased significantly. Given the larger-than-usual current account deficit (owing to the purchase of an aircraft and low sugar exports), international reserves decreased further in 1994/95, to the equivalent of 3.8 months of imports at end-June 1995.

115. Developments in 1995/96 were marked by the FRN issue in October 1995, which resulted in an increase in portfolio investment from SDR 10.1 million in 1994/95 to SDR 115 million in 1995/96. Foreign direct investment was higher than in previous years, albeit reaching only SDR 22 million or 0.9 percent of GDP, owing to a project financed by Singaporean investors to build a new horse racing course. In addition, deposits in foreign exchange abroad stabilized. As a result, the financial account (excluding reserve assets) was in surplus by SDR 95 million, and international reserves increased by SDR 82 million, to the equivalent of 4.6 months of imports at end-June 1996.

B. External Debt

116. The burden of external debt service on Mauritius was greatly reduced after the government undertook serious efforts in the late 1980s and early 1990s to reduce its external borrowing. The ratio of outstanding external debt to GDP was reduced from 40 percent in 1988 to 29 percent in 1994, and the debt-service ratio relative to exports declined to 7.3 percent in 1993/94 (Chart 13; and Appendix II, Tables LI and LII). This trend was reversed in 1995 and 1996, on account of the loan to Air Mauritius for the purchase of an aircraft and the FRN issue, which contributed to an increase in the ratio of outstanding debt to GDP to 31.7 percent in 1996. With Eurocurrency loans and Fund stand-by arrangements repaid, Mauritius's obligations consist mainly of debt to bilateral and multilateral creditors on relatively concessional terms. However, the composition of external debt shifted toward a larger share of debt owed by the private sector, which rose from 7 percent in 1988 to 21 percent in 1994, before declining to 18 percent in 1996 because of the large public sector borrowing during the last two years. Within the public sector, the outstanding debt in 1996 was almost evenly shared between central government and parastatal organizations. However, the proceeds from the FRN issued by the central government are being on-lent to parastatals through the NIDF.

117. With the relative decline in the debt burden, the impact of debt service has also been reduced. In several years, however, Mauritius undertook early repayments of debt obligations, which pushed the debt-service ratio temporarily upward. In 1990/91, there was an early repurchase made to the Fund; and in 1992/93, Mauritius prepaid sterling-denominated

debt. As the volume of development projects financed by direct government (rather than public enterprise) borrowing had been rising, new public debt commitments became more concessional in the early 1990s, with average interest rates declining to 4.8 percent and the average grants element increasing to about 30 percent in 1993 (Appendix II, Table LIII). In 1994 and 1995, however, substantial disbursements were made on market conditions. As a result, the average interest rate increased to 5.9 percent and the average grant element decreased to less than 20 percent in 1995.

C. Regional Cooperation

118. Mauritius belongs to four regional groupings. The first of these is the Preferential Trade Area for Eastern and Southern African States, which was transformed in November 1993 into the Common Market for Eastern and Southern Africa (COMESA).²⁹ The second regional grouping is the Indian Ocean Commission, which was set up in 1982 with a view to promoting economic, social, and cultural cooperation between the islands of the Indian Ocean, including the Comoros, Madagascar, Mauritius, Réunion Island, and Seychelles. A program aiming at promoting intraregional trade by providing for the removal of trade barriers and the facilitation of payments is being implemented. Thirdly, Mauritius is a signatory to the treaty establishing the African Economic Community, concluded in June 1991 in Abuja, Nigeria, which provides for the gradual establishment of an African Economic Community by 2025. Fourthly, Mauritius became the twelfth member of the Southern African Development Community (SADC) in August 1995. A trade protocol was signed between SADC member countries in September 1996, and is expected to enable Mauritius to expand its reexports further through its freeport, and narrow its trade deficit with its partners, notably South Africa. Within SADC, Mauritius has assumed the responsibility of coordinating policies and programs in the tourism sector. In addition to belonging to these groupings, Mauritius has decided to implement the Cross Border Initiative (CBI) reform agenda, in a regional effort to promote cross-border economic activity in Eastern and Southern Africa, and is taking part actively in another initiative aimed at setting up an Indian Ocean Rim. These regional cooperation efforts are expected to help Mauritius in meeting the challenges facing its economy, by making it a regional trade and financial services hub in the future.

D. Exchange and Trade System

119. The Mauritian rupee was pegged to an undisclosed currency basket between February 1983 and July 1994. Over this period, the nominal effective exchange rate (NEER) as measured against the main trading partners depreciated by 34 percent, falling at a somewhat slower pace in the 1990s. However, given the strong increase in relative prices, the real effective exchange rate (REER), which had been moving broadly in line with the NEER,

²⁹A program of tariff cuts has been adopted by the 22 PTA/COMESA member states with a view to the elimination of tariffs applied to trade among themselves by 2000.

ceased to decline in 1988 and followed a more stable course thereafter (Charts 14 and 15; and Appendix II, Tables LIV and LV).

120. In July 1994, an interbank foreign exchange market was set up through a page on the Reuters screen.³⁰ The Bank of Mauritius assumes the role of one among several market players, intervening in the foreign exchange market by buying or selling dollars. In addition, five commercial banks have access to the system. At the same time as the foreign exchange market was established, the Exchange Control Act was suspended, so that banks and their customers became free to buy and sell foreign exchange without restriction. Since then, both the NEER and REER have depreciated by 16 percent and 9 percent, respectively, going some way in correcting the competitiveness losses recorded in the early 1990s.³¹

121. In September 1993, Mauritius accepted the obligations of Article VIII, Sections 2, 3, and 4 of the Fund's Articles of Agreement, having abolished in August 1993 its forward cover facility and the exchange guarantee scheme for nonresident accounts. Its exchange and trade system is free of restrictions on the making of payments and transfers for current international transactions. With the suspension of the Exchange Control Act in July 1994, there are no longer any repatriation, domiciliation, or surrender requirements for Mauritian residents receiving foreign exchange. Capital transactions were also completely liberalized, as a 5 percent tax levied on capital being transferred abroad was abolished in 1994, and the approval of the Bank of Mauritius is no longer required for international capital transactions by residents. A detailed description of the exchange system at end-December 1996 will be contained in the *Annual Report on Exchange Arrangements and Exchange Rate Restrictions, 1997*.

³⁰See *Mauritius - Background Papers and Statistical Annex*, IMF Staff Country Report No. 96/1, for a detailed description of this market.

³¹See *Mauritius - Background Papers and Statistical Annex*, IMF Staff Country Report No. 96/1.

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Table 1. Mauritius: Growth and Structure of Gross Domestic Product, 1989/90-1995/96 1/

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
(In millions of Mauritian rupees)							
GDP at current market prices	36,080	41,800	46,803	53,170	59,724	65,468	71,998
GDP at constant 1987 market prices	27,860	29,632	31,046	33,118	34,548	35,727	37,415
GDP deflator	129.5	141.1	150.8	160.6	172.9	183.2	192.4
(Annual change in percent)							
GDP at current market prices	16.9	15.9	12.0	13.6	12.3	9.6	10.0
GDP at constant 1987 market prices	4.7	6.4	4.8	6.7	4.3	3.4	4.7
GDP deflator	11.6	8.9	6.9	6.5	7.7	6.0	5.0
(Annual change in percent at constant 1987 prices)							
GDP at factor cost	4.6	6.6	5.0	6.7	4.6	4.4	5.4
Sugar sector	-12.5	12.0	-4.1	7.4	-14.9	-12.0	8.0
Nonsugar sectors	6.8	6.0	6.0	6.6	6.6	5.8	5.2
Of which:							
Export Processing Zone	(6.5)	(6.0)	(5.5)	(6.0)	(5.1)	(4.6)	(5.5)
Construction	(11.9)	(10.4)	(8.8)	(7.5)	(6.0)	(1.9)	(0.6)
Restaurants and hotels	(10.3)	(6.7)	(7.8)	(12.3)	(10.9)	(9.5)	(10.6)
Government services	(4.0)	(4.0)	(3.7)	(4.5)	(4.8)	(4.1)	(3.8)
(In percent of GDP at current market prices)							
Sugarcane growing	6.5	6.4	5.7	5.5	4.6	4.4	4.7
Other agriculture	3.4	3.4	3.5	3.4	3.4	3.4	3.3
Sugar milling	1.8	1.7	1.6	1.5	1.3	1.2	1.3
Export Processing Zone	10.2	10.0	10.1	10.1	10.1	10.3	10.4
Other manufacturing	7.9	8.0	8.3	8.3	8.6	8.9	9.1
Electricity, gas, and water	1.5	1.5	1.8	2.0	2.1	2.1	2.0
Construction	5.6	5.9	6.1	6.2	6.3	6.2	5.9
Trade	11.4	11.3	11.3	11.3	11.4	11.4	11.4
Restaurants and hotels	2.6	2.7	2.9	3.0	3.3	3.5	3.8
Transport and communications	9.0	9.3	9.7	9.6	9.8	10.1	10.1
Financial services	12.7	12.8	13.1	13.3	13.5	13.9	14.2
Government services	9.0	8.6	8.5	8.6	9.2	9.5	9.3
Other services	4.3	4.5	4.7	4.8	5.1	5.3	5.4
Net indirect taxes	15.8	15.6	15.0	14.7	14.2	12.9	12.2
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Statistical Office, National Accounts of Mauritius.

1/ Sugar crops and milling included in fiscal year harvested; otherwise, averages of calendar-year data.

Table 2. Mauritius: Expenditure on Gross Domestic Product at Current Prices, 1/ 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
(In millions of Mauritian rupees)							
Consumption	27,768	31,400	35,044	39,666	44,760	50,560	56,117
Private	23,420	26,496	29,601	33,407	37,418	42,444	47,444
Government	4,348	4,904	5,442	6,258	7,342	8,116	8,672
Gross fixed capital formation	10,355	12,355	13,245	14,938	17,708	19,150	17,740
Private	6,945	8,295	9,045	10,345	11,542	13,545	11,690
Government	3,410	4,060	4,200	4,592	5,065	5,605	6,050
Increase in stocks	886	66	396	1,064	1,242	856	170
Net exports	-2,928	-2,020	-1,881	-2,497	-2,886	-5,097	-2,029
Exports	22,689	26,352	29,137	31,195	34,992	38,166	44,047
Goods (f.o.b.)	(16,355)	(18,817)	(20,325)	(21,877)	(24,340)	(25,700)	(28,908)
Nonfactor services	(6,334)	(7,535)	(8,812)	(9,318)	(10,652)	(12,466)	(15,139)
Imports	25,617	28,372	31,018	33,692	37,878	43,263	46,076
Goods (f.o.b.)	(20,234)	(22,209)	(23,347)	(25,113)	(28,405)	(32,712)	(34,502)
Nonfactor services	(5,383)	(6,163)	(7,671)	(8,579)	(9,473)	(10,551)	(11,574)
GDP at market prices	36,080	41,800	46,803	53,170	59,724	65,468	71,998
Net factor income	-311	78	-5	203	-318	-333	-611
GNP at market prices	35,770	41,878	46,798	53,374	59,406	65,135	71,386
Memorandum items:							
Gross domestic expenditure	39,008	43,820	48,684	55,668	62,610	70,565	74,026
Gross domestic saving	8,312	10,401	11,760	13,505	14,964	14,908	15,880
Domestic investment	11,240	12,421	13,640	16,002	18,950	20,006	17,910
Resource gap	2,928	2,020	1,881	2,497	2,886	5,097	2,029
Gross national savings	8,002	10,479	11,754	13,708	14,646	14,576	15,270
(In percent of GDP at market prices)							
Consumption	77.0	75.1	74.9	74.6	74.9	77.2	77.9
Private	64.9	63.4	63.2	62.8	62.7	64.8	65.9
Government	12.0	11.7	11.6	11.8	12.3	12.4	12.0
Gross fixed capital formation	28.7	29.6	28.3	28.1	29.6	29.3	24.6
Private	19.2	19.8	19.3	19.5	19.3	20.7	16.2
Government	9.5	9.7	9.0	8.6	8.5	8.6	8.4
Increase in stocks	2.5	0.2	0.8	2.0	2.1	1.3	0.2
Net exports	-8.1	-4.8	-4.0	-4.7	-4.8	-7.8	-2.8
Exports	62.9	63.0	62.3	58.7	58.6	58.3	61.2
Goods (f.o.b.)	(45.3)	(45.0)	(43.4)	(41.1)	(40.8)	(39.3)	(40.2)
Nonfactor services	(17.6)	(18.0)	(18.8)	(17.5)	(17.8)	(19.0)	(21.0)
Imports	71.0	67.9	66.3	63.4	63.4	66.1	64.0
Goods (f.o.b.)	(56.1)	(53.1)	(49.9)	(47.2)	(47.6)	(50.0)	(47.9)
Nonfactor services	(14.9)	(14.7)	(16.4)	(16.1)	(15.9)	(16.1)	(16.1)
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Net factor income	-0.9	0.2	-0.0	0.4	-0.5	-0.5	-0.8
GNP at market prices	99.1	100.2	100.0	100.4	99.5	99.5	99.2
Memorandum items:							
Gross domestic expenditure	108.1	104.8	104.0	104.7	104.8	107.8	102.8
Gross domestic saving	23.0	24.9	25.1	25.4	25.1	22.8	22.1
Domestic investment	31.2	29.7	29.1	30.1	31.7	30.6	24.9
Resource gap	8.1	4.8	4.0	4.7	4.8	7.8	2.8
Gross national savings	22.2	25.1	25.1	25.8	24.5	22.3	21.2

Sources: Central Statistical Office, National Accounts of Mauritius; and Bank of Mauritius.

1/ Normalized with the balance of payments.

Table 3. Mauritius: Macroeconomic Balances, 1/ 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
(In millions of Mauritian rupees)							
GDP at market prices	<u>36,080</u>	<u>41,800</u>	<u>46,803</u>	<u>53,170</u>	<u>59,724</u>	<u>65,468</u>	<u>71,998</u>
Net factor income	-311	78	-5	203	-318	-333	-611
GNP at market prices	<u>35,770</u>	<u>41,878</u>	<u>46,798</u>	<u>53,374</u>	<u>59,406</u>	<u>65,135</u>	<u>71,386</u>
Net transfers from abroad	1,330	1,318	1,391	1,571	1,831	1,792	2,011
Disposable income	<u>37,100</u>	<u>43,196</u>	<u>48,189</u>	<u>54,944</u>	<u>61,236</u>	<u>66,927</u>	<u>73,398</u>
Government	8,489	9,624	10,616	11,400	13,186	13,124	12,832
Private sector	28,610	33,572	37,573	43,545	48,050	53,803	60,566
Consumption	<u>27,768</u>	<u>31,400</u>	<u>35,044</u>	<u>39,666</u>	<u>44,760</u>	<u>50,560</u>	<u>56,117</u>
Government	7,566	8,429	9,607	9,912	11,999	13,078	14,718
Private sector	20,202	22,970	25,436	29,754	32,760	37,481	41,399
Savings	<u>9,332</u>	<u>11,797</u>	<u>13,146</u>	<u>15,279</u>	<u>16,477</u>	<u>16,368</u>	<u>17,280</u>
Government	924	1,195	1,009	1,488	1,188	46	-1,886
Private sector	8,408	10,602	12,136	13,791	15,290	16,322	19,166
Investment	<u>11,240</u>	<u>12,421</u>	<u>13,640</u>	<u>16,002</u>	<u>18,950</u>	<u>20,006</u>	<u>17,910</u>
Government	3,410	4,060	4,200	4,592	5,065	5,605	6,050
Private sector	7,830	8,361	9,440	11,410	13,885	14,400	11,860
External current account	<u>-1,909</u>	<u>-624</u>	<u>-495</u>	<u>-723</u>	<u>-2,473</u>	<u>-3,638</u>	<u>-629</u>
(In percent of GDP at market prices)							
GDP at market prices	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Net factor income	-0.9	0.2	-0.0	0.4	-0.5	-0.5	-0.8
GNP at market prices	<u>99.1</u>	<u>100.2</u>	<u>100.0</u>	<u>100.4</u>	<u>99.5</u>	<u>99.5</u>	<u>99.2</u>
Net transfers from abroad	3.7	3.2	3.0	3.0	3.1	2.7	2.8
Disposable income	<u>102.8</u>	<u>103.3</u>	<u>103.0</u>	<u>103.3</u>	<u>102.5</u>	<u>102.2</u>	<u>101.9</u>
Government	23.5	23.0	22.7	21.4	22.1	20.0	17.8
Private sector	79.3	80.3	80.3	81.9	80.5	82.2	84.1
Consumption	<u>77.0</u>	<u>75.1</u>	<u>74.9</u>	<u>74.6</u>	<u>74.9</u>	<u>77.2</u>	<u>77.9</u>
Government	21.0	20.2	20.5	18.6	20.1	20.0	20.4
Private sector	56.0	55.0	54.3	56.0	54.9	57.3	57.5
Savings	<u>25.9</u>	<u>28.2</u>	<u>28.1</u>	<u>28.7</u>	<u>27.6</u>	<u>25.0</u>	<u>24.0</u>
Government	2.6	2.9	2.2	2.8	2.0	0.1	-2.6
Private sector	23.3	25.4	25.9	25.9	25.6	24.9	26.6
Investment	<u>31.2</u>	<u>29.7</u>	<u>29.1</u>	<u>30.1</u>	<u>31.7</u>	<u>30.6</u>	<u>24.9</u>
Government	9.5	9.7	9.0	8.6	8.5	8.6	8.4
Private sector	21.7	20.0	20.2	21.5	23.2	22.0	16.5
External current account	<u>-5.3</u>	<u>-1.5</u>	<u>-1.1</u>	<u>-1.4</u>	<u>-4.1</u>	<u>-5.6</u>	<u>-0.9</u>

Sources: Central Statistical Office; Ministry of Finance; and Bank of Mauritius.

1/ Normalized with the fiscal accounts and the balance of payments.

Table 4. Mauritius: Sugar Production, Earnings, and Investment, 1989/90-1995/96

Marketing or fiscal year ^{1/}	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
<u>(In units indicated)</u>							
Sugar production (thousand tons)	568.3	624.3	611.3	643.2	565.0	500.2	540.0
Acreage harvested (thousand arpents) ^{2/}	181.9	180.7	180.0	177.9	175.4	173.0	170.6
Cane yield (tons per arpent) ^{2/}	29.9	30.7	31.2	32.5	30.8	27.8	30.2
Sugar recovery ratio (percent)	10.45	11.25	10.88	11.13	10.46	10.39	10.47
Sugar yield (tons per arpent) ^{2/}	3.12	3.45	3.40	3.62	3.22	2.89	3.17
<u>(Annual change in percent)</u>							
Sugar production	-10.4	9.9	-2.1	5.2	-12.2	-11.5	8.0
Acreage harvested	-0.2	-0.7	-0.4	-1.2	-1.4	-1.4	-1.4
Cane yield	-1.3	2.7	1.7	4.1	-5.2	-9.7	8.7
Sugar recovery ratio	-9.1	7.6	-3.4	2.3	-6.0	-0.6	0.7
Sugar yield	-10.2	10.6	-1.7	6.5	-10.9	-10.2	9.5
<u>(In units indicated)</u>							
Exports (fiscal years)							
Volume (thousand tons)	539.0	580.1	567.5	588.7	530.0	492.2	518.8
Unit value (Mau Rs per ton)	8,668	9,110	9,704	10,053	11,098	12,072	12,916
Value (Mau Rs millions)	4,672	5,285	5,507	5,918	5,882	5,942	6,701
SDR unit value (SDR per ton)	436.6	439.6	445.5	437.2	434.4	462.6	465.5
SDR value (SDR millions)	235.3	255.0	252.8	257.4	230.2	227.7	241.5
<u>(Annual change in percent)</u>							
Volume	-16.8	7.6	-2.2	3.7	-10.0	-7.1	5.4
Rupee unit value	17.5	5.1	6.5	3.6	10.4	8.8	7.0
Rupee value	-2.2	13.1	4.2	7.5	-0.6	1.0	12.8
SDR unit value	11.7	0.7	1.3	-1.9	-0.6	6.5	0.6
SDR value	-7.0	8.4	-0.9	1.8	-10.6	-1.1	6.0
<u>(In Mauritian rupees per ton)</u>							
Producer prices, ex Syndicate							
Basic price (before tax)	7,812	8,001	8,205	8,472	9,551	10,413	11,463
Average price (after tax)	7,156	7,315	7,525	7,804	8,844	10,413	11,463
<u>(Annual change in percent)</u>							
Basic price (before tax)	14.6	2.4	2.5	3.3	12.7	9.0	10.1
Average price (after tax)	21.8	2.2	2.9	3.7	13.3	17.7	10.1
<u>(In millions of Mauritian rupees)</u>							
Estates with factories							
Revenue	3,431	3,730	3,919	4,085	4,300	4,573	4,964
Operating expenditure	2,388	2,748	3,192	3,347	3,500	3,922	4,271
Export taxes	362	403	397	405	376	--	--
Current cash surplus	681	579	330	333	424	651	693
Overall profit	688	570	333	383	372	717	569
Additions to fixed assets	341	388	332	368	544	589	600

Sources: Mauritius Chamber of Agriculture; Mauritius Sugar Syndicate; and Mauritius Sugar Authority.

^{1/} Crop harvested in June-November and marketed through following June.

^{2/} One arpent equals 1.043 acres, or 0.4221 hectare.

Table 5. Mauritius: Employment by Economic Activity, 1990-96

In March	1990	1991	1992	1993	1994	1995	1996
<u>(Annual change in percent)</u>							
Agriculture and fishing	0.3	-17.2	-2.5	-3.4	-2.6	-3.2	-1.8
Of which: sugar	(0.9)	(-17.9)	(-2.4)	(-2.2)	(-3.2)	(-4.3)	(--)
Manufacturing	3.3	6.3	1.1	-3.3	-2.3	-1.6	-2.7
Of which: Export Processing Zone	(-0.1)	(-0.4)	(1.9)	(-3.6)	(-3.8)	(-1.6)	(-1.1)
Electricity and water	-0.5	-0.8	0.3	4.3	-2.0	-0.9	-2.9
Construction	15.9	0.2	11.9	7.4	-4.1	-19.3	-5.6
Wholesale and retail trade, and restaurants and hotels	19.4	8.6	6.2	6.4	13.2	5.0	2.0
Transport, storage, and communications	3.9	11.3	1.7	-0.5	2.8	2.1	0.7
Financing, insurance, real estate, and business services	17.7	9.4	1.6	3.8	9.2	5.3	3.3
Government services	8.9	0.6	0.0	1.8	0.5	0.3	1.1
Of which: Central Government	(9.8)	(0.7)	(0.0)	(1.7)	(0.5)	(0.2)	(1.1)
Other community, social, and personal services	7.4	13.1	12.1	6.2	14.7	0.8	3.9
Activities n.e.s. 1/	-6.4	-7.7	-77.3	186.5	6.0	-5.0	3.3
Total	<u>5.6</u>	<u>1.5</u>	<u>0.4</u>	<u>0.5</u>	<u>0.8</u>	<u>-1.1</u>	<u>-0.7</u>
<u>(In percent of total)</u>							
Agriculture and fishing	15.9	13.0	12.6	12.1	11.7	11.4	11.3
Of which: sugar	(14.1)	(11.4)	(11.1)	(10.8)	(10.4)	(10.0)	(10.1)
Manufacturing	39.0	40.8	41.1	39.6	38.4	38.2	37.4
Of which: Export Processing Zone	(30.6)	(30.1)	(30.5)	(29.3)	(27.9)	(27.8)	(27.7)
Electricity and water	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Construction	4.1	4.0	4.5	4.8	4.6	3.7	3.6
Wholesale and retail trade, and restaurants and hotels	5.9	6.3	6.7	7.1	8.0	8.5	8.7
Transport, storage, and communications	4.3	4.7	4.8	4.8	4.9	5.0	5.1
Financing, insurance, real estate, and business services	3.2	3.5	3.5	3.6	3.9	4.2	4.4
Government services	21.0	20.9	20.8	21.1	21.0	21.3	21.7
Of which: Central Government	(19.2)	(19.1)	(19.0)	(19.2)	(19.2)	(19.4)	(19.8)
Other community, social, and personal services	3.5	3.9	4.4	4.6	5.3	5.4	5.6
Activities n.e.s. 1/	1.7	1.6	0.4	1.0	1.1	1.0	1.1
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: Central Statistical Office, Surveys of Employment and Earnings.

1/ Not elsewhere specified, mainly Development Works Corporation.

Table 6. Mauritius: General Wage Settlements and Developments, 1989/90-1995/96

(In percent)

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
General adjustments							
Cost of living ^{1/}	--	8.6	7.2	2.5	5.0	4.6	2.7
Other general adjustments	--	--	--	--	--	--	--
CPI increase during reference period ^{2/}	16.0	10.7	12.8	2.9	8.9	9.4	6.0
Year-end bonus (Dec.)	4.2-22.0	8.4-22.0	8.4-22.0	8.4-22.0	...	...	...
Average earnings increase ^{3/}	12.8	16.6	12.8	8.9	13.4	9.3	7.3
EPZ manufacturing ^{4/}	14.9	27.0	11.4	16.0	8.1	6.5	7.7
Central Government ^{5/}	14.1	15.5	5.3	2.8	32.0	4.4	3.5
Average increase in real earnings	1.9	3.4	9.6	--	-6.7	3.1	1.4
EPZ manufacturing	3.8	12.6	8.3	6.5	-1.2	0.4	1.7
Central Government	3.1	2.4	2.4	-5.6	20.7	-1.5	-2.2
CPI increase	10.7	12.8	2.9	8.9	9.4	6.0	5.9
Unemployment rate ^{6/}	2.9	2.4	2.1	2.0	1.7	1.7	...

Sources: Central Statistical Office; Ministry of Finance; Ministry of Labor; and staff estimates.

^{1/} Averages. Generally tapered, with only lower-paid workers receiving full adjustment.

^{2/} The reference period is generally the previous 12 months.

^{3/} Indicative only. Based on averaged survey data for larger establishments; employees paid on monthly basis weighted 4/5, and those on daily basis, 1/5.

^{4/} Indicative only. Simple average of percentage increases for employees paid on monthly and daily basis. Excludes piece workers (roughly one fourth of EPZ work force, generally earning more per day than daily workers) and workers paid on other bases.

^{5/} Reported averages through 1986/87, employees paid monthly thereafter (99 percent of total).

^{6/} Averages of calendar-year estimates.

Table 7. Mauritius: Average Earnings by Sector--Monthly Paid Employees, 1990-96

In March	1990	1991	1992	1993	1994	1995	1996
<u>(Annual change in percent)</u>							
Agriculture and fishing	4.0	15.8	4.2	1.7	11.4	24.9	10.4
Of which: sugar	(4.1)	(15.2)	(2.5)	(3.2)	(11.0)	(9.9)	(27.1)
Manufacturing	10.9	18.6	9.0	9.8	17.0	9.6	5.5
Of which: Export							
Processing Zone	(12.6)	(16.4)	(12.6)	(10.4)	(15.6)	(6.0)	(5.5)
Electricity and water	-8.7	17.9	12.7	5.0	36.5	-10.5	8.0
Construction	1.6	22.6	21.7	1.0	15.7	26.3	8.9
Wholesale and retail trade, and restaurants and hotels	10.9	15.8	19.2	8.4	8.5	12.0	5.6
Transport, storage, and communications	3.7	16.2	11.5	5.2	8.5	8.7	10.7
Financing, insurance, real estate, and business services	7.8	14.9	15.2	8.2	10.2	15.9	9.2
Central government services	4.6	10.9	10.0	2.8	32.1	6.2	3.5
Other community, social, and personal services	6.8	16.5	10.0	4.3	20.5	6.7	5.1
Activities n.e.s. 1/	3.4	14.9	15.3	5.3	14.0	13.6	-4.1
Total	<u>5.7</u>	<u>15.8</u>	<u>11.0</u>	<u>5.5</u>	<u>20.9</u>	<u>9.6</u>	<u>6.3</u>
<u>Memorandum items:</u>							
Daily paid employees	15.3	30.9	14.6	13.7	12.9	8.4	6.3
Of which: Export							
Processing Zone	(10.0)	(34.5)	(14.9)	(12.9)	(15.6)	(5.4)	(6.8)
<u>(Annual change in real earnings 2/ in percent)</u>							
Agriculture and fishing	-8.8	5.1	2.5	-7.9	2.0	17.7	5.4
Of which: sugar	(-8.8)	(4.6)	(0.7)	(-6.6)	(1.7)	(3.5)	(21.3)
Manufacturing	-2.8	7.7	7.2	-0.6	7.2	3.3	0.7
Of which: Export							
Processing Zone	(-1.3)	(5.7)	(10.7)	(-0.0)	(6.0)	(-0.1)	(0.7)
Electricity and water	-20.0	7.0	10.8	-4.9	25.1	-15.7	3.1
Construction	-10.9	11.3	19.7	-8.6	6.0	19.0	3.9
Wholesale and retail trade, and restaurants and hotels	-2.8	5.1	17.2	-1.9	-0.5	5.6	0.8
Transport, storage, and communications	-9.1	5.4	9.6	-4.8	-0.6	2.4	5.6
Financing, insurance, real estate, and business services	-5.5	4.3	13.3	-2.0	1.0	9.2	4.2
Central government services	-8.3	0.7	8.1	-6.9	21.0	0.1	-1.2
Other community, social, and personal services	-6.4	5.8	8.2	-5.6	10.4	0.6	0.3
Activities n.e.s. 1/	-9.3	4.3	13.3	-4.7	4.4	7.1	-8.5
Total	<u>-7.4</u>	<u>5.1</u>	<u>9.1</u>	<u>-4.5</u>	<u>10.8</u>	<u>3.3</u>	<u>1.4</u>
<u>Memorandum items:</u>							
Daily paid employees	1.0	18.8	12.7	2.9	3.5	2.1	1.5
Of which: Export							
Processing Zone	(-3.6)	(22.1)	(12.9)	(2.2)	(6.0)	(-0.7)	(2.0)

Source: Central Statistical Office, Surveys of Employment and Earnings.

1/ Not elsewhere specified.

2/ Deflated by the consumer price index.

Table 8. Mauritius: Labor Costs and Productivity in Manufacturing, 1/ 1982-95

	1982	1985	1989	1990	1991	1992	1993	1994	1995
<u>(In millions of Mauritian rupees)</u>									
Labor costs	511	1,046	2,462	2,918	3,860	4,490	4,733	5,297	5,857
Value added (1982 prices)	1,112	1,598	2,670	2,902	3,057	3,260	3,464	3,657	3,850
<u>(1982=100)</u>									
Labor cost index (1)	100.0	204.5	481.5	570.6	754.8	878.0	925.5	1,035.8	1,145.3
Manufacturing production index (2)	100.0	143.7	240.1	261.0	274.9	293.2	311.5	328.9	346.2
Unit labor cost index (3)=(1)/(2)	100.0	142.3	200.5	218.6	274.6	299.5	297.1	315.0	330.8
Employment index (4)	100.0	185.7	286.5	287.0	286.0	283.0	275.0	271.0	268.0
Average wage index (5)=(1)/(4)	100.0	110.1	168.1	198.8	263.9	310.2	336.5	382.2	427.3
Labor productivity index (6)=(2)/(4)	100.0	77.4	83.8	90.9	96.1	103.6	113.3	121.4	129.2
<u>(Annual change in percent)</u>									
Labor cost index (1)	...	34.9	13.4	18.5	32.3	16.3	5.4	11.9	10.6
Manufacturing production index (2)	...	17.1	5.7	8.7	5.3	6.6	6.3	5.6	5.3
Unit labor cost index (3)=(1)/(2)	...	15.2	7.3	9.0	25.6	9.1	-0.8	6.0	5.0
Employment index (4)	...	33.4	2.1	0.2	-0.3	-1.0	-2.8	-1.5	-1.1
Average wage index (5)=(1)/(4)	...	1.1	11.1	18.3	32.7	17.6	8.5	13.6	11.8
Labor productivity index (6)=(2)/(4)	...	-12.2	3.6	8.5	5.7	7.8	9.3	7.1	6.5

Source: Central Statistical Office, Digest of Industrial Statistics.

1/ Excluding sugar milling and small establishments (fewer than 10 employees).

Table 9. Mauritius: Price Indicators, 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
<u>(July 1986-June 1987=100)</u>							
Consumer prices							
Average	130.3	147.0	151.2	164.7	180.1	191.0	202.1
End of period	135.4	147.0	156.4	173.5	186.3	196.3	211.1
Export prices (in rupees)	137.0	150.4	159.9	171.4	183.4	191.7	...
Import prices (in rupees)	137.3	151.4	155.7	161.8	180.3	191.2	...
Terms of trade	99.8	99.3	102.7	105.9	101.7	100.2	...
GDP deflator	135.9	148.0	158.2	168.5	181.4	192.3	201.9
<u>(Annual change in percent)</u>							
Consumer prices							
Average	10.7	12.8	2.9	8.9	9.4	6.1	5.8
End of period	10.4	8.6	6.4	10.9	7.4	5.4	7.6
Export prices (in rupees)	11.5	9.7	6.4	7.2	7.0	4.5	...
Import prices (in rupees)	8.9	10.3	2.8	3.9	11.5	6.0	...
Terms of trade	2.4	-0.5	3.4	3.1	-4.0	-1.4	...
GDP deflator	11.6	8.9	6.9	6.5	7.7	6.0	5.0

Source: Central Statistical Office.

Table 10. Mauritius: List of Public Institutions, 1996

1. Budgetary Central Government

Ministries and departments covered by the general budget with the exception of the Civil Aviation Department,¹ Postal Services and Waste Water Division.

2. Other units of central government (extrabudgetary units)

Civil Service Family Protection Scheme Board
Conservatoire de Musique
Development Works Corporation
Employees Welfare Fund
Export Processing Zone Labour Welfare Fund
Farmers' Service Corporation
Industrial Vocational Training Board
Mahatma Gandhi Institute
Mauritius College of the Air
Mauritius Examinations Syndicate
Mauritius Film Development Corporation
Mauritius Institute of Education
Mauritius Institute of Health
National Handicraft Centre
National Pension Fund
National Savings Fund
Outer Islands Development Corporation
Private Secondary Schools Authority
SSR Medical Research Centre
Sugar Industry Labour Welfare Fund
Tea Board
Technical School Management Trust Fund
Tertiary Education Commission
Town and Country Planning Board
University of Mauritius
Valuation Tribunal

3. Local government

Municipal councils
District councils, including village councils

¹The activities of Civil Aviation Department (with the exception of the regulatory functions) have been taken over by the Airport Development Company Ltd, since October 1995.

Table 10 (continued). Mauritius: List of Public Institutions, 1996

4. Nonfinancial public enterprises

Agricultural Marketing Board
Air Mauritius Ltd
Airport Development Corporation Ltd
Belle Rive Tea Factory
Cargo Handling Corporation
Central Electricity Board
Central Water Authority
Civil Aviation Department
Export Processing Zone Development Authority
Food and Agricultural Research Council
Irrigation Authority
La Pipe Tea Factory
Mauritius Broadcasting Corporation
Mauritius Export Development and Investment Authority
Mauritius Freeport Authority
Mauritius Marine Authority
Mauritius Meat Authority
Mauritius Offshore Business Activities Authority
Mauritius Shipping Corporation
Mauritius Standards Bureau
Mauritius Sugar Authority
Mauritius Sugar Industry Research Institute
Mauritius Sugar Bulk Terminal Corporation
Mauritius Tea Factories Co Ltd
Mauritius Telecoms
Mauritius Tourism Promotion Authority
National Computer Board
National Housing Development Company Ltd
National Transport Corporation
Postal Services
Rose Belle Sugar Estate
Small and Medium Industries Development Organization
State Informatics Ltd
State Informatics Training Centre
State Trading Corporation
Sugar Planters Mechanical Pool Corporation
Tobacco Board

Table 10 (concluded). Mauritius: List of Public Institutions, 1996

5. Public financial institutions

Bank of Mauritius
Development Bank of Mauritius Ltd
Mauritius Cooperative Central Bank
Mauritius Housing Company Ltd
Mauritius Leasing Co. Ltd
National Mutual Fund
Post Office Savings Bank
State Bank of Mauritius Ltd
State Insurance Corporation of Mauritius Ltd
State Investment Corporation Ltd
Stock Exchange Commission
Sugar Insurance Fund Board

Source: Ministry of Economic Planning and Development.

