

# **BANK OF MAURITIUS**



## **ANNUAL REPORT**

For the year ended June 1970

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LETTER OF TRANSMITTAL

BANK OF MAURITIUS  
P.O. BOX NO. 29  
PORT LOUIS  
MAURITIUS

6th November 1970

*Dear Minister,*

*In accordance with the provision of Section 45 (1), (a) and (b) of the Bank of Mauritius Ordinance 1966, I have the honour to transmit the third annual report of the Bank covering the year ended 30th June 1970.*

*Yours sincerely,*

AUNAUTH BEEJADHUR  
*Governor*

The Honourable Minister of Finance,  
Ministry of Finance,  
Government House,  
PORT LOUIS

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# PART I      REVIEW OF THE ECONOMY

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## PART I      REVIEW OF THE ECONOMY

### INTRODUCTION

At the outset two outstanding features of the economy need to be mentioned. These are a population which is both large and growing — large in relation to the size and available resources — and heavy dependence on a single crop namely, sugar-cane. These structural characteristics in a way condition the outlook for long-term growth of the economy. The latter feature also renders Mauritius, like other export economies, highly vulnerable to exogenous factors like world sugar supply and prices and terms of trade etc. A review of the performance of the economy during any particular year, as the one sketched in this Report, has to be therefore necessarily viewed against the broader background of these conditioning factors.

### PERFORMANCE OF THE ECONOMY IN 1969

Although the full national accounts data for 1969 are not yet ready, available indicators suggest that it was a relatively impressive year for the economy. According to preliminary estimates, the gross national product\* rose from Rs 824 million in 1968 to about Rs 870 million in 1969, recording thereby a rise of 5 per cent. This is in sharp contrast to an actual decline of about 1.5 per cent witnessed during the previous year. While the growth of the economy with specific reference to certain selected sectors is discussed in some detail in the subsequent sections, the main features of growth may be highlighted at this stage.

This impressive growth of 5 per cent is attributable, in large part, to the production of sugar which reached 668,700 metric tons, or a rise of 12 per cent over the previous year's level. Exports of 582,290 tons were also higher. In fact, except for the year 1963, the production is a record during the decade. Another significant development on the export front is the emergence of tea as an item of some importance, although its contribution to total export earnings continues to be small.

The manufacturing sector has begun to show some signs of activity, as reflected in a small rise, during the year, in the number of persons employed in the sector. Although the number of projects in the pipe-line appears to be large, only some industries assumed a concrete shape during the period under review. Among these particular mention may be made of the fertilizer plant and the fish canning industry. From the point of view of future growth, a more significant development was the announcement, by the Ministry of Commerce and Industry, of the setting up of an export processing zone which is expected to commence its operations towards the end of 1970. It is hoped that this measure will accelerate the tempo of economic activity.

In the sphere of money and banking, deposits with the commercial banks recorded a rise of 20 per cent in 1969, as compared with less than 2 per cent during the previous year, reflecting largely the impact on the economy of the substantial balance of payments surplus generated in 1969. Towards the end of the year, total deposits exceeded Rs 245 million. Credit to the private sector also rose.

Money supply with the public rose by 14 per cent during the year. In part, an explanation of the expansion in money supply has to be sought in the expansionary monetary policy

\* At factor cost.

pursued by the Bank of Mauritius since towards the end of 1969. This policy had, as one of its objectives, the modification of the interest rate structure so as to make it a more faithful reflection of the domestic economic realities. The three successive changes in the Bank Rate, introduced during the period between October 1969 and July 1970, have to be considered in this broader framework. These successive changes have brought about a significant transformation in the domestic interest rates ; for instance, the prime lending rate of commercial banks which was as high as  $8\frac{1}{2}$  per cent in September 1969 came down to  $7\frac{1}{2}$  per cent in July 1970. It is hoped that the resultant benefits by way of reductions in the cost of credit will percolate to all sectors of the economy.

Another facet, as it were, of the expansionary monetary policy was the institution of a scheme to provide cheaper export finance. The scheme has undergone during this period several modifications and, as at present designed, it not only provides cheaper export finance to sugar but also provides additional incentives to exports other than sugar. This would, though in a small way, facilitate diversification of exports.

Despite a sizeable increase in money supply, it is heartening to note that prices recorded a rise of only 2 per cent over the year. Except the year 1968, the average annual rise in prices since 1962 has been less than 2 per cent. In a world in which inflationary forces are becoming almost universal, this record of price stability is a remarkable achievement.

Finally, an outstanding feature of the year 1969 was that it ended with a substantial balance of payments surplus of Rs 57 million, as compared with Rs 21 million during the previous year. The size of the surplus is a record for the decade, except the year 1963. In fact if the factor of unusually favourable sugar prices in 1963 is isolated from the assessment of the 1963 surplus, the surplus which emerged in 1969 may turn out to be larger. As a result of this substantial surplus, the country's foreign exchange reserves rose from Rs 176 million towards the end of 1968 to slightly more than Rs 230 million towards the end of 1969, or a rise of 31 per cent. The reserves at the end of 1969 could therefore be said to be at a comfortable level.

## II. AGRICULTURE

About half of the Mauritius area of 460,800 acres is devoted to the cultivation of field crops. Sugar-cane covers some 210,000 acres or about 95 per cent of all the land under cultivation. In recent years, the Government has sponsored various schemes for expanding the production of tea. However, the output of tea has, so far, remained small and sugar-cane continues to dominate the agricultural economy. Further, with a view to reducing the country's heavy dependence on imports, the Government is also encouraging the production of food crops which occupy, at present, hardly one per cent of the land under cultivation.

### (a) SUGAR

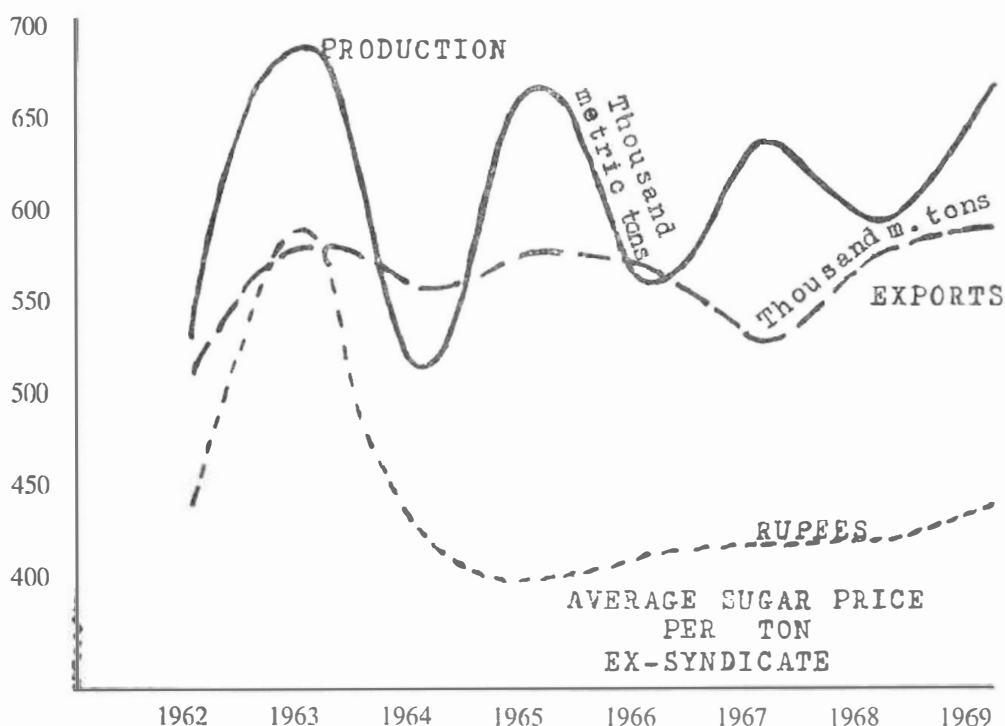
The soil and climate of Mauritius are particularly suited to the cultivation of sugar-cane ; that is how historically Mauritius has emerged as an important sugar producing country. The sugar industry provides about 30 per cent of gross national product and contributes about 95 per cent of the total export earnings ; again, the majority of the population derives its monetary income from the sugar industry. The performance of the sugar industry therefore is of strategic importance to the economy as a whole.

The output of sugar at 668,672 metric tons in 1969 recorded a rise of 12 per cent over the 1968 level and ranked second only to the peak attained in 1963. In fact, but for the drought that affected certain districts during the early months of the year, production in 1969 would have set an all-time record. The main factor which contributed to this sizeable increase in production was the improvement in productivity, the sugar yield per arpent\* rising from 3.15 to 3.55 metric tons.

\* 1 arpent 1.043 acres

All sugar produced in the country is delivered to the Mauritius Sugar Syndicate which is the sole agency for the marketing of sugar. About 70 to 75 per cent of the sugar is sold on preferential markets, the most important of these being the United Kingdom under the Commonwealth Sugar Agreement. The negotiated price quota under the Commonwealth Sugar Agreement remains fixed at 380,000 tons\*. In addition to this quota, Mauritius sells some of its sugar on the United Kingdom market at the world price plus a preferential tariff. Some sugar is also exported to Canada, again with a preferential tariff. Finally, Mauritius has a quota of about 15,000 tons for export to the United States. Mauritius is also a member of the new International Sugar Agreement which became effective from 1st January 1969. One of the main objectives of the Agreement is to stabilise the price of sugar in the world free market, within a range, by regulating supply mainly through variations in export quotas and stock operations. The Agreement also makes provision for the redistribution of shortfalls and for contingency quota allocations (Hardship Fund). These allocations are mainly for the benefit of small developing member countries whose total export earnings are heavily dependent upon the export of sugar. Mauritius' basic annual quota amounts to about 172,000 tons. In 1969, Mauritius also benefited from a contingency allocation under the Hardship Fund, thus bringing its effective quota for the year to some 189,000 tons.

SUGAR : PRODUCTION, EXPORTS AND PRICES



GRAPH 1

\* Unless otherwise specified, "tons" refer to long tons.



Thus exports of sugar in 1969 at 582,290 tons were also sizeably larger than the 568,901 tons exported in 1968. The direction of exports is indicated in Table I below :

Table I. Direction of Exports

(Tons)

	1969	1968
United Kingdom	380,000	414,301
Canada	176,140	139,200
Malaysia	11,150	—
U. S. A.	15,000	15,400
<b>TOTAL</b>	<b>582,290</b>	<b>568,901</b>

The rise in the volume of exports was also accompanied by a rise in the world free market prices. The average price of sugar in the London Terminal Market during the year 1969 was £33.83 as compared with a level of £21.83 during the previous year.

The prospects for the year 1970 are quite encouraging. The earlier official forecast of 675,000 metric tons had to be revised consequent on the damage caused to the cane plantations by cyclone *Louise*. Despite the loss in output, however, this year's production is expected to exceed the level of 585,000 metric tons. In view of the relatively large carry-over stocks from the previous year, Mauritius will be able to fulfill her quota commitments for 1970. The estimates of exportable supplies are presented in Table II below

Table II. Exportable Supplies of Sugar : 1970

(Tons)

1969 Crop	139,640
1970 Crop (excluding local consumption and International Sugar Organisation Stock)	536,788
Total exportable supplies	676,428

On the price front also, there appears to be a buoyant trend. The average level of prices on the London Market for the first six months of 1970 was £37-7-7 1/12 per ton ; this was higher than the average of £35-14-1/6 for the corresponding period of 1969. The export earnings from sugar exports in 1970 are therefore unlikely to be significantly lower than the level during the previous year.

Such a satisfactory performance of the sugar sector for two successive years has imparted considerable strength to the economy. While thus the more immediate situation is encouraging, the longer-term prospects do not appear to present a bright picture. In this context, it is necessary to spell out two important factors underlying the assessment of longer-term prospects.

Basically, the higher earnings on the export of sugar are attributable to the preferential market which Mauritius enjoys at present. Obviously, Mauritius is anxious that this preferential market should not be endangered consequent on the entry of the United Kingdom into the European Economic Community. In the event of the United Kingdom successfully completing negotiations for entry into the European Economic Community, it will not be committed to continuing contractual obligations under the Commonwealth Sugar Agreement, after 1974. Of course, it should be stressed that the United Kingdom has assured Mauritius that it will seek means of fulfilling its obligations to Commonwealth Sugar exporting countries, even after 1974. Similarly, the member governments of the European Economic Community, who were recently apprised of this problem by a ministerial mission from Mauritius, have also been quite sympathetic to the case of Mauritius. Although one could therefore reasonably hope that some solution will eventually be found for the continuation of the preferential market, Mauritius cannot look with confidence to increasing sugar exports under the existing arrangements as a primary means of expanding incomes and employment. Viewed against this long-term perspective, the need to diversify the economy has assumed a sense of urgency.

Another structural problem of the sugar industry which is relevant in this context is the organisation of production. A small number of large cane producers and a large number of small planters characterise the organisational structure of the sugar industry. Twenty-two sugar estates cultivate about 110,000 arpents or an average area of about 5,000 arpents per estate. Each estate has a sugar mill providing the processing services also to the planters in the area. These planters number about 29,500 and cultivate about 90,000 arpents or an average area of about 3 arpents per planter. The differences in organisation, managerial level and farming practices between the estates and the small holdings are striking. These differences are reflected in the yields of sugar-cane; yields on planter farms are about one-third below those of the estates. Narrowing this yield gap between the planter farms on the one hand and the estates on the other, would itself mean a substantial increase in total production. The longer-term approach to the development of the sugar industry therefore seems to lie in achieving higher production through the improvement of land productivity and releasing land, presently under sugar-cane, for the cultivation of food and/or other export crops.

