

BANK OF MAURITIUS

ANNUAL REPORT

For the year ended June 1975.

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C O N T E N T S

	Page
1. Letter of Transmittal	5
2. Part I — Review of the Economy	7
Appendices I and II	50-52
3. Part II — Operations of the Bank	53
4. Auditors' Report	57
5. Balance Sheet & Profit and Loss Account	58-59
6. Statistical Tables	60
7. Board of Directors	90
8. Management and Bank Officials	91

LETTER OF TRANSMITTAL

BANK OF MAURITIUS

P. O. BOX NO. 29

PORT LOUIS

MAURITIUS.

17th April 1976.

*The Honourable Sir Veerasamy Ringadoo, Kt., M.L.A.,
Minister of Finance,
Government House,
Port Louis.*

Sir,

I have the honour to forward herewith the eighth Annual Report of the Bank for the year ended the 30th June, 1975. The Report includes a copy of the Balance Sheet and of the Profit & Loss Account of the Bank and a Report on its operations in respect of the year 1974-75.

I have the honour to be,

Sir,

Your obedient Servant,

*G. Bunwaree
Governor*

Part I — REVIEW OF THE ECONOMY

C O N T E N T S

- I. Introduction
 - II. Agriculture
 - III. Industry
 - IV. Money and Banking
 - V. Monetary Policy
 - VI. Government Finance
 - VII. The Development Plan
 - VIII. External Trade and Balance of Payments
 - IX. Prices, Wages and Employment
 - X. The Lomé Convention
 - XI. World Economy
 - XII. Reform of the International Monetary System
 - XIII. Conclusion and Perspective
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PART I REVIEW OF THE ECONOMY

INTRODUCTION

The year 1974 was an exceptionally good one for Mauritius. The growth rate of the economy at constant* prices was 7 per cent in 1971, 9.9 per cent in 1972 and 12.2 per cent in 1973. The growth rate in 1974 is expected to be higher than in 1973. The gross national product at current prices which stood at Rs 1,666 million in 1973 jumped to Rs 2,850 million in 1974. This remarkable achievement was due to the high sugar production of 696,786 metric tons (which was only slightly below the peak of 718,464 metric tons registered in 1973) and to the unprecedented rise in the world sugar prices to an average of Rs 4,063 per long ton, as compared with the average of Rs 1,324 per long ton in 1973. As a result, the balance of payments for 1974, which earlier was expected to show a moderate deficit, turned around sharply and showed a record surplus of Rs 375 million, despite the fact that the value of imports at Rs 1,756 million was almost twice the value of exports in 1973 at Rs 916 million.

The rate of inflation, as measured by the rise in the consumer price index, showed further deterioration, the increase in the index in 1974 being 29.1 per cent as compared with 13.5 per cent in 1973. However, much of this increase had taken place in the first six months of the year. Fortunately, the rise started decelerating thereafter and this salutary development is reflected in the fact that the index in June 1975 increased by only 10.4 per cent over the level twelve months earlier.

Another favourable development was that imports, which had risen by 44 per cent in 1973 and by almost 100 per cent in 1974, showed a moderate rise of 13.9 per cent in the first half of 1975. Judging from the rate of increase in the first half of 1975, it is likely that the increase in imports in 1975 will be around 20 per cent. The favourable turn in the economy, however, suffered a set-back as a result of cyclone *Gervaise* which passed over Mauritius on the 6th February, 1975. The cyclone did extensive damage to the sugar crop, and consequently the estimate of sugar production for the year has been revised from 700,000 metric tons to about 500,000 metric tons. Fortunately, the sugar price guaranteed by the United Kingdom in terms of the Lomé Convention for deliveries in 1975 would be £ 260 per metric ton, as against a lower price now prevailing in the free market. With the carry-over stock from the previous year's crop, the total exports for 1975 are now placed at around 550,000 metric tons and the export income from sugar would not suffer a serious set-back. The income from exports of industrial goods from the Export Processing Zone and from tourism, which has been rising, is expected to be affected to some extent because of recessionary developments abroad.

The first Four-Year Development Plan, which ended in June, 1975, has attained most of its objectives. In particular, the aim to create 50,000 jobs during the Plan period has been fulfilled. Encouraged by the success of the first Plan, the Government has embarked on a second Five-Year Development Plan of much larger dimensions. The number of new jobs to be created has been set at 80,000. It is basically an employment-oriented Plan. The experience gained in implementing the first Plan will greatly assist in attaining the objectives of the second Plan.

* At 1970 prices

MONEY SUPPLY AND GROSS NATIONAL PRODUCT

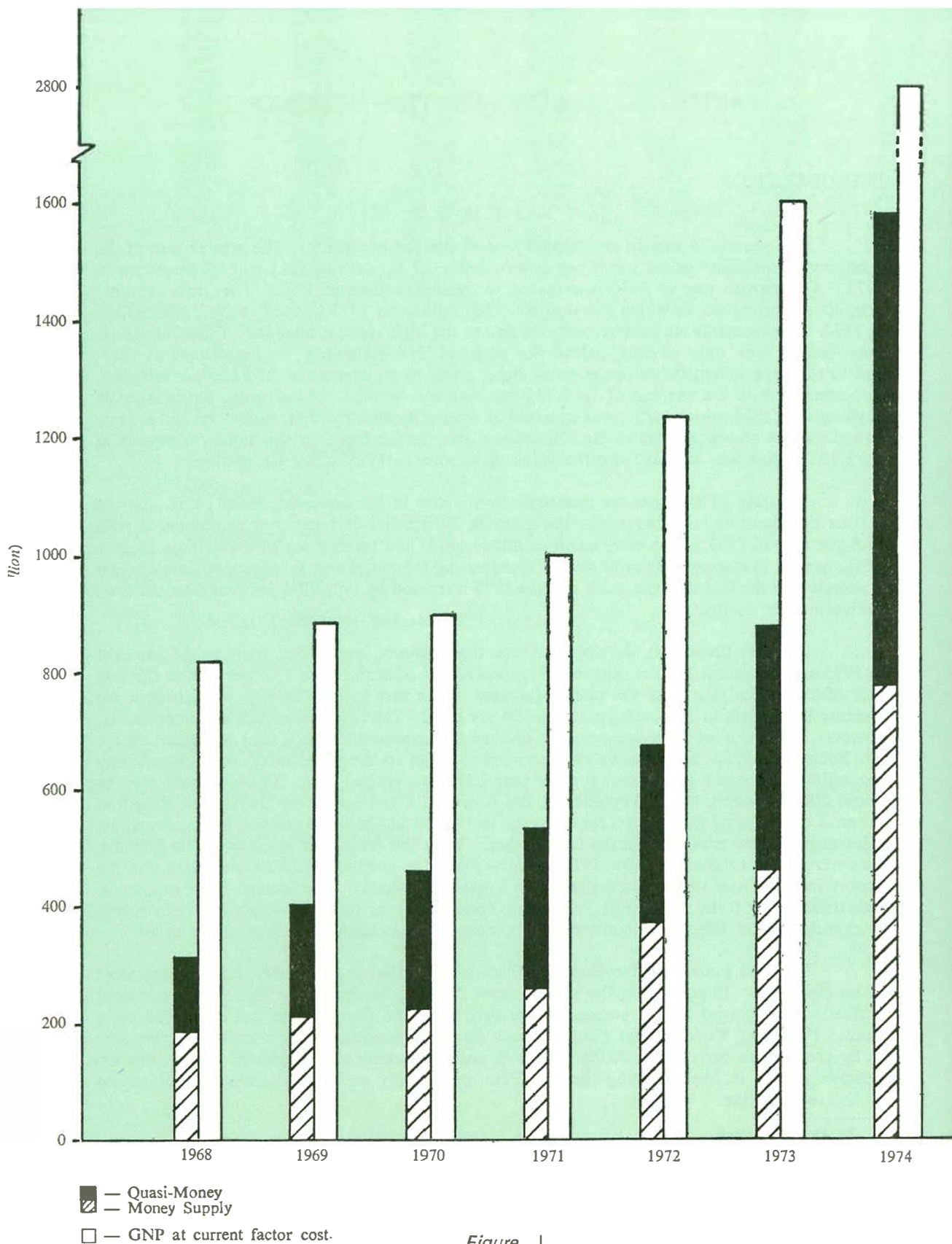


Figure 1

The unprecedented rise in world sugar prices which occurred in the latter half of 1974 led to an escalation of liquidity in the economy. The deposits with the commercial banks which stood at Rs 593 million in June, 1974, rose sharply to Rs 1,224 million in December, 1974. Money supply, which was at Rs 466.5 million in December, 1973, rose to Rs 783.7 million in December, 1974, but declined to Rs 685.7 million in June, 1975. The increase in total liquidity* in the economy from Rs 836.6 million in June, 1974, to Rs 1,585.7 million in December, 1974, tended to accentuate the demand pressures which were already pushing up prices. In those circumstances, the Bank implemented a scheme under which commercial banks could make special deposits at the central bank at varying rates of interest for varying periods. This also had the effect of providing commercial banks with an outlet for their surplus funds. This special deposit scheme was limited for a period of three months from January, 1975. The Bank also issued in December, 1974, Government Stocks of the amount of Rs 160 million. These were over-subscribed.

Credit to the private sector increased by 42 per cent in 1974 over the level in 1973, in spite of the restrained credit expansion measures already taken. In view of this, the Bank of Mauritius decided to strengthen further its monetary measures in January, 1975. The minimum cash balances ratio, which stood at 8 per cent in 1974, was raised to 12 per cent while the rediscount facilities offered by the Bank for sugar bills were withdrawn. The penal rate for borrowing from the Bank of Mauritius, which stood at twice the bank rate was maintained. Also, the monthly average of the commercial banks' credit to the private sector in 1975, excluding that given to the exempted categories, will be permitted to expand by 15 per cent over the permissible level prescribed for 1974.

It is expected that these measures will moderate the rate of expansion of credit despite the high liquidity of the banking system and help keep the economy on an even keel. In fact, the actual expansion of bank credit to the private sector up to June, 1975, has been below the ceiling by 9.1 per cent** as against 0.2 per cent in the comparable period of 1974.

However, the situation would call for constant vigilance to avoid a recrudescence of demand pressures. Encouraged by the favourable developments in recent months the Government has rationalized personal taxation which had been weighing too heavily on individual incomes and leading to evasion. Among other changes the highest marginal rate of tax has been reduced from 88 per cent to 75 per cent. Notwithstanding this, the buoyancy of revenues resulting from high export incomes is expected to generate in 1975-76 a current account surplus of Rs 18.2 million.

II. AGRICULTURE

The economy of Mauritius is based on agriculture. Of the total land area of 460,000 acres about half is utilized for the cultivation of field crops. Sugar cane covers 213,500 acres or about 90 per cent of the total land under cultivation. In recent years, the Government has been making efforts to diversify the production of crops. It has sponsored schemes for increasing the cultivation of tea but so far tea output has remained relatively small. Another area in which the Government is taking concerted steps is in the cultivation of food crops which at present occupy hardly one per cent of the cultivated land. All these efforts will take some time to bear fruit but even when that stage has been reached the production of sugar will continue to dominate the economy.

* Money supply and time and savings deposits of the private sector at commercial banks and at the Bank of Mauritius

** This relates to 7 banks

Sugar

The crucial role of sugar in the economy of Mauritius is indicated by the following three factors: the sugar industry accounts for about 30 per cent of the gross national product, it contributes about 86 per cent of the total export earnings and provides about 33 per cent of the total employment in the Island. Sugar industry therefore is the principal source of income to the population of the Island.

