

BANK OF MAURITIUS



ANNUAL REPORT

For the year ended June 1972

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LETTER OF TRANSMITTAL

BANK OF MAURITIUS

P.O. BOX NO. 29

PORT LOUIS

MAURITIUS.

9th November 1972.

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 fifth annual report of the Bank covering the year ended 30th June, 1972.

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

INTRODUCTION

In this part, a review of the performance of the economy in 1971 is presented. On the basis of this review, an assessment of the prospects for growth in 1972 is sought to be made in the concluding part of the review.

The main highlight of the performance of the economy in 1971 was a remarkable growth of about 11 per cent in national income, accompanied by a degree of price stability. The growth was impressive not only because of its high rate but also because of its character, namely that non-traditional sectors evidenced significant expansion. Such a good record of performance was, to some extent, marred by the transport bottleneck created, towards the end of the year, by intermittent strikes in the harbour; this, in turn, affected adversely the balance of payments and the credit situation. Another significant development which has far-reaching implications for future growth was a spurt in wages witnessed towards the end of the year. These developments sum-up the main features of growth during the year 1971.

The gross national product* reached a peak of Rs. 1,000 million in 1971, recording thereby a growth of 11 per cent over the level of Rs. 901 million in 1970. This significant growth is in sharp contrast to the moderate growth of only 1.5 per cent witnessed during the previous year. The growth in national income was also impressive from another point of view, namely that non-traditional sectors made a significant contribution to it. If it is realised that production of sugar — the main traditional sector — recorded a rise of only 8 per cent, it becomes clear that the growth in other sectors was relatively higher. For an economy characterised by an overwhelming predominance of sugar, this trend is indeed encouraging. Tea and tourism have emerged as important foreign exchange earners, next in importance to sugar; in particular, earnings from tourism have doubled during the last two years rising from Rs. 18 million in 1969 to Rs. 39 million in 1971. These factors are a sufficient evidence of the subtle transformation of the Mauritian economy which is taking place.

The increasing importance which the manufacturing sector has been assuming in the total economy lends further support to the signs of diversification; for instance, the contribution of the manufacturing sector to national income rose significantly from Rs. 141 million in 1970 to Rs. 165 million in 1971. Similarly, the number of persons employed in this sector has been showing a consistent uptrend. Among the industries which started operating during the year mention may be made of a plastic industry, a knitting factory and a concern manufacturing gloves and suitcases. The Export Processing Zone, established towards the end of 1970, has given further fillip to the sector. By the end of 1971, the total investment in the Zone was nearly Rs. 6 million and exports from the Zone amounted to about Rs. 4 million during the year.

In the sphere of money and banking, the performance continued to be remarkable. Total private sector deposits which stood at Rs. 295 million in December 1970 rose to Rs. 338 million in December 1971, showing a rise of about 15 per cent. This rise, coming as it does close on the heels of a 20 per cent rise witnessed during the previous year, is indicative of the widening and the deepening of the banking system. Interestingly enough, such growth in deposits is

* At factor cost.

not merely in absolute terms but also in relation to national income. For instance, while total deposits formed only 28 per cent of national income in 1970, this proportion rose in 1971 to 34 per cent. The growth in time and savings deposits was also equally significant. In this context one indicator of the deepening of the banking system may be singled out; in the Island as a whole, it appears that, on an average, for every ten households, five or six maintain savings accounts with the commercial banks. This is undoubtedly a significant achievement on the part of the banking system.

Credit to the private sector showed a significant rise of about 17 per cent in 1971, in contrast to an actual decline witnessed in 1970. An unusual feature of the trend* during 1971 was that the size of the credit did *not* show the normal seasonal decline; total credit, instead of declining, actually rose to Rs. 271 million in December 1971, from the level of Rs. 230 million in June 1971. This unusual trend was a consequence of the lag in the receipts of sugar exports, brought about by the transport bottleneck referred to above. Another aspect of the sector-wise contribution of credit which needs to be highlighted is that the share of the industrial sector has recorded a significant increase in more recent years. The emergence of the industrial sector as an important claimant of credit is thus one of the outstanding characteristics of recent trends in credit.

Money supply with the public recorded an increase of 14 per cent over the year. Though the increase witnessed in 1971 was significantly higher than that in 1970, this was neutralised by a sizable rise in national income in 1971. That is how, notwithstanding the significant rise in money supply, consumer prices recorded only a nominal rise of about 1 per cent over the year. In other words, during 1971 a significant rate of economic growth was accompanied by a remarkable degree of price stability.

It may be recalled that the Bank of Mauritius had initiated, during the financial year 1969-70, an expansionary monetary policy with a two-fold objective: first, to stimulate the economy and secondly, to modify the interest rate structure with a view to making it a more faithful reflection of the domestic economic realities. A review of the impact of this monetary policy on the economy shows that such a policy has helped to liberate the economy from the trap of sluggishness. For instance, in contrast to an actual decline of credit witnessed during 1969-70, credit expanded very rapidly during the subsequent two years. Thus, one of the main objectives of monetary policy seems to have been achieved. In regard to the second objective, it has been possible to bring about a significant reduction in the various lending rates of the commercial banks. In a sense, therefore, the benefits of such reductions in the cost of credit appear to have percolated to all sectors of the economy.

Another facet, as it were, of the expansionary monetary policy was the measures undertaken to promote the provision of cheaper export finance. A scheme of rediscount facilities for commercial bills drawn to finance exports has been in existence since October 1969. The operation of this scheme has been quite encouraging as is reflected in the fact that commercial bills rediscounted exceeded the level of Rs. 19 million during the busy season.

An outstanding feature of the year was the performance of the Bank of Mauritius in the sphere of raising domestic resources for the Government. During the financial year 1971-72, the Bank succeeded in raising domestic resources for the public sector of more than Rs. 100 million. In retrospect, such an achievement of raising Rs. 100 million in a single year could be considered as almost spectacular. It may be recalled that only a decade ago, Professor Meade in his report on the Mauritian economy had observed that resources of not more than Rs. 2½ million could be raised annually through Government loans. In any case, such performance

* The reference is to June levels.

should leave no one in doubt about the ability of the economy to raise the required resources for the Development Plan.

This picture of a consistently good performance was slightly marred by the balance of payments situation. As compared with a balance of payments surplus of Rs. 73 million realised during the year 1970, the year 1971 ended up with a deficit of Rs. 14 million. Initially, it was anticipated that the year 1971 would yield a balance of payments surplus of about Rs. 50 million. However, because of the transport bottleneck created by the intermittent strikes in the harbour, it was not possible to export the normal quantity of sugar during the calendar year 1971. It is this factor which adversely affected the balance of payments position. Of course, it must be emphasized that this deficit is in a way an *artificial* deficit, stemming as it did from the sheer physical inability to export sugar. Were it possible to export the normal quantity of sugar, the year 1971 would have actually witnessed a balance of payments surplus of about Rs. 35 million.

The review of the economy in 1971 will not be complete without making a reference to the substantial spurt in wages witnessed by different sectors of the economy towards the end of the year. This has, in its turn, generated far-reaching repercussions on the economy during the year 1972. But, the discussion of the developments in 1972 must wait till one reaches the concluding part of this review.

II. AGRICULTURE

About half of the Island's total land area of 460,800 acres is farm land, most of which is under intensive cultivation. Sugar cane covers some 210,000 acres or about 95 per cent of the total land under cultivation. In recent years, the Government has sponsored various schemes for expanding the production of tea but so far production has remained relatively small. Furthermore, with a view to reducing the country's heavy dependence on imports, the production of food crops which at present occupy hardly one per cent of land under cultivation is also being encouraged. In spite of these efforts at agricultural diversification, however, sugar cane continues to dominate the economy.

(a) SUGAR

The overwhelming predominance of sugar in the economy of Mauritius is reflected in the following three indicators: the sugar industry accounts for about 30 per cent of gross national product and contributes about 95 per cent of total export earnings; further, the sugar sector provides more than 50 per cent of total employment in the Island. The performance of the sugar industry is therefore of crucial importance to the economy as a whole.

Performance in 1971

The output of sugar reached 621,087 metric tons in 1971, that is an increase of 8 per cent over the level of 576,204 metric tons attained during the previous year. In fact, but for the drought which prevailed during the vegetative season, sugar production could have been still higher. Both the yield of sugar cane and the sucrose content were higher in 1971 than during the previous year: the average cane yield per arpent amounted to 27.8 metric tons in 1971 as compared with 26.9 metric tons in 1970, while the average sugar yield per arpent was 3.28 metric tons as compared with 3.02 metric tons during the previous year.

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 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 Relief 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 162,000 tons.

Despite the comfortable supply position in 1971, exports of sugar were adversely affected by the transport bottleneck resulting from intermittent strikes in the harbour¹. Actual exports during the calendar year 1971 amounted to 481,000 tons, as against the export entitlement of about 577,483 tons. Thus, compared with the level of 566,000 tons exported during the calendar year 1970, exports in 1971 were substantially lower. Similarly, Mauritius could not also utilise the shortfall reallocations made after 1st October 1971 under the International Sugar Agreement. As against the quota of 181,646 tons under the International Sugar Agreement, actual shipments amounted to only 162,602 tons. The point to be emphasized is that, because of the transport bottle-neck, an element of distortion was introduced in the normal trend of sugar exports and consequently in the receipts of export proceeds. While on the one hand the receipts of export proceeds during the calendar year 1971 were relatively lower, on the other, receipts during 1972 would be artificially inflated to a certain extent. This aspect of the situation has important implications for the balance of payments position, as spelt out in Section VI.

The destination of exports in respect of 1971 entitlements was as follows :

Table I. Direction of Exports

		(Tons)	
		1971 ²	1970 ²
United Kingdom	...	380,000	402,191
Canada	...	152,765	154,610
U. S. A.	...	16,800	15,600
Sudan	...	9,647	—
Reunion Island	...	199	—
TOTAL	...	559,411	572,401

* Unless otherwise specified, tons refer to long tons.

** This quota has been raised to about 25,000 tons from 1972.

¹ Between September and December 1971, the dock workers went on strike intermittently for fifteen times.

² The figures refer to sugar exported in respect of the year's entitlement and not to calendar years.

On the price front, world market prices of sugar have shown a phenomenal rise, particularly during the last quarter of 1971: the average price during the year 1971 was £ 46.05 per ton as compared with a level of £ 40.40 during the previous year.

Outlook for 1972

It appears that the year 1972 will turn out to be an exceptionally bright year for sugar. A number of factors may be adduced to vindicate this statement. Basically, sugar production is likely to reach a new high in 1972; the earlier official forecast of production at 675,000 metric tons has been revised upwards to 690,000 metric tons, on the basis of the results obtained re-garding both cane yield and sucrose content. Thus sugar production will have surpassed the earlier peak of 685,599 metric tons reached in 1963. Secondly, the prospects of exports have also improved significantly. The export quota to the United States has been raised from the present level of about 15,000 tons to about 25,000 tons. Further, quotas to the free market under the provisions of the International Sugar Agreement have been suspended for 1972, so that Mauritius is free to sell as much as it can to the World Market. Furthermore, the International Sugar Organisation's minimum stock of 16,275 tons was also released for sale at the beginning of 1972. On the whole therefore it looks as if the year 1972 will be a bumper year in respect of both sugar production and exports. The estimates of exportable supplies for 1972 are presented in Table II below :

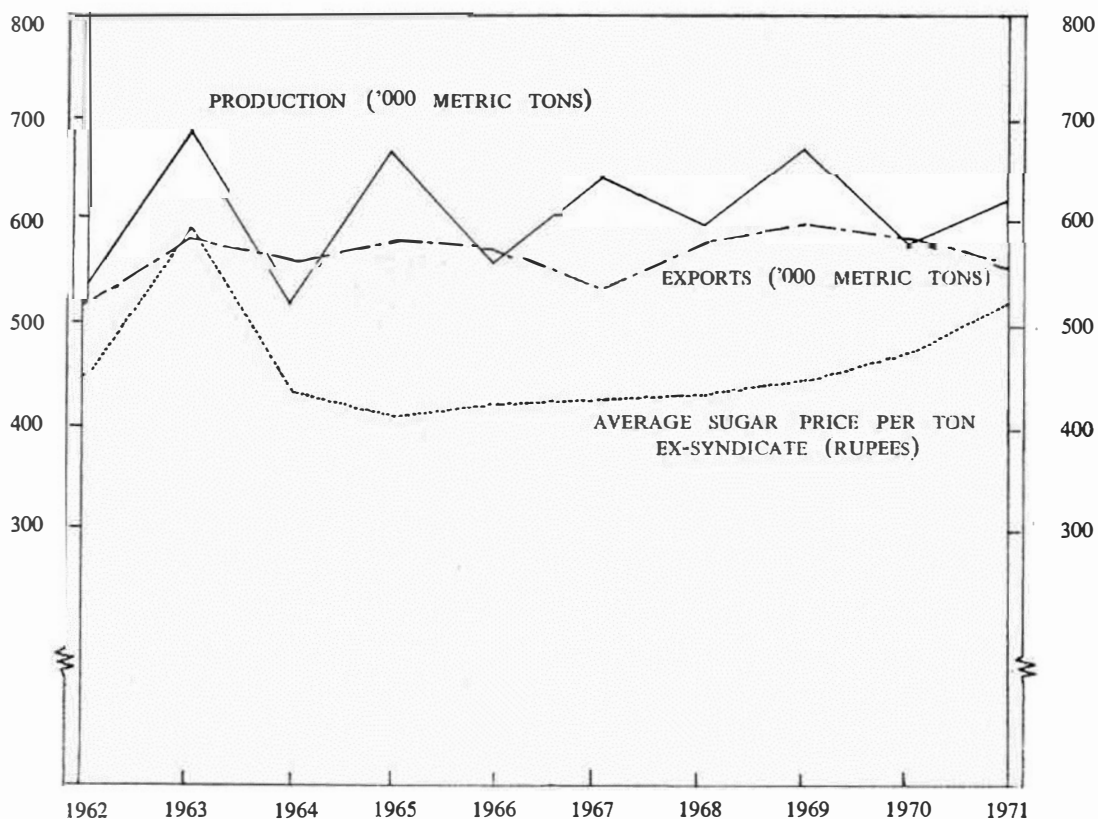
Table II. Exportable Supplies of Sugar : 1972

	(Tons)
1971 Crop (carry-over stock)	122,000
1972 Crop (excluding local consumption)	647,000
Total exportable supplies	769,000

This is not all. There has also taken place a remarkable improvement in the price situation. The negotiated price under the Commonwealth Sugar Agreement will be substantially higher for the years 1972 to 1974. Under the new agreement, the basic price will be £ 50 per long ton and a special supplement ranging from £ 7 to £ 11 per long ton, related inversely to world sugar price, will be paid to all the less-developed countries. The special supplement will be payable at its maximum level of £ 11 when the world price falls below £ 33 and also to any exporting country whose (i) average annual export tonnage of sugar under International Sugar Agreement quotas during the period 1968-70 was less than 20 per cent of its negotiated price quota, or (ii) total sugar production as published by the International Sugar Organisation, in the calendar year preceeding the year in question, was less than 85 per cent of its average annual production in any three consecutive calendar years during the period 1966-70. Mauritius does not qualify under condition (i) above and will benefit under condition (ii) *only* if sugar production falls below 539,337 metric tons. As it is unlikely that world prices of sugar will fall below £ 33, it is reasonable to expect that Mauritius will receive only £ 7 per ton from the special supplement. Hence the total price which Mauritius can expect to receive over the three year period 1972-74 is likely to be £ 57 per ton, i.e. about £ 10.50 higher than the price received in 1971. On this basis, export receipts from sale of sugar under the Commonwealth Sugar Agreement alone will be higher by about Rs. 53 million in 1972. This factor by itself will make a substantial difference to the overall balance of payments position.

Taken together, all these factors have contributed to the shaping of 1972 into an exceptionally good year.

SUGAR : PRODUCTION, EXPORTS AND PRICES



GRAPH 1

(b) TEA

Next in importance to sugar, tea is another export crop, the production and exports of which are being encouraged by the Government through various schemes. In response to this encouragement, the area under tea has recently shown a rapid rise: the area rose from 8,483 arpents in 1969 to 9,004 arpents in 1970 and further to 9,543 arpents in 1971.

As can be seen from Table III below, both production and exports of tea in 1971 were substantially higher than the levels reached in the previous years. In 1971, production of tea reached about 4,100 metric tons thus recording a rise of 26 per cent over the previous year's level. The value of exports amounted to Rs. 17 million as compared with Rs. 14.1 million in 1970.

Table III. Area, Production and Exports of Tea

	1969	1970	1971
Area ('000 arpents)	8.5	9.0	9.5
Production ('000 metric tons)	3.2	3.3	4.1
Exports ('000 metric tons)	2.5	2.7	3.1
Exports (Rs. million)	14.6	14.1	17.0

Until 1966, almost all the tea was exported to the United Kingdom at world market prices. Since then the world market prices have tended to decline but fortunately it has been possible to establish a preferential market with South Africa. Although the United Kingdom and South Africa remain the main importers of Mauritian tea, the relative share of South Africa has increased substantially in recent years. While in 1969 only about 51 per cent of total exports was accounted for by South Africa, this proportion rose to nearly 78 per cent in 1971. The shift in the direction of exports of tea is discernible in the figures presented in Table IV below :

Table IV. Direction of Exports of Tea

		<i>(Per cent of total)</i>					
<i>Country of Destination</i>		1966	1967	1968	1969	1970	1971
United Kingdom ...	...	92.2	67.2	44.8	45.6	34.3	17.7
South Africa ...	...	4.2	30.9	54.0	51.1	61.6	77.8
Other countries ...	...	3.6	1.9	1.2	3.3	4.1	4.5
TOTAL ...	...	100.0	100.0	100.0	100.0	100.0	100.0

Although the decline in the world market prices of tea witnessed in recent years do not bespeak of good prospects for tea development, Mauritius has been fortunate in establishing a preferential market. It is in this context of an assured market for tea that the Government project for tea development launched recently with the financial assistance of Rs. 28.9 million from the International Development Association has to be viewed. The Tea Development Authority, established in July 1971*, has made considerable progress in the implementation of the initial three-year project which aims at clearing, preparing and planting with tea some

* Reference is invited to the Bank's Annual Report for 1971, page 14.