#### (b) TEA

In recent years, the production and exports of tea, which is grown in the higher lands of the Island, are being encouraged by the Government through various schemes. The private sector has also been active in the development of tea and some sugar estates have recently switched over certain marginal cane land to tea cultivation. As a result, the area under tea has been rising gradually from 7,100 acres in 1966 to 8,400 acres in 1969. Mauritius tea is considered to be of good quality, especially for blending.

As can be seen from the figures in Table III below, both production and exports have been on the increase during the last two years. In 1969, about 3,200 metric tons of black tea were manufactured and the value of exports amounted to Rs 14.6 million. The share of tea in total exports thus increased from 2.7 per cent in 1967 and 1968 to nearly 4 per cent in 1969.

Table III. Area and Production of Tea

	1967	1968	1969
Area ('000 acres)	7.9	8.4	8.4
Production ('000 metric tons)	2.2	2.3	3.2
Exports ('000 metric tons)	1.6	1.7	2.6
Exports (Rs million)	8.4	9.6	14.6

Until 1966 almost all the tea was exported to the United Kingdom at world market prices. Since then world market prices have tended to decline but fortunately it has been possible to establish a preferential market with South Africa. In 1969, more than 50 per cent of the tea produced in Mauritius was exported to South Africa. A trade delegation visited South Africa early in 1970 with a view to exploring the possibility of increasing tea exports. As a result of these discussions, agreement for additional exports in 1969-70 was reached : further, total exports in 1970-71 are expected to reach 5 million pounds.

Thus although the outlook for world prices of tea does not appear to be sufficiently encouraging, Mauritius has been fortunate in establishing a preferential market. The Government project for tea development, assistance for financing which is being sought from the World Bank, envisages that about 12,000 acres will be brought under tea during the next six years.

### (c) FOOD CROPS

Strange though it may seem for an agricultural country, Mauritius depends almost entirely on imports for its staple food requirements, namely rice and wheat flour. In 1969, for instance, Mauritius imported about 65,000 metric tons of rice and 45,000 metric tons of wheat flour, imports of these two commodities alone accounting for about 20 per cent of the country's total imports.

More recently, efforts are being made to develop rice cultivation in the country but these efforts do not seem to have progressed to a stage when domestic production could meet even a small proportion of demand. According to present estimates, about 20,000 acres could eventually be brought under rice cultivation, with a view to meeting the bulk of the domestic consumption requirements. In this context, mention should also be made of the exploration of possibilities of developing the water resources of the country, with the objective of facilitating irrigation and agricultural diversification. Feasibility studies on the Northern Plain Irrigation Scheme and the Western Coastal Region Irrigation Scheme have been undertaken already. If these schemes prove to be technically and economically feasible, their development could increase considerably the areas suitable for the production of food crops, including rice. Rice cultivation thus appears to deserve greater priority not only because of the implicit diversification of agriculture but also because of the substantial import-saving which self-sufficiency in rice would eventually entail.

## III. MANUFACTURING

Besides the sugar industry, the manufacturing sector consists of a number of small industries which produce mainly for the domestic market ; these include, *inter alia*, food and beverages, tobacco, footwear, repair and assembly of machinery and transport equipment, a micro-jewel factory and a sack factory. The number of persons employed in this sector has been rising gradually in recent years ; for instance, the number\* rose from 7,486 in September 1967 to 7,684 in September 1968 and further to 7,813 in September 1969.

In the private sector, among the industrial projects being actively investigated are a flour mill, a textile factory, a cement plant and a ground-nut processing plant. Among the new industries which took a more concrete shape during 1969-70, particular mention may be made of a fertilizer factory involving a total investment of about Rs 60 million, designed to manufacture concentrated (I.P.K.) and straight fertilizers. The plant is expected to produce 100,000 metric tons of fertilizer annually, of which 60,000 metric tons are meant for domestic consumption and the balance for export. Further, a fish canning factory designed to can some 10 to 15 tons of tuna fish per day also took a concrete shape during this period. Other industries include the manufacturing of particle and veneer board, a dehydration plant for fruits and vegetables and a safety blades factory. Thus the tempo of activity in the manufacturing sector appears to be gathering momentum.

\* Figures pertain to establishments employing 10 or more persons.

The Government has been taking a number of measures with a view to creating a favourable investment climate and to stimulating the establishment of industries. Among the more important incentives provided is a tax holiday from 5 to 8 years which is available to such new enterprises as the Government might consider to be beneficial to the economic development of the country and to which a "Development Certificate" would be issued. Further, dividends received from such new enterprises are also exempted from the individual income tax during the first 5 years of the tax holiday period. In the absence of a detailed study, it is difficult to assess the response that these incentives have evoked so far. Although a number of projects appear to be in the pipe-line, the manufacturing sector provides little evidence of any significant spurt in industrial growth, probably because the lag between the provision of incentives and the actual establishment of industries is rather long.

It is against this background that the announcement in June 1970 by the Ministry of Commerce and Industry, of the setting up of an Export Processing Zone, has to be highlighted.\* This scheme which is scheduled to start functioning from 3rd November, 1970, is designed to encourage the establishment of *export* industries in Mauritius. Besides providing infra-structural facilities at concessionary rates to such export enterprises, it is envisaged that such industries will be also totally exempt from payment of import duty on capital goods and raw materials. Further, they will enjoy a tax holiday for a period of 10 to 20 years. Provision of finance at concessionary rates, both for the import of raw material and for exports, is also envisaged.

At this stage it is difficult to predict the impact that the establishment of such a zone may have on the economy. In any case it seems important to proceed with the experiment with a degree of caution. The benefits that such export enterprises would confer on the economy say, by way of provision of employment, have to be balanced against, *inter alia* fiscal revenues foregone. Provision of concessionary finance for imports has its implication for the country's foreign exchange reserves. In regard to domestic finance, the claims of export industries will have to be judged in relation to the claims of the domestic economy. These and related implications of the zone appear to deserve a careful study.

#### IV. MONEY AND BANKING

Unlike many developing countries, Mauritius is a monetised economy with hardly any subsistence sector. The economy depends heavily on the smooth functioning of its credit system, especially since its almost exclusive dependence on a single crop, harvested, processed and largely sold in the second half of the year, provides for large seasonal fluctuations in incomes and expenditures. Monetary and financial institutions have therefore to play a vital role in the economy.

The monetary and banking system of the country consists of the Central Bank — the Bank of Mauritius — and five commercial banks ; other financial institutions include a Development Bank, a Co-operative Central Bank and the Post Office Savings Bank. The operation of these financial institutions is supplemented by numerous brokers, middle-men and shopkeepers who engage in lending operations. In June 1969, by an amendment to the Banking Act 1969, restricted licence to transact banking business was given to the Mauritius Co-operative Central Bank, thus bringing the total number of commercial banks to six. There are also some 25 insurance companies and agents and one private development finance company.

##### (a) COMMERCIAL BANKS

Four foreign-owned banks operate as branches of overseas banks, while only one\*\* of the banks is owned and incorporated in Mauritius. These have a total of 32 branches and 35

\* For details reference is invited to the Press Notice issued by the Ministry of Commerce and Industry, on 30th June, 1970.

\*\* Excluding the Mauritius Co-operative Central Bank.

mobile units operating throughout the country. (See Table IV). This number appears to be adequate in relation to the size of the country, although, as pointed out earlier, the fact that Mauritius is a full-fledged exchange economy with hardly any subsistence sector should not be overlooked. Further, the geographical distribution of branches appears to be rather uneven, with heavy concentration in the Curepipe—Rose Hill—Beau Bassin—Port Louis belt : in other areas the spread is rather thin.

**Table IV. Branch Expansion of Commercial Banks**

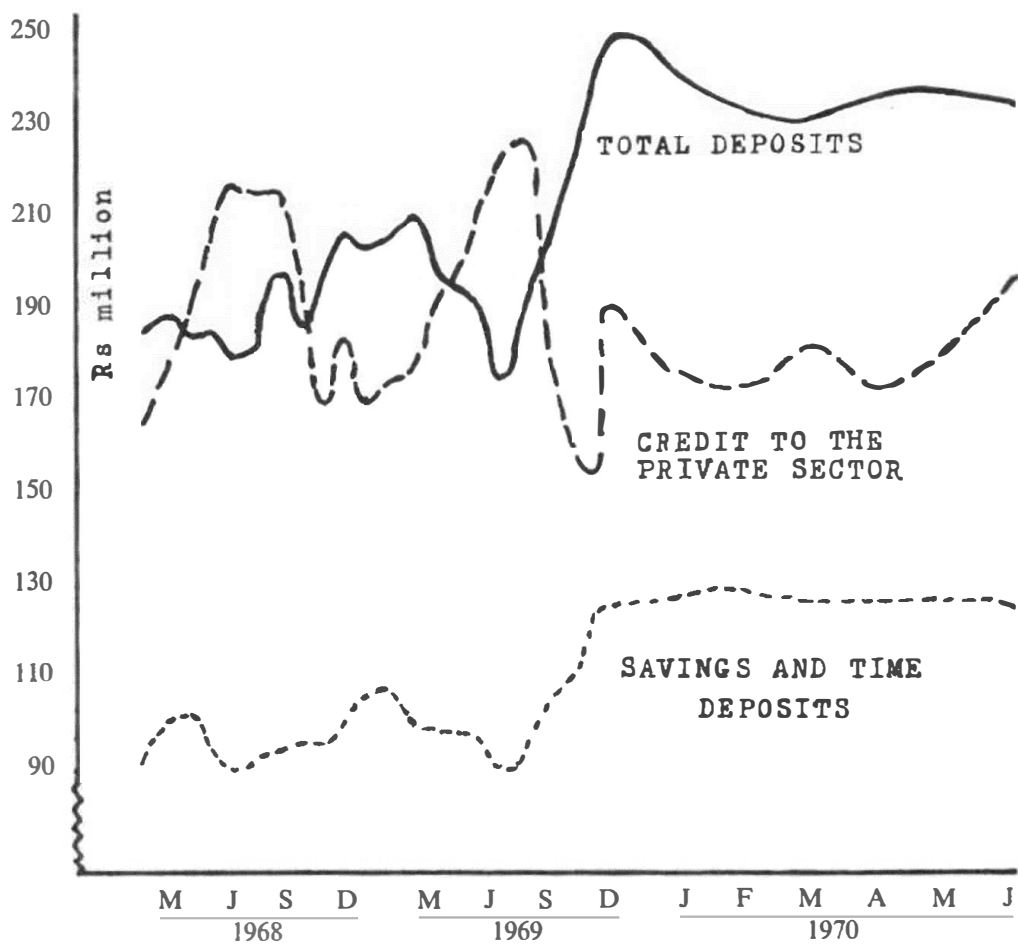
	<i>December 1968</i>	<i>December 1969</i>	<i>June 1970</i>
Number of Branches	29	30	32
Number of Mobile Banking Units	35	35	35
Airport Counters	1	1	2

Deposits with the commercial banks have continued to rise. Total private sector deposits which stood at Rs 201 million in December 1967 rose to slightly more than Rs 204 million in December 1968. (See Table V). The rise was more pronounced during the year 1969, total deposits exceeding a level of Rs 245 million towards the end of the year. The deposits growth of more than 20 per cent in 1969, as compared with a mere 1.5 per cent during the year 1968, reflects in large part the impact on the economy of the substantial balance of payments surplus which emerged during the year. This up-trend seems to have continued through 1970 ; deposits in June 1970 at Rs 230 million were higher by 22 per cent as compared with the level a year ago. This overall trend seems to hold true generally for savings and time deposits also ; it can be seen that these deposits exceeded Rs 126 million towards the end of 1969, recording a rise of nearly 25 per cent over the level a year ago. They have remained at about the same level in June 1970 but when compared with the level in June 1969, the deposits show a rise of 28 per cent. This consistent up-trend in deposits growth seems to be due not so much to the widening as to the deepening of the banking system in the country.

The recent trends in the growth of bank credit can now be reviewed briefly. Bank credit is subject to seasonal fluctuations, generally reaching a peak around July-August and declining to a trough around December, when the bulk of the receipts of sugar exports are received. Credit to the private sector rose from Rs 204 million in June 1968 to Rs 209 million in June 1969. The level of credit, however, shows a decline to Rs 195 million in June 1970, partly because the sugar season in 1970 commenced a little later than is normal. In fact, credit to the private sector rose further to slightly more than Rs 202 million in July 1970. Besides, the size of the anticipated production of sugar in 1970 is decidedly smaller than the level reached during the previous year. An important characteristic feature of the expansion of credit in 1970, to which attention may be drawn, is the growing importance of bills of exchange. This feature perhaps reflects the response to the concessionary export finance scheme, introduced by the Bank of Mauritius, a more detailed reference to which will be made in the subsequent section.

A sector-wise classification of credit to the private sector is presented in Table 8 appended. A comparison of the data for June 1969 and for June 1970 shows that, except a marginal decline in the share of the sugar sector, no major change in sectoral allocation has taken place. Even this decline has to be viewed in the context of the smaller size of the crop as well as the rather late commencement of the sugar season in 1970.