Table 11. Mauritius: Summary of Government Finances, 1/ 1988/89-1995/96

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
(In millions of Mauritian rupees)								
Total revenue and grants	<u>7,281</u>	<u>8,489</u>	<u>9,624</u>	<u>10,616</u>	<u>11,400</u>	<u>13,186</u>	<u>13,124</u>	<u>12,832</u>
Of which: tax revenue	(6,656)	(7,685)	(9,050)	(9,342)	(10,265)	(11,463)	(11,068)	(11,488)
Total expenditure and net lending	<u>8,231</u>	<u>9,254</u>	<u>10,328</u>	<u>11,848</u>	<u>12,433</u>	<u>14,647</u>	<u>15,550</u>	<u>18,270</u>
Current expenditure	6,518	7,566	8,429	9,607	9,912	11,999	13,078	14,718
Wages and salaries	(2,587)	(2,859)	(2,946)	(3,287)	(3,594)	(4,902)	(5,003)	(5,262)
Other goods and services	(714)	(763)	(862)	(1,249)	(1,211)	(1,157)	(1,464)	(1,748)
Interest payments	(1,119)	(1,629)	(1,833)	(1,811)	(1,515)	(1,669)	(2,020)	(2,332)
Current transfers and subsidies	(2,098)	(2,315)	(2,788)	(3,260)	(3,592)	(4,271)	(4,592)	(5,376)
Capital expenditure and net lending	1,713	1,688	1,899	2,241	2,521	2,648	2,472	3,552
Current balance before grants	<u>695</u>	<u>808</u>	<u>1,134</u>	<u>984</u>	<u>1,410</u>	<u>1,058</u>	<u>-216</u>	<u>-2,106</u>
Overall balance after grants	<u>-950</u>	<u>-765</u>	<u>-704</u>	<u>-1,232</u>	<u>-1,033</u>	<u>-1,460</u>	<u>-2,426</u>	<u>-5,438</u>
Financing	<u>950</u>	<u>765</u>	<u>704</u>	<u>1,232</u>	<u>1,033</u>	<u>1,460</u>	<u>2,426</u>	<u>5,438</u>
External, net	-462	-169	-284	-330	-312	-113	-371	2,374
Disbursements	(674)	(298)	(239)	(227)	(553)	(503)	(255)	(3,040)
Amortization	(-1,136)	(-467)	(-523)	(-557)	(-865)	(-616)	(-626)	(-666)
Domestic	1,412	934	988	1,562	1,346	1,573	2,797	3,064
Banking system, net	(-35)	(407)	(734)	(1,922)	(1,222)	(2,681)	(2,675)	(1,269)
Nonbank and residual	(1,448)	(527)	(254)	(-360)	(124)	(-1,108)	(122)	(1,795)
(Annual change in percent)								
Total revenue and grants	14.6	16.6	13.4	10.3	7.4	15.7	-0.5	-2.2
Total expenditure and net lending	23.9	12.4	11.6	14.7	4.9	17.8	6.2	17.5
(In percent of GDP)								
Total revenue and grants	23.6	23.5	23.0	22.7	21.4	22.1	20.0	17.8
Of which: tax revenue	(21.6)	(21.3)	(21.7)	(20.0)	(19.3)	(19.2)	(16.9)	(16.0)
Total expenditure and net lending	26.7	25.6	24.7	25.3	23.4	24.5	23.8	25.4
Current expenditure	(21.1)	(21.0)	(20.2)	(20.5)	(18.6)	(20.1)	(20.0)	(20.4)
Capital expenditure and net lending	(5.6)	(4.7)	(4.5)	(4.8)	(4.7)	(4.4)	(3.8)	(4.9)
Overall balance after grants	-3.1	-2.1	-1.7	-2.6	-1.9	-2.4	-3.7	-7.6
Current balance before grants	2.3	2.2	2.7	2.1	2.7	1.8	-0.3	-2.9
External financing	-1.5	-0.5	-0.7	-0.7	-0.6	-0.2	-0.6	3.3
Domestic financing	4.6	2.6	2.4	3.3	2.5	2.6	4.3	4.3
Of which: banking system	(-0.1)	(1.1)	(1.8)	(4.1)	(2.3)	(4.5)	(4.1)	(1.8)

Sources: Ministry of Finance; and Bank of Mauritius.

1/ Budgetary Central Government, Government Financial Statistics (GFS) basis.

Table 12. Mauritius: Evolution of Government Revenue, 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
(In millions of Mauritian rupees)							
Taxes on net income and profits	1,232	1,387	1,565	1,465	1,497	1,804	1,973
Individuals	(564)	(544)	(552)	(697)	(683)	(863)	(991)
Corporate	(668)	(843)	(1,013)	(768)	(814)	(941)	(982)
Taxes on property	469	610	571	716	777	809	895
Taxes on goods and services	1,832	2,275	2,563	2,917	3,356	3,464	3,710
Taxes on international trade	4,118	4,743	4,624	5,145	5,815	4,979	4,899
Import duties	(3,703)	(4,269)	(4,195)	(4,711)	(5,415)	(4,978)	(4,899)
Export duties	(375)	(430)	(417)	(434)	(400)	(--)	(--)
Other tax revenue	34	35	18	22	18	12	11
Total tax revenue	7,685	9,050	9,342	10,265	11,463	11,068	11,488
Nontax revenue	688	513	1,249	1,057	1,594	1,795	1,124
Foreign grants	116	61	25	78	130	262	220
Total revenue and grants	8,489	9,624	10,616	11,400	13,186	13,124	12,832
(Annual change in percent)							
Taxes on net income and profits	25.7	12.6	12.9	-6.4	2.2	20.5	9.4
Individuals	(33.1)	(-3.5)	(1.5)	(26.2)	(-2.0)	(26.4)	(14.8)
Corporate	(20.1)	(26.2)	(20.2)	(-24.2)	(6.0)	(15.6)	(4.4)
Taxes on property	26.0	30.1	-6.4	25.3	8.6	4.2	10.6
Taxes on goods and services	15.7	24.2	12.7	13.8	15.0	3.2	7.1
Taxes on international trade	11.4	15.2	-2.5	11.3	13.0	-14.4	-1.6
Import duties	(21.2)	(15.3)	(-1.7)	(12.3)	(14.9)	(-8.1)	(-1.6)
Export duties	(-38.6)	(14.7)	(-3.1)	(4.1)	(-7.8)	(-100.0)	(...)
Total tax revenue	15.5	17.8	3.2	9.9	11.7	-3.5	3.8
Nontax revenue	23.5	-25.4	143.5	-15.4	50.8	12.6	-37.4
Foreign grants	71.6	-47.4	-58.7	209.5	66.7	101.2	-15.9
Total revenue and grants	16.6	13.4	10.3	7.4	15.7	-0.5	-2.2
(In percent of total)							
Taxes on net income and profits	14.5	14.4	14.7	12.9	11.4	13.7	15.4
Individuals	(6.6)	(5.7)	(5.2)	(6.1)	(5.2)	(6.6)	(7.7)
Corporate	(7.9)	(8.8)	(9.5)	(6.7)	(6.2)	(7.2)	(7.7)
Taxes on property	5.5	6.3	5.4	6.3	5.9	6.2	7.0
Taxes on goods and services	21.6	23.6	24.1	25.6	25.5	26.4	28.9
Taxes on international trade	48.5	49.3	43.6	45.1	44.1	37.9	38.2
Import duties	(43.6)	(44.4)	(39.5)	(41.3)	(41.1)	(37.9)	(38.2)
Export duties	(4.4)	(4.5)	(3.9)	(3.8)	(3.0)	(--)	(--)
Total tax revenue	90.5	94.0	88.0	90.0	86.9	84.3	89.5
Nontax revenue	8.1	5.3	11.8	9.3	12.1	13.7	8.8
Foreign grants	1.4	0.6	0.2	0.7	1.0	2.0	1.7
Total revenue and grants	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(In percent of GDP at market prices)							
Taxes on net income and profits	3.4	3.3	3.3	2.8	2.5	2.8	2.7
Individuals	(1.6)	(1.3)	(1.2)	(1.3)	(1.1)	(1.3)	(1.4)
Corporate	(1.9)	(2.0)	(2.2)	(1.4)	(1.4)	(1.4)	(1.4)
Taxes on property	1.3	1.5	1.2	1.3	1.3	1.2	1.2
Taxes on goods and services	5.1	5.4	5.5	5.5	5.6	5.3	5.2
Taxes on international trade	11.4	11.3	9.9	9.7	9.7	7.6	6.8
Import duties	(10.3)	(10.2)	(9.0)	(8.9)	(9.1)	(7.6)	(6.8)
Export duties	(1.0)	(1.0)	(0.9)	(0.8)	(0.7)	(--)	(--)
Total tax revenue	21.3	21.7	20.0	19.3	19.2	16.9	16.0
Nontax revenue	1.9	1.2	2.7	2.0	2.7	2.7	1.6
Foreign grants	0.3	0.1	0.1	0.1	0.2	0.4	0.3
Total revenue and grants	23.5	23.0	22.7	21.4	22.1	20.0	17.8
(Buoyancy with respect to GDP)							
Taxes on net income and profits	1.52	0.79	1.07	-0.47	0.18	2.13	0.94
Individuals	(1.95)	(-0.22)	(0.13)	(1.93)	(-0.16)	(2.74)	(1.48)
Corporate	(1.19)	(1.65)	(1.69)	(-1.78)	(0.49)	(1.62)	(0.44)
Taxes on property	1.54	1.90	-0.53	1.86	0.69	0.43	1.06
Taxes on goods and services	0.93	1.53	1.06	1.02	1.22	0.33	0.71
Taxes on international trade	0.67	0.96	-0.21	0.83	1.06	-1.50	-0.16
Import duties	(1.26)	(0.96)	(-0.14)	(0.90)	(1.21)	(-0.84)	(-0.16)
Export duties	(-2.28)	(0.93)	(-0.26)	(0.30)	(-0.64)	(-10.40)	(...)
Total tax revenue	0.91	1.12	0.27	0.73	0.95	-0.36	0.38
Nontax revenue	1.39	-1.60	11.99	-1.13	4.12	1.31	-5.75
Total revenue and grants	0.98	0.84	0.86	0.54	1.27	-0.05	-0.22

Source: Ministry of Finance.

Table 13. Mauritius: Evolution of Government Expenditure by Economic Classification, 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
(In millions of Mauritian rupees)							
Wages and salaries	2,859	2,946	3,287	3,594	4,902	5,003	5,262
Other goods and services	763	862	1,249	1,211	1,157	1,464	1,748
Interest payments	1,629	1,833	1,811	1,515	1,669	2,020	2,332
External	(352)	(360)	(316)	(304)	(274)	(321)	(301)
Domestic	(1,277)	(1,473)	(1,495)	(1,211)	(1,395)	(1,699)	(2,031)
Current transfers and subsidies	2,315	2,788	3,260	3,592	4,271	4,592	5,376
Total current expenditure	<u>7,566</u>	<u>8,429</u>	<u>9,607</u>	<u>9,912</u>	<u>11,999</u>	<u>13,078</u>	<u>14,718</u>
Capital expenditure and net lending	1,688	1,899	2,241	2,521	2,648	2,472	3,552
Total expenditure and net lending	<u>9,254</u>	<u>10,328</u>	<u>11,848</u>	<u>12,433</u>	<u>14,647</u>	<u>15,550</u>	<u>18,270</u>
(Annual change in percent)							
Wages and salaries	10.5	3.1	11.6	9.3	36.4	2.1	5.2
Other goods and services	6.9	13.0	44.9	-3.0	-4.5	26.5	19.4
Interest payments	45.6	12.5	-1.2	-16.3	10.2	21.0	15.4
External	(-0.8)	(2.3)	(-12.2)	(-3.8)	(-9.9)	(17.2)	(-6.2)
Domestic	(67.1)	(15.3)	(1.5)	(-19.0)	(15.2)	(21.8)	(19.5)
Current transfers and subsidies	10.3	20.4	16.9	10.2	18.9	7.5	17.1
Total current expenditure	<u>16.1</u>	<u>11.4</u>	<u>14.0</u>	<u>3.2</u>	<u>21.1</u>	<u>9.0</u>	<u>12.5</u>
Capital expenditure and net lending	-1.4	12.5	18.0	12.5	5.0	-6.7	43.7
Total expenditure and net lending	<u>12.4</u>	<u>11.6</u>	<u>14.7</u>	<u>4.9</u>	<u>17.8</u>	<u>6.2</u>	<u>17.5</u>
(In percent of total)							
Wages and salaries	30.9	28.5	27.7	28.9	33.5	32.2	28.8
Other goods and services	8.2	8.3	10.5	9.7	7.9	9.4	9.6
Interest payments	17.6	17.7	15.3	12.2	11.4	13.0	12.8
External	(3.8)	(3.5)	(2.7)	(2.4)	(1.9)	(2.1)	(1.6)
Domestic	(13.8)	(14.3)	(12.6)	(9.7)	(9.5)	(10.9)	(11.1)
Current transfers and subsidies	25.0	27.0	27.5	28.9	29.2	29.5	29.4
Total current expenditure	<u>81.8</u>	<u>81.6</u>	<u>81.1</u>	<u>79.7</u>	<u>81.9</u>	<u>84.1</u>	<u>80.6</u>
Capital expenditure and net lending	18.2	18.4	18.9	20.3	18.1	15.9	19.4
Total expenditure and net lending	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
(In percent of GDP at market prices)							
Wages and salaries	7.9	7.0	7.0	6.8	8.2	7.6	7.3
Other goods and services	2.1	2.1	2.7	2.3	1.9	2.2	2.4
Interest payments	4.5	4.4	3.9	2.8	2.8	3.1	3.2
External	(1.0)	(0.9)	(0.7)	(0.6)	(0.5)	(0.5)	(0.4)
Domestic	(3.5)	(3.5)	(3.2)	(2.3)	(2.3)	(2.6)	(2.8)
Current transfers and subsidies	6.4	6.7	7.0	6.8	7.2	7.0	7.5
Total current expenditure	<u>21.0</u>	<u>20.2</u>	<u>20.5</u>	<u>18.6</u>	<u>20.1</u>	<u>20.0</u>	<u>20.4</u>
Capital expenditure and net lending	4.7	4.5	4.8	4.7	4.4	3.8	4.9
Total expenditure and net lending	<u>25.6</u>	<u>24.7</u>	<u>25.3</u>	<u>23.4</u>	<u>24.5</u>	<u>23.8</u>	<u>25.4</u>
(Buoyancy with respect to GDP)							
Wages and salaries	0.62	0.19	0.97	0.69	2.95	0.21	0.52
Other goods and services	0.41	0.82	3.75	-0.22	-0.36	2.75	1.95
Interest payments	2.70	0.79	-0.10	-1.20	0.82	2.19	1.55
External	(-0.05)	(0.14)	(-1.02)	(-0.28)	(-0.80)	(1.78)	(-0.62)
Domestic	(3.97)	(0.97)	(0.12)	(-1.40)	(1.23)	(2.27)	(1.96)
Current transfers and subsidies	0.61	1.29	1.42	0.75	1.53	0.78	1.71
Total current expenditure	<u>0.95</u>	<u>0.72</u>	<u>1.17</u>	<u>0.23</u>	<u>1.71</u>	<u>0.94</u>	<u>1.26</u>
Capital expenditure and net lending	-0.08	0.79	1.50	0.92	0.41	-0.69	4.38
Total expenditure and net lending	<u>0.74</u>	<u>0.73</u>	<u>1.23</u>	<u>0.36</u>	<u>1.44</u>	<u>0.64</u>	<u>1.75</u>

Source: Ministry of Finance.

Table 14. Mauritius: Evolution of Government Expenditure ^{1/} by Functional Classification, 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. Est.
(In millions of Mauritian rupees)							
Public administration and security	1,965	2,078	2,269	2,501	2,980	3,391	3,693
Of which: Defense	(117)	(153)	(176)	(180)	(200)	(221)	(238)
Social services	3,519	4,195	5,080	5,693	7,076	7,586	8,318
Of which: Education	(1,199)	(1,465)	(1,620)	(1,671)	(2,265)	(2,600)	(2,695)
Health	(758)	(870)	(931)	(1,141)	(1,303)	(1,291)	(1,404)
Economic services	1,050	1,256	1,631	1,652	2,110	2,037	2,014
Other	2,443	2,562	2,624	2,311	2,199	2,573	3,183
Total expenditure	<u>8,977</u>	<u>10,091</u>	<u>11,604</u>	<u>12,157</u>	<u>14,365</u>	<u>15,588</u>	<u>17,208</u>
(Annual change in percent)							
Public administration and security	19.5	5.8	9.2	10.2	19.2	13.8	8.9
Of which: Defense	(60.3)	(30.8)	(15.0)	(2.3)	(11.1)	(10.5)	(7.7)
Social services	12.5	19.2	21.1	12.1	24.3	7.2	9.6
Of which: Education	(6.2)	(22.2)	(10.6)	(3.1)	(35.5)	(14.8)	(3.7)
Health	(10.3)	(14.8)	(7.0)	(22.6)	(14.2)	(-0.9)	(8.8)
Economic services	2.8	19.6	29.9	1.3	27.7	-3.4	-1.1
Other	33.0	4.9	2.4	-11.9	-4.8	17.0	23.7
Total expenditure	<u>17.7</u>	<u>12.4</u>	<u>15.0</u>	<u>4.8</u>	<u>18.2</u>	<u>8.5</u>	<u>10.4</u>
(In percent of total)							
Public administration and security	21.9	20.6	19.6	20.6	20.7	21.8	21.5
Of which: Defense	(1.3)	(1.5)	(1.5)	(1.5)	(1.4)	(1.4)	(1.4)
Social services	39.2	41.6	43.8	46.8	49.3	48.7	48.3
Of which: Education	(13.4)	(14.5)	(14.0)	(13.7)	(15.8)	(16.7)	(15.7)
Health	(8.4)	(8.6)	(8.0)	(9.4)	(9.1)	(8.3)	(8.2)
Economic services	11.7	12.4	14.1	13.6	14.7	13.1	11.7
Other	27.2	25.4	22.6	19.0	15.3	16.5	18.5
Total expenditure	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
(In percent of GDP at market prices)							
Public administration and security	5.4	5.0	4.8	4.7	5.0	5.2	5.1
Of which: Defense	(0.3)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)
Social services	9.8	10.0	10.9	10.7	11.8	11.6	11.6
Of which: Education	(3.3)	(3.5)	(3.5)	(3.1)	(3.8)	(4.0)	(3.7)
Health	(2.1)	(2.1)	(2.0)	(2.1)	(2.2)	(2.0)	(2.0)
Economic services	2.9	3.0	3.5	3.1	3.5	3.1	2.8
Other	6.8	6.1	5.6	4.3	3.7	3.9	4.4
Total expenditure	<u>24.9</u>	<u>24.1</u>	<u>24.8</u>	<u>22.9</u>	<u>24.1</u>	<u>23.8</u>	<u>23.9</u>
(Buoyancy with respect to GDP)							
Public administration and security	1.15	0.36	0.77	0.75	1.55	1.43	0.89
Of which: Defense	(3.56)	(1.94)	(1.26)	(0.17)	(0.90)	(1.09)	(0.77)
Social services	0.74	1.21	1.76	0.89	1.97	0.75	0.97
Of which: Education	(0.37)	(1.40)	(0.88)	(0.23)	(2.88)	(1.54)	(0.37)
Health	(0.61)	(0.93)	(0.59)	(1.66)	(1.15)	(-0.10)	(0.88)
Economic services	0.17	1.24	2.49	0.09	2.25	-0.36	-0.11
Other	1.95	0.31	0.20	-0.88	-0.39	1.77	2.38
Total expenditure	<u>1.04</u>	<u>0.78</u>	<u>1.25</u>	<u>0.35</u>	<u>1.47</u>	<u>0.89</u>	<u>1.04</u>

Source: Ministry of Finance.

^{1/} Excluding net lending.

Table 15. Mauritius: Liquidity Position of Commercial Banks, June 1991-September 1996

	1991	1992	1993	1994	1995			1996		
		June			June	Sept.	Dec.	Mar.	June	Sept.
(Ratios to total deposits; in percent)										
Total liquidity ratio	42.5	44.8	37.5	35.2	34.4	36.5	38.6	42.6	40.4	38.7
Cash ratio	10.2	13.8	12.3	10.5	9.4	10.3	9.3	9.8	12.3	7.8
Noncash liquidity ratio	32.3	31.0	25.2	24.7	25.0	26.2	29.2	32.7	28.1	30.9
(In millions of Mauritian rupees; end of period)										
Total liquidity	10,449	13,302	12,611	13,918	15,409	17,137	19,578	22,632	20,978	20,245
Cash 1/	2,505	4,098	4,147	4,159	4,229	4,843	4,741	5,231	6,406	4,070
Of which: cash holdings of the MCBFC	(367)	(484)	(65)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Noncash liquidity 2/	7,944	9,203	8,464	9,759	11,181	12,294	14,837	17,401	14,573	16,175
Required liquidity	8,112	9,789	11,086	13,041	14,776	15,499	16,740	17,545	17,124	14,651
Required cash	2,458	2,966	3,359	3,952	4,478	4,697	5,073	5,317	5,189	4,186
Required noncash liquidity	5,654	6,822	7,727	9,089	10,298	10,802	11,667	12,228	11,935	10,465
Excess liquidity	2,337	3,513	1,525	876	633	1,639	2,838	5,087	3,854	5,594
Excess cash	47	1,132	788	207	-249	147	-332	-86	1,217	-116
Excess noncash liquidity	2,290	2,381	737	669	882	1,492	3,170	5,173	2,638	5,710
Memorandum items: (Ratios in percent, unless otherwise indicated)										
Liquidity requirement 3/	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	28.0
Cash reserve requirement	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.0
Liquid asset requirement	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	20.0
Total deposits (in millions of Mauritian rupees) 4/	24,581	29,663	33,594	39,519	44,776	46,966	50,728	53,166	51,891	52,325
Credit/deposit ratio 5/	58.1	55.3	61.5	67.5	69.2	68.3	66.7	62.7	62.5	63.8
Total private sector deposits (in millions of Mauritian rupees)	24,162	29,114	33,150	39,192	44,058	46,196	49,260	51,827	51,274	52,167

Source: Bank of Mauritius.

1/ Includes cash in hand and balances at the Bank of Mauritius (BOM) and, through June 1993, also includes current account balances of the Mauritius Commercial Bank Finance Corporation (MCBFC) at the Mauritius Commercial Bank (MCB). In July 1993, the current account balances of the MCBFC were transferred to the Bank of Mauritius; on February 28, 1994, the banking business of the MCBFC was transferred to the MCB and the MCBFC surrendered its banking licence.

2/ Includes treasury bills and government stocks eligible for rediscount at the BOM; since January 1988, excludes those government stocks with residual maturity exceeding seven years. Since July 1991, includes holdings of Bank of Mauritius bills.

3/ Between 1988 and July 1996, separate cash and liquidity requirements were stated at 10 percent and 23 percent of total deposits, respectively; since July 1996, these requirements have been stated at 8 percent and 20 percent, respectively, implying a total liquidity requirement of 28 percent.

4/ Series provided by the Bank of Mauritius.

5/ Ratio of private sector credit to private sector deposits held at commercial banks.

Table 16. Mauritius: Monetary Survey, June 1992-September 1996

	1992	1993	1994	1995			1996		
		June		June	Sept.	Dec.	Mar.	June	Sept.
(In millions of Mauritian rupees; end of period)									
Net foreign assets	<u>16,252</u>	<u>16,106</u>	<u>15,483</u>	<u>14,994</u>	<u>15,554</u>	<u>18,785</u>	<u>19,620</u>	<u>19,281</u>	<u>18,988</u>
Domestic credit	<u>23,507</u>	<u>28,914</u>	<u>37,612</u>	<u>44,227</u>	<u>45,714</u>	<u>46,369</u>	<u>47,357</u>	<u>47,069</u>	<u>47,809</u>
Claims on Government (net)	<u>7,141</u>	<u>8,258</u>	<u>10,945</u>	<u>13,620</u>	<u>14,047</u>	<u>13,358</u>	<u>14,703</u>	<u>14,876</u>	<u>14,408</u>
Claims on private sector	<u>16,366</u>	<u>20,656</u>	<u>26,668</u>	<u>30,607</u>	<u>31,667</u>	<u>33,011</u>	<u>32,654</u>	<u>32,193</u>	<u>33,401</u>
Broad money (M2)	<u>32,102</u>	<u>36,475</u>	<u>42,786</u>	<u>47,832</u>	<u>50,109</u>	<u>54,147</u>	<u>55,956</u>	<u>55,450</u>	<u>56,353</u>
Money (M1)	<u>6,261</u>	<u>6,777</u>	<u>7,027</u>	<u>8,132</u>	<u>7,552</u>	<u>9,573</u>	<u>8,225</u>	<u>8,233</u>	<u>8,550</u>
Quasi-money	<u>25,841</u>	<u>29,698</u>	<u>35,759</u>	<u>39,700</u>	<u>42,557</u>	<u>44,574</u>	<u>47,731</u>	<u>47,218</u>	<u>47,804</u>
Money market instruments	<u>877</u>	<u>309</u>	<u>186</u>	--	--	<u>159</u>	<u>37</u>	<u>-2</u>	<u>130</u>
Other items (net)	<u>6,780</u>	<u>8,237</u>	<u>10,123</u>	<u>11,388</u>	<u>11,160</u>	<u>10,847</u>	<u>10,984</u>	<u>10,901</u>	<u>10,314</u>
(Annual change in millions of Mauritian rupees)									
Net foreign assets	<u>2,805</u>	<u>-146</u>	<u>-624</u>	<u>-489</u>	<u>48</u>	<u>2,917</u>	<u>4,095</u>	<u>4,287</u>	<u>3,434</u>
Domestic credit	<u>4,125</u>	<u>5,407</u>	<u>8,698</u>	<u>6,614</u>	<u>6,796</u>	<u>5,512</u>	<u>4,357</u>	<u>2,842</u>	<u>2,095</u>
Claims on Government (net)	<u>1,885</u>	<u>1,117</u>	<u>2,687</u>	<u>2,675</u>	<u>2,867</u>	<u>1,362</u>	<u>1,261</u>	<u>1,256</u>	<u>361</u>
Claims on private sector	<u>2,240</u>	<u>4,290</u>	<u>6,011</u>	<u>3,940</u>	<u>3,929</u>	<u>4,150</u>	<u>3,096</u>	<u>1,586</u>	<u>1,735</u>
Broad money (M2)	<u>5,337</u>	<u>4,373</u>	<u>6,311</u>	<u>5,046</u>	<u>5,932</u>	<u>8,529</u>	<u>8,653</u>	<u>7,619</u>	<u>6,244</u>
Money (M1)	<u>817</u>	<u>516</u>	<u>250</u>	<u>1,104</u>	<u>262</u>	<u>709</u>	<u>120</u>	<u>101</u>	<u>998</u>
Quasi-money	<u>4,520</u>	<u>3,857</u>	<u>6,061</u>	<u>3,941</u>	<u>5,670</u>	<u>7,820</u>	<u>8,533</u>	<u>7,518</u>	<u>5,247</u>
Other items (net)	<u>1,593</u>	<u>888</u>	<u>1,763</u>	<u>1,080</u>	<u>912</u>	<u>-100</u>	<u>-201</u>	<u>-489</u>	<u>-715</u>
(Annual change in percent)									
Domestic credit	<u>21.3</u>	<u>23.0</u>	<u>30.1</u>	<u>17.6</u>	<u>17.5</u>	<u>13.5</u>	<u>10.1</u>	<u>6.4</u>	<u>4.6</u>
Claims on Government (net)	<u>35.9</u>	<u>15.6</u>	<u>32.5</u>	<u>24.4</u>	<u>25.6</u>	<u>11.4</u>	<u>9.4</u>	<u>9.2</u>	<u>2.6</u>
Claims on private sector	<u>15.9</u>	<u>26.2</u>	<u>29.1</u>	<u>14.8</u>	<u>14.2</u>	<u>14.4</u>	<u>10.5</u>	<u>5.2</u>	<u>5.5</u>
Broad money (M2)	<u>19.9</u>	<u>13.6</u>	<u>17.3</u>	<u>11.8</u>	<u>13.4</u>	<u>18.7</u>	<u>18.3</u>	<u>15.9</u>	<u>12.5</u>
Money (M1)	<u>15.0</u>	<u>8.2</u>	<u>3.7</u>	<u>15.7</u>	<u>3.6</u>	<u>8.0</u>	<u>1.5</u>	<u>1.2</u>	<u>13.2</u>
Quasi-money	<u>21.2</u>	<u>14.9</u>	<u>20.4</u>	<u>11.0</u>	<u>15.4</u>	<u>21.3</u>	<u>21.8</u>	<u>18.9</u>	<u>12.3</u>
(Annual change in percent of broad money at the beginning of the period)									
Net foreign assets	<u>10.5</u>	<u>-0.5</u>	<u>-1.7</u>	<u>-1.1</u>	<u>0.1</u>	<u>6.4</u>	<u>8.7</u>	<u>9.0</u>	<u>6.9</u>
Domestic credit	<u>15.4</u>	<u>16.8</u>	<u>23.8</u>	<u>15.5</u>	<u>15.4</u>	<u>12.1</u>	<u>9.2</u>	<u>5.9</u>	<u>4.2</u>
Claims on Government (net)	<u>7.0</u>	<u>3.5</u>	<u>7.4</u>	<u>6.3</u>	<u>6.5</u>	<u>3.0</u>	<u>2.7</u>	<u>2.6</u>	<u>0.7</u>
Claims on private sector	<u>8.4</u>	<u>13.4</u>	<u>16.5</u>	<u>9.2</u>	<u>8.9</u>	<u>9.1</u>	<u>6.5</u>	<u>3.3</u>	<u>3.5</u>
Broad money (M2)	<u>19.9</u>	<u>13.6</u>	<u>17.3</u>	<u>11.8</u>	<u>13.4</u>	<u>18.7</u>	<u>18.3</u>	<u>15.9</u>	<u>12.5</u>
Money (M1)	<u>3.1</u>	<u>1.6</u>	<u>0.7</u>	<u>2.6</u>	<u>0.6</u>	<u>1.6</u>	<u>0.3</u>	<u>0.2</u>	<u>2.0</u>
Quasi-money	<u>16.9</u>	<u>12.0</u>	<u>16.6</u>	<u>9.2</u>	<u>12.8</u>	<u>17.1</u>	<u>18.0</u>	<u>15.7</u>	<u>10.5</u>
Other items (net)	<u>6.0</u>	<u>2.8</u>	<u>4.8</u>	<u>2.5</u>	<u>2.1</u>	<u>-0.2</u>	<u>-0.4</u>	<u>-1.0</u>	<u>-1.4</u>

Source: Bank of Mauritius.

Table 17. Mauritius: Money Supply and its Components, 1/ 1990/91-1995/96

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
(In millions of Mauritian rupees)						
Broad money (M2)	24,378	29,725	34,383	39,933	45,543	52,699
Money (M1)	5,126	6,178	6,653	7,014	7,884	8,343
Currency with the public	(2,511)	(2,959)	(3,315)	(3,642)	(3,873)	(4,159)
Demand deposits	(2,615)	(3,219)	(3,338)	(3,371)	(4,011)	(4,184)
Quasi-money	19,251	23,547	27,730	32,919	37,660	44,356
Reserve money	4,433	9,883	10,042	8,904	8,542	9,867
(Ratios: in percent)						
Currency/M1	49.0	47.9	49.8	51.9	49.1	49.8
Demand deposits/M1	51.0	52.1	50.2	48.1	50.9	50.2
Currency/M2	10.3	10.0	9.6	9.1	8.5	7.9
Demand deposits/M2	10.7	10.8	9.7	8.4	8.8	7.9
M1/M2	21.0	20.8	19.3	17.6	17.3	15.8
Quasi-money/M2	79.0	79.2	80.7	82.4	82.7	84.2
Liquidity ratios: 2/						
M1	12.3	13.2	12.5	11.7	12.0	11.6
M2	58.3	63.5	64.7	66.9	69.6	73.2
(Ratios)						
Multipliers: 3/						
M1	1.16	0.63	0.66	0.79	0.92	0.85
M2	5.50	3.01	3.42	4.48	5.33	5.34
Income velocities: 4/						
M1	8.15	7.58	7.99	8.52	8.30	8.63
M2	1.71	1.57	1.55	1.50	1.44	1.37
Memorandum items:						
Nominal GDP 5/	41,800	46,803	53,170	59,724	65,468	71,998

Source: Bank of Mauritius.

1/ Data are five-quarter averages.

2/ Money supply divided by nominal GDP.

3/ Money supply divided by reserve money; the reduction beginning in 1991/92 reflects the introduction of Bank of Mauritius bills from July 1991, replacing a substantial part of the Treasury bill issue.

4/ Nominal GDP divided by money supply.

5/ In millions of Mauritian rupees.

Table 18. Mauritius: Balance of Payments, 1990/91-1995/96

(In millions of SDRs, unless otherwise indicated)

	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
Trade balance	<u>-163.7</u>	<u>-138.7</u>	<u>-140.8</u>	<u>-159.1</u>	<u>-268.7</u>	<u>-202.0</u>
Exports, f.o.b.	907.9	933.1	951.5	952.8	984.9	1,044.0
Percent change	(10.2)	(2.8)	(2.0)	(0.1)	(3.4)	(6.0)
Of which: sugar	(255.0)	(252.8)	(257.4)	(230.2)	(222.1)	(236.1)
Export Processing Zone	(564.9)	(584.6)	(610.5)	(633.5)	(671.7)	(707.2)
Imports, f.o.b.	-1,071.6	-1,071.9	-1,092.3	-1,111.9	-1,253.6	-1,246.0
Percent change	(5.1)	(0.0)	(1.9)	(1.8)	(12.7)	(-0.6)
Of which: Export Processing Zone	(-332.1)	(-340.4)	(-344.1)	(-378.2)	(-402.3)	(-417.2)
aircraft and ships	(-30.2)	(--)	(-28.9)	(-12.3)	(-82.3)	(-28.5)
Services (net)	<u>66.2</u>	<u>52.4</u>	<u>32.1</u>	<u>46.2</u>	<u>73.4</u>	<u>128.7</u>
Of which: tourism	(183.5)	(197.7)	(215.0)	(228.0)	(269.7)	(292.3)
Income (net)	<u>3.8</u>	<u>-0.2</u>	<u>8.8</u>	<u>-12.4</u>	<u>-12.8</u>	<u>-22.1</u>
Current transfers (net)	<u>63.6</u>	<u>63.9</u>	<u>68.3</u>	<u>71.7</u>	<u>68.7</u>	<u>72.6</u>
Current account balance	<u>-30.1</u>	<u>-22.7</u>	<u>-31.4</u>	<u>-53.7</u>	<u>-139.4</u>	<u>-22.7</u>
In percent of GDP	(-1.5)	(-1.1)	(-1.4)	(-2.3)	(-5.6)	(-0.9)
Capital and financial account	<u>-97.9</u>	<u>-90.0</u>	<u>28.1</u>	<u>22.4</u>	<u>43.0</u>	<u>-49.4</u>
Capital account	-0.8	-1.1	-0.9	-1.3	-0.8	-0.4
Financial account	-97.2	-88.9	29.1	23.7	43.8	-49.0
Direct investment	(17.1)	(3.3)	(-25.3)	(-0.9)	(14.5)	(20.1)
Abroad	(-0.4)	(-7.7)	(-34.0)	(-19.2)	(-0.5)	(-2.5)
In reporting country	(17.5)	(11.0)	(8.7)	(18.3)	(15.0)	(22.6)
Portfolio investment	(-1.5)	(-0.3)	(--)	(-1.7)	(10.1)	(115.4)
Other investment	(5.7)	(48.1)	(14.8)	(-11.4)	(-19.5)	(-45.8)
Government	-45.4	-15.2	-13.6	-4.4	-14.2	-10.9
Of which: net IMF	(-31.7)	(--)	(--)	(--)	(--)	(--)
Other public sector	37.2	45.7	5.0	1.8	51.0	-15.1
Other	14.0	17.5	23.3	-8.8	-56.2	-19.8
Reserve assets	(-118.5)	(-139.9)	(39.5)	(37.7)	(38.7)	(-138.7)
Errors and omissions 1/	<u>128.1</u>	<u>112.8</u>	<u>3.3</u>	<u>31.4</u>	<u>96.4</u>	<u>72.1</u>
Memorandum items:						
Net EPZ exports	232.8	244.2	266.5	255.3	269.4	290.0
Current account balance, excluding						
aircraft and ships	0.1	-22.7	-2.5	-41.5	-57.1	5.8
In percent of GDP	(0.0)	(-1.1)	(-0.1)	(-1.8)	(-2.3)	(0.2)
International reserves (end of period)	524.7	680.8	554.7	498.7	437.1	597.7
In months of imports, c.i.f.	(5.4)	(7.0)	(5.6)	(4.9)	(3.8)	(5.3)
Debt service ratio (in percent of exports						
of goods and services)	9.9	7.4	8.9	7.3	8.3	8.6
Mau Rs/SDR (period average)	20.73	21.78	22.99	25.55	26.10	27.69

Sources: Bank of Mauritius; Ministry of Finance; and staff projections.

1/ Includes valuation adjustments and other short-term capital flows.

CHART 1
MAURITIUS

MAIN ECONOMIC INDICATORS, 1984/85-1995/96

Sources: Central Statistical Office; Ministry of Finance; and Bank of Mauritius.