Performance in 1974

As was expected from the trends in 1973, the sugar industry did exceptionally well in 1974. The output of sugar was 696,786 metric tons, slightly lower than the record output of 718,464 tons of 1973. Cane yield per *arpent** at 31.5 tons was lower than the previous year's level of 32.5 tons. Sugar extraction, however, markedly improved reaching a level of 11.68 per cent as compared to 11.51 per cent in 1973. This improvement was due to favourable climatic conditions throughout the season. Sugar yield per arpent amounted to 3.68 tons as against the record figure of 3.75 tons in 1973.

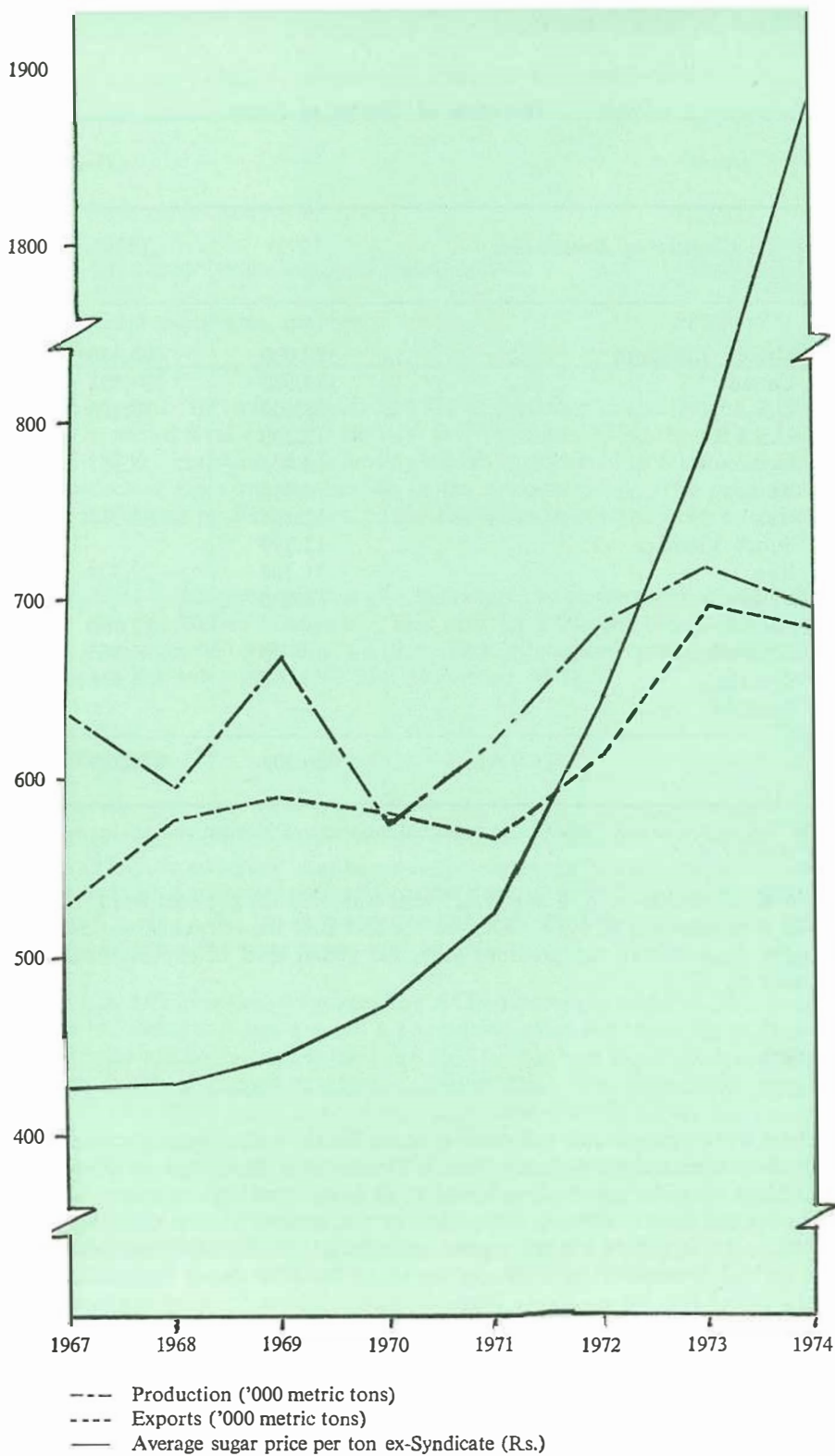
The entire sugar production in the country is delivered to the Mauritius Sugar Syndicate which is the sole agency for the marketing of sugar. The year 1974 marked the termination of the marketing arrangements for sugar exports under the Commonwealth Sugar Agreement. This Agreement provided markets for 55 per cent of the sugar output on a preferential basis. The negotiated price quota under the Agreement remained fixed at 380,000 tons**. In addition to this quota, Mauritius sold some of its sugar on the United Kingdom market at world prices. Some sugar was also exported to Canada, again with a preferential tariff. Finally, Mauritius enjoyed until last year an export quota of 25,000 tons in the United States. However, this quota was subject to revision whenever there were adjustments in the U.S. requirements. The quota was also subject to increase in the event of a shortfall. Thus the Mauritius quota in the U.S. included a provision for additional supplies on a first-come first-served basis. It may be recalled that the U.S. requirements of sugar were regulated by the United States Sugar Act of 1971. The Act expired on 31st December, 1974, and has not been renewed since.

The instability in the world sugar market which first appeared in 1973 persisted in 1974. The production did not keep pace with the growth in consumption. Supply problems cropped up mainly because of below average crop prospects in some European countries and also because some countries did not meet their obligations under the Commonwealth Sugar Agreement.

The cumulative effect of these factors was that world sugar values soared to new record levels. The average price on the London Terminal Market for the month of January, 1974, was £ 170.59 but it rose to £ 242.75 in June and further to £ 459.47 in December. The average for the year was £ 304.72 per ton as compared to £ 99.32 for 1973. Mauritius was free to export unlimited quantities on the free market at prices ruling at the time of exportation as the International Sugar Agreement became inoperative as from January, 1974. As the price of sugar increased considerably in the second half of the year, exports to the free market became remunerative : the total sugar exported to the free market in 1974 amounted to 233,989 tons and, at the ruling high prices, sugar export earnings more than doubled. Receipts from sugar exports which amounted to Rs 608 million in 1973 soared to Rs 1,538 million in 1974.

* 1 arpent = 1.043 acres.
Unless otherwise specified, "tons" refer to long tons.

SUGAR : PRODUCTION, EXPORTS AND PRICES



Total exports of sugar in respect of the 1974 export entitlements amounted to 674,529 tons as compared with a level of 686,603 tons during the previous year. The destination of exports is indicated in Table I below :

Table I. Direction of Export of Sugar

(Tons)

<i>Country of Destination</i>				1973*	1974*
United Kingdom	...	...	...	380,000	400,850
Canada	...	...	...	189,669	163,585
U.S.A.	...	...	...	38,600	39,420
U.S.S.R.	...	...	...	12,200	—
Indonesia	...	...	...	12,402	5,167
Yemen	...	...	...	4,781	—
Iran	...	...	...	12,364	25,667
South Vietnam	...	...	...	12,599	—
Iraq	...	...	...	11,368	22,304
Malaysia	...	...	...	12,600	—
Sudan	...	...	...	—	12,000
Seychelles	...	...	...	20	585
Somalia	...	...	...	—	4,921
Burundi	...	...	...	—	30
TOTAL				686,603	674,529

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

The level of exports in 1974 at 674,529 tons was only 1.8 per cent less than the record level of 686,603 tons achieved in 1973. Despite the fact that the output of sugar in 1974 was somewhat smaller than that in the previous year, the actual level of exports during the year was close to that in 1973.

Outlook for 1975

The year 1975 opened with a note of concern for the output of sugar during the year. A severe tropical cyclone, named *Gervaise*, passed directly over Mauritius on the 6th February and gusts exceeding 80 miles per hour affected most areas, the highest speed in some parts reaching 174 miles per hour. Considerable damage was caused to the standing sugar crop. The 1975 official crop forecast of 700,000 metric tons of sugar made at the beginning of January was therefore revised downward in February to about 500,000 metric tons. Unfortunately, another cyclone called *Ines*, of moderate intensity, passed about 50 miles south-west of Mauritius on 16th March and gusts of 70 miles per hour did some damage to cane plantations already affected by the February cyclone. In August, 1975, the earlier official forecast of 500,000 metric

tons, however, remained unchanged⁽¹⁾. On the basis of this estimate, the exportable supplies, are expected to be as follows :

Table II. Exportable Supplies of Sugar : 1975

	(Tons)
1974 crop (carry-over stock) ...	125,000
1975 crop (excluding local consumption) ...	455,000
Total exportable supplies ...	580,000

The outlook for sugar exports in 1975 is therefore not as bright as in the previous year. From a record level of £ 650 per ton in November, 1974, the price of sugar dropped to a low of £ 130 in June but in the following month it recovered to £ 190. In June the fluctuations were wide and more frequent unlike in the previous year. The price movements have been greatly influenced by the outlook of the European beet sugar crop and the Cuban sugar crop for 1975.

Mauritius is, however, assured of a guaranteed price for sugar shipped under an agreement signed with the United Kingdom. This price of £ 260 per ton (c.i.f.) will be applied to supplies not exceeding 500,000 tons, i.e. the quota guaranteed under the Lomé Convention, shipped between 1st July, 1975, and 31st December, 1975.

Long-Term Prospects

Over the past four years the performance of sugar has been consistently satisfactory and this has boosted the economy. Although sugar production is expected to decline substantially in 1975 it is estimated that sugar export earnings will not suffer any serious setback because of the U.K. guaranteed price for sugar shipped in 1975. Most of this year's output will be shipped to the U.K. under the agreement with the EEC and sales on the free market where the ruling price has been lower will be small.

The Lomé Convention⁽²⁾ between the ACP⁽³⁾ countries and the EEC is expected to be beneficial to Mauritius. It has assured a guaranteed price for sugar for at least the next five years. This price will be indexed to the price paid for the beet sugar produced within the Community which stands at present at about £ 160 per ton. The guaranteed price will apply to a maximum of 1.4 million metric tons of sugar imported annually by the EEC countries, though the refiners and the suppliers will be free to negotiate the actual price paid. Under a bilateral agreement operative until 31st December, 1975, the price agreed between the British government and the ACP countries has been set at £ 260 per ton for sugar shipped from the 1975 crop. Out of the 1.4 million metric tons of guaranteed quota, the share of Mauritius is 500,000 metric tons and for an indefinite period. The price guaranteed for the 1975 crop will also apply to 66,000 metric tons of sugar exported by Mauritius from its 1974 crop.

(1) The figure of production was finally estimated in November at 462,280 metric tons.

(2) For a detailed discussion of the Lomé Convention, see Section X pages 45-46.

(3) African, Caribbean and Pacific countries.

Tea

The Government has introduced various schemes to encourage the production and export of tea. Over the last four years, acreage under cultivation has increased from 9,543 arpents in 1971 to 11,468 in 1972, to 12,057 in 1973 and stood at 12,931 arpents in 1974.