## ADVANCES AND DEPOSITS OF COMMERCIAL BANKS



GRAPH 2

Table V : COMMERCIAL BANKS — SELECTED INDICATORS

(Rs. million)

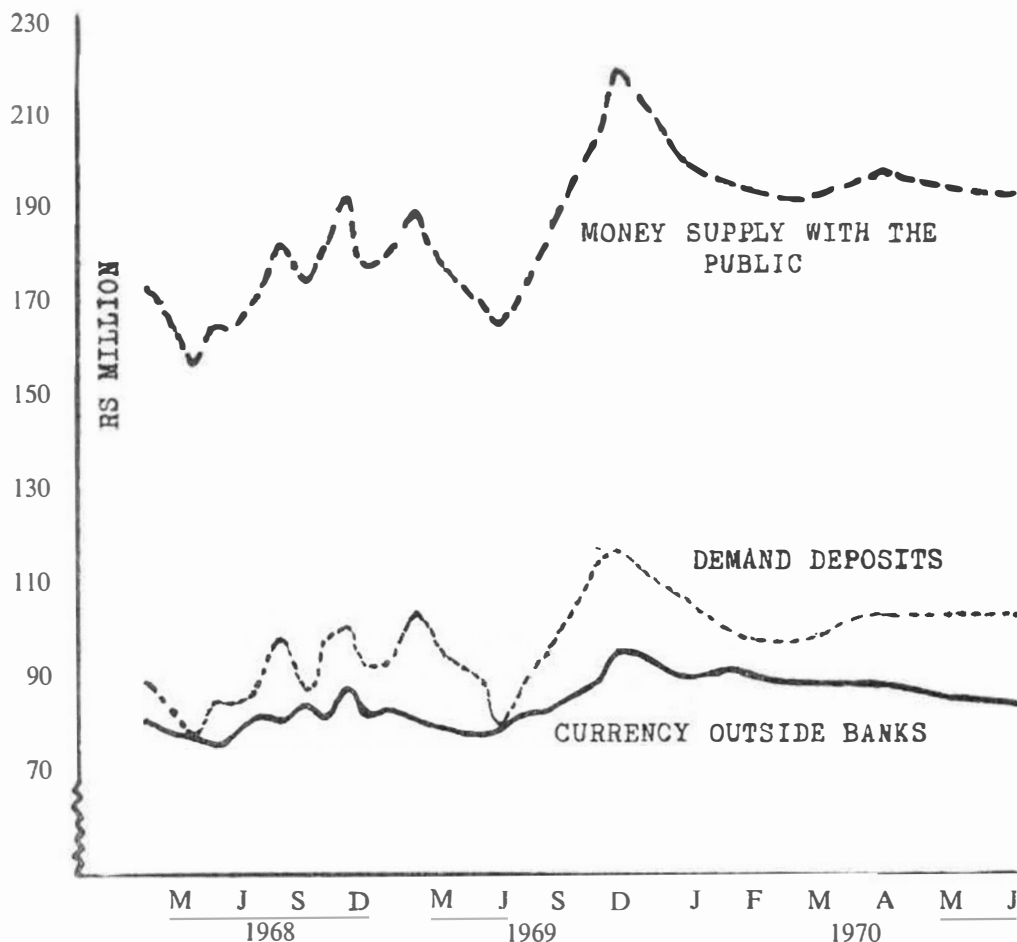
	<i>Dec. 67</i>	<i>June 68</i>	<i>Dec. 68</i>	<i>June 69</i>	<i>Dec. 69</i>	<i>June 70</i>
1. RESERVES	7.5	12.4	9.5	13.4	13.0	12.6
(a) Cash in hand	7.0	9.5	7.9	6.8	9.5	8.1
(b) Balances with Bank of Mauritius	0.5	2.9	1.6	6.6	3.5	4.5
2. FOREIGN ASSETS	54.3	19.4	40.9	10.8	47.8	27.4
(a) Balances with Banks abroad	52.3	16.7	38.7	8.5	45.2	24.7
(b) Foreign Notes and Coins	N.A.	0.8	0.3	0.3	0.6	0.7
(c) Foreign Securities	2.0	1.9	1.9	2.0	2.0	2.0
3. CLAIMS ON GOVERNMENT	12.4	13.8	17.9	25.7	29.5	28.6
(a) Treasury Bills	—	—	—	5.4	3.1	2.7
(b) Investment in Government Securities	3.5	4.4	8.5	12.1	18.0	15.3
(c) Loans and Advances	8.9	9.4	9.4	8.2	8.4	10.6
4. CLAIMS ON PRIVATE SECTOR	172.0	204.3	182.2	209.1	189.2	194.7
(a) Loans and Advances	167.5	198.8	177.6	204.1	184.8	160.4
(b) Bills purchased & discounted	4.5	5.5	4.6	5.0	4.4	34.3
5. TOTAL PRIVATE SECTOR DEPOSITS	201.4	182.6	204.1	188.4	245.3	230.0
(a) Demand Deposits	130.2	86.6	102.1	90.1	118.8	104.1
(b) Time & Savings Deposits	71.2	96.0	102.0	98.3	126.5	125.9

## (b) MONEY SUPPLY

Money supply with the public, which stood at Rs 218 million at the end of 1969, recorded an increase of 14 per cent as compared with the level towards the end of 1968. (See Table VI). This is in sharp contrast to the experience in 1968, during which money supply had shown an actual decline. The decline in 1968 was in large part attributable to the slowing down of economic activity, culminating in the decline in gross national product. On the other hand, the sizeable expansion in 1969 reflects the response of money supply to an impressive rise in gross national product in general, and to the increase in the production of sugar in particular.

Of the two components of money supply, demand deposits seem to have expanded relatively faster than currency.

TRENDS IN MONEY SUPPLY



GRAPH 3

This up-trend in money supply would seem to continue through 1970 ; for instance, the level in June 1970, although reflecting the usual seasonal decline, is higher by about 12 per cent as compared to the figure for June 1969. During 1970 also, it is anticipated that national income would rise and a sizeable balance of payments surplus would emerge. The anticipated continuation of the up-trend in money supply is thus attributable to these factors.



In part, an explanation of the expansion in money supply should be also sought in the expansionary monetary policy pursued by the Bank of Mauritius since October 1969. A more detailed discussion of this aspect is taken up in the next section.

Table VI. Money Supply : 1967 - 1970

(Rs. million)

	1967		1968		1969		1970
	June	Dec.	June	Dec.	June	Dec.	
Money supply with the Public	166.1	223.8	164.0	191.6	170.3	218.5	191.9
Currency Outside Banks	83.2	93.3	77.3	89.2	79.1	97.2	86.3
Demand Deposits	82.9	130.5	86.7	102.4 *	91.2	121.3	105.6

\* From December 1968 onwards, the miscellaneous current accounts of Bank of Mauritius are included in Demand Deposits.

### (c) MONETARY POLICY

The highlight of the financial year 1969-70 was the vigorous pursuit, by the Bank of Mauritius, of an expansionary monetary policy which had, as one of its important objectives, the modification of the interest rate structure so as to make it a more faithful reflection of the domestic economic realities. This policy could be conveniently discussed under two separate categories, namely, changes in the Bank Rate and provision of concessionary export finance, although the two form an integral part of the monetary policy. Before passing on to the discussion of the two facets of the monetary policy, a word about why an expansionary monetary policy was warranted during this period. At the beginning of the last quarter of 1969, it was becoming clear that the year 1969 would end up with a sizeable balance of payments surplus. On the eve of 1970, therefore, the economy appeared to be poised for a good rate of growth. In anticipation of this, the Bank of Mauritius reduced the Bank Rate in October 1969 from 8 to 7½ per cent. The progress of the economy during the first two months of 1970 did not, however, provide indications that the level of economic activity was gaining the desired momentum. A reinforcement of the expansionary monetary policy initiated in October appeared to be therefore called for. The subsequent reductions in the Bank Rate have therefore to be viewed as a continuation of this overall policy.

### Changes in Bank Rate

Empirically, the Bank Rate in Mauritius could be said to have been somewhat unrealistic in the sense that it did not appear to reflect the realities of the domestic economic situation. In large part, this might have been due to the linkage of the Bank Rate in Mauritius with that in the U. K. For instance, the raising of the Bank Rate from 7½ per cent to 8 per cent on the 23rd April 1969, could in fact be regarded as a sort of lagged response to the change in the Bank Rate of the U. K.\* During the earlier phase of the development of the banking system in Mauritius, there was perhaps some *raison d'être* for linking the Mauritius Bank Rate with the Bank Rate in the U. K. Basically, the need for such linkage stemmed from the fact that Mauritius has been a net borrower from London, particularly during the busy season. The linking of the two Bank Rates therefore enabled the commercial banks in Mauritius to replenish their resources by borrowing from London and, in turn, lend these funds profitably in Mauritius. Historically, such seasonal inflow of funds has no

\* It may be recalled that the Bank Rate in the U. K. was raised from 7 per cent to 8 per cent on 27.2.69.

doubt played an important role in the financing of sugar exports. Some idea of the orders of magnitude of the seasonal inflow of funds could be had from the fact that, towards the end of June 1969, the net borrowing of commercial banks from banks abroad stood at about Rs 35 million.

Fortunately, as a result of the sizeable balance of payments surplus that emerged in 1969, the foreign exchange reserves of the country had shown a substantial rise. It was therefore thought that the Bank of Mauritius was certainly in a position this year, to replenish the resources of the commercial banks with a view to meeting the credit needs of the busy season. The mechanism through which such replenishment could be accomplished was already in operation in the form of the scheme of rediscounting of commercial bills drawn to finance exports. Moreover, the commercial banks' own resources were also sizeably larger in 1969, as compared with the previous year. These favourable factors suggested that this was the appropriate opportunity to bring about a delinking of the Mauritius Bank Rate from that in the U. K. Further, available empirical evidence also suggested that a lower Bank Rate in Mauritius — and the consequent adjustments in the banks' deposit rates — was unlikely to have any adverse impact on the mobilisation of domestic savings. The successive reduction of the Bank Rate, three times during this period, has therefore to be viewed in this broader perspective\*. These successive reductions brought about a significant transformation in the domestic interest rate structure. For instance, the prime lending rate of the commercial banks which was as high as  $8\frac{1}{2}$  per cent in September 1969 came down to  $7\frac{1}{2}$  per cent in July 1970. Similar significant adjustments in other rates have also taken place, for details of which reference is invited to Table 7 appended. The Bank hopes that the benefits of such reductions in the cost of credit will percolate to all sectors of the economy.

### **Concessionary Export Finance**

Another facet, as it were, of the expansionary monetary policy was the measures undertaken to promote the provision of cheaper export finance. The Bank of Mauritius introduced, in October 1969, a scheme of rediscount facilities for commercial bills drawn to finance exports, at a special rate of  $\frac{1}{2}$  percentage point below the Bank Rate. The commercial banks were advised, on the 29th October 1969, that the Bank was prepared to make available such rediscounting facilities up to Rs 30 million. In March 1970, the terms of this concessionary finance were softened further. The overall ceiling of Rs 30 million on rediscount facilities was removed, although the Bank retained the right, at any time, to give one month's notice of its intention to re-introduce a limit. In the October scheme, there was another condition governing the provision of rediscount facilities. The Bank restricted its provision of refinance to any bank to an amount equal to the funds borrowed from abroad by that bank. In other words, to take advantage of the facility, a bank had to maintain an over-sold position in foreign currencies at least equal to the amount of refinance being sought. This condition was relaxed in March 1970, and all that was now required was for a bank to maintain an over-sold position equal to 5 per cent of its deposit liabilities or Rs 1 million, whichever is the greater.

Consequent on the reduction of Bank Rate on the 1st July 1970, the concessionary finance scheme underwent further modifications. With effect from 1st July 1970, the generality of refinance came to be extended at the Bank Rate rather than at  $\frac{1}{2}$  per cent below the Bank Rate, as was originally provided for. However, an innovation introduced with a view to giving encouragement to diversification of the country's exports, was that in respect of exports other than sugar, export refinance would be made available at  $\frac{1}{2}$  per cent below the Bank Rate. It should be stressed that even after this modification of the exports finance scheme, the sugar industry was able to obtain refinance facilities at 6 per cent, compared with  $6\frac{1}{2}$  per cent which was the rate charged before 1st July 1970.

Experience of the busy season, so far during 1970, seems to have vindicated the assumptions on which the approach to reductions in Bank Rate was based. For instance, one of the assumptions was that the banking system is in a position to meet the seasonal peak demands

\* The Bank Rate was reduced from 8 per cent to  $7\frac{1}{2}$  per cent on 23.10.69; from  $7\frac{1}{2}$  per cent to 7 per cent on 10.3.70, and from 7 per cent to 6 per cent on 1.7.70.

of credit during 1970. This has been substantiated by the figures for June and July. As can be seen from Table VII below, in contrast to a position of net *indebtedness* witnessed in July 1969 or July 1968, during July 1970 the banks had net positive assets abroad of more than Rs 11 million. This situation holds true for June also. Thus in 1970 not only did the banks *not* borrow from abroad for meeting the seasonal demands of credit, but they were also able to maintain abroad net external assets. In this context, it is relevant to underline the fact that the concessionary export finance scheme, referred to above, was extensively utilised by the banking system, bills rediscounted by the Bank of Mauritius exceeding Rs 15 million on some days in July 1970.

Table VII. **Commercial Banks : External Assets/Liabilities**

(Rs. million)

	<i>Assets</i>	<i>Liabilities</i>	<i>Net Position</i>
<b>1968</b> June	19.4	33.1	— 13.7
July	11.7	41.4	— 29.7
<b>1969</b> June	10.9	46.1	— 35.2
July	5.4	50.1	— 44.7
<b>1970</b> June	27.4	10.8	+ 16.6
July	20.0	8.3	+ 11.7

Viewed from this angle, therefore, the year 1969/70 could be regarded as an important land-mark in the efforts to bring down the domestic interest rates to more realistic levels. Moreover, these measures have gone a long way in promoting increasing self-reliance on the part of the Mauritius banking system. These are the more lasting benefits to the economy, in addition to the savings of some foreign exchange implicit in doing away with the heavy borrowings from abroad, to which the banking system was traditionally accustomed.