5,600 acres of land to be distributed to about 3,730 small holders. The first year's target of planting some 1,100 arpents of land during 1971-72 has been reached ahead of schedule. The most important impact of this project is on the level of employment: the number of workers engaged in the development of land for, and production of, tea rose from about 3,500 in 1970-71 to about 5,200 in April 1972.

(c) FOOD AND OTHER PRIMARY SECTORS

Surprisingly enough for an agricultural economy, Mauritius depends to a significant extent on imports for its food requirements. Total imports of food* in 1970 and 1971 were of the order of Rs. 124 million and Rs. 122 million respectively; thus food requirements alone account for more than 25 per cent of the country's total imports.

This is so primarily because its staple requirements of rice and wheat flour are almost entirely imported. In 1971, Mauritius imported about 54,130 metric tons of rice and 43,520 metric tons of wheat flour at a total cost of nearly Rs. 55 million; imports of these two commodities alone accounted for about 12 per cent of total imports. Although efforts to develop rice cultivation are being made with the help of Taiwanese and Indian experts, domestic production continues to be insignificant: in 1971, production of rice was hardly more than 1,000 metric tons. Similarly, imports of vegetables were substantial at Rs. 9.5 million in 1971. The production of vegetables does not seem to have shown any significant increase in recent years.

Mauritius also imports most of its requirements of milk and meat, the latter being imported largely as live cattle from Malagasy Republic. In 1971, imports of milk and cream were of the order of Rs. 11.4 million, while imports of meat, including live animals, were slightly more than Rs. 12 million. The high level of imports has become necessary because the livestock industry is not developed and, except on a few estates, cattle are raised in a traditional manner as backyard animals by individual families.

Similarly, fishing is also undeveloped and hence imports of fish are as high as Rs. 6.4 million.

With the development of the tourist industry, imports of these items will go on rising, unless steps are taken to diversify agriculture and develop the livestock industry and fishing. In any programme of economic development, this aspect warrants a greater priority not only because of the substantial import saving which such development implies but also because of the labour-intensive nature of these sub-sectors.

III. MANUFACTURING

Since the early 1960's, 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. Dividends received from such new enterprises are also exempted from the individual income tax during the first five years of the tax holiday period. As a result of these incentives the manufacturing factor has shown fairly good progress in recent years, and at present contributes about 17 per cent of gross domestic product.

* Including live animals.

During the year 1971, fourteen industries to which "Development Certificates" have been issued started operating. Among the industries established, mention may be made of a knitting factory, a plastic industry, a biscuit making company and a factory for the manufacture of gloves and suitcases. The number of persons employed in the manufacturing sector has been rising gradually in recent years: the number* rose from 7,967 in September 1969 to 8,336 in September 1970 and further to 9,971 in September 1971.

In the last Annual Report, reference was made to the establishment of a fertilizer factory, involving a total investment of Rs. 60 million designed to produce 100,000 metric tons of fertilizer annually. Work on the construction of the factory has already commenced and the factory is expected to go into production by about the end of 1973. Other enterprises in the pipe-line are: a handloom-silk textile unit, a factory for the processing of vegetable grains and pulses, a plant for the processing and quick freezing of vegetables and fruits, and a plant for the manufacture of enamel household utensils. The number of enterprises emerging suggests that the pace of activities in the sector is gathering momentum.

It will be recalled that the previous Annual Report made a mention also of the setting up of an Export Processing Zone in November 1970, 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. The number of industries operating under this scheme by the end of August 1972 was 16, providing employment to about 1,750 persons. These industries include a knitting factory, a toys factory, a diamond cutting and polishing plant, an electronic industry and a plant for the processing of fibres. By the end of 1971, total investment in the Zone amounted to some Rs. 5.6 million; the exports from this Zone during the year 1971 amounted to about Rs. 4 million.

The following are among the industries expected to start functioning shortly: a garments factory involving an investment of Rs. 7.5 million, a plant for the manufacturing of baker's yeast with an investment of Rs. 4 million, a towel factory and an industry for the manufacture of synthetic diamond abrasive.

IV. MONEY AND BANKING

Monetary and financial institutions play a crucial role in the economy of Mauritius. This is because, in the first place Mauritius has, unlike many developing countries, a monetised economy with hardly any subsistence sector. Secondly, 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.

The monetary and banking system of the country consists of the Central Bank — The Bank of Mauritius — and seven commercial banks, including the Mauritius Co-operative Central Bank. In fact, the banking system will be shortly reinforced by the emergence of the State Commercial Bank which is expected to commence its operations early next year. Other financial institutions include the Development Bank of Mauritius, the Mauritius Housing Corporation and the Post Office Savings Bank. The operation of these financial institutions is supplemented by numerous brokers, middlemen and shopkeepers who engage in lending operations. There are also some twenty-five insurance companies and agents and one private development finance company.

* Figures pertain to establishments employing 10 or more persons.

(a) BANK OF MAURITIUS

The establishment of the Bank of Mauritius in August 1967 was a landmark in the financial history of the Island, in so far as it symbolised the ability of the country to pursue an independent monetary policy consistent with the national interests. The financial system of the country has undergone, during the last three or four years, a significant transformation, in the bringing about of which the Bank has played an active role. The enactment of the Banking Act, 1971, to which a reference was made in the previous Annual Report, was also in a sense a response to the increasing sophistication of the banking system. The new legislation has provided a proper framework for further strengthening the harmonious relationship that has been built up between the monetary authorities on the one hand and the commercial banks on the other.*

*On the eve of the fifth year of its existence, it may be worthwhile highlighting some of its main achievements. First, the emergence of a realistic interest rate structure in the economy is itself a result of a more purposive policy pursued by the Bank in recent years. Historically, the Bank Rate in Mauritius could be said to have been unrealistic in the sense that it did not reflect the realities of the domestic economic situation. This was largely because of the linkage of the Bank Rate in Mauritius with that in the U.K. Such a linkage not only rendered the domestic interest rate structure unrealistic but also conditioned the Central Bank's ability to pursue an independent interest rate policy. By a successive reduction of the Bank Rate, three times during the financial year 1969-70,** the Bank brought about a delinking of the Mauritius Bank Rate from that in the U.K. This measure formed part of the expansionary monetary policy pursued by the Bank in recent years, with a view to stimulating the pace of economic growth.*

Secondly, the Bank has not been merely content by ensuring that working capital is made available in adequate quantum and at reasonable rates of interest. It has also taken a more direct interest in expanding the base of medium and long-term credit. One evidence of this direct involvement of the Bank in expanding the facilities for long-term credit is the support it gave to the Development Bank of Mauritius by subscribing, in April 1971, a sum of Rs. 2 million to the latter's capital.

Thirdly, the Bank has also played a major role in developing the money and capital markets in the Island. A more detailed description of the efforts in this direction is provided elsewhere. At this stage, it is sufficient to draw attention to one significant aspect, namely the raising of domestic resources for development. During the financial year 1971-72, through its judicious floating of Government Stocks, the Bank succeeded in raising domestic resources of Rs. 100 million for the public sector. In retrospect, such an achievement of raising Rs. 100 million in a single year could be considered as almost spectacular. It may be recalled that only a decade ago, Professor Meade, in his report on the Mauritius economy, had observed that resources of not more than Rs. 2½ million could be raised annually, through Government loans. At that point of time, therefore, raising of domestic resources of the order of Rs. 100 million in a year would have been unthinkable.

A Central Bank's performance has to be judged by such tangible achievements, which in a way transcend mere profitability criteria. Of course, this does not mean that the profitability considerations have been relegated to the background. The Bank's net profit during the three financial years 1969-70 to 1971-72 has consistently exceeded Rs. 8 million. Not only has the Central Bank thus been providing the Government with sizable resources out of its profits but it has also been building up substantial reserves of its own. The latter point is reflected

* See page 20.

** For details, reference is invited to the Bank's Annual Report 1970, page 18.

in the fact that in June 1971, the paid-up capital of the Bank was raised from the previous level of Rs. 5 million to Rs. 10 million, the entire additional amount of Rs. 5 million being derived from the reserves of the Bank itself. When the Bank commenced its operations in August 1967, it did not have any reserves; but at the end of June 1972, the Bank has built up reserves of Rs. 6.6 million. It should be remembered that the reserves have reached this level, *after* making allowance for the Bank's subscription to the capital of the Development Bank of Mauritius, the raising of its own paid-up capital and the financing of the Bank's new building.

(b) COMMERCIAL BANKS

At present, five foreign-owned banks operate as branches of overseas banks, while two* banks are owned and incorporated in Mauritius. The year 1971-72 appears to have witnessed a significant growth of branches as can be seen from the figures presented in Table V. Seven new branches were opened during the year bringing the total to 40. Though this number seems adequate in relation to the size of the country, the fact that Mauritius is a full-fledged exchange economy, with hardly any subsistence sector should not be overlooked. Another characteristic feature of the banking system is the rather uneven geographical distribution of branches, with heavy concentration in the Curepipe-Rose Hill-Beau Bassin-Port Louis belt; in other areas, the spread is rather thin.

Table V. Branch Expansion of Commercial Banks

	<i>December</i> 1969	<i>June</i> 1970	<i>August</i> 1971	<i>June</i> 1972
No. of branches	30	32	33	40
No. of places covered by mobile bank ...	35	35	35	33
Counters	1	2	2	3

The banking system is not only widening but is also deepening. The number of savings and time deposits accounts might be taken as an indicator of the deepening of the banking system. It can be seen from the data set out in Table VI that between March 1969 and March 1972 the number of savings accounts has nearly doubled, while the number of time deposit accounts has shown a more than threefold increase. In fact, if the time and savings accounts are considered together, for the Island as a whole, on an average for every ten households, five or six maintain such accounts with the commercial banks**. This is undoubtedly a significant achievement on the part of the banking system.

* Including the Mauritius Co-operative Central Bank.

** For a detailed discussion on this aspect, reference is invited to the article "Savings in an Export Economy," Quarterly Review, October-December 1971.

Table VI. Number of Accounts

<i>Month/Year</i>	<i>No. of Savings Accounts</i>	<i>No. of Time Deposits</i>
March 1969	45,533	1,351
March 1972	86,726	4,610

Trends in Deposits

Deposits with the commercial banks have been rising consistently at a remarkable rate. Total private sector deposits which stood at Rs. 295 million in December 1970 rose to Rs. 338 million in December 1971, showing a rise of about 15 per cent. It may be recalled that over the year 1970 deposits had witnessed a growth of about 20 per cent. This uptrend has been maintained through 1972, with total deposits at Rs. 361 million in June 1972 recording a rise of about 29 per cent as compared to the level a year ago.

Table VII. Commercial Banks — Selected Indicators

<i>(Rs. million)</i>							
	<i>June 1969</i>	<i>Dec. 1969</i>	<i>June 1970</i>	<i>Dec. 1970</i>	<i>June 1971</i>	<i>Dec. 1971</i>	<i>June 1972</i>
1. Reserves	13.4	13.0	12.6	16.2	15.2	18.4	19.6
(a) Cash in hand	6.8	9.5	8.1	10.0	7.2	9.8	8.7
(b) Balances with Bank of Mauritius	6.6	3.5	4.5	6.2	8.0	8.6	10.9
2. Foreign Assets	10.8	47.8	27.4	33.9	18.4	16.4	7.9
(a) Balances with banks abroad	8.5	45.2	24.7	31.3	15.6	13.2	4.4
(b) Foreign Notes and Coins	0.3	0.6	0.7	0.6	0.8	1.2	1.5
(c) Foreign Securities	2.0	2.0	2.0	2.0	2.0	2.0	2.0
3. Claims on Government	25.7	29.5	28.6	59.4	59.5	91.8	104.7
(a) Treasury Bills	5.4	3.1	2.7	7.8	—	1.0	3.0
(b) Investment in Government Securities	12.1	18.0	15.3	42.3	49.5	77.5	84.8
(c) Loans and Advances	8.2	8.4	10.6	9.3	10.0	13.3	16.9
4. Claims on Private Sector	212.8	193.4	196.4	188.9	229.6	271.5	293.6
(a) Loans and Advances	204.1	184.8	160.4	168.1	197.0	225.3	241.9
(b) Bills Purchased and discounted	4.9	4.3	31.7	16.5	27.8	40.8	46.0
(c) Local Investments	3.8	4.3	4.3	4.3	4.8	5.4	5.7
5. Total Private Sector Deposits	188.4	245.3	230.0	294.9	280.1	337.6	361.4
(a) Demand Deposits	90.1	118.8	104.1	123.8	112.8	134.4	137.2
(b) Time and Savings Deposits	98.3	126.5	125.9	171.1	167.3	203.2	224.2

Interestingly enough, such growth in deposits is not merely in absolute terms but also in relation to national income*. For instance, while total deposits formed only 28 per cent and 22 per cent of national income in 1969 and 1970 respectively in 1971 this proportion rose to 34 per cent.

* Gross national product at factor cost.

Perhaps more impressive than the growth in aggregate deposits is the growth in time and savings deposits of the private sector. These deposits which stood at Rs. 203 million in December 1971 were higher by about 19 per cent, as compared to the level a year ago. Although the rate of growth is relatively smaller than that witnessed over the year 1970, what is important is the consistently high growth rate. During 1972, the pace of growth seems to have actually accelerated: deposits at Rs. 224 million in June 1972 were higher by about 34 per cent as compared to the level a year ago. It may be added that the growth during the corresponding period of 1971 was relatively smaller. Furthermore, the bulk of the rise in these deposits appears to have been accounted for by the private sector. This is borne out by a comparison of the changes in the ownership pattern of time deposits during the last two years (See Appendix Table 10 (a)).

Trends in Credit

Recent trends in the growth of bank credit can now be taken up for discussion. 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 proceeds of sugar exports is received. The year 1971, however, appears to have been an exception to this general rule. Total credit to the private sector, instead of declining, actually rose to Rs. 271 million in December 1971 as compared to a level of about Rs 230 million in June 1971. (See Table VII). This rather unusual trend is a direct consequence of the lag in the receipts of sugar export proceeds, caused by the intermittent strikes in the harbour, referred to earlier.* In other words, the banking system had to accommodate the additional demand for credit stemming directly from the backlog of sugar exports of the latter half of 1971, estimated to be of the value of Rs. 50 million. That explains why the level of credit in December 1971 instead of shrinking to a level lower than that in June 1971, actually rose by 18.2 per cent.

Continuing the review of the trend through 1972, it can be seen that the level of credit reached a new peak of Rs. 294 million in June 1972. In other words, the level of credit in June 1972 was higher by 28 per cent, as compared to the level a year ago. Analytically speaking, the rise in credit would have been still greater, were it not for the fact that part of the backlog of sugar export proceeds of 1971 were received during the first half of 1972. The rise during the period June 1970 - June 1971 had been of the order of only 17 per cent. Such a substantial spurt in credit in June 1972 reflects largely a response to the sizably higher sugar crop in 1972, which is expected to touch a new high. Sugar production in 1972 is anticipated to record a rise of 11 per cent, reaching 690,000 metric tons.

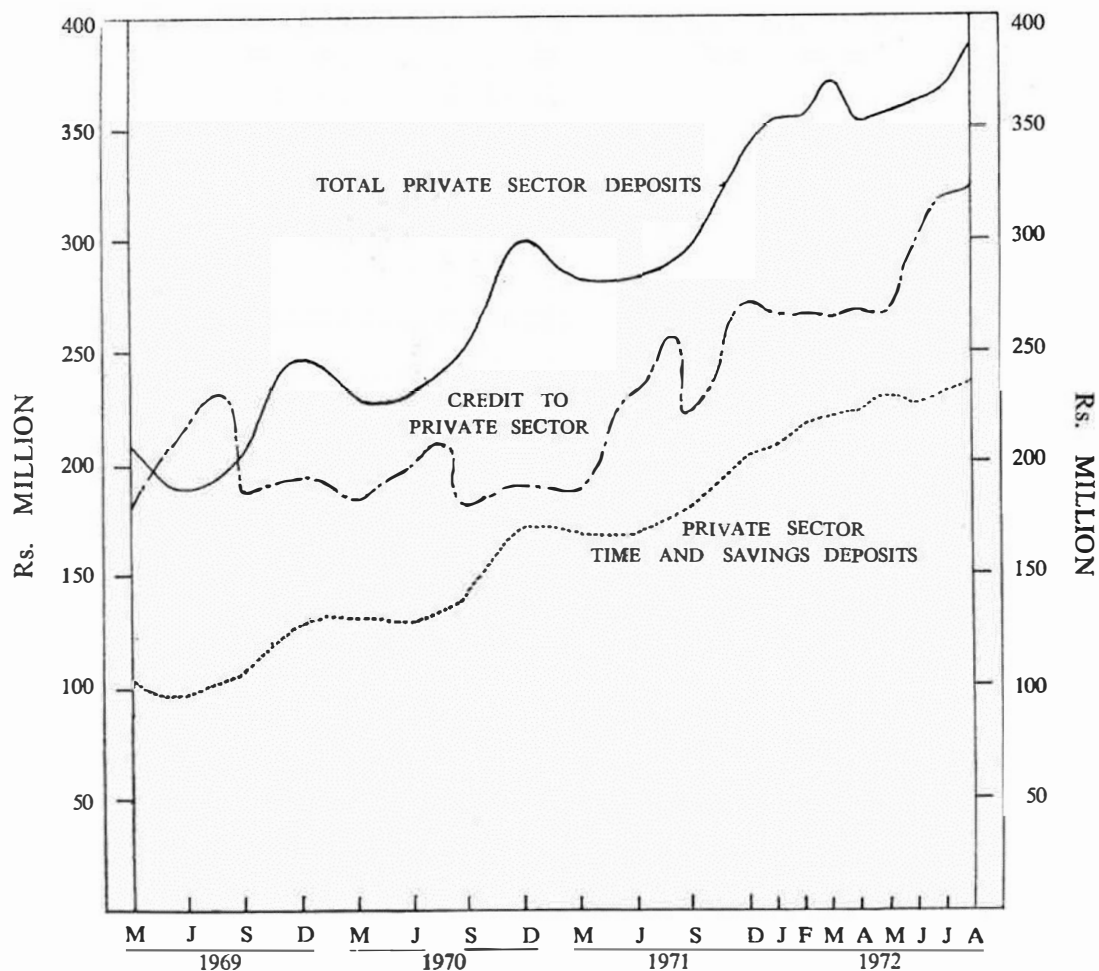
An equally important factor underlying the expansion of credit is the increasing importance which sectors other than sugar are assuming as claimants of credit. The data regarding sector-wise classification of credit to the private sector are presented in Table 9 appended. A comparison of the credit levels as at the end of June during the three years 1970, 1971 and 1972 brings out an important structural change in the allocation of credit. The share of the sugar sector appears to have declined from the level of about 40 per cent of the total in 1970 to about 36 per cent in 1972. On the other hand, the share of the industrial sector has recorded a significant increase from about 10 per cent in 1970 to about 18 per cent in 1972. The emergence of the industrial sector as an important claimant of credit is thus one of the outstanding characteristics of recent trends in credit.