CHART 2
MAURITIUS
MACROECONOMIC BALANCES, 1976/77-1995/96
(In percent of GDP)

Sources: Central Statistical Office; Ministry of Finance; and Bank of Mauritius.

CHART 3
MAURITIUS

THE SUGAR SECTOR, 1975-96

Sources: Mauritius Sugar Syndicate; and IMF, Economic Information System.

1/ Deflated by the UN price index of manufactured exports.

CHART 4
MAURITIUS
EXPORT PROCESSING ZONE, 1983-95

Source: Central Statistical Office, *Digest of Industrial Statistics*.

CHART 5
MAURITIUS

LABOR MARKET DEVELOPMENTS, 1982-95

Source: Central Statistical Office.

1/ Series revised from 1990.

2/ In manufacturing, excluding sugar milling and small establishments (fewer than 10 employees)

CHART 6
MAURITIUS
PRICE DEVELOPMENTS, 1970-96
(Annual percentage change)

Source: Central Statistical Office.

**CENTRAL GOVERNMENT REVENUES AND
EXPENDITURES, 1976/77-1995/96**
(In percent of GDP)

Sources: Ministry of Finance; and Central Statistical Office.

FINANCING OF THE CENTRAL GOVERNMENT DEFICIT, 1976/77-1995/96 (In percent of GDP)

Source: Ministry of Finance; and Bank of Mauritius.

CHART 9
MAURITIUS
STOCK EXCHANGE OPERATIONS, 1989-96

Sources: Stock Exchange Commission of Mauritius.

MONETARY DEVELOPMENTS, 1970-96

Source: IMF, *International Financial Statistics*.

CHART 11
MAURITIUS

BALANCE OF PAYMENTS
DEVELOPMENTS, 1977/78-1995/96
(In percent of GDP)

Source: Bank of Mauritius.

CHART 12
MAURITIUS

TRADE DEVELOPMENTS, 1977/78-1995/96

Source: Central Statistical Office.

CHART 13
MAURITIUS
EXTERNAL DEBT, 1980-95

Sources: Ministry of Finance; and Bank of Mauritius.

CHART 14
MAURITIUS

SELECTED EXCHANGE RATE INDICES, 1980-96

(1980=100; foreign currency per rupee)

Source: IMF, *International Financial Statistics*.

1/ Information Notice System multilateral weights based on the geographical pattern of trade and tourism and including third market effects in 1980-82 on average.

2/ Relative consumer price; domestic price index/weighted-partner price indices.

3/ Based on relative consumer prices.

EFFECTIVE EXCHANGE RATE INDICES, 1980-96

(1980=100)

Source: IMF, *International Financial Statistics*.

1/ Information Notice System multilateral weights based on the geographical pattern of trade and tourism and including third-market effects in 1980-82 on average.

2/ Based on relative consumer prices.

Mauritius: Summary of the Tax System, 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate													
1. Taxes on income and profits (The Income Tax Act)	Income tax for companies and individuals is payable on the current year's chargeable income. A nonresident is liable only on income derived from Mauritius.	Investment income accruing to charitable institutions, various sugar industry funds, local authorities, trade unions, and benevolent associations is exempted.														
1.1 Companies	<p>Chargeable income includes distributed dividends, except that (a) individuals receiving dividends from taxed income can claim an exemption of up to 75,000 and (b) dividends paid by a resident company are not subject to income tax in the hands of the recipient companies. Large partnerships (more than 1 million turnover) are taxed as companies, drawings by partners are treated as dividends.</p> <p>Resident <i>sociétés</i> are not liable to tax in respect of this income, but the associates are taxable on their share of income from the <i>société</i>, whether the income is distributed or not.</p>	For companies, capital expenditure for agricultural improvement is deductible in full. Companies are also entitled to generous capital allowances: a 30-80 percent initial allowance and 5-25 percent annual allowance on straight-line method. In addition, there is an investment allowance of 25 percent. Previous year's losses, expenditure on repair of premises or plant, donations to prescribed charitable institutions up to a certain maximum, sugar export duties, and contributions to the National Pension Fund are all deductible.	<table><thead><tr><th>Item</th><th>Rate</th></tr></thead><tbody><tr><td>General rate</td><td>35 percent</td></tr><tr><td>Incentive rate (under the Development Incentives Act, EPZ Act, etc.)</td><td>15 percent</td></tr><tr><td>Companies listed on Stock Exchange</td><td>25 percent</td></tr><tr><td>Unit Trusts</td><td>15 percent</td></tr><tr><td>Offshore companies (at taxpayer's option)</td><td>0-35 percent</td></tr></tbody></table> <p><u>Less:</u> Investment tax credit at 30 percent of the amount subscribed to share capital of companies engaged in manufacturing, shipping, tourism, agriculture other than sugar cane, and mutual funds, spread over 3 years (maximum 300,000 per annum).</p>	Item	Rate	General rate	35 percent	Incentive rate (under the Development Incentives Act, EPZ Act, etc.)	15 percent	Companies listed on Stock Exchange	25 percent	Unit Trusts	15 percent	Offshore companies (at taxpayer's option)	0-35 percent	
Item	Rate															
General rate	35 percent															
Incentive rate (under the Development Incentives Act, EPZ Act, etc.)	15 percent															
Companies listed on Stock Exchange	25 percent															
Unit Trusts	15 percent															
Offshore companies (at taxpayer's option)	0-35 percent															

Mauritius (continued): Summary of the Tax System, 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate	
1.2 Individuals	Income tax is payable on income derived from any source. In general, a resident, domiciled in Mauritius, is liable on income derived domestically or from abroad except for earned income, where only the amounts remitted to the taxpayer enter the tax base. A taxpayer who has a foreign domicile is not liable on remittances of foreign income to him in Mauritius.	<u>Exempt</u> income includes death gratuities; the first 250,000 from sale of securities or units; bank interest and dividends up to an aggregate of 75,000; 35 percent of dividends (i) paid by companies whose securities are quoted on the Stock Exchange, (ii) on units from Unit Trusts, and (iii) on shares in an authorized mutual fund; dividends paid by offshore companies; and revenue from the first 40 tons of sugar produced (i.e., by small planters).	<u>Chargeable income</u>	<u>Rate</u>
			First 15,000	5 percent
			Next 20,000	15 percent
			Next 20,000	25 percent
			Remainder	30 percent
			<u>Less: tax credits</u>	
			Life insurance premiums (maximum 8,000)	
			25 percent	
			Investment in companies engaged in manufacturing, shipping, tourism, agriculture other than sugar cane, and mutual funds: 75 percent of amount subscribed spread over 3 years (maximum 75,000.)	
			<u>Deductions</u> from income include: interest paid on mortgage or secured loans; previous and current year's losses; pension contributions and annuity premiums; and certain overseas travel expenses (maximum of 10,000 per spouse once every three years). Personal and family deductions are: personal, 40,000; and wife, 20,000; children (maximum for three children) 10,000 per child under 18 or at school and 30,000 per child at university (local or abroad); plus an additional 15,000 per handicapped child, irrespective of age.	

Mauritius (*continued*): Summary of the Tax System, 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate	
2. Taxes on property			<u>Item</u>	<u>Rate</u>
2.1 Registration duty	Duty levied upon registration of transfer of immovable property, based on value of property transferred.	Transfers between ascendant and descendant are exempt. Certain other exemptions and reductions.	Property value:	
			Not exceeding 100,000	10 percent
			Plus surcharge	10 percent
			Exceeding 100,000	12 percent
			Plus surcharge	10 percent
			Property transferred without consideration between parties other than ascendants and descendants. Increasing progressively with property value:	
			Up to 15,000	10 percent
			...	...
			Over 5 million	45 percent
			Plus surcharge	10 percent
2.2 Land transfer tax		Exempted value is 75,000, if no transfer has been effected after July 16, 1984. Certain other exemptions.	Value of immovable property	
			If held five years	5 percent
			Or less	10 percent
2.3 <i>Morcellement</i> fee		Exemptions include land under sugar cane (up to 25 acres).	For residential, commercial, or industrial purposes	
			Per square meter	3.00
			For agricultural purposes	
			Per square meter	1.25
2.4 Land conversion tax	Conversion of agricultural land to other uses.	Exemptions for approved housing schemes, agro-industry and community benefit. A housing development company pays half the rate.	Depending on area converted and category of conversion	
			Per hectare	0-1 million

Mauritius (continued): Summary of the Tax System, 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate	
2.5 Encampment sites tax		Exemptions include (i) sites for sole residence or for grazing; (ii) if the encampment site is crossed by a public road, that part not lying between the road and the high water mark; and (iii) remission to religious bodies.	According to zone Per hectare	7,000-19,000
2.6 Capital gains (<i>morcellement</i>) tax on immovable properties	Imposed on transfer of any lot in land parceled out.	Exempted are (i) immovable property within 500 meters from the high water mark of the sea coast up to 1,000 square meters; (ii) immovable property within the limits of a town up to 2,000 square meters; and (iii) other immovable property up to 4,000 square meters.	Varies from 20 percent to 30 percent, plus 10 percent surcharge, on the difference between selling price and the purchase price.	
3. Taxes on domestic goods and services				
3.1 Sales tax	Charged on goods at each stage of distribution except retail.	Tax borne at previous stage of distribution is normally set off against the tax to be paid. Exemptions include exports, basic foodstuffs, unprocessed agricultural products, milk, books, medicines, fuels, agricultural machinery, fertilizers, animal feed, textiles, and clothing manufactured in Mauritius.	8 percent of price	
3.2 Excise taxes			<u>Item</u>	<u>Rate</u>
3.2.1 Tobacco and cigarettes	Tobacco used for the local production of cigarettes is taxed on a weight basis. Cigarettes are taxed.		Flue-cured tobacco	36.30/kg
			Air-cured tobacco	24.20/kg
			Cigarettes	120-132 percent

Mauritius (continued): Summary of the Tax System, 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate	
3.2.2 Alcohol and alcoholic beverages	Locally produced alcohol and alcoholic beverages are taxed at different rates both on a volume basis and ad valorem. Coverage includes products blended and bottled from imported stock.	Liquor (final product) imported in bottles is not excisable. Vinegar, nonbrewed condiments, alcohol for heating, and power alcohol are duty free.	Alcohol, spirits, and rums	
			Per % vol. per liter	0.78
			Wine and country liquor, whichever is higher:	
			Per liter	3.00
			Ad valorem	30 percent
			Other liquors admixed spirits, gin, etc.	
			Per % vol. per liter	1.75
			Aperitif, Liquor per % vol.	
			Per liter	1.10
			Beer per liter	8.22
			Shandy per liter	6.85
			Soft drinks per container	
			Not exceeding 35 cl.	0.09
			Exceeding 35 cl.	0.17
			Alcohol for perfumes and cosmetics per liter	5.50
3.2.3 Automobiles	Chargeable on any cars manufactured locally depending on engine capacity		17% -157%	
3.2.4 Other excises	Specific taxes on production.		NIL	

Mauritius (continued): Summary of the Tax System, 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate
3.3 Taxes on betting and gambling	Tax on betting on casinos and gambling houses, horse races, association football matches, and on winnings from betting and sweepstakes.		<p>Casinos and gambling houses gross takings 50 percent</p> <p>Horse racing amount collected 30.25 percent</p> <p>Plus winnings 6.05 percent</p> <p>Per race meeting bookmaker fixed duty</p> <p>Pool betting stake money 36.30 percent</p> <p>Plus winnings 6.05 percent</p> <p>Foreign pool agents monthly duty Mau Rs 3,025</p>
3.4 Taxes on specific services			
3.4.1 Hotel and restaurant tax	Levied on cost of hotel rooms and food and drinks served in hotels and restaurants.		Shown on bills 10 percent
3.5 Company and commercial partnership licenses	Annual fees charged for business and professional licenses.	Offshore companies are exempt.	Aircraft refuellers 4,000-9,000 121,000
3.6 Motor vehicle taxes	Motor vehicles are subject to annual road licenses fees and special trading license fees for contract cars.	Motor vehicles used within the owner's premises.	Private automobiles 2,500-5,000 Contract cars 4,500-7,500 Contract buses 2,200-3,300

Mauritius (concluded): Summary of the Tax System 1995-96

(All amounts in Mauritian rupees, unless otherwise indicated)

Tax	Nature of Tax	Deductions and Exemptions	Tax Rate
4. Taxes on international trade			
4.1 Taxes on imports			
4.1.1 Customs tariff	Mauritius maintains a one-column tariff schedule based on the Harmonized System Nomenclature (HS). Since July 1994, import customs duties, which account for the bulk of Customs duty revenue, vary by HS-classification. An additional 20% of import duties are leviable on all imports from nonpreferential countries and which attract Import Customs duties at the rate of 55% or over, i.e., generally other than from Commonwealth, EC, and the United States. Import customs duties are in general ad valorem on c.i.f. values.	Exemptions include: most food items, agricultural capital goods and related spare parts; agricultural inputs such as fertilizers, weed killers, seeds, etc.; specialized sporting goods; machinery and raw materials for the textile, leather, furniture, jewelry, and printing industries; and VCRs, cameras, energy saving equipment, computers, etc. Imports by factories operating under the EPZ, ESZ, or Industrial Expansion Acts. For non-EPZ firms, duty drawbacks are permitted on raw materials and intermediate goods used to produce goods for export.	Import customs duties consist of 8 tax bands which are 0, 5, 15, 20, 30, 40, 55 and 80%, respectively.
4.1.2 Import Excise Duty	Levied on alcoholic beverages, spirits, tobacco products, petroleum products, motor cars, and furniture, and payable on customs clearance.	Exemptions for returning resident and manufacturer of motor cars. Exemptions or concession for taxi, tour operators, and civil servants.	C.i.f. value 4.5%-400%
4.2 Taxes on exports			
4.2.1 No export duty on sugar			
5. Other taxes			
5.1 Stamp taxes	Documents presented for registration		Per sheet 15
	On capital transfers.		5 percent

Source: Ministry of Finance.

Table I. Mauritius: Gross Domestic Product at Constant 1987 Prices by Industrial Origin, 1989-95 1/

(In millions of Mauritian rupees)

	1989	1990	1991	1992	1993	1994	1995
Agriculture, forestry, hunting, and fishing	<u>2,593</u>	<u>2,842</u>	<u>2,790</u>	<u>2,971</u>	<u>2,768</u>	<u>2,564</u>	<u>2,752</u>
Sugarcane growing	1,684	1,884	1,792	1,919	1,632	1,436	1,551
Other agriculture	909	958	998	1,052	1,128	1,116	1,189
Mining and quarrying	<u>31</u>	<u>35</u>	<u>38</u>	<u>41</u>	<u>44</u>	<u>47</u>	<u>50</u>
Manufacturing	<u>5,638</u>	<u>6,073</u>	<u>6,353</u>	<u>6,768</u>	<u>7,090</u>	<u>7,418</u>	<u>7,838</u>
Sugar milling	532	597	587	635	541	476	514
Export Processing Zone	3,068	3,283	3,448	3,655	3,875	4,039	4,241
Other manufacturing	2,038	2,193	2,318	2,478	2,654	2,860	3,035
Electricity, gas, and water	<u>569</u>	<u>581</u>	<u>636</u>	<u>667</u>	<u>738</u>	<u>794</u>	<u>857</u>
Construction	<u>1,406</u>	<u>1,582</u>	<u>1,716</u>	<u>1,871</u>	<u>1,983</u>	<u>2,102</u>	<u>2,060</u>
Wholesale and retail trade, and restaurants and hotels	<u>3,601</u>	<u>3,806</u>	<u>3,966</u>	<u>4,253</u>	<u>4,595</u>	<u>4,905</u>	<u>5,193</u>
Trade	2,945	3,078	3,217	3,410	3,649	3,863	4,056
Restaurants and hotels	656	728	749	843	944	1,038	1,132
Transport, storage, and communications	<u>2,469</u>	<u>2,607</u>	<u>2,740</u>	<u>2,932</u>	<u>3,123</u>	<u>3,469</u>	<u>3,695</u>
Finance, insurance, real estate, and business services	<u>3,334</u>	<u>3,618</u>	<u>3,823</u>	<u>4,066</u>	<u>4,351</u>	<u>4,662</u>	<u>4,968</u>
Ownership of dwellings	1,721	1,769	1,827	1,900	1,976	2,055	2,127
Banking	812	901	946	1,022	1,111	1,211	1,320
Other finance	801	948	1,050	1,144	1,249	1,363	1,466
Producers of government service	<u>2,293</u>	<u>2,396</u>	<u>2,480</u>	<u>2,577</u>	<u>2,706</u>	<u>2,830</u>	<u>2,935</u>
Other services	<u>1,062</u>	<u>1,146</u>	<u>1,239</u>	<u>1,365</u>	<u>1,481</u>	<u>1,629</u>	<u>1,727</u>
GDP at factor cost	<u>22,583</u>	<u>24,214</u>	<u>25,285</u>	<u>26,953</u>	<u>28,265</u>	<u>29,765</u>	<u>31,334</u>
Sugar	2,216	2,481	2,379	2,554	2,173	1,912	2,065
Nonsugar	20,367	21,733	22,906	24,399	26,052	27,781	29,198
Net indirect tax	<u>4,439</u>	<u>4,750</u>	<u>4,912</u>	<u>5,118</u>	<u>5,570</u>	<u>5,404</u>	<u>5,349</u>
GDP at market prices	<u>27,022</u>	<u>28,964</u>	<u>30,197</u>	<u>32,071</u>	<u>33,818</u>	<u>35,190</u>	<u>36,735</u>

Source: Central Statistical Office, National Accounts of Mauritius.

1/ Data from 1993 onward were projected in terms of 1992 prices; they have been spliced to the data through 1992, which are based on 1987 prices; thus, components do not add to totals in 1993, 1994, and 1995.

Table II. Mauritius: Gross Domestic Product at Current Prices by Industrial Origin, 1989-95

(In millions of Mauritian rupees)

	1989	1990	1991	1992	1993	1994	1995
Agriculture, forestry, hunting, and fishing	<u>3,461</u>	<u>3,998</u>	<u>4,206</u>	<u>4,590</u>	<u>4,670</u>	<u>4,960</u>	<u>5,665</u>
Sugarcane growing	2,355	2,675	2,658	2,907	2,740	2,855	3,375
Other agriculture	1,106	1,323	1,548	1,683	1,930	2,105	2,290
Mining and quarrying	<u>40</u>	<u>50</u>	<u>60</u>	<u>70</u>	<u>80</u>	<u>90</u>	<u>100</u>
Manufacturing	<u>6,648</u>	<u>7,784</u>	<u>8,766</u>	<u>9,952</u>	<u>11,188</u>	<u>12,686</u>	<u>14,247</u>
Sugar milling	652	720	727	821	773	810	960
Export Processing Zone	3,400	3,975	4,406	5,011	5,705	6,373	7,093
Other manufacturing	2,596	3,089	3,633	4,120	4,710	5,503	6,194
Electricity, gas, and water	<u>577</u>	<u>507</u>	<u>775</u>	<u>950</u>	<u>1,205</u>	<u>1,297</u>	<u>1,400</u>
Construction	<u>1,790</u>	<u>2,285</u>	<u>2,680</u>	<u>3,065</u>	<u>3,540</u>	<u>4,019</u>	<u>4,060</u>
Wholesale and retail trade, and restaurants and hotels	<u>4,602</u>	<u>5,529</u>	<u>6,225</u>	<u>7,042</u>	<u>8,222</u>	<u>9,251</u>	<u>10,257</u>
Trade	3,787	4,474	5,003	5,593	6,431	7,119	7,773
Restaurants and hotels	815	1,055	1,222	1,449	1,791	2,132	2,484
Transport, storage, and communications	<u>2,981</u>	<u>3,526</u>	<u>4,246</u>	<u>4,863</u>	<u>5,386</u>	<u>6,265</u>	<u>6,911</u>
Finance, insurance, real estate, and business services	<u>4,117</u>	<u>5,015</u>	<u>5,699</u>	<u>6,573</u>	<u>7,539</u>	<u>8,545</u>	<u>9,619</u>
Ownership of dwellings	1,940	2,155	2,339	2,550	2,811	3,069	3,302
Banking	1,212	1,575	1,838	2,188	2,612	3,020	3,520
Other finance	965	1,285	1,522	1,835	2,116	2,456	2,797
Producers of government service	<u>3,106</u>	<u>3,398</u>	<u>3,792</u>	<u>4,160</u>	<u>5,021</u>	<u>6,023</u>	<u>6,433</u>
Other services	<u>1,384</u>	<u>1,715</u>	<u>2,061</u>	<u>2,382</u>	<u>2,757</u>	<u>3,286</u>	<u>3,660</u>
GDP at factor cost	<u>28,083</u>	<u>33,030</u>	<u>37,553</u>	<u>42,393</u>	<u>48,068</u>	<u>54,549</u>	<u>60,142</u>
Sugar	3,007	3,395	3,385	3,728	3,513	3,665	4,335
Nonsugar	25,076	29,635	34,168	38,665	44,555	50,884	55,807
Net indirect tax	<u>5,191</u>	<u>6,245</u>	<u>6,763</u>	<u>7,240</u>	<u>8,425</u>	<u>8,557</u>	<u>8,358</u>
GDP at market prices	<u>33,274</u>	<u>39,275</u>	<u>44,316</u>	<u>49,633</u>	<u>56,493</u>	<u>63,106</u>	<u>68,500</u>

Source: Central Statistical Office, National Accounts of Mauritius.

Table III. Mauritius: Expenditure on Gross Domestic Product at Constant 1987 Prices, 1989-95 1/

(In millions of Mauritian rupees)

	1989	1990	1991	1992	1993	1994	1995
Consumption	<u>20,192</u>	<u>21,251</u>	<u>21,992</u>	<u>23,081</u>	<u>24,242</u>	<u>25,506</u>	<u>26,590</u>
Private	17,102	17,957	18,586	19,515	20,543	21,607	22,560
Government	3,090	3,294	3,406	3,566	3,698	3,899	4,030
Gross fixed capital formation	<u>6,805</u>	<u>8,390</u>	<u>8,230</u>	<u>8,570</u>	<u>6,611</u>	<u>7,512</u>	<u>8,619</u>
Private	4,965	5,275	5,860	5,620	6,194	7,161	5,784
Government	1,840	3,115	2,370	2,950	417	351	2,835
Increase in stocks	<u>376</u>	<u>275</u>	<u>-243</u>	<u>96</u>	<u>2</u>	<u>2</u>	<u>-576</u>
Net exports	<u>-351</u>	<u>-952</u>	<u>218</u>	<u>324</u>	<u>-169</u>	<u>-22</u>	<u>2,722</u>
Exports	18,075	19,557	20,398	21,090	21,717	23,458	25,242
Imports	18,426	20,509	20,180	20,766	21,886	23,480	22,519
GDP at market prices	<u>27,022</u>	<u>28,964</u>	<u>30,197</u>	<u>32,071</u>	<u>33,818</u>	<u>35,190</u>	<u>36,735</u>
Memorandum items:							
Domestic savings	6,830	7,713	8,205	8,990	6,450	7,499	10,765
Domestic investment	7,181	8,665	7,987	8,666	6,619	7,521	8,043
Resource gap	351	952	-218	-324	169	22	-2,722

Source: Central Statistical Office, National Accounts of Mauritius.

1/ Data for 1993, 1994 and 1995 were projected in terms of 1992 prices; they have been spliced to the data through 1992, which are based on 1987 prices; thus, components do not add to totals in 1993, 1994, and 1995.

Table IV. Mauritius: Expenditure on Gross Domestic Product at Current Prices, 1989-95

(In millions of Mauritian rupees)

	1989	1990	1991	1992	1993	1994	1995
Consumption	<u>25,358</u>	<u>29,987</u>	<u>33,275</u>	<u>36,694</u>	<u>42,560</u>	<u>48,223</u>	<u>52,962</u>
Private	21,280	25,370	28,085	30,999	35,738	40,361	44,592
Government	4,078	4,617	5,190	5,695	6,822	7,862	8,370
Gross fixed capital formation	<u>8,680</u>	<u>12,030</u>	<u>12,680</u>	<u>13,810</u>	<u>16,065</u>	<u>19,350</u>	<u>16,750</u>
Private	6,330	7,560	9,030	9,060	11,630	13,655	11,235
Government	2,350	4,470	3,650	4,750	4,435	5,695	5,515
Increase in stocks	<u>1,674</u>	<u>97</u>	<u>35</u>	<u>756</u>	<u>1,373</u>	<u>1,112</u>	<u>599</u>
Net exports	<u>-2,438</u>	<u>-2,839</u>	<u>-1,674</u>	<u>-1,627</u>	<u>-3,505</u>	<u>-5,579</u>	<u>-1,811</u>
Exports	21,363	25,619	27,861	29,759	33,515	36,094	40,847
Goods (f.o.b.)	(15,166)	(17,855)	(18,992)	(20,272)	(22,992)	(24,130)	(26,756)
Nonfactor services	(6,197)	(7,764)	(8,869)	(9,487)	(10,523)	(11,964)	(14,091)
Imports	23,801	28,458	29,535	31,386	37,020	41,673	42,658
Goods (f.o.b.)	(18,384)	(21,841)	(22,209)	(22,931)	(27,507)	(31,601)	(31,246)
Nonfactor services	(5,417)	(6,617)	(7,326)	(8,455)	(9,513)	(10,072)	(11,412)
GDP at market prices	<u>33,274</u>	<u>39,275</u>	<u>44,316</u>	<u>49,633</u>	<u>56,493</u>	<u>63,106</u>	<u>68,500</u>
Memorandum items:							
Domestic savings	7,916	9,288	11,041	12,939	13,933	14,883	15,538
Domestic investment	10,354	12,127	12,715	14,566	17,438	20,462	17,349
Resource gap	2,438	2,839	1,674	1,627	3,505	5,579	1,811

Source: Central Statistical Office, National Accounts of Mauritius.

Table V. Mauritius: Composition of Gross Domestic Fixed Capital Formation
at Constant 1987 Prices, 1989-95 ^{1/}

(In millions of Mauritian rupees)

	1989	1990	1991	1992	1993	1994	1995
By type of capital goods	<u>6,805</u>	<u>8,390</u>	<u>8,230</u>	<u>8,570</u>	<u>6,611</u>	<u>7,512</u>	<u>8,619</u>
Residential building	1,230	1,480	1,810	2,380	2,579	2,579	2,414
Nonresidential building	1,325	1,510	1,640	1,445	1,517	1,703	1,712
Other construction and works	855	1,000	960	990	984	1,095	1,008
Transport equipment	930	1,830	845	1,140	1,057	1,879	742
Passenger cars	(300)	(340)	(330)	(375)	(372)	(470)	(434)
Other equipment ^{2/}	(630)	(1,490)	(515)	(765)	(685)	(1,406)	(312)
Machinery and other equipment	2,465	2,570	2,975	2,615	2,847	2,866	2,723
By industrial sector	<u>6,805</u>	<u>8,390</u>	<u>8,230</u>	<u>8,570</u>	<u>6,611</u>	<u>7,512</u>	<u>8,619</u>
Agriculture, forestry, hunting, and fishing	200	230	360	420	370	337	357
Mining and quarrying	...	...	...	...	...	...	...
Manufacturing	1,645	1,445	1,505	1,205	1,478	1,332	1,211
Electricity, gas, and water	475	265	825	730	305	556	598
Construction	195	430	135	190	234	225	200
Wholesale and retail trade, and restaurants and hotels	1,030	1,330	1,335	960	984	1,150	1,198
Transport, storage, and communications ^{2/}	1,465	2,285	1,335	1,430	1,661	2,389	1,367
Finance, insurance, real estate, and business services	1,380	1,645	2,020	2,725	3,050	3,226	2,790
Of which: ownership of dwellings	(1,230)	(1,480)	(1,810)	(2,380)	(2,579)	(2,579)	(2,414)
Producers of government services	255	610	510	670	670	646	618
Other services	160	150	205	240	252	262	274

Source: Central Statistical Office, National Accounts of Mauritius.

^{1/} Data from 1993 onward were projected in terms of 1992 prices; they have been spliced to the data through 1992, which are based on 1987 prices; thus, components do not add to totals in 1993, 1994, and 1995.

^{2/} Includes purchases of ships and/or aircraft in 1990, 1992, 1993, and 1994.

Table VI. Mauritius: Composition of Gross Domestic Fixed Capital Formation at Current Prices, 1989-95

	1989	1990	1991	1992	1993	1994	1995
(In millions of Mauritian rupees)							
By type of capital goods	8,680	12,030	12,680	13,810	16,065	19,350	16,750
Residential building	1,545	2,115	2,765	3,820	4,510	4,825	4,650
Nonresidential building	1,625	2,155	2,550	2,405	2,780	3,370	3,510
Other construction and works	1,080	1,460	1,545	1,690	1,815	2,180	2,065
Transport equipment	1,195	2,595	1,275	1,775	1,845	3,610	1,495
Passenger cars	(380)	(475)	(490)	(575)	(640)	(890)	(860)
Other equipment 1/	(815)	(2,120)	(785)	(1,200)	(1,205)	(2,720)	(635)
Machinery and other equipment	3,235	3,705	4,545	4,120	5,115	5,365	5,030
By industrial sector	8,680	12,030	12,680	13,810	16,065	19,350	16,750
Agriculture, forestry, hunting, and fishing	245	315	520	635	625	610	660
Mining and quarrying	...	...	...	...	...	...	...
Manufacturing	2,130	2,070	2,300	1,900	2,640	2,475	2,245
Electricity, gas, and water	615	395	1,315	1,220	565	1,115	1,210
Construction	250	615	210	300	425	425	375
Wholesale and retail trade, and restaurants and hotels	1,310	1,935	2,100	1,595	1,820	2,290	2,430
Transport, storage, and communications 1/	1,855	3,235	2,020	2,260	2,915	4,535	2,635
Finance, insurance, real estate, and business services	1,740	2,355	3,100	4,405	5,395	6,120	5,425
Of which: ownership of dwellings	(1,545)	(2,115)	(2,765)	(3,820)	(4,510)	(4,825)	(4,650)
Producers of government services	330	895	795	1,105	1,220	1,275	1,235
Other services	205	215	320	390	460	505	535
(In percent of total)							
By type of capital goods	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Residential building	17.8	17.6	21.8	27.7	28.1	24.9	27.8
Nonresidential building	18.7	17.9	20.1	17.4	17.3	17.4	21.0
Other construction and works	12.4	12.1	12.2	12.2	11.3	11.3	12.3
Transport equipment	13.8	21.6	10.1	12.9	11.5	18.7	8.9
Passenger cars	(4.4)	(3.9)	(3.9)	(4.2)	(4.0)	(4.6)	(5.1)
Other equipment 1/	(9.4)	(17.6)	(6.2)	(8.7)	(7.5)	(14.1)	(3.8)
Machinery and other equipment	37.3	30.8	35.8	29.8	31.8	27.7	30.0
By industrial sector	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture, forestry, hunting, and fishing	2.8	2.6	4.1	4.6	3.9	3.2	3.9
Mining and quarrying	...	...	...	...	...	...	...
Manufacturing	24.5	17.2	18.1	13.8	16.4	12.8	13.4
Electricity, gas, and water	7.1	3.3	10.4	8.8	3.5	5.8	7.2
Construction	2.9	5.1	1.7	2.2	2.6	2.2	2.2
Wholesale and retail trade, and restaurants and hotels	15.1	16.1	16.6	11.5	11.3	11.8	14.5
Transport, storage, and communications 1/	21.4	26.9	15.9	16.4	18.1	23.4	15.7
Finance, insurance, real estate, and business services	20.0	19.6	24.4	31.9	33.6	31.6	32.4
Of which: ownership of dwellings	(17.8)	(17.6)	(21.8)	(27.7)	(28.1)	(24.9)	(27.8)
Producers of government services	3.8	7.4	6.3	8.0	7.6	6.6	7.4
Other services	2.4	1.8	2.5	2.8	2.9	2.6	3.2

Source: Central Statistical Office, National Accounts of Mauritius.

1/ Includes purchases of ships and/or aircraft in 1990, 1992, 1993, and 1994.

Table VII. Mauritius: Building Permits Issued, 1/ 1990-95

	1990	1991	1992	1993	1994	1995
(In units indicated)						
Number of permits issued	<u>6,593</u>	<u>7,198</u>	<u>8,671</u>	<u>9,556</u>	<u>9,178</u>	<u>8,971</u>
Residential	6,108	6,754	8,187	8,975	8,496	8,350
New buildings	(4,388)	(4,763)	(5,637)	(5,606)	(5,094)	(4,956)
Additions	(1,720)	(1,991)	(2,550)	(3,369)	(3,402)	(3,394)
Nonresidential	485	444	484	581	682	621
Of which: 2/						
Urban	(2,192)	(3,984)	(5,066)	(5,535)	(4,991)	(4,959)
Rural	(2,681)	(3,214)	(3,605)	(4,021)	(4,187)	(4,012)
Floor area (thousand sq m)	<u>1,114</u>	<u>1,218</u>	<u>1,313</u>	<u>1,386</u>	<u>1,478</u>	<u>1,309</u>
Residential	887	921	1,092	1,179	1,108	1,098
New buildings	(743)	(742)	(878)	(878)	(797)	(786)
Additions	(144)	(179)	(214)	(301)	(311)	(312)
Nonresidential	227	297	221	207	370	211
Of which: 2/						
Urban	(471)	(574)	(720)	(742)	(782)	(712)
Rural	(499)	(644)	(593)	(644)	(696)	(597)
(Annual change in percent)						
Number of permits issued	<u>1.3</u>	<u>9.2</u>	<u>20.5</u>	<u>10.2</u>	<u>-4.0</u>	<u>-2.3</u>
Residential	3.5	10.6	21.2	9.6	-5.3	-1.7
New buildings	(0.3)	(8.5)	(18.3)	(-0.5)	(-9.1)	(-2.7)
Additions	(12.9)	(15.8)	(28.1)	(32.1)	(1.0)	(-0.2)
Nonresidential	-20.0	-8.5	9.0	20.0	17.4	-8.9
Of which: 2/						
Urban	(0.5)	(81.8)	(27.2)	(9.3)	(-9.8)	(-0.6)
Rural	(-4.3)	(19.9)	(12.2)	(11.5)	(4.1)	(-4.2)
Floor area	<u>-3.7</u>	<u>9.3</u>	<u>7.8</u>	<u>5.6</u>	<u>6.6</u>	<u>-11.4</u>
Residential	12.9	3.8	18.6	8.0	-6.0	-0.9
New buildings	(11.6)	(-0.2)	(18.3)	(-)	(-9.2)	(-1.4)
Additions	(20.2)	(24.3)	(19.6)	(40.7)	(3.3)	(0.3)
Nonresidential	-38.8	30.7	-25.6	-6.3	78.7	-43.0
Of which: 2/						
Urban	(-17.1)	(21.8)	(25.4)	(3.1)	(5.4)	(-9.0)
Rural	(6.5)	(29.0)	(-7.9)	(8.6)	(8.1)	(-14.2)

Source: Central Statistical Office.

1/ By municipalities and the Ministry of Works.

2/ Through 1990 data exclude additions; from 1992, changes in geographical boundaries have affected the comparability of the urban/rural breakdown.

Table VIII. Mauritius: Sugar Cultivation, Yields, and Output, 1989-95

(Area in thousand arpents, yields in metric tons per arpent harvested, and production in thousand metric tons) 1/

	1989	1990	1991	1992	1993	1994	1995
Area under cultivation	<u>195.2</u>	<u>195.1</u>	<u>194.5</u>	<u>192.3</u>	<u>188.3</u>	<u>183.5</u>	<u>182.1</u>
Miller-planters 2/	102.6	102.5	102.8	104.2	103.2	100.0	96.0
Planters	92.6	92.6	91.7	88.1	85.1	83.5	86.1
Area harvested 3/	<u>181.9</u>	<u>180.7</u>	<u>180.0</u>	<u>177.9</u>	<u>175.4</u>	<u>173.0</u>	<u>170.6</u>
Miller-planters 2/	93.3	92.5	93.0	93.6	94.2	90.9	86.1
Planters	88.6	88.2	87.0	84.3	81.2	82.1	84.5
Percent harvested	<u>93.2</u>	<u>92.6</u>	<u>92.5</u>	<u>92.5</u>	<u>93.1</u>	<u>94.3</u>	<u>93.7</u>
Miller-planters 2/	90.9	90.2	90.5	89.8	91.3	90.9	89.7
Planters	95.7	95.2	94.9	95.7	95.4	98.3	98.1
Cane yield	<u>29.9</u>	<u>30.7</u>	<u>31.2</u>	<u>32.5</u>	<u>30.8</u>	<u>27.8</u>	<u>30.2</u>
Miller-planters 2/	34.1	36.3	37.8	37.4	34.7	31.5	33.7
Planters	25.5	24.9	24.3	27.1	26.3	23.7	26.7
Cane production	<u>5,436</u>	<u>5,548</u>	<u>5,621</u>	<u>5,781</u>	<u>5,403</u>	<u>4,813</u>	<u>5,159</u>
Miller-planters 2/	3,180	3,356	3,511	3,497	3,270	2,866	2,900
Planters	2,256	2,192	2,110	2,284	2,133	1,947	2,259
Commercial sugar recovered (percent of cane)	10.45	11.25	10.88	11.13	10.46	10.39	10.47
Sugar yield	3.12	3.45	3.40	3.62	3.22	2.89	3.17
Sugar production	<u>568.3</u>	<u>624.3</u>	<u>611.3</u>	<u>643.2</u>	<u>565.0</u>	<u>500.2</u>	<u>540.0</u>
White	43.5	44.3	55.2	70.3	63.1	39.7	7.0
Raw	524.8	580.0	556.1	572.9	501.9	460.5	533.0
Sugar accruals 4/	<u>568.4</u>	<u>624.4</u>	<u>611.4</u>	<u>643.2</u>	<u>565.1</u>	<u>500.1</u>	<u>539.5</u>
Planters	179.9	189.8	178.4	197.3	173.6	150.7	165.7
Miller-planters 5/	254.9	288.2	288.8	293.7	257.9	231.1	246.6
Millers	133.6	146.4	144.2	152.2	133.6	118.3	127.2
Molasses production	164.7	168.0	174.9	173.2	164.8	144.5	150.4

Sources: Mauritius Chamber of Agriculture; and Central Statistical Office.