Production in 1974 was affected by several factors, such as shortage of labour, strikes, seasonal variations and pruning cycles. It marginally declined from 4.1 million kilos in 1973 to 4.0 million kilos in 1974. Exports in 1974 at 3.0 million kilos were 0.5 million kilos lower than in 1973. However, as a result of the higher prices in 1974, the value of exports improved from Rs 18.9 million in 1973 to Rs 19.7 million in 1974. The Table below shows data on production and exports :

Table III. Area, Production and Exports of Tea

	1971	1972	1973	1974
Area ('000 arpents)...	9.5	11.5	12.1	12.9
Production (million kilos) ...	4.1	4.7	4.1	4.0
Exports (million kilos) ...	3.1	3.9	3.5	3.0
Value of Exports (Rs. million) ...	17.0	20.8	18.9	19.7

The direction of exports has changed considerably since 1966. The United Kingdom was the largest buyer of Mauritian tea until that year but South Africa has since emerged as the principal buyer. The South African market absorbed 87.3 per cent of tea exports in 1974 as compared to 68.3 per cent in 1973 while exports to the U.K. market decreased from 19.6 per cent in 1973 to 9.8 per cent in 1974. Ireland accounted for 0.9 per cent followed by Madagascar, Holland, and U.S.A. which together accounted for 1.4 per cent.

In June 1971, the International Development Association had made available a soft loan of U.S.\$ 5.2 million for the development of the tea industry in Mauritius. A Tea Development Authority was established for the purpose of implementing a project to plant some 5,600 arpents with tea and to construct two tea-processing factories. Considerable progress has been made in the execution of this project. About 3,000 arpents of land have already been developed for planting in tea since the Authority became operational in 1971 and some 2,000 arpents have already been planted. The Authority had a labour force of 4,400 workers at the end of April, 1975. The project has run into some difficulties largely because of labour unrest, inflation and the lack of suitable land and this has necessitated a revision of the target following the recommendations of a Study Group* appointed to examine the various problems facing the industry. It is now proposed to plant only 3,000 arpents with tea and to construct only one factory which is expected to be in operation in September, 1975.

World prices of tea have not been sufficiently remunerative considering the high cost of production. *The aim now is to increase the output of made tea from 4 million kilos in 1974 to about 7 million kilos through improved productivity of the existing plantations. Emphasis* will be laid on improved cultural practices and extensive research to improve the quality of made tea in the endeavour to increase its competitiveness in the world markets.

* See Annual Report 1974, page 15.

Food and Other Primary Sectors

Mauritius depends almost exclusively on imports for its food supplies. Of the total import bill of Rs 1,756 million in 1974 food imports alone accounted for Rs 500 million or about 28 per cent.

Rice and wheat are the staple food of the population and these are almost entirely imported. Accordingly, the import bill for food is primarily determined by the world prices of these commodities. Imports of rice and wheat flour in 1974 amounted to 87,740 and 50,380 metric tons. The total cost was of the order of Rs 312.6 million and accounted for about 18 per cent of the country's import bill. In order to reduce, to the extent possible, the country's dependence on imported food, efforts are being made to promote the cultivation of rice with the help of foreign experts. However, progress is slow: rice production in 1973 amounted to only 883 metric tons, it has remained almost unchanged in 1974, and this amount constitutes a negligible proportion of the total requirements.

Besides these staple food items, the Island also imports considerable quantities of vegetables and fruits. In 1974, the value of such imports was Rs 29.8 million.

The same pattern holds good in regard to the supplies of milk, meat and fish: in 1974, imports of dairy products were of the order of Rs 47.7 million. Imports of meat (including live animals) and of fish and fish products amounted to Rs 30.4 million and to Rs 28.4 million respectively. Here again efforts are being made to develop dairy production and mechanized fishing and activity in these fields will no doubt become more intense during the Second Plan period.

The increasingly tight condition for rice, wheat and other articles in the world market generated spiralling price rises in 1973 and 1974. In pursuance of its policy to increase food production, the Government appointed in February, 1974, a National Food Production Committee to consider and make recommendations on "the most practical and efficient means of rapidly increasing local food production and improving the marketing arrangements". The Committee concluded that Mauritius could become self-sufficient in food products but that concerted national effort was needed to attain self-sufficiency. To improve rice cultivation a team of Chinese experts is conducting experiments to determine the varieties best suited to local conditions. The Sugar Industry Research Institute proposes to experiment on the use of overhead irrigation in the cultivation of rice between can inter-rows. Besides, the Government is proposing to increase the price of paddy as an incentive for increasing rice production.

Experiments with the feeding of cattle with molasses, bagasse and derinded sugar cane are also in progress. The Ministry of Agriculture intends to set up two pilot milk production units based on the use of sugar cane and its by-products. Unused land in the tea areas will also be utilized for the production of sugar cane as cattle feed. Another step taken is to establish a Meat Authority to improve livestock and to ensure the supply to consumers of meat of high quality at fair prices. To increase the production of venison the Government intends to grant additional deer ranching leases. An attempt will also be made to develop the pig rearing industry on a large scale.

The Government has thus moved in many directions to ensure and improve the domestic supplies of food. The drive towards increasing self-sufficiency in food justifies its claim to high priority not only because of the substantial import-saving it would generate but also because of the labour-intensive nature of many of its activities.

III. INDUSTRY

The growth of light manufacturing industries is of recent origin. The new industries fall under two categories, namely those holding a 'Development Certificate' and those established in the 'Export Processing Zone'. Besides their import-substitution character and their ability to earn foreign exchange, these new industries help to generate employment for skilled and unskilled workers.

Since the early 1960's the Government has taken several steps to create a favourable climate for investment by providing a variety of incentives to industries which are granted a Development Certificate. These incentives have led to the establishment of many industries, and by the end of June, 107 industries holding a development certificate have gone into production. Development certificates have also been issued to 22 other companies. Among the industries which have been established are those which produce or process colour films, broilers, steel products, plastic goods and chemical fertilizers. Industries which are in the process of establishment include those which will produce amongst others metal products, ethyl alcohol, milk and milk products and bricks. It is encouraging that the number of development certificate companies is on the increase.

The Export Processing Zone (EPZ) was established in November, 1970, to encourage the growth of 'export' enterprises. The EPZ industries obtain infra-structural facilities at concessionary rates, exemption from payment of import duty on capital goods and raw materials and exemption from company taxation for a period of 10 to 20 years.

The growth of the Export Processing Zone has been on the whole beneficial to the country. At the end of June, 50 export companies had already gone into production. Another 31 companies have been issued with export certificates while the applications of 29 others have been approved. The Export Processing Zone companies manufacture a wide range of industrial products, such as electronic components, toys, textiles, knitted garments, leather products etc.

At the end of March, 47 of these export companies provided employment to 9,317 persons as against 30 companies which provided employment to 7,146 persons a year ago. Also, the industries likely to be set up in the EPZ in the near future are expected to provide employment to about 13,000 workers.

An interesting aspect of the growing manufacturing sector is its dispersion over the Island — a process which results in the creation of employment opportunities near to the sites of the factories and pockets of unemployment.

The foreign exchange earnings of the industries in the EPZ have grown rapidly. Their exports which hardly amounted to Rs 4 million in 1971 rose to Rs 12 million in 1972, Rs 46 million in 1973 and further to Rs 136 million in 1974. The target for 1975 is Rs 200 million. The contribution of the manufacturing sector to gross domestic product rose from Rs 141 million in 1970 to Rs 249 million in 1973.

IV. MONEY AND BANKING

Financial institutions play an important role in the economy of Mauritius. Also, the almost exclusive dependence on sugar and its proceeds which accrue mainly during the second half of the year, necessitate the smooth functioning of the credit system so as to meet the large seasonal fluctuations in incomes and expenditures. Financial intermediation has made significant progress in the recent years. The monetary and banking system of the country

consists of the central bank — The Bank of Mauritius — and ten commercial banks*. Other financial institutions include the Development Bank of Mauritius, the Mauritius Housing Corporation and the Post Office Savings Bank. The State Insurance Corporation of Mauritius established under Act. 58 of 1974 with the objective of providing insurance cover for Government and para-statal bodies and for mobilizing public savings for development purposes is due to start operations in the near future. The setting up of a State Investment Corporation with the aim of rationalizing Government investment activities and promoting industrial development in general has also been announced. There are also some twenty-five insurance companies and agents and one private development finance company. Brokers, middlemen and shopkeepers also engage in private lending activities.

Bank of Mauritius

The Bank of Mauritius continued to pursue its policies to regulate and control the monetary system. One of the measures to mop up the high level of liquidity in the economy during 1974-75 was the floatation of an unprecedentedly high level of Government Stocks, valued at Rs 310 million. This was appreciably larger than the floatation in earlier years as the total Government Stocks floated during the preceding four years was only Rs 335 million. The Bank also issued, from time to time, Tap Treasury Bills, the limit on the issue of which was gradually raised from Rs 35 million to Rs 225 million in December, 1974. The large issue of Government stocks and Treasury Bills helped the Bank to mop up a substantial part of the liquidity in the economy generated by the balance of payments surplus and the large expansion of bank credit in the earlier years. These also provided an outlet for the surplus funds with the banking system.

Commercial Banks

The following table shows the selected indicators of commercial banks' activities :—

Table IV. Commercial Banks — Selected Indicators

(Rs. million)

	June 1971	Dec. 1971	June 1972	Dec. 1972	June 1973	Dec. 1973	June 1974	Dec. 1974	June 1975
1. Reserves	15.2	18.4	19.6	42.9	25.8	56.7	50.2	155.6	124.4
(a) Cash in hand	7.2	9.8	8.7	12.8	10.8	25.8	17.8	42.8	20.0
(b) Balances with Bank of Mauritius	8.0	8.6	10.9	30.1	15.0	30.9	32.5	112.8	104.4
2. Foreign Assets	19.4	18.0	10.0	17.1	22.2	25.3	23.2	35.8	21.4
(a) Balances with banks abroad ...	15.6	13.2	4.4	10.0	12.8	13.9	10.8	24.5	10.8
(b) Foreign Notes and Coin ... ..	.8	1.2	1.5	2.2	1.6	2.7	1.3	3.1	1.6
(c) Foreign Securities	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
(d) Foreign Bills Discounted	1.0	1.6	2.1	2.9	5.8	6.7	9.1	6.2	7.0
3. Claims on Government	49.5	78.5	87.8	127.6	134.0	145.4	104.4	479.4	214.1
(a) Treasury Bills	—	1.0	3.0	8.7	—	3.0	8.0	144.2	17.6
(b) Investment in Govt. Securities	49.5	77.5	84.8	118.9	134.0	142.4	96.4	335.2	196.5
4. Claims on Private Sector	254.0	301.0	324.1	356.5	421.2	536.5	503.0	594.4	710.5
(a) Loans and Advances	207.1	238.6	258.8	275.2	352.4	388.4	420.7	462.5	611.9
(b) Bills Discounted and Receivable	42.1	55.1	59.6	75.5	62.6	141.7	74.9	122.8	89.8
(c) Local Investments	4.8	7.3	5.7	5.8	6.2	6.4	7.4	8.1	8.8
5. Total Private Sector Deposits	280.1	337.5	361.5	461.2	498.8	640.9	593.4	1224.3	972.2
(a) Demand Deposits	112.8	134.3	137.3	201.9	193.3	265.0	219.7	468.8	380.6
(b) Time and Savings Deposits ...	167.3	203.2	224.2	259.3	305.5	375.9	373.7	755.5	591.6

* Including the Mauritius Co-operative Central Bank Ltd.