#### (d) CAPITAL AND MONEY MARKET

The Bank of Mauritius has been attempting to develop an active market in Government stocks. The success of this effort is indicated by a significant increase in the turn-over of stocks; for instance, the turn-over during the first six months of 1970 was of the order of Rs 35.3 million, as compared with only Rs 29.0 million during the corresponding period of 1969.

One new issue of Debenture Stock was made in 1969-70. On the 23rd April 1970, the Bank of Mauritius offered, on behalf of the Government, a 6 per cent Treasury Debenture Stock 1972, for a total amount of Rs 13 million. The issue, which was really a conversion loan, was virtually taken up by the private sector.

Since April 1969, Treasury Bills are being issued regularly, all by tender, at monthly intervals. The fact that the commercial banks and other financial institutions have been taking an active interest in Treasury Bills is reflected in the figures of demand for Treasury Bills. (See Table 11 appended). Partly in response to the rising demand, the total amount of issue was raised to Rs 5 million in June 1970 from the level of the usual monthly issue of Rs 3 million.

Thus the total amount of Treasury Bills outstanding at the end of June 1970 was Rs 11 million. The average rate of discount during the first six months of 1970 varied from 5.827 per cent to 6.025 per cent.

Finally reference may also be made to another important feature of the capital market. The recent issues of shares by private sector companies were over-subscribed, reflecting the general buoyancy of the market. This is indeed an encouraging trend.

#### **(e) THE PRICE SITUATION**

Despite a sizeable increase in money supply during the year 1969, it is heartening to note that prices recorded a rise of only 2 per cent over the year. The monthly average of the Consumer Price Index (Whole Island) for 1969 works out to 116.7, as compared with the corresponding average of 114.1 for 1968. (See Table 15 appended). Further, the average for the first six months of 1970 shows a rise of about 2.5 per cent over the average for 1969. It therefore appears that the price rise in 1970 also is unlikely to exceed about 3 per cent.

In fact since 1962, the consumer prices have shown an average rise of less than 2 per cent per annum, except the year 1968 when the rise was of the order of 7 per cent. The unusual rise in 1968 was due principally to the devaluation of the rupee in November 1967 and to a rise in the prices of rice imports. In a world in which inflationary forces are becoming almost universal, this price stability is a remarkable achievement on the part of Mauritius. In large part, the credit for ensuring a degree of price stability should go to the Government's mechanism of importing the bulk of the country's requirements of rice and wheat flour and ensuring their distribution at controlled prices. The containment of the cost of living has several important implications for a developing economy and hence it is hoped that this sort of price stability will continue to characterise the course of Mauritius' economic development.

### **V. GOVERNMENT FINANCE**

In the area of public finance the performance seems to be satisfactory, with the financial year 1969-70 ending with a small revenue surplus. The recurrent budget for the year 1969-70 closed with a surplus of Rs 0.7 million, the actual revenue amounting to Rs 228.0 million and expenditure to Rs 227.3 million. The decline in revenue receipts, from the level of original estimates, is the result of lower yields from direct taxes and public services. Expenditure also was lower than originally estimated, the heads public debt, commerce and industry, agriculture and health, showing relatively lower expenditure. (See Appendix Table 12).

As for the capital budget, total revenue amounted to Rs 66.0 million while expenditure was of the order of Rs 57.2 million; these levels were lower than the original estimates of Rs 90.2 million and Rs 79.9 million respectively. However, one interesting point regarding capital expenditure is that the gap between the budgeted amount and the actual expenditure seems to have narrowed down considerably, when compared with the experience during earlier years. Perhaps this suggests that the capacity of the administrative machinery to prepare and execute development projects is improving significantly.

#### **Budget Estimates 1970-71**

According to the budget estimates for the financial year 1970-71, recurrent expenditure is expected to be of the order Rs 252.6 million and recurrent revenue of Rs 252.9 million. Even after appropriating Rs 4 million for the capital budget, the recurrent budget shows a marginal surplus of Rs 0.3 million. Capital expenditure is to be stepped up sizeably to Rs 90.0 million or by nearly 23 per cent from the 1969-70 level. The impact of this larger expenditure is bound to reflect itself on the level of economic activity.

The figures of revenue and expenditure for 1969-70 and the estimates for 1970-71 are furnished in the following table :

**Table VIII. Government Budget : 1969-70 and 1970-71**

(Rs. million)

	<i>1969-70 Original Estimates</i>	<i>1969-70 Revised Estimates</i>	<i>1969-70 Actual</i>	<i>1970-71 Estimates</i>
Recurrent Revenue	242.0	232.1	228.0	252.9
Recurrent Expenditure	241.7	231.7	227.3	252.6
Balance	+ 0.3	+ 0.4	+ 0.7	+ 0.3
Capital Revenue	90.2	77.6	66.0	89.8
Capital Expenditure	79.9	73.2	57.2	90.0
Balance	+ 10.3	+ 4.4	+ 8.8	— 0.2

## VI. EXTERNAL TRADE AND BALANCE OF PAYMENTS

### (a) EXTERNAL TRADE

Figures relating to imports and exports, as recorded by Customs, for the year 1967 to 1969, as also the Bank's estimates for 1970 are presented in the Table below :

**Table IX. Trends in Exports & Imports : 1967-70**

(Rs. million)

<i>I T E M</i>	<i>1967</i>	<i>1968</i>	<i>1969</i>	<i>1970 (Estimated)</i>
Exports (f.o.b.)	307	354	365	365
Imports (c.i.f.)	371	421	376	420
Trade surplus + deficit —	— 64	— 67	— 11	— 55

It can be seen that exports in 1969 rose to Rs 365 million, or a rise of 3.1 per cent over the previous year's level. This was mainly due to larger exports of sugar at more favourable prices. In contrast, imports declined, from Rs 421 million in 1968 to Rs 376 million in 1969, or by 10.7 per cent. It may be recalled that the value of imports in 1968 was somewhat artificially inflated by the devaluation of the Rupee in November 1967 and hence the decline in 1969 has to be viewed in this context. In part, the larger imports in 1968 may have been due to the building up of inventories. To the extent to which this holds true, the lower level of imports in 1969 may be explained by the running down of inventories. As a result, the trade deficit declined from Rs 67 million in 1968 to only Rs 11 million in 1969.

In regard to the direction of trade, the United Kingdom continues to predominate claim-ing as it did about 71 per cent of exports from Mauritius. Canada was the second largest purchaser, followed by the U.S.A. Imports from the U.K. accounted for about 20 per cent of total imports : Thailand, South Africa, Australia and France are the other important sources of imports. (See Appendix Tables 18 & 19).

The estimates for 1970 are based on the figures available for the first six months of 1970, as also on an overall assessment of the prospects for exports. Largely as a consequence of the substantial balance of payments surplus realised in 1969, imports are expected to rise by a significant margin. For the year as a whole, it is assumed that they may reach the level attained in 1968; available data for the first six months appear to bear out this assumption. In regard to exports, in view of the relatively large carry-over stocks from the previous year, Mauritius will be able to meet her sugar export commitments fully. There might be a marginal increase in exports other than sugar, like tea. On the whole, it seems that exports receipts in 1970 would be of about the same order as in 1969. On the basis of these estimates, the trade deficit in 1970 works out to Rs 55 million.

#### (b). Balance of Payments

An outstanding feature of the year 1969 was that it ended with a substantial balance of payments surplus of Rs 57.5 million, as compared with a surplus of Rs 21 million during the previous year. The relevant figures are provided in the following Table. It should be underlined that, but for the year 1963, this is a record surplus for the decade.

Table X. Summary of the Balance of Payments : 1967—70

	1967	1968	1969	1970 (Estimates)
Net goods and services	— 66	— 30	+ 26	+ 5
Net transfer payments	+ 6	+ 24	+ 15	+ 15
Net long-term capital	+ 12	+ 15	+ 12	+ 18
Other capital, errors & omissions	— 18	+ 12	+ 4	— 5
Basic Balance of Payments	— 66	+ 21	+ 57	+ 33

As pointed out earlier, this substantial surplus is primarily attributable to a sizeable increase in the exports of sugar. Another interesting feature was that, exports of items other than sugar, like tea, also rose significantly, which is indeed a welcome development. Further, this increase in export earnings was accompanied by a decrease in imports, of about 10 per cent.

Net grants received have again shown the customary surplus. Official grants to Mau-ritius, mainly from the United Kingdom, which declined in 1969 amounted to Rs17 million, as compared with Rs 33 million in 1968. It must be noted, however, that in 1968 the United Kingdom had made a special budgetary grant of Rs 17 million. Inward private transfers grew marginally over the year, as a result of increased private donations from Mauritians settled abroad.

Long-term official capital received from abroad showed a sharp decline over the previous year. Loans received dropped from Rs 34.4 million in 1968 to Rs 4.7 million in 1969.

Two characteristic features of the recent strengthening of the balance of payments situa-tion need to be highlighted in this context. First, although attempts to diversify the economy would begin to bear fruit after a considerable time lag, visible signs of such a possibility are manifesting themselves already. For instance, tea is beginning to emerge as an export item of

some importance. Although its contribution to total export earnings remains small, it demonstrates the feasibility of diversification. Second, "the invisible transactions" have undergone a fundamental transformation; for instance, the deficit on this item which was as large as Rs 46 million in 1967, is expected to be reduced to nil in 1970. This significant transformation has been rendered possible principally because of increasing receipts from tourism and also from earnings from bunkering services. It is hoped that this trend will continue to persist in the coming years.

Tentative estimates for the year 1970 have also been provided. The output of sugar during 1970 is expected to exceed 585,000 tons. This factor, coupled with a relatively large carry-over of stocks, would enable Mauritius to fulfil her export quota commitments. Hence in 1970, once again a sizeable balance of payments surplus of Rs 33 million is expected to emerge. It should be remembered that a surplus of this order would emerge despite the anticipated rise in imports of about 10 per cent.

On the whole, the balance of payments outlook appears quite encouraging. The substantial balance of payments surplus generated in 1969 and the anticipated, though smaller, surplus in 1970 should provide the resource base from which the economy can look forward to sustained growth in the coming years.

### **(c). TOURISM**

At this stage, a brief reference may be made to the prospects that the tourist industry holds out for Mauritius. Although the number of tourists visiting Mauritius has doubled during the five years since 1965, it appears to offer greater potentialities, which need to be exploited fully. In 1969, more than 20,000 tourists visited Mauritius, bringing in an income of about Rs 18 million. This number is expected to reach about 27,000 in 1970. The recent increase in frequencies of air services has rendered Mauritius readily accessible to different parts of the world. Also, measures to expand the hotel facilities are already under way. Thus the tourist industry promises to be a good foreign exchange earner. Further, programmes for the development of the tourist sector, which being labour intensive, can help mitigate the severe unemployment problem of the country.

## **VII. POPULATION AND EMPLOYMENT**

At the end of the review, it is necessary to revert to the structural problem of the economy, namely population and employment. With a total population of about 800,000 in 1969, the population density in Mauritius works out to around 1,100 per square mile — one of the highest in the world for an agricultural country. Although the rate of growth of population appears to have declined from around 3 per cent during the earlier years, to between 1.5 per cent and 2 per cent in more recent years, as a result of lower birth rate and an increase in emigration, the total population is expected to reach one million by 1980.

One direct consequence of this large — large in relation to size and resources — and growing population has been that, in recent years, the increase in the labour force has outpaced the creation of employment opportunities, thereby giving rise to a serious unemployment problem. To alleviate unemployment, the Government has embarked upon a relief work programme. The monthly average number of relief workers reached a peak of 18,500 in 1967 but declined to about 14,500 in 1969; the average level for the first six months of 1970 appears to have risen again to nearly 16,000. (See Appendix Table 14).

The number of persons registered as unemployed also seems to be rising in recent years: the monthly average has risen from 14,100 in 1969 to 19,500 in 1970. (See Appendix Table 14). Total unemployment is estimated to be roughly 15 per cent of the labour force, thus posing a serious challenge to development planning.

Unemployment is both an economic and a social problem and hence the alleviation of the problem needs to be pursued with a sense of urgency. One of the suggested approaches is to stabilize the population by a judicious combination of more active family planning and

planned emigration. No doubt the development plan now being formulated, will have as one of its important objectives, expansion in employment. However, the widening of the employment opportunities implicit in economic development may offer a long-term solution. In the meanwhile, from the short-run point of view, it may be worth while exploring possibilities of providing additional employment, through such programmes as land development, afforestation or building up of economic overhead capital in general. Indeed the more recent measures undertaken by the Government reflect this sense of urgency.

## VIII CONCLUDING COMMENTS AND OUTLOOK

All in all the picture that emerges from this brief review of the progress of the economy in 1969 is that of an impressive year. There is the basic fact of attainment of a 5 per cent growth, superimposed upon which is the generation of a substantial balance of payments surplus of Rs 57 million. These are quantitative indicators. Qualitatively, the agricultural sector appears to demonstrate the feasibility of diversification, the manufacturing sector shows signs of acceleration of the pace of activity and the monetary sector has to its credit some basic improvements. These changes may not lend themselves for precise statistical measurement but none the less they are indicative of potentialities for future growth. Further, the outlook for 1970 is quite encouraging, with an anticipated balance of payments surplus of Rs 33 million. These two successive years of balance of payments surplus have thus provided the resource base from which the economy can look forward to sustained growth in the coming years. Indeed such a climate augurs well for the launching upon of a comprehensive development plan.

This optimism of short-term prospects has, however, to be tempered by the structural problems which condition the long-term growth of the economy. Although these factors have been spelt out earlier, it seems desirable to conclude the review with reference to two aspects. The prospective entry of the United Kingdom into the European Economic Community appears to endanger the preferential sugar market which Mauritius has been enjoying. The assurances of the United Kingdom as well as the sympathetic attitude of the European Economic Community towards Mauritius, lead one to hope that some solution will eventually be found for the continuation of the preferential market. This is important because sugar will continue to be the basis of the country's economy for years to come, although this problem has lent a sharper edge to the need for diversification of the economy.