1/ One arpent = 1.043 acres, or 0.4221 hectare. Sugar tonnage is tel quel (not standardized for purity).

2/ Mills and estates, including legally separate companies under same ownership.

3/ Difference from area cultivated reflects mainly replanting and/or rotational/fallow periods.

4/ Reflects millers' 26 percent share of sugar produced as compensation for milling (24 percent from 1988), as adjusted for mill efficiency.

5/ As planters.

Table IX. Mauritius: Sugar Exports, 1989/90-1995/96

Fiscal year (July-June) 1/	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
(In thousands of metric tons)							
Volume shipped	539.0	580.1	567.5	588.7	530.0	492.2	518.8
European Community	489.0	504.7	540.5	516.5	493.0	469.6	498.3
United States	16.0	25.6	15.3	13.3	11.0	14.2	2.9
World market	34.0	49.8	11.7	58.9	26.0	8.4	4.1
Special Agreement 2/	...	...	...	...	...	...	13.5
(In Mauritian rupees per metric ton)							
Unit value	8,668	9,110	9,704	10,053	11,098	12,072	12,916
European Community	8,900	9,750	9,895	10,771	11,414	12,240	13,028
United States	7,250	7,070	7,255	7,820	8,818	9,718	12,069
World market	6,000	3,675	4,103	4,261	6,077	6,667	7,561
Special Agreement 2/	...	...	...	...	...	...	10,593
(In millions of Mauritian rupees)							
Value, f.o.b.	4,672	5,285	5,507	5,918	5,882	5,942	6,701
European Community	4,352	4,921	5,348	5,563	5,627	5,748	6,492
United States	116	181	111	104	97	138	35
World market	204	183	48	251	158	56	31
Special Agreement 2/	...	...	...	...	...	...	143
(In SDRs per metric ton)							
Unit value	436.6	439.6	445.5	437.2	434.4	462.6	465.5
European Community	448.3	470.4	454.3	468.5	446.8	469.1	469.5
United States	365.2	341.1	333.1	340.1	345.2	372.4	434.9
World market	302.2	177.3	188.3	185.4	237.9	255.5	272.5
Special Agreement 2/	...	...	...	...	...	...	381.7
(In millions of SDRs)							
Value, f.o.b.	235.3	255.0	252.8	257.4	230.2	227.7	241.5
European Community	219.2	237.4	245.5	242.0	220.3	220.3	233.9
United States	5.8	8.7	5.1	4.5	3.8	5.3	1.3
World market	10.3	8.8	2.2	10.9	6.2	2.1	1.1
Special Agreement 2/	...	...	...	...	...	...	5.2
(In Mauritian rupees per SDR)							
Conversion factor	19.852	20.726	21.782	22.991	25.547	26.095	27.750

Sources: Mauritius Sugar Syndicate (MSS); and Bank of Mauritius.

1/ Data differ somewhat from those presented by the MSS on a crop-year basis, which refer to disposal of a given year's crop (from June-November harvest through the following June).

2/ The Special Preferential Sugar Agreement (SPS) was signed on June, 1, 1995, between ACP sugar supplying countries and the European Union for the supply of the European cane refiners' deficit, covering a period of 6 years.

Table X. Mauritius: World Sugar Prices, 1970-96

	EU Import Price	U.S. Import Price	ISA Price	EU Import Price	U.S. Import Price	ISA Price
	(U.S. cents per pound)			(Annual change in percent)		
1970	5.09	7.50	3.76	--	5.0	10.8
1971	5.16	7.93	4.53	1.4	5.8	20.4
1972	6.80	8.53	7.48	31.8	7.6	65.4
1973	6.67	10.29	9.62	-2.0	20.6	28.5
1974	10.65	29.48	29.94	59.6	186.5	211.4
1975	15.44	22.47	20.56	45.0	-23.8	-31.3
1976	13.39	13.31	11.56	-13.3	-40.8	-43.8
1977	14.01	11.00	8.11	4.6	-17.3	-29.8
1978	15.91	13.97	7.82	13.6	27.0	-3.6
1979	19.29	15.53	9.65	21.2	11.1	23.5
1980	22.09	30.03	28.67	14.5	93.4	196.9
1981	18.93	19.73	16.89	-14.3	-34.3	-41.1
1982	18.12	19.92	8.41	-4.3	1.0	-50.2
1983	17.57	22.04	8.47	-3.1	10.6	0.7
1984	16.03	21.74	5.20	-8.7	-1.4	-38.5
1985	16.12	20.35	4.05	0.5	-6.4	-22.1
1986	18.60	20.95	6.05	15.4	2.9	49.3
1987	21.44	21.83	6.76	15.2	4.2	11.6
1988	23.82	22.12	10.19	11.1	1.3	50.9
1989	22.75	22.81	12.81	-4.5	3.1	25.6
1990	26.45	23.25	12.51	16.3	2.0	-2.3
1991	27.76	21.55	8.98	5.0	-7.3	-28.3
1992	28.47	21.30	9.07	2.6	-1.2	1.0
1993	28.10	21.61	10.02	-1.3	1.5	10.5
1994	28.20	22.03	12.11	0.4	1.9	20.8
1995	31.21	23.06	13.28	10.7	4.6	9.7
1996	...	...	...	...	...	...
1995 I	30.04	22.60	14.60	11.5	2.9	33.3
1995 II	31.77	23.14	13.72	16.7	4.1	18.8
1995 III	31.54	23.73	12.75	9.2	7.2	4.9
1995 IV	31.50	22.76	12.04	5.9	4.4	-12.6
1996 I	31.16	22.53	12.75	3.7	-0.3	-12.7
1996 II	30.87	22.55	11.85	-2.8	-2.5	-13.6
1996 III	30.78	22.18	12.36	-2.4	-6.5	-3.1
1996 IV	...	...	...	...	...	...
1996 Jan.	31.14	22.39	12.53	5.4	-1.2	-15.3
1996 Feb.	31.26	22.62	12.82	5.2	-0.2	-11.0
1996 Mar.	31.07	22.57	12.90	0.6	0.5	-11.6
1996 Apr.	30.83	22.58	11.98	-3.0	-0.9	-11.9
1996 May	30.83	22.59	11.38	-2.6	-2.2	-15.9
1996 June	30.95	22.49	12.17	-2.9	-4.5	-13.2
1996 July	30.77	21.80	12.81	-3.7	-10.9	-5.8
1996 Aug.	30.69	22.35	12.37	-2.5	-4.8	-4.7
1996 Sep.	30.88	22.38	11.92	-0.9	-3.7	1.9
1996 Oct.	31.40	22.37	11.12	-0.8	-2.6	-6.0
1996 Nov.	31.99	22.12	10.72	1.4	-2.1	-10.5
1996 Dec.	...	...	...	...	...	...

Source: IMF, Commodities Division.

Table XI. Mauritius: Sugar Availability and Use by Fiscal Year, 1989/90-1995/96

(In thousands of metric tons) 1/

Fiscal year (July-June)	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
July 1 opening stock	<u>24</u>	<u>22</u>	<u>18</u>	<u>19</u>	<u>34</u>	<u>32</u>	<u>8</u>
Sugar output	<u>575</u>	<u>616</u>	<u>611</u>	<u>645</u>	<u>565</u>	<u>504</u>	<u>531</u>
Total current crop 2/	568	624	611	643	565	500	540
Less: June output 3/	-9	-16	-8	-8	-10	-10	-14
Plus: Next crop--June output 4/	16	8	8	10	10	14	5
Total available	<u>600</u>	<u>638</u>	<u>629</u>	<u>664</u>	<u>599</u>	<u>536</u>	<u>539</u>
Local consumption	36	38	42	40	36	37	3
Loss/Gain (-) in storage 5/	3	2	1	1	1	--	1
Exports	<u>539</u>	<u>580</u>	<u>568</u>	<u>589</u>	<u>530</u>	<u>492</u>	<u>519</u>
European Community	489	505	540	516	493	470	498
United States	16	26	15	13	11	14	3
World market	34	50	12	59	26	8	4
Special Preferential Sugar Agreement	...	...	...	...	...	...	14
June 30 closing stock	<u>22</u>	<u>18</u>	<u>19</u>	<u>34</u>	<u>32</u>	<u>8</u>	<u>15</u>

Sources: Mauritius Sugar Syndicate; and staff estimates.

1/ Sugar tonnage is tel quel (not standardized for purity).

2/ From harvest beginning approximately one month before start of fiscal year indicated.

3/ Output in June immediately before beginning of fiscal year indicated, i.e., available in previous fiscal year.

4/ First output of new crop, most of which is produced in the next fiscal year.

5/ Represents statistical gain in storage (i.e., discrepancy).

Table XII. Mauritius: Ex-Syndicate Sugar Prices, 1989/90-1995/96

(In Mauritian rupees per ton)

Marketing year	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
After-tax prices by volume ^{1/} ^{2/}							
First 1,000 tons exported	7,812	8,001	8,205	8,472	9,551	10,413	11,463
Next 2,000 tons exported	...	...	...	...	...	...	...
Remainder exported	6,449	6,604	6,790	7,000	7,894	10,413	11,463
Average prices							
Basic price, before taxes	7,812	8,001	8,205	8,472	9,551	10,413	11,463
Average price, after taxes	7,156	7,315	7,525	7,804	8,844	10,413	11,463
Average price, after taxes and crop insurance premia	6,500	6,692	6,855	7,165	8,041	9,324	10,321
Memorandum items:							
Average insurance premia	656	623	670	639	803	1,089	1,142
Bagasse proceeds ^{3/}	34	22	29	43	40	47	48

Source: Mauritius Sugar Syndicate.

^{1/} Reflects export tax rates in effect until mid-1994 of nil on first 1,000 tons, 15.75 percent on next 2,000 tons, and 23.625 percent on remainder. Volumes refer to actual production reduced by about 6 percent for domestic sales. Does not include bagasse (cane residue) proceeds.

^{2/} From 1989/90, the same price is paid on the first 3,000 tons exported.

^{3/} Paid to planters but not to millers.

Table XIII. Mauritius: Revenue and Expenditure of Sugar Estates with Factories, 1/ 1989-95

(In millions of Mauritian rupees, unless otherwise indicated)

Accounting years 2/	1989	1990	1991	1992	1993	1994	1995
Production, prices, duties 3/							
Sugar output (at 98.5 polarization)							
National total	568.3	624.3	611.3	643.2	565.0	500.2	540.0
Estates with factories	388.4	434.5	433.0	445.8	391.4	349.5	375.0
Sugar price, ex-Syndicate 4/	7,852	8,052	8,250	8,500	9,576	10,435	11,463
Export duty	931	927	917	910	961	--	--
Insurance special levy	--	--	--	--	--	--	--
Molasses output							
National total	163.2	168.0	174.9	173.2	165.0	144.0	152.0
Estates with factories 5/	94.8	96.6	106.5	103.1	98.0	87.0	91.0
Molasses price	475	588	625	583	551	775	911
Revenue	3,431	3,730	3,919	4,085	4,300	4,573	4,964
Sugar 4/	3,050	3,499	3,572	3,789	3,748	3,647	4,299
Molasses	45	57	67	60	54	68	83
Electricity, white sugar, and by-products	97	96	130	157	151	143	135
Crop insurance compensation	239	79	150	79	347	715	447
Operating expenditure	2,388	2,748	3,192	3,347	3,500	3,922	4,271
Wages and salaries	1,258	1,454	1,774	1,869	1,941	2,152	2,370
Agricultural workers	(704)	(824)	(993)	(1,033)	(1,064)	(1,139)	(1,254)
Nonagricultural workers	(350)	(398)	(497)	(528)	(545)	(642)	(707)
Administrative staff	(204)	(232)	(284)	(308)	(332)	(371)	(409)
Supplies and other charges	912	1,054	1,170	1,225	1,273	1,412	1,505
Supplies	(497)	(549)	(591)	(624)	(654)	(705)	(778)
Milling duty	--	--	--	--	--	--	--
Interest	(91)	(105)	(129)	(118)	(126)	(168)	(145)
Other charges	(324)	(400)	(450)	(483)	(493)	(539)	(582)
Crop insurance premium and levy	218	240	248	253	286	358	396
Operating surplus	1,043	982	727	738	800	651	693
Export duty and surcharge	362	403	397	405	376	--	--
Current cash surplus/deficit (-)	681	579	330	333	424	651	693
Depreciation per accounts (-)	-138	-182	-188	-215	-240	-263	-374
Profit/loss (-) on sugar	543	397	142	118	184	388	319
Net nonsugar income 6/	145	173	191	265	188	329	250
Receipts	(296)	(355)	(399)	(504)	(506)	(687)	(592)
Payments (-)	(-151)	(-182)	(-208)	(-239)	(-318)	(-358)	(-342)
Overall profit/loss (-)	688	570	333	383	372	717	569
Memorandum items:							
Income taxes	124	109	49	5	31	38	--
Depreciation per MCA 7/	540	456	499	541	592	622	666
Excess over accounts	(402)	(274)	(311)	(326)	(352)	(359)	(292)
Additions to fixed assets	341	388	332	368	544	589	600

Sources: Mauritius Chamber of Agriculture (MCA); Mauritius Sugar Authority; and staff estimates.

1/ Based on companies' audited accounts, in which accounting practices vary somewhat, supplemented by questionnaire returns.

2/ Mainly calendar years, except Lonrho and Mon Trésor (April-March) and St. Antoine (July-June). Revenues include receipts (partly estimated) from current year's crop through following June 30.

3/ Production in thousand metric tons; prices and duties in Mauritian rupees per metric ton.

4/ Less Syndicate marketing expenses and cesses; before export taxes and insurance premia. Reflects actual final price, whereas company accounts are closed using an estimate.

5/ From 1984, reflects 100 percent share to planters; formerly 74 percent, with rest to mills.

6/ Income on other crops and nonagricultural activities.

7/ At estimated "full replacement value" (estimated current cost of completely new factory of average capacity times number of factories operating over life of 24 years).

Table XIV. Mauritius: Food Crop Production, 1989-95

	1989	1990	1991	1992	1993	1994	1995
	(In metric tons)						
Potatoes	19,700	18,100	16,700	19,500	14,100	18,100	16,100
Irish	(19,400)	(17,800)	(16,400)	(19,200)	(13,800)	(17,800)	(15,700)
Sweet	(300)	(300)	(300)	(300)	(300)	(300)	(400)
Rice	20	20	20	20	--	--	--
Tomatoes	9,200	11,600	9,400	10,200	13,000	9,200	13,500
Eggplant (Brinjal)	800	1,200	1,300	1,200	1,800	1,600	2,000
Bananas	4,600	6,100	6,500	8,500	9,900	6,700	9,400
Pineapples	1,500	1,400	1,500	2,300	4,000	3,900	4,200
Groundnuts	1,500	1,800	1,400	1,200	900	1,200	1,000
Maize ^{1/}	2,400	2,300	2,100	2,000	1,700	900	300
Manioc	200	200	200	200	200	200	100
Ginger	400	600	500	300	300	500	600
Other ^{2/}	22,000	22,500	24,500	26,700	33,100	39,200	50,300
Total production	<u>62,320</u>	<u>65,820</u>	<u>64,120</u>	<u>72,120</u>	<u>79,000</u>	<u>81,500</u>	<u>97,500</u>
Area harvested							
In arpents ^{3/}	12,600	13,500	13,000	13,900	14,200	15,000	16,000
In hectares	5,318	5,698	5,487	5,867	5,994	6,332	6,754

Sources: Central Statistical Office; and Ministry of Agriculture, Fisheries, and Natural Resources.

^{1/} Includes maize that is sent to drying stations; does not include fodder.

^{2/} Includes beans and peas, eddoes (arouille), creepers (cucumber, squash), and mixed vegetables (beets, cabbage, carrots, cauliflower, chilies, garlic, onions, lettuce).

^{3/} One arpent = 1.043 acres, or 0.4221 hectares.

Table XV. Mauritius: Tea Production, 1989-95

	1989	1990	1991	1992	1993	1994	1995
	<u>(In thousands)</u>						
Area - in arpents ^{1/}	7.3	6.9	6.9	7.3	7.6	7.2	4.9
- in hectares	3.1	2.9	2.9	3.1	3.2	3.0	2.1
	<u>(In thousands of metric tons)</u>						
Production							
Green leaf processed	29.2	29.9	30.6	30.4	30.3	26.1	19.5
Manufactured tea	5.5	5.8	5.9	5.8	5.9	5.1	3.8
	<u>(Tons per hectare)</u>						
Green leaf yields	9.42	10.31	10.55	9.81	9.47	8.70	9.29

Source: Central Statistical Office.

^{1/} One arpent = 0.4221 hectares.

Table XVI. Mauritius: Manufacturing Value Added by Subsector, 1/ 1988-94

	1988	1989	1990	1991	1992	1993	1994
(In millions of Mauritian rupees at current factor cost)							
Food manufacturing	901	1,020	1,184	1,262	1,392	1,437	1,575
Sugar milling	(597)	(652)	(720)	(727)	(822)	(773)	(809)
Other (including tea)	(304)	(368)	(464)	(535)	(570)	(664)	(766)
Beverages and tobacco	330	389	455	480	601	637	862
Textiles and wearing apparel	2,716	2,956	3,451	3,854	4,296	4,744	5,050
Footwear and leather products	78	110	126	126	122	85	80
Wood, furniture, and fixtures	79	87	137	139	199	207	187
Paper products, printing, & publishing	150	164	227	255	322	402	487
Chemicals and chemical products	347	372	443	549	566	666	718
Metal products, transport equipment, and nonelectrical machinery	228	330	355	370	433	603	723
Nonmetallic mineral products	84	126	160	199	352	409	442
Electrical machinery, apparatuses, and appliances	72	76	76	107	105	116	153
Other products	357	388	429	443	563	755	1,075
Total	5,342	6,018	7,043	7,784	8,951	10,061	11,352
Of which: nonsugar sectors	(4,745)	(5,366)	(6,323)	(7,057)	(8,129)	(9,288)	(10,543)
(In percent of total)							
Food manufacturing	16.9	16.9	16.8	16.2	15.6	14.3	13.9
Sugar milling	(11.2)	(10.8)	(10.2)	(9.3)	(9.2)	(7.7)	(7.1)
Other (including tea)	(5.7)	(6.1)	(6.6)	(6.9)	(6.4)	(6.6)	(6.7)
Beverages and tobacco	6.2	6.5	6.5	6.2	6.7	6.3	7.6
Textiles and wearing apparel	50.8	49.1	49.0	49.5	48.0	47.2	44.5
Footwear and leather products	1.5	1.8	1.8	1.6	1.4	0.8	0.7
Wood, furniture, and fixtures	1.5	1.4	1.9	1.8	2.2	2.1	1.6
Paper products, printing, & publishing	2.8	2.7	3.2	3.3	3.6	4.0	4.3
Chemicals and chemical products	6.5	6.2	6.3	7.1	6.3	6.6	6.3
Metal products, transport equipment, and nonelectrical machinery	4.3	5.5	5.0	4.8	4.8	6.0	6.4
Nonmetallic mineral products	1.6	2.1	2.3	2.6	3.9	4.1	3.9
Electrical machinery, apparatuses, and appliances	1.3	1.3	1.1	1.4	1.2	1.2	1.3
Other products	6.7	6.4	6.1	5.7	6.3	7.5	9.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Of which: nonsugar sectors	(88.8)	(89.2)	(89.8)	(90.7)	(90.8)	(92.3)	(92.9)

Source: Central Statistical Office.

1/ The data cover manufacturing establishments employing 10 or more persons, and those employing fewer than 10 persons but whose production is greater than Mau Rs 1 million; includes all bakeries.

Table XVII. Mauritius: Export Processing Zone (EPZ) Activity, 1989-95

	1989	1990	1991	1992	1993	1994	1995
(Numbers)							
Total firms 1/	563	568	586	558	536	494	481
Textiles	389	371	368	341	324	289	275
Other	174	197	218	217	212	205	206
Total employees 1/	88,650	89,906	90,861	86,937	85,621	82,176	80,466
Textiles	79,452	80,498	81,466	77,901	76,397	72,579	70,141
Other	9,198	9,408	9,395	9,036	9,224	9,597	10,325
(In millions of Mauritian rupees)							
EPZ investments	900	690	630	560	900	900	815
Of which: foreign	(298)	(...)	(...)	(...)	(...)	(...)	(...)
Plant and machinery	840	640	610	540	875	880	805
Buildings	60	50	20	20	25	20	10
EPZ value added							
Current factor cost	3,450	3,975	4,400	5,011	5,702	6,373	7,093
Factor cost of 1982	1,650	1,765	1,854	1,965	2,083	2,173	2,281
Factor cost of 1987	3,069	3,284	3,448	3,655	3,874	4,041	4,243
Factor cost of 1992	...	...	4,727	5,011	5,312	5,537	5,815
EPZ exports	9,057	11,474	12,136	13,081	15,821	16,545	18,263
Textiles	7,399	9,583	10,114	10,925	13,293	13,578	14,813
Other	1,658	1,891	2,022	2,156	2,528	2,967	3,450
EPZ imports	7,502	7,348	7,067	7,133	9,326	10,125	10,873
In percent of exports	(82.8)	(64.0)	(58.2)	(54.5)	(58.9)	(61.2)	(59.5)
(In millions of SDRs)							
EPZ exports	463.4	569.0	566.7	596.8	642.0	643.4	692.5
Textiles	378.5	475.2	472.3	498.4	539.4	528.0	561.6
Other	84.8	93.8	94.4	98.4	102.6	115.4	130.8
EPZ imports	383.8	364.4	330.0	325.4	378.5	393.8	412.3
(Annual growth in percent)							
Total firms 1/	-4.7	0.9	3.2	-4.8	-3.9	-7.8	-2.6
Textiles	-10.6	-4.6	-0.8	-7.3	-5.0	-10.8	-4.8
Other	11.5	13.2	10.7	-0.5	-2.3	-3.3	0.5
Total employees 1/	-0.5	1.4	1.1	-4.3	-1.5	-4.0	-2.1
Textiles	-2.0	1.3	1.2	-4.4	-1.9	-5.0	-3.4
Other	14.4	2.3	-0.1	-3.8	2.1	4.0	7.6
EPZ investments	3.4	-23.3	-8.7	-11.1	60.7	--	-9.4
Of which: foreign (in percent of total)	(33.1)	(...)	(...)	(...)	(...)	(...)	(...)
EPZ value added							
Current factor cost	10.4	15.2	10.7	13.9	13.8	11.8	11.3
Factor cost of 1987	6.0	7.0	5.0	6.0	6.0	4.3	5.0
In terms of Mauritian rupees							
EPZ exports	10.7	26.7	5.8	7.8	20.9	4.6	10.4
Textiles	11.7	29.5	5.5	8.0	21.7	2.1	9.1
Other	6.8	14.1	6.9	6.6	17.3	17.4	16.3
EPZ imports	27.4	-2.1	-3.8	0.9	30.7	8.6	7.4
In terms of SDRs							
EPZ exports	2.3	22.8	-0.4	5.3	7.6	0.2	7.6
Textiles	3.2	25.5	-0.6	5.5	8.2	-2.1	6.4
Other	-1.4	10.5	0.7	4.2	4.3	12.5	13.4
EPZ imports	17.7	-5.1	-9.4	-1.4	16.3	4.0	4.7

Source: Central Statistical Office, Digest of Industrial Statistics.

1/ As at December.

Table XVIII. Mauritius: Electricity Production and Consumption, 1990-95

	1990	1991	1992	1993	1994	1995
Plant effective capacity (in megawatts)	<u>270.3</u>	<u>294.1</u>	<u>336.6</u>	<u>317.7</u>	<u>360.5</u>	<u>360.5</u>
Of which: (in percent of total)						
Hydroelectric	21.1	19.4	17.7	18.8	16.6	16.6
Thermal	78.9	80.6	82.2	81.2	83.4	83.4
Of which: purchases 1/	(15.4)	(14.1)	(14.2)	(15.1)	(13.3)	(13.3)
(In millions of kilowatt-hours)						
Energy generated	<u>667.2</u>	<u>737.2</u>	<u>808.7</u>	<u>869.2</u>	<u>945.0</u>	<u>1,047.4</u>
Hydroelectric	84.9	75.5	113.1	103.8	75.5	134.4
Thermal	582.1	661.7	695.6	765.4	869.5	913.0
Wind power	0.2	0.0	0.0	0.0	0.0	0.0
Energy purchased 1/	97.4	124.2	129.0	111.9	122.8	125.2
Energy sold	558.3	624.7	688.0	742.9	810.0	904.0
(Annual growth in percent)						
Energy generated	45.4	10.5	9.7	7.5	8.7	10.8
Energy purchased 1/	-22.3	27.5	3.9	-13.3	9.7	2.0
Energy sold	14.7	11.9	10.1	8.0	9.0	11.6
(In percent of total generated and purchased)						
Energy generated	87.3	85.6	86.2	88.6	88.5	89.3
Hydroelectric	(11.1)	(8.8)	(12.1)	(10.6)	(7.1)	(11.5)
Thermal	(76.1)	(76.8)	(74.2)	(78.0)	(81.4)	(77.9)
Energy purchased 1/	12.7	14.4	13.8	11.4	11.5	10.7
Number of consumers at end-year	219,065	227,699	236,802	246,815	253,066	266,767
Annual increase in percent	(3.7)	(3.9)	(4.0)	(4.2)	(2.5)	(5.4)
Average selling price (Mau cents per kWh)	171.0	195.0	205.0	219.0	219.0	217.0
CEB financial indicators:	(In millions of Mauritian rupees)					
Revenue	986.4	1,259.4	1,439.8	1,698.1	1,777.8	2,037.6
Expenditure	1,157.2	1,335.0	1,497.2	1,615.1	1,924.3	2,079.4
Net profit (loss -)	<u>-170.8</u>	<u>-75.6</u>	<u>-57.4</u>	<u>83.0</u>	<u>-146.5</u>	<u>-41.8</u>
Persons employed (number)	1,816	1,906	1,974	2,016	1,956	1,917

Sources: Central Statistical Office, Annual Digest of Statistics, and Central Electricity Board (CEB).

1/ From sugar mills and other factories generating electricity.

Table XIX. Mauritius: Tourist Arrivals by Country of Residence, 1/ 1989-95

	1989	1990	1991	1992	1993	1994	1995
(Numbers)							
Region	<u>118,530</u>	<u>132,250</u>	<u>136,000</u>	<u>138,320</u>	<u>145,340</u>	<u>134,450</u>	<u>139,651</u>
Réunion	65,550	73,310	77,840	81,260	84,960	77,035	78,431
South Africa	36,860	41,860	43,020	39,790	42,350	39,762	42,653
Madagascar	6,530	6,550	6,010	7,260	7,740	6,849	6,885
Zimbabwe	2,870	3,670	3,580	2,990	3,460	3,539	2,965
Zambia	1,810	1,490	890	310	340	337	443
Kenya	1,100	1,440	1,240	1,720	1,070	1,278	1,158
Seychelles	3,260	3,500	3,420	4,710	5,420	5,650	7,116
Tanzania	550	430	--	280	--	--	0
Europe	<u>115,210</u>	<u>121,490</u>	<u>127,350</u>	<u>156,290</u>	<u>183,400</u>	<u>215,281</u>	<u>226,663</u>
France	53,660	53,170	58,370	74,330	85,120	106,268	116,701
Germany	18,210	19,680	24,140	29,800	38,500	41,824	41,637
United Kingdom	16,550	21,920	20,660	24,510	29,950	33,295	31,324
Italy	14,470	14,180	13,240	14,990	15,290	18,149	17,384
Switzerland	10,690	10,740	8,930	10,150	11,010	11,453	13,815
Belgium	1,630	1,800	2,010	2,510	3,530	4,292	5,802
Other	<u>29,050</u>	<u>37,810</u>	<u>37,320</u>	<u>40,790</u>	<u>45,890</u>	<u>50,795</u>	<u>56,149</u>
India	4,790	8,190	8,490	8,200	10,740	10,449	11,225
Australia	2,510	3,060	2,960	5,100	4,520	4,162	5,558
U.S.A.	1,890	2,220	1,720	1,830	1,790	2,006	2,093
Singapore	1,990	2,110	2,010	1,680	2,770	3,247	2,601
Japan	2,900	3,020	3,750	3,520	2,540	3,221	3,176
Other	14,970	19,210	18,390	20,460	23,530	27,710	31,496
All countries	<u>262,790</u>	<u>291,550</u>	<u>300,670</u>	<u>335,400</u>	<u>374,630</u>	<u>400,526</u>	<u>422,463</u>
(In percent of total)							
Region	<u>45.1</u>	<u>45.4</u>	<u>45.2</u>	<u>41.2</u>	<u>38.8</u>	<u>33.6</u>	<u>33.1</u>
Of which:							
Réunion	(24.9)	(25.1)	(25.9)	(24.2)	(22.7)	(19.2)	(18.6)
South Africa	(14.0)	(14.4)	(14.3)	(11.9)	(11.3)	(9.9)	(10.1)
Madagascar	(2.5)	(2.2)	(2.0)	(2.2)	(2.1)	(1.7)	(1.6)
Europe	<u>43.8</u>	<u>41.7</u>	<u>42.4</u>	<u>46.6</u>	<u>49.0</u>	<u>53.7</u>	<u>53.7</u>
Of which:							
France	(20.4)	(18.2)	(19.4)	(22.2)	(22.7)	(26.5)	(27.6)
Germany	(6.9)	(6.8)	(8.0)	(8.9)	(10.3)	(10.4)	(9.9)
United Kingdom	(6.3)	(7.5)	(6.9)	(7.3)	(8.0)	(8.3)	(7.4)
Italy	(5.5)	(4.9)	(4.4)	(4.5)	(4.1)	(4.5)	(4.1)
Other	<u>11.1</u>	<u>13.0</u>	<u>12.4</u>	<u>12.2</u>	<u>12.2</u>	<u>12.7</u>	<u>13.3</u>
Of which:							
India	(1.8)	(2.8)	(2.8)	(2.4)	(2.9)	(2.6)	(2.7)
Australia	(1.0)	(1.0)	(1.0)	(1.5)	(1.2)	(1.0)	(1.3)
All countries	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Sources: Central Statistics Office; and the Mauritius Government Tourist Office.

1/ Data until 1993 are based on a 10 percent sample.

Table XX. Mauritius: Tourism Capacity, Activity, and Earnings, 1989-95

	1989	1990	1991	1992	1993	1994	1995
	(Numbers)						
Hotels	67	75	80	84	85	90	95
Rooms	3,605	4,603	5,064	5,271	5,341	5,888	5,977
Beds	7,374	9,572	10,482	10,917	11,058	12,187	12,359
Arrivals (thousands)	262.8	291.5	300.7	335.4	374.6	400.5	422.5
Nights spent (thousands)	3,200.0	3,560.0	3,700.0	4,110.0	4,610.0	4,359.0	4,435.0
Average stay (nights)	12.2	12.2	12.3	12.3	12.3	10.9	10.5
Gross earnings							
In millions of rupees	2,796	3,630	3,940	4,655	5,362	6,415	7,472
In millions of SDRs	143.0	180.0	184.0	212.4	217.6	249.5	283.3
Average earnings per tourist							
In rupees	10,640	12,451	13,104	13,879	14,313	16,016	17,687
In SDRs	544	617	612	633	581	623	671
	(Annual growth in percent)						
Hotels	4.7	11.9	6.7	5.0	1.2	5.9	5.6
Rooms	6.1	27.7	10.0	4.1	1.3	10.2	1.5
Beds	5.3	29.8	9.5	4.1	1.3	10.2	1.4
Arrivals	9.7	10.9	3.1	11.6	11.7	6.9	5.5
Nights spent	6.7	11.2	3.9	11.1	12.2	-5.4	1.7
Average stay	-2.8	0.3	0.8	-0.4	0.4	-11.6	-3.5
Gross earnings							
In rupees	17.8	29.8	8.5	18.1	15.2	19.6	16.5
In SDRs	8.8	25.8	2.2	15.4	2.5	14.7	13.6
Average earnings per tourist							
In rupees	7.4	17.0	5.2	5.9	3.1	11.9	10.4
In SDRs	-0.8	13.4	-0.9	3.5	-8.3	7.2	7.7

Sources: Central Statistics Office; and the Mauritius Government Tourist Office.

Table XXI. Mauritius: Estimated Labor Force and Employment, 1/ 1989-95

	1989	1990	1991	1992	1993	1994	1995
(In thousands of persons)							
Population aged 12+ years 2/	<u>711</u>	<u>808</u>	<u>821</u>	<u>838</u>	<u>854</u>	<u>868</u>	<u>877</u>
Female	357	406	413	420	429	436	440
Male	354	402	408	418	425	432	437
Labor force	<u>433</u>	<u>457</u>	<u>466</u>	<u>478</u>	<u>490</u>	<u>503</u>	<u>514</u>
Female	142	151	156	161	167	175	180
Male	291	306	310	317	323	328	334
Employment by sex	<u>419</u>	<u>445</u>	<u>456</u>	<u>468</u>	<u>481</u>	<u>495</u>	<u>505</u>
Female	139	148	153	158	164	172	177
Male	280	297	303	310	317	323	328
Employment by firm size	<u>419</u>	<u>445</u>	<u>456</u>	<u>468</u>	<u>481</u>	<u>495</u>	<u>505</u>
Larger establishments	272	284	287	287	284	285	282
Other firms and self	147	161	169	181	197	210	223
Unemployment	<u>14</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>8</u>	<u>9</u>
Female	3	3	3	3	3	3	3
Male	11	9	7	7	6	5	6
(In percent)							
Labor force participation	<u>60.9</u>	<u>56.6</u>	<u>56.8</u>	<u>57.0</u>	<u>57.4</u>	<u>57.9</u>	<u>58.6</u>
Female	39.8	37.2	37.8	38.3	38.9	40.1	40.9
Male	82.2	76.1	76.0	75.8	76.0	75.9	76.4
Unemployment	<u>3.2</u>	<u>2.6</u>	<u>2.1</u>	<u>2.1</u>	<u>1.8</u>	<u>1.6</u>	<u>1.8</u>
Female	2.1	2.0	1.9	1.9	1.8	1.7	1.7
Male	3.8	2.9	2.3	2.2	1.9	1.5	1.8
Employment growth	<u>-1.2</u>	...	<u>2.5</u>	<u>2.6</u>	<u>2.8</u>	<u>2.9</u>	<u>2.0</u>
Female	-6.1	...	3.4	3.3	3.8	4.9	2.9
Male	1.4	...	2.0	2.3	2.3	1.9	1.5

Source: Central Statistical Office (in part from Annual Surveys of Employment and Earnings).

1/ Revised data from 1990, based on the 1990 Census; includes the Islands of Mauritius and Rodrigues.

2/ Population aged 15+ for 1989.