In this context, it is also important to highlight another aspect of credit to the industrial sector. Although no data are available on a continuing basis in regard to medium- and long-term credit to the industrial sector, it is possible to indicate the more recent trend. Total me-

* See Section II(a).

dium—and long-term credit extended by the banking system during the two years 1969 and 1970 was of the order of Rs. 35 million. In other words, such medium—and long-term lending to the industrial sector was as high as 17 per cent of total credit extended by the banking system. This trend is perhaps a reflection of the more dynamic approach which the banks have adopted in recent years to their role in the process of economic development.

ADVANCES AND DEPOSITS : COMMERCIAL BANKS



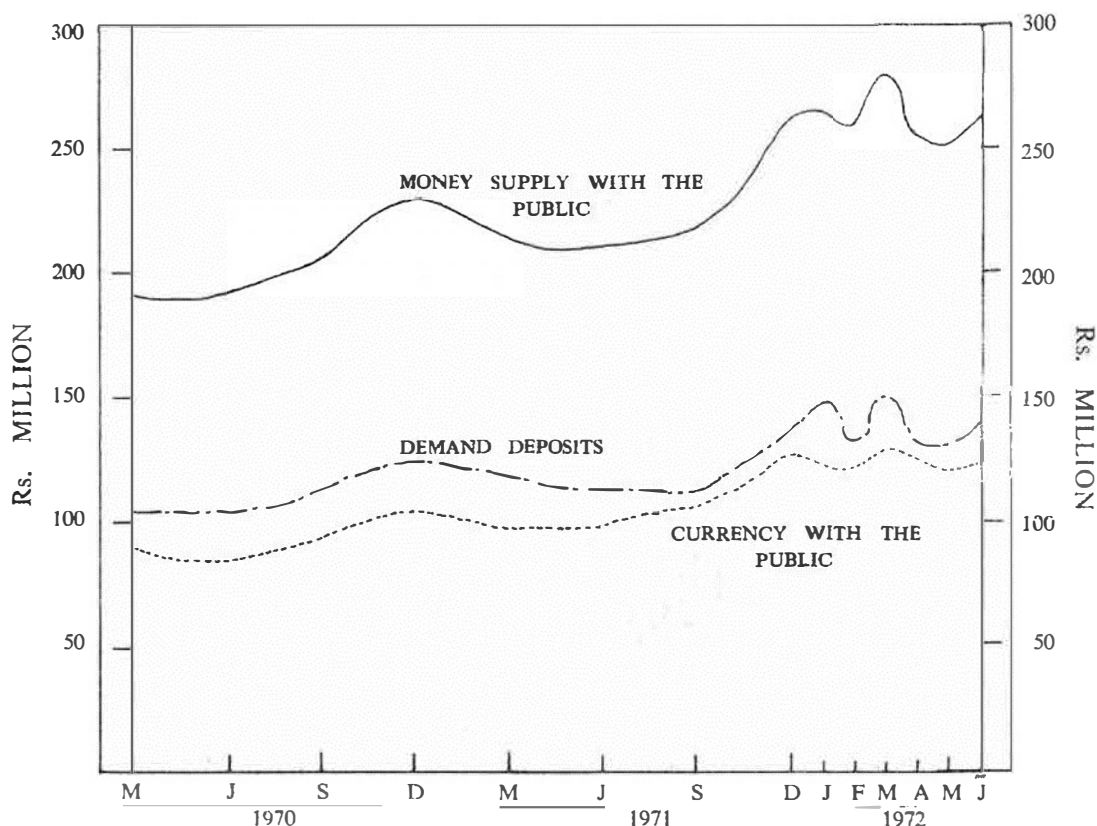
GRAPH 2

(c) MONEY SUPPLY

Money supply with the public which stood at Rs. 262 million at the end of December 1971 recorded an increase of 14 per cent, as compared with the level at the end of 1970. (See Table VIII). The increase witnessed in 1971 was thus significantly larger than an increase of about 6 per cent recorded in 1970. The explanation for the larger increase in 1971 lies in the fact that the gross national product rose by 11 per cent in 1971, as compared with slightly less than 2 per cent in 1970.

In the normal course, money supply tends to decline during the first half of the year, generally touching the lowest ebb around the middle of the year; subsequently it begins to rise and reaches the peak towards the end of the year. The trend in the first half of 1972, however, appears to have deviated from this normal path. For instance, money supply in June 1972 at Rs. 261 million was almost as high as the level in December 1971; such a negligible decline in money supply in June 1972 is in sharp contrast to the declines of about 12 per cent and 8 per cent witnessed during the corresponding periods of 1970 and 1971. This rather unusual trend is a result of two or three factors. Basically, the year 1972 is likely to be an exceptionally good year, recording a sizable increase in national income; in fact, sugar production is expected to record a further increase of about 11 per cent. Sectors other than sugar are also showing signs of substantial growth. The continued high level of money supply in the first half of 1972 is thus a reflection of these factors. Further the receipts of the backlog of sugar export proceeds* during the first half of 1972, may also have contributed to this firm trend in money supply.

TRENDS IN MONEY SUPPLY



GRAPH 3

Another characteristic of the expansion in money supply may also be spelt out. Of the two components of money supply currency with the public appears to have witnessed a relatively higher growth than demand deposits. For instance, currency with the public formed slightly more than 48 per cent of total money supply in December 1971, as compared with

* See Section II(a)

46 per cent in December 1970 or 45 per cent in December 1969. This may have been a result of a rise in wages, since November 1971, in many sectors of the economy.

At this stage, an important aspect of the overall trends in money supply also needs to be highlighted. Money supply at Rs. 261 million in June 1972 was higher by as large as 23 per cent, as compared to the level a year ago. In fact, such a rise in June 1972 has been almost twice as large as the rise witnessed during June 1970 - June 1971 or June 1969 - June 1970. Besides the factors mentioned above, such an accelerated expansion in money supply may have been also brought about by the expansionary monetary policy pursued by the Bank of Mauritius in recent years. The next section takes up this aspect for discussion.

Table VIII. Money Supply

(Rs. million)

	1969		1970		1971		1972
	<i>June</i>	<i>Dec.</i>	<i>June</i>	<i>Dec.</i>	<i>June</i>	<i>Dec.</i>	<i>June</i>
Money Supply with the public ...	169.2	217.4	190.6	229.6	211.3	261.6	260.6
Currency outside Banks ...	79.1	97.1	86.3	104.7	97.7	126.3	122.7
Demand Deposits ...	90.1	120.3	104.3	124.9	113.6	135.3	137.9

(d) MONETARY POLICY

Review of Policy : 1970-72

In the previous Annual Report¹, reference was made to the expansionary monetary policy which the Bank has been pursuing since the financial year 1969-70. The two objectives of this policy were: first, to stimulate the economy and secondly, to modify the interest rate structure with a view to making it a more faithful reflection of the domestic economic realities. Taking the latter objective first, reference has already been made to a significant reduction brought about in the various categories of lending rates by the commercial banks. During July 1972, two further reductions were effected: the commercial rate was reduced from 9 per cent to 8½ per cent and the rate on personal accounts from 9½ per cent to 9 per cent.

The second facet of the policy was the provision of cheaper export finance. In this context, the institution in October 1969 of a scheme of rediscount facilities for commercial bills drawn to finance exports at concessional rates has already been mentioned². The operation of this scheme has in practice been quite encouraging as indicated by the increasing resort made to it by the commercial banks; in fact, commercial bills rediscounted at times exceeded the level of Rs 19 million during the busy season of 1972. Not only the value of transactions under this scheme has risen sizably, but also the volume of transactions.

¹ For details, see page 23 of Annual Report 1970-71.

² The comparison is between the June levels.

Although it is difficult to isolate the impact of monetary policy on the levels of credit to the private sector, it seems nonetheless possible to indicate the broad results. Credit to the private sector, as can be seen from the data in Table VII, has expanded at a high rate, rising by 17 per cent during 1970-71¹ and 28 per cent during 1971-72¹. This rapid rate of expansion is in sharp contrast to an actual decline of the order of 8 per cent witnessed during 1969-70.¹ Admittedly, there are several factors which have contributed to this high rate of expansion during the last two years, some of which have already been spelt out earlier. One thing which is clear, however, is that the expansionary monetary policy pursued by the Bank of Mauritius has facilitated this spurt in credit. In particular, the expansion witnessed in 1972, when the credit level reached a new peak of Rs. 294 million in June, may be regarded as a reflection of the cumulative impact of such a monetary policy.

One direct by-product, as it were, of this expansionary monetary policy has been that the banks have come to depend increasingly on the discount window of the Bank of Mauritius as well as on direct borrowings from it. This increasing dependence is clearly brought out from the figures provided in Table IX below. It can be seen from these figures that the extent to which the banks have been replenishing their own resources has risen substantially from say about Rs. 30 million in August 1971 to Rs. 61 million in August 1972.

Table IX. Resort to Central Bank's Resources (Rs. million)

	July 1970*	August 1971*	August 1972*
Commercial bills rediscounted	15.3	7.4	19.0
Borrowings from the Central Bank	0.4	22.7	42.0
TOTAL	15.7	30.1	61.0

* Figures refer to a specific date during the month.

Future Shape of Monetary Policy

From this brief review of the monetary policy pursued since 1970, it becomes clear that the expansionary monetary policy has helped to liberate the economy from a state of sluggishness. For instance, as against an actual decline of credit to the private sector witnessed during 1969-70, credit has expanded very rapidly during the subsequent two years: the expansion by 28 per cent witnessed during June 1972, coming as it does close on the heels of a 17 per cent rise in June 1971¹, could be regarded as phenomenal. One of the main objectives of monetary policy, namely the stimulation of the economy, thus seems to have been achieved. The question that therefore needs to be posed at this stage is: in the light of these trends, what should be the shape of monetary policy in the immediate future?

¹ The comparison is between the June levels.

In answering this question, it is necessary to take into account two important recent developments in the economy. First, from available figures, it appears that the size of imports in 1972 is likely to record an unusually high increase; it would not be surprising if imports in 1972 were to record a rise of about 30 per cent over the level in 1971. This rise is in sharp contrast to the rates of increase of only about 10 per cent in 1970 and in 1971. In the absence of detailed data, it is difficult to say what proportion of total imports is accounted for by consumption goods. As an overall judgement it seems reasonable to infer that consumption goods, particularly non-essential or luxury goods, might have accounted for a substantial proportion of the increase in imports. One of the objectives of monetary policy, in a developing economy like that of Mauritius, is the mobilisation of resources for development. In this context, it becomes necessary to ensure that the additional resources generated are channelled to savings and investment, rather than being frittered away through consumption. To the extent that the expansion in credit to the private sector may have contributed to the increase in aggregate demand, the present monetary policy warrants some modification.

The second development relates to the price situation. In the previous Annual Report*, a reference was made to the remarkable degree of price stability which Mauritius has been enjoying in recent years. The price trend during the first half of 1972, however, gives some cause for concern. Consumer prices during the first eight months of 1972 seem to have risen by about 5 per cent, as compared with an annual rise of only 2 per cent in recent years. Future monetary policy will have therefore to be so shaped as to be able to moderate this uptrend in prices.

Reference has already been made to the rapid rate of expansion in money supply in 1972; money supply in June 1972 was higher by 23 per cent as compared to the level a year ago. Of course, the expansion in money supply and/or in credit need not be, by themselves, a cause for concern, if such expansion is largely neutralised by a high degree of economic growth. National income rose substantially by about 11 per cent in 1971; close on the heels of such a rise, the year 1972 is likely to witness a still higher rate of growth. What is important, however, is that such high rates of growth should be sustained in the coming years.

The task of monetary policy in the immediate future will be to strike a delicate balance; while adequate credit at reasonable cost should be ensured for *priority* sectors, the overall supply of money will have to be regulated with a view to holding the price line. The Bank is keeping a close watch on the situation and, at the appropriate time, modifications in the monetary policy could be, if necessary, introduced within the broad framework of the objective spelt out above. The note of caution, at this stage, however, should not be construed to mean that the level of credit may have to contract actually in future. What it simply means is that the monetary policy in future will be one of "restrained expansion", in the sense that suitable measures may have to be taken to ensure that the bulk of credit expansion takes place in the priority sectors.

(e) CAPITAL AND MONEY MARKETS

As part of its efforts to promote the local money and capital markets, the Bank of Mauritius has been developing an active market in Government Stocks and Treasury Bills. Reference has already been made to the remarkable success with which the Bank's efforts to float Government loans on a substantial scale during 1971-72 were met.

* For details, see pages 26 and 27.

Although the Capital Budget for 1971-72 stipulated the raising of domestic resources of only Rs. 70 million, in view of the favourable factors in the capital market, it was possible to raise actually Rs. 100 million. During the year 1971-72, the Bank of Mauritius offered, on behalf of the Government, eight issues of Development Loan Stocks of the aggregate value of Rs. 100 million, in three bunches; the first bunch in November 1971 comprised three Stocks for a total amount of Rs. 40 million, the second in January 1972 also comprised three Stocks for a total of Rs. 30 million, and the last bunch issued in June 1972 comprised two stocks for a total of Rs. 30 million. In this context, it may be recalled that during the year 1970-71, stocks to the extent of Rs. 40 million were issued. The mobilisation of resources of Rs. 100 million in a single year is thus a remarkable achievement, specially in view of the fact that the Development Plan envisages the raising of domestic resources of Rs. 200 million over a period of four years. The Bank's performance in 1971-72 thus leaves no doubt that the Plan target can be achieved.

In regard to the development of the money market, it may be recalled that Treasury Bills were being issued regularly, all by tender, at monthly intervals since April 1969. The monthly issue of Treasury Bills on tender was raised from the previous level of Rs. 3 million to Rs. 5 million in September 1970 and further to Rs. 7 million in July 1971. The raising of these levels was not so much in response to the short-term credit requirements of the Government as to the need to strengthen the measures designed to develop the money market.

In the previous Annual Report¹, mention was also made of a new facility introduced in January 1971, namely, the issue of Treasury Bills on tap. The introduction of this new facility ensured availability, on a continuing basis, of avenues for investment of short-term funds of the banking and other financial institutions. Subsequent experience suggested that the Bills issued on tap are operationally more convenient and hence this particular facility could easily replace the Treasury Bills issued by tender. With effect from June 1972, therefore, Treasury Bills by tender were discontinued. At the end of June 1972, the total amount of Treasury Bills outstanding was of the order of Rs. 14 million.

The share market in the private sector continued to be buoyant during the financial year 1971-72. This was reflected in the fact that some issues of shares by private sector companies were actually oversubscribed. This continued buoyancy of the capital market is indeed encouraging from the point of view of the emerging enterprises in the private sector.

(f) THE PRICE SITUATION

In spite of a rise of about 14 per cent in money supply during the year 1971, consumer prices appear to have recorded only a marginal rise of less than 1 per cent over the year. The monthly average of the Consumer Price Index (Whole Island) for the year 1971 works out to 118.9, as compared with the corresponding average of 118.5 for 1970 (See Table 18). The rise witnessed in 1971 was in fact relatively smaller than the rise during the previous year.

On the other hand, the price trend during the year 1972 gives cause for some concern. The average level of the Consumer Price Index (Whole Island) during the first nine months of 1972 was higher by slightly more than 5 per cent, as compared to the average for the corresponding period of 1971. In other words, during the first three quarters of the year 1972 itself, prices have already risen by slightly more than 5 per cent. This significant rise is rather unusual for Mauritius in which consumer prices have shown an average rise of less than 2 per cent per annum since 1962². In fact, till this year the record of Mauritius set, in many ways, a commendable example of price stability. Looked at from this point of view, the year 1972

¹ Annual Report for the year ending June 1971.

² With the sole exception of 1968.

marks a departure from such a record. Further, it should be also remembered that the Government's mechanism of importing the bulk of the requirements of rice and wheat flour and ensuring their distribution at controlled prices continues to operate. If this factor is taken into account, it is clear that the price rise in respect of commodities other than rice and wheat flour has been even higher than what is reflected in the index.

Mauritius depends largely on imports for meeting its requirements of food and other consumer goods. Hence the rise in import prices of certain commodities as well as the increase in freight charges have affected the domestic price level. This does not mean that the rise is solely due to external factors. Among the domestic factors underlying this price rise, two have already been specifically mentioned earlier, namely, the increase in money supply and in credit to the private sector. While in June 1972 the former recorded an increase of 24 per cent, the latter witnessed a rise of 28 per cent.¹ Of course, the unusual price rise in 1972 may, at any rate, in part, be neutralised by the anticipated high rate of growth of national income. However, if this rising price trend continues to persist in the coming years, it may become necessary to devise appropriate measures with a view to containing the cost of living. The role that monetary policy can play in such an effort has already been indicated. However, monetary policy, by itself, may not be able to attain the desired objective of price stability; it may have to be supplemented by other appropriate measures.

(g) OTHER FINANCIAL INSTITUTIONS

Among other financial institutions special mention must be made of two important institutions namely, the Development Bank of Mauritius and the Mauritius Co-operative Central Bank Limited.

(i) Development Bank of Mauritius

The Development Bank of Mauritius was established in 1964, with a view to facilitating "the industrial, agricultural and economic development of Mauritius". It incorporated the business of the Mauritius Agricultural Bank, which was functioning since 1936. The operations of the Development Bank of Mauritius are largely in the form of long- and medium-term loans but it is also authorised to make equity investment in suitable cases.

Till recently, the Bank derived the bulk of its resources from Mauritius Government loans. In December 1970, its capital structure was reorganised and the Bank has now a paid-up capital of Rs. 10 million, the Government of Mauritius contributing Rs. 8 million and the Bank of Mauritius another Rs. 2 million.

In regard to the lending operations of the Bank, of the total loans outstanding of Rs. 38.4 million, at the end of June 1971, the agricultural sector claimed as large a sum as Rs. 20.9 million; nearly half of the total loans to the agricultural sector were accounted for by the sugar estates. While loans to the industrial sector were about Rs. 17.6 million, loans to the development of tea were of the order of Rs. 3.8 million. In addition, the Bank had invested about Rs. 4.1 million in equity holdings of certain enterprises.