Ten commercial banks operate in Mauritius. Three are locally owned and incorporated while the remaining seven* are foreign-owned and operate as branches of overseas banks. The trends in branch expansion over the last three years are shown in Table V below :—

Table V. Branch Expansion of Commercial Banks

(As on the 30th June)

	1972	1973	1974	1975
No. of bank branches	40	41	48	53
No. of places covered by mobile bank ...	33	32	32	32
No. of bank counters	3	3	3	3

As can be seen from the Table, five additional bank offices were opened between 1st July, 1974, and 30th June, 1975, bringing the total number of branches to 53. A 'mobile bank' (operated by the Bank of Baroda) serves 32 localities mainly in the rural areas. In June, 1975, 17 bank branches were operating in the area of Port Louis and an equal number in the rural areas. Of the remaining branches, 7 were in Beau Bassin/Rose Hill, 6 in Curepipe and 6 in the Quatre Bornes/Vacoas area.

The growth of branch banking appears to have led to an appreciable increase in banking habits. The number of savings and time deposit accounts, for example, rose from 149,067 to 183,095 over a period of twelve months ending March, 1975. Although the increase in the number of demand deposit accounts was less spectacular they also rose, over the same period, from 25,881 to 28,845. The number of cheques and amounts cleared through the Port Louis Clearing House in the twelve months ending June, 1975, amounted to 1.6 million cheques for Rs 4,545 million, as against 1.4 million cheques for Rs 2,984 million in the corresponding period of the previous year. The following table shows the increase in the number of accounts at commercial banks since March, 1969 :—

Table VI. Number of Accounts

<i>March</i>	<i>No. of Savings Accounts (1)</i>	<i>No. of Time Deposits Accounts (2)</i>	<i>Total (1) + (2)</i>
1969	45,533	1,351	46,884
1970	57,379	2,962	60,341
1971	70,154	3,537	73,691
1972	86,726	4,610	91,336
1973	111,282	5,925	117,207
1974	142,193	6,874	149,067
1975	173,628	9,467	183,095

Trends in Deposits

The deposits of the private sector with the commercial banks increased from Rs 593.4 million in June, 1974, to Rs 1,224.3 million in December, 1974, or an increase of 106.3 per cent. The increase in the whole of 1974 amounted to 91 per cent and contrasts sharply with the in-

*The Bank of Credit and Commerce International S.A. (Luxembourg) commenced operations in April, 1975.

crease of only 14.5 per cent in 1971, 36.7 per cent in 1972 and 39 per cent in 1973. The record increase in the deposits in 1974 has been the result of an equally record balance of payments surplus realized during the year. There is a certain seasonality in the growth of deposits in Mauritius. Deposits tend to fall in the first half of the year and rise in the second half. Following this trend, deposits declined in the first half of 1975 by Rs 252.1 million to a level of Rs 972.2 million but even at this level they were still higher by 63.8 per cent than the deposits twelve months before.

The proportion of deposits to G.N.P. at current prices has risen steadily as shown in Table VII below :—

Table VII. Trends in Deposits

<i>Year</i>	<i>Total Deposits in December* (Rs. million) (1)</i>	<i>GNP at factor cost (Rs. million) (2)</i>	<i>Ratio of (1) to (2) (%)</i>
1970	297.4	919	32.4
1971	341.3	1,023	33.4
1972	463.6	1,281	36.2
1973	647.0	1,666	38.8
1974	1234.0	2,850	43.3

* Including Government Deposits

The growth in time and savings deposits of the private sector has been equally remarkable: these deposits rose from Rs 373.7 million in June, 1974, to Rs 755.5 million in December, 1974. However, these deposits declined to Rs 591.6 million by June, 1975, but they were nevertheless higher than the level in June, 1974, by 58.3 per cent. This is the highest growth rate recorded by time and savings deposits in a single financial year. Table VIII shows the changes in time and savings deposits in recent years.

Table VIII. Changes in Time and Savings Deposits

<i>PERIOD</i>	<i>I N C R E A S E</i>	
	<i>Rs. million</i>	<i>Per cent</i>
I. Half Yearly Changes		
1st July to 31st December, 1972 ...	35.1	15.7
1st July to 31st December, 1973 ...	70.4	23.0
1st July to 31st December, 1974 ...	381.8	102.6
II. Annual Changes		
1st July 1972 to 30th June 1973 ...	81.3	36.3
1st July 1973 to 30th June 1974 ...	68.2	22.3
1st July 1974 to 30th June 1975 ...	217.9	58.3

TRENDS IN CREDIT AND DEPOSITS

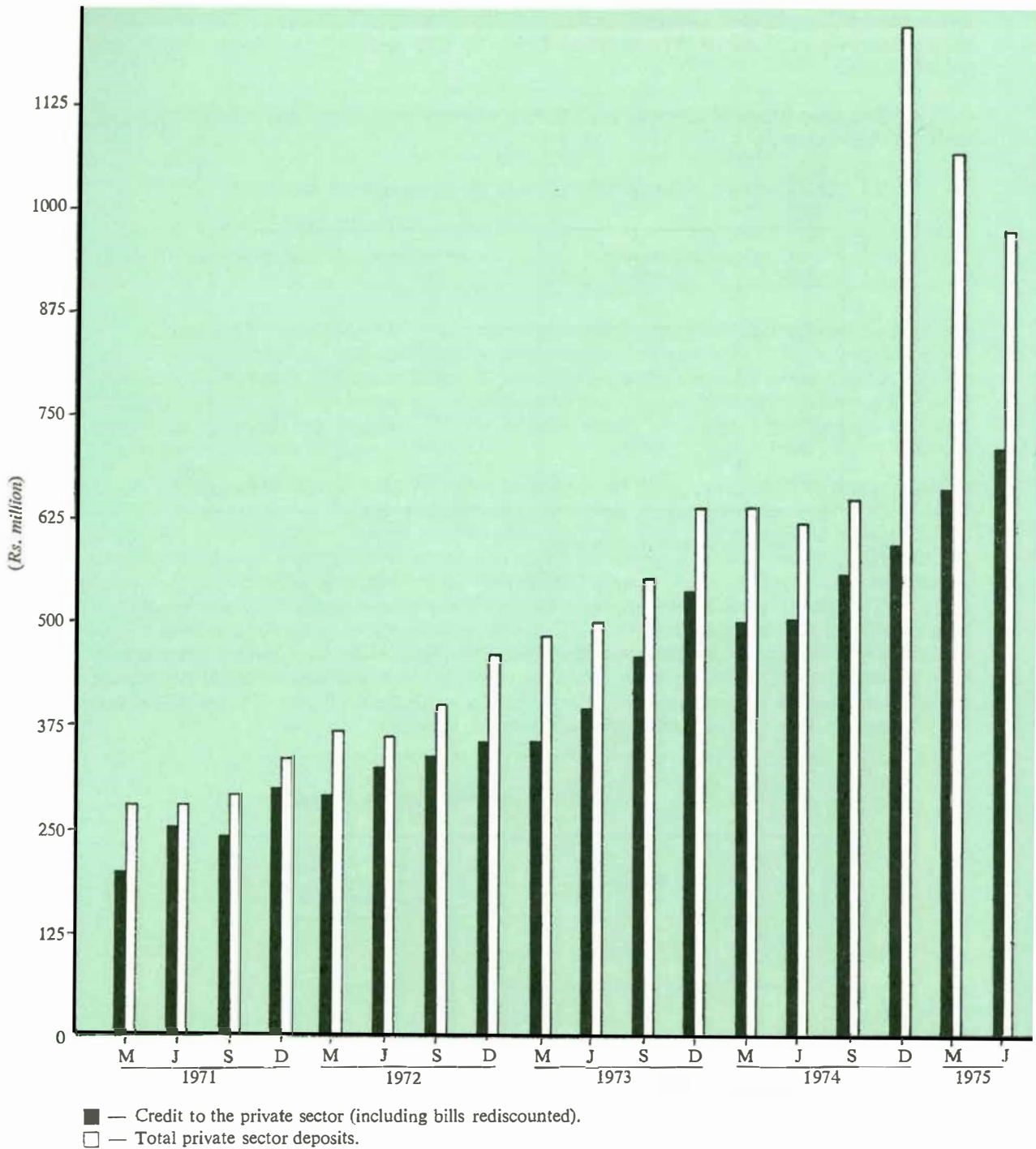


Figure III

(a) Total Credit to the Private Sector

After an increase of 31.8 per cent in 1972, total credit* to the private sector rose by 31.3 per cent and 42 per cent in 1973 and 1974 respectively. The increase in 1974 is accounted for by the greater recourse made by the banks to the rediscounting facilities of the Bank of Mauritius. The monthly average of bills rediscounted with the Bank of Mauritius amounted to over Rs 75 million in 1974 as against only Rs 3.1 million in 1973 and Rs 5.0 million in 1972.

Total credit to the private sector increased from Rs 610.3 million on an average for 1974, to Rs 668.6 million in the first half of 1975. Of the increase of Rs 58.3 million during this period, Rs 22 million or 37.7 per cent was accounted for by the bills rediscounted with the Bank of Mauritius. The increase of Rs 58.3 million over the average level of credit in 1974 works out to 9.6 per cent as compared with an increase of 30.3 per cent in the corresponding half of 1974. This slower increase in total credit to the private sector in the first half of 1975 would indicate a deceleration in the rate of credit expansion following the credit measures taken in January, 1975.

(b) Commercial Banks' Credit to the Private Sector

The commercial banks' credit to the private sector (total credit less bills rediscounted at the Bank of Mauritius but including that extended to exempted categories) increased from Rs 426.6 million in 1973 to Rs 535.1 million in 1974, rising by over Rs 100 million or by 25.4 per cent. The comparable rate of increase in 1972 and 1973 was 32 per cent in both years. During the first half of 1975, credit increased to Rs 646.6 million or by 20.8 per cent over the average for 1974. The increase in the first half of 1974 was 18.2 per cent. Table IX provides the trends in aggregate and commercial banks' credit since 1972.

Table IX. Trends in Credit to the Private Sector

(Rs. million)

Year	Monthly Average Level of Commercial Banks' Credit (1)	Average Annual Increase in (1) (2)	% Average Annual Increase in (1) (3)	Monthly Average Level of Total Credit* (4)	Average Annual Increase in (4) (5)	% Average Annual Increase in (4) (6)
1972	322.3	78.6	32.3	327.3	79.0	31.8
1973	426.6	104.3	32.4	429.7	102.0	31.3
1974	535.1	108.5	25.4	610.3	180.6	42.0
1975†	646.6	111.5	20.8	668.6	58.3	9.6

* Commercial banks' credit plus bills rediscounted at the Bank of Mauritius.

† The figures for 1975 relate to the average for the first six months. The increases are over the figures for 1974.

A structural change appears to be taking place in the distribution of credit among the different sectors. A sector-wise analysis of commercial banks' advances, bills discounted and bills receivable shows the growing importance of the 'Other industries and Manufacturers' sector in such credit as can be seen from Table X below. The share of the manufacturing

sector rose from 34.2 per cent in June, 1974, to 49 per cent of the total in December, 1974. In June, 1975, however, the percentage share declined to 42.9 per cent. Nevertheless between June, 1974, and June, 1975, the absolute amount extended to this sector increased by 77.2 per cent. The trade sector accounted for 35.2 per cent of the total credit in June, 1974, and over the next twelve months its share declined to 26.7 per cent. The changing structural pattern of credit is dealt with more fully in the section on Monetary Policy.