Table XXII. Mauritius: Employment by Economic Activity, 1/ March 1989-March 1996

(In thousands)

In March	1989	1990	1991	1992	1993	1994	1995	1996
Agriculture and fishing	44.9	45.1	37.3	36.4	35.1	34.2	33.1	32.5
Sugar 2/	(39.6)	(39.9)	(32.8)	(32.0)	(31.3)	(30.3)	(29.0)	(29.0)
Tea 2/	(2.8)	(2.8)	(1.9)	(1.6)	(0.9)	(0.6)	(0.5)	(0.4)
Other	(2.5)	(2.4)	(2.6)	(2.8)	(2.9)	(3.3)	(3.6)	(3.1)
Mining and quarrying	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Manufacturing 3/	106.9	110.4	117.4	118.7	114.8	112.2	110.4	107.4
Of which: Export Processing Zone	(86.9)	(86.8)	(86.5)	(88.1)	(84.9)	(81.7)	(80.4)	(79.5)
Electricity and water	3.5	3.5	3.4	3.5	3.6	3.5	3.5	3.4
Construction	10.0	11.6	11.6	13.0	14.0	13.4	10.8	10.2
Wholesale and retail trade, restaurants and hotels	14.1	16.8	18.3	19.4	20.6	23.3	24.5	25.0
Transport, storage, and communications	11.8	12.3	13.6	13.9	13.8	14.2	14.5	14.6
Financing, insurance, real estate, and business services	7.7	9.1	10.0	10.1	10.5	11.5	12.1	12.5
Government services	54.8	59.7	60.0	60.0	61.1	61.4	61.6	62.3
Central government	(49.6)	(54.5)	(54.9)	(54.9)	(55.8)	(56.1)	(56.2)	(56.8)
Local government	(5.1)	(5.2)	(5.2)	(5.1)	(5.3)	(5.3)	(5.4)	(5.5)
Other community, social, and personal services	9.3	10.0	11.3	12.6	13.4	15.4	15.5	16.1
Activities n.e.s. 4/	5.3	5.0	4.6	1.0	3.0	3.2	3.0	3.1
Total, large establishments	<u>268.5</u>	<u>283.5</u>	<u>287.6</u>	<u>288.8</u>	<u>290.1</u>	<u>292.4</u>	<u>289.2</u>	<u>287.3</u>
Of which: Export Processing Zone	(87.3)	(86.7)	(87.0)	(88.8)	(85.6)	(82.4)	(81.1)	(80.1)

Source: Central Statistical Office, Surveys of Employment and Earnings.

1/ Covers large establishments, i.e., nonagricultural establishments with 10 or more employees, all government, sugar plantations of 25 arpents or more, tea plantations of 5 arpents or more, all flue-cured tobacco, and other agricultural units with 10 or more employees; excludes self-employed, piece-rate employees working at home, and unpaid family workers. Includes Rodrigues. Because of variations in response rates and coverage, some short-term fluctuations are not significant.

2/ Covers plantations only.

3/ Including sugar and tea factories.

4/ Not elsewhere specified, mainly Development Works Corporation.

Table XXIII. Mauritius: Average Earnings by Sector--Monthly Paid Employees, 1/ March 1989-March 1996

(In Mauritian rupees per employee per month)

In March	1989	1990	1991	1992	1993	1994	1995	1996
Agriculture and fishing	2,241	2,331	2,699	2,813	2,862	3,187	3,981	4,396
Sugar 2/	(2,185)	(2,274)	(2,620)	(2,685)	(2,771)	(3,075)	(3,379)	(4,294)
Tea 2/	(2,901)	(2,999)	(3,536)	(4,268)	(4,579)	(5,686)	(6,400)	(6,971)
Other	(3,210)	(3,165)	(3,640)	(4,184)	(4,324)	(5,032)	(5,486)	(6,180)
Mining and quarrying	3,518	3,807	4,250	4,702	4,940	6,717	7,583	8,207
Manufacturing 3/	2,799	3,105	3,684	4,016	4,411	5,162	5,659	5,972
Of which: Export Processing Zone	(2,628)	(2,959)	(3,445)	(3,879)	(4,284)	(4,954)	(5,250)	(5,537)
Electricity and water	5,775	5,270	6,215	7,005	7,357	10,044	8,988	9,707
Construction	3,732	3,793	4,650	5,660	5,716	6,614	8,355	9,096
Wholesale and retail trade, restaurants and hotels	3,163	3,507	4,060	4,839	5,244	5,692	6,376	6,735
Transport, storage, and communications	4,405	4,568	5,306	5,914	6,223	6,752	7,339	8,122
Financing, insurance, real estate, and business services	4,688	5,055	5,807	6,692	7,243	7,980	9,248	10,096
Government services								
Central government	3,766	3,941	4,370	4,805	4,941	6,525	6,931	7,176
Local government 4/	3,495	3,204	3,565	3,832	4,027	5,175	5,409	5,612
Other community, social, and personal services	3,743	3,996	4,657	5,125	5,343	6,438	6,872	7,224
Activities n.e.s. 5/	2,625	2,715	3,120	3,597	3,787	4,316	4,905	4,704
Total, large establishments	<u>3,335</u>	<u>3,524</u>	<u>4,080</u>	<u>4,530</u>	<u>4,779</u>	<u>5,779</u>	<u>6,334</u>	<u>6,731</u>
Of which: Export Processing Zone	(2,627)	(2,950)	(3,440)	(3,875)	(4,287)	(4,955)	(5,257)	(5,541)
Memorandum items:								
Daily paid employees 6/	1,534	1,768	2,314	2,652	3,016	3,406	3,692	3,926
Of which: Export Processing Zone 7/	(1,300)	(1,430)	(1,924)	(2,210)	(2,496)	(2,886)	(3,042)	(3,250)

Source: Central Statistical Office, Surveys of Employment and Earnings.

1/ Covers large establishments. Employees paid monthly account for approximately two thirds of such employment and four fifths of earnings reported for 1988. Some short-term fluctuations not significant due to varying response rates.

2/ Excluding factories.

3/ Including sugar and tea factories.

4/ Municipalities and district councils.

5/ Not elsewhere specified.

6/ Average for all sectors. Daily earnings converted to a monthly basis by assuming 26 working days in a month. Does not include any piece workers.

7/ Daily rates appear to be more indicative of average than do monthly, from comparison with averages published in the past. Identical for manufacturing and whole Export Processing Zone.

Table XXIV. Mauritius: Consumer Price Index, 1989-96

	July 1986-June 1987=100				July 1991-June 1992=100					
	1989	1990	1991	1992	1991	1992	1993	1994	1995	1996
January	116.8	131.9	152.0	150.6	100.5	99.6	109.0	119.4	126.9	133.7
February	118.6	133.4	151.0	151.3	99.9	100.0	110.2	119.9	127.4	134.3
March	118.5	135.2	149.0	151.5	98.5	100.2	110.7	120.8	128.2	134.9
April	121.7	134.9	148.3	151.0	98.1	99.9	111.1	121.0	128.8	135.6
May	122.3	135.7	146.2	153.1	96.7	101.2	114.0	122.6	129.0	139.6
June	122.6	135.4	147.0	156.4	97.2	103.4	114.7	123.2	129.8	140.4
July	124.0	139.9	151.9	...	100.4	104.4	115.4	123.2	130.0	141.7
August	123.9	139.9	150.1	...	99.3	105.6	116.3	123.8	131.4	141.7
September	126.0	146.1	149.8	...	99.1	106.4	117.2	124.2	131.7	
October	126.4	146.6	150.0	...	99.2	106.6	117.3	124.2	132.4	
November	128.1	149.2	150.2	...	99.3	106.8	117.9	124.9	132.9	
December	128.7	148.7	148.8	...	98.4	107.6	118.5	125.6	133.1	
Averages:										
Calendar year	123.1	139.7	149.5	...	98.9	103.5	114.4	122.7	130.1	
Fiscal year ended June 30	117.7	130.3	147.0	151.2	...	100.0	108.9	119.1	126.3	133.7
	1989	1990	1991	1992	1993	1994	1995	1996		
(Percent change from year earlier)										
January	14.1	12.9	15.2	-0.9	9.5	9.5	6.3	5.4		
February	16.6	12.5	13.2	0.2	10.1	8.8	6.3	5.4		
March	16.9	14.1	10.2	1.7	10.5	9.1	6.1	4.8		
April	18.0	10.8	9.9	1.8	11.3	8.9	6.4	4.7		
May	17.8	11.0	7.7	4.7	12.6	7.5	5.2	5.1		
June	14.4	10.4	8.6	6.4	10.9	7.4	5.4	7.6		
July	12.0	12.8	8.6	3.9	10.5	6.8	5.5	8.0		
August	8.9	12.9	7.3	6.4	10.1	6.4	6.1	7.8		
September	8.3	16.0	2.5	7.4	10.2	6.0	6.0	7.6		
October	7.6	16.0	2.3	7.5	10.0	5.9	6.6			
November	9.1	16.5	0.7	7.5	10.4	5.9	6.4			
December	10.9	15.5	0.1	9.4	10.1	6.0	6.0			
Averages:										
Calendar year	12.7	13.5	7.0	4.7	10.5	7.3	6.0			
Fiscal year ended June 30	16.0	10.7	12.8	2.9	8.9	9.4	6.1	5.8		

Source: Central Statistical Office.

Table XXV. Mauritius: Consumer Price Indices by Major Commodity Group, January 1994-September 1996

(July 1991-June 1992=100)

	Weight	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
1994														
Food and nonalcoholic beverages	39.2	121.8	122.9	124.9	124.9	127.7	128.9	128.9	129.0	129.4	129.0	129.5	130.9	127.3
Alcoholic beverages and tobacco	8.2	126.6	126.6	126.6	126.6	126.9	126.9	122.9	122.1	122.1	122.0	122.2	122.3	124.5
Clothing and footwear	8.8	116.9	116.9	117.0	117.0	120.6	120.6	122.4	122.5	122.5	122.9	127.4	127.7	121.2
Fuel and light	5.2	107.4	107.4	107.4	107.4	107.4	107.4	107.5	107.5	107.5	107.5	107.5	107.5	107.4
Housing and household operations	13.1	118.4	118.4	118.5	118.5	119.5	119.6	121.0	120.8	121.5	121.5	121.5	121.6	120.1
Medical care and health expenses	3.6	119.8	121.2	123.0	123.7	123.7	125.7	126.3	126.6	127.1	127.2	127.2	128.8	125.0
Transport and communication	9.7	114.1	114.2	114.4	114.9	115.1	115.1	115.1	123.0	123.0	123.8	124.4	124.4	118.5
Recreation, entertainment, education	6.6	119.4	119.4	119.8	120.5	120.7	121.0	121.0	121.0	122.1	122.7	122.7	122.7	121.1
Miscellaneous goods and services	5.6	117.8	118.1	118.2	118.6	119.4	119.7	119.0	118.2	118.3	118.6	118.6	118.7	118.6
Total	100.0	119.4	119.9	120.8	121.0	122.6	123.2	123.2	123.8	124.2	124.2	124.9	125.6	122.7
1995														
Food and nonalcoholic beverages	39.2	131.8	133.1	134.5	134.3	134.3	134.7	134.6	135.1	135.7	136.8	137.3	137.2	134.9
Alcoholic beverages and tobacco	8.2	123.9	123.7	124.0	124.5	124.5	124.7	124.6	133.1	133.1	133.1	133.2	133.2	128.0
Clothing and footwear	8.8	128.0	128.0	128.0	128.8	128.8	130.8	130.8	130.8	130.8	130.8	133.3	134.9	130.3
Fuel and light	5.2	107.5	107.5	107.5	112.8	112.8	112.8	112.8	112.8	112.8	112.8	112.8	110.2	111.3
Housing and household operations	13.1	121.6	121.5	121.9	123.0	124.0	126.2	127.8	128.0	128.5	128.7	129.1	128.9	125.8
Medical care and health expenses	3.6	131.9	132.4	133.0	133.0	133.4	133.5	133.8	134.7	134.6	134.7	134.9	140.6	134.2
Transport and communication	9.7	124.4	124.4	125.4	125.5	125.4	126.1	126.4	126.7	126.8	126.9	126.9	127.0	126.0
Recreation, entertainment, education	6.6	131.5	131.2	131.7	131.6	132.2	133.1	133.4	135.3	135.6	136.0	136.0	136.0	133.6
Miscellaneous goods and services	5.6	120.9	121.2	121.4	124.5	124.9	125.7	126.0	130.6	131.2	133.6	134.0	134.0	127.3
Total	100.0	126.9	127.4	128.2	128.8	129.0	129.8	130.0	131.4	131.8	132.4	132.9	133.1	130.1
1996														
Food and nonalcoholic beverages	39.2	137.0	138.4	137.9	138.8	140.2	143.4	144.3	144.6	144.1				
Alcoholic beverages and tobacco	8.2	133.2	133.2	133.3	133.3	133.3	146.4	146.6	159.5	159.8				
Clothing and footwear	8.8	134.9	134.9	135.2	135.5	135.6	140.1	141.1	140.9	140.9				
Fuel and light	5.2	110.2	110.2	110.2	110.2	110.2	111.6	111.6	111.6	111.6				
Housing and household operations	13.1	130.0	130.0	130.0	131.1	131.8	133.6	135.4	135.4	136.1				
Medical care and health expenses	3.6	140.4	141.1	141.4	142.1	143.2	144.3	148.2	149.2	151.1				
Transport and communication	9.7	127.2	127.2	127.2	127.2	127.2	132.7	132.7	132.9	132.8				
Recreation, entertainment, education	6.6	143.4	143.5	143.7	143.7	143.8	144.8	144.6	144.6	145.2				
Miscellaneous goods and services	5.6	135.8	136.2	137.6	138.2	138.8	145.3	145.6	145.9	146.2				
Total	100.0	133.7	134.3	134.3	134.8	135.6	139.6	140.4	141.7	141.7				

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APPENDIX II

Table XXV (concluded). Mauritius: Consumer Price Indices by Major Commodity Group, January 1994-September 1996

(Annual change in percent)

	Weight	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
1994														
Food and nonalcoholic beverages	39.2	13.0	11.5	12.8	12.0	8.3	8.9	8.4	8.0	7.8	7.3	6.6	7.2	9.2
Alcoholic beverages and tobacco	8.2	5.9	5.6	5.6	5.3	5.6	5.8	2.2	0.8	1.0	0.9	1.1	0.9	3.4
Clothing and footwear	8.8	11.4	11.0	10.6	10.6	13.5	11.5	13.1	9.0	6.8	7.1	11.1	9.8	10.4
Fuel and light	5.2	0.1	--	--	--	--	--	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Housing and household operations	13.1	8.3	7.7	7.5	7.1	7.1	6.3	5.0	4.6	3.9	3.8	3.5	3.1	5.6
Medical care and health expenses	3.6	12.9	13.4	12.9	13.4	12.7	14.0	12.4	8.7	6.1	6.9	6.5	7.5	10.5
Transport and communication	9.7	4.1	4.0	3.1	3.5	3.3	2.9	2.9	8.7	8.6	9.3	9.7	9.1	5.8
Recreation, entertainment, education	6.6	10.0	10.0	10.3	10.1	8.2	8.4	8.4	8.4	7.4	7.9	7.6	7.3	8.7
Miscellaneous goods and services	5.6	6.1	6.0	5.7	5.8	6.6	5.0	3.7	2.8	2.2	2.3	1.9	2.0	4.1
Total	100.0	9.5	8.8	9.1	8.9	7.5	7.4	6.8	6.4	6.0	5.9	5.9	6.0	7.3
1995														
Food and nonalcoholic beverages	39.2	8.2	8.3	7.7	7.5	5.2	4.5	4.4	4.7	4.9	6.0	6.0	4.8	6.0
Alcoholic beverages and tobacco	8.2	-2.1	-2.3	-2.1	-1.7	-1.9	-1.7	1.4	9.0	9.0	9.1	9.0	8.9	2.8
Clothing and footwear	8.8	9.5	9.5	9.4	10.1	6.8	8.5	6.9	6.8	6.8	6.4	4.6	5.6	7.5
Fuel and light	5.2	0.1	0.1	0.1	5.0	5.0	5.0	4.9	4.9	4.9	4.9	4.9	2.5	3.5
Housing and household operations	13.1	2.7	2.6	2.9	3.8	3.8	5.5	5.6	6.0	5.8	5.9	6.3	6.0	4.7
Medical care and health expenses	3.6	10.1	9.2	8.1	7.5	7.8	6.2	5.9	6.4	5.9	5.9	6.1	9.2	7.3
Transport and communication	9.7	9.0	8.9	9.6	9.2	8.9	9.6	9.8	3.0	3.1	2.5	2.0	2.1	6.4
Recreation, entertainment, education	6.6	10.1	9.9	9.9	9.2	9.5	10.0	10.2	11.8	11.1	10.8	10.8	10.8	10.4
Miscellaneous goods and services	5.6	2.6	2.6	2.7	5.0	4.6	5.0	5.9	10.5	10.9	12.6	13.0	12.9	7.4
Total	100.0	6.3	6.2	6.1	6.4	5.2	5.4	5.5	6.1	6.1	6.6	6.4	5.9	6.0
1996														
Food and nonalcoholic beverages	39.2	3.9	4.0	2.5	3.4	4.4	6.5	7.2	7.0	6.2				
Alcoholic beverages and tobacco	8.2	7.5	7.7	7.5	7.1	7.1	17.4	17.7	19.8	20.1				
Clothing and footwear	8.8	5.4	5.4	5.6	5.2	5.3	7.1	7.9	7.7	7.7				
Fuel and light	5.2	2.5	2.5	2.5	-2.3	-2.3	-1.1	-1.1	-1.1	-1.1				
Housing and household operations	13.1	6.9	7.0	6.6	6.6	6.3	5.9	5.9	5.8	5.9				
Medical care and health expenses	3.6	6.4	6.6	6.3	6.8	7.3	8.1	10.8	10.8	12.3				
Transport and communication	9.7	2.3	2.3	1.4	1.4	1.4	5.2	5.0	4.9	4.7				
Recreation, entertainment, education	6.6	9.0	9.4	9.1	9.2	8.8	8.8	8.4	6.9	7.1				
Miscellaneous goods and services	5.6	12.3	12.4	13.3	11.0	11.1	15.6	15.6	11.7	11.4				
Total	100.0	5.4	5.5	4.8	4.7	5.1	7.6	8.0	7.8	7.6				

Source: Central Statistics Office.

Table XXVI. Mauritius: Retail Prices of Petroleum Products, 1981-96

(In Mauritian rupees per liter)

As from:	1981		1982				1984	1988	1990	1991	1996	1996
	July	Oct.	May	Oct.	Nov.	Dec.	Nov.	Feb.	Sept.	Apr.	June	Dec.
Gasoline	6.60	7.15	7.15	7.48	7.48	7.26	8.14	7.70	11.00	9.50	11.30	14.15
Diesel	3.96	4.51	4.40	4.40	4.40	4.40	4.84	4.51	6.80	5.50	6.10	7.65
Kerosene	3.51	4.07	3.96	3.96	3.74	3.52	3.96	3.37	4.75	3.80	4.50	5.65
Calendar year			1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Annual averages												
Gasoline			8.14	7.74	7.70	8.80	9.88	9.50	9.50	9.50	9.50	10.63
Diesel			4.84	4.54	4.51	5.27	5.82	5.50	5.50	5.50	5.50	5.91
Kerosene			3.96	3.42	3.37	3.83	4.04	3.80	3.80	3.80	3.80	4.23
Annual change in percent												
Gasoline			--	-5.0	-0.5	14.3	12.2	-3.8	--	--	--	11.9
Diesel			--	-6.3	-0.6	16.9	10.5	-5.6	--	--	--	7.4
Kerosene			--	-13.7	-1.4	13.6	5.4	-5.9	--	--	--	11.4

Source: State Trading Corporation.

Table XXVII. Mauritius: Cost Structure of Petroleum Products, 1991/92-1995/96

(In percent of the retail price, unless otherwise specified)

	1991/92	1992/93	1993/94	1994/95	1995/96
Premium gasoline					
Import cost, c.i.f.	33.1	31.7	28.2	28.9	32.8
Distribution costs and overheads	2.6	2.6	2.6	2.7	2.7
Taxes	56.4	68.7	61.2	62.9	68.8
Profits (loss -)	7.9	-3.0	8.0	5.5	-4.2
Retail price (in rupees per liter)	8.37	8.37	8.37	8.30	8.30
Imports for inland trade (in metric tons)	63,627	71,629	74,827	82,004	87,165
Diesel					
Import cost, c.i.f.	58.0	58.2	57.6	54.2	63.5
Distribution costs and overheads	4.8	4.8	4.8	4.9	4.9
Taxes	38.1	38.1	37.9	39.4	41.6
Profits (loss -)	-0.9	-1.1	-0.2	1.5	-10.0
Retail price (in rupees per liter)	4.62	4.62	4.62	4.52	4.52
Imports for inland trade (in metric tons)	94,559	114,952	116,261	126,105	141,176
Kerosene					
Import cost, c.i.f.	90.8	94.5	95.6	90.9	115.7
Distribution costs and overheads	0.7	0.7	0.7	0.7	0.7
Taxes	--	--	--	--	--
Profits (loss -)	8.5	4.8	3.8	8.4	-16.4
Retail price (in rupees per liter)	2.93	2.93	2.93	2.87	2.87
Imports for inland trade (in metric tons)	33,996	31,197	23,588	32,218	57,591
Fuel oil					
Import cost, c.i.f.	...	54.2	48.1	62.3	68.0
Distribution costs and overheads	...	0.7	0.7	0.7	0.7
Taxes	...	42.8	41.8	46.8	45.5
Profits (loss -)	...	2.4	9.4	-9.8	-14.1
Retail price (in rupees per liter)	...	2.97	2.97	2.97	2.97
Imports for inland trade (in metric tons)	...	130,600	100,222	126,498	107,528

Source: State Trading Corporation.

Table XXVIII. Mauritius: Revenue and Grants, Budgetary Central Government, 1988/89-1995/96

(In millions of Mauritian rupees)

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
Tax revenue	6,656	7,685	9,050	9,342	10,265	11,463	11,068	11,488
Taxes on net income and profits	980	1,232	1,387	1,565	1,465	1,497	1,804	1,973
Individuals	424	564	544	552	697	683	863	991
Corporate	556	668	843	1,013	768	814	941	982
Taxes on property	372	469	610	571	716	777	809	895
Land and real estate	52	60	85	89	138	124	151	237
Land development	(8)	(7)	(4)	(4)	(4)	(4)	(8)	(8)
Compments	(8)	(7)	(7)	(7)	(7)	(7)	(16)	(9)
Land transfer	(36)	(46)	(74)	(70)	(116)	(113)	(117)	(211)
Capital gains tax	(...)	(...)	(...)	(8)	(10)	(10)	(10)	(9)
Estate and gift	0	0	0	--	--	--	0	--
Financial transactions	320	409	525	482	578	653	658	658
Registration fees	(319)	(408)	(517)	(474)	(568)	(644)	(649)	(648)
Incorporation & lodging fees	(...)	(...)	(7)	(6)	(8)	(8)	(7)	(9)
Mortgages	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)
Taxes on domestic goods & services	1,583	1,832	2,275	2,563	2,917	3,356	3,464	3,710
Selective excises	603	633	832	886	1,076	1,126	1,100	1,162
Alcoholic beverages	(370)	(402)	(493)	(537)	(620)	(642)	(615)	(628)
Tobacco	(206)	(202)	(307)	(332)	(441)	(470)	(472)	(520)
Sugar milling	(0)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Other	(26)	(29)	(32)	(18)	(15)	(15)	(14)	(14)
Taxes on services	307	364	471	576	574	724	773	848
Gambling	(98)	(121)	(155)	(178)	(188)	(262)	(292)	(319)
Lottery profits	(32)	(45)	(58)	(67)	(78)	(88)	(119)	(138)
Tourism	(176)	(198)	(258)	(331)	(308)	(373)	(361)	(391)
Sugar brokerage	(--)	(--)	(--)	(--)	(--)	(--)	(0)	(--)
Taxes on use of goods	101	125	149	171	246	296	326	343
Business licenses	(56)	(60)	(58)	(62)	(86)	(78)	(92)	(104)
Motor vehicles	(45)	(65)	(91)	(110)	(160)	(218)	(235)	(239)
Sales tax on goods	572	710	823	929	1,021	1,210	1,264	1,357
Taxes on international trade	3,697	4,118	4,743	4,624	5,145	5,815	4,979	4,899
Import duties	3,054	3,703	4,269	4,195	4,711	5,415	4,978	4,899
Customs duties	(2,083)	(2,436)	(2,811)	(2,744)	(3,248)	(3,714)	(4,978)	(4,899)
Stamp duties	(972)	(1,267)	(1,458)	(1,451)	(1,463)	(1,701)	(...)	(...)
Export duties	610	375	430	417	434	400	--	--
Travel tax	32	40	44	12	--	--	0	--
Other tax revenue--stamp duty	24	34	35	18	22	18	12	11
Nontax revenue	557	688	513	1,249	1,057	1,594	1,795	1,124
Property income	340	439	221	911	730	1000	1,371	646
Bank of Mauritius	--	100	--	350	250	350	750	100
Interest and royalties	75	79	90	123	163	132	121	209
Dividends 1/	254	206	71	321	181	401	288	242
Operating surpluses	--	38	40	52	78	56	83	53
Rent and other	10	16	20	65	58	60	129	42
Other nontax revenue	218	249	292	338	327	594	424	478
Fees, charges, and sales	136	156	203	204	213	296	293	287
Fines and forfeits	19	22	29	27	29	33	27	39
Government pension fund	41	44	44	48	50	73	78	81
Miscellaneous	21	27	16	59	35	192	26	71
Total revenue	7,213	8,373	9,563	10,591	11,322	13,056	12,862	12,612
Foreign grants	68	116	61	25	78	130	262	220
Total revenue and grants	7,281	8,489	9,624	10,616	11,400	13,186	13,124	12,832

Source: Ministry of Finance.

1/ Includes substantial profit transfers from State Trading Corporation on petroleum products.

Table XXIX. Mauritius: Transfers and Subsidies by Budgetary Central Government, 1988/89-1995/96

(In millions of Mauritian rupees)

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
Subsidies & other current transfers	<u>2,098</u>	<u>2,315</u>	<u>2,788</u>	<u>3,260</u>	<u>3,592</u>	<u>4,271</u>	<u>4,592</u>	<u>5,376</u>
Local governments	298	315	359	400	438	509	525	559
Education	374	416	548	632	696	918	1,156	1,251
Secondary schools	(257)	(284)	(342)	(385)	(417)	(546)	(629)	(656)
University	(38)	(43)	(55)	(64)	(72)	(92)	(107)	(112)
Education Institute	(27)	(28)	(32)	(36)	(39)	(51)	(57)	(57)
Gandhi Institute	(29)	(34)	(37)	(44)	(48)	(69)	(73)	(75)
College of the Air	(8)	(10)	(12)	(14)	(14)	(21)	(24)	(30)
Examination Syndicate	(14)	(17)	(20)	(24)	(26)	(37)	(41)	(43)
Other	(--)	(--)	(50)	(65)	(80)	(102)	(225)	(278)
Public service pensions	420	418	478	550	603	748	836	924
National Pensions Fund	474	535	730	936	1,047	1,191	1,370	1,612
Rice and wheat flour ^{1/}	145	265	195	220	223	21	23	220
Domestic crops	32	34	46	46	53	58	38	59
Unemployment fund	11	6	3	2	--	--	--	--
Outdoor relief	29	31	39	48	52	60	68	76
Other current transfers	315	296	390	429	480	766	576	675
Capital transfers	<u>325</u>	<u>314</u>	<u>402</u>	<u>460</u>	<u>588</u>	<u>595</u>	<u>476</u>	<u>616</u>
Local governments	7	1	4	--	--	--	--	72
Public financial institutions	32	--	--	--	--	2	100	70
Nonfinancial public enterprises	269	304	380	444	561	568	349	447
Of which: Development Works Corporation ^{2/}	(174)	(128)	(137)	(168)	(--)	(--)	(--)	(--)
International organizations	18	9	18	16	27	25	27	27
Total subsidies and transfers	<u>2,423</u>	<u>2,629</u>	<u>3,190</u>	<u>3,721</u>	<u>4,180</u>	<u>4,866</u>	<u>5,068</u>	<u>5,992</u>

Source: Ministry of Finance.

^{1/} Following the abolition of rice and wheat subsidies between May 1993 and July 1995, the amount shown in 1993/94 and 1994/95 represents the cost of the substitute scheme for direct income support to the needy.

^{2/} Mainly wages and salaries for government employees transferred to the corporation.

Table XXX. Mauritius: Income and Expenditure of the National Pensions Fund, 1989/90-1995/96

(In millions of Mauritian rupees)

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Income	<u>1,211</u>	<u>1,541</u>	<u>1,889</u>	<u>2,147</u>	<u>2,471</u>	<u>2,881</u>	<u>3,317</u>
Government grant	535	747	934	1,047	1,205	1,373	1,623
Contributions from employers & employees	360	427	491	537	598	683	719
Investment income	299	359	455	538	625	767	917
Other income	17	8	9	25	43	58	58
Expenditure	<u>613</u>	<u>829</u>	<u>1,031</u>	<u>1,167</u>	<u>1,405</u>	<u>1,577</u>	<u>1,834</u>
Non contributory (basic) pensions	528	743	927	1,047	1,196	1,363	1,623
Contributory & industrial injury pensions	52	57	70	79	98	121	135
Administration and other costs	33	29	34	41	102	83	76
Excess of income over expenditure	<u>598</u>	<u>712</u>	<u>858</u>	<u>980</u>	<u>1,066</u>	<u>1,304</u>	<u>1,483</u>
Balance in Fund at end of year	3,316	4,167	5,067	6,130	7,200	8,505	10,100

Source: National Pensions Fund.

Table XXXI. Mauritius: State Trading Corporation - Rice and Flour Transactions, 1988/89-1995/96

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
(In millions of Mauritian rupees)								
Sales revenue	434.9	437.7	404.9	341.1	366.2	603.9	556.7	513.9
Rice	235.0	227.5	204.9	166.6	169.0	261.3	215.5	200.5
Flour	199.9	210.2	200.0	174.5	197.2	342.6	341.2	313.4
Purchasing cost	553.3	650.2	546.6	525.2	534.1	562.5	551.5	773.3
Rice	296.9	319.8	258.6	244.1	236.3	245.6	206.6	272.7
Flour	256.4	330.4	288.0	281.1	297.8	316.9	344.9	500.6
Other charges	36.5	42.0	41.6	43.1	44.1	48.9	50.1	67.7
Rice	21.4	24.3	24.7	25.6	25.7	29.9	29.4	45.7
Flour	15.1	17.7	16.9	17.5	18.4	19.0	20.7	22.0
Total cost	589.8	692.2	588.2	568.3	578.2	611.4	601.6	841.0
Rice	318.3	344.1	283.3	269.7	262.0	275.5	236.0	318.4
Flour	318.3	344.1	283.3	269.7	262.0	275.5	236.0	318.4
Balance (deficit -)	-154.9	-254.5	-183.3	-227.2	-212.0	-7.5	-44.9	-327.1
Rice	-83.3	-116.6	-78.4	-103.1	-93.0	-14.2	-20.5	-117.9
Flour	-71.6	-137.9	-104.9	-124.1	-119.0	6.7	-24.4	-209.2
Financing	154.9	254.5	183.3	227.2	212.0	7.5	44.9	327.1
Budgetary transfers	145.0	265.0	193.0	220.0	220.0	--	--	197.0
Other financing 1/	9.9	-10.5	-9.7	7.2	-8.0	7.5	44.9	130.1
(In metric tons)								
Sales volume								
Rice	72,423	70,145	68,460	63,037	60,242	59,033	51,664	45,136
Flour	62,999	65,048	68,003	70,713	71,635	71,227	70,933	76,365
(In Mauritian rupees per metric ton)								
Rice unit values								
Fixed price - initial	3,230	3,230	3,230	2,648	2,598	4,420	4,420	4,420
- final	3,230	3,230	2,648	2,648	4,420	4,420	4,420	4,420
Revenue per ton	3,245	3,243	2,993	2,643	2,805	4,426	4,171	4,442
Cost per ton	4,395	4,906	4,138	4,278	4,349	4,667	4,568	7,054
Subsidy per ton	1,150	1,662	1,145	1,636	1,544	241	397	2,612
Flour unit values								
Fixed price - initial	3,175	3,175	3,175	2,460	2,460	4,800	4,800	4,100
- final	3,175	3,175	2,460	2,460	4,800	4,800	4,800	4,100
Revenue per ton	3,173	3,231	2,941	2,468	2,753	4,810	4,810	4,104
Cost per ton	4,310	5,351	4,484	4,223	4,414	4,716	5,154	6,843
Subsidy per ton	1,137	2,120	1,543	1,755	1,661	-94	344	2,739
(Annual change in percent)								
Sales volume								
Rice	-0.4	-3.1	-2.4	-7.9	-4.4	-2.0	-12.5	-12.6
Flour	4.1	3.3	4.5	4.0	1.3	-0.6	-0.4	7.7
(In percent)								
Revenue/Total cost	73.7	63.2	68.8	60.0	63.3	98.8	92.5	61.1
Rice	73.8	66.1	72.3	61.8	64.5	94.8	91.3	63.0
Flour	73.6	60.4	65.6	58.4	62.4	102.0	93.3	60.0

Source: State Trading Corporation.

1/ Residual. Reflects extrabudgetary financing (overdrafts and acceptances, net of deposits) and timing discrepancies.

Table XXXII. Mauritius: Functional Classification of Expenditure,
Budgetary Central Government, 1/ 1989/90-1995/96

(In millions of Mauritian rupees)

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
Total expenditure	<u>8,977</u>	<u>10,091</u>	<u>11,604</u>	<u>12,157</u>	<u>14,365</u>	<u>15,588</u>	<u>17,208</u>
Public administration and security	<u>1,965</u>	<u>2,078</u>	<u>2,269</u>	<u>2,501</u>	<u>2,980</u>	<u>3,391</u>	<u>3,693</u>
General public services	1,190	1,023	1,216	1,257	1,505	1,759	1,913
Defense	117	153	176	180	200	221	238
Public order and safety	658	902	877	1,064	1,275	1,411	1,542
Social services	<u>3,519</u>	<u>4,195</u>	<u>5,080</u>	<u>5,693</u>	<u>7,076</u>	<u>7,586</u>	<u>8,318</u>
Education	1,199	1,465	1,620	1,671	2,265	2,600	2,695
Health and sanitation	758	870	931	1,141	1,303	1,291	1,404
Social security and welfare	1,099	1,408	1,748	1,943	2,302	2,587	2,981
Housing and community amenities 2/	234	306	457	715	986	848	927
Recreational, cultural, religious	229	146	324	223	220	261	311
Economic services	<u>1,050</u>	<u>1,256</u>	<u>1,631</u>	<u>1,652</u>	<u>2,110</u>	<u>2,037</u>	<u>2,014</u>
Fuel and energy	5	11	14	2	7	7	7
Agriculture, forestry, and fishing	645	624	681	714	797	883	964
Mining, manufacturing, and construction	23	35	41	67	67	101	125
Transport and communications	207	413	661	660	944	783	599
Other economic services	170	173	234	209	295	264	319
Other purposes	<u>2,443</u>	<u>2,562</u>	<u>2,624</u>	<u>2,311</u>	<u>2,199</u>	<u>2,573</u>	<u>3,183</u>
Public debt interest	1,629	1,909	1,868	1,544	1,669	2,020	2,332
Transfers to local governments	316	354	410	438	509	525	631
Subsidy on rice and flour	265	193	220	223	21	28	220
Development works	229	100	114	106	--	--	--
Other	4	6	12	--	--	--	--
Lending minus repayments	<u>36</u>	<u>237</u>	<u>244</u>	<u>276</u>	<u>281</u>	<u>-10</u>	<u>2,389</u>
Total expenditure and net lending	<u>9,013</u>	<u>10,328</u>	<u>11,848</u>	<u>12,433</u>	<u>14,646</u>	<u>15,578</u>	<u>19,597</u>

Sources: Ministry of Finance; and Central Statistical Office.

1/ In 1989/90, data are on a GFS consolidated central government basis, including Social Security; thus, totals differ from those in other tables.

2/ Includes water supply.