The Development Bank of Mauritius will have to play a dynamic role in the development of the manufacturing sector as envisaged in the Four-year Development Plan. More recently, credit to the extent of \$3.5 million has also been made available to the Development Bank of Mauritius by the International Development Association. Thus the resource base, both domestic and external, of the Bank has been strengthened considerably; this factor should

¹ When compared with the June 1971 levels.

go a long way in enabling it to take a more active part in the development of the manufacturing sector.

(ii) The Mauritius Co-operative Central Bank Limited

The Mauritius Co-operative Central Bank Limited was established in 1948, with a view to providing banking and other services to its members, that is, the registered co-operative societies. At the end of February 1971, there were 238 member societies. The total resources at the disposal of the Mauritius Co-operative Central Bank Limited at the end of June 1972 amounted to Rs. 24.1 million, consisting mainly of deposits (Rs. 19.0 million), of the Bank's capital (Rs. 1.4 million) and reserves (Rs. 3.1 million). The bulk of its lending is accounted for by loans to the member co-operative societies for the seasonal financing of the cultivation of sugar cane. The Bank also extends medium-term loans for capital expenditure such as land purchase and improvement, and for housing. At the end of June 1972, total loans outstanding amounted to Rs. 12.4 million thus showing a rise of about 28 per cent over the previous year's level.

V. GOVERNMENT FINANCE

In the sphere of public finance, an outstanding feature of the recurrent budget for the year 1971-72 needs to be singled out; the unusual buoyancy showed by recurrent revenue resulted in the recurrent budget closing with a surplus of Rs. 10.9 million, actual revenue amounting to Rs. 294.1 million and expenditure to Rs. 283.2 million. Both revenue and expenditure levels were higher than the original estimates by Rs. 31.4 million and Rs. 20.5 million respectively.

The performance of the recurrent revenue is particularly significant because the revenue surplus of nearly Rs. 11 million was obtained over and above an amount of Rs. 15 million which was transferred to the capital budget. In a sense, therefore, the real surplus was of the order of Rs. 26 million. The increase in revenue is mainly accounted for by higher receipts from direct and indirect taxes, interest and royalties. On the other hand, the increase in expenditure levels was primarily a result of a 12 per cent rise in salaries to all civil servants and a similar rise in allowances to pensioners, widows and orphans.

As far as the capital budget is concerned, while revenue amounted to Rs. 130.3 million, expenditure was of the order of Rs. 100.8 million; both the levels were lower than the original estimates of Rs. 138.9 million and Rs. 152.1 million respectively. The bulk of the capital revenue was realised by local loans; local loans raised in 1971-72 actually amounted to slightly more than Rs. 103 million, as compared with the original estimates of only Rs. 70 million. If this performance is any guide for the future, it should not be difficult to raise the domestic resources stipulated in the Development Plan. In regard to expenditure, the performance cannot be regarded as quite encouraging; the capital expenditure actually incurred amounted to only about two-thirds of the budgeted amount. In view of this, it would not be inappropriate to reiterate that the administrative machinery will have to show a greater vigour in future in the implementation of development projects forming part of the Four-year Development Plan, if the targeted levels of expenditures are to be reached.

Budget Estimates for 1972-73

According to the budget estimates for the financial year 1972-73, recurrent revenue is expected to be of the order of Rs. 310.7 million, while recurrent expenditure is expected to be Rs. 310.6 million. For the third year in succession, the recurrent budget is expected to con-

tribute Rs. 4 million to the capital budget. A substantial stepping up of capital expenditure is a noteworthy feature of the budget. In fact, capital expenditure is expected to reach nearly Rs. 200 million: this amounts to a doubling of the expenditure incurred in 1971-72. In this context, it is important to realise the immensity of the administrative task implicit in such stepping up of expenditure. Capital revenue is expected to be of the order of Rs. 158.4 million, to be realised from both the domestic and external sources; domestic loans are expected to contribute Rs. 80 million while external loans Rs. 60.6 million. On the whole, the impact of such a large capital expenditure is bound to reflect itself on the tempo of economic activity during the year 1972-73.

The figures of revenue and expenditure for 1971-72 and the estimates for 1972-73 are furnished in the Table below :

Table X. Government Budget : 1971-72 and 1972-73

	1971-72 <i>Original Estimates</i>	1971-72 <i>Revised Estimates</i>	1971-72 <i>Actual</i>	1972-73 <i>Estimates</i>
Recurrent Revenue	262.7	274.5	294.1	310.7
Recurrent Expenditure	262.7	274.3	283.2	310.6
Balance	—	+ 0.2	+ 10.9	+ 0.1
Capital Revenue	138.9	144.3	130.3	158.4
Capital Expenditure	152.1	110.6	100.8	199.6
Balance	— 13.2	+ 33.7	+ 29.5	— 41.2

VI. EXTERNAL TRADE AND BALANCE OF PAYMENTS

(a) EXTERNAL TRADE

Figures relating to imports and exports, as recorded by Customs, for the three years 1969 to 1971, as also the Bank's estimates for 1972 are presented in the Table below :

Table XI. Trends in Exports and Imports : 1969-1972

<i>I T E M</i>	1969	1970	1971	1972 (Estimates)
Exports (f.o.b.)	365	385	361	580
Imports (c.i.f.)	376	420	462	600
Trade surplus (+) deficit (—)	— 11	— 35	— 101	— 20

It can be seen from these figures that exports declined to Rs. 361 million in 1971, that is a decrease of about 6 per cent over the previous year's level. However, the lower level of exports in 1971 should not be construed to mean that there was a decline in the export prices. In point of fact, the prices of sugar, the main export, have been consistently favourable in the world market. The decline in exports is primarily a result of the sheer physical inability to export the normal quantum of sugar in 1971, because of the transport bottle-neck caused by the strikes in the harbour. The figures relating to the actual exports of sugar in 1971 vindicate this statement; during the calendar year 1971 a total quantum of about 481,000 tons of sugar of the value of Rs. 313 million was exported, as compared with 566,000 tons of the value of Rs. 340 million in 1970. In this sense, therefore, exports in 1971 were *artificially* deflated.

In contrast to the trend in exports, imports actually increased by 10 per cent over the level in 1970 to reach Rs. 462 million. The increase in imports is mainly accounted for by manufactured goods, and oils and fats; a more significant aspect of the increase in imports is that machinery and transport equipment showed a substantial rise of about Rs. 33 million. The higher level of imports in 1971 is primarily attributable to two factors; firstly, the sizable balance of payments surplus realised in 1970 was bound to have its impact on the level of imports in 1971. Secondly, there has taken place a rise in the prices of imported goods, as also in the freight charges. One encouraging feature of the rise in imports was that machinery and transport equipment witnessed a substantial rise, indicating thereby that the pace of manufacturing activity is gathering momentum.

The Bank's estimates for 1972 are based on the provisional figures available for the first six months and also on the general indicators in the economy. The first striking feature of these estimates is that imports are likely to show an unprecedented increase of between 28 to 30 per cent over the previous year's level. Total imports may actually exceed the level of Rs. 600* million; since the data of imports for the first half of 1972 show that imports have already exceeded the level of Rs. 300 million, the estimates for the year as a whole appear reasonable. In the absence of the breakdown of imports into various categories it is difficult to stipulate in what particular categories the bulk of the rise has taken place. For instance, if the bulk

* In fact, it will not be surprising that imports may actually reach Rs. 620 million.

of the rise has taken place in the category of machinery and equipment, probably there is no reason for concern. On the other hand, as an overall judgement, it does seem that a part of the rise has also taken place in respect of consumer goods, particularly non-essential consumer goods or luxury goods. If the tendency of imports of non-essential consumer goods rising at a fast rate persists in the coming years, it may become necessary to examine afresh the whole approach to the country's import policy. In any case, the unusual rise in imports in 1972 warrants that the trend should be watched carefully in future. A more purposive import policy may, if necessary, have to be evolved.

One redeeming feature of the external trade picture in 1972 is that exports are expected to record a substantial increase; exports may actually reach the level of Rs. 580 million recording thereby a rise of 60 per cent over the previous year's level. Exports of sugar alone are expected to fetch Rs. 530 million, thanks to the increase in the export price of sugar; it should be added that part of the increase in the exports proceeds in 1972 is accounted for by the backlog of sugar exports of 1971. Exports other than sugar might also record a marginal increase.

On the basis of these estimates, the trade deficit in 1972 works out to Rs. 20 million.

(b) BALANCE OF PAYMENTS

Performance in 1971

As compared with a balance of payments surplus of Rs. 73 million realised during the year 1970, the year 1971 ended up with a deficit of Rs. 14 million. It may be recalled that originally the year 1971 was expected to yield an actual surplus of about Rs. 50 million*. The earlier estimate was, of course, based on the assumption that Mauritius would export the normal quantum of sugar in 1971. However, as mentioned elsewhere in this Report, it was not possible to export the usual quantum of sugar because of the transport bottle-neck created by the strikes in the harbour. It is this physical inability to export the normal quantity of sugar and not any other factor which actually converted the surplus year into a deficit year. In this sense therefore, the deficit witnessed in 1971 should be regarded as an *artificial* deficit.

Table XII. Summary of the Balance of Payments : 1969-72

	1969	1970	1971	1972 <i>Forecast</i>
Net goods and services	+ 29	+ 21	— 55	+ 40
Net transfer payments	+ 15	+ 21	+ 25	+ 25
Net long-term capital	+ 12	+ 8	+ 4	+ 10
Allocation of SDRs	—	+ 15	+ 13	+ 13
Other capital, errors and omissions	1	+ 8	— 1	...
Basic Balance of Payments	+ 57	+ 73	— 14	+ 88

* See Annual Report, 1971, page 31.

The main features of the recent trends in balance of payments data may now be sketched briefly. The "Services Account" had undergone a fundamental transformation in more recent years; although the chronic deficit under this account has not yet been totally eliminated, the deficit which was as large as Rs. 29 million in 1969, declined to only Rs. 6 million in 1971. This significant transformation is attributable to three main factors: firstly, receipts from domestic shipping companies which accounted for only Rs. 1 million in 1967 rose to Rs. 26 million in 1971. Secondly, the travel account which was in balance in 1969, actually generated a surplus of Rs. 16 million in 1971, the surplus being almost twice the size of the surplus attained in 1970. Thirdly, the investment income account which was also in balance in 1969 showed a net surplus of Rs. 5 million in both 1970 and 1971. It appears that these trends will continue to persist in the coming years.

One or two aspects of the data for 1972 deserve specific comment: under the transfers account, net grants received showed an uptrend both in respect of the official and the private sectors; the net transfers amounted to Rs. 25 million in 1972, as compared with a level of Rs. 21 million during the previous year. Official grants received rose from Rs. 13 million in 1970 to Rs. 15 million in 1971, while private remittances increased from Rs. 18 million to Rs. 21 million. Receipts of long-term official capital were marginally higher in 1971, rising from Rs. 11 million in 1970 to Rs. 12 million. Another interesting aspect of the flow of official capital was that repayments of official loans in 1971 were as large as Rs. 14 million, as against only Rs. 6 million during the previous year. Further, the inflow of private investment showed a slight decrease of Rs. 2 million during the year under review.

Estimates for 1972

Tentative estimates for the year 1972 have also been provided, according to which the year may actually end up with a balance of payments surplus of Rs. 88 million. In point of fact, earlier estimates for 1972 had indicated that the balance of payments surplus in 1972 might reach an all-time high of Rs. 100 million. However, the unusual rise in imports witnessed during 1972, to which reference has already been made, has necessitated a downward revision of this surplus. In any case, the revised estimate of surplus will also be a record figure, which will be second only to the peak reached in 1963. This exceptionally bright prospect for the balance of payments in 1972 is attributable to three factors affecting sugar, namely the anticipated peak sugar production of about 690,000 metric tons, an increase in the negotiated price of sugar under the Commonwealth Sugar Agreement and an ability to export a larger quantity of sugar during the year*. In view of these factors, it can be safely assumed that export receipts from sugar will reach a new record. This factor coupled with the increased receipts from tourism (see next section) should enable Mauritius to generate a balance of payments surplus of about Rs. 88 million, notwithstanding the fact that imports are expected to show a phenomenal rise by about 30 per cent.

On the whole, if the artificial deficit in balance of payments witnessed in 1971 is regarded as an exception, the economy has been able to generate balance of payments surpluses during four successive years. These surpluses have considerably strengthened the foreign exchange reserves of the country. For instance, the level of reserves in June 1972 at Rs. 281 million was higher by nearly 20 per cent, as compared with the level a year ago. Such a strengthening of the resource base should stand in good stead in implementing the Development Plan.

(c) TOURISM

A brief reference may now be made to tourism which has emerged in recent years as an important foreign exchange earner. The main attractions of Mauritius are its beaches and its

* For a detailed discussion of this aspect, reference is invited to Section I of this Report.

pleasant temperate climate. Recent attempts to exploit the tourist potential have already begun to bear fruit, as is reflected in the fact that today tourism is the second largest foreign exchange earner, next in importance only to sugar; earnings from tourism have doubled during the last two years, rising from Rs. 18 million in 1969 to Rs. 39 million in 1971.

There is a spurt in the number of tourists visiting Mauritius; the number rose from 20,000 in 1969 to 36,000 in 1971. (See Table 23). The number of tourist nights spent in Mauritius in 1971 also rose by about 40 per cent reaching a figure of 400,000 nights in 1971. This spurt in the inflow of tourists has continued through 1972; the number of arrivals during the first half of 1972 was higher by about 30 per cent, over the corresponding figures for the previous year. From the present indications, it seems that this number may reach a new peak of nearly 45,000 in 1972.

A word about the composition of the tourists visiting Mauritius. Almost one out of every two tourists visiting Mauritius comes from the nearby island of Reunion. In fact, the number of tourists from Reunion has risen from 11,000 in 1970 to slightly more than 15,000 in 1971. Next in importance is South Africa, the number from which has also been rising. The other countries from which the number of tourists has shown an uptrend are Zambia, France and United Kingdom.

The previous Annual Report referred to the attempts made to overcome the bottle-neck of hotel accommodation, which used to condition the development of the tourist industry. In order to overcome the bottle-neck, the Government has been encouraging the construction of new hotels in several areas of the Island. It is expected that by the end of 1972 over a thousand new beds will become available. It is hoped that the expansion of tourist facilities will thus keep in pace with the increase in the number of tourists.

VII. RESOURCES FOR THE PLAN

In the previous Annual Report, a reference was made to the ushering in, in July 1971, of a comprehensive Development Plan covering the four-year period 1971-75. During the first year of the Plan, a clearer picture of the resources potential has emerged and therefore it seems appropriate to provide in this section the broad outlines.

It may be recalled that the Development Plan estimated that, of the total resources of Rs. 715 million required for financing the public sector development projects, about Rs. 315 million were expected to flow from domestic sources and Rs. 400 million from external sources. Of the total domestic resources, the borrowing potential was expected to be Rs. 200 million. In this context the remarkable performance of the Bank of Mauritius in raising more than Rs. 100 million during the financial year 1971-72 has already been mentioned. If this performance during the first year of the Plan is any indication, the raising of the domestic resources through borrowings, as envisaged by the Development Plan, should not pose any problem. Similarly, the Plan anticipated that transfers from the recurrent budget would contribute about Rs. 16 million over the Plan Period. In point of fact, this target has already been achieved in the first year of the Plan. The excellent prospects of growth and balance of payments surplus in 1972 lend further credence to this optimistic picture of the domestic resources position.

In regard to external resources, the picture is equally encouraging. In fact, a review of the commitments so far goes to show that such commitments may actually exceed Rs. 480 million. The main sources from which the external finance are expected to flow can be briefly recapitulated. The United Kingdom has extended an interest-free loan of £10 million for the period 1971-75. Further, the Government of the People's Republic of China has granted

an interest-free loan of £ 13.5 million; this loan which will be available for financing the development projects agreed upon by the two Governments, is expected to be utilised for the financing of the construction of an international airport and of a high-way linking the airport with Port Louis. Thirdly, the Government of India has agreed to extend a loan of Indian Rupees 32.1 million, in addition to a grant of the order of Indian Rupees 10.1 million. Furthermore, a sizable loan is also expected from France. With the formal signing of the agreement in May 1972, Mauritius came to be linked with the European Economic Community through the Yaoundé Convention; it is anticipated that funds to the extent of about Rs. 28 million may be made available, as development aid, through the European Development Fund.

Reference may also be made to two credits extended by the International Development Association, an affiliate of the World Bank: a credit of Rs. 28.9 million for the tea project and another credit of Rs. 17.8 million to the Development Bank of Mauritius. Finally, the food aid granted by the World Food Programme and by countries like the United States and Australia may aggregate Rs. 28 million.

The picture that emerges from this brief review of the resources which have become available is optimistic. In other words, it can be now stated with confidence that the availability of financial resources will *not* be a constraint on the Development Plan.

VIII. EMPLOYMENT AND WAGES

The increase in the pace of economic activity during the year 1971-72 is also reflected in the levels of employment; for instance, the number of persons employed in large establishments* rose from 113,466 in September 1969 to 115,822 in September 1970 and again to 120,105 in September 1971 (See Appendix Table 16). Another interesting feature of the rise in the employment levels is that the entire increase in employment has taken place in sectors other than sugar, indicating thereby that the economy is being diversified.

Such increase in employment, however, does not seem to have made any deep dent on the structural problem of the economy, namely the high level of unemployment. The number of persons registered as unemployed has been rising in recent years as can be seen from the figures in Table 17 appended: the monthly average of registered unemployed has risen from 14,284 in 1969 to 20,992 in 1970 and further to 30,659 in 1971. In this context of growing unemployment, the Development Plan has emphasized that in an economy like that of Mauritius where the pressure of population is quite high, maximisation of employment as an objective of economic development becomes more important than maximisation of income. From this point of view, attainment of full employment has been set as the primary goal of development planning. The development strategy underlying the Development Plan aims at the creation of 130,000 new jobs, with a view to ensuring full employment by 1980.