Table X. Sector-wise distribution of Loans, advances, bills discounted and bills receivable

(Rs. million)

	June 1974*	December 1974*	June 1975
1. Sugar	51.7 (10.4)	31.9 (5.4)	106.8 (15.2)
2. Other Agriculture	22.0 (4.4)	26.8 (4.6)	24.9 (3.5)
3. Other Industries & Manufacturers	169.6 (34.2)	287.3 (49.0)	300.5 (42.9)
4. Traders	174.5 (35.2)	168.3 (28.7)	187.1 (26.7)
5. Personal & Professional	56.8 (11.5)	46.3 (7.9)	57.1 (8.1)
6. Stock Brokers	1.4 (0.3)	0.3 (0.1)	0.7 (0.1)
7. Public Bodies	5.3 (0.1)	7.8 (1.3)	6.5 (0.9)
8. Financial Institutions	2.0 (0.4)	3.0 (0.5)	3.3 (0.5)
9. Other Customers	12.3 (2.5)	14.6 (2.5)	14.8 (2.1)
TOTAL ...	495.6	586.3	701.7

* The breakdown of bills receivable for June and December, 1974, has been estimated. Figures in brackets are percentages to the total.

(c) Total Domestic Credit

Domestic credit, that is aggregate credit to the private sector plus net claims on the public sector, increased from Rs 456.6 million in June, 1973, to Rs 829.7 million in June, 1974, and further to Rs 1,017.7 million at the end of June, 1975. Thus, after increasing by 81.7 per cent in the year ending June, 1974, domestic credit expansion decelerated and rose by only 22.7 per cent in the financial year 1974-75. The inflationary developments in the year ending June 1974 are reflected in the large growth of the domestic credit in that year. The deceleration of this credit in the fiscal year 1974-75 which was brought about by a sharp reduction in the rate of expansion of both the components of domestic credit (i.e. lending to the private and public sectors) also explains the abatement of the inflationary pressure during the year. The movements of domestic credit are shown in Table XI.

Table XI. Trends in Domestic Credit

(Rs. million)

End of	Net Credit to Public Sector	Credit to Private Sector			Total Domestic Credit (A)+(B)	Percentage Change in (3) (%)	
		From Commercial Banks	From Bank of Mauritius	Total (1)+(2)		Half Yearly	Yearly
	(A)	(1)	(2)	(B)	(3)		
December 1972 ...	43.0	356.5	...	356.5	399.5	+ 22.1	+ 28.4
June 1973 ...	33.3	421.2	2.1	423.3	456.6	+ 14.3	+ 39.6
December 1973 ...	88.0	536.5	8.9	545.4	633.4	+ 38.7	+ 58.5
June 1974 ...	222.4	503.0	104.3	607.3	829.7	+ 31.0	+ 81.7
December 1974 ...	392.0	594.3	—	594.3	986.3	+ 18.9	+ 55.7
June 1975 ...	271.9	710.5	35.3	745.8	1017.7	+ 3.2	+ 22.7

Regulation of deposit and lending rates

With the rapid increase in the number of banks and the growth in branch banking it became evident that regulation of banks' deposit and lending rates was necessary to avoid unhealthy competition which could otherwise weaken the banking system. The Bank of Mauritius prescribed in August, 1974, the maximum deposit and lending rates which banks could pay or charge. Currently, commercial banks' lending rates vary between 7 and 9 per cent and their deposits rates between 4 and 7 $\frac{3}{4}$ per cent. Individual commercial banks are free to determine their own rates within the prescribed limits.

Money Supply

There is a marked seasonality in the behaviour of money supply*. Two major factors, among others, which determine the levels and growth of money supply in Mauritius are (1) the net inflow of export receipts in the second half of the year and (2) a net outflow induced by import payments and the lower pace of export receipts in the first half. Wide fluctuations occur, therefore, in its level within a year, the level rising in the second half and declining through the first half. These fluctuations only serve to emphasize the importance of the balance of payments in influencing the growth of monetary aggregates in an export-oriented economy like that of Mauritius. This does not mean that one cannot isolate the impact on the money supply of other factors like the level of domestic credit and fiscal policy actions. What is meant is simply that, in determining the appropriate level of money supply to sustain economic activity in Mauritius, one has to pay special attention to the possible impact of the external sector on the levels of money supply.

The pursuit of open-market operations and appropriate credit measures has enabled the monetary authorities to neutralize over time the effects of wide fluctuations in the money supply. However, because of such fluctuations, it is preferable to rely on averages rather than on the movements between points in analysing the trends of monetary expansion.

* Defined to include currency with the public and demand deposits of the private sector.

The following Table shows the variations in the level of money supply from 1970 to 1974 on a monthly average basis :—

Table XII. Trends in Money Supply

(Rs. million)

<i>Monthly Average for year</i>	<i>Average Level of money supply (1)</i>	<i>Annual Change in (1) (2)</i>	<i>Annual Percentage change in (1) % (3)</i>
1970	201.2	+ 17.0	+ 9.2
1971	216.5	+ 15.3	+ 7.6
1972	280.6	+ 64.1	+ 29.6
1973	363.7	+ 83.1	+ 29.6
1974	476.3	+ 112.6	+ 31.0

The year 1972 witnessed a sizeable monetary expansion and also coincided with the beginning of the inflationary phase and a period of rising wage demands. The high level of monetary expansion continued in 1973 and money supply reached a record level of Rs 476.3 million in 1974 which was 31 per cent higher than in 1973. The increase in 1974 was particularly sharp in the second half of the year when there was also a large balance of payments surplus.

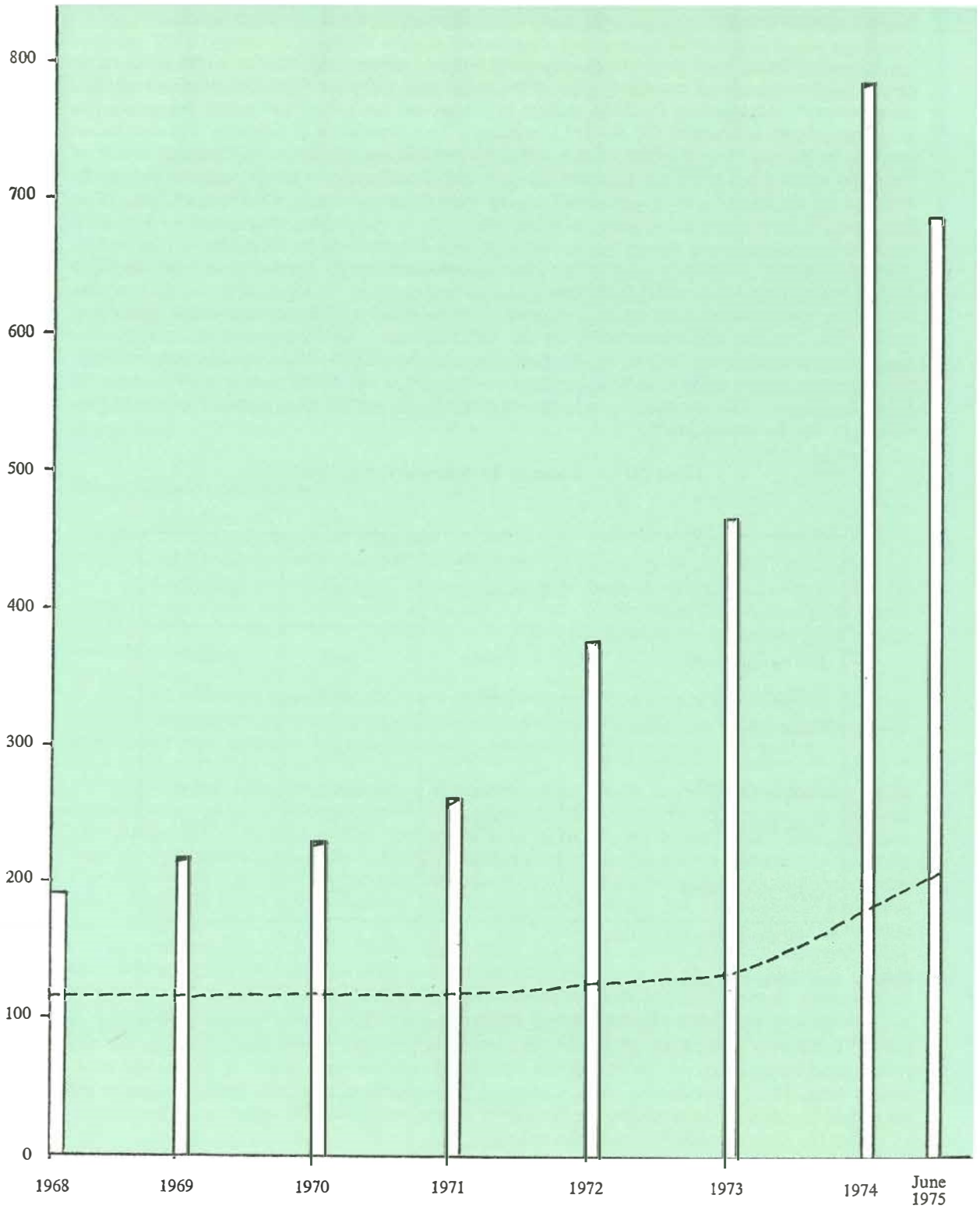
The high rate of expansion in money supply in 1974 continued at an accelerated pace during the first half of 1975. In fact, the average monthly level of money supply during this period works out to Rs 696.3 million, which is 46.2 per cent higher than the monthly average for 1974 and 61.1 per cent higher than the monthly average for the first half of 1974. The phenomenal increase is due to the unusually large balance of payments surplus generated in 1974 and the large expansion of bank credit during that year. It is interesting to observe that despite a large increase in the money supply in the first half of 1975 the relative percentages of the components of money supply were broadly in line with those in the earlier years, with a slight edge favouring demand deposits. Table XIII shows the variations in the components of money supply as from 1972 :—

Table XIII. Components of Money Supply

(Rs. million)

<i>Average for 1st Half</i>	<i>Currency with the Public (1)</i>	<i>Demand Deposits (2)</i>	<i>Total Money Supply (3)</i>	<i>Ratio of (1) to (2) %</i>	<i>Ratio of (1) to (3) %</i>	<i>Ratio of (2) to (3) %</i>
1972	122.2	139.4	261.6	87.7	46.7	53.3
1973	143.8	184.6	328.4	77.9	43.8	56.2
1974	195.0	237.1	432.1	82.2	45.1	54.9
1975	304.2	392.1	696.3	77.6	43.7	56.3

MONEY SUPPLY AND PRICES



□ — Money Supply (Rs. million — end of period).

--- — Consumer Price Index (Whole Island — January-June 1962 = 100).