Table XXXIII. Mauritius: Financing of the Central Government Deficit, 1988/89-1995/96

(In millions of Mauritian rupees)

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
Disbursements by purpose	<u>674</u>	<u>298</u>	<u>239</u>	<u>227</u>	<u>553</u>	<u>503</u>	<u>255</u>	<u>364</u>
Nonproject loans	136	45	63	14	20	10	--	--
Eurocurrency loans	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Program and sector loans	(136)	(45)	(63)	(14)	(20)	(10)	(--)	(--)
Commodity loans	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Project loans	538	253	176	213	533	493	255	364
Mixed project & suppliers' credits	(60)	(34)	(18)	(28)	(15)	(1)	(1)	(5)
Electric power	(--)	(55)	(--)	(--)	(--)	(--)	(25)	(117)
Water and irrigation	(139)	(66)	(21)	(15)	(86)	(47)	(14)	(14)
Other agriculture	(38)	(19)	(11)	(22)	(111)	(92)	(36)	(46)
Airport improvement	(32)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Roads, highways, bridges	(138)	(8)	(54)	(104)	(161)	(226)	(69)	(21)
Telecommunications	(91)	(12)	(7)	(27)	(15)	(--)	(--)	(--)
Housing projects	(22)	(--)	(28)	(--)	(3)	(52)	(--)	(--)
Urban development	(15)	(--)	(16)	(--)	(27)	(13)	(4)	(16)
Education	(--)	(--)	(--)	(--)	(--)	(2)	(46)	(39)
Environment	(--)	(--)	(--)	(3)	(68)	(22)	(23)	(25)
Other projects	(4)	(60)	(22)	(14)	(48)	(39)	(37)	(82)
Disbursements by source	<u>674</u>	<u>298</u>	<u>239</u>	<u>227</u>	<u>553</u>	<u>503</u>	<u>255</u>	<u>3,041</u>
Bilateral lenders	330	175	114	92	251	149	42	104
Multilateral agencies	325	123	126	135	301	354	213	261
Miscellaneous 1/	19	--	--	--	--	--	--	2,677
Repayments (-)	<u>-1,136</u>	<u>-467</u>	<u>-523</u>	<u>-557</u>	<u>-865</u>	<u>-616</u>	<u>-626</u>	<u>-666</u>
Eurocurrency	-708	--	--	--	--	--	--	--
Other loans	-428	-467	-523	-557	-865	-616	-626	-666
External financing, net	<u>-462</u>	<u>-169</u>	<u>-284</u>	<u>-330</u>	<u>-312</u>	<u>-113</u>	<u>-371</u>	<u>2,375</u>
Eurocurrency, net	708	--	--	--	--	--	--	--
Other external, net	-1,170	-169	-284	-330	-312	-113	-371	2,375
Domestic banking system	<u>-35</u>	<u>407</u>	<u>734</u>	<u>1,922</u>	<u>1,222</u>	<u>2,681</u>	<u>2,674</u>	<u>1,257</u>
Bank of Mauritius	-1,159	-863	-951	6,267	-2,314	1,299	755	-893
Commercial banks	1,124	1,270	1,685	-4,345	3,536	1,382	1,919	2,150
Nonbank and residual	<u>1,448</u>	<u>527</u>	<u>254</u>	<u>-360</u>	<u>124</u>	<u>-1,108</u>	<u>122</u>	<u>1,795</u>
Domestic nonbank	1,372	585	588	-330	162	-516	-211	1,819
Short-term instruments	(457)	(183)	(281)	(-1,276)	(35)	(213)	(-172)	(91)
Long-term instruments	(914)	(402)	(307)	(945)	(127)	(-728)	(-39)	(1,727)
Other and residual 2/	76	-58	-334	-30	-38	-592	333	-24
Domestic financing, net	<u>1,412</u>	<u>934</u>	<u>988</u>	<u>1,562</u>	<u>1,346</u>	<u>1,573</u>	<u>2,796</u>	<u>3,052</u>
Total financing	<u>950</u>	<u>765</u>	<u>704</u>	<u>1,232</u>	<u>1,033</u>	<u>1,460</u>	<u>2,425</u>	<u>5,427</u>

Sources: Ministry of Finance; and Bank of Mauritius.

1/ In 1995/96, includes the international Floating Rate Note (FRN) issue.

2/ Reflects differences of coverage and valuation as well as timing.

Table XXXIV. Mauritius: Government Domestic Nonbank Debt Outstanding by Holder, 1/ 1989/90-1995/96

(In millions of Mauritian rupees; end of period)

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
National Pensions Fund	<u>3,191.2</u>	<u>3,678.5</u>	<u>3,179.4</u>	<u>3,418.9</u>	<u>3,154.9</u>	<u>3,206.6</u>	<u>3,154.7</u>
Short-term	564.0	753.3	80.5	65.0	--	192.3	212.5
Long-term	2,627.2	2,925.2	3,098.9	3,353.9	3,154.9	3,014.3	2,942.2
Post Office Savings Bank	<u>328.0</u>	<u>358.0</u>	<u>324.8</u>	<u>354.9</u>	<u>295.5</u>	<u>214.7</u>	<u>212.0</u>
Short-term	219.0	149.0	91.4	121.5	83.5	2.7	--
Long-term	109.0	209.0	233.4	233.4	212.0	212.0	212.0
State Insurance Corporation of Mauritius (SICOM)	<u>401.6</u>	<u>412.9</u>	<u>404.6</u>	<u>494.4</u>	<u>492.1</u>	<u>603.6</u>	<u>567.6</u>
Short-term	--	--	--	--	--	--	22.9
Long-term	401.6	412.9	404.6	494.4	492.1	603.6	544.7
Insurance companies	<u>95.3</u>	<u>87.7</u>	<u>91.7</u>	<u>96.6</u>	<u>165.9</u>	<u>294.1</u>	<u>210.8</u>
Short-term	3.9	0.8	--	--	--	88.0	7.8
Long-term	91.4	86.9	91.7	96.6	165.9	206.1	203.0
Sugar Insurance Fund Board	<u>403.8</u>	<u>527.3</u>	<u>88.9</u>	<u>73.9</u>	<u>67.9</u>	<u>35.3</u>	<u>35.3</u>
Short-term	313.9	437.4	--	--	--	--	--
Long-term	89.9	89.9	88.9	73.9	67.9	35.3	35.3
Other sugar parastatals	<u>5.3</u>	<u>5.3</u>	<u>5.0</u>	<u>4.2</u>	<u>4.2</u>	<u>3.2</u>	<u>--</u>
Short-term	--	--	--	--	--	--	--
Long-term	5.3	5.3	5.0	4.2	4.2	3.2	--
Other public enterprises	<u>19.4</u>	<u>19.7</u>	<u>9.7</u>	<u>59.7</u>	<u>8.8</u>	<u>5.9</u>	<u>50.1</u>
Short-term	8.6	9.6	--	50.0	--	--	--
Long-term	10.8	10.1	9.7	9.7	8.8	5.9	50.1
Independence and Republic bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,374.9</u>
Short-term	--	--	--	--	--	--	--
Long-term	--	--	--	--	--	--	2,374.9
Others	<u>1,099.6</u>	<u>1,042.4</u>	<u>1,697.3</u>	<u>1,460.5</u>	<u>1,258.3</u>	<u>873.3</u>	<u>449.8</u>
Short-term	193.3	233.6	136.2	106.6	472.4	101.3	232.5
Long-term	906.3	808.8	1,561.1	1,353.9	785.9	772.0	217.2
Total	<u>5,544.2</u>	<u>6,131.8</u>	<u>5,801.4</u>	<u>5,963.1</u>	<u>5,447.6</u>	<u>5,236.6</u>	<u>7,055.1</u>
Short-term	1,302.7	1,583.7	308.1	343.1	555.9	384.3	475.7
Long-term	4,241.5	4,548.1	5,493.3	5,620.0	4,891.7	4,852.3	6,579.4
Memorandum items:							
Changes during year (total)	<u>584.6</u>	<u>587.6</u>	<u>-330.4</u>	<u>161.7</u>	<u>-515.5</u>	<u>-211.0</u>	<u>1,818.5</u>
Short-term	182.7	281.0	-1,275.6	35.0	212.8	-171.6	91.4
Long-term	401.9	306.6	945.2	126.7	-728.3	-39.4	1,727.1

Sources: Bank of Mauritius; and Ministry of Finance.

1/ Includes tax Treasury bills and tax reserve certificates (short-term) and government stocks, Treasury certificates, and anonymous bearer bonds (long-term). Excludes sinking fund holdings.

Table XXXV. Mauritius: External Borrowing of the Central Government, 1988/89-1995/96

(In millions of Mauritian rupees)

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Rev. est.
Governments	<u>290.8</u>	<u>163.3</u>	<u>58.2</u>	<u>91.4</u>	<u>218.9</u>	<u>124.0</u>	<u>32.5</u>	<u>67.4</u>
People's Republic of China	<u>14.6</u>	<u>60.0</u>	<u>16.0</u>	<u>9.1</u>	<u>40.2</u>	<u>76.4</u>	--	<u>16.9</u>
Agricultural research	0.3	--	--	--	--	--	--	--
Plaisance Airport improvement	12.9	--	--	--	--	--	--	--
Sports complex	1.4	60.0	16.0	0.6	3.9	--	--	--
Flacq hospital	--	--	--	--	22.7	18.9	--	16.9
Housing	--	--	--	--	3.0	51.6	--	--
Miscellaneous	--	--	--	8.4	10.6	5.9	--	--
France	<u>124.4</u>	<u>57.2</u>	<u>17.2</u>	<u>21.7</u>	<u>94.5</u>	<u>45.6</u>	<u>31.7</u>	<u>30.7</u>
Electronic switching system II/III	--	--	--	--	--	--	--	--
Port Louis water supplies	2.3	0.6	1.1	2.5	--	--	--	--
Balance of payments support (CFD) 1/	--	1.0	--	--	4.1	--	--	--
Plaisance Airport improvement	--	--	--	--	--	--	--	--
Livestock breeding project	1.6	2.4	2.3	2.2	1.2	--	--	--
Small-scale irrigation project	2.2	1.9	3.9	1.0	3.2	--	--	--
Emergency works: La Butte (water)	76.0	7.6	--	--	--	--	--	--
Goodlands/District water supply	40.0	43.8	4.2	11.0	77.9	34.9	8.9	13.8
Grand Baie sewerage	--	--	--	--	--	--	--	--
Water works	--	--	--	--	--	--	--	--
Miscellaneous development projects	2.3	--	5.7	5.0	8.1	10.7	22.8	16.9
Federal Republic of Germany	--	--	--	--	0.4	0.0	--	--
Rodrigues electrification	--	--	--	--	0.2	0.0	--	--
Cooperative projects	--	--	--	--	--	--	--	--
India	<u>60.0</u>	<u>34.1</u>	<u>17.8</u>	<u>27.8</u>	<u>14.3</u>	<u>1.1</u>	<u>0.8</u>	<u>4.6</u>
Lines of credit for development projects and supplies	60.0	34.1	17.8	27.8	14.3	1.1	0.8	4.6
Japan	<u>91.2</u>	<u>11.6</u>	<u>7.2</u>	<u>27.0</u>	<u>14.8</u>	--	--	<u>15.2</u>
Telecommunications	91.2	11.6	7.2	27.0	14.8	--	--	--
United Kingdom	<u>0.6</u>	<u>0.5</u>	--	<u>5.9</u>	<u>0.1</u>	<u>0.9</u>	--	--
Loan No. 6	0.6	0.5	--	5.9	0.1	0.9	--	--
Programme loan No. 6	--	--	--	--	--	--	--	--
United States	--	--	--	--	<u>54.5</u>	--	--	--
Derocking scheme	--	--	--	--	54.5	--	--	--
Other bilateral agencies	<u>38.9</u>	<u>12.0</u>	<u>55.4</u>	<u>0.7</u>	<u>32.3</u>	<u>24.8</u>	<u>9.3</u>	<u>36.1</u>
Abu Dhabi Fund	<u>8.4</u>	<u>3.8</u>	<u>11.9</u>	<u>0.2</u>	--	--	--	--
Water project	8.4	3.8	11.9	0.2	--	--	--	--
Commonwealth Development Corporation	<u>5.2</u>	--	<u>27.7</u>	--	--	--	--	--
Housing project	5.2	--	27.7	--	--	--	--	--
Kuwait Fund	<u>9.9</u>	<u>8.2</u>	--	<u>0.4</u>	<u>5.0</u>	<u>12.1</u>	<u>5.1</u>	<u>36.1</u>
Water project	9.9	8.2	--	0.4	5.0	12.1	5.1	--
Saudi Fund	<u>15.4</u>	--	<u>15.8</u>	--	<u>27.2</u>	<u>12.7</u>	<u>4.2</u>	--
Urban sector development	15.4	--	15.8	--	27.2	12.7	4.2	--
Bilateral lenders	<u>329.7</u>	<u>175.3</u>	<u>113.6</u>	<u>92.1</u>	<u>251.1</u>	<u>148.8</u>	<u>41.8</u>	<u>103.6</u>

Table XXXV (concluded). Mauritius: External Borrowing of the Central Government, 1987/88-1994/95

(In millions of Mauritian rupees)

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 Rev. est.
Multilateral agencies	<u>325.2</u>	<u>122.6</u>	<u>125.6</u>	<u>134.8</u>	<u>301.5</u>	<u>354.5</u>	<u>213.2</u>	<u>260.5</u>
Arab Bank for Economic Development in Africa	--	--	--	--	--	--	--	--
Industrial credit	--	--	--	--	--	--	--	--
African Development Bank/Fund	<u>122.0</u>	<u>3.3</u>	<u>63.2</u>	<u>44.2</u>	<u>16.2</u>	<u>20.0</u>	<u>48.3</u>	<u>13.4</u>
G.R.N.W. Bridge	--	--	--	--	--	4.5	12.2	8.3
Program loan (SAL/sector)	92.0	--	10.1	--	--	--	--	--
Motorway through Port Louis	30.0	2.6	--	--	--	--	--	--
Nouvelle France-Plaisance road	--	0.7	53.1	44.2	1.1	--	--	--
Environmental program	--	--	--	--	15.1	2.8	0.2	--
Rose Belle rehabilitation	--	--	--	--	--	12.7	4.8	--
Third highway project	--	--	--	--	--	--	--	--
Education project	--	--	--	--	--	--	31.2	4.3
European Development Fund	<u>57.4</u>	<u>57.7</u>	<u>1.0</u>	<u>5.9</u>	<u>55.2</u>	<u>77.0</u>	<u>24.5</u>	<u>52.5</u>
Housing program	16.8	--	--	--	--	--	--	--
Agricultural Marketing Board	2.8	2.6	0.4	1.5	0.2	--	--	--
Phoenix-Nouvelle France road	37.8	0.5	0.6	--	--	--	--	--
CEB transmission	--	54.6	--	--	--	--	--	--
Prime Minister's derocking scheme	--	--	--	4.4	2.5	6.5	4.5	2.5
Agricultural credits	--	--	--	--	52.5	70.5	20.0	37.1
Regional Meteorological project	--	--	--	--	--	--	--	12.9
International Bank for Reconstruction and Development	<u>112.8</u>	<u>47.1</u>	<u>53.0</u>	<u>68.7</u>	<u>221.1</u>	<u>257.5</u>	<u>134.1</u>	<u>188.9</u>
Urban sector development	--	--	--	--	--	--	--	--
First highway project	67.5	2.2	--	--	--	--	--	--
Second highway project	2.3	1.7	0.3	59.5	159.4	221.6	56.6	12.7
Environment	--	--	--	1.0	43.6	19.3	16.3	18.9
Technical assistance	--	--	--	--	--	--	--	--
Sugar action program	43.0	43.2	52.7	8.2	15.3	9.1	--	--
Industrial sector loan	--	--	--	--	--	--	--	--
Agricultural management services	--	--	--	--	--	2.5	7.1	6.1
Bagasse energy	--	--	--	--	--	--	25.2	81.4
Third education project	--	--	--	--	--	1.8	14.6	31.3
Human resources	--	--	--	--	2.8	3.2	13.4	11.1
Technology Development project	--	--	--	--	--	--	0.9	24.2
International Fund for Agricultural Development	<u>33.0</u>	<u>14.5</u>	<u>8.4</u>	<u>13.8</u>	--	--	--	--
Small agricultural projects	33.0	14.5	8.4	13.8	--	--	--	--
Nordic Investment Bank/Development Fund	--	--	--	2.2	9.0	--	6.3	5.7
Environmental program	--	--	--	2.2	9.0	--	6.3	5.7
Miscellaneous sources	<u>19.0</u>	--	--	--	--	--	--	<u>2,676.6</u>
Airport--Citibank London	19.0	--	--	--	--	--	--	--
Housing project (Merrill Lynch)	--	--	--	--	--	--	--	--
International Floating Rate Note	...	...	...	...	...	...	...	2,676.6
Total disbursements	<u>673.9</u>	<u>297.9</u>	<u>239.2</u>	<u>226.9</u>	<u>552.6</u>	<u>503.3</u>	<u>255.0</u>	<u>3,040.0</u>

Source: Ministry of Finance, Financial Reports and Capital Budgets.

1/ CFD, Caisse Française de Développement.

Table XXXVI. Mauritius: Summary Accounts of Offshore Banks, 1990-95

(In thousands of U.S. dollars; end of period)

	<u>1990</u> Dec.	<u>1991</u> Dec.	<u>1992</u> Dec.	<u>1993</u> Dec.	<u>1994</u> Dec.	<u>1995</u> Dec.
Assets	<u>89,633</u>	<u>164,956</u>	<u>272,648</u>	<u>377,678</u>	<u>504,012</u>	<u>669,106</u>
Amounts due from banks	71,925	98,764	199,925	246,927	354,185	492,814
Loans and advances	16,443	64,349	70,217	122,526	139,750	155,155
Fixed assets	240	657	559	464	414	387
Other assets	1,025	1,186	1,947	7,761	9,663	20,750
Liabilities	<u>89,633</u>	<u>164,956</u>	<u>272,648</u>	<u>377,678</u>	<u>504,012</u>	<u>669,106</u>
Capital/paid up capital	15,918	24,128	26,145	25,408	25,810	26,207
Nonbank deposits	29,306	50,694	92,624	185,460	294,528	415,537
Deposits and balances of other banks	42,641	87,449	150,987	122,380	133,949	160,555
Other liabilities	1,768	2,685	2,892	44,430	49,725	66,807
Contingent liabilities	<u>18,017</u>	<u>35,559</u>	<u>51,108</u>	<u>151,969</u>	<u>282,074</u>	<u>177,512</u>

Source: Bank of Mauritius.

Table XXXVII. Mauritius: Stock Exchange Operations, 1990-96

	Turnover		Stock Price Index (SEMDEX)	
	Mauritian rupees	Number of shares	(July 5, 1989=100)	(Annual change in percent)
1990	88,507,600	3,551,326	152.84	...
1991	80,980,184	4,479,031	155.57	1.8
1992	158,600,400	8,720,103	163.57	5.1
1993	691,596,610	37,282,888	259.80	58.8
1994	1,522,800,900	50,636,520	395.55	52.3
1995	1,220,134,100	59,383,924	380.38	-3.8
1992 I	27,414,414	1,271,728	152.07	-6.4
1992 II	24,201,392	1,026,628	150.84	-4.3
1992 III	34,164,520	1,409,450	164.04	9.2
1992 IV	72,820,080	5,012,297	187.33	23.3
1993 I	126,374,300	11,472,467	205.68	35.2
1993 II	177,913,890	8,698,630	260.64	72.8
1993 III	183,958,800	8,136,022	280.43	70.9
1993 IV	203,349,620	8,975,772	292.44	56.1
1994 I	214,883,360	9,658,002	341.40	66.0
1994 II	302,119,460	11,433,769	357.75	37.3
1994 III	641,491,260	17,277,900	421.87	50.4
1994 IV	364,306,820	12,266,841	461.17	57.7
1995 I	401,509,120	11,747,699	461.09	35.1
1995 II	240,069,600	10,530,923	385.64	7.8
1995 III	335,329,280	22,706,760	347.09	-17.7
1995 IV	243,226,080	14,398,541	327.70	-28.9
1996 I	496,554,780	30,226,200	359.61	-22.0
1996 II	460,721,570	28,438,348	335.81	-12.9
1996 III	311,753,410	15,323,462	321.95	-7.2
1995 June	92,893,376	4,843,318	372.47	-0.4
1995 July	154,917,260	12,156,814	363.22	-4.0
1995 Aug.	70,051,240	3,964,464	348.25	-18.7
1995 Sep.	110,360,750	6,585,482	329.81	-28.1
1995 Oct.	71,030,280	4,333,517	330.77	-29.7
1995 Nov.	99,979,680	4,801,255	317.97	-30.2
1995 Dec.	72,216,136	5,263,769	334.36	-27.0
1996 Jan.	181,117,120	9,729,580	363.84	-23.8
1996 Feb.	192,271,890	15,227,654	361.56	-23.1
1996 Mar.	123,165,780	5,268,966	353.44	-18.9
1996 Apr.	97,304,016	5,110,894	338.04	-16.0
1996 May	147,764,960	11,717,440	341.89	-10.5
1996 June	215,652,590	11,610,015	327.52	-12.1
1996 July	138,047,420	7,233,730	322.17	-11.3
1996 Aug.	74,209,856	3,193,986	322.94	-7.3
1996 Sep.	99,496,128	4,895,746	320.73	-2.8

Source: Stock Exchange Commission of Mauritius.

Table XXXVIII. Mauritius: Principal Interest Rates, 1992-96

(In percent per annum)

	June 1992		June 1993		June 1994		June 1995		June 1996	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Lending rates										
Bank of Mauritius										
Bank rate	11.00		8.00		8.00		10.08		9.88	
Rediscount facilities	11.25		8.25		8.25		11.58		11.38	
Commercial banks										
Export finance ^{1/}	12.00	17.00	9.00	12.50						
Mauritius Sugar Syndicate	13.00	14.00	10.00	11.00	10.50	11.00	11.00	16.75	11.00	16.75
Sugar industry	13.00	17.00	10.00	15.00	9.00	16.00	10.00	19.50	11.00	20.00
Other agriculture	13.00	17.25	9.50	15.00	10.00	16.00	10.75	19.50	11.00	20.00
EPZ	13.00	17.00	10.50	15.00	10.50	16.00	10.00	18.00	10.00	19.50
DC	13.50	17.00	10.00	16.50	10.50	16.00	10.50	18.50	11.00	18.50
Small-scale industries	13.50	17.00	10.00	15.00	10.50	16.00	11.00	20.00	11.00	20.00
Transport	16.00	19.50	14.50	19.00	14.00	19.00	12.50	21.50	14.00	21.50
Hotels	16.00	19.50	14.00	19.00	14.00	19.00	13.50	20.50	14.00	20.50
Other industries and manufacturers	15.00	19.50	12.00	18.50	13.00	17.50	11.50	21.00	11.00	20.50
Statutory and parastatal bodies	12.50	19.50	14.50	19.00	15.00	19.00	15.00	20.50	15.00	20.50
Housing	14.50	19.50	14.50	19.00	13.50	18.00	14.00	20.50	14.00	20.50
Traders	17.00	20.00	15.50	19.50	16.00	19.50	15.00	22.75	14.00	23.00
Stock brokers	18.00	19.75	16.00	19.00	16.50	19.00	17.00	22.00	17.00	22.00
Financial institutions	18.00	20.00	16.00	19.00	16.50	19.00	16.00	22.00	16.00	22.00
Personal and professional	14.00	20.00	16.00	19.50	16.00	19.50	15.00	22.00	14.00	22.00
Other customers	18.00	20.00	16.00	19.50	16.50	19.00	15.00	22.00	15.00	22.00
Deposit rates										
Savings	10.00		7.00		8.00		8.00		8.00	8.00
Seven days' notice	8.00	12.00	6.00	7.00	7.00	9.50	8.00	10.00	8.00	13.00
Fixed deposits										
Up to 3 months	9.50	12.13	6.75	8.25	8.00	10.00	8.00	11.25	8.00	12.75
Exceeding 3 and up to 6 months	8.50	13.63	7.12	8.50	8.12	10.75	8.13	14.00	8.12	14.00
Exceeding 6 and up to 12 months	9.00	12.75	7.25	9.00	8.25	12.00	8.25	11.00	8.25	13.00
Exceeding 12 and up to 18 months	9.25	13.50	7.50	9.25	8.38	12.75	8.38	12.50	8.37	14.00
Exceeding 18 and up to 24 months	10.50	14.00	7.50	9.50	8.50	12.50	8.50	12.50	8.50	14.00
Exceeding 24 and up to 36 months	10.63	14.00	7.75	10.00	8.50	12.50	8.50	13.00	8.50	13.00
Exceeding 36 and up to 48 months	10.75	14.00	8.00	9.00	8.50	12.50	8.50	13.13	8.50	14.50
Exceeding 48 months	11.00	14.25	8.00	9.00	8.50	12.00	8.50	13.50	8.50	15.00
Treasury bill rate ^{2/}										
3-month	7.32		6.98		8.35		9.74		9.45	
6-month	8.51		7.61		8.37		9.87		9.80	
12-month	8.67		8.43		8.56		9.91		9.93	

Source: Bank of Mauritius.

^{1/} Applicable to bills eligible for rediscount at the Bank of Mauritius.

^{2/} From November 1991, rates quoted are the monthly weighted average yields on Treasury/Bank of Mauritius bills auctioned.

Table XXXIX. Mauritius: Consolidated Monetary Survey, June 1991-September 1996

(In millions of Mauritian rupees; end of period)

	1991	1992	1993	1994	1995			1996		
		June			June	Sept.	Dec.	Mar.	June	Sept.
Net foreign assets	<u>13,447</u>	<u>16,252</u>	<u>16,106</u>	<u>15,483</u>	<u>14,994</u>	<u>15,554</u>	<u>18,785</u>	<u>19,620</u>	<u>19,281</u>	<u>18,988</u>
Monetary authorities	11,660	14,639	13,682	12,700	11,707	12,069	15,117	16,281	15,540	15,305
Commercial banks	1,786	1,585	2,243	2,595	3,090	3,292	3,475	3,146	3,548	3,493
Domestic credit	<u>19,383</u>	<u>23,507</u>	<u>28,914</u>	<u>37,612</u>	<u>44,227</u>	<u>45,714</u>	<u>46,369</u>	<u>47,357</u>	<u>47,069</u>	<u>47,809</u>
Claims on Government (net)	5,256	7,141	8,258	10,945	13,620	14,047	13,358	14,703	14,876	14,408
Monetary authorities	(-3,319)	(2,947)	(634)	(1,933)	(2,677)	(2,274)	(120)	(-350)	(1,792)	(-94)
Commercial banks	(8,363)	(4,018)	(7,554)	(8,936)	(10,855)	(11,691)	(13,156)	(14,973)	(13,005)	(14,424)
Claims on private sector ^{1/}	14,127	16,366	20,656	26,668	30,607	31,667	33,011	32,654	32,193	33,401
Broad money (M2)	<u>26,765</u>	<u>32,102</u>	<u>36,475</u>	<u>42,786</u>	<u>47,832</u>	<u>50,109</u>	<u>54,147</u>	<u>55,956</u>	<u>55,450</u>	<u>56,353</u>
Money (M1)	5,444	6,261	6,777	7,027	8,132	7,552	9,573	8,225	8,233	8,550
Quasi-money	21,321	25,841	29,698	35,759	39,700	42,557	44,574	47,731	47,218	47,804
Money market instruments	--	877	309	186	--	--	159	37	-2	130
Other items (net)	<u>6,065</u>	<u>6,780</u>	<u>8,237</u>	<u>10,123</u>	<u>11,388</u>	<u>11,160</u>	<u>10,847</u>	<u>10,984</u>	<u>10,901</u>	<u>10,314</u>

Source: Bank of Mauritius.

^{1/} Including claims on the offshore banks.

Table XL. Mauritius: Summary Accounts of the Bank of Mauritius, June 1991-September 1996

(In millions of Mauritian rupees; end of period)

	1991	1992	1993	1994	1995			1996		
		June			June	Sept.	Dec.	Mar.	June	Sept.
Net foreign assets	<u>11,660</u>	<u>14,639</u>	<u>13,682</u>	<u>12,700</u>	<u>11,707</u>	<u>12,069</u>	<u>15,117</u>	<u>16,281</u>	<u>15,540</u>	<u>15,305</u>
Foreign assets	11,667	14,711	13,695	12,731	11,723	12,085	15,129	16,294	15,562	15,319
Foreign liabilities	-7	-71	-13	-30	-16	-16	-12	-13	-22	-14
Claims on Government (net)	<u>-3,319</u>	<u>2,947</u>	<u>634</u>	<u>1,933</u>	<u>2,677</u>	<u>2,274</u>	<u>120</u>	<u>-350</u>	<u>1,792</u>	<u>-94</u>
Treasury bills	--	--	--	--	513	351	179	--	16	124
Government securities	0	--	--	282	686	677	260	541	602	514
Advances	--	3,043	617	1,615	1,434	1,122	--	--	1,096	--
Other ^{1/}	116	134	134	134	134	134	134	134	134	134
Less: Government deposits	(3,436)	(229)	(117)	(98)	(90)	(10)	(453)	(1,025)	(57)	(866)
Claims on commercial banks	<u>51</u>	<u>47</u>	<u>59</u>	<u>244</u>	<u>--</u>	<u>225</u>	<u>550</u>	<u>375</u>	<u>--</u>	<u>--</u>
Reserve money	<u>4,741</u>	<u>12,106</u>	<u>8,737</u>	<u>8,872</u>	<u>8,002</u>	<u>8,757</u>	<u>10,119</u>	<u>10,734</u>	<u>11,723</u>	<u>10,281</u>
Currency outside banks	2,588	2,972	3,316	3,570	3,767	3,895	4,847	4,123	4,162	4,173
Currency with banks	491	596	755	794	815	829	1,186	886	832	1,043
Bankers' deposits	1,648	3,019	3,327	3,365	3,414	4,014	3,555	4,344	5,574	3,027
Of which: non-interest-bearing deposits	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Banks' holdings of Bank of Mauritius bills	--	5,504	1,331	1,118	--	--	491	1,374	1,142	2,024
Private sector demand deposits	15	16	9	24	6	19	40	7	14	13
Money market instruments	<u>--</u>	<u>877</u>	<u>309</u>	<u>186</u>	<u>--</u>	<u>--</u>	<u>159</u>	<u>37</u>	<u>-2</u>	<u>130</u>
Other items (net)	<u>3,650</u>	<u>4,650</u>	<u>5,330</u>	<u>5,820</u>	<u>6,382</u>	<u>5,811</u>	<u>5,509</u>	<u>5,535</u>	<u>5,611</u>	<u>4,800</u>
Memorandum items:										
Monetary authorities										
Reserve position in the Fund	1	27	181	187	197	193	193	193	192	191
Claims on Government (net) ^{2/}	-3,107	3,123	704	2,009	2,764	2,356	202	-270	1,871	-16

Source: Bank of Mauritius.

^{1/} Use of SDRs (as shown in the Bank of Mauritius's accounts) and Trust Fund borrowing.

^{2/} Including transactions with the Fund (based on Fund records).

Table XLI. Mauritius: Summary Accounts of the Commercial Banks, June 1991-September 1996

(In millions of Mauritian rupees; end of period)

	1991	1992	1993	1994	1995			1996		
		June			June	Sept.	Dec.	Mar.	June	Sept.
Net foreign assets	<u>1,786</u>	<u>1,585</u>	<u>2,243</u>	<u>2,595</u>	<u>3,090</u>	<u>3,292</u>	<u>3,475</u>	<u>3,146</u>	<u>3,548</u>	<u>3,493</u>
Reserves	<u>2,138</u>	<u>9,118</u>	<u>5,413</u>	<u>5,277</u>	<u>4,229</u>	<u>4,843</u>	<u>5,232</u>	<u>6,604</u>	<u>7,547</u>	<u>6,095</u>
Of which: non-interest-bearing deposits	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
holdings of Bank of Mauritius bills	(--)	(5,504)	(1,331)	(1,118)	(--)	(--)	(491)	(1,374)	(1,142)	(2,024)
Claims on Government (net)	<u>8,363</u>	<u>4,018</u>	<u>7,554</u>	<u>8,936</u>	<u>10,855</u>	<u>11,691</u>	<u>13,156</u>	<u>14,973</u>	<u>13,005</u>	<u>14,424</u>
Government securities	<u>2,232</u>	<u>2,156</u>	<u>2,606</u>	<u>3,895</u>	<u>3,328</u>	<u>3,099</u>	<u>3,219</u>	<u>2,988</u>	<u>2,937</u>	<u>3,070</u>
Of which: eligible liquid assets	(1,395)	(1,289)	(1,742)	(3,272)	(2,941)	(2,941)	(2,941)	(2,793)	(2,746)	(2,746)
Treasury bills	<u>6,548</u>	<u>2,411</u>	<u>5,391</u>	<u>5,368</u>	<u>8,239</u>	<u>9,353</u>	<u>11,405</u>	<u>13,235</u>	<u>10,685</u>	<u>11,404</u>
Loans and advances	<u>1</u>	--	--	--	<u>5</u>	<u>10</u>	--	--	--	--
STC rice and flour credit ^{1/}	--	--	--	--	--	--	--	<u>89</u>	<u>0</u>	<u>107</u>
Less: Government deposits	<u>-419</u>	<u>-549</u>	<u>-443</u>	<u>-327</u>	<u>-717</u>	<u>-771</u>	<u>-1,468</u>	<u>-1,339</u>	<u>-617</u>	<u>-158</u>
Claims on private sector	<u>14,033</u>	<u>16,107</u>	<u>20,387</u>	<u>26,463</u>	<u>30,474</u>	<u>31,542</u>	<u>32,879</u>	<u>32,475</u>	<u>32,055</u>	<u>33,258</u>
Claims on other banklike institutions	<u>94</u>	<u>259</u>	<u>269</u>	<u>204</u>	<u>133</u>	<u>125</u>	<u>132</u>	<u>179</u>	<u>138</u>	<u>143</u>
Demand deposits	<u>2,841</u>	<u>3,273</u>	<u>3,452</u>	<u>3,433</u>	<u>4,358</u>	<u>3,639</u>	<u>4,685</u>	<u>4,096</u>	<u>4,057</u>	<u>4,364</u>
Time and savings deposits	<u>21,321</u>	<u>25,841</u>	<u>29,698</u>	<u>35,759</u>	<u>39,700</u>	<u>42,557</u>	<u>44,574</u>	<u>47,731</u>	<u>47,218</u>	<u>47,804</u>
Credit from the Bank of Mauritius	<u>51</u>	<u>47</u>	<u>59</u>	<u>244</u>	--	<u>225</u>	<u>550</u>	<u>375</u>	--	--
Other items (net)	<u>2,201</u>	<u>1,927</u>	<u>2,657</u>	<u>4,040</u>	<u>4,723</u>	<u>5,073</u>	<u>5,063</u>	<u>5,176</u>	<u>5,019</u>	<u>5,246</u>

Source: Bank of Mauritius.

^{1/} STC, State Trading Corporation.

Table XLII. Mauritius: Distribution of Commercial Bank Credit to the Private Sector, 1991-96

	1991	1992	1993	1994	1995			1996		
	June				June	Sept.	Dec.	Mar.	June	Sept.
(In millions of Mauritian rupees; end of period)										
Sugar industry 1/	1,095	1,085	1,419	1,607	1,792	1,980	2,024	1,437	1,870	1,833
Export Processing Zone	3,072	3,394	3,852	4,505	4,665	4,684	4,615	4,867	4,792	4,784
Other industries 2/	3,865	4,557	5,102	5,848	6,233	6,244	6,406	6,068	6,008	6,064
Personal, professional, and housing	2,127	2,506	3,082	4,981	6,217	6,458	6,833	6,928	7,008	7,280
Traders	1,546	1,822	2,320	3,881	5,289	5,425	5,818	6,069	5,812	6,156
Others	2,327	2,743	4,612	5,641	6,271	6,745	7,176	7,100	6,569	7,136
Total	14,033	16,107	20,387	26,463	30,468	31,536	32,872	32,469	32,059	33,252
(In percent of total)										
Sugar industry 1/	7.8	6.7	7.0	6.1	5.9	6.3	6.2	4.4	5.8	5.5
Export Processing Zone	21.9	21.1	18.9	17.0	15.3	14.9	14.0	15.0	14.9	14.4
Other industries 2/	27.5	28.3	25.0	22.1	20.5	19.8	19.5	18.7	18.7	18.2
Personal, professional, and housing	15.2	15.6	15.1	18.8	20.4	20.5	20.8	21.3	21.9	21.9
Traders	11.0	11.3	11.4	14.7	17.4	17.2	17.7	18.7	18.1	18.5
Others	16.6	17.0	22.6	21.3	20.6	21.4	21.8	21.9	20.5	21.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(Annual change in percent)										
Sugar industry 1/	0.3	-0.9	30.8	13.2	11.5	18.1	36.8	17.7	4.3	-7.4
Export Processing Zone	6.1	10.5	13.5	17.0	3.6	2.0	0.6	3.9	2.7	2.1
Other industries 2/	23.3	17.9	12.0	14.6	6.6	5.7	4.3	-1.4	-3.6	-2.9
Personal, professional, and housing	33.8	17.8	23.0	61.6	24.8	21.0	21.8	18.7	12.7	12.7
Traders	12.8	17.8	27.3	67.3	36.3	21.6	16.6	14.6	9.9	13.5
Others	34.5	17.9	68.1	22.3	11.2	19.6	21.6	14.2	4.7	5.8
Total	18.8	14.8	26.6	29.8	15.1	14.2	14.5	10.4	5.2	5.4

Source: Bank of Mauritius.

1/ Includes Mauritius Sugar Syndicate.

2/ Includes development certificate (DC) companies, ex-DC companies, other manufacturers, and transport.