The special programme called the "Travail Pour Tous" programme which forms part of the Development Plan, is designed to tackle immediately the unemployment problem which has assumed such serious proportions. The Development Works Corporation, established in 1970, has been entrusted with the implementation of this programme. During the short period of its operation, the Corporation has made a remarkable impact on the employment situation. For instance, when the programme was first started in July 1971, the Corporation employed only 250 development workers on 10 projects: but by June 1972, a total number of 6,520 workers were employed on 155 sites of work. The projects undertaken by the Cor-

* These establishments include sugar-cane plantations of 25 arpents or more, tea plantation of 5 arpents or more, non-agricultural establishments employing 10 persons or more and all central and local government departments.

poration include the building of new schools and extension of existing schools, the construction of village halls, community centres, workshops, office buildings, roads, plantation of fodder and land preparation for crop production and dairy farming. The activities of the Corporation are expected to expand rapidly in future.

Another significant development affecting the employment situation was a substantial spurt in wages witnessed by different sectors of the economy. Towards the end of 1971, the following rises in wages took place: a 12 per cent rise in the port and harbour sector affecting about 3,200 workers, a 12 per cent rise in the sugar sector affecting about 56,000 workers and a 15 per cent rise in the bus transport sector. Furthermore, the Government also granted a 12 per cent rise in salaries to all Civil servants, and a similar rise in allowances to pensioners, widows and orphans, etc. Subsequently, such a rise in wages was made obligatory in the case of private sector employees. This uptrend in wages has continued in 1972 and in fact during the latter half of 1972 employees in the sugar sector were given a further rise in wages of between 10 and 20 per cent and those in the port and harbour sector a rise of about 10 per cent. Thus, the spurt in wages appears to have become all-pervasive.

At this stage, it is difficult to analyse the fuller implications of such a rise in wages for the economy. Perhaps, some sectors like the sugar industry could absorb the rise in wages, in view of a substantial rise in the export prices of sugar which has taken place since 1972. Further, as a result of the wage rise it is very likely that some rise in domestic consumption will take place. On the other hand, to the extent to which the additional wage bill is met by reduction in the profits accruing to upper income groups, this rise may be offset partly at least by the reduction in luxury consumption. The net rise in consumption will therefore be a result of the balancing of these two factors. Looking at the situation from another angle, it is important to maintain the rate of savings in the economy. It is therefore desirable that part of the additional demand generated by the wage rise be neutralised, by channelling resources into savings; this objective could be achieved easily if a national pension scheme, referred to in the Four-year Development Plan, is implemented immediately.

IX. INTERNATIONAL MONETARY DEVELOPMENTS

The year 1971 was in every sense a crisis year in international finance. Although this is not the place to discuss the various factors underlying the crisis, it seems desirable to merely indicate such developments as directly affected Mauritius. The long stretch of deficits in the balance of payments of the United States and the mounting tensions in the international monetary system reached a breaking point during 1971. After some months of serious disturbances in foreign exchange markets, these forces culminated in the dollar crisis, symbolised by a formal suspension of the convertibility of the dollar on the 15th August 1971. As a consequence, many major currencies were also subjected to a period of floating. Several views, sometimes conflicting, on the steps to be taken to restore order to the system came to be put forward. During the subsequent four months, there were many meetings of the so-called Group of Ten, a meeting of the Board of Governors of the Fund and numerous sessions of the Fund's Executive Directors. The end result was the Smithsonian Agreement of the 18th December, 1971, which provided for a *de facto* devaluation of the dollar by about 7.89 per cent, no or virtually no change in the parities of sterling, the French franc and the lira and appreciations of the yen, the Deutsche mark, the Guilder and the Belgian franc.

Further the Fund established what it called a "temporary regime" with a view to maintaining a satisfactory structure of the exchange rates. Member countries were called upon to indicate what were called "central rates" which might be thought as provisional par values. Mauritius adopted the central rate in terms of Rs. 5.55555 per unit of SDR. In practice, the

adoption of this central rate meant that the relationship of the Mauritian Rupee with the pound Sterling remained unchanged. On the other hand, in terms of the U.S. dollar, this meant an actual *appreciation* of the Mauritian Rupee by about 8½ per cent. Such a decision reflected indirectly the strength of the Mauritian Rupee.

Mauritius also availed itself of the wider margins of exchange rates of the Rupee of 2½ per cent on either side of the central rate.

In May 1972, the United States formally established a new par value of the U.S. dollar. As a result, the International Monetary Fund invited the Government of Mauritius, along with other members, to consider the question of establishing a par value for the Rupee in lieu of the central rate. Incidentally, it may be recalled that Mauritius had not yet established a par value with the Fund but had only agreed to a provisional rate. After taking the various factors into account, the Government decided to establish with effect from 24th May 1972, par value of 0.159961 gram of fine gold per Mauritian Rupee, or 194.444 Mauritian Rupees per ounce of fine gold.

Although the Smithsonian Agreement restored some order to the foreign exchange markets, the international monetary system was far from being stable. This became evident when another crisis loomed on the horizon in the form of the announcement by the U.K. Government that the pound Sterling would be allowed to float as a temporary measure with effect from the 23rd June 1972. The Government of Mauritius, after giving due consideration to the various implications of this decision, came to the conclusion that, in view of the integral relationship between the Mauritian economy and the pound Sterling, it would be in the best interest of Mauritius to allow the Mauritian Rupee to float, for the time being, along with the pound Sterling. In practice, this also meant that the parity of the Mauritian Rupee in terms of the pound Sterling remained unchanged.

These disturbances in the international monetary system and the consequent realignment of currencies have had some adverse repercussions on most developing countries. The only silver lining to the cloud of uncertainty in international finance is the recent establishment by the International Monetary Fund of the "Committee of 20" on Reform of the International Monetary System and the Related Issues. This step can be regarded as an important landmark in the history of the international monetary system in so far as the developing countries will be directly involved in the formulation of proposals for the reform of the international monetary system. One only hopes that on the basis of these proposals it will be feasible to usher in, as expeditiously as possible, a more orderly era of international finance.

X. CONCLUDING COMMENTS AND OUTLOOK

All in all, the picture that emerges from this brief review of the performance of the economy during the year 1971 is one of a really impressive year. A growth of as much as 11 per cent in national income accompanied by a certain degree of price stability, significant expansion in non-traditional sectors like tea and tourism, a growing manufacturing sector — all these are indicators of the fact that firm foundations for sustained growth are being laid. Admittedly, the balance of payments situation was not exactly happy in the sense that the economy recorded a deficit of about Rs. 14 million; but this deficit, it should be remembered was only an *artificial* deficit. In fact, if it were possible to export the normal quantum of sugar during the calendar year 1971, the year would have actually been converted into a *surplus* year, with a surplus of Rs. 35 million. The record of the first year of the Development Plan is thus quite satisfactory.

The next question that needs to be posed is: What are the prospects of growth in 1972? In the assessment of prospects the analysis of trends in certain indicators during the first half of the year, presented in the previous sections, will be useful. At the outset, it can be said without any hesitation that the year 1972 will turn out to be an exceptionally good year. In justification of this statement it is sufficient to mention three factors affecting sugar. First, sugar production is likely to reach a new peak in 1972 touching a level of 690,000 metric tons. Secondly, the prospects of exports have brightened significantly in the sense that Mauritius will be free to sell in 1972 as much sugar as it can to the world market; relevant in this context is also the increase in the export quota to the United States. Thirdly, a substantial improvement in the price situation has also taken place. The negotiated price under the Commonwealth Sugar Agreement will be substantially higher for the years 1972-74. Basically, the shaping of the year 1972 into an exceptionally good year is attributable to a cumulative impact of these factors. Finally, preliminary estimates indicate that the balance of payments surplus might reach a level of Rs. 88 million, a level which will be second only to the peak attained in 1963. Although it is difficult, at this stage, to guess the likely growth rate in 1972, it seems reasonable to infer that the rate would be not less than 10 per cent.

Such an assessment of prospects need not, however, lull one into a sense of complacency. The high growth-rates actually attained in 1971 and anticipated in 1972 have brought, in their trail, some problems of a different character which warrant a careful study. Among these, special mention may be made of three specific problems, namely the level and composition of imports; the rise in prices and monetary expansion. Although these problems are inter-related, for analytical clarity, each of them may be dealt with separately.

According to preliminary estimates, imports in 1972 may record an unprecedented rise of about 30 per cent, as compared with an average rise of about 10 per cent during the last two years. In the absence of detailed information, it is difficult to stipulate in what particular categories of goods the bulk of the rise has really taken place. However, it is not unlikely that a sizable rise has taken place in respect of consumer goods, particularly the non-essential or semi-luxury goods. If this trend persists in the coming years, perhaps it may become necessary to examine afresh the whole approach to the country's import policy, with a view to evolving a more purposive import policy. One aspect of such examination would be to explore fully the potentialities of import-substitution, particularly in the agricultural and live-stock sectors. This is important because the tourist industry can make an optimum impact on the domestic economy only if the retained earnings from tourism are maximised. Also relevant in this context, is the desirability of channelling part of the additional demand, generated by the recent wage rises into savings.

On the price front, the rise in consumer prices of the order of 5 per cent may not appear unduly disturbing. Two points, however, have to be underlined in this context. First, the year 1972 marks a departure from a decade of remarkable price stability; consumer prices have risen since 1962 at an average annual rate of only 2 per cent*. Secondly, although the rise in the consumer price index is only 5 per cent, the extent of the rise in prices of other commodities may have been relatively larger, if the fact that prices of rice and wheat flour continue to be regulated is taken into account. Of course, exogenous factors have contributed to some extent to the rise in prices. But this does not obviate the need to take domestic measures to moderate the rise in prices.

This brings us to the question of monetary expansion. Although it would be an exaggeration to say that a "monetary explosion" has taken place during the first half of 1972, it remains true that the rates of increase in money and credit have been unusually large. For

* The year 1968 was the sole exception.

instance, money supply in June 1972 showed only a nominal decline as compared to the level in December 1971; during the corresponding period of 1971 money supply had declined by 8 per cent. The expansion in credit to the private sector was of a much larger magnitude: the rise during the first half of 1972 was as large as 28 per cent as compared to an 18 per cent rise during the first half of 1971. It should be remembered that higher growth-rates, rising prices and wages have resulted in substantially increasing money and credit requirements. If such an accelerated expansion in money and credit continues to persist in the coming years, however, monetary policy may have to lay in future greater stress on its objective of holding the price line. In this sense, future monetary policy may have to be one of "restrained expansion".

Few countries in the world, particularly among the developing ones, can boast of growth-rates of more than 10 per cent for two successive years. If this performance during the initial years is any guide, the economy should be able to sustain in future the growth-rates stipulated in the Four-year Development Plan. Admittedly, the higher growth-rates have, in their wake, thrown up some new problems, in the tackling of which the economy will have to show a degree of resilience in the coming years. The policy mix in future will have therefore to be such as to build into the economy such an element of resilience.

PART II. OPERATIONS OF THE BANK

1. OPERATIONS

This is the fifth Annual Report of the Bank. The important role played by the Bank during this period in the monetary and banking spheres has been dealt with in Part I. The more routine operations during the year 1971-72 are indicated briefly in this Part.

(a) Government and Bankers' Accounts

During the year under review, other new accounts were opened for the Government. The "Banque Nationale pour le Commerce et l'Industrie (O.I.)" also became a customer of the Bank.

(b) International Institutions

Some International Financial Organisations, namely the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association, all of which Mauritius is a member, also maintain current accounts with the Bank.

(c) Lending to Commercial Banks

There were no major changes in the conditions for the re-discounting of commercial bills at the Bank, except that to be eligible for re-finance, Banks are no longer required "to maintain a net foreign exchange oversold position equal to at least 5% of their deposit liabilities in Mauritius or Rs. 1 million, whichever is the greater".

(d) Other facilities to Commercial Banks

With a view to providing additional short-term investments to commercial banks etc, the Bank issued, for the first time in January 1972, Tap Treasury Bills with a life of 91 days in addition to Treasury Bills issued by tender. Since June 1972 only Tap Treasury Bills are being issued.

The "Special Deposit" facilities, to which a reference was made last year, are no longer available.

(e) Bank Notes and Coins

During the year, a set of commemorative coins, which included new coins of Rs. 10 in white metal and Rs. 200 in gold, were issued to the public.

(f) Banking Act

The Banking Act 1971 which was enacted on the 29th June 1971 came into force on the 16th August 1971. In accordance with the Act, all commercial banks operating in Mauritius but incorporated abroad have begun to maintain assigned capital in Mauritius.

(g) Public Debt Management

During the year 1971-72 the Bank of Mauritius, as manager of Government debt, made the following issues of Government Stocks :

			Rs.
6½% Mauritius Development Loan Stock 1976	...	...	10,000,000
6¾% Mauritius Development Loan Stock 1979	...	...	15,000,000
7½% Mauritius Development Loan Stock 1986	...	...	15,000,000
6% Mauritius Development Loan Stock 1974	...	...	5,000,000
6½% Mauritius Development Loan Stock 1978	...	...	10,000,000
7% Mauritius Development Loan Stock 1984	...	...	15,000,000
6½% Mauritius Development Loan Stock 1979	...	...	15,000,000
7½% Mauritius Development Loan Stock 1988	...	...	15,000,000

(h) Exchange Control

There has been no change during the year in the Exchange Control Regulations in force.

2. ADMINISTRATION, STAFF AND PREMISES

(a) Changes in the Board of Directors

There were no changes in the Board of Directors during this period. A list showing the composition of the Board of Directors is given at the end of the Report.

(b) Staff Matters

- (i) Mr. S. S. Jhurani, of the Reserve Bank of India, has been seconded to the Bank to work as Inspector of Banks. He assumed duty on the 8th March, 1972.
- (ii) Mr. D. A. C. Nendick, Adviser to the Governor, left Mauritius on the 12th June, at the end of his term of appointment. The Bank would like to take this opportunity to record its appreciation of the services rendered by Mr. Nendick during his tenure.
- (iii) The Staff of the Bank (excluding the Senior Staff) stood at 74 at the end of the year.

The composition of the management and senior staff is indicated at the end of the Report.

- (iv) The Bank's training programme made further progress during the year. Mr. A. K. Prithipaul, an officer in the Exchange Control Office, attended the East African Central Banking Course organised by the Central Bank of Kenya during the period 2nd to 30th June, 1972. Mr. R. Tacouri, an officer in the Banking and Currency Department attended the SEANZA Central Banking Course organised by Bank

Negara Malaysia during the period 5th June to 11th August, 1972. Four members of the staff completed Part I of the Diploma of the Institute of Bankers and two members completed Section I of Part II of the Diploma of the same Insittute.

(c) Premises

The Bank was able to move all its offices to its new premises at the end of January, 1972, with the exception of the Banking and Currency Offices, which were moved on the 20th May, 1972.

The new premises were officially inaugurated by Dr. The Right Honourable Sir Seewoosagar Ramgoolam, Kt., Prime Minister on the 31st May, 1972. The speeches made on the occasion by the Prime Minister and the Governor of the Bank were reproduced in the Quarterly Review. (Vol. IV No. 1).

3. VISITS AND OTHER ACTIVITIES

The Governor visited Bombay in March 1972 and held discussions with the Reserve Bank of India on matters of mutual interest.

In response to an invitation, the Governor also attended a meeting of the Bank for International Settlements held in Basle in June 1972.

Among the distinguished visitors to the Bank during the year, special mention must be made of Mr. Frank A. Southard Jr., Deputy Managing Director of the International Monetary Fund, Mr. A. Yaméogo, Executive Director representing Mauritius in the IMF, and Mr. M. Toure, Director, African Department, IMF. They visited Mauritius in May 1972 and discussed with the Bank various matters relating to international finance.

Mr. Mohamed Nassim Kochman, Executive Director representing Mauritius in the World Bank, called on the Bank during his visit to Mauritius in August 1972.

On the occasion of the inauguration of the Bank's building on the 31st May 1972, the Bank had the privilege of playing host to many distinguished central bankers, representatives of commercial banks and of some institutions with which the Bank is associated. A list of the visitors is provided in the Quarterly Review (Vol. IV No. 1 page 12).

**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 1972, 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 1972 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 1972, and of the results of its operations for the year then ended.

KEMP CHATTERIS
Chartered Accountants

Date : 26th July 1972.

BANK OF

BALANCE SHEET

30.6.71

Rs.

Rs.			Rs.	Rs.
	CAPITAL			
10,000,000	Authorised and Paid up	...	...	10,000,000.00
4,500,000	GENERAL RESERVE FUND	...	...	6,600,000.00
98,645,440	NOTES IN CIRCULATION	...	...	123,718,815.00
6,283,049	COIN IN CIRCULATION	...	...	7,702,089.53
	DEMAND DEPOSITS			
3,001,684	Government	...	...	41,712,779.53
8,043,786	Banks	...	...	10,890,184.39
3,264,333	Other	...	...	3,441,767.00
				56,044,730.92
77,767,140	OTHER DEPOSITS	...	...	42,264,560.00
	OTHER LIABILITIES			
	Profit payable to Government in accordance with Section 11 (2) (c) of the Bank of Mauritius Ordinance, 1966	...	...	6,000,000.00
6,526,464	Others	...	...	41,740,334.77
18,825,888				47,740,334.77

Rs. 236,857,784

Rs. 294,070,530.22

PROFIT AND FOR THE YEAR ENDED

2,500,000	TRANSFER TO GENERAL RESERVE FUND	2,100,000.00
6,526,464	PROFIT PAYABLE TO THE GOVERNMENT OF MAURITIUS — in accordance with Section 11 (2) (c) of the Bank of Mauritius Ordinance 1966	6,000,000.00
Rs. 9,026,464		Rs. 8,100,000.00

MAURITIUS

AS AT 30TH JUNE, 1972

30.6.71

Rs.