Monetary Aggregates

The figures used in the foregoing discussion on money supply are averages while those in the following part on monetary aggregates are at two points. Total liquidity (money and quasi-money*) increased by Rs 749.1 million in the second half of 1974, of which the expansion in money supply accounted for Rs 363.1 million. This expansion in liquidity was due to an increase in the net foreign assets of Rs 599.5 million and an expansion in domestic credit of the order of Rs 156.6 million. However, during this period credit to the private sector actually declined by Rs 13 million but net credit to the public sector rose by Rs 169.6 million. The first half of 1975 witnessed a seasonal contraction in total liquidity amounting to Rs 254.7 million, the contraction in money supply alone being of the order of Rs 98 million. Net foreign assets and banks' net claims on the public sector declined by Rs 196.6 million and Rs 120.1 million respectively while credit to the private sector increased by Rs 151.5 million. As a whole, during the year 1974-75, total liquidity expanded by Rs 494.4 million, money supply increasing by Rs 265.1 million and quasi-money by Rs 229.3 million. This expansion in liquidity was supported by an increase in the net foreign assets of Rs 402.9 million, an increase in credit to the private sector of Rs 138.5 million and an increase in net claims on the public sector of Rs 49.5 million. The changes in monetary aggregates during the past financial year are pre-sented in the following table :

Table XIV. Changes in Monetary Aggregates

(Rs. million)

	<i>June 1974 to December 1974</i>	<i>December 1974 to June 1975</i>	<i>June 1974 to June 1975</i>
Net foreign assets ...	+ 599.5	— 196.6	+ 402.9
Domestic Credit ...	+ 156.6	+ 31.4	+ 188.0
Claims on the private sector **	(— 13.0)	(+ 151.5)	(+ 138.5)
Net claims on the Public sector	(+ 169.6)	(— 120.1)	(+ 49.5)
TOTAL ...	+ 756.1	— 165.2	+ 590.9
Total liquidity ...	+ 749.1	— 254.7	+ 494.4
of which : Money ...	(+ 363.1)	(— 98.0)	(+ 265.1)
Other Items (Net) ...	+ 7.0	+ 89.5	+ 96.5

** Including bills rediscounted.

Capital and Money Markets

During the fiscal year 1974-75, the Bank floated Government stocks aggregating to Rs 310 million as against an estimated Rs 55 million provided in the capital budget for the year. Stocks amounting to Rs 160 million and Rs 150 million were issued in December, 1974, and in June, 1975, respectively. The raising of these stocks enabled the Bank to siphon off the excess liquidity in the economy on the one hand and to provide the commercial banks with an outlet for their surplus funds on the other.

* Quasi-Money=Time and savings deposits of the private sector at commercial banks and at the Bank of Mauritius.

The first Development Plan had estimated total domestic borrowing of Rs 200 million over the Plan period. Compared with this the Bank was able to raise resources of the order of Rs 605 million. Of the outstanding amount of Government Stocks held as of June end 1975, the commercial banks held Rs 196.5 million and the Bank of Mauritius Rs 151 million. The latter figure changes according to the Bank's transactions with institutions.

Another step taken to absorb the liquidity in the economy was to increase the size of the tap Treasury Bills. The limit on the issue of Treasury Bills was set at Rs 35 million on the 1st March, 1973, but when it became clear towards the end of 1974 that the country would be realizing a large balance of payments surplus, the limit was raised first to Rs 100 million on the 25th November, 1974, then to Rs 150 million on the 6th December, 1974, and finally to Rs 225 million on the 31st December, 1974. The total amount of Bills outstanding with the banks and companies as at the end of June, 1975, amounted to Rs 20.6 million. The maximum amount of Bills held by the public at any time was Rs 205.9 million.

The successful flotation by the Bank of Mauritius of several issues of Government Stocks and the tap Treasury Bills has helped to create a market for these investments and the holders can liquidate them by selling them to the Bank which stands ready to buy them back at any time.

Other Financial Institutions

(i) The Development Bank of Mauritius

The Development Bank of Mauritius has now been in existence for more than 10 years, having taken over in March, 1964, the business of the Mauritius Agricultural Bank. It was established with a view to facilitating 'the industrial, agricultural and economic development of Mauritius'.

The Development Bank has been playing an important role in the economic development of the country by setting up infrastructure facilities, building industrial estates, equity participation and by providing certain types of loans at concessional rates of interest.

The ever-increasing activity of the Development Bank is reflected in the size of its disbursements which increased from Rs 7.8 million in 1971-72 to Rs 19.3 million in 1973-74. They amounted to Rs 33.1 million during the year 1974-75. As at the end of June, 1975, its loans to agriculture amounted to Rs 12.3 million and those to industry to Rs 45.8 million. This expansion of its activities has been supported by a commensurate increase in its resources. Apart from the funds made available to it by the Government, the Development Bank has successfully negotiated lines of credit with the IBRD and its affiliates. In addition to the two credits aggregating U.S. \$ 7.5 million taken from the IDA earlier, the Development Bank successfully negotiated with the IBRD in February, 1974, a loan of U.S. \$ 5 million at 7½ per cent for industrial projects and tourism. The close association which the Development Bank of Mauritius has established with other financing institutions has opened new channels for resources from abroad and augurs well for its increasing involvement in industrial projects.

(ii) The Mauritius Co-operative Central Bank

The Mauritius Co-operative Central Bank was established in 1948. It provides banking and other services to its members. There were 295 member-shareholders at the end of February, 1975, as against 285 a year ago.

The advances made by the Bank are mainly concentrated in the agricultural sector. At the end of June, 1975, agricultural loans accounted for 80.7 per cent of its total advances which amounted to Rs 27.4 million. As in the past, funds are made available to the Bank by the Sugar Insurance Fund at a concessional rate of interest and this enables it to make advances to small planters at the concessional rate of 7 per cent per annum. At the end of June, 1975, the capital and reserves of the Bank amounted to Rs 7 million as against Rs 5.8 million a year ago. Its deposits rose from Rs 28.2 million in June, 1974, to Rs 33 million at the end of June, 1975.

(iii) The Mauritius Housing Corporation

Since its establishment in 1963, the Mauritius Housing Corporation has made considerable progress in the promotion of house ownership in Mauritius by extending long-term loans at concessional rates. With the increasing need for housing the Mauritius Housing Corporation has itself stepped into the construction field. In 1974, the Corporation constructed 96 apartments in Port Louis which have already been sold on hire-purchase terms. A second project of 91 apartments is due for completion by mid-1976. The Corporation is now empowered to make loans up to 95 per cent of the value of a property and for a period not exceeding 30 years. It proposes to extend its activities to the island of Rodrigues after the necessary legislation has been passed.

The main assets of the Corporation consist of mortgage loans and real assets. Mortgage loans rose from Rs 53 million in June, 1974, to Rs 63 million in June, 1975. These loans represented 89.4 per cent of the total assets of the Corporation of Rs 70.5 million in June, 1975. As in the past, the main sources of funds of the Corporation continue to be the Government, the Commonwealth Development Corporation and local insurance companies.

(iv) Post Office Savings Bank

The Post Office Savings Bank operates through a network of offices throughout the Island and engages itself mainly in the collection of small savings. By the end of June, 1975, it operated through 49 offices including the central office at Port Louis and one office in Rodrigues. The Savings deposits of the Post Office Savings Bank rose from Rs 43 million in June, 1974, to Rs 53.4 million in June, 1975. The number of accounts increased from 109,077 to 113,400 during the same period. With a view to mobilizing savings in the country a more dynamic role will be assigned to the Post Office Savings Bank in the near future : in fact, it has been announced that the law governing the activities of the Savings Bank would be modernised so as to enable it to accept time deposits. Together with the proposed Prize Bond Scheme, this would enhance the scope of the activities of the Post Office Savings Bank.

V. MONETARY POLICY

The basic objective of monetary policy during the year 1974-75, as in the two preceding years, was to contain the demand pressures in the economy. The impact of the positive measures taken in this direction is assessed in the following subsections :-

Measures Introduced in 1973

The measures introduced in 1973 included the raising of the minimum cash balances which banks are required to maintain from 5 per cent to 8 per cent of the total deposits and the

imposition of a ceiling on the combined volume of credit to be extended during the second half of 1973 to three sectors, namely 'Traders', 'Personal and Professional' and 'Other Customers'. The rise in this credit during the second half of 1973 was limited to not more than 10 per cent above the level reached in the second half of 1972. However, the effectiveness of these measures was reduced to some extent as the banks met the increased cash balances ratio by resorting to borrowings larger than before from the Bank of Mauritius. Difficulties also arose in regard to the ceiling on credit to the trade sector.

Measures Introduced in 1974

There was no sign of abatement in the growth of credit in 1973. The average level of credit extended during the year exceeded the level in 1972 by more than 32 per cent, the rate of inflation rose by 13.5 per cent, and a generalised rise in salaries and wages followed. Under the circumstances the Bank had to introduce appropriate credit control measures.

The measures introduced in 1974 comprise an overall ceiling on credit to the private sector and the introduction of a two-tier rate of interest rate on commercial banks' borrowings from the central bank. Industries operating in the Export Processing Zone and/or holding a 'Development Certificate' were exempted from the credit ceiling. In broad terms, credit to the private sector could expand in 1974 by 15 per cent above the monthly average reached in 1973. The commercial banks were specifically asked to ensure that the credit needs of the priority sectors were duly met in the implementation of these measures. The exemption of the industries operating in the Export Processing Zone and/or holding a Development Certificate from the credit ceiling was a reflection of the desire of the monetary authorities not to hamper the growth in this sector. In order to discourage the banks from borrowing unusually large amounts from the central bank for on-lending to their customers, the Bank of Mauritius introduced a two-tier structure of interest rate in respect of its advances to commercial banks. The banks could borrow at the current Bank Rate up to a level specified in each case but anything over the specified level was subjected to a penal rate equal to twice the Bank Rate.

The overall performance of the banking system in respect of the 1974 credit measures was not as satisfactory as expected. The credit ceilings for 1974 in the case of seven* banks were based on their credit performance in 1973. The aggregate ceiling for these banks was fixed at a level of credit amounting to Rs 421 million but these banks extended credit amounting to Rs 531.7 million based on the average for the twelve months of 1974. If the credit of Rs 95 million extended to the exempted categories is excluded, the residual credit subject to the ceiling worked out to Rs 436.7 million. This was in excess of the prescribed ceiling by Rs 15.7 million.

However, taking the banking system as a whole, commercial banks' total credit in absolute terms increased by 10.8 per cent between December, 1973, and December, 1974, as compared to a rise of 50.5 per cent in the previous year. These figures are exclusive of the substantial amount of credit extended by the Bank of Mauritius through the rediscounting of bills. Nevertheless, a selective re-distribution of credit has taken place as is evident from the sector-wise distribution of credit indicated in the Table below :-

* Excluding the State Commercial Bank and the First National City Bank.

Table XV. Sector-wise Analysis of Credit*

(Rs. million)

Sectors	End of June 1974	End of December 1974	End of June 1975
1. Sugar	106.0 (17.7)	31.9 (5.4)	106.8 (14.5)
2. Other Agriculture	25.0 (4.2)	26.8 (4.6)	24.9 (3.4)
3. Other Industries and Manufacturers	216.6 (36.1)	287.3 (49.0)	335.8 (45.5)
4. Traders	174.5 (29.0)	168.3 (28.7)	187.1 (25.4)
5. Others	77.8 (13.0)	72.0 (12.3)	82.4 (11.2)
TOTAL	599.9	586.3	737.0

* Including bills rediscounted at Bank of Mauritius but excluding the investments of commercial banks in the private sector. Figures for bills receivable have been estimated for June and December, 1974. Figures in brackets are percentages to the total.

Measures introduced in 1975

The injection into the economy of substantial money incomes deriving from the large sugar output of 1974 and the unusually high sugar prices on the world market necessitated a close watch on the levels of liquidity in the economy. This became all the more necessary because of the substantial increases in salaries and wages granted in 1974 and the high rate of inflation at 29.1 per cent in that year. The situation called for the strengthening of the measures taken earlier and the regulation of domestic credit was once again at the heart of the measures for 1975. However, as an immediate short-term measure aimed at mopping up part of the excess liquidity prevailing in the economy towards the end of 1974, the Bank evolved, in December, 1974, a special deposit scheme providing for acceptance of three types of deposits from commercial banks, viz. (a) 7-day notice deposits at 2 per cent, (b) 30-day deposits at 3 per cent and (c) 3-month deposits at $4\frac{1}{2}$ per cent. The scheme was terminated at the end of March, 1975. The credit control measures introduced in January are dealt with briefly below :-

(a) Overall Ceiling on Credit

The 15 per cent overall ceiling on the expansion of credit to the private sector introduced in 1974 has been continued in 1975. In other words, the monthly average of the commercial banks' credit to the private sector, excluding that given to the exempted categories, has been permitted to expand by 15 per cent over the permissible level prescribed for 1974 or the level actually reached in 1974, whichever is the lower. As in the past, the commercial banks have been asked to ensure that the credit requirements of the priority sectors are duly met in the implementation of the measure.