Table XLIII. Mauritius: Balance of Payments, 1989/90-1995/96

APPENDIX II

(In millions of Mauritian rupees)

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
Current account balance	<u>-1,909</u>	<u>-624</u>	<u>-495</u>	<u>-723</u>	<u>-1,373</u>	<u>-3,638</u>	<u>-629</u>
Trade balance	<u>-3,879</u>	<u>-3,392</u>	<u>-3,022</u>	<u>-3,236</u>	<u>-4,065</u>	<u>-7,012</u>	<u>-5,594</u>
Exports, f.o.b.	16,355	18,817	20,325	21,877	24,340	25,700	28,908
Sugar	(4,672)	(5,285)	(5,507)	(5,918)	(5,882)	(5,796)	(6,538)
Export Processing Zone	(10,014)	(11,708)	(12,734)	(14,037)	(16,184)	(17,528)	(19,581)
Other	(1,669)	(1,824)	(2,084)	(1,922)	(2,274)	(2,376)	(2,789)
Imports, f.o.b.	-20,234	-22,209	-23,347	-25,113	-28,405	-32,712	-34,502
Imports, c.i.f.	-21,973	-24,005	-25,381	-27,209	-31,041	-35,598	-37,704
Rice and flour	(-568)	(-596)	(-526)	(-692)	(-673)	(-790)	(-975)
Petroleum	(-1,401)	(-1,950)	(-1,679)	(-1,702)	(-1,683)	(-1,897)	(-2,373)
Export Processing Zone	(-7,850)	(-6,884)	(-7,414)	(-7,911)	(-9,661)	(-10,497)	(-11,552)
Other	(-12,154)	(-14,575)	(-15,762)	(-16,904)	(-19,024)	(-22,414)	(-22,804)
Of which: aircraft and ships	(-960)	(-626)	(--)	(-665)	(-313)	(-2,148)	(-789)
Services (net)	<u>951</u>	<u>1,372</u>	<u>1,141</u>	<u>739</u>	<u>1,179</u>	<u>1,915</u>	<u>3,565</u>
Transportation	-863	-686	-689	-1,014	-1,349	-1,234	-1,250
Credit	(1,969)	(2,457)	(2,880)	(2,756)	(2,896)	(3,300)	(3,837)
Debit	(-2,832)	(-3,143)	(-3,569)	(-3,770)	(-4,245)	(-4,534)	(-5,087)
Travel	1,866	2,241	2,330	2,657	3,458	4,286	5,345
Credit	(3,130)	(3,804)	(4,306)	(4,943)	(5,826)	(7,038)	(8,094)
Debit	(-1,264)	(-1,563)	(-1,976)	(-2,286)	(-2,368)	(-2,752)	(-2,749)
Other services	-52	-183	-500	-904	-930	-1,137	-530
Credit	(1,235)	(1,274)	(1,626)	(1,619)	(1,930)	(2,128)	(3,208)
Debit	(-1,287)	(-1,457)	(-2,126)	(-2,523)	(-2,860)	(-3,265)	(-3,738)
Income	<u>-311</u>	<u>78</u>	<u>-5</u>	<u>203</u>	<u>-318</u>	<u>-333</u>	<u>-611</u>
Credit	844	1,163	1,183	1,437	847	739	644
Debit	-1,155	-1,085	-1,188	-1,234	-1,165	-1,072	-1,255
Current transfers (net)	<u>1,330</u>	<u>1,318</u>	<u>1,391</u>	<u>1,571</u>	<u>1,831</u>	<u>1,792</u>	<u>2,011</u>
Capital and financial account	<u>-1,645</u>	<u>-2,030</u>	<u>-1,961</u>	<u>647</u>	<u>571</u>	<u>1,122</u>	<u>-1,368</u>
Capital account	<u>-13</u>	<u>-16</u>	<u>-25</u>	<u>-21</u>	<u>-34</u>	<u>-20</u>	<u>-11</u>
Financial account	<u>-1,632</u>	<u>-2,014</u>	<u>-1,936</u>	<u>668</u>	<u>605</u>	<u>1,142</u>	<u>-1,357</u>
Direct investment	705	355	71	-581	-22	378	557
Abroad	(-6)	(-8)	(-168)	(-781)	(-490)	(-14)	(-70)
In reporting country	(711)	(363)	(239)	(200)	(468)	(392)	(627)
Portfolio investment	--	-32	-7	--	-44	263	3,195
Other investment	77	119	1,048	340	-291	-508	-1,268
Assets	(-425)	(-445)	(97)	(-413)	(-408)	(-2,106)	(-67)
Liabilities	(502)	(564)	(951)	(753)	(117)	(1,598)	(-1,201)
Long-term liabilities	535	478	1,039	339	177	1,027	-1,018
Government (net)	-710	-941	-330	-312	-113	-371	-303
Of which: net IMF	(-627)	(-657)	(--)	(--)	(--)	(--)	(--)
Other public sector (net)	821	770	996	116	47	1,330	-417
Other long-term	424	649	373	535	243	68	-298
Short-term liabilities	-33	86	-88	414	-60	571	-183
Reserve assets (increase -)	-2,414	-2,456	-3,048	909	962	1,009	-3,841
Errors and omissions 1/	<u>3,554</u>	<u>2,654</u>	<u>2,456</u>	<u>76</u>	<u>802</u>	<u>2,516</u>	<u>1,996</u>

Sources: Bank of Mauritius; Ministry of Finance; and staff estimates.

1/ Includes valuation adjustments and other non-monetary financial flows.

Table XLIV. Mauritius: Principal Merchandise Exports, 1989-95

	1989	1990	1991	1992	1993	1994	1995
(In millions of Mauritian rupees)							
Total exports, f.o.b.	15,050	17,677	18,700	20,245	22,992	24,097	26,756
Sugar	4,946	5,212	5,298	5,841	5,770	5,742	6,326
Molasses	66	102	96	91	93	115	136
Tea	88	84	84	95	103	83	50
Export Processing Zone	9,057	11,474	12,136	13,081	15,821	16,533	18,267
Cut flowers (non-EPZ)	52	66	78	87	96	105	130
Chemicals (non-EPZ)	57	90	95	106	136	106	139
Wheaten flour (non-EPZ)	--	--	--	33	51	65	42
Other	278	291	298	352	373	447	696
Re-exports	506	358	615	559	549	901	970
Memorandum item:							
Ship's stores & bunkers	470	488	600	500	530	600	570
(In percent of total)							
Sugar	32.9	29.5	28.3	28.9	25.1	23.8	23.6
Export Processing Zone	60.2	64.9	64.9	64.6	68.8	68.6	68.3

Source: Central Statistical Office.

Table XLV. Mauritius: Pattern of Export Processing Zone (EPZ) Exports and Imports, 1989-95

	1989	1990	1991	1992	1993	1994	1995
(In millions of Mauritian rupees)							
Total EPZ exports	<u>9,057</u>	<u>11,474</u>	<u>12,136</u>	<u>13,081</u>	<u>15,821</u>	<u>16,533</u>	<u>18,267</u>
Clothing	7,038	9,085	9,621	10,476	12,719	12,876	13,780
Other textiles	361	498	480	468	574	702	1,035
Pearls, precious stones	325	354	392	320	409	452	464
Watches and clocks	500	616	550	630	612	512	452
Optical goods	133	124	145	164	176	188	235
Toys, games, sports goods	91	126	121	167	166	162	207
Jewelry, gold and silver goods	80	139	156	154	171	173	229
Fish, fish preparations	190	142	296	295	384	514	640
Other	339	390	375	407	610	954	1,225
Total EPZ imports	<u>7,502</u>	<u>7,348</u>	<u>7,068</u>	<u>7,132</u>	<u>9,326</u>	<u>10,125</u>	<u>10,856</u>
Materials	6,539	6,554	6,349	6,455	8,221	9,016	9,869
Yarn and fabrics	(4,172)	(4,182)	(3,979)	(4,202)	(5,214)	(5,754)	(5,984)
Other	(2,367)	(2,372)	(2,370)	(2,253)	(3,007)	(3,262)	(3,885)
Machinery	963	794	719	677	1,105	1,109	987
(In percent of total EPZ exports)							
Total EPZ imports	82.8	64.0	58.2	54.5	58.9	61.2	59.4
EPZ materials imports	72.2	57.1	52.3	49.3	52.0	54.5	54.0

Source: Central Statistical Office.

Table XLVI. Mauritius: Direction of Export Processing Zone (EPZ) Exports, 1989-95

	1989	1990	1991	1992	1993	1994	1995
<u>(In millions of Mauritian rupees)</u>							
EC countries	<u>6,540</u>	<u>8,714</u>	<u>9,344</u>	<u>9,929</u>	<u>10,647</u>	<u>11,028</u>	<u>12,663</u>
France	2,752	3,780	3,492	4,006	4,390	4,652	5,208
Belgium	278	323	289	294	430	452	435
Germany, Fed. Rep. of	1,206	1,460	1,979	1,694	1,564	1,342	1,445
United Kingdom	1,351	1,914	2,003	2,170	2,268	2,541	3,412
Netherlands	191	259	314	310	401	435	491
Other	762	978	1,267	1,455	1,594	1,606	1,672
Non-EC countries	<u>2,517</u>	<u>2,760</u>	<u>2,792</u>	<u>3,152</u>	<u>5,174</u>	<u>5,505</u>	<u>5,604</u>
United States	1,912	2,010	2,019	2,329	3,972	4,198	3,860
Hong Kong	33	52	60	42	89	165	152
Sweden	78	74	45	28	12	32	66
Other	494	624	668	753	1,101	1,110	1,526
Total	<u>9,057</u>	<u>11,474</u>	<u>12,136</u>	<u>13,081</u>	<u>15,821</u>	<u>16,533</u>	<u>18,267</u>
<u>(In percent of total)</u>							
EC countries	<u>72.2</u>	<u>75.9</u>	<u>77.0</u>	<u>75.9</u>	<u>67.3</u>	<u>66.7</u>	<u>69.3</u>
France	30.4	32.9	28.8	30.6	27.7	28.1	28.5
Belgium	3.1	2.8	2.4	2.2	2.7	2.7	2.4
Germany, Fed. Rep. of	13.3	12.7	16.3	13.0	9.9	8.1	7.9
United Kingdom	14.9	16.7	16.5	16.6	14.3	15.4	18.7
Netherlands	2.1	2.3	2.6	2.4	2.5	2.6	2.7
Other	8.4	8.5	10.4	11.1	10.1	9.7	9.2
Non-EC countries	<u>27.8</u>	<u>24.1</u>	<u>23.0</u>	<u>24.1</u>	<u>32.7</u>	<u>33.3</u>	<u>30.7</u>
United States	21.1	17.5	16.6	17.8	25.1	25.4	21.1
Hong Kong	0.4	0.5	0.5	0.3	0.6	1.0	0.8
Sweden	0.9	0.6	0.4	0.2	0.1	0.2	0.4
Other	5.5	5.4	5.5	5.8	7.0	6.7	8.4
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Source: Central Statistical Office.

Table XLVII. Mauritius: Merchandise Imports, 1989-95

(In millions of Mauritian rupees)

	1989	1990	1991	1992	1993	1994	1995
Total imports, c.i.f.	<u>20,217</u>	<u>24,019</u>	<u>24,383</u>	<u>25,280</u>	<u>30,319</u>	<u>34,548</u>	<u>34,363</u>
Food and live animals	2,347	2,611	2,692	2,915	3,744	4,241	4,673
Beverages and tobacco	75	90	113	132	152	201	221
Crude materials, except fuels	748	765	802	749	951	1,004	1,209
Mineral fuels, lubricants, etc.	1,509	1,939	2,053	1,945	2,109	2,133	2,401
Animal and vegetable oils and fats	220	233	255	274	290	415	441
Chemicals	1,320	1,619	1,738	1,901	2,216	2,442	2,688
Manufactured goods, by material	7,580	8,360	8,624	9,141	11,039	11,828	12,587
Machinery and transport equipment	4,639	6,366	5,840	5,715	6,787	8,887	6,658
Miscellaneous manufactures	1,684	1,869	2,160	2,361	2,871	3,101	3,245
Other	95	167	106	147	160	296	240
<u>Memorandum item:</u>							
Ship's stores & bunkers	184	297	304	319	307	259	...

Source: Central Statistical Office.

Table XLVIII. Mauritius: Merchandise Imports by Commodity, 1989-95

	1989	1990	1991	1992	1993	1994	1995
(In millions of Mauritian rupees)							
Consumer goods	<u>4,326</u>	<u>4,803</u>	<u>5,220</u>	<u>5,683</u>	<u>7,057</u>	<u>7,958</u>	<u>8,580</u>
Foods & beverages	2,642	2,934	3,059	3,322	4,186	4,857	5,335
Rice	(412)	(401)	(317)	(277)	(464)	(398)	(329)
Wheat flour	(162)	(42)	(76)	(53)	(45)	(11)	(3)
Meat	(240)	(329)	(363)	(380)	(420)	(559)	(540)
Fish	(172)	(260)	(241)	(221)	(375)	(488)	(635)
Animal & vegetable oils	(220)	(233)	(255)	(275)	(290)	(415)	(441)
Milk & cream	(386)	(415)	(419)	(463)	(506)	(588)	(669)
Fruits & vegetables	(256)	(289)	(371)	(383)	(470)	(523)	(532)
Other foods	(719)	(875)	(904)	(1,138)	(1,464)	(1,674)	(1,965)
Beverages & tobacco	(75)	(90)	(113)	(132)	(152)	(201)	(221)
Other consumer goods	1,684	1,869	2,161	2,361	2,871	3,101	3,245
Petroleum & intermediate goods	<u>11,157</u>	<u>12,684</u>	<u>13,217</u>	<u>13,738</u>	<u>16,315</u>	<u>17,407</u>	<u>18,885</u>
Petroleum products	1,509	1,940	2,053	1,945	2,109	2,133	2,401
Gasoline	(174)	(238)	(264)	(227)	(260)	(252)	(271)
Distillate fuels	(431)	(504)	(559)	(492)	(564)	(590)	(660)
Others	(904)	(1,198)	(1,230)	(1,226)	(1,285)	(1,291)	(1,470)
Intermediate goods	9,648	10,744	11,164	11,793	14,206	15,274	16,484
Crude inedible material	(748)	(765)	(801)	(749)	(951)	(1,004)	(1,209)
Fertilizer	(125)	(126)	(120)	(119)	(156)	(139)	(146)
Chemical products	(1,195)	(1,619)	(1,619)	(1,783)	(2,060)	(2,303)	(2,542)
Textiles	(5,004)	(5,186)	(5,029)	(5,405)	(6,629)	(7,187)	(7,685)
Cement	(309)	(415)	(557)	(554)	(630)	(653)	(687)
Iron & steel	(534)	(540)	(701)	(689)	(777)	(914)	(887)
Manufacture of metal	(410)	(718)	(665)	(643)	(769)	(720)	(700)
Others	(1,323)	(1,375)	(1,672)	(1,851)	(2,234)	(2,354)	(2,628)
Capital goods	<u>4,734</u>	<u>6,532</u>	<u>5,946</u>	<u>5,862</u>	<u>6,947</u>	<u>9,183</u>	<u>6,899</u>
Machinery (non-electric)	1,437	1,470	2,081	1,565	1,876	1,952	1,655
Machinery (electric)	1,155	1,215	1,239	1,282	1,717	1,691	1,753
Transport equipment & parts	1,345	2,692	1,705	1,752	1,869	3,774	1,959
Others	797	1,155	921	1,263	1,485	1,766	1,532
Total imports	<u>20,217</u>	<u>24,019</u>	<u>24,383</u>	<u>25,283</u>	<u>30,319</u>	<u>34,548</u>	<u>34,364</u>
(In percent of total imports)							
Consumer goods	<u>21.4</u>	<u>20.0</u>	<u>21.4</u>	<u>22.5</u>	<u>23.3</u>	<u>23.0</u>	<u>25.0</u>
Foods & beverages	13.1	12.2	12.5	13.1	13.8	14.1	15.5
Of which: rice and wheat flour	(2.8)	(1.8)	(1.6)	(1.3)	(1.7)	(1.2)	(1.0)
Other consumer goods	8.3	7.8	8.9	9.3	9.5	9.0	9.4
Petroleum & intermediate goods	<u>55.2</u>	<u>52.8</u>	<u>54.2</u>	<u>54.3</u>	<u>53.8</u>	<u>50.4</u>	<u>55.0</u>
Petroleum products	7.5	8.1	8.4	7.7	7.0	6.2	7.0
Intermediate goods	47.7	44.7	45.8	46.6	46.9	44.2	48.0
Of which: textiles	(24.8)	(21.6)	(20.6)	(21.4)	(21.9)	(20.8)	(22.4)
Capital goods	<u>23.4</u>	<u>27.2</u>	<u>24.4</u>	<u>23.2</u>	<u>22.9</u>	<u>26.6</u>	<u>20.1</u>
Total imports	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Sources: Customs and Excise Department; and Central Statistical Office.

Table XLIX. Mauritius: Price Indices for Exports and Imports
and the Terms of Trade, 1988/89-1994/95

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
<u>(1987/88=100; in Mauritian rupees)</u>							
Unit value of exports	108.6	121.1	132.9	141.3	151.5	162.1	169.4
Unit value of imports	115.4	125.7	138.6	142.5	148.1	165.1	175.0
Terms of trade	94.1	96.3	95.9	99.2	102.2	98.2	96.8
<u>(Annual change in percent)</u>							
Unit value of exports	8.6	11.5	9.7	6.4	7.2	7.0	4.5
Unit value of imports	15.4	8.9	10.3	2.8	3.9	11.5	6.0
Terms of trade	-5.9	2.4	-0.5	3.4	3.1	-4.0	-1.4

Sources: Central Statistical Office, External Trade Statistics.

Table L. Mauritius: Import Prices by SITC Section, 1/ 1987-95

(Annual changes in percent; in terms of Mauritian rupees)

	Weights 1982	1987	1988	Weights 1988	1989	1990	1991	Weights 1992	1992	1993	1994	1995
Food	25.3	1.5	22.6	13.5	24.0	5.0	2.0	12.0	8.0	9.0	6.0	10.0
Beverages and tobacco	0.4	18.5	11.2	0.5	11.0	21.0	4.0	0.5	20.0	8.0	--	3.0
Crude materials, inedible	5.1	12.0	38.4	3.3	9.0	-14.0	-13.0	3.1	2.0	33.0	22.0	15.0
Mineral fuels, lubricants, and related materials	19.2	9.4	-5.8	9.1	36.0	27.0	6.0	8.0	-14.0	5.0	-4.0	--
Oils and fats	3.0	-29.5	35.4	1.4	30.0	16.0	-8.0	1.1	-1.0	10.0	16.0	9.0
Chemicals	8.2	4.9	2.1	7.2	14.0	3.0	10.0	7.8	-3.0	7.0	5.0	8.0
Manufactured materials	23.8	1.7	-3.8	38.2	17.0	3.0	11.0	36.2	1.0	6.0	9.0	9.0
Machinery and equipment	9.3	5.1	33.7	19.2	15.0	8.0	5.0	22.2	2.0	12.0	9.0	--
Miscellaneous manufactures	5.6	21.5	0.5	7.6	20.0	5.0	3.0	9.1	5.0	13.0	2.0	6.0
Total	<u>100.0</u>	<u>6.5</u>	<u>9.2</u>	<u>100.0</u>	<u>19.0</u>	<u>6.7</u>	<u>4.7</u>	<u>100.0</u>	<u>2.0</u>	<u>10.0</u>	<u>7.0</u>	<u>6.0</u>

Source: Central Statistical Office.

1/ SITC, Standard International Trade Classification.

Table LI. Mauritius: Medium- and Long-Term External Debt, 1/ 1990-96

(In millions of SDRs; end of period)

	1990	1991	1992 June	1993	1994	1995 June Dec.		1996 June Prov.
Total	611	640	699	682	677	738	832	825
Public sector	526	524	567	538	531	573	660	671
Central Government	328	267	253	231	226	215	313	318
International agencies	188	148	136	134	133	127	129	131
IMF credit 2/	(35)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Trust Fund	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Other	(153)	(148)	(136)	(134)	(133)	(127)	(129)	(131)
Governments	116	105	103	93	89	86	81	80
Eurocurrency	--	--	--	--	--	--	--	--
Other lenders	24	15	14	5	4	3	103	108
Parastatal organizations	198	257	313	307	305	357	347	353
International agencies	45	50	52	47	38	31	32	31
Governments	83	139	190	175	180	187	186	192
Banks	--	--	--	--	--	--	--	--
Other lenders	70	68	71	84	87	138	129	130
Private sector	85	116	132	144	146	165	172	154
Memorandum items:								
Total/GDP 3/ (in percent)	33.6	31.7	32.5	29.5	29.0	29.4	32.7	31.7
IMF/Total 4/ (in percent)	5.8	--	--	--	--	--	--	--
Exchange rate (end of period)								
Mau Rs per SDR	20.40	22.23	21.61	24.69	25.53	26.82	27.41	28.91

Source: Ministry of Finance.

1/ Disbursed debt outstanding with a maturity exceeding one year.

2/ Differs slightly from Fund records.

3/ Total external debt as percent of GDP at current market prices in year ended date shown.

4/ IMF credit and Trust Fund loans outstanding as percent of total external debt shown.

Table LII. Mauritius: External Debt Service Payments, 1/ 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96 Est.
<u>(In millions of SDRs; July-June)</u>							
Government loans (1)	42	43	41	52	37	36	39
Principal	(24)	(25)	(26)	(38)	(24)	(24)	(24)
Interest	(19)	(18)	(15)	(14)	(13)	(12)	(15)
Parastatal bodies (2)	26	31	39	52	43	52	62
Principal	(12)	(14)	(19)	(33)	(26)	(32)	(41)
Interest	(14)	(17)	(20)	(19)	(17)	(19)	(21)
Total public sector (1+2)	<u>68</u>	<u>74</u>	<u>79</u>	<u>104</u>	<u>80</u>	<u>88</u>	<u>101</u>
Principal	35	39	44	70	50	56	65
Interest and other charges	32	35	35	34	29	32	37
Private sector (3)	<u>13</u>	<u>18</u>	<u>19</u>	<u>17</u>	<u>20</u>	<u>33</u>	<u>42</u>
Principal	10	15	16	13	14	30	37
Interest	4	4	3	4	5	3	5
Debt service, excl. IMF (1+2+3)	<u>81</u>	<u>92</u>	<u>99</u>	<u>121</u>	<u>99</u>	<u>121</u>	<u>143</u>
Principal	45	54	60	83	65	86	102
Interest and other charges	36	38	38	37	35	34	41
International Monetary Fund (4)	<u>32</u>	<u>34</u>	--	--	--	--	--
Repurchases	28	32	--	--	--	--	--
Charges	4	3	--	--	--	--	--
Total debt service (1+2+3+4)	<u>113</u>	<u>126</u>	<u>99</u>	<u>121</u>	<u>99</u>	<u>121</u>	<u>143</u>
Principal and repurchases	73	86	60	83	65	86	102
Interest and charges	40	41	38	37	35	34	41
<u>(In percent of exports of goods and services)</u>							
Debt service ratios							
Total (including IMF)	<u>9.9</u>	<u>9.9</u>	<u>7.4</u>	<u>8.9</u>	<u>7.3</u>	<u>8.3</u>	<u>9.0</u>
Principal and repurchases	6.4	6.7	4.5	6.1	4.7	5.9	6.4
Interest and charges	3.5	3.2	2.9	2.7	2.5	2.4	2.6
Total (excluding IMF)	<u>7.1</u>	<u>7.3</u>	<u>7.4</u>	<u>8.9</u>	<u>7.3</u>	<u>8.3</u>	<u>9.0</u>
Principal	3.9	4.2	4.5	6.1	4.7	5.9	6.4
Interest and other charges	3.2	3.0	2.9	2.7	2.5	2.4	2.6
<u>(In millions of SDRs)</u>							
Memorandum item:							
Exports of goods and services	1,143	1,271	1,338	1,357	1,370	1,463	1,591

Sources: Ministry of Finance; and Bank of Mauritius.

1/ Service payments on medium- and long-term external debt.

Table LIII. Mauritius: Average Terms of New Public Debt Commitments, 1988-95

	1988	1989	1990	1991	1992	1993	1994	1995
All creditors								
Amount (thousand U.S. dollars)	161,654	102,557	136,703	136,302	90,415	90,123	210,215	558,784
Interest (in percent)	7.6	5.0	6.0	6.1	5.0	4.8	5.4	5.9
Maturity (years)	15.5	16.1	17.9	17.0	18.0	14.9	16.0	9.6
Grace period (years)	3.2	6.3	6.3	6.7	4.7	4.3	3.3	4.9
Grant element (percent)	15.0	30.1	26.7	24.7	30.1	29.1	26.5	19.4
Suppliers' credits ^{1/}								
Amount (thousand U.S. dollars)	90,775	16,652	--	--	6,299	10,000	--	49,203
Interest (in percent)	9.0	7.0	...	...	6.0	4.9	...	4.9
Maturity (years)	12.3	12.0	...	...	11.6	6.3	...	11.7
Grace period (years)	0.3	2.5	...	...	2.1	1.8	...	2.2
Grant element (percent)	4.5	13.6	...	...	17.7	15.7	...	22.8
Financial institutions								
Amount (thousand U.S. dollars)	--	--	--	37,542	5,170	13,379	108,144	190,000
Interest (in percent)	...	...	...	7.0	5.8	6.2	6.8	6.2
Maturity (years)	...	...	...	15.7	6.6	10.9	11.9	5.8
Grace period (years)	...	...	...	2.0	2.1	2.9	0.4	4.6
Grant element (percent)	...	...	...	14.9	13.4	17.1	12.7	14.8
Bonds								
Amount (thousand U.S. dollars)	--	--	--	--	--	--	--	150,000
Interest (in percent)	...	...	...	...	...	...	...	6.8
Maturity (years)	...	...	...	...	...	...	...	4.7
Grace period (years)	...	...	...	...	...	...	...	4.7
Grant element (percent)	...	...	...	...	...	...	...	11.0
Multilateral loans								
Amount (thousand U.S. dollars)	20,273	10,000	34,073	41,802	55,642	52,497	40,189	112,997
Interest (in percent)	7.2	4.7	7.9	6.7	5.8	4.8	3.7	5.4
Maturity (years)	15.3	16.0	16.5	19.4	22.1	17.3	18.8	16.9
Grace period (years)	4.4	6.0	5.2	6.1	6.2	4.5	5.5	6.1
Grant element (percent)	15.2	33.2	11.8	22.1	30.4	31.6	41.1	28.7
Bilateral loans								
Amount (thousand U.S. dollars)	50,606	75,905	102,630	56,958	23,305	14,446	61,882	56,583
Interest (in percent)	5.3	4.6	5.4	4.8	2.5	3.6	4.2	4.7
Maturity (years)	21.3	17.0	18.3	18.4	12.6	15.9	21.4	18.5
Grace period (years)	8.1	7.1	6.7	9.0	2.4	6.4	6.9	6.6
Grant element (percent)	33.8	33.3	31.6	36.8	36.6	40.3	41.3	35.8

Source: IBRD: Debt Reporting System.

^{1/} Including export credits in 1989.

Table LIV. Mauritius: Bilateral Nominal and Real Exchange Rates, 1980-96

	United Kingdom				France				Federal Republic of Germany				United States			
	Nominal		Relative	Real	Nominal		Relative	Real	Nominal		Relative	Real	Nominal		Relative	Real
	exchange rate		prices	exchange	exchange rate		prices	exchange	exchange rate		prices	exchange	exchange rate		prices	exchange
	Rs/Estg	Index	1/	rate index	Rs/FF	Index	1/	rate index	Rs/DM	Index	1/	rate index	Rs/US\$	Index	1/	rate index
1980	17.8582	100.0	100.0	100.0	1.8185	100.0	100.2	100.2	4.2276	100.0	103.7	103.7	7.6843	100.0	100.0	100.0
1981	17.9578	99.4	102.3	101.7	1.6444	110.6	101.2	112.0	3.9542	106.9	111.6	119.3	8.9365	86.0	103.8	89.2
1982	18.9931	94.0	105.0	98.7	1.6543	109.9	100.7	110.7	4.4806	94.4	118.1	111.4	10.8725	70.7	108.9	77.0
1983	17.7441	100.6	106.0	106.6	1.5360	118.4	97.2	115.0	4.5848	92.2	120.7	111.3	11.7062	65.6	111.4	73.1
1984	18.3562	97.3	108.4	105.5	1.5791	115.2	96.9	111.6	4.8491	87.2	126.6	110.4	13.8003	55.7	114.7	63.9
1985	19.8172	90.1	109.1	98.3	1.7187	105.8	97.7	103.4	5.2455	80.6	132.2	106.6	15.4425	49.8	118.2	58.8
1986	19.7397	90.5	107.2	97.0	1.9443	93.5	96.8	90.6	6.2015	68.2	134.5	91.7	13.4664	57.1	117.9	67.3
1987	21.0454	84.9	103.4	87.8	2.1425	84.9	94.3	80.0	7.1649	59.0	134.9	79.6	12.8782	59.7	114.2	68.2
1988	23.9033	74.7	107.6	80.4	2.2558	80.6	100.2	80.8	7.6515	55.3	145.4	80.3	13.4377	57.2	119.9	68.6
1989	24.9516	71.6	112.5	80.5	2.3902	76.1	109.1	83.0	8.1114	52.1	159.4	83.1	15.2498	50.4	128.9	64.9
1990	26.3922	67.7	116.6	78.9	2.7296	66.6	119.7	79.8	9.1992	46.0	176.2	81.0	14.8635	51.7	138.8	71.7
1991	27.6047	64.7	117.9	76.3	2.7742	65.6	124.1	81.4	9.4317	44.8	181.9	81.5	15.6523	49.1	142.4	69.9
1992	27.3147	65.4	118.9	77.7	2.9399	61.9	126.9	78.5	9.9659	42.4	181.2	76.9	15.5632	49.4	144.7	71.4
1993	26.4684	67.5	129.4	87.3	3.1162	58.4	137.3	80.1	10.6743	39.6	191.7	75.9	17.6480	43.5	155.3	67.6
1994	27.4864	65.0	135.5	88.1	3.2349	56.2	145.0	81.5	11.0676	38.2	200.2	76.5	17.9604	42.8	162.4	69.5
1995	27.9761	63.8	139.0	88.7	3.5516	51.2	151.0	77.3	12.3698	34.2	208.5	71.3	17.7276	43.3	167.5	72.6
1996	30.9408	57.7	...	...	3.8768	46.9	...	...	13.1792	32.1	...	...	19.8317	38.7	...	...
1995 II	27.3454	65.3	137.6	89.8	3.4821	52.2	150.2	78.4	12.2646	34.5	207.2	71.4	17.1237	44.9	166.5	74.7
1995 III	28.3644	63.0	139.2	87.6	3.6424	49.9	151.9	75.8	12.5861	33.6	209.2	70.3	18.0263	42.6	168.2	71.7
1996 I	28.8500	61.9	141.5	87.6	3.7422	48.6	153.5	74.6	12.8314	32.9	212.8	70.1	18.8427	40.8	169.7	69.2
1996 II	30.0175	59.5	142.4	84.7	3.8189	47.6	155.2	73.9	12.9399	32.7	215.9	70.5	19.6980	39.0	171.3	66.8
1996 III	31.7161	56.3	146.9	82.7	4.0062	45.4	160.8	73.0	13.6243	31.0	222.3	69.0	20.4073	37.7	176.1	66.3
1996 IV	33.3505	53.5	...	...	3.9380	46.2	...	...	13.3154	31.7	...	...	20.3790	37.7	...	...
1996 June	30.8940	57.8	145.2	83.9	3.8696	47.0	158.5	74.5	13.1154	32.2	220.2	71.0	20.0320	38.4	174.8	67.0
1996 July	31.4019	56.9	146.6	83.4	3.9682	45.8	159.7	73.2	13.4303	31.5	220.7	69.5	20.2120	38.0	175.4	66.7
1996 Aug.	31.5507	56.6	147.3	83.4	4.0237	45.2	161.6	73.0	13.7308	30.8	223.0	68.7	20.3600	37.7	176.7	66.7
1996 Sep.	32.1980	55.5	146.6	81.3	4.0267	45.2	161.0	72.7	13.7134	30.8	223.2	68.8	20.6500	37.2	176.2	65.6
1996 Oct.	32.8872	54.3	147.3	80.0	4.0159	45.3	161.3	73.0	13.5769	31.1	224.1	69.8	20.7490	37.0	176.4	65.3
1996 Nov.	33.7224	53.0	147.4	78.0	3.9643	45.9	161.6	74.1	13.4161	31.5	224.6	70.8	20.2810	37.9	176.3	66.8
1996 Dec.	33.4648	53.4	...	...	3.8355	47.4	...	...	12.9598	32.6	...	...	20.1070	38.2	...	...

Source: IMF, International Financial Statistics; and staff estimates.

1/ Based on consumer prices; relative prices = domestic price index/foreign price index.

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Table LV. Mauritius: Effective Exchange Rate Indices, 1980-96

(1980=100; period averages)

	Nominal effective exchange rate index	Relative prices	Real effective exchange rate index	Consumer prices
1980	136.2	87.7	119.5	100.0
1981	138.1	89.8	124.0	114.5
1982	129.3	91.2	118.0	127.5
1983	131.9	89.9	118.6	134.7
1984	126.6	90.6	114.7	144.6
1985	122.5	90.8	111.3	154.3
1986	121.1	88.6	107.4	156.8
1987	114.9	84.9	97.6	157.6
1988	108.7	89.2	96.9	172.1
1989	104.1	93.7	97.6	193.9
1990	100.0	100.0	100.0	220.0
1991	96.7	101.7	98.5	235.4
1992	94.9	102.1	96.9	246.4
1993	89.6	109.0	97.6	272.3
1994	87.2	113.1	98.6	292.2
1995	83.3	116.0	96.6	309.8
1994 II	87.8	113.4	99.6	291.1
1994 III	87.7	113.0	99.2	294.6
1994 IV	86.0	113.7	97.8	297.4
1995 I	85.8	115.1	98.8	303.6
1995 II	84.6	115.6	97.9	307.6
1995 III	81.7	116.1	94.9	312.0
1995 IV	81.0	117.2	95.0	316.2
1996 I	80.0	117.4	93.9	319.3
1996 II	78.2	118.8	92.9	325.5
1996 III	75.2	121.7	91.4	336.3
1995 June	84.3	115.2	97.1	309.0
1995 July	81.8	115.6	94.5	309.5
1995 Aug.	81.4	116.2	94.6	312.8
1995 Sep.	81.9	116.5	95.4	313.6
1995 Oct.	81.4	117.0	95.3	315.2
1995 Nov.	81.0	117.3	95.0	316.4
1995 Dec.	80.7	117.3	94.7	316.9
1996 Jan.	80.3	117.3	94.2	318.3
1996 Feb.	80.0	117.6	94.1	319.8
1996 Mar.	79.6	117.4	93.4	319.8
1996 Apr.	78.9	118.1	93.3	321.2
1996 May	78.6	117.8	92.6	322.8
1996 June	77.1	120.4	92.8	332.4
1996 July	75.9	121.3	92.1	334.3
1996 Aug.	75.0	121.8	91.5	337.4
1996 Sep.	74.5	121.9	90.8	337.4
1996 Oct.	74.6	122.4	91.4	338.8

Source: IMF, Information Notice System.

SOCIAL POLICIES¹

I. INTRODUCTION

1. Mauritius has experienced rapid economic progress over the last 15 years, with an average annual growth in real income of nearly 6 percent. This has helped to improve living conditions for most Mauritians, but most particularly for the lower income groups of the population. As estimated in a recent study of the World Bank,² the proportion of the population below the poverty line fell from 28 percent in 1981 to 11 percent in 1992. Remarkable as well is the distribution of income, which became more equal during this period, as the *Gini* index³ decreased from 0.445 to 0.379 between 1980 and 1991. All the main social indicators also show that Mauritius made important strides in improving the quality of life for its citizens. Thus, life expectancy at birth rose from 65 years in 1977 to 71 years in 1992; the infant mortality rate declined from 38 per 1,000 in 1977 to 17 per 1,000 in 1994; the daily caloric supply per capita increased from 2,700 in 1983 to 2,900 in 1992; and the number of inhabitants per physician decreased from 1,800 in 1981 to fewer than 1,200 in 1989. All these indicators compare favorably with those of upper middle-income countries.

2. Such a high achievement in social development is largely the result of a strong commitment by successive Mauritian governments to social policies, and, in particular, to human resource development. This is reflected by a relatively significant share of public sector resources allocated to the social sectors, including education, health, housing, social security, and welfare. Indeed, the share of social expenditure in total budgetary expenditure amounted to 41 percent in 1983/84, and increased to 48 percent in 1995/96. These resources supported, inter alia, policies of free education and free provision of health services to every Mauritian; a housing policy aimed at giving every Mauritian the opportunity to live in modern housing; and the introduction of an extended pensions system and social safety net schemes.

3. The following sections describe in more detail these main social policies in the areas of education, health, housing, pensions, and social aid, and identify some of the challenges these policies are expected to face in the future.

¹This appendix was prepared by Messrs. G. El-Masry and J. Toujas-Bernaté.

²See *Mauritius - Country Economic Memorandum: Sharpening the Competitive Edge*, World Bank, 1995.

³The *Gini* index is a measure of income distribution. It varies between 0 and 1, and is equal to 0 when the distribution is perfectly even.