Rs.			Rs.
	EXTERNAL ASSETS		
100,006,454	Balances with Banks	...	64,914,296.35
8,068,301	Treasury Bills	...	11,589,452.53
59,322,687	Eligible Securities (at Valuation)	...	123,316,022.67
27,677,922	I.M.F. Special Drawing Rights	...	40,623,964.93
9,167	Foreign Notes and Coin	...	24,800.15
195,084,531	TOTAL EXTERNAL ASSETS	...	240,468,536.63
8,825,947	GOVERNMENT SECURITIES (at Valuation)		12,906,931.41
21,330,856	DISCOUNTS AND ADVANCES	...	30,043,590.66
11,616,450	OTHER ASSETS	...	10,651,471.52

(sd.) AUNAETH BEEJADHUR — Governor

(sd.) G. BUNWAREE — Managing Director

(sd.) I. RAMPHUL — Chief Manager

Rs. 236,857,784

Rs. 294,070,530.22

LOSS ACCOUNT 30TH JUNE, 1972

9,026,464	NET PROFIT — after charging current expenditure, writing down fixed assets and providing for reserves and contingencies	8,100,000.00
Rs. 9,026,464		Rs. 8,100,000.00

BANK OF MAURITIUS

ANNUAL REPORT 1971 - 1972

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Notes

The following conventional signs are used :

Nil

Negligible

N.A. Not Available

Table 1. Selected Economic Indicators

	Unit/ Base	June 70	Sept. 70	Dec. 70	March 71	June 71	Sept. 71	Dec. 71	March 72	June 72
I. Bank of Mauritius										
(1) Notes and coin in circulation	Rs million	94.4	101.8	114.7	105.7	104.9	112.8	136.1	138.5	131.4
(2) External assets ...	Rs million	197.3	199.7	246.6	242.3	195.1	209.9	250.9	305.4	240.5
(3) Government securities ...	Rs million	8.8	1.4	0.5	13.4	8.8	4.5	16.9	—	12.9
(4) Discounts and advances ...	Rs million	10.8	6.3	2.6	4.7	21.3	10.2	32.9	6.1	30.0
of which Government borrowing...	Rs million	2.4	5.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2
II. Commercial Banks										
(1) Aggregate deposits ...	Rs million	236.5	255.2	297.4	283.0	283.2	294.5	341.3	373.6	367.1
(2) Bank credit ...	Rs million	171.0	157.3	177.4	169.6	207.0	202.5	238.6	218.0	258.8
(3) Cheque clearances ...	Rs million	104.0	116.1	148.1	112.0	111.9	136.1	142.6	156.6	135.1
III. Post Office Savings Bank deposits ...										
	Rs million	27.2	27.4	27.7	28.0	29.0	29.5	30.4	32.0	33.5
IV. Interest Rates										
(1) Bank rate ...	%/annum	7	6	6	6	6	6	6	6	6
(2) Prime rate (min) ...	%/annum	7½	7½	7½	7½	7½	7½	7½	7	7
(3) Savings accounts (banks) ...	%/annum	4	4	4	4	4	4	4	4	4
V. Money Supply ...										
	Rs million	190.6	204.4	229.6	213.2	211.3	216.0	261.6	279.3	260.6
VI. Consumer Price Index (Whole Island) ...										
	Jan-June 1962=100	118.0	118.7	116.5	119.3	118.4	119.2	120.6	124.2	124.3
VII. Foreign Trade										
(1) Imports, c.i.f. ...	Rs million	106.8	104.3	121.2	103.8	119.4	133.0	105.3	154.4*	161.8*
(2) Exports, f.o.b. ...	Rs million	21.6	136.6	143.3	61.0	28.5	116.2	155.1	131.0	40.0
VIII. Employment Data										
(1) Registered unemployed	Number	21,838	19,754	25,328	30,354	31,277	31,882	30,632	34,589	39,273
(2) Relief workers ...	Number	15,807	16,094	17,768	17,672	17,510	16,879	14,207	12,749	12,592

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

II. (3) Cheque clearances : for the month

IV. Interest Rates : Last week of the month

VI. Consumer Price Index : for the month

VII. Foreign Trade : for the quarter ended

* Provisional

Table 2. Bank of Mauritius — Assets and Liabilities

A. Assets

(Rs. 000)

End of Month				External Assets						Mauritius Government Securities	Discounts and Advances	Other Assets	Total Assets
				Balances with Banks	Treasury Bills	Eligible Securities	Ineligible Secu- rities§	Special Drawing Rights in IMF	Total				
1967	December	...	...	4,928	25,770	36,487	6,544	—	73,729	34,010	6,900	2,019	116,658
1968	March	...	...	6,695	14,689	32,277	6,618	—	60,279	32,826	13,550	2,155	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	1,435	106,446
	December	...	...	20,593	30,380	32,505	5,471	—	89,037*	24,024	15,883	1,733	130,677
1969	March	...	...	6,839	15,191	58,398	5,489	—	85,941*	28,769	22,880	1,817	139,407
	June	...	...	5,826	20,087	80,973	5,439	—	112,359*	23,981	15,208	3,264	154,812
	September	...	...	14,825	28,945	102,519	5,547	—	151,860*	20,526	12,773	5,499	190,658
	December	...	...	18,105	44,272	111,929	5,647	—	179,973*	14,892	19,702	4,414	218,981
1970	March	...	...	17,758	38,118	133,822	5,784	14,831	210,325*	7,420	2,841	10,023	230,609
	June	...	...	20,074	16,127	135,089	4,440	14,724	190,461*	8,809	10,787	11,589	221,646
	September	...	...	82,637	16,302	78,389	3,365	14,622	195,322*	1,432	6,294	7,594	210,642
	December	...	...	131,046	16,146	82,060	2,707	14,698	246,576*	493	2,600	3,779	253,448
1971	March	...	...	129,729	21,770	60,460	2,641	27,686	242,294*	13,420	4,757	4,255	264,726
	June	...	...	100,006	8,068	59,323	—	27,678	195,085*	8,826	21,331	11,616	236,858
	September	...	...	83,830	31,474	66,928	—	27,678	209,918*	4,494	10,240	8,732	233,384
	December	...	...	64,345	76,894	82,004	—	27,678	250,936*	16,855	32,931	7,405	303,127
1972	January	...	...	63,576	96,692	83,531	—	40,633	284,447*	12,272	12,768	7,412	316,899
	February	...	...	118,540	45,809	82,202	—	40,633	287,200*	4,194	4,653	7,524	303,571
	March	...	...	117,051	66,221	81,485	—	40,633	305,406*	2	6,127	7,629	319,164
	April	...	...	108,984	15,130	132,730	—	40,633	297,493*	4,395	11,373	7,844	321,105
	May	...	...	68,493	39,627	126,991	—	40,628	275,755*	2	2,425	7,845	286,027
	June	...	...	64,914	11,590	123,316	—	40,624	240,469*	12,907	30,044	10,651	294,071

§ 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	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	March	...	...	7,250	91,469	5,958	97,427	2,942	5,608	2,046	82,144	92,740	33,192*	230,609
	June	...	...	9,500	88,575	5,828	94,403	1,901	4,510	1,980	64,479	72,870	44,873*	221,646
	September	...	...	9,500	95,626	6,176	101,802	2,646	5,146	2,326	75,933	86,051	13,289	210,642
	December	...	...	9,500	108,132	6,582	114,714	3,287	6,159	2,967	108,795	121,208	8,026	253,448
1971	March	...	...	9,500	99,443	6,278	105,721	3,035	6,000	6,370	110,070	125,475	24,030	264,726
	June	...	...	14,500	98,645	6,283	104,928	3,002	8,044	3,264	77,767	92,077	25,353	236,858
	September	...	...	14,500	106,072	6,688	112,760	1,656	7,151	2,820	72,837	84,464	21,660	233,384
	December	...	...	14,500	128,988	7,104	136,092	1,732	8,564	6,033	101,771	118,100	39,435	308,127
1972	January	...	...	14,500	122,857	7,142	129,999	2,361	8,570	7,688	99,507	118,126	54,274	316,899
	February	...	...	14,500	121,591	7,223	128,814	1,797	8,521	2,969	92,846	106,133	54,124	303,571
	March	...	...	14,500	131,228	7,310	138,538	46,037	16,880	3,518	45,009	111,444	54,682	319,164
	April	...	...	14,500	126,110	7,464	133,574	57,810	10,428	3,725	45,171	117,134	55,897	321,105
	May	...	...	14,500	123,785	7,633	131,418	32,478	9,410	5,016	42,340	89,244	50,865	286,027
	June	...	...	16,600	123,719	7,702	131,421	41,713	10,890	3,442	42,265	98,310	47,740	294,071

+ 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		Bills Receivable	Loans and Advances		Investments					Documentary Credits	Guarantees	Other	Total
		Other Banks in Mauritius	Banks Abroad	Local	Foreign		Private Sector	Public Sector	Treasury Bills	Govt. Securities	Foreign Securities	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																	
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	108.3	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																	
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
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
September ...	8.6	0.7	41.3	27.8	1.1	11.0	147.5	9.8	7.0	20.0	2.0	8.3	37.3	34.4	15.1	43.1	377.7
December ...	10.0	1.2	31.3	16.5	0.9	11.7	168.1	9.3	7.8	42.3	2.0	8.8	60.9	32.9	14.0	56.1	412.9
1971																	
March ...	9.1	0.5	24.8	22.8	1.7	10.3	160.5	9.1	2.5	52.7	2.0	8.3	65.5	36.4	19.0	48.6	408.3
June ...	7.2	0.5	15.6	27.8	1.0	14.3	197.0	10.0	—	49.5	2.0	8.9	60.4	38.6	16.7	41.8	430.9
September ...	8.8	0.4	14.9	21.2	1.3	13.2	192.3	10.2	8.8	50.8	2.0	9.4	71.0	36.9	19.2	44.3	433.7
December ...	9.8	0.7	13.2	40.8	1.6	14.3	225.3	13.3	1.0	77.5	2.0	9.4	89.9	40.0	13.9	48.6	511.4
1972																	
January ...	10.8	0.4	4.8	49.3	3.1	13.2	210.7	12.6	7.1	81.8	2.0	9.4	100.3	46.2	16.1	49.0	516.5
February ...	10.5	1.3	6.1	64.9	2.6	18.6	192.4	11.9	4.6	85.8	2.0	9.4	101.8	43.9	15.8	44.6	514.4
March ...	10.5	1.5	4.6	51.4	1.3	17.2	204.3	13.7	12.3	85.8	2.0	9.4	109.5	43.9	16.0	50.9	524.8
April ...	8.5	1.5	5.5	46.1	1.3	17.4	214.7	13.5	5.8	85.9	2.0	9.5	103.2	48.2	15.9	49.9	525.7
May ...	11.6	1.2	5.9	27.1	1.7	14.6	230.3	13.3	17.8	73.4	2.0	9.7	102.9	54.3	15.4	45.7	524.0
June ...	8.7	1.2	4.4	46.0	2.1	13.6	241.9	16.9	3.0	84.8	2.0	9.7	99.5	55.5	16.0	50.4	556.2

Table 3. Commercial Banks — Assets and Liabilities

B. Liabilities

(Rs. million)

End of Month				Capital & Reserve	Private Sector Deposits				Govern- ment Deposits	Balance Due to		Bills Payable	Docu- mentary Credits	Gua- rantees	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	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	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
	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
	September	...	...	17.7	110.4	79.8	60.5	250.7	4.5	—	13.6	1.3	34.4	15.1	40.4	377.7
	December	...	...	17.8	123.8	105.7	65.4	294.9	2.5	1.4	10.6	1.2	32.9	14.0	37.6	412.9
1971	March	...	...	18.2	112.4	96.6	70.9	279.9	3.1	2.8	10.6	1.3	36.4	19.0	37.0	408.3
	June ...	...	...	18.3	112.8	94.1	73.2	280.1	3.1	6.4	18.9	0.8	38.6	16.7	48.0	430.9
	September	...	...	18.3	111.8	102.0	78.7	292.5	2.0	4.7	12.3	1.0	36.9	19.2	46.8	433.7
	December	...	...	30.7	134.4	115.5	87.7	337.6	3.7	7.9	14.3	1.5	40.0	13.9	61.8	511.4
1972	January	...	...	30.7	147.0	114.8	90.7	352.5	4.4	11.2	8.3	0.9	46.2	16.1	46.2	516.5
	February	...	...	31.2	135.8	123.1	93.1	352.1	5.7	3.5	11.5	1.1	43.9	15.8	49.6	514.4
	March	...	...	31.5	151.1	119.3	97.7	368.1	5.5	1.0	12.1	1.6	43.9	16.0	45.1	524.8
	April ...	...	...	31.6	130.1	120.2	101.1	351.4	5.3	2.5	14.5	1.2	48.2	15.9	55.1	525.7
	May ...	...	...	31.6	129.7	123.9	102.1	355.7	5.3	5.2	10.8	1.6	54.3	15.4	44.1	524.0
	June ...	...	...	31.6	137.2	121.5	102.7	361.4	5.7	4.9	8.4	1.1	55.0	16.0	71.6	556.2

Table 4. Monetary Survey

(Rs. million)

END OF PERIOD	Foreign Assets (net)	Domestic Credit			Total Assets	Money				Quasi — Money				Other Items (Net)
		Claims on Public Sector (Net)	Claims on Private Sector	Total		Currency with Public	Demand Deposits		Total Money Supply	Time Deposits		Com- mercial Banks' Savings Deposits	Total	
							Bank of Mtius	Com- mercial banks		Bank of Mtius	Com- mercial Banks			
1967	111.7*	26.9	195.3	222.2	333.9	93.3	—	130.2	223.5	—	26.4	44.8	71.2	39.2
1968	110.5*	39.3	201.0	240.3	350.8	89.1	.1	102.1	191.3	21.0	55.3	46.7	123.0	36.6
1969	203.3	33.9	209.0	242.9	446.2	97.1	1.5	118.8	217.4	60.9	75.3	51.2	187.4	41.4
1970	270.8	20.1	209.9	230.0	500.8	104.7	1.1	123.8	229.6	60.5	105.7	65.4	231.6	39.6
1971	254.6	58.8	299.1	357.9	612.5	126.3	.9	134.4	261.6	70.6	115.5	87.7	273.8	77.1
1969 — March ...	113.5	43.7	193.4	237.1	350.6	82.7	.1	105.3	188.1	25.1	53.2	48.6	126.9	35.6
June... ..	55.3	40.8	229.4	270.2	325.5	79.1	—	90.1	169.2	21.2	47.8	50.5	119.5	36.8
September ...	130.2	35.0	201.3	236.3	366.5	84.2	.4	98.7	183.3	39.6	56.1	49.0	144.7	38.5
December ...	203.3	33.9	209.0	242.9	446.2	97.1	1.5	118.8	217.4	60.9	75.3	51.2	187.4	41.4
1970 — March ...	221.6	— 4.1	204.7	200.6	442.2	89.9	.6	100.5	191.0	59.4	72.7	54.9	187.0	44.2
June... ..	194.4	15.6	218.9	234.5	428.9	86.3	.2	104.1	190.6	57.9	69.5	56.4	183.8	54.5
September ...	231.0	20.5	200.4	220.9	451.9	93.2	.8	110.4	204.4	58.1	79.8	60.5	198.4	49.1
December ...	270.8	20.1	209.9	230.0	500.8	104.7	1.1	123.8	229.6	60.5	105.7	65.4	231.6	39.6
1971 — March ...	260.9	23.4	207.0	230.4	491.3	96.6	4.2	112.4	213.2	53.8	96.6	70.9	221.3	56.8
June... ..	195.6	35.1	254.0	289.1	484.7	97.7	.8	112.8	211.3	55.4	94.1	73.2	222.7	50.7
September ...	216.4	41.1	242.3	283.4	499.8	104.0	.2	111.8	216.0	48.7	102.0	78.7	229.4	54.4
December ...	254.6	58.8	299.1	357.9	612.5	126.3	.9	134.4	261.6	70.6	115.5	87.7	273.8	77.1
1972 — January ...	287.2	38.0	291.2	329.2	616.4	119.2	2.4	147.0	268.6	43.9	114.8	90.7	249.4	98.4
February ...	287.6	39.2	293.2	332.4	620.0	118.3	.6	135.8	254.7	44.6	123.1	93.1	260.8	104.5
March	302.1	45.9	292.0	337.9	640.0	128.0	.2	151.1	279.3	45.0	119.3	97.7	262.0	98.7
April	292.8	32.7	297.2	329.9	622.7	125.1	.5	130.1	255.7	45.2	120.2	101.1	266.5	100.5
May... ..	275.7	52.3	291.0	343.3	619.0	119.8	1.2	129.7	250.7	42.3	123.9	102.1	268.3	100.0
June... ..	242.1	53.3	324.1	377.4	619.5	122.7	.7	137.2	260.6	42.3	121.5	102.7	266.5	92.4

* Excluding Foreign Notes and Coin.

Table 5. Foreign Exchange Reserves

(Rs. million)

	1968				1969				1970				1971				1972	
	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June
IMF Position: (net) ...	—	—	1.7	1.7	1.7	-20.5	-20.5	-20.5	-20.5	-20.5	1.7	10.0	10.0	13.5	13.5	13.5	13.5	13.5
Bank of Mauritius ...	60.3	70.4	54.4	89.0	85.9	112.4	155.4	183.6	218.0	197.3	199.7	246.6	242.3	195.1	209.9	250.9	305.4	240.5
Government ^(a) ...	49.3	39.3	37.3	41.5	45.5	34.6	25.8	27.7	10.5	20.8	20.5	23.5	22.9	22.6	18.5	19.8	18.6	24.6
Post Office Savings Bank ^(b) and Statutory Bodies ...	40.2	41.4	37.7	31.7	26.5	26.9	6.6	6.6	6.7	7.7	7.2	6.9	6.9	4.0	4.3	3.2	2.4	2.8
Commercial Banks: (net) ^(c)	36.1	-14.0	-14.7	21.4	27.4	-35.0	-3.0	41.8	24.9	16.6	30.2	23.2	16.9	-0.5	5.2	2.2	-4.6	-0.6
TOTAL ...	185.9	137.1	116.4	185.3	187.0	118.4	164.3	239.2	239.6	221.9	259.3	310.2	299.0	234.7	251.4	289.6	335.3	280.8

(a) Up to September 1968, the figures are taken from the Digest of Statistics and represent nominal values.

(b) Up to September 1968, figures for the Post Office Savings Bank are taken from the Digest of Statistics and represent nominal values. The external assets of the Post Office Savings Bank were surrendered to the Bank of Mauritius in August 1969. Figures for statutory bodies up to 1968 are estimates. The statutory bodies include the Development Bank of Mauritius, the Cyclone and Drought Insurance Board and the Sugar Industry Labour Welfare Fund ; as from June 1970 the Central Electricity Board is also included.

(c) Foreign notes and coins are included from March 1969 only.