(b) Borrowings from the Central Bank

The commercial banks made greater use in 1974 of the rediscount facilities available at the Bank of Mauritius. As mentioned earlier, the liquidity of the sugar sector was greatly enhanced during the latter half of 1974 and early 1975. With a view to rationalizing credit distribution, the Bank withdrew the refinance facilities for sugar bills as from January, 1975. All other export bills continue to be eligible for export refinance.

The two-tier structure of interest rate applicable to the Bank's advances to commercial banks is maintained in 1975.

(c) Minimum Cash Balances

The minimum cash balances which commercial banks are required to maintain have been raised from 8 per cent to 12 per cent of total deposits. This is aimed at immobilizing, in line with the credit restraint measures, a part of the additional resources which had accrued to the commercial banks.

(d) Credit to Exempted Categories

It will be recalled that credit extended to industries operating in the Export Processing Zone and/or holding a Development Certificate was exempted from the overall credit ceiling in 1974. This policy is continued in 1975. Also, since March, 1975, credit for the purpose of reconstruction and repairs to buildings and farms damaged by cyclone 'Gervaise' is excluded from the credit ceiling for 1975.

Impact of the 1975 Measures

The impact of the 1975 measures can be fully assessed only towards the end of the year. At this stage, a provisional assessment is attempted on the basis of the available data for the first half of 1975. The aggregate monthly average credit ceiling in 1975 for seven commercial banks* was fixed at Rs 482.8 million. During the first 6 months of 1975, the average level of credit extended by these banks was Rs 630 million, of which Rs 191 million was made to exempted categories (i.e. those in the Export Processing Zone and/or holding a Development Certificate and loans for reconstruction), thus leaving Rs 439 million subject to the credit ceiling. The amount subject to the credit ceiling works out to 90.9 per cent of the credit ceiling for 1975, leaving a balance of 9.1 per cent which can be extended over the rest of 1975. As against this, over the corresponding period in 1974, almost the entire amount permitted under the credit ceiling was extended during the first half of the year, leaving a balance of only 0.2 per cent for the latter half of 1974.

In the case of the three banks more recently established**, the credit ceiling was fixed at 70 per cent of the deposits, and in 1975, the ceiling worked out to Rs 41.8 million. Over the first 6 months of 1975, the three banks had extended a total credit of Rs 16.7 million, of which Rs 7.4 million was to exempted borrowers.

Aggregate credit† to the private sector rose by 9.6 per cent during the first half of 1975, rising from the average of Rs 610.3 million for 1974 to Rs 668.6 million. The rise in the corresponding period of 1974 was of 30.3 per cent. There is, therefore, a clear indication of a decelerating trend in credit expansion in 1975. There are indications also that the rate of

* The seven banks are : The Mauritius Commercial Bank Ltd., Barclays Bank International Ltd., Mercantile Bank Ltd., Bank of Baroda, Habib Bank Ltd., Mauritius Co-operative Central Bank Ltd., and Banque Nationale pour le Commerce et l'Industrie (O.I.).

** The three banks are : The State Commercial Bank Ltd., First National City Bank and Bank of Credit and Commerce International (S.A.).

† Including credit extended by the Bank of Mauritius.

price increase has slowed down and that the excessive demand for imports has abated. These are healthy developments which warrant the continuation, or even the strengthening, of the monetary measures until the economy attains a reasonable stability. The potential liquidity in the economy is still high and calls for vigilance on the part of the monetary authorities.

V. GOVERNMENT FINANCE

Recurrent Budget : 1973-74 and 1974-75

The revised Budget estimates for the financial year 1974-75, show a recurrent revenue of the order of Rs 737.7 million, a recurrent expenditure of Rs 736.4 million, and a surplus of Rs 1.3 million. The actual results of the recurrent budget for 1973-74 showed a deficit of Rs 19.4 million with revenue amounting to Rs 515.4 million and expenditure to Rs 534.8 million.

The increase in revenue is accounted for by both direct and indirect taxes. Revenues from direct taxes amounted to Rs 153.3 million in 1973-74 and are placed at Rs 220.1 million for 1974-75. Direct taxes originate mainly from taxes on income which are expected to rise from Rs 122.4 million in 1973-74 to Rs 189.5 million in 1974-75, largely because of the buoyancy of the economy, the higher incomes from sugar receipts and the higher salaries and wages. Of the indirect taxes which are expected to yield substantial revenues of the order of Rs 438.1 million in 1974-75 as against Rs 290.1 million in 1973-74, import duties would account for Rs 187.5 million in 1974-75 as compared with Rs 141.6 million in 1973-74, mainly because of the higher unit cost and the level of imports. Export duties which amounted to Rs 48.1 million in 1973-74 are expected to increase to Rs 125.5 million in 1974-75, showing a rise of 160.9 per cent because of the introduction of the graduated levy on sugar exports and higher earnings. Apart from direct and indirect taxes, receipts from the public utilities will also rise from Rs 28.2 million in 1973-74 to Rs 31.8 million in 1974-75, mainly as a result of higher revenues from civil aviation and marine services.

The increase in expenditure is attributable to higher disbursements on account of the subsidization of rice and flour as also of social and other services as shown in the following table :-

Table XVI. Main Items of Expenditure: 1973-74 and 1974-75

(Rs. million)

	1973-74 (1)	1974-75* (2)	Percentage Increase of (2) over (1)
1. Defence and Police ...	24.8	33.5	35.1
2. Agriculture, forestry and fisheries ...	11.6	20.3	75.0
3. Education ...	60.6	85.8	41.6
4. Health ...	45.0	67.5	50.0
5. Social Security ...	44.0	56.0	27.3
6. Public Debt...	57.8	71.3	23.4
7. Pensions ...	25.0	36.2	44.8
8. Local government ...	19.9	27.6	38.7
9. Subsidy on Rice and Flour ...	107.0	161.0	50.5

* Revised Estimates

Capital Budget

Revenue and expenditure in the Capital Budget for 1974-75 are estimated at Rs 410.1 million and Rs 240 million respectively yielding a surplus of Rs 170.1 million in sharp contrast to an actual deficit of Rs 115.3 million in 1973-74 when revenue amounted to Rs 129.6 million and expenditure to Rs 244.9 million.

The bulk of the capital revenue in 1974-75 would be accounted for by local loans : these amounted to Rs 308 million, as compared with Rs 83.7 million in 1973-74. Local loans raised during the year show a rise of nearly 268 per cent ; the raising of the loans was made possible by the excess liquidity in the economy itself generated by the large balance of payments surplus. Besides, the drawings on foreign loans which amounted to Rs 38 million in 1973-74 are placed at Rs 48.5 million in 1974-75. The capital expenditure incurred during 1974-75 is in line with the Plan objectives for the fourth and the last year of the Plan. Of the estimated expenditure of Rs 203.1 million on Plan projects in 1974-75 a sum of Rs 186.1 million was spent by the end of June, 1975.

Budget Estimates : 1975-76

It is estimated that during the financial year 1975-76 the recurrent budget will show a surplus of Rs 18.2 million, with a recurrent revenue of at Rs 995 million and recurrent expenditure of Rs 976.8 million. The bulk of the recurrent revenue will be derived as before from both direct and indirect taxes. Direct taxes are estimated at Rs 462.6 million, of which income tax will account for Rs 428 million. Indirect taxes are expected to amount to Rs 443.7 million, of which import duties and export duties will yield Rs 197.1 million and Rs 129 million respectively. On the expenditure side, more stress will be laid on both economic and social services, but the subsidy on rice and flour is placed at a lower figure, namely at Rs 102 million as compared with Rs 161 million in 1974-75 because of a fall in the prices of these commodities.

Various fiscal measures were announced in June, 1975, among which the following would be of particular interest :

- (a) the schedule of rates for individual income tax has been modified : the lowest marginal rate of 10 per cent will apply to the first Rs 10,000 (instead of 20 per cent which applied to the first Rs 15,000 in the past) and the highest marginal rate will be reduced from 80 per cent to 75 per cent ;
- (b) the 10 per cent surcharge on individual income tax and on company tax has been abolished ;
- (c) the amount of interest earned on savings accounts and exempted from income tax has been raised from Rs 500 to Rs 1,000 ;
- (d) a special 10 per cent tax on profits of traders has been introduced but subsequently exemption has been granted to bus companies, petrol stations, bakeries and business carried abroad ;
- (e) the export duty on sugar for producers exporting more than 5,000 metric tons has been raised from 10 per cent to 12 per cent ;
- (f) customs duty on fertilizers, weedkillers, insecticides, sprayers, handtools and a few other related items has been abolished ; and

- (g) the tax on the commission paid to brokers in respect of the sale and export of sugar has been increased from 10 per cent to 15 per cent.

A large part of the capital expenditure will be incurred on Plan projects. The bulk of the capital revenue will be derived from foreign loans and domestic borrowings, the former being estimated at Rs 140.3 million and the latter at Rs 100 million.

The foreign loans comprise Rs 32 million from the U.K. Government, Rs 26 million from the International Development Association, Rs 25 million from the World Bank, Rs 20 million from La Caisse Centrale de Cooperation Economique (France), Rs 15 million from the Arab Oil Fund for Africa, Rs 6.3 million from Kreditanstalt Fur Wiederaufbau (West Germany), Rs 5 million from the Government of India, Rs 5 million from the Government of China, Rs 5 million from the Government of France and Rs 1 million from the African Development Bank.

The figures of revenue and expenditure for 1973-74, the revised estimates for 1974-75 and the budget estimates for 1975-76 are presented in the table below :

Table XVII. Government Budget : 1973-74 to 1975-76

(Rs. million)

	1973-74 <i>Actual</i>	1974-75 <i>Estimates</i>	1974-75 <i>Revised Estimates</i>	1975-76 <i>Estimates</i>
A. Recurrent Revenue ...	515.4	605.9	737.7	995.0
Recurrent Expenditure ...	534.8	603.7	736.4	976.8
Balance ...	— 19.4	+ 2.2	+ 1.3	+ 18.2
B. Capital Revenue ...	129.6	252.0	410.1	339.6
Capital Expenditure ...	244.9	285.8	240.0	377.9
of which: Plan Projects ...	(166.4)	(203.1)	(203.1)	(208.5)
Balance ...	— 115.3	— 33.8	+ 170.1	— 38.3

VII. THE DEVELOPMENT PLAN

The first Four-Year Development Plan covering the period 1971-75 ended in June, 1975. Its main emphasis was on the creation of larger employment opportunities and the provision of a higher sustained growth rate. The Plan had set a target rate of growth of Gross Domestic Product of 7 per cent per annum for the period 1971-75. This target was more than fulfilled. It is estimated that Gross Domestic Product has grown at an annual average rate of 9 per cent* over the first three years of the Plan. Available data indicate that the year 1974

*At constant 1970 prices.

will show growth at current prices of 70 per cent. Growth of this order was largely based on the improved performance of the sugar industry and the buoyancy in the industrial sector and in sectors connected with tourism. Likewise, the balance of payments for the years 1971 to 1974 taken cumulatively and on a *net* basis yielded an overall surplus of Rs 463 million.