II. EDUCATION

4. Since independence in 1968, Mauritius has made remarkable progress in its educational system, particularly in the area of basic education. As a result, the illiteracy rate in Mauritius is not only significantly lower than in the rest of Sub-Saharan Africa, but the country also outperforms a number of East Asian comparators in this respect (Table 1). Public education at all levels--primary, secondary, and tertiary, including university--is free, and school attendance is compulsory for all pupils up to the age of 15 years. Government expenditure on education has remained relatively stable since 1993/94, averaging about 3.8 percent of GDP and some 16.1 percent of total expenditures during the period 1993/94-1995/96 (Appendix II, Table XXXII). About 34 percent of the educational budget is spent on primary education, about 39 percent on secondary education, and about 13 percent on tertiary education, with the balance going toward administrative expenses (about 13 percent) and vocational training (about 1 percent).

A. Primary Education

5. Being compulsory, primary school enrollment in Mauritius is virtually universal. It is not only among the highest in Africa, but also compares favorably with other countries in East Asia. Particularly noteworthy is the fact that female enrollment in Mauritius is at an equally high level. During 1995, there were 279 schools in the country providing primary education to 122,895 students.⁴ Of these, 220 schools were administered by the government, 51 by the Roman Catholic Education Authority, and 2 by the Hindu Education Authority. The remaining six were privately owned schools that received no government aid. Given the ethnic diversity of the Mauritian population, in addition to English and French, at least seven Asian languages are taught in primary schools, namely Hindi, Urdu, Tamil, Telegu, Marathi, Arabic, and modern Chinese. The number of students studying at least one Asian language during 1995 was 79,670, or 68 percent of the island's primary school enrollment.

6. At the end of the sixth grade (or Standard) of primary school, students sit for the Certificate of Primary Education (CPE) examination. A CPE pass is a prerequisite for advancement to the next, secondary, level of schooling. About 70 percent of the students in an average primary education entering class are estimated to eventually pass the CPE, although some may need to repeat the CPE examinations up to three times. There is, however, considerable regional disparity between the pass rates, with rural areas, such as Black River and the island of Rodrigues, where infrastructure in schools are weak, generally registering lower rates, and urban areas, such as Port Louis, Plaines Wilhems, and Flacq, achieving higher rates (Table 2).

⁴Providing primary education to 5,100 children.

B. Secondary Education

7. Secondary education comprises seven grades (or Forms) of school. At the end of Form V, students sit for the Cambridge School Certificate (CSC) examination, which, if passed, enables them to attend two additional years of secondary education, Lower Form VI and Upper Form VI. With the completion of the Higher School Certificate (HSC) at the end of Upper Form VI, students qualify for the tertiary system. In 1995, there were 120 schools providing secondary education on the island of Mauritius and 3 on Rodrigues. Of these, 23 were government administered, while the balance were private or religious schools. The pass rates for the CSC examination show considerable variation between the majority of private and religious schools, on the one hand, and the minority government schools, on the other, which tend to have better facilities, including laboratories and libraries. Also in 1995, government schools had a higher percentage of teachers with university degrees (57 percent), as compared with private and religious schools (19 percent). However, overall pass rates for CSC examinations improved markedly, from 64 percent to 71 percent, between 1993 and 1995, which is largely attributable to better performance of students from private and religious schools (Table 3). There was also an improvement in the pass rate for the HSC examination, which increased from 63 percent to 66 percent between 1994 and 1995, of a total number of about 5,000 and 5,300 candidates in 1994 and 1995, respectively.

C. Tertiary Education

8. Tertiary education in Mauritius is provided by the following three institutions: the University of Mauritius (UOM), the Mauritius Institute of Education (MIE), and the Mahatma Gandhi Institute (MGI). Together, these institutions received Mau Rs 244 million from the budget in 1995/96. The UOM offers a number of courses leading up to degrees, diplomas, and certificates. During the 1995/96 academic year, 2,344 students attended courses in five faculties: Agriculture (144 students), Engineering (578), Law and Management (742), Science (272), and Social Studies and Humanities (608). Of these, 1,587 students (or 68 percent) attended full-time courses and 757 (or 32 percent) were enrolled in part-time programs (Table 4). While the UOM has previously operated mainly as a teaching institution, with many of its courses being vocational in nature, the policy has recently shifted toward emphasizing degree-awarding and post-graduate courses. Thus, enrollment during 1995/96 for degree and post-graduate courses reached 1,284 students--an increase of 25 percent from the previous year--compared with an increase of only 7.2 percent for the same period of the total student population.

9. The MIE provides university-level education for teachers and other professionals engaged in the educational administration. The majority of the 3,171 students who were enrolled during the 1995/96 academic year attended part-time programs (2,554 students), while the rest, mostly future primary school teachers (617 students), attended full-time courses. The MGI's main purpose is the preservation and advancement of the Indian culture, and to this end, it offers courses in three broad areas of Performing Arts, Fine Arts, and Indian languages. In 1994/95, with the exception of a joint honors degree in Hindi, which was

offered in conjunction with the UOM to 28 full-time students, most of MIE's students (i.e., 727 of a total of 755) attended part-time courses leading up to diplomas and certificates. In 1992, the Tertiary Educational Commission was established to devise and better coordinate higher educational policies between the various higher educational institutions, which, until then, had set up their own programs on the basis of ad hoc needs.

10. Finally, the Government of Mauritius provides 18 scholarships, equally split between male and female candidates, to the top achievers at the HSC to study in foreign universities in the fields of medicine, science and technology, economics, and the arts. The scholarships are provided for a maximum of four years, cover a monthly stipend, all academic fees at the foreign institution, and the cost of a return air ticket. In return the candidates must commit themselves to serve in Mauritius for at least five years after completion of their studies. In addition to the Mauritian government scholarships, a host of European, Middle Eastern, and Asian countries offer a number of scholarships to Mauritian students for studies in their respective institutions. Most of these scholarships are centrally awarded through the High-Powered Scholarship Selection Committee on the basis of, inter alia, scholastic and extracurricular achievements, and relevance of the proposed university course.

D. Vocational Training

11. The Industrial and Vocational Training Board (IVTB) was established in the early 1990s as a joint venture between the private and public sectors. In addition to organizing its own training programs, the IVTB also supervises courses run by the private sector, which provides professional training in a number of fields ranging from management to carpentry, textiles, and catering. The IVTB also offers a three-year Pre-Vocational Training (PVT) program to young students who have failed to pass the CPE but have obtained passing rates in at least mathematics and either French or English. The program provides general education, language training, and some vocational skills in preparation for the full regular vocational courses. The requirements for the latter are that students are a minimum of 16 years of age and have either successfully completed Form III in secondary education or the PVT program.

12. In 1995, 4,620 youngsters (3,729 male and 891 female) were enrolled in vocational training programs under the auspices of the IVTB, including 2,566 (1,922 male and 644 female) in the PVT programs, most of which were on a full-time basis. Nevertheless, the demand for quality vocational training is much greater, in particular from the EPZ sector, where a scarcity of qualified textile workers is constraining investment. Moreover, the PVT program absorbs fewer than 15 percent of the students who fail to pass the CPE examination. The remaining large number of drop-outs--mostly from disadvantaged households, who are forced to complete their general education at the age of about 12 and are not allowed to seek employment until the age of 15--pose a potential social problem that the educational and social systems have yet to address. To this end, the government, with the assistance of the World Bank, is currently working on an Education Sector Master Plan. One of the principal objectives of the Plan is to change the elitist aspects of Mauritius's educational system with a view to increasing access by all groups of society to higher caliber education. In order to

achieve this, the Plan aims at improving the quality of education at all levels through in-service training of teachers and the establishment of minimum standards of infrastructure at the country's schools. Moreover, while public expenditures as a percent of GDP are not out of line with those in a number of East Asian comparators, the authorities are exploring various options of reducing their budgetary impact.

III. HEALTH

13. Over the past 25 years, Mauritius has made remarkable progress in the provision of primary and secondary health care to its population. As a result, between the early 1970s and 1995, total life expectancy at birth has risen from 63 to 71 years, and the infant mortality rate declined from 55 to 18 deaths per thousand live births. Indeed, the latest available health indicators confirm that the Mauritian people enjoy better health care than not only the rest of sub-Saharan Africa, but also a number of Asian comparators. This is particularly pronounced with regard to life expectancy at birth, maternal mortality rates, and under-5 mortality rates, as well as access to safe water and the ratios of population per physician and hospital bed (Table 5). A study by the United Nations Children's Fund (UNICEF) attributes Mauritius's remarkable success in improving its population's health over the last generation to: (1) the adequate provision of general infrastructure, such as clean water, proper disposal of human waste, hygienic housing conditions, and an elaborate system of public transportation; and (2) the improved education and social status of women. Government expenditure on health care amounted to about 2 percent of GDP, or about 8 percent of total expenditure during 1994/95-1995/96 (Appendix II, Table XXXII). Of this amount, about 10 percent was spent on primary health care, about 80 percent on hospital services, and the balance (about 10 percent) on administrative and support services.

14. The Ministry of Health provides health care free of charge through a total of 14 regional and specialized hospitals and more than 130 area and community health centers around the country. Specifically, at end-1995, there were four regional hospitals with a total of 1,737 beds and four district hospitals with a total of 318 beds operating on the island. The specialized facilities comprised a psychiatric hospital with 916 beds, as well as clinics for chest diseases (55 beds); eye diseases (53 beds); ear, nose, and throat diseases (39 beds); and skin diseases (18 beds). Finally, the Ministry of Health also operates a specialized center (14 beds) for the rehabilitation of patients suffering from substance abuse.

15. The delivery of ambulatory primary health care is organized around Area Health Centers (AHCs), each of which has a number of satellite Community Health Centers (CHCs). As of end-1995, there were 29 AHCs and 126 CHCs operating in the country.⁵ The health services provided by the CHCs include the treatment of common diseases and injuries and the provision of maternal and child care, as well as family planning. In addition, the AHCs also provide general dental care. Moreover, the Ministry operates one outpatient chest clinic and

⁵In addition, there were two AHCs on the island of Rodrigues with a limited amount of beds.

another outpatient facility offering advice and services in social hygiene. Finally, the public health system includes three mobile dispensaries, a mobile maternal and child health and family planning clinic, and two mobile dental clinics to serve the population in remote areas.

16. The public health system is supplemented by an extensive network of private consultancies and about 12 private clinics with about 350 beds providing both inpatient and outpatient health care. In addition, at the level of primary health care, some 25 medical facilities on the sugar estates provide outpatient care that is similar to the care provided by CHCs.

17. At the end of 1995, there were 960 registered medical doctors in the Republic of Mauritius (up from 857 in 1990), 538 of whom (or 56 percent) worked in the public sector. Of these, 173 were specialists.⁶ Also at end-1995, 152 dentists practiced in Mauritius, compared with 132 in 1990; of these, 44 worked in the public sector.

18. Looking ahead, Mauritius's health care system faces a number of challenges. First, with the aging of the population (see para. 39), greater demand from the elderly on the hitherto free health system can be expected. Second, as more women enter the workforce, and are unavailable to play the traditional caregiver role in the extended family, the health care of senior citizens will need to be restructured in an affordable way. A recent study by the Ministry of Health and the World Health Organization has also revealed that there is a high incidence of diabetes and cardiovascular diseases, which may be attributed to growing affluence; a dietary shift away from low fat and high fiber nutrition to modern "fast food"; and lack of sufficient exercise and/or sedentary work practices. There is also growing concern that sexually transmitted diseases, including AIDS,⁷ may be on the rise, possibly as a result of increased tourism, as well as more international shipping that entails port stops in Mauritius by foreign seamen. Finally, the authorities are studying the introduction of private insurance schemes, with a view to reducing public expenditure in health, which is slightly higher than in East Asian comparators (Table 5).

IV. HOUSING

19. The provision of decent and modern housing for all Mauritians has been among the Mauritius government's main policy objectives for decades. In recent years, emphasis has been put on responding especially to the housing needs of low and middle income groups. This policy has been supported by two public entities, the Mauritius Housing Company (MHC),

⁶Indeed, the country's health system also provides tertiary, that is, specialized, health care such as cardiac surgery and renal transplants, which are now performed in Mauritius on a regular basis.

⁷Acquired Immune Deficiency Syndrome.

and the National Housing Development Company (NHDC). The former has provided mortgage loans to potential homeowners, while the latter has been responsible for designing and supervising the construction of housing schemes. Quite large amounts of public funds have been directed to the housing sector in this context.⁸ As a result, the growth rate of housing units during the 1980s was twice as high as that of the population. Notwithstanding this progress, however, there is a widespread feeling that there is a shortage of affordable housing. An approach to meeting this social concern might be to free the housing and rental market to allow supply and demand to adjust.

A. The Mauritius Housing Company

20. The Mauritius Housing Company (MHC) was established in 1994, and it grew out of the restructuring of the Mauritius Housing Corporation, which had been created in 1962. The MHC (corporation, and then company) has provided loans to homeowners. Initially, it operated on a commercial basis. Starting in 1986, the MHC has been running a concessional, government-subsidized mortgage financing window, called the Government Sponsored Loan (GSL), for the benefit of the low income groups. This concessional loan scheme has been modified over time, with revisions in interest rates, amounts of loan, household income eligibility criteria, and the government grant and interest subsidy component. In 1995/96, households with a monthly income of less than Mau Rs 6,600 could obtain a housing loan up to a maximum amount of Mau Rs 275,000 from the MHC at a subsidized interest rate of 6.5 percent and an outright cash grant of Mau Rs 30,000. Also, households with a monthly income exceeding Mau Rs 6,600 and equal to or less than Mau Rs 10,000 were eligible for loans at an interest rate of 10 percent. However, the higher income group was not eligible for the grant.

21. As pointed out in the 1996/97 budget speech, the GSL scheme has proved to be extremely generous, and contributed to a surge in demand for mortgage loans from the MHC, which rose from Mau Rs 57 million in 1988/89 to Mau Rs 1.1 billion in 1994/95. In addition, many households that benefited from this scheme did not in fact meet the eligibility criteria. In early 1996, the MHC faced severe liquidity constraints in spite of Mau Rs 600 million provided by the National Investment Development Fund from the proceeds of the Floating Rate Note at the end of 1995.⁹ As a result, the MHC stopped all loan approvals between end-February 1996 and end-August 1996. The liquidity crisis was mainly the result of a mismatch between the borrowing and lending maturities, particularly since the MHC has been forced to borrow at shorter maturities since 1991, and because the amounts needed to meet the soaring demand for mortgages were not readily available in the market. In order to solve the liquidity problem, at least in the very short term, the authorities decided in August 1996 to make available to the MHC more than Mau Rs 1 billion before the end of 1996 through the NIDF,

⁸In 1995/96, budgetary expenditure for housing amounted to 1.3 percent of GDP.

⁹See Section IV. B. of Recent Economic Developments.

the National Pension Fund, the National Savings Fund, and the Employees Welfare Fund. Furthermore, new financial instruments such as Housing Certificate Deposits and Housing Bonds were expected to be issued by the MHC in order to obtain medium- and long-term housing finance. These new funds would enable the MHC to resume loan approvals, especially those for the benefit of low income households.

22. While the MHC has been called upon to run government-sponsored schemes at pre-determined interest rates irrespective of market rates, the grant and interest subsidy elements have been funded out of the government's budget, without a legal commitment by the government, however. The grant element is paid at the time of the loan approval, while the interest subsidy element is paid annually over the repayment period of the corresponding loan. Given that loan approvals stopped in March 1996, the grant and interest subsidy payments together amounted only to Mau Rs 50 million in 1995/96, but they are expected to reach about Mau Rs 150 million in 1996/97. In order to lessen the future burden on the budget of a full subsidization of the interest differential between the cost of borrowing by the MHC and the on-lending rate, it was decided in August 1996 that the interest rate applied to new concessional loans would no longer remain constant over the repayment period, but would increase progressively over this period. Thus, the interest rate for low-income households will be 6.5 percent for the first five years, 8 percent for the next five years, and 10 percent for the remaining period of the loan.

B. The National Housing Development Company

23. In order to meet the increasing demand for housing, the National Housing Development Company (NHDC) was created in 1991, and was given the responsibility of planning, designing, and supervising the construction of housing schemes targeted toward low- and middle-income households. The government finances the on-site and off-site infrastructure work, with the aim of making these houses affordable for the target groups. The NHDC has sold more than 3,000 housing units since its establishment, most of them having been financed by the MHC under the GSL scheme. However, many of these units were sold at prices that were insufficient to cover the operating costs of the NHDC. As a result, the NHDC incurred a cumulated loss in 1996, estimated at about Mau Rs 43 million.

24. The NHDC is also currently supervising the construction of more than 2,000 additional housing units. Some of them, which have already been completed, have not attracted much interest yet. As a result, substantial NHDC funds are tied up in unsold units. It is hoped that, as loan approvals by the MHC resume, many of the unsold units could be sold soon.

C. Need for Reform

25. The number of housing units has grown twice as much as the population during the 1980s, largely as a result of the government's initiatives. Nonetheless, there is still a widespread feeling that there is a shortage of affordable housing. This feeling is supported by a Task Force report on housing prepared in 1991, which estimated a "shortage" of housing

units at between 15,000 and 35,000. Although this may be overstated, it is not surprising to see the demand for housing exceeding the number of dwellings available in a context where private investment in housing has been discouraged for a long time. Indeed, the Landlord and Tenant Act, which was passed in 1960, provided for the freezing of all rents and restricted considerably the rights of landlords to evict tenants. As a result, rental housing was no longer profitable, investment in new development was limited, and housing conditions deteriorated for a large part of the population, as landlords did not maintain their property. In order to address this issue, the government is currently reviewing the Landlord and Tenant Act, with the view to lifting some of the controls. This would allow the supply of housing to adjust to the demand in the open market, while the government would concentrate on assisting the poorest groups of the population in accessing affordable housing.

V. PENSIONS SYSTEM

26. Mauritius has a sophisticated pensions system, which provides financial support to those in the population with long-term needs, including the aged, disabled, widows, and orphans. In addition to the basic flat-rate pensions for these groups, there are also retirement pension schemes for public sector employees, on the one hand, and for employees in the private sector, on the other. Basically, the flat-rate pensions and retirement pensions for employees in the public sector are noncontributory and directly funded by transfers from the budget. On the other hand, the retirement pension scheme for employees in the private sector is contributory, and the cost is borne by both employers and employees.

27. Certain components of this system, however, will need to be reformed in order to address two main problems it currently faces. First, the two main retirement schemes (for public and private sector employees, respectively) do not allow the transfer of benefits from one to the other, thus impeding the mobility of labor. Second, given the long-term demographic trends, the financial sustainability of the public pension system is not ensured.

A. The Basic Retirement Pension and Other Basic Pensions

28. The Basic Retirement Pension, which replaced the Old Age Pension in 1976, is a universal pension paid to all persons above 60 years of age, irrespective of the level of their income, provided they meet certain residency requirements. The rationale for this universal scheme is to provide financial support for aged people who have been unable to work, at least for some period in their lives, because of sickness, confinement, the care of children, or for other reasons.¹⁰ This scheme does not require any contribution, and resources to meet the benefit payments come from the budget at an estimated cost of about Mau Rs 1.4 billion in 1996/97, or 1.7 percent of GDP. There are three rates, depending on the age of the beneficiary (Table 6). These rates were increased by 56 percent during the first half of 1996, the one for beneficiaries under the age of 90 reaching Mau Rs 1,056 a month.

¹⁰See "White Paper on the National Pension Scheme," April 1976, Mauritius.

29. Other basic pensions provided under the National Pensions Scheme established in 1978 include the basic pension for widows, invalids and orphans. Also, a few other allowances are provided on a universal basis, including those for children, caregivers, guardians, and inmates.¹¹ Like the basic retirement pension, all these benefits are funded through transfers from the budget. In 1996/97, it is estimated that they will cost some Mau Rs 800 million (or 0.7 percent of GDP).

B. Public Service Retirement Pensions

Government employees' pension plan

30. Retirement pensions for government employees are governed by the Pensions Act (of January 1, 1952, amended in 1985 and 1993). Government employees are allowed to retire on full pension at age 55, provided that they have 10 years of service. In certain circumstances, retirement may be taken earlier, but in all circumstances retirement must be taken at age 60. The amount of pension is 1/50th of the final salary for every year of service, subject to a maximum pension of two-thirds of the final salary. These benefits are quite generous compared with those available to most other workers. As of July 1996, there were around 17,000 retired government employees, who received nearly Mau Rs 600 million in annual pensions.

31. In case of death of a government employee, either in service or after retirement, the spouse receives a pension equivalent to one-third of the employee's pension, or one-half if he/she is survived by more than one child. In all cases, an overriding minimum pension is payable. As of July 1996, there were around 10,000 dependents receiving nearly Mau Rs 200 million in annual pensions.

32. The vesting rules under the plan are quite strict, and generally when an employee leaves before the age of 45 with less than 10 years of services, he/she faces a loss of all his/her benefits. As government employees are also excluded from participating in the contributory portion of the National Pension Fund, such a forfeiture discourages government employees from moving to the private sector.

Parastatal employees' pension plan

33. Employees of parastatal bodies are covered by the provisions of the Statutory Bodies Pension Fund Act. A separate fund is established for each parastatal, with contributions from employers only, and there are about 40 such funds in total. The benefits provided by these

¹¹See Box 1 and Table 6 for the definition and benefits of these schemes.

Box 1. National Pensions Schemes

The Ministry of Social Security and National Solidarity is paying the following benefit on a universal basis under the National Pensions Scheme, which was created in 1978:

- **Basic retirement pension to beneficiaries who have reached the age of 60 years and who satisfy residency conditions.**
- **Basic widow's pension to women under 60 years who are legally married and whose husbands are dead.**
- **Basic invalid's pension to persons who suffer from an invalidity of 60 percent or more, for not less than one year, as certified by the Medical Board.**
- **Basic orphan's pension to children under 15, or under 20 years if they are still attending college, whose parents are dead or unknown.**
- **Carer's allowance is given to either a beneficiary of basic retirement pension or invalid's pension who cannot look after himself as certified by the Medical Board.**
- **Child allowance to children under 15 years, or up to 20 years if they are attending college, and who are dependents of a beneficiary who is receiving a widow's, invalid's or survivor's pension.**
- **Guardian's allowance to persons who have the responsibility of an orphan entitled to basic orphan pension.**
- **Inmates' allowance (pocket money) payable to an inmate who is residing in a charitable institution and is not in receipt of a basic benefit.**

All these benefits are funded with annual transfers from the budget.

pension funds are very similar to those provided to government employees. Family benefits for parastatal employees are covered by a group life insurance program to which members contribute approximately 4 percent of their gross salary, and the sum insured is approximately four times the annual salary. Government employees who join a parastatal do not lose their pension benefits, as these are integrated with those that accrue to them under the parastatal scheme. On the other hand, an employee who leaves a parastatal prior to retirement age loses all his/her benefits, despite the fact that the plan is funded, and even if the government is his/her next employer.

C. Private Sector Pensions

34. There are two main sources of pension provision in the private sector, the National Pensions Fund, and stand-alone pension funds established by individual employers to provide additional pensions.

The National Pensions Fund

35. The retirement pension scheme of the National Pensions Fund (NPF) is contributory, and was launched by the government in 1978 to extend to the rest of the population the type of scheme that was provided to public sector employees. While membership is compulsory for all private sector workers, it is optional for the self-employed; public sector employees are expressly excluded. Both employers and employees contribute to this scheme, and the standard rate of contribution to the NPF is 9 percent, that is, 3 percent by the employee and 6 percent by the employer. The scheme entitles the contributor to a pension payable from age 60 of 1/120th of career revalued earnings that fall below the earnings ceiling. For an employee with 40 years of contribution and constant real earnings, this is equivalent to a pension of one-third of annual earnings. For older employees, who were unable to attain a full period of membership in the scheme when it began in 1978, there is a provision for enhanced accrual benefits. Employees in the sugar sector are entitled to contributory benefits 50 percent higher than other employees, with a correspondingly higher contribution rate paid by employers (10.5 percent instead of 6 percent). A widow's pension is payable at a rate of one-half of the member's pension. The structure of the NPF, in which each year's contributions are converted into units, allows employees to move between private sector employers without suffering any loss of pension rights.

Private Corporation Pension Plans

36. An increasing number of private employers are establishing pension plans, recognizing that the level of income replacement offered under the NPF to employees in the middle to upper income bracket is not sufficient. In 1996, up to 50 percent of private sector employees were covered by such supplementary schemes to the NPF. These plans generally aim to provide a pension equal to two-thirds of salary at retirement at age 60, either inclusive or exclusive of the pension payable from the NPF. Most schemes do not appear to pay any

benefits if a member moves from the company, other than a surrender value from the insurance company.

D. Need for Reform

Hindrance to mobility of labor

37. The lack of portability of pension rights, in particular for public sector employees moving to the private sector, is recognized as a major hindrance to the mobility of labor. Indeed, this is a strong disincentive for civil servants to leave employment before pensions become payable. On the other hand, there is some concern in Mauritius that if leaver benefits in the public sector were improved, then the public sector might lose a substantial proportion of its senior staff because of the generally higher salaries offered in the private sector for this category of staff.

38. In order to address this issue, the possibility of preserving the pensions for government employees willing to transfer to the private sector is being explored by the authorities with the assistance of the World Bank and the United Kingdom Government Actuary's Department. In practice, two kinds of simple arrangements for preserving the pension rights accrued during public service might be envisaged. In the first one, an individual leaving the public service would be entitled to a deferred pension at retirement age based on his/her period of service in the public sector and his/her revalued salary at leaving. In the second one, the "early leaver" would be entitled to transfer to another pension scheme a capital sum equivalent to the value of his prospective deferred pension. While the first arrangement avoids short-term extra costs to public finances, the second one eliminates future liabilities and removes the need to maintain records of people who have left. In addition, the practicalities of widening the scope of the NPF to allow membership of public sector employees are being studied, which would automatically preserve public sector employees pensions rights when they transfer to the private sector. Preliminary conclusions indicate that, although some difficulties would need to be overcome especially if it were intended that the pensions paid from the NPF would be comparable with those currently provided to public sector employees, such an extension of membership should be seriously envisaged.

Long-term financial sustainability

39. Long-term demographic projections by the Central Statistical Office show that the population of Mauritius will be ageing over the next 30-40 years, as the share of people above age 60 will grow from around 8 percent in 1993 to more than 20 percent in 2030. As a result, the Pensioner Support Ratio, that is, the number of people of working age over those in pension age, will decrease from a present level of some 7.5 to 6.5 in 2010, and 3.2 in 2030. Although these population projections are subject to some uncertainty, they point to the likelihood that the relative burden of pensions will increase significantly over the next 30-40 years. As a result, both the contributory and noncontributory pension schemes can be

expected to face increasing funding burdens. Thus, the system would need to be reformed to ensure its long-term viability.

40. A White Paper on Ageing Population prepared by the Mauritian authorities in 1995 discussed these issues and made several proposals for securing the future viability of pension schemes. These proposals include increasing the retirement age to 65; reducing some benefits (in particular for some widows who at present may benefit from up to three pensions); and improving investment returns from the NPF. Other measures that might be envisaged include making the government employees pension scheme at least partially funded and transforming it into a contributory scheme with contribution from both employees and employers; limiting the benefits of the Basic Retirement Scheme on a means-tested basis; and increasing contributions to the NPF. However, a broad enough consensus to implement any of these measures has not been reached yet.

VI. SOCIAL AID AND SUBSIDIES

41. In addition to the system of pensions described above, the government is implementing social aid programs aimed at providing adequate protection to the vulnerable groups of the population. Also, the government continues to provide--with resources from the budget--general subsidies for rice and flour.

A. Social Aid

42. Under the Social Aid Act, which was reformed in 1983, several benefits and allowances are provided to the most vulnerable groups of the population. These groups are identified as being the persons who are temporarily or permanently incapable of earning their livelihood because of illness, separation from spouse, sudden loss of employment, or who have insufficient means to support themselves. All the benefits are means-tested, based on the income level of the potential beneficiary, and taking into account the household status to which he/she belongs.

43. The Social Aid benefits consist of various allowances, including spouse's allowance, child's allowance, "compassionate" allowance (for illness), rent allowance (equivalent to 50 percent of the rent up to a certain ceiling), payment of examination fees for needy students, funeral grants, gift to centenarians, allowance to fishermen, and allowance to victims of calamities (fire, cyclone).¹² During the fiscal year 1995/96, there were on average, about 8,500 beneficiaries who received a total amount of Mau Rs 76 million.

¹²The various allowances are described in detail in a Directory of Services prepared by the Ministry of Social Security and National Solidarity in 1994.

B. Rice and Flour Subsidies

44. As rice and flour are the main basic staples consumed by lower income groups in Mauritius, they have been the object of particular attention from successive governments, with a view to keeping them affordable for these groups of the population. Thus, the two commodities, which are almost entirely imported by a state monopoly, have been subsidized for decades, and their prices controlled. During the 1970s, these subsidies were substantial, reaching 2.6 percent of GDP in 1979/80. At that time, the subsidy element represented some 60 percent of the retail prices. Following the fiscal adjustment embarked upon during the early 1980s, rice and flour subsidies were successively reduced, to reach about 0.5 percent of GDP during the second half of the 1980s and early 1990s, while retail prices of these two products were gradually adjusted in relation to their costs.

45. As it was evident that not only the most vulnerable groups benefited from these subsidies, but also middle- to upper-income groups, it was decided in May 1993 to replace the general rice and flour subsidies with a targeted income support scheme, which was accompanied by a substantial increase in retail prices. The beneficiaries of this income support scheme included all recipients of social aid and their dependents, all beneficiaries of unemployment hardship relief, and all needy beneficiaries of a basic pension (people over age 60, widows, invalids, and orphans) who would have qualified to receive social aid if the basic pensions were not payable. In 1994, it was estimated that the total number of beneficiaries amounted to about 100,000 persons. The scheme consisted of paying Mau Rs 25 a month to every beneficiary,¹³ amounting to a total of some Mau Rs 30 million.

46. However, with the 1995/96 budget, the general rice and flour subsidies were reintroduced in the context of increasing international market prices for cereals, as they were deemed socially necessary. The amount budgeted (Mau Rs 200 million) was about the same as in 1992/93. The subsidy elements of retail prices were then equivalent to 25 percent and 35 percent for rice and flour, respectively. Meanwhile, the income support scheme introduced in 1993 has been kept, meaning that the most vulnerable groups have benefited from both subsidized prices of Mau Rs 3.00 and Mau Rs 4.70 per kilogram of rice and flour, respectively, and monthly allowances of Mau Rs 25. As international market prices increased further in 1996, and the controlled retail prices for rice and flour were kept constant, the state monopoly importing these two commodities could no longer cover its costs, and had to run deficits on its rice and flour operations. Consequently, rather than increasing the retail prices, the government decided in December 1996 to increase the amount of the subsidies to Mau Rs 515 million for 1996/97, thus raising the implied grant elements to the equivalent of about 65 percent and 80 percent of retail prices of rice and flour, respectively.

¹³This was equivalent to about 5 kg of rice and flour together per month.

Table 1. Mauritius: Educational Indicators in Mauritius and Comparators

(Most Recent Available Estimate During 1989-94)

	Gross Enrollment (In percent of school age population)				Illiteracy (In percent of population 15 and over)		Public Expenditure on Education (in percent of)	
	<u>Primary school</u>		<u>Secondary school</u>		Total	Female	GDP	Total Expenditure
	Total	Female	Total	Female				
Mauritius	106	106	59	60	15	...	3.7	15.7
Indonesia	114	112	43	39	16	22	1.9	9.8
Korea	101	102	93	92	<5	<5	2.9	16.2
Malaysia	93	93	59	60	17	22	5.8	19.6
Singapore	107	107	84	...	9	14	5.2	22.9
Thailand	98	97	37	37	6	8	3.2	21.1
Sub-Saharan Africa	71	64	24	23	53	54	...	...
East Asia	116	115	56	52	16	24	...	...

Source: World Bank, *Social Indicators of Development*, 1996.

Table 2. Mauritius: Candidates for Certificate of Primary Education Examination and Pass Rates, 1993-1995

<u>District</u>	<u>1993</u>		<u>1994</u>		<u>1995</u>	
	Examined Candidates	Percentage of Passes	Examined Candidates	Percentage of Passes	Examined Candidates	Percentage of Passes
Port Louis	4,699	60.6	4,270	59.9	4,223	64.9
Pamplemousses	2,729	51.4	2,438	54.4	2,425	59.9
Revière du Rempart	2,951	48.5	2,632	55.8	2,248	59.9
Flacq	3,902	56.3	3,274	60.0	3,056	65.2
Grand Port	3,053	57.2	2,712	59.5	2,558	63.4
Savanne	1,750	55.4	1,575	61.0	1,423	65.2
Plaines Wilhems	9,390	70.8	8,650	72.0	8,011	74.6
Moka	1,870	56.2	1,598	58.2	1,537	61.3
Black River	1,100	35.7	1,158	41.9	1,029	48.2
Island of Mauritius	31,452	59.4	28,307	62.0	26,510	66.0
Island of Rodrigues	1,435	40.3	1,228	43.5	1,223	50.8
Republic of Mauritius	32,887	58.6	29,535	61.2	27,733	65.3

Source: Ministry of Education.

Table 3. Mauritius: Candidates for the Cambridge School Certificate Examination and Pass Rates, 1993-1995

<u>Administration</u>	1993		1994		1995	
	Examined Candidates	Percentage of Passes	Examined Candidates	Percentage of Passes	Examined Candidates	Percentage of Passes
Government Schools	3,166	78.5	3,331	77.2	3,638	80.2
Private and Confessional Schools	8,358	58.6	7,832	61.7	8,078	66.5
Island of Mauritius	11,524	64.0	11,163	66.4	11,716	70.7
Island of Rodrigues	248	56.5	317	49.2	373	56.0
Republic of Mauritius	11,772	63.9	11,480	65.9	12,089	70.3
Of which: female	6,064	64.1	5,919	67.8	6,406	71.4

Source: Ministry of Education.

Table 4. Mauritius: Enrollment in Tertiary Institutions (academic year)

	<u>University of Mauritius 1995/96</u>	<u>Mauritius Institute of Education 1995/96</u>	<u>Mahatma Gandhi Institute 1994/95</u>
Full-Time	1,587	617	28
Part-Time	757	2,554	727
Total	2,344	3,171	755

Source: Ministry of Education.

Table 5: Mauritius - Health Indicators in Mauritius and Comparators

(Most Recent Available Estimates During 1989-95)

	Total Life Expectancy at Birth (years)	Maternal Mortality Ratio 1/ (per 100,000 live births)	Infant Mortality Rate (per 1,000 live births)	Under 5 Mortality Rate (per 1,000 live births)	Access to Safe Water (% of population)	Immunization by Age 1 Year Against DPT 2 / Measles		Population per Physician	Population per Hospital Bed	Estimated HIV 3/ Prevalence (infections per 100,000 population)	Public Expenditure on Health (in percent of GDP)
						(Percentage of age group)					
Mauritius	71	120	17	18	100	89	85	1,176	314	45	2.0
Indonesia	64	650	52	65	42	91	89	7,028	1,503	25	0.5
Korea	72	130	10	13	78	93	92	951	...	4	0.2
Malaysia	71	80	12	23	78	90	81	2,441		149	1.5
Singapore	75	10	6	10	100	95	88	667	275	42	1.2
Thailand	69	200	35	43	...	93	86	4,427	615	1,191	1.3
Sub-Saharan Africa 4/	52	1,050	92	161	...	54	51	...	1,316	...	...
East Asia 5/	68	350	35	49	67	95	93	1,063	612	...	...

Sources: Ministry of Health; World Bank, *Social Indicators of Development 1996*; World Bank, *World Development Report 1995*; World Health Organization, *The World Health Report 1996*.

1/ Number of deaths occurring during pregnancy or within 42 days after termination of pregnancy.

2/ Diphtheria-pertussis-tetanus.

3/ Human Immunodeficiency Virus.

4/ Data for Maternal Mortality Ratio pertains to least developed countries (LDCs).

5/ Data for Maternal Mortality Ratio pertains to developing countries other than LDCs.

Table 6. Mauritius: Flat-rate Basic Pension Schemes, 1996/97

Type of Pensions 1/	No. of Beneficiaries	Monthly Rate (In Mau Rs) (as of July 1996)	Estimated Cost to the 1996/97 Budget (In millions of Mau Rs) 2/
Basic retirement pensions			
a. Up to 90 years	100,000	1,055	1,372
b. Over 90 years	1,300	4,120	70
c. Centenarians	30	4,220	2
Basic widows pensions	19,600	1,055	269
Basic invalidity pensions	16,000	1,055	219
Basic retirement pensioners drawing invalidity pensions	9,600	1,055	132
Basic orphans pensions	650	500	4
Carer's allowance	3,400	620	27
Child allowance			
a. Under 10 years	3,300	300	13
b. Over 10 years	13,000	330	56
Guardians	600	195	1
Inmates charitable institutions	510	110	1
Brown Sequard Hospital	460	264	2
Minimum contributory retirement pension	...	...	26
Total			2,194

Source: National Pensions Fund.

1/ See Box 1 for a presentation of these schemes.

2/ Calculated on the basis of 13 months paid.