Table 6 : Money Supply

(Rs. million)

END OF PERIOD	Currency with Public*	DEMAND DEPOSITS			Total Money Supply (1) + (2)
		Bank of Mauritius**	Commercial Banks	Total (2)	
	(1)				
1966 — March	82.6	—	74.6	74.6	157.2
June... ..	78.9	—	60.6	60.6	139.5
September	85.9	—	74.8	74.8	160.7
December	93.0	—	126.9	126.9	219.9
1967 — March	85.2	—	98.9	98.9	184.1
June... ..	83.2	—	82.6	82.6	165.8
September	80.9	—	90.9	90.9	171.8
December	93.3	—	130.2	130.2	223.5
1968 — March	82.7	—	90.4	90.4	173.1
June... ..	77.2	—	86.6	86.6	163.8
September	82.8	0.1	99.3	99.4	182.2
December	89.1	0.1	102.1	102.2	191.3
1969 — March	82.7	0.1	105.3	105.4	188.1
June... ..	79.1	—	90.1	90.1	169.2
September	84.2	0.4	98.7	99.1	183.3
December	97.1	1.5	118.8	120.3	217.4
1970 — March	89.9	0.6	100.5	101.1	191.0
June... ..	86.3	0.2	104.1	104.3	190.6
September	93.2	0.8	110.4	111.2	204.4
December	104.7	1.1	123.8	124.9	229.6
1971 — March	96.6	4.2	112.4	116.6	213.2
June... ..	97.7	0.8	112.8	113.6	211.3
September	104.0	0.2	111.8	112.0	216.0
December	126.3	0.9	134.4	135.3	261.6
1972 — January	119.2	2.4	147.0	149.4	268.6
February	118.3	0.6	135.8	136.4	254.7
March	128.0	0.2	151.1	151.3	279.3
April	125.1	0.5	130.1	130.6	255.7
May... ..	119.8	1.2	129.7	130.9	250.7
June... ..	122.7	0.7	137.2	137.9	260.6

* Net of cash in hand of commercial banks.

** Miscellaneous private deposits.

Table 7. 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		Rs 200	Rs 10	Re 1	50c.	25c.	10c.	5c.	2c.	1c.	Total	
1967 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 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
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
September	23,914	44,240	11,395	15,398	94,947	679	—	—	3,384	711	1,055	304	373	207	142	6,176	101,802
December	27,683	49,210	12,933	17,641	107,467	665	—	—	3,607	764	1,145	323	388	211	144	6,582	114,714
1971 March ...	24,626	43,749	12,172	18,243	98,790	653	—	—	3,333	753	1,131	320	384	212	145	6,278	105,721
June ...	23,148	42,855	12,038	19,965	98,006	639	—	—	3,347	760	1,118	318	381	213	146	6,283	104,928
September	24,708	46,238	12,528	21,967	105,441	631	—	—	3,634	826	1,153	327	387	214	147	6,688	112,760
December	30,809	57,509	15,365	24,679	128,362	626	42	28	3,746	880	1,293	346	404	214	151	7,104	136,092
1972 January	27,620	53,661	15,931	25,020	122,232	625	46	29	3,764	888	1,297	346	407	214	151	7,142	129,999
February ...	27,356	51,719	16,506	25,387	120,968	623	51	30	3,761	951	1,303	347	414	214	152	7,223	128,814
March ...	28,741	56,877	18,208	26,781	130,607	621	52	31	3,918	904	1,262	358	416	217	152	7,310	138,538
April ...	27,209	53,803	17,524	26,953	125,489	621	54	31	4,035	923	1,270	363	417	218	153	7,464	133,574
May ...	26,534	52,105	17,317	27,212	123,168	617	56	31	4,137	973	1,279	366	419	219	153	7,633	131,418
June ...	26,530	51,446	17,514	27,614	123,104	615	56	31	4,135	1,030	1,285	370	420	220	155	7,702	131,421

* Includes demonetised coins : Rs. 204,000

Table 8. Principal Interest Rates in Mauritius

(per cent per annum)

	Sept 69 (last week)	Dec. 69 (last week)	March 70 (last week)	June 70 (last week)	September 70 (15.7.70)	June 72 (1)
I — LENDING						
Bank rate ...	8	7½ (23.10.69)	7 (10.3.70)	7	6 (1.7.70)	6
Effective						
Export finance — Bank of Mauritius						
Rediscout facilities		7 (27.10.69)	6½ (10.3.70)	6½	Sugar: 6 Others: 5½ (1.7.70)	Sugar: 6 Others: 5½
Effective						
Commercial banks						
(i) Prime rate (min.)†	8½	8	8	7½	7½	7 (6.1.72)
(ii) Fine commercial rate (min.)	9	8½	8½	8½	7½	7½
(iii) Commercial rate	9½	9	9	9	9	8½ (1.7.72)
(iv) Other accounts	10	9½	9½	9½	9½	9 (1.7.72)
(v) Export finance — Discount facilities		7½-8½	7½-7½	7½-7½	Sugar: 6½-6½ Others: 6½-6½	Sugar: 6½-6½ (6.1.72) Others: 6½
Mauritius Co-operative Central Bank (min.)	8	8	×	×	×	×
II — DEPOSITS						
Post Office Savings Bank	4	4	4	4	4	4
Commercial banks						
(i) Deposit accounts:						
3 months*	5½	5½	5	5	4½	4½
6 months*	5½	5½	5½	5½	4½	4½
12 months*	6½	6	5½	5½	5½	5½ ^a
Over 12 months	7-7½	6½-7½	6½-7½	6½-7½	5½-6½§	6 ^b
(ii) Savings accounts	4	4	4	4	4	4
Development Bank of Mauritius						
12-23 months	5½	5½	5½	5½	5½	5½
24-35 months	6	6	6	6	6	6
36 months	6½	6½	6½	6½	6½	6½
Mauritius Co-operative Central Bank						
(i) Deposit accounts:						
3 months	5½	5½	5	5	4½	4½
6 months	5½	5½	5½	5½	4½	4½
12 months	6½	6½	5½	5½	5½	5½ ^a
(ii) Savings accounts	4	4	4	4	4	4
III — MORTGAGES						
Up to Rs. 6,000 (max.)	11	11	11	11	11	11
Over Rs. 6,000 (max.)	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 ¼% interest.

§ Between 15 and 24 months.

(1) Between July 70 and September 71, there has been no change in interest rates; the dates from which subsequent changes have taken place are shown in brackets.

“ Between 12 and 17 months (Effective 28.10.71)

“ Between 18 and 24 months (Effective 28.10.71)

Table 9: Purpose-wise Classification of Loans and Advances and Bills Discounted

(Rs. million)

	March 1970	June 1970	September 1970	December 1970	March 1971	June 1971	September 1971	December 1971	March 1972	June 1972
Sugar industry	79.6 (41.8)	81.5 (39.7)	66.9 (35.9)	73.3 (37.6)	65.3 (33.6)	94.3 (40.0)	76.5 (34.0)	116.4 (41.4)	104.1 (38.4)	112.2 (36.6)
Other agricultural interests ...	2.8 (1.5)	2.2 (1.1)	3.0 (1.6)	3.2 (1.6)	3.3 (1.7)	4.0 (1.7)	5.3 (2.4)	7.2 (2.6)	11.0 (4.1)	7.4 (2.4)
Other industries & manufacturers ...	17.5 (9.2)	20.3 (9.9)	27.2 (14.6)	27.5 (14.1)	30.3 (15.6)	34.6 (14.7)	38.4 (17.1)	49.5 (17.6)	53.3 (19.7)	54.7 (17.8)
Traders	55.4 (29.1)	61.1 (29.8)	50.3 (27.0)	49.2 (25.3)	55.7 (28.7)	61.5 (26.1)	56.5 (25.1)	56.7 (20.2)	54.9 (20.3)	72.9 (23.8)
Personal & professional ...	17.7 (9.3)	17.8 (8.7)	17.7 (9.5)	20.7 (10.6)	19.4 (10.0)	21.0 (8.9)	25.0 (11.1)	23.2 (8.3)	22.6 (8.3)	25.6 (8.3)
Stockbrokers	0.1 (. .)	0.1 (. .)	. . (. .)	. . (. .)	. . (. .)	. . (. .)	. . (. .)	. . (. .)	. . (. .)	. . (. .)
Government (. .)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Public bodies	9.9 (5.2)	10.6 (5.2)	9.8 (5.3)	9.3 (4.8)	9.1 (4.7)	10.0 (4.2)	10.2 (4.5)	13.3 (4.7)	13.7 (5.1)	16.9 (5.5)
Financial institutions ...	0.9 (0.5)	0.7 (0.3)	1.0 (0.5)	0.8 (0.4)	0.9 (0.5)	0.8 (0.3)	1.0 (0.4)	1.2 (0.4)	1.0 (0.4)	1.9 (0.6)
Other customers	5.4 (2.8)	8.3 (4.0)	9.2 (5.0)	9.9 (5.1)	8.4 (4.3)	8.7 (3.7)	10.8 (4.8)	11.9 (4.2)	8.8 (3.2)	13.2 (4.3)
Foreign bills	1.0 (0.6)	2.7 (1.3)	1.1 (0.6)	0.9 (0.5)	1.7 (0.9)	1.0 (0.4)	1.3 (0.6)	1.6 (0.6)	1.3 (0.5)	2.1 (0.7)
TOTAL	190.3 (100.0)	205.3 (100.0)	186.2 (100.0)	194.8 (100.0)	194.1 (100.0)	235.9 (100.0)	225.0 (100.0)	281.0 (100.0)	270.7 (100.0)	306.9 (100.0)

Figures in brackets are percentages to the total.

Table 10(a) — Ownership of Time Deposits

(Rs. '000)

Category of Owner				March 69	March 70	March 71	March 72
1.	Sugar	...	...	4,462 (8.6)	5,813 (7.9)	9,916 (10.2)	7,958 (6.5)
2.	Other Agriculture	...	...	75 (0.1)	379 (0.5)	433 (0.4)	366 (0.3)
3.	Industry and Manufacturing	...	...	1,260 (2.4)	2,090 (2.8)	2,696 (2.8)	1,527 (1.3)
4.	Public Utilities	...	...	1,354 (2.6)	2,318 (3.2)	4,262 (4.4)	6,151 (5.0)
5.	Business and Trade	...	...	573 (1.1)	476 (0.6)	1,188 (1.2)	375 (0.3)
6.	Financial Institutions	...	...	13,319 (25.6)	8,689 (11.8)	11,701 (12.0)	19,811 (16.3)
7.	Government *	...	...	19,098 (36.7)	27,927 (38.0)	31,725 (32.6)	34,913 (28.6)
8.	Professional and Personal	...	...	11,964 (22.9)	25,857 (35.2)	35,454 (36.4)	50,841 (41.7)
TOTAL				52,105	73,549	97,375	121,942

Table 10 (b) — Ownership of Savings Deposits

(Rs. '000)

Category of Owner				March 69	March 70	March 71	March 72
1.	Personal	...	...	44,559 (95.6)	51,396 (93.7)	66,585 (93.9)	92,602 (94.8)
2.	Professional	...	...	659 (1.4)	653 (1.2)	629 (0.9)	890 (0.9)
3.	Other	...	...	1,409 (3.0)	2,817 (5.1)	3,677 (5.2)	4,207 (4.3)
TOTAL				46,627	54,866	70,891	97,699

Figures in brackets are percentages to the total.

* Includes local authorities and semi-government bodies.

Table 11. Bank of Mauritius : Monthly 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
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	1.2	4.2	1.0	3	5
	July	...	...	...	5.2	..	1.3	—	17.9	2.1	6	10
	August	...	...	...	..	1.8	0.4	—	5.3	6.6	8	14
	September	...	...	...	2.8	—	6.1	—	2.2	—	—	—
	October	...	...	...	..	2.6	3.6	4.5	7.4	12.3	13	26
	November	...	...	...	10.7	—	3.8	—	—	0.6	1	1
	December	...	...	...	5.1	2.1	—	—	—	—	—	—
1971	January	...	...	...	1.3	4.5	0.5	1.6	—	9.2	11	13
	February	...	...	...	3.7	—	7.1	8.4	0.1	6.5	11	11
	March	...	...	...	..	2.9	9.3	8.7	0.5	4.2	12	10
	April	...	...	...	1.4	1.7	0.3	2.5	5.7	66.8	25	29
	May	...	...	...	2.4	..	0.6	0.2	3.5	73.6	19	31
	June	...	...	...	3.1	1.8	0.2	—	1.9	84.2	23	30
	July	...	...	...	0.3	—	2.1	—	2.6	90.3	23	31
	August	...	...	...	..	..	3.3	1.4	5.9	239.3	26	31
	September	...	...	...	0.6	0.3	13.1	0.3	7.4	43.4	16	30
	October	...	...	...	0.4	5.6	0.6	9.2	—	153.9	25	31
	November	...	...	...	1.0	9.8	4.0	0.9	3.4	120.7	23	30
	December	...	...	...	13.0	—	15.1	10.8	12.0	69.0	12	29
1972	January	...	...	...	7.5	12.7	12.6	1.8	10.0	54.1	15	25
	February	...	...	...	7.0	.5	12.1	5.5	..	30.0	12	15
	March	...	...	...	..	—	12.0	2.4	0.8	86.8	16	20
	April	...	...	...	—	—	9.7	7.1	0.8	33.8	15	15
	May	...	...	...	—	—	13.3	3.4	0.4	12.1	10	17
	June	...	...	...	2.1	2.1	4.3	7.9	3.1	170.0	23	27

Table 12. 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
July	72,538	96,112	27	2,687	3,560
August	59,002	87,674	26	2,269	3,372
September	64,313	116,062	26	2,474	4,464
October	70,772	116,178	26	2,722	4,468
November	62,566	97,906	25	2,503	3,916
December	76,826	148,140	25	3,073	5,926
1971 January	61,821	93,101	23	2,688	4,048
February	60,471	93,901	21	2,880	4,471
March	72,267	111,965	26	2,780	4,306
April	72,787	108,463	26	2,800	4,172
May	67,816	91,022	25	2,713	3,641
June	67,606	111,903	26	2,600	4,304
July	80,732	111,032	27	2,990	4,112
August	68,373	104,172	26	2,630	4,007
September	71,551	136,064	26	2,752	5,233
October	74,409	123,734	25	2,976	4,949
November	74,243	112,718	24	3,093	4,697
December	86,181	142,569	26	3,315	5,483
1972 January	72,355	128,945	23	3,146	5,606
February	70,926	117,328	24	2,955	4,889
March	75,440	156,630	24	3,143	6,526
April	79,882	123,332	25	3,195	4,933
May	80,569	123,304	26	3,099	4,742
June	84,316	135,094	26	3,243	5,196

Table 13. Transactions in Treasury Bills

<i>Date of Issue</i>			<i>Amount offered</i>	<i>Amount applied for</i>	<i>Excess applied for, over amount offered</i>	<i>Amount allotted</i>	<i>Lowest price at which tenders were accepted</i>	<i>Amount allotted at lowest price as percentage of total amount allotted</i>	<i>Average rate of discount on allotment per cent per annum</i>
			<i>Rs. mn.</i>	<i>Rs. mn.</i>	<i>Rs. mn.</i>	<i>Rs. mn.</i>	<i>Rs.</i>		
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
	29th July	...	5.0	5.7	0.7	5.0	98.58	90.0	5.749
	28th August	...	5.0	6.5	1.5	5.0	98.58	70.0	5.815
	28th September	...	3.0	4.8	1.8	3.0	98.56	40.0	5.761
	28th October	...	3.0	5.0	2.0	3.0	98.56	32.5	5.728
	27th November	...	5.0	9.5	4.5	5.0	98.56	10.0	5.708
	28th December	...	5.0	12.3	7.3	5.0	98.59	14.0	5.676
1971	28th January	...	5.0	6.1	1.1	5.0	98.56	78.5	5.891
	26th February	...	5.0	9.6	4.6	5.0	98.57	13.0	5.717
	29th March	...	5.0	5.0	—	5.0	98.57	100.0	5.819
	28th April	...	5.0	9.5	4.5	5.0	98.57	11.0	5.748
	28th May	...	5.0	5.3	0.3	5.0	98.57	100.0	5.819
	28th June	...	5.0	6.0	1.0	5.0	98.57	80.0	5.802
	28th July	...	7.0	10.6	3.6	7.0	98.57	48.6	5.654
	27th August	...	7.0	7.3	0.3	7.0	98.57	100.0	5.819
	27th September	...	7.0	8.0	1.0	7.0	98.64	100.0	5.530
	27th October	...	7.0	8.3	1.3	7.0	98.64	81.4	5.515
	26th November	...	7.0	7.1	0.1	7.0	98.64	98.6	5.529
	27th December	...	7.0	81.	1.1	7.0	98.64	85.0	5.524
1972	26th January	...	7.0	7.0	—	7.0	98.64	100.0	5.530
	25th February	...	7.0	9.1	2.1	7.0	98.64	70.7	5.508
	27th March	...	7.0	7.4	0.4	7.0	98.64	97.1	5.527
	24th April	...	7.0	7.5	0.5	7.0	98.74	100.0	5.118
	24th May	...	7.0	9.0	2.0	7.0	98.77	78.6	4.995

Table 14. Government Finances : Recurrent Budget

(Rs. million)