Another cloud hovering over the horizon of Mauritius is the unemployment problem, which is in a way a by-product of the basic population problem. Obviously, in such a situation the development plan will have to be employment-oriented, placing special emphasis on labour-intensive projects. Looked at from this point of view, diversification of the agricultural sector appears to hold out good possibilities of expanding employment. Promotion of cultivation of crops like rice will not only be import-saving but also labour-intensive. Similarly, interline and intercrop production of other foodstuffs and afforestation need to be explored fully. The dual objective of import substitution and containment of the unemployment problem may be possible of attainment by these and related measures. In the ultimate analysis, the process of diversification of the economy, when it is complete, may solve the unemployment problem. The search for an interim solution will have to be, however, continued.



## Part II. OPERATIONS OF THE BANK

### 1. OPERATIONS

This is the third Annual Report of the Bank. The fact that during this period the Bank has grown into a more effective instrument for moulding the banking system of the country is reflected in the discussions on monetary policy in Part I. The more routine operations of the Bank are indicated briefly in this Part.

#### (a) Transfer of Government Accounts

The process of transfer of Government accounts from the commercial banks to the Bank of Mauritius continued during the year. The Bank also opened current accounts for some quasi-Government institutions.

Some International Financial Organisations, of which Mauritius is a member, also maintain current accounts with the Bank.

#### (b) Lending to Commercial Banks

During the year under review, the conditions laid down for re-discounting of commercial bills were modified. A bank will be eligible for refinance, by re-discounting of commercial bills, if it maintains a net foreign exchange over-sold position equal to at least 5% of its deposit liabilities in Mauritius or Rs 1 million whichever is the greater. The overall limit of Rs 30 million imposed by the Bank for refinance was also abolished.

#### (c) Other Facilities to Commercial Banks

The Bank of Mauritius has instituted deposit facilities to commercial banks with a view to providing them with investment opportunities for their liquid funds. The banks can surrender their sterling liquid funds and deposit the equivalent Mauritius rupees in a "Special Deposit" account with the Bank at attractive rates of interest. Again, they can also deposit their short-term surplus funds in Mauritius in an "Ordinary Deposit" account on which a reasonable interest is paid. Both accounts are being made use of by the banks.

#### (d) Public Debt Management

During the year 1969—70, the Bank of Mauritius, as manager of Government debt, made its first issue of Government Stock, namely the 6% Debenture Stock 1972 for the sum of Rs 13 million.

#### (e) Notes and Coin

It became necessary during the year to re-order fresh supplies of coins and bank notes.

As indicated in the previous Report, a coin sorting section was set up during the year with a view to removing worn and defaced coins out of circulation.

#### (f) Exchange Control

An important change introduced during the year related to the raising of the annual travel allowance of £50 per person for travel outside the sterling area countries to £250. As a result, foreign exchange of £250 per person is available annually for travel to all countries outside Mauritius, except Rhodesia.

## **2. ADMINISTRATION, STAFF AND PREMISES**

### **(a) Board Changes**

Mr. G. Bunwaree, formerly Financial Secretary, succeeded Mr. D. C. Keys as Managing Director of the Bank of Mauritius on the 28th February. Mr. Keys returned to the Bank of England at the end of his two-year appointment as Managing Director.

Mr. J. M. A. Harel and Mr. B. B. Panray, whose appointment on the Board of Directors expired on the 30th June 1970, were re-appointed on the Board for a further period of three years.

### **(b) Appointments**

Mr. I. Ramphul, Deputy Chief Manager, was appointed Chief Manager with effect from the 24th June. He succeeded Mr. G. D. Wilton, who returned to the Bank of England on the expiry of his two-year contract as Chief Manager.

Mr. L. C. S. de Coriolis, Internal Auditor, was appointed Secretary with effect from the 1st January, 1970. He succeeded Mr. Y. Lefébure who went on terminal leave prior to the expiration of his term of appointment.

The following experts were seconded to the Bank under the auspices of the International Monetary Fund during the year :—

- (i) Mr. D. A. C. Nendick, from the Bank of England, as adviser to the Governor.
- (ii) Dr. N. A. Mujumdar, M. A., Ph. D., from the Reserve Bank of India, as Head of Research. Dr. Mujumdar succeeded Mr. C. Towfiq who returned to the International Monetary Fund on the expiry of his secondment.
- (iii) Mr. K. Messerschmidt, of the Deutsche Bundesbank, as Bank Supervisor.

The Bank would like to take this opportunity to record its warm appreciation of the services rendered by Mr. Keys, Mr. Wilton and Mr. Towfiq during their term of appointment with the Bank.

### **(c) STAFF TRAINING**

The total staff of the Bank stood at the end of the year at 70. This figure includes thirteen Porters and Drivers and one Office Superintendent.

The Bank has taken several measures to ensure adequate training of staff. Mr. B. Gujadhur, a Chief Clerk, attended the Central Banking Course organised by the State Bank of Pakistan during the months of January to April, 1970, and Mr. S. Rochecouste, an Assistant Manager, attended the Central Banking Course organised by the Bank of Uganda during the period 24th April to 29th May, 1970. Two members of the Banking Staff completed a one-year course in banking at the University of Mauritius in December last year and four other members are attending the same course this year. Also, two members of the staff have been granted unpaid study leave to pursue higher studies in Economics.

### **(d) PREMISES**

The first phase of the building (below ground) was completed in October, 1969 as scheduled. A contract for the second and last phase was let in December 1969 to the same contractors — General Construction Co. Ltd. of Mauritius. The work is progressing satisfactorily and according to schedule. It is hoped that the building will be completed in June, 1971.

### 3. VISITS AND DISCUSSIONS

Mauritius became a member of the International Monetary Fund on the 23rd September 1968, with a quota of \$ 16 million. The first Article XIV consultation discussions took place in November 1969 when a Fund mission led by Mr. L. Dini visited Mauritius. The Bank participated in the discussions.

The I.M.F. was requested to provide experts for consolidating and bringing up to date the existing legislation on banking in Mauritius. The Bank would like to express its appreciation of the work of Mr. R. Tenconi and Mr. L. C. Effros, who have prepared the draft legislation. The enactment of the legislation is under active consideration of the Government.

The Governor of the Bank attended in February 1970 the International Seminar on Banking and Development convened by the Reserve Bank of India.

Mr. Hilmy and Mr. Reichelt of the World Bank visited Mauritius in May-June. The Bank provided them the necessary financial and monetary statistics and also participated in the discussions.

**REPORT OF THE AUDITORS PURSUANT TO SECTION 44  
OF THE BANK OF MAURITIUS ORDINANCE, 1966**

We have audited the attached Balance Sheet and Accounts of the Bank of Mauritius, dated 30th June 1970, which are in agreement with the books and records of the Bank, and report that we have obtained all the information and explanations necessary for the purpose of our audit.

We also report that the profit for the year ended on 30th June 1970, and the transfer made to General Reserve Fund on that date have been ascertained in accordance with Section 11 of the Bank of Mauritius Ordinance, 1966, and on this basis the Accounts give, in our opinion, a true and fair view of the state of affairs of the Bank at 30th June 1970, and of the results of its operations for the year then ended.

**KEMP CHATTERIS**  
*Chartered Accountants.*

Date : 20th July 1970.

# BANK OF MAURITIUS

BALANCE SHEET AS AT 30TH JUNE, 1970

30.6.69 Rs.		Rs.	Rs.	30.6.69 Rs.		Rs.
	CAPITAL				EXTERNAL ASSETS	
10,000,000	Authorised	Rs. 10,000,000 00			Balances with Banks	20,074,155.78
5,000,000	Paid up		5,000,000.00	5,825,631		
2,250,000	GENERAL RESERVE FUND ...		4,500,000.00	20,087,262	Treasury Bills	16,126,578.85
80,539,655	NOTES IN CIRCULATION		88,575,285.00	80,973,016	Eligible Securities (at valuation)	135,089,471.72
5,410,578	COIN IN CIRCULATION		5,828,271.36	5,439,496	Ineligible Securities (at valuation)	4,439,609.72
	DEMAND DEPOSITS				I. M. F. Special Drawing Rights	14,724,213.05
563,135	Government	1,900,995.20		34,149	Foreign Notes and Coin	7,155.52
6,644,847	Banks	4,510,307.76				
1,026,765	Other	1,980,289 35	8,391,592.31			
26,366,957	OTHER DEPOSITS		64,478,798.38	112,359,554	TOTAL EXTERNAL ASSETS	190,461,184.64
	OTHER LIABILITIES			23,980,684	GOVERNMENT SECURITIES (at valuation)	8,808,627.69
	Profit payable to Government in accordance with Section 11 (2) (c) of the Bank of Mauritius Ordinance, 1966	5,981,206.71		15,207,649	DISCOUNTS AND ADVANCES	10,787,380.24
3,464,175	LESS: Amount Paid	5,000,000.00	981,206.71	3,264,269	OTHER ASSETS	11,589,247.84
23,546,044	OTHERS	43,891,286.65	44,872,493.36			
Rs. 154,812,156		Rs. 221,646,440.41		Rs. 154,812,156		Rs. 221,646,440.41

(sd.) AUNAETH BEEJADHUR — Governor  
(sd.) G. BUNWAREE — Managing Director  
(sd.) I. RAMPHUL — Chief Manager

NOTE: The holding of Ineligible Securities  
is in accordance with Section 41 of  
the Bank of Mauritius Ordinance, 1966.

## PROFIT AND FOR THE YEAR ENDED

1,250,000	TRANSFER TO GENERAL RESERVE FUND	2,250,000.00
	PROFIT PAYABLE TO THE GOVERNMENT OF MAURITIUS — in accordance with Section 11 (2) (c) of the Bank of Mauritius Ordinance, 1966	5,981,206.71
Rs. 4,714,175		Rs. 8,231,206.71

## LOSS ACCOUNT 30TH JUNE, 1970

	NET PROFIT — after charging current expenditure, writing down fixed assets and providing for reserves and contingencies	8,231,206.71
Rs. 4,714,175		Rs. 8,231,206.71

# BANK OF MAURITIUS

## ANNUAL REPORT 1969 - 1970

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### Notes

*The following conventional signs are used :*

- Nil
- .. Negligible
- N.A. Not Available

Table 1. Selected Economic Indicators

	Unit/ Base	Dec. 68	March 69	June 69	Sept. 69	Dec. 69	March 70	June 70
<i>I. Bank of Mauritius</i>								
(1) Notes and coin in circulation	Rs million	97.1	89.2	85.9	92.6	106.6	97.4	94.4
(2) External assets	Rs million	92.6	89.5	116.0	155.5	183.6	218.1	197.3
(3) Government securities	Rs million	24.0	28.8	24.0	20.5	14.9	7.4	8.8
(4) Discounts and advances	Rs million	15.9	22.9	15.2	12.8	19.7	2.8	10.8
of which Government borrowing...	Rs million	15.0	21.6	12.8	9.7	9.6		2.4
<i>II. Commercial Banks</i>								
(1) Aggregate deposits	Rs million	210.9	215.5	196.9	210.9	249.1	231.6	236.5
(2) Bank credit	Rs million	187.0	178.9	212.3	186.0	193.2	181.4	171.0
(3) Cheque clearances	Rs million	129.6	85.9	79.6	98.1	104.1	92.3	104.0
<i>III. Interest Rates</i>								
(1) Bank rate	%/annum	7 1/2	7 1/2	8	8	7 1/2	7	7
(2) Prime rate (min)	%/annum	8	8	8 1/2	8 1/2	8	8	7 3/4
(3) Savings accounts (banks)	%/annum	4	4	4	4	4	4	4
<i>IV. Money Supply</i>	Rs million	191.6	189.4	170.3	184.3	218.5	192.0	191.9
<i>V. Consumer Price Index (Whole Island)</i>								
	Jan-June 1962=100	114.2	117.3	115.9	116.1	118.4	121.4	118.0
<i>VI. Foreign Trade</i>								
(1) Imports, c.i.f.	Rs million	110.9	93.5	88.9	91.4	102.1	87.6	104.4*
(2) Exports, f.o.b.	Rs million	166.1	58.1	20.2	150.2	136.7	83.1	18.0*
<i>VII. Employment Data</i>								
(1) Registered unemployed	Number	10,698	14,846	15,351	13,274	14,794	18,519	21,838
(2) Relief workers	Number	15,658	15,389	15,210	13,674	14,450	14,427	15,807

Note : All the data are as at the end of the month indicated, except for the following :

- II. (3) Cheque clearances : for the month
- III. Interest Rates : Last week of the month
- V. Consumer Price Index : for the month
- VI. Foreign Trade : for the quarter ended

\* Provisional

Table 2. Bank of Mauritius — Assets and Liabilities

## A. Assets

(Rs 000)

End of Month		External Assets						Discounts and Advances	Other Assets	Total Assets
		Balances with Banks	Treasury Bills	Eligible Securities	Ineligible Securities§	Special Drawing Rights in IMF	Total			
1967	August ...	20,490 +		36,843	10,100	—	67,433	34,043	5,113	119,744
	September ...	5,384	12,293	36,849	10,159	—	64,685	34,014	9,213	111,141
	December ...	4,928	25,770	36,487	6,544	—	73,729	34,010	6,900	116,658
1968	March ...	6,695	14,689	32,277	6,618	—	60,279	32,826	13,550	108,810
	June ...	11,846	20,904	32,145	5,502	—	70,397	36,267	1,391	108,055
	September ...	5,530	10,764	32,644	5,462	—	54,404*	28,332	22,275	106,446
	December ...	20,593	30,380	32,505	5,471	—	89,037*	24,024	15,883	130,677
1969	March ...	6,839	15,191	58,398	5,489	—	85,941*	28,769	22,880	139,407
	June ...	5,826	20,087	80,973	5,439	—	112,359*	23,981	15,208	154,812
	September ...	14,825	28,945	102,519	5,547	—	151,860*	20,526	12,773	190,658
	December ...	18,105	44,272	111,929	5,647	—	179,973*	14,892	19,702	218,981
1970	January ...	12,261	33,573	129,210	5,722	14,933	195,716*	12,296	6,769	220,689
	February ...	23,309	31,716	135,887	5,738	14,831	211,498*	7,075	2,971	231,312
	March ...	17,758	38,118	133,822	5,784	14,831	210,325*	7,420	2,841	230,609
	April ...	8,574	44,775	144,999	5,807	14,831	218,996*	9,927	2,033	241,496
	May ...	8,433	26,653	145,956	5,816	14,724	201,592*	7,531	7,413	226,877
	June ...	20,074	16,127	135,089	4,440	14,724	190,461*	8,809	10,787	221,646

+ Balance with Crown Agents

§ Vide Bank of Mauritius Ordinance Sec. 41.