A remarkable progress was made on the employment front. The Plan provided a target growth rate of employment of 4 per cent per annum but the growth actually registered was 5.5 per cent, the increase being mainly in the manufacturing and construction sectors. The number of jobs created during the Plan period in both the public and private sectors is estimated to be over 50,000. The rapid increase in employment has made a dent in one of the structural problems of the economy, namely unemployment : in fact, the number of persons registered as unemployed has been on the decline since 1973.

The broad outline of a second Five-Year Development Plan was adumbrated by the Minister of Finance in his Budget Speech on the 3rd June, 1975. The objectives of this Plan will not differ very much from those of the first Plan and the main target is the creation by 1980 of an additional 80,000 jobs with emphasis on skilled work. More than 50 per cent of the jobs are expected to be generated in the industrial sector. The emphasis will be on manufacturing for export rather than for the domestic market. Public sector investment over the next five years is estimated at Rs 2.25 billion (at 1974 prices) and a large share of total expenditure would be devoted to the provision of industrial infrastructure. The diversification of agriculture and the development of the livestock and the fishing industries will occupy an important place in the new Plan. Judged by the size of the total capital expenditure envisaged, the second Development Plan would be much larger than the first Plan.

VIII. EXTERNAL TRADE AND BALANCE OF PAYMENTS

(a) External Trade

The country's foreign trade improved significantly during 1974. This improvement was due partly to the higher level of activity in the leading sectors of the domestic economy and partly to price increases of almost all commodities and products. Merchandise exports which were of the order of Rs 749.3 million in 1973 reached Rs 1,786.4 million in 1974 or an increase of 138.4 per cent. The volume of exports is estimated to have decreased by 3.8 per cent in 1974 as against an increase of 4.7 per cent in 1973.

Despite the decrease in the volume of exports noted above, the value of exports reached a record level of Rs 1,786.4 million. This increase was attributable mainly to the exceptional high increase in the international prices of sugar. Exports of sugar, which amounted to 668,400 metric tons valued at Rs 1,538 million in 1974 as against 699,200 metric tons valued at Rs 608 million in 1973, accounted for about 90 per cent of the increase in total exports. Exports of manufactured goods by industries in the Export Processing Zone continued to show their strong upward trend and amounted to Rs 136 million during the year under review as compared to Rs 46 million in 1973. Exports of electronic components and clothing which rose by Rs 43 million and Rs 40 million respectively accounted for the bulk of the increase.

Exports of molasses and tea increased marginally : they rose from Rs 41.3 million and Rs 18.9 million in 1973 to Rs 45.1 million and Rs 19.7 million respectively in 1974. Some improvement was also evident in the exports of processed diamonds and synthetic stones which rose from Rs 5.3 million in 1972 to Rs 19.7 million in 1973 and further to Rs 22.5 million in 1974. The following table shows the change in the main export items of Mauritius :

Table XVIII. Main Exports

I T E M	(Rs million)			
	1973	1974	Change	
			Amount	Per Cent
Sugar	608.1 (81.2)	1,538.0 (86.1)	929.0	152.9
Molasses	41.3 (5.5)	45.1 (2.5)	3.8	9.2
Tea	18.9 (2.5)	19.7 (1.1)	0.8	4.2
Fish & Fish preparations	8.0 (1.1)	14.5 (0.8)	6.5	81.3
Processed diamonds and synthetic stones	19.7 (2.6)	22.5 (1.3)	2.8	14.2
Electronic components for office machines	5.3 (0.7)	48.5 (2.7)	43.2	815.1
Clothing	20.6 (2.7)	60.8 (3.4)	40.2	195.1
Other exports & Re-exports	27.4 (3.7)	37.3 (2.1)	9.9	36.1
TOTAL	749.3 (100.0)	1,786.4 (100.0)	1,037.1	138.4

Figures in brackets are percentages to the total.

Mauritius operates a liberal import policy and relies heavily on imports for almost all its needs. In fact imports constitute about 60 per cent of the Gross National Product. Imports at Rs 1,756.3 million increased by 91.8 per cent in 1974 as a result of increases in both volume and prices. Import volume is estimated to have increased by about 20 per cent in 1974 as against 11 per cent in 1973, while import prices on average increased by 60 per cent as compared to 30 per cent in 1973.

Increases in some world commodity prices, particularly rice, wheat flour and petroleum products, led to a significant rise in the value of imports in 1974. The largest increase in value was registered in the imports of rice which rose by Rs 156 million to Rs 227 million in 1974. Purchases of petroleum products were up by Rs 97 million as a result of the increase in prices by about 150 per cent. Though imports of petroleum products amounted to Rs 159.5 million, only half was used for domestic consumption, the rest being for bunkers.

Imports of capital goods, mainly machinery, rose substantially: electric and non-electric machinery increased from Rs 131.1 million in 1973 to Rs 218.5 million in 1974. Imports of iron and steel, the prices of which doubled, increased by Rs. 59.2 million to Rs 95.2 million. The prices of edible oil and manufactured fertilizers also doubled and imports of these two items amounted to Rs 52.8 million and Rs 55.9 million respectively. Significant increases also occurred in imports of textile yarn and fabrics which rose by Rs 56 million. Of this increase, about 55 per cent was accounted for by the requirements of the textile and garment industries established in the Export Processing Zone.

The United Kingdom remains our major trading partner. Exports to the United Kingdom reached Rs 630.6 million and accounted for just over 35 per cent of total exports, while imports from that country amounted to Rs 253.4 million or 14.4 per cent of total imports. The relative share of the trade with the United Kingdom, however, declined from the level a year ago when exports accounted for 45.2 per cent and imports for 21.1 per cent. During the year Mauritius imported Rs 352.8 million, or 20.1 per cent of total imports, from the EEC countries*. Among the other main trading partners, on the export side, Canada accounted for

* Excluding the United Kingdom.

Rs 640.2 million and the United States for Rs 140.8 million, or 35.8 per cent and 7.9 per cent of all exports respectively. On the import side, South Africa supplied Rs 161.1 million worth of goods to Mauritius (9.2 per cent of total imports), Iran Rs 148.8 million (8.5 per cent), the United States Rs 87.2 million (5 per cent), Japan Rs 100.2 million (5.7 per cent) and Australia Rs 83.1 million (4.7 per cent). The following Table shows the breakdown of imports and exports by country of origin :

Table XIX. Direction of Trade

(Rs. million)

COUNTRY	1972		1973		1974	
	Imports	Exports	Imports	Exports	Imports	Exports
United Kingdom	131.0 (20.6)	339.5 (59.2)	193.4 (21.1)	338.6 (45.2)	253.4 (14.4)	630.6 (35.3)
Other EEC*	114.3 (18.0)	19.4 (3.4)	180.1 (19.7)	34.5 (4.6)	352.8 (20.1)	91.4 (5.1)
Canada	1.9 (0.3)	107.7 (18.8)	2.9 (0.3)	185.9 (24.8)	12.7 (0.7)	640.2 (35.8)
United States	21.7 (3.4)	36.2 (6.3)	25.4 (2.8)	65.0 (8.7)	87.2 (5.0)	140.8 (7.9)
South Africa	50.4 (7.9)	18.9 (3.3)	78.5 (8.6)	17.4 (2.3)	161.1 (9.2)	24.2 (1.4)
Iran	42.1 (6.6)	10.4 (1.8)	50.6 (5.5)	15.6 (2.1)	148.8 (8.5)	122.2 (6.8)
Japan	49.3 (7.8)	— (—)	59.8 (6.5)	1.2 (0.2)	100.2 (5.7)	7.7 (0.4)
Australia	44.8 (7.0)	0.2 (. .)	49.1 (5.4)	0.5 (0.1)	83.1 (4.7)	2.2 (0.1)
China (Mainland)	14.0 (2.2)	— (—)	29.8 (3.3)	— (—)	149.4 (8.5)	0.1 (. .)
Thailand	2.9 (0.5)	— (—)	1.2 (0.1)	— (—)	74.8 (4.3)	— (—)
Hong Kong	17.6 (2.8)	0.8 (0.1)	23.3 (2.5)	2.4 (0.3)	49.6 (2.8)	12.4 (0.7)
Burma	34.4 (5.4)	0.5 (0.1)	18.5 (2.0)	— (—)	40.4 (2.3)	— (—)
India	16.8 (2.6)	0.1 (. .)	30.5 (3.3)	0.6 (0.1)	35.5 (2.0)	0.3 (. .)
Singapore	12.4 (2.0)	1.5 (0.3)	15.1 (1.6)	0.1 (. .)	31.8 (1.8)	0.9 (0.1)
Other Countries	82.2 (12.9)	38.6 (6.7)	157.6 (17.3)	86.5 (11.6)	175.7 (10.0)	113.4 (6.3)
TOTAL	635.8	573.8	915.8	748.4	1,756.3	1,786.4

* Including Denmark and Republic of Ireland but excluding United Kingdom.
Figures in brackets are percentages to the total.

The visible trade balance moved from a deficit during the past seven years to a surplus. The figures of imports and exports, as recorded by the Customs, as well as the Bank's estimates for 1975 are presented in the Table below :

Table XX. Trends in Exports and Imports: 1972-75

(Rs. million)

<i>I T E M</i>	1972	1973	1974	1975 <i>Estimates</i>
Exports (f.o.b.) ...	574	748	1,786	2,000
Imports (c.i.f.) ...	636	916	1,756	2,100
Trade Balance ...	— 62	— 168	+ 30	— 100

The terms of trade of Mauritius which had deteriorated in 1973 moved in its favour in 1974 as the annual average of export prices rose by nearly 150 per cent while import prices increased by about 60 per cent. In 1973, export and import prices rose by 17 per cent and 30 per cent respectively.

Trends in 1975

The tempo of imports witnessed in 1973 and 1974 when they rose by 44 per cent and 92 per cent respectively appears to have subsided in 1975. Imports during the first half of 1975 reached Rs 943 million as compared with Rs 828 million for the corresponding half of the previous year, or an increase of 13.9 per cent. If the present trend continues, it is estimated that imports in 1975 may amount to Rs 2,100 million. Exports are estimated to total Rs 2,000 million on the assumption that about 550,000 metric tons of sugar are exported during the calendar year 1975 at the guaranteed price in 1975 of £ 260 per metric ton. The visible trade balance may therefore again show a deficit.

(b) Balance of Payments

During the year 1974, Mauritius had a substantial overall balance of payments surplus of Rs 375 million as compared to a deficit of Rs 16.5 million recorded in 1973. The major factor contributing to this favourable out-turn was the record performance of the current account (merchandise transactions, services and unrequited transfers) which moved from a marginal surplus of Rs 2 million in 1973 to a peak of Rs 311 million in 1974. The overall surplus in 1974 was largely due to developments in merchandise transactions (referred to in the previous section) and also to the large inflow of transfers.

The merchandise trade surplus on a balance of payments basis (i.e. adjusted exports and imports f.o.b.) recorded a surplus as high as Rs 272 million. The exceptionally strong rise in the value of exports more than covered the expansion in imports. Total adjusted exports f.o.b. amounted to Rs 1,798 million, while imports f.o.b. reached Rs 1,526 million. This represents a considerable improvement over 1973 when adjusted exports f.o.b. amounted to Rs 755 million and imports f.o.b. to Rs 781 million, resulting in a deficit of Rs 26 million.

The chronic deficit in the services transactions deteriorated in 1974. Services receipts rose by Rs 89 million to Rs 353 million, while services payments rose by Rs 122 million to Rs 