	1970/71 <i>Actual</i>	1971/72 <i>Estimates</i>	1971/72 <i>Revised Estimates</i>	1971/72 <i>Actual</i>	1972/73 <i>Estimates</i>
Revenue :					
Direct Taxes ...	63.5	61.1	67.9	74.2	72.7
Income Tax ...	(52.2)	(50.0)	(54.2)	(56.6)	(58.5)
Succession Duties ...	(1.4)	(1.4)	(2.2)	(2.6)	(2.0)
Contribution to Social Security ...	(1.8)	(1.7)	(1.7)	(1.8)	(1.7)
Other ...	(8.1)	(8.0)	(9.8)	(13.2)	(10.5)
Indirect Taxes ...	142.4	146.8	151.8	161.9	178.1
of which: Import duties ...	(73.8)	(76.5)	(82.5)	(86.6)	(87.0)
Export duties ...	(18.7)	(20.5)	(18.6)	(19.6)	(25.0)
Excise duties ...	(32.6)	(32.0)	(33.1)	(37.6)	(48.1)
Other ...	(17.3)	(17.8)	(17.6)	(18.1)	(18.0)
Receipt from public utilities ...	22.6	24.6	24.1	24.6	26.3
Receipt from public services ...	9.2	8.8	8.6	9.1	9.0
Rental of public property ...	2.0	1.9	2.0	2.3	2.0
Other ...	20.0	19.5	20.1	22.0	22.6
TOTAL ...	259.7	262.7	274.5	294.1	310.7
Expenditures :					
General administration ...	55.7	53.7	58.2	56.0	66.3
of which: Defence and Police ...	(14.9)	(15.9)	(17.4)	(17.2)	(20.4)
Economic Services ...	39.7	41.9	43.7	41.5	47.7
Agriculture, forestry and fisheries ...	(8.3)	(8.9)	(9.1)	(8.6)	(9.5)
Transport ...	(4.3)	(4.3)	(5.1)	(4.3)	(5.9)
Post and Telecommunications ...	(6.3)	(7.5)	(7.1)	(8.1)	(7.7)
Other ...	(20.8)	(21.2)	(21.4)	(20.5)	(24.6)
Social expenditure ...	95.3	103.4	106.2	108.4	120.5
Education ...	(35.7)	(39.6)	(41.5)	(40.9)	(47.7)
Health ...	(27.0)	(31.2)	(31.4)	(30.6)	(37.0)
Social Security ...	(30.0)	(30.0)	(30.7)	(34.5)	(32.8)
Relief works ...	(2.6)	(2.6)	(2.6)	(2.4)	(3.0)
Subsidies to rice & flour ...	—	—	—	—	—
Public debt & pensions ...	51.3	51.2	54.0	53.6	62.9
of which: Public debt service ...	(35.2)	(33.8)	(35.6)	(35.5)	(42.6)
Local governments ...	8.5	8.5	9.2	8.7	9.2
Transfer to Capital Budget ...	4.0	4.0	4.0	15.0	4.0
TOTAL ...	254.5	262.7	274.3	283.2	310.6
Surplus or deficit ...	+ 5.2	—	+ 0.2	+10.9	+ 0.1

Table 15 : Government Finances : Capital Budget

	1970-71 <i>Actual</i>	1971-72 <i>Estimates</i>	1972-73 <i>Estimates</i>
RECEIPTS			
Revenues	1.0	0.6	0.8
Other domestic revenues	63.8	74.0	84.0
Current Budget	(4.0)	(4.0)	(4.0)
Borrowing	(59.9)	(70.0)	(80.0)
External receipts	21.2	64.1	60.6
U.K. Grants	(9.5)	(2.8)	(0.3)
Other Grants	(—)	(3.7)	(4.4)
U.K. Loans	(11.7)	(27.8)	(29.9)
World Bank Group Loans	(—)	(16.9)	(19.0)
Other Loans	(—)	(13.0)	(7.0)
Special Drawing Rights	13.1	0.2	13.0
TOTAL	99.1	138.9	158.4
EXPENDITURE			
Economic Services	36.0	85.1	106.6
Agriculture, forestry & industry	(14.1)	(11.3)	(14.9)
Transport & infrastructure	(17.9)	(51.7)	(51.9)
Other	(4.0)	(22.1)	(39.8)
Social Services... ..	5.4	19.2	30.6
Education	(3.1)	(4.5)	(10.6)
Health and Welfare	(2.0)	(6.6)	(11.3)
Housing	(0.3)	(8.1)	(8.7)
Central Administration and Local Governments and other	43.0	47.8	62.4
TOTAL	84.4	152.1	199.6
Surplus or deficit (—)	14.7	— 13.2	— 41.2

Table 16 : Employment by Major Industrial Groups

INDUSTRIAL GROUP	Total Number of Persons employed on last Thursday of				
	September 1969	March 1970	September 1970	March 1971	September 1971
Agriculture and Fishing	58,704	53,810	60,561	55,447	59,750
Sugar	(54,546)	(48,127)	(55,530)	(48,468)	(54,758)
Tea	(2,945)	(4,425)	(3,643)	(5,311)	(3,245)
Other	(1,213)	(1,258)	(1,388)	(1,688)	(1,747)
Mining and quarrying	144	154	160	154	165
Manufacturing	7,967	8,057	8,336	9,138	9,871
Construction	2,199	1,779	2,004	2,058	2,226
Electricity	1,276	1,288	1,294	1,283	1,293
Commerce	4,072	4,072	4,103	4,327	4,513
Transport, Storage and Communications	5,613	5,430	5,242	4,930	5,951
Services :	33,491	34,642	34,022	35,823	36,336
Government : (a) Central	(26,316)	(27,139)	(26,149)	(27,557)	(27,523)
(b) Local	(3,033)	(3,129)	(3,187)	(3,139)	(3,243)
Other	(4,142)	(4,374)	(4,686)	(5,127)	(5,570)
TOTAL	113,466	109,254	115,822	113,205	120,105

* Figures pertain to establishments employing 10 or more persons.

Source : Central Statistical Office.

Table 17 : Indicators of Unemployment

<i>MONTH</i>				<i>REGISTERED UNEMPLOYED*</i>					<i>RELIEF/DEVELOPMENT WORKERS**</i>				
				1968	1969	1970	1971	1972	1968	1969	1970	1971	1972
January	...	...	...	9,956	13,082	17,113	27,810	33,776	18,179	15,727	14,505	17,743	14,222
February	...	...	...	9,888	14,606	17,328	27,770	34,718	18,156	15,650	14,611	17,716	12,890
March	...	...	...	9,954	14,846	18,519	30,354	34,589	18,294	15,389	14,427	17,672	12,749
April	...	...	...	9,974	15,293	20,656	30,030	39,133	18,082	15,338	14,526	17,520	12,636
May	...	...	...	8,710	15,297	21,584	29,696	39,328	17,961	15,415	14,955	17,451	12,612
June	...	...	...	7,833	15,351	21,838	31,277	39,273	17,463	15,210	15,807	17,510	12,592
July	...	...	...	7,931	14,432	22,189	34,502		15,669	14,793	15,396	17,355	
August	...	...	...	7,472	13,041	19,986	32,034		14,818	13,847	16,118	16,998	
September	...	...	...	8,127	13,274	19,754	31,882		14,777	13,674	16,094	16,879	
October	...	...	...	8,447	13,154	22,418	31,083		14,212	13,534	17,296	16,747	
November	...	...	...	10,023	14,238	25,197	30,838		14,732	13,706	17,515	16,596	
December	...	...	...	10,698	14,794	25,328	30,632		15,658	14,450	17,768	14,207	
Average	...	...	...	9,084	14,284	20,992	30,659	36,802	16,500	14,727	15,751	17,032	12,950

* These figures exclude persons already in employment but seeking a change in job.

** Including gangmen, supervisors, pay clerks, etc.

Source : Central Statistical Office.

Table 18 : Consumer Price Indices

Base : January - June 1962 = 100

Month					RURAL				URBAN				WHOLE ISLAND			
					1969	1970	1971	1972	1969	1970	1971	1972	1969	1970	1971	1972
January	...	...	...	...	116.4	120.3	117.8	122.7	114.3	117.5	116.8	122.8	115.5	119.1	117.4	122.8
February	.....	...	...	...	117.7	121.1	120.6	123.9	115.7	118.2	118.9	124.3	116.8	119.9	119.9	124.1
March	...	...	...	...	118.1	122.7	120.0	124.1	116.2	119.7	118.5	124.4	117.3	121.4	119.3	124.2
April	...	...	...	...	117.4	121.5	118.8	124.8	115.2	119.8	117.3	125.2	116.5	120.8	118.1	125.0
May	...	...	...	...	118.2	120.9	118.7	124.0	115.9	119.2	117.3	124.4	117.2	120.2	118.1	124.2
June	...	...	...	...	116.8	118.6	119.0	124.0	114.8	117.3	117.6	124.6	115.9	118.0	118.4	124.3
July...	...	...	...	...	116.4	117.3	119.2		114.4	116.1	118.3		115.5	116.8	118.8	
August	...	...	...	...	117.0	116.8	119.6		115.1	115.7	118.5		116.2	116.3	119.1	
September	...	...	...	...	117.0	119.1	119.6		115.0	118.2	118.7		116.1	118.7	119.2	
October	...	...	...	...	117.6	118.1	118.9		115.5	117.3	118.5		116.7	117.8	118.8	
November	...	...	...	...	119.8	117.4	119.6		117.5	116.5	119.0		118.8	117.0	119.3	
December	...	...	...	...	119.4	116.9	120.6		117.1	116.0	120.6		118.4	116.5	120.6	
Average	...	...	...	...	117.6	119.2	119.4	123.9	115.6	117.6	118.3	124.3	116.7	118.5	118.9	124.1
Percentage Change (Yearly)	...	...	...	...	+ 2.3	+ 1.4	+ 0.2	+ 3.8*	+ 2.3	+ 1.7	+ 0.6	+ 5.1*	+ 2.3	+ 1.5	+ 0.3	+ 4.4*

* Half-year.

Table 19. 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	580,343	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
1970	576,204	31,947	581,559	472.73
1971	621,087	33,382	568,362	522.64

* Local sales and exports (Net of all marketing expenses, taxes and levies)

Source : The Mauritius Chamber of Agriculture.

Table 20. Imports and Exports : Major Commodity Groups

(Rs. million)

Imports					1966	1967	1968	1969	1970	1971
Food and live animals	...	...	...	...	109.6	118.5	135.5	132.6	124.3	121.6
Beverages and tobacco	...	...	...	...	4.9	4.8	5.7	5.3	5.2	6.1
Crude materials, inedible except fuels	...	...	...	...	5.4	7.1	7.8	5.6	10.3	11.6
Mineral fuels, lubricants, and related materials	...	...	...	...	15.4	25.4	35.8	31.7	29.7	29.7
Animal and vegetable oils and fats	...	...	...	...	17.7	18.3	18.5	12.5	21.0	28.9
Chemicals	...	...	...	...	45.6	42.6	49.0	43.0	47.6	49.7
Manufactured goods classified chiefly by material	...	...	...	...	70.2	78.5	77.6	72.4	95.3	104.1
Machinery and transport equipment	...	...	...	...	36.9	43.7	56.5	44.7	55.7	77.5
Miscellaneous manufactured articles	...	...	...	...	27.4	32.1	34.6	27.9	30.5	32.1
Commodities and transactions not classified according to kind	...	...	...	...	0.1	0.1	0.1	0.2	0.2	0.3
TOTAL					333.2	371.1	421.1	376.0	419.9	461.6
Exports										
Sugar	...	...	...	...	306.4	281.3	320.7	326.0	340.1	313.3
Molasses	...	...	...	...	11.5	8.5	11.9	10.0	10.6	8.3
Tea	...	...	...	...	6.5	8.4	9.6	14.7	14.1	17.0
Other	...	...	...	...	4.2	2.4	4.1	7.5	11.5	16.0
Re-exports	...	...	...	...	9.0	6.2	7.7	7.0	8.2	6.0
TOTAL					337.6	306.8	354.0	365.2	384.5	360.6

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

Table 21. Imports — Main Sources of Supply

(Rs. million)

	1966	1967	1968	1969	1970	1971
United Kingdom ...	79.1	77.8	99.6	74.4	88.0	100.5
Australia ...	23.9	28.0	25.7	27.1	30.4	30.2
Burma ...	23.1	27.0	42.3	7.7	23.1	17.3
China (Mainland) ...	5.3	7.0	6.7	6.8	8.4	8.4
Federal Republic of Germany ...	19.7	25.9	27.9	17.1	20.5	22.3
France ...	20.2	20.3	23.8	24.8	29.5	32.6
Hong Kong ...	8.8	10.4	8.7	8.8	10.2	9.9
India... ...	9.9	9.4	11.5	10.2	12.8	12.9
Iran ...	11.4	17.8	12.6	19.9	14.9	22.4
Italy ...	11.0	7.3	7.9	6.7	4.4	6.3
Japan ...	14.2	16.8	14.3	14.6	21.8	30.5
Kenya... ...	9.6	11.6	12.1	11.1	14.6	12.4
Malaysia ...	2.5	3.4	2.8	2.5	2.7	4.2
Netherlands ...	5.6	7.5	6.1	3.9	5.4	7.2
New Zealand ...	0.7	0.7	2.7	2.7	5.6	5.9
Republic of South Africa ...	27.3	30.6	31.4	31.3	37.8	36.4
Singapore ...	4.3	4.1	4.4	4.5	6.3	8.6
Thailand ...	14.3	16.1	10.7	43.8	12.8	12.9
United States of America ...	7.5	7.3	8.8	6.0	23.9	31.8
Other ...	34.8	42.1	61.1	52.2	46.8	48.9
TOTAL ...	333.2	371.1	421.1	376.1	419.9	461.6

Table 22. Exports — Principal Countries of Destination

(Rs. million)

	1966	1967	1968	1969	1970	1971
United Kingdom ...	275.7	271.4	272.2	260.5	260.3	198.3
Canada ...	30.9	9.5	44.1	63.2	77.6	101.1
United States of America ...	16.4	15.8	21.6	18.4	21.1	21.8
Republic of South Africa ...	1.3	3.4	6.9	9.6	12.1	15.8
Malagasy Republic ...	1.1	1.7	1.9	2.5	2.6	2.5
Réunion ...	2.9	1.3	2.5	3.3	3.9	5.0
Australia ...	0.2	0.3	0.6	0.9	0.8	0.5
Other ...	9.1	3.4	4.2	6.8	6.1	15.6
TOTAL ...	337.6	306.8	354.0	365.2	384.5	360.6

Table 23 : Tourist Arrivals : Area-wise classification
1965 - 1971

	1965	1966	1967	1968	1969	1970	1971
EUROPE	1,505	1,804	2,314	2,637	2,809	4,319	6,820
of which : France	668	816	888	922	767	1,437	2,540
U. K.	576	618	1,056	1,261	1,524	1,740	2,252
Germany Fed. Rep. of	82	98	88	106	124	481	824
Italy	63	74	69	98	146	190	428
Switzerland	35	56	78	74	77	110	159
AFRICA	7,780	10,259	10,626	10,404	15,058	19,784	25,289
of which : Reunion	4,737	6,738	6,242	6,094	8,905	11,405	15,161
South Africa	656	770	1,209	1,555	2,680	3,637	4,939
Malagasy Rep.	1,392	1,648	1,598	1,512	2,050	1,985	2,287
Zambia	112	142	218	154	332	1,314	1,224
Kenya	302	299	552	579	574	681	634
ASIA	205	284	487	721	579	863	1,070
of which : India	79	70	257	421	272	479	554
Japan	24	48	53	72	86	83	105
Hong Kong	31	56	62	55	70	51	115
AMERICA	181	220	437	559	612	765	978
of which : U. S. A.	145	184	377	464	506	646	778
Canada	20	21	33	69	57	90	145
OCEANIA	366	426	946	1,224	1,495	1,908	2,233
of which : Australia	287	331	771	999	1,162	1,571	1,700
New Zealand... ..	59	69	101	190	224	254	374
OTHER COUNTRIES	21	47	4	8	34	11	8
GRAND TOTAL	10,058	13,040	14,814	15,553	20,587	27,650	36,398

SOURCE : Central Statistical Office.

Table 24. Balance of Payments

(Rs. million)

Item	1967		1968 r		1969 r		1970		1971	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
A. GOODS AND SERVICES ...	388	454	466	495	491	462	548	527	542	597
1. Merchandise ...	306	325	359	359	367	328	388	360	362	410
2. Non-monetary gold ...	—	1	—	1	—	..	—	..	—	1
3. Freight and insurance on merchandise ...	1	48	9	51	7	46	14	54	26	61
4. Other transportation ...	27	21	39	25	48	35	56	59	56	63
5. Travel ...	14	23	14	21	18	18	27	20	39	23
6. Investment income ...	10	16	11	16	14	14	17	12	19	14
<i>on direct investment</i> ...	2	7	2	6	2	4	3	3	3	7
<i>Other</i> ...	8	9	9	10	12	10	14	9	16	7
7. Other government ...	15	6	15	5	14	5	17	7	18	7
8. Other private ...	15	14	19	17	23	16	29	15	22	18
B. UNREQUITED TRANSFERS ...	20	14	39	15	25	10	31	10	36	11
9. Private ...	5	12	6	11	8	6	13	6	15	6
10. Government ...	15	2	33	4	17	4	18	4	21	5
NET TOTAL OF GOODS, SERVICES, AND TRANSFERS	—	60	—	5	44	—	42	—	—	30
C. CAPITAL (EXCLUDING RESERVES AND RELATED ITEMS) ...	49	—	12	—	16	—	29	—	27	—
NON-MONETARY SECTORS ...	14	—	15	—	39	—	8	—	4	—
11, 12. Direct Investment and other private long-term ...	—	4	—	3	10	—	5	—	5	—
<i>Direct investment liabilities</i> ...	—	2	—	—	6	—	9	—	8	—
<i>Other</i> ...	—	2	—	3	4	—	—	4	—	3
13. Other private short-term ...	1	—	—	—	5	—	—	1	4	—
14. Local government ...	—	—	—	—	—	—	—	—	—	—
15. Central government ...	17	—	18	—	24	—	4	—	—	5
<i>Loans received</i> ...	11	2	56	37	5	8	11	11	12	24
<i>Other Liabilities</i> ...	—	—	13	—	—	—	—	—	—	—
<i>Assets</i> ...	8	—	—	14	27	—	4	—	7	—
MONETARY SECTORS ...	35	—	3	—	23	21	—	23	—	—
16. Private institutions ...	17	—	17	—	18	21	—	23	—	—
<i>Liabilities</i> ...	13	—	3	—	11	6	—	6	—	—
<i>Assets</i> ...	4	—	14	—	7	15	—	17	—	—
17. Central institutions ...	18	—	—	20	—	5	—	—	—	—
D.18. ALLOCATION OF SDRs ...	—	—	—	—	—	—	15	—	13	—
E. RESERVES AND RELATED ITEMS ...	31	—	—	17	—	61	—	94	—	9
19. Liabilities ...	—	—	—	—	20	—	—	20	—	—
<i>Use of Fund credit</i> ...	—	—	—	—	20	—	—	20	—	—
<i>Other</i> ...	—	—	—	—	—	—	—	—	—	—
20. Assets ...	31	—	—	17	—	81	—	74	—	9
<i>Monetary gold</i> ...	—	—	—	—	—	—	—	—	—	—
<i>SDRs</i> ...	—	—	—	—	—	—	—	15	—	13
<i>Reserve Position in the Fund</i> ...	—	—	—	2	2	—	—	10	—	4
<i>Foreign Exchange</i> ...	12	—	—	15	—	95	—	49	9	—
<i>Other claims</i> ...	19	—	—	—	12	—	—	—	—	1
NET ERRORS AND OMISSIONS	—	20	10	—	1	—	8	—	—	1

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as at 30th June, 1972

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