\* Includes foreign notes and coin



Table 2. Bank of Mauritius — Assets and Liabilities

## B. Liabilities

(Rs 000)

End of Month			Capital & Reserve	Currency in Circulation			Demand Deposits			Other Deposits +	Total Deposits	Other Liabilities	Total Liabilities
				Notes	Coin	Total	Government	Bankers	Other				
1967	August	...	5,000	87,399	5,850	93,249	—	831	—	—	831	20,664	119,744
	September	...	5,000	84,294	6,169	90,463	—	4,323	—	—	4,323	11,355	111,141
	December	...	5,000	94,118	6,156	100,274	—	506	—	—	506	10,878	116,658
1968	March	...	5,000	85,029	5,651	90,680	1,422	1,817	—	—	3,239	9,891	108,810
	June	...	6,000	81,023	5,779	86,802	2,023	2,948	28	—	4,999	10,254	108,055
	September	...	6,000	85,341	5,799	91,140	649	5,663	129	—	6,441	2,865	106,446
	December	...	6,000	91,095	6,005	97,100	1,443	1,574	141	21,000	24,158	3,419	130,677
1969	March	...	6,000	83,641	5,604	89,245	656	7,729	1,072	30,209	39,666	4,496	139,407
	June	...	7,250	80,540	5,410	85,950	563	6,645	1,027	26,367	34,602	27,010*	154,812
	September	...	7,250	86,786	5,836	92,622	1,620	16,642	1,572	44,850	64,684	26,102*	190,658
	December	...	7,250	100,493	6,155	106,648	2,955	3,487	3,128	67,067	76,637	28,446*	218,981
1970	January	...	7,250	91,397	5,811	97,208	5,800	6,123	2,265	71,977	86,165	30,066*	220,689
	February	...	7,250	92,533	5,935	98,468	3,672	5,714	2,189	82,599	94,174	31,420*	231,312
	March	...	7,250	91,469	5,958	97,427	2,942	5,608	2,046	82,144	92,740	33,192*	230,609
	April	...	7,250	90,863	5,803	96,666	3,375	6,175	4,242	88,825	102,617	34,963*	241,496
	May	...	7,250	88,763	5,824	94,587	2,670	6,014	2,262	64,131	75,077	49,963*	226,877
	June	...	9,500	88,575	5,828	94,403	1,901	4,510	1,980	64,479	72,870	44,873*	221,646

+ Mainly due to semi-government bodies.

\* Include Rs 22.2 million liability to the International Monetary Fund arising from a drawing of \$4.0 million, in Pound Sterling, on April 17, 1969.

Table 3. Commercial Banks' Assets and Liabilities

A. Assets															(Rs million)		
End of Month	Cash in hand	Balances due from		Bills Discounted		Loans and Advances			Investments					Docu-mentary Credits	Gua-rantees	Other	Total
		Other Banks in Mauritius	Banks Abroad	Local	Foreign	Bills Recei-vable	Private Sector	Public Sector	Trea-sury Bills	Govt. Securi-ties	Foreign Securi-ties	Other	Total				
1966																	
December	5.3	4.6	56.7	4.2	..	9.9	145.3	7.2	—	4.2	2.0	3.3	9.5	21.8	12.7	14.5	291.7
1967																	
March	11.0	3.0	41.0	4.4	..	7.8	152.2	7.3	—	4.2	2.0	3.9	10.1	25.3	13.3	13.3	288.7
June	9.2	2.9	10.5	5.0	0.1	10.2	181.3	7.8	—	3.8	2.0	3.7	9.5	28.5	13.0	14.5	292.5
September	9.6	6.0	23.9	5.3	0.1	10.6	165.9	8.7	—	3.7	2.0	3.7	9.4	28.0	13.8	13.8	295.1
December	7.0	2.9	52.3	4.5	..	10.7	167.5	8.9	—	3.5	2.0	4.7	10.2	27.6	13.6	18.1	323.3
1968																	
March	8.0	8.1	49.0	5.1	..	10.2	159.6	8.6	—	3.6	1.9	3.7	9.2	25.6	14.0	14.7	312.1
June	9.5	3.3	16.7	5.4	0.1	10.3	198.8	9.4	—	4.4	1.9	3.8	10.1	23.3	13.3	14.8	315.0
September	8.3	5.3	12.0	5.5	..	7.3	208.3	9.0	—	4.4	1.9	3.8	10.1	25.3	14.2	15.3	320.6
December	7.9	1.8	38.7	4.5	0.1	5.6	177.6	9.4	—	8.5	1.9	7.4	17.8	26.4	15.2	15.2	320.2
1969																	
March	6.5	0.1	32.6	4.6	0.2	6.1	170.8	8.1	—	6.6	1.9	7.3	15.8	27.0	12.5	31.0	315.3
June	6.8	0.5	8.5	4.9	0.1	8.4	204.1	8.2	5.4	12.1	2.0	6.3	25.8	23.1	11.3	27.5	329.2
September	8.4	1.0	29.2	5.0	..	6.0	178.2	7.8	4.2	13.7	2.0	6.8	26.7	26.1	12.1	36.7	337.2
December	9.5	0.5	45.2	4.3	0.1	7.2	184.8	8.4	3.1	18.0	2.0	8.8	31.9	28.4	14.0	24.2	358.5
1970																	
January	6.7	0.7	48.3	5.6	0.3	8.1	170.0	8.4	4.4	16.0	2.0	8.3	30.7	26.5	14.4	29.3	349.0
February	6.5	0.6	47.4	6.7	0.2	8.0	161.4	9.8	2.0	16.9	2.0	8.3	29.2	30.2	14.7	25.8	340.5
March	7.5	0.7	30.6	7.8	1.0	11.2	171.5	9.9	1.0	16.0	2.0	8.3	27.3	32.4	14.4	24.7	339.0
April	7.4	1.3	32.1	21.6	1.9	11.8	144.0	10.1	0.9	15.3	2.0	8.3	26.5	36.7	15.3	29.6	348.7
May	6.9	0.5	36.9	24.2	2.1	13.9	153.3	10.7	2.0	15.3	2.0	8.3	27.6	37.4	14.7	29.7	357.9
June	8.1	0.7	24.7	31.7	2.7	11.9	160.4	10.6	2.6	15.3	2.0	8.3	28.2	25.9	15.4	29.2	349.5

Table 3. Commercial Banks' Assets and Liabilities

## B. Liabilities

(Rs million)

End of Month	Capital & Reserve	Private Sector Deposits				Government Deposits	Balances Due to		Bills Payable	Docu- mentary Credits	Guaran- tees	Other	Total
		Demand	Time	Savings	Total		Banks in Mauritius	Banks Abroad					
1966													
December	15.2	126.9	25.3	32.2	184.4	24.4	4.0	3.5	0.7	21.8	12.7	25.0	291.7
1967													
March	15.5	98.9	40.3	35.1	174.3	20.1	2.6	16.1	0.4	25.4	13.3	21.0	288.7
June	15.6	82.6	21.0	37.5	141.1	26.0	3.5	40.2	0.3	28.5	13.0	24.3	292.5
September	15.6	90.9	24.5	42.8	158.2	19.0	3.2	32.8	0.5	28.0	13.8	24.0	295.1
December	15.7	130.2	26.4	44.8	201.4	17.2	5.4	16.3	0.2	27.6	13.6	25.9	323.3
1968													
March	15.9	90.4	46.1	47.2	183.7	28.7	3.4	14.8	0.8	25.6	14.0	25.2	312.1
June	16.0	86.6	49.7	46.3	182.6	16.4	2.7	32.7	0.2	23.3	13.3	27.8	315.0
September	16.0	99.3	48.9	47.0	195.2	9.6	1.6	28.6	0.6	25.3	14.2	29.5	320.6
December	16.1	102.1	55.3	46.7	204.1	6.8	1.9	19.2	0.3	26.4	15.2	30.2	320.2
1969													
March	16.5	105.3	53.2	48.6	207.1	8.4	0.2	7.4	0.6	27.0	12.5	35.6	315.3
June	16.6	90.1	50.5	47.8	188.4	8.5	—	45.8	0.6	23.1	11.3	34.9	329.2
September	16.6	98.7	56.1	49.0	203.8	7.1	1.3	34.5	0.7	26.1	12.1	35.0	337.2
December	16.7	118.8	75.3	51.2	245.3	3.8	0.8	6.0	0.8	28.4	14.0	42.7	358.5
1970													
January	16.7	108.4	76.0	52.4	236.8	3.0	1.6	11.7	0.8	26.5	14.4	37.5	349.0
February	17.1	99.4	75.9	53.4	228.7	3.3	1.0	10.9	0.9	30.2	14.7	33.7	340.5
March	17.0	100.5	72.7	54.9	228.1	3.5	0.9	8.1	1.0	32.4	14.4	33.6	339.0
April	17.1	104.1	72.5	55.1	231.7	3.6	0.4	7.9	1.1	36.7	15.3	34.9	348.7
May	17.1	104.3	71.7	55.7	231.7	4.1	3.3	9.9	0.5	37.4	14.7	39.2	357.9
June	17.1	104.1	69.5	56.4	230.0	6.4	2.3	10.8	0.5	25.9	15.4	41.1	349.5

Table 4. Monetary Survey

(Rs million)

End of Period		Net foreign assets of banking system	Net claims on public sector	Lending to private sector	Total	Currency in circulation	Demand deposits	Time deposits	Savings deposits	Other items net
1966	...	167.1	10.5	163.2	340.8	93.0	127.5	25.0	66.3	29.0
1967	...	133.2	36.2	184.8	354.2	93.3	130.5	26.4	74.1	29.9
1968	...	133.2	27.8	190.6	351.6	89.2	102.4	55.3	73.6	31.1
1969	...	203.2	— 0.4	200.6	403.4	97.2	121.3	75.3	77.9	31.7
1968—March	...	117.5	28.5	179.5	325.5	82.7	90.6	46.1	76.4	29.7
June	...	80.7	31.6	217.8	330.1	77.3	86.7	49.7	75.3	41.1
September	...	63.9	53.2	222.4	339.5	82.8	99.5	48.9	74.6	33.7
December	...	133.2	27.8	190.6	351.6	89.2	102.4	55.3	73.6	31.1
1969—March	...	136.1	25.8	185.4	347.3	82.8	106.6	53.4	75.3	29.2
June	...	78.0	26.9	221.3	326.2	79.1	91.2	50.5	74.5	30.9
September	...	126.7	22.1	193.4	342.2	84.2	100.1	56.1	75.5	26.3
December	...	203.2	— 0.7	200.6	403.1	97.2	121.3	75.3	77.9	31.4
1970—January	...	216.3	—19.4	188.6	385.5	91.3	109.1	76.0	79.3	29.8
February	...	235.7	—33.4	180.6	382.9	92.2	101.5	75.9	80.3	33.0
March	...	220.6	—33.8	194.9	381.7	89.9	102.1	72.7	81.7	35.3
April	...	241.5	—35.3	181.6	387.8	89.3	108.1	72.5	81.7	36.2
May	...	215.7	—12.0	195.7	399.4	87.6	106.3	71.7	82.0	51.8
June	...	191.7	—12.0	208.3	388.0	86.3	105.6	69.5	83.6	43.0

Table 5. Money Supply

(Rs million)

Quarter/Month			Notes and Coin in Circulation*	Demand Deposits with Commercial Banks	Other Deposits**	Total Money Supply
1966			82.6	74.6	—	157.2
	June		78.9	60.6	—	139.5
	September		85.9	74.8	—	160.7
	December		93.0	127.7	—	220.7
1967	March		85.2	99.4	—	184.6
	June		83.2	82.9	—	166.1
	September		80.9	91.4	0.1	172.3
	December		93.3	130.5	0.1	223.8
1968	March		82.7	90.6	0.1	173.3
	June		77.3	86.7	0.1	164.0
	September		82.8	99.4	0.1	182.3
	December		89.2	102.3	0.1	191.6
1969	March		82.8	105.5	1.1	189.4
	June		79.1	90.2	1.0	170.3
	September		84.2	98.7	1.4	184.3
	December		97.2	118.8	2.5	218.5
1970	January		91.3	108.4	0.7	200.4
	February		92.2	99.4	2.1	193.7
	March		89.9	100.5	1.6	192.0
	April		89.3	104.1	4.0	197.4
	May		87.6	104.3	2.0	193.9
	June		86.3	104.1	1.5	191.9

\* Net of cash held by the commercial banks.

\*\* Miscellaneous current accounts with Bank of Mauritius.

Table 6. Currency in Circulation

(Rs 000)

End of month	Bank of Mauritius Notes					Currency Board Notes	Coin								Total Notes & Coin
	Rs 5	Rs 10	Rs 25	Rs 50	Total		Re 1	50c.	25c.	10c.	5c.	2c	1c.	Total	
1967 August	—	—	—	—	—	87,399	3,179	648	936	245	327	186	125	5,646	93,249*
September	22,885	24,610	5,575	5,000	58,070	26,224	3,359	713	996	253	331	187	126	5,965	90,463*
December	32,750	41,159	8,925	6,951	89,785	4,333	3,326	707	1,006	264	333	189	127	5,952	100,274*
1968 March	28,114	37,869	9,050	7,401	82,434	2,595	3,114	663	961	261	335	190	127	5,651	90,680
June	25,850	36,214	9,329	7,700	79,093	1,930	3,221	686	960	260	333	191	128	5,779	86,802
September	25,837	40,018	10,012	8,102	83,968	1,374	3,247	668	965	261	338	192	129	5,799	91,140
December	27,209	42,613	10,687	9,633	90,142	953	3,417	669	984	269	342	193	130	6,007	97,100
1969 March	24,065	38,659	10,210	9,855	82,789	852	3,098	636	949	258	338	194	131	5,605	89,245
June	22,811	36,614	10,051	10,253	79,729	811	2,925	626	941	255	336	194	133	5,410	85,950
September	24,146	40,204	10,503	11,160	86,013	773	3,231	653	1,005	270	348	195	134	5,836	92,622
December	28,192	46,583	11,972	13,005	99,752	741	3,418	693	1,064	286	359	199	136	6,155	106,648
1970 January	24,711	41,566	11,413	12,975	90,665	732	3,129	673	1,028	285	361	199	136	5,811	97,208
February	24,715	42,252	11,472	13,367	91,805	727	3,239	684	1,029	285	362	200	137	5,935	98,468
March	24,026	41,863	11,355	13,503	90,748	721	3,245	695	1,031	287	363	200	137	5,958	97,427
April	23,559	41,287	11,097	14,205	90,148	715	3,128	669	1,014	288	364	202	138	5,803	96,666
May	23,019	40,136	10,956	13,941	88,052	711	3,134	678	1,018	288	364	203	139	5,824	94,587
June	23,123	39,814	10,897	14,036	87,870	705	3,128	673	1,030	289	365	204	139	5,828	94,403

\* Includes demonetised coins: Rs 204,000

Table 7 Principal Interest Rates in Mauritius

(per cent per annum)

	March 69 (last week)	June 69 (last week)	Sept. 69 (last week)	Dec. 69 (last week)	March 70 (last week)	June 70 (last week)	July 70 (15.7.70)
<b>I — LENDING</b>							
1. Bank rate	7 1/2	8	8	7 1/2	7	7	6
Effective		(23.4.69)		(23.10.69)	(10.3.70)		(1.7.70)
Export finance—Bank of Mauritius				7	6 1/2	6 1/2	Sugar: 6
Rediscount facilities				(27.10.69)	(10.3.70)		Others: 5 1/2
Effective							(1.7.70)
2. Commercial banks							
(i) Prime rate (min.) †	8	8 1/2	8 1/2	8	8	7 3/4	7 1/2
(ii) Fine commercial rate (min.) ‡	8 1/2	9	9	8 1/2	8 1/2	8 1/4	7 3/4
(iii) Commercial Rate	9	9 1/2	9 1/2	9	9	9	9
(iv) Other accounts	9 1/2	10	10	9 1/2	9 1/2	9 1/2	9 1/2
(v) Export finance-Discount facilities				7 3/4-8 1/4	7 1/8-7 1/4	7 1/8-7 1/4	Sugar 6 5/8-6 3/4
							Others 6 3/4-6 1/4
3. Mauritius Co-operative							
Central Bank (min.)	8	8	8	8	×	×	×
<b>II — DEPOSITS</b>							
1. Post Office Savings Bank	3	4	4	4	4	4	4
2. Commercial banks							
(i) Deposit accounts:							
3 months *	4 1/2	5 1/2	5 1/2	5 1/4	5	5	4 1/2
6 months *	4 3/4	5 3/4	5 3/4	5 1/2	5 1/4	5 1/4	4 3/4
12 months *	5 1/4	6 1/4	6 1/4	6	5 3/4	5 3/4	5 1/4
Over 12 months	7-7 5/8	7-7 5/8	7-7 5/8	6 3/4-7 3/8	6 3/4-7 3/8	6 3/4-7 3/8	5 1/2-6 1/2 §
(ii) Savings accounts	4	4	4	4	4	4	4
3. Development Bank of Mauritius							
12-23 months	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
24-35 months	6	6	6	6	6	6	6
36 months	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
4. Mauritius Co-operative							
Central Bank							
(i) Deposit accounts:							
3 months	4 1/2	5 1/2	5 1/2	5 1/2	5	5	4 1/2
6 months	4 3/4	5 3/4	5 3/4	5 3/4	5 1/4	5 1/4	4 3/4
12 months	5 1/4	6 1/4	6 1/4	6 1/4	5 3/4	5 3/4	5 1/4
(ii) Savings accounts	4	4	4	4	4	4	4
<b>III — MORTGAGES</b>							
Up to Rs 6,000 (max.)	11	11	11	11	11	11	11
Over Rs 6,000 (max.)	9	9	9	9	9	9	9

Restricted to Mauritius Sugar Syndicate, Sugar Mill Owners Transport Association and Sugar Mill Owners (Gunny account).  
 Restricted to primary producers, sugar brokers and industrial concerns which hold a "Development Certificate". Also  
 applicable to government or semi-government accounts.

As from March 1, 1970, the lending rates for Mauritius Co-operative Central Bank Limited are the same as those for the  
 other banks.

\* Between December 1968 and March 1969 deposits in excess of Rs 200,000 carried an extra 1/4% interest.

‡ Between 15 and 24 months.

Table 8. Purpose-Wise Classification of Loans and Advances and Bills Discounted

(Rs million)

	March 1969		June 1969		September 1969		December 1969		March 1970		June 1970	
Sugar industry ...	69.8	(38.0)	92.9	(42.7)	75.3	(39.4)	90.1	(45.6)	79.6	(41.8)	81.5	(39.7)
Other agricultural interests ...	1.4	(0.8)	2.7	(1.3)	2.9	(1.5)	3.4	(1.7)	2.8	(1.5)	2.2	(1.1)
Other industries & manufacturers ...	18.3	(9.9)	19.8	(9.1)	19.2	(10.1)	19.4	(9.8)	17.5	(9.2)	20.3	(9.9)
Traders ...	59.2	(32.2)	67.4	(31.0)	62.7	(32.8)	53.0	(26.8)	55.4	(29.1)	61.1	(29.8)
Personal & professional ...	21.7	(11.8)	20.2	(9.3)	17.2	(9.0)	17.7	(9.0)	17.7	(9.3)	17.8	(8.7)
Stockbrokers ...	0.4	(0.2)	0.1	(...)	—	(—)	0.2	(0.1)	0.1	(...)	0.1	(...)
Government ...	—	(—)	—	(—)	—	(—)	...	(...)	...	(...)	—	(—)
Other public bodies ...	8.2	(4.5)	8.2	(3.8)	7.8	(4.1)	8.3	(4.2)	9.9	(5.2)	10.6	(5.2)
Financial institutions ...	0.7	(0.4)	0.8	(0.4)	1.3	(0.7)	0.7	(0.4)	0.9	(0.5)	0.7	(0.3)
Other customers ...	3.8	(2.1)	5.2	(2.4)	4.5	(2.4)	4.7	(2.4)	5.4	(2.8)	8.3	(4.0)
Foreign bills ...	0.2	(0.1)	0.1	(...)	0.1	(...)	0.1	(...)	1.0	(0.6)	2.7	(1.3)
<b>TOTAL</b>	<b>183.7</b>	<b>(100.0)</b>	<b>217.4</b>	<b>(100.0)</b>	<b>191.0</b>	<b>(100.0)</b>	<b>197.6</b>	<b>(100.0)</b>	<b>190.3</b>	<b>(100.0)</b>	<b>205.3</b>	<b>(100.0)</b>

Figures in brackets are percentages to the total.



Table 9. Bank of Mauritius : Financial Transactions

(Rs million)

				Transactions in Govt. Stocks		Market Transactions in Treasury Bills		Rediscount of Export Bills	Advances to Commercial Banks		
				Sales	Purchases	Sales	Purchases		Total amounts advanced	Total No. of days on which advances were made	Total No. of days on which these advances were outstanding
1969	January	...	...	0.4	2.5				—	—	
	February	...	...	0.2	6.0				0.6	1	1
	March	...	...	4.0	2.0				0.2	1	1
	April	...	...	5.8	2.0				2.4	1	3
	May	...	...	4.1	1.3	..	1.6		1.1	2	3
	June	...	...	0.7	—	3.2	0.2		0.7	2	5
	July	...	...	0.8	0.7	3.3	5.8		11.4	6	6
	August	...	...	1.7	1.0	4.6	1.4		5.5	7	31
	September	...	...	1.0	5.6	2.6	1.0		0.6	1	1
	October	...	...	9.3	4.4	1.0	1.6	—	3.2	2	9
	November	...	...	16.0	1.0	1.8	1.7	—	2.4	1	2
	December	...	...	5.4	11.4	5.1	6.7	—	13.9	10	31
1970	January	...	...	6.7	3.2	1.7	—	1.0	6.7	9	12
	February	...	...	17.9	2.1	2.0	1.6	—	6.2	12	18
	March	...	...	1.0	0.9	2.6	—	0.8	10.3	7	11
	April	...	...	—	2.1	0.6	—	1.3	0.3	2	3
	May	...	...	1.1	0.3	2.8	—	4.5	—	—	
	June	...	...	..	..	3.1	—	4.2	1.0	3	5

Table 10. Cheque Clearance

Year/ Month	No. of cheques	Amount (Rs 000)	No. of days	Daily Average	
				No. of cheques	Amount (Rs 000)
1968 December ...	57,557	129,607	24	2,398	5,400
1969 March ...	57,068	85,890	25	2,283	3,436
June ...	52,891	79,599	25	2,116	3,184
September ...	60,895	98,149	26	2,342	3,775
December ...	70,705	104,076	25	2,828	4,163
1970 January	59,698	83,117	25	2,388	3,325
February	54,323	90,423	21	2,587	4,306
March ...	62,824	92,296	24	2,618	3,846
April ...	62,629	103,013	26	2,409	3,962
May ...	60,108	95,785	25	2,404	3,831
June ...	63,798	103,952	25	2,552	4,158

Table 11. Transactions in Treasury Bills

<i>Date of Issue</i>		<i>Amount offered</i>	<i>Amount applied for</i>	<i>Excess applied offered</i>	<i>Amount allotted</i>	<i>Lowest price at which tenders were accepted</i>	<i>Amount allotted at lowest price as % of total amount allotted</i>	<i>Average rate of discount on allotment % per annum</i>
		<i>Rs. mn.</i>	<i>Rs. mn.</i>	<i>Rs. mn.</i>	<i>Rs. mn.</i>	<i>Rs.</i>		
1969	30th April	3.0	7.0	4.0	3.0	98.30	16.7	6.52
	30th May	3.0	5.1	2.1	3.0	98.26	4.2	6.63
	30th June	3.0	4.2	1.2	3.0	98.22	4.2	7.10
	30th July	3.0	4.7	1.7	3.0	98.25	49.2	6.69
	29th August	3.0	7.7	4.7	3.0	98.25	45.8	6.69
	29th September	3.0	7.8	4.8	3.0	98.36	50.0	6.54
	29th October	3.0	5.0	2.0	3.0	98.46	32.5	6.176
	28th November	3.0	11.3	8.3	3.0	98.60	100.0	5.695
	29th December	3.0	5.5	2.5	3.0	98.53	16.7	5.76
1970	28th January	3.0	4.8	1.8	3.0	98.52	57.5	5.888
	27th February	3.0	4.0	1.0	3.0	98.52	66.7	5.983
	30th March	3.0	4.8	1.8	3.0	98.52	40.0	5.827
	29th April	3.0	4.2	1.2	3.0	98.52	58.3	5.905
	29th May	3.0	3.0	—	3.0	98.52	100.0	6.025
	29th June	5.0	7.1	2.1	5.0	98.55	63.0	5.827

Table 12. Government Finances : Recurrent Budget

(Rs million)

			1968-69	1969-70	1969-70	1970-71
			<i>Actual</i>	<i>Estimates</i>	<i>Actual</i>	<i>Estimates</i>
<b>Revenue :</b>						
Direct taxes	...	...	58	61	52	62
of which: Income Tax	...	...	(45)	(50)	(40)	(50)
Indirect Taxes	...	...	126	132	129	136
of which: Import duties	...	...	(63)	(67)	(64)	(67)
Export duties	...	...	(16)	(15)	(17)	(17)
Excise duties	...	...	(30)	(32)	(31)	(33)
Receipts from public utilities	...	...	21	22	21	23
Receipts from public services	...	...	6	9	7	10
Interest and royalties	...	...	7	8	9	11
Foreign aid	...	...	—	—	1	1
Foreign loan	...	...	14	—	—	—
Other	...	...	11	10	9	10
<b>Total</b>			<b>243</b>	<b>242</b>	<b>228</b>	<b>253</b>
<b>Expenditure:</b>						
General administration	...	...	63	68	66	73
of which: Defence and Police	...	...	(12)	(13)	(13)	(15)
Economic services:						
Agriculture and natural resources	...	...	6	8	7	9
Transportation	...	...	3	3	3	4
Post and telecommunication	...	...	6	6	6	6
Other	...	...	5	5	5	5
Social expenditure:						
Education	...	...	30	32	31	35
Health	...	...	22	26	24	28
Social security	...	...	30	30	30	30
Subsidy to rice and flour	...	...	11	3	(..)	—
Public debt and pensions	...	...	58	51	47	55
of which: Public debt	...	...	(41)	(34)	(29)	(37)
Local Governments	..	...	8	9	8	8
<b>Total</b>			<b>242</b>	<b>242</b>	<b>227</b>	<b>253</b>

Table 13. Government Finances : Capital Budget

(Rs. Million)

			1968-69 Actual	1969-70 Revised Estimates	1970-71 Estimates
<b>Receipts</b>					
Domestic sources	...	...	7.1	43.7	46.2
Borrowing	...	...	(5.0)	(27.7)	(40.0)
Other	...	...	(2.1)	(16.0)	(6.2)
External sources	...	...	21.9	33.9	43.6
U.K. grants	...	...	(14.7)	(14.9)	(10.2)
U.K. loans	...	...	(5.5)	(17.0)	(27.9)
Other	...	...	(1.7)	(2.0)	(5.5)
			29.0	77.6	89.8
<b>Expenditure</b>					
Economic services	...	...	36.5	58.2	64.1
Agriculture, forestry and industry	...	...	(11.1)	(14.8)	(18.7)
Transport and infra-structure	...	...	(20.9)	(26.1)	(34.9)
Loans to the Mauritius Development Bank	...	...	(4.5)	(17.3)	(10.5)
Social services	...	...	12.9	6.2	7.7
Education	...	...	(2.3)	(2.7)	(5.0)
Health and welfare	...	...	(6.1)	(2.3)	(2.0)
Housing	...	...	(4.5)	(1.2)	(0.7)
Central administration and local governments and other	...	...	7.8	8.8	18.2
			57.2	73.2	90.0
Surplus or deficit (—)	...	...	— 28.2	+ 4.4	— 0.2

Table 14 : Indicators of Unemployment

	<i>(Monthly Average)</i>			<i>(Average for six months)</i>
	1967	1968	1969	1970
1. Number of Registered unemployed	14,178	9,084	14,128	19,506
2. Number of Relief Workers*	18,469	15,658	14,450	15,807

\* Now known as Development Workers.

Table 15. Consumer Price Indices

Base : January-June 1962=100

Month			RURAL				URBAN				WHOLE ISLAND			
			1967	1968	1969	1970	1967	1968	1969	1970	1967	1968	1969	1970
January	...	...	105.4	112.0	116.4	120.3	106.1	110.6	114.3	117.5	105.7	111.4	115.5	119.1
February	...	...	107.4	113.6	117.7	121.1	108.2	112.5	115.7	118.2	107.8	113.2	116.8	119.9
March	...	...	106.2	115.6	118.1	122.7	106.8	114.2	116.2	119.7	106.5	115.0	117.3	121.4
April	...	...	105.6	115.3	117.4	121.5	106.2	113.4	115.2	119.8	105.9	114.5	116.5	120.8
May	...	...	105.5	113.6	118.2	120.9	106.3	111.8	115.9	119.2	105.9	112.8	117.2	120.2
June	...	...	104.5	114.7	116.8	118.6	105.2	112.6	114.8	117.3	104.8	113.8	115.9	118.0
July	...	...	104.6	116.8	116.4		105.4	114.5	114.4		105.0	115.8	115.5	
August	...	...	104.8	115.9	117.0		105.7	113.7	115.1		105.2	115.0	116.2	
September	...	...	107.2	115.5	117.0		106.3	113.4	115.0		106.8	114.6	116.1	
October	...	...	109.2	115.3	117.6		107.1	113.2	115.5		108.3	114.4	116.7	
November	...	...	108.6	115.4	119.8		107.0	113.3	117.5		107.9	114.5	118.8	
December	...	...	110.7	115.2	119.4		109.5	113.0	117.1		110.1	114.2	118.4	
Average	...	...	106.6	114.9	117.6	120.8	106.6	113.0	115.6	118.6	106.7	114.1	116.7	119.9
Percentage Change (Yearly)	...	...		+ 7.8	+ 2.3			+ 6.0	+ 2.3			+ 6.9	+ 2.3	

Table 16. Sugar Statistics

(metric tons)

<i>Year</i>	<i>Production</i>	<i>Local Consumption</i>	<i>Exports</i>	<i>Average Sugar Price Ex-Syndicate* Rs / per ton</i>
1962	532,817	27,251	514,729	445.21
1963	685,597	27,019	580,348	590.89
1964	518,994	28,074	559,959	433.13
1965	664,403	28,333	578,374	409.32
1966	561,762	29,123	570,518	421.50
1967	638,322	29,675	531,381	424.40
1968	596,549	28,837	577,978	428.39
1969	668,672	30,976	591,607	445.27

\* Local sales and exports.

Source : The Mauritius Chamber of Agriculture.



Table 17. Imports and Exports : Major Commodity Groups

(Rs million)

Imports	1966	1967	1968	1969	1st Qr. 1969	1st Qr.* 1970
Food	109.6	118.5	135.5	132.6	34.6	27.2
Beverages and tobacco	4.9	4.8	5.7	5.3	1.2	1.2
Crude materials, inedible except fuels...	5.4	7.0	7.8	5.6	1.1	2.6
Mineral fuels, lubricants, etc	15.4	25.4	35.8	31.7	9.6	3.7
Animal and vegetable oils and fats	17.7	18.3	18.5	12.5	3.1	5.9
Chemicals	45.6	42.6	49.0	43.0	8.5	9.5
Manufactured goods	70.2	78.5	77.6	72.4	16.8	18.9
Machinery and transport equipment ...	36.9	43.7	56.5	44.7	12.1	12.5
Miscellaneous manufactured articles ...	27.4	32.1	34.6	27.9	6.3	6.1
Miscellaneous transactions and commodities n.e.s.	0.1	0.1	0.1	0.2	0.2	..
<b>TOTAL</b>	<b>333.2</b>	<b>371.0</b>	<b>421.1</b>	<b>376.0</b>	<b>93.5</b>	<b>87.6</b>
Exports						
Sugar	306.4	281.3	320.7	326.0	48.8	69.0
Molasses	11.5	8.5	11.9	10.0	0.4	6.2
Tea	6.5	8.4	9.6	14.6	5.6	5.6
Other	4.1	2.4	4.0	7.5	1.8	1.0
Re-exports	9.1	6.2	7.8	7.0	1.6	1.3
<b>TOTAL</b>	<b>337.6</b>	<b>306.8</b>	<b>354.0</b>	<b>365.2</b>	<b>58.1</b>	<b>83.1</b>

\* As from 1970, imports are classified under the revised SITC, and are therefore not strictly comparable with the earlier years.

Table 18. Imports — Main Sources of Supply

(Rs million)

	1966	1967	1968	1969	1st Qr. 1969	1st Qr. 1970
United Kingdom ...	79.1	77.8	99.6	74.4	19.0	21.5
Burma ...	23.1	27.0	42.3	7.7	7.3	6.9
Republic of South Africa ...	27.3	30.6	31.4	31.3	7.3	8.1
Federal Republic of Germany ...	19.7	25.9	27.9	17.1	3.5	2.7
Australia ...	23.9	28.0	25.7	27.1	4.0	7.3
France ...	20.2	20.3	23.8	24.8	6.0	5.9
Japan ...	14.2	16.8	14.3	14.6	2.9	4.2
Iran ...	11.4	17.8	12.6	19.9	6.1	0.6
India ...	9.9	9.4	11.5	10.2	3.3	3.3
Thailand ...	14.3	16.1	10.7	43.8	10.1	0.2
United States of America ...	7.5	7.3	8.8	6.0	0.9	5.5
Hong Kong ...	8.8	10.4	8.7	8.8	1.6	1.9
Other ...	73.8	83.6	103.7	90.3	21.5	19.5
<b>Total ...</b>	<b>333.2</b>	<b>371.0</b>	<b>421.1</b>	<b>376.0</b>	<b>93.5</b>	<b>87.6</b>

Table 19. Exports — Principal Countries of Destination

(Rs million)

	1966	1967	1968	1969	1st Qr. 1969	1st Qr. 1970
United Kingdom ...	275.7	269.2	272.2	260.5	44.6	56.8
Canada ...	30.9	9.5	44.1	63.2	4.1	16.9
United States of America ...	16.4	15.8	21.6	18.5	0.4	4.3
Republic of South Africa ...	1.3	3.4	6.9	9.6	4.2	3.5
Malagasy Republic ...	1.1	1.7	1.9	2.5	0.5	0.2
Réunion ...	2.9	1.3	2.5	3.3	0.6	0.3
Australia ...	0.2	0.3	0.6	0.9	0.2	0.3
Other ...	9.1	5.6	4.2	6.7	3.5	0.8
<b>Total ...</b>	<b>337.6</b>	<b>306.8</b>	<b>354.0</b>	<b>365.2</b>	<b>58.1</b>	<b>83.1</b>

Table 20 : Tourists Arrivals : Area-wise classification

1965 - 1969

	1965	1966	1967	1968	1969
EUROPE	1,505	1,804	2,314	2,637	2,809
of which : France	668	816	888	922	767
U. K.	576	618	1,056	1,261	1,524
AFRICA	7,780	10,259	10,626	10,404	15,058
of which : Reunion	4,737	6,738	6,242	6,094	8,905
South Africa	656	770	1,209	1,555	2,680
Malagasy Rep.	1,392	1,648	1,598	1,512	2,050
ASIA	205	284	487	721	579
of which : India	79	70	257	421	272
Japan	24	48	53	72	86
AMERICA	181	220	437	559	612
of which : U.S.A.	145	184	377	464	506
OCEANIA	366	426	946	1,224	1,495
of which : Australia	287	331	771	999	1,162
OTHER COUNTRIES	21	47	4	8	34
GRAND TOTAL	10,058	13,040	14,814	15,553	20,587

SOURCE : Central Statistical Office

Table 21. Balance of Payments

(Rs. Million)

Item	1966		1967		1968		1969	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
<b>A. GOODS AND SERVICES</b>								
1. Merchandise	338	297	306	325	359	359	367	328
2. Non-monetary gold	—	1	—	1	—	1	—	1
3. Freight and insurance on merchandise	1	41	1	48	8	51	5	46
4. Other transportation	18	18	27	21	39	25	48	35
5. Travel	10	24	14	23	13	21	18	18
6. Investment income	11	13	10	16	12	15	14	14
7. Government, not included elsewhere	13	5	15	6	14	5	14	5
8. Other services	12	13	15	14	19	17	23	16
Net goods and services	—	9	—	66	—	30	26	—
<b>B. TRANSFER PAYMENTS</b>								
9. Private	5	14	5	12	6	11	8	6
10. Central Government	45	2	15	2	33	4	17	4
Net transfer payments	34	—	6	—	24	—	15	—
<b>C. CAPITAL AND NON-MONETARY GOLD</b>								
<i>Non-monetary sectors</i>								
11. — 14. Private	—	—	—	3	—	3	15	—
15. Central Government	9	—	15	—	18	—	23	—
<i>Monetary Sectors</i>								
16. Commercial banks : liabilities	—	10	13	—	3	—	—	11
17. Commercial banks : assets	1	—	4	—	11	—	—	7
18. Central institutions : liabilities	7	—	18	—	—	19	17	—
19. Central institutions : assets	—	23	31	—	—	16	—	82
<b>OTHER CAPITAL, ERRORS AND OMISSIONS</b>								
	—	9	—	18	12	—	4	—

## Summary of Balance of Payments

	1966	1967	1968	1969
Net goods and services (items 1-8)	— 9	— 66	— 30	+ 26
Net transfer payments (items 9-10)	+ 34	+ 6	+ 24	+ 15
Net long-term capital (items 11-15)	+ 9	+ 12	+ 15	+ 38
Other capital, errors and omissions	— 9	— 18	+ 12	+ 4
Basic balance of payments	+ 25	— 66	+ 21	+ 83*
Monetary movements (items 16-19) (increase in assets shown by a — sign)	— 25	+ 66	— 21	— 83

\* It should be pointed out that a part of the increase in this figure is in a sense statistical, arising from the transfer of external assets from the Central Government and the Post Office Savings Bank to the Bank of Mauritius. The surplus proper was of the order of Rs. 57 million.

## BOARD OF DIRECTORS

Mr. AUNAUTH BEEJADHUR, *Governor, Chairman*

Mr. GOORPERSAD BUNWAREE, *Managing Director*

Mr. ABDULLA CURRIMJEE

Mr. JOSEPH CLEMENT DALAIS, M.B.E.

Mr. JOSEPH MAURICE ANTOINE HAREL

Mr. BHOOPAL BEEHARRY PANRAY

Mr. SOOKUN GAYA

## MANAGEMENT AND SENIOR OFFICIALS

as at 30th June, 1970

<i>Governor</i>	Mr. Aunauth Beejadhur
<i>Managing Director</i>	Mr. G. Bunwaree
<i>Adviser to the Governor</i>	Mr. D. A. C. Nendick
<i>Chief Manager</i>	Mr. I. Ramphul
<i>Secretary</i>	Mr. L. C. S. de Coriolis
<i>Head of Research</i>	Dr. N. A. Mujumdar, M.A., Ph.D.
<i>Bank Supervisor</i>	Mr. K. Messerschmidt
<i>Manager — Banking Office</i>	Mr. J. G. G. Pitot
<i>Assistant Managers — Chief Manager's Office</i>	Mr. A. Teck Young
<i>Exchange Control Office</i>	Mr. S. Rochecouste

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The Standard Printing Establishment  
(HENRY & Cie.)

Port Louis - Mauritius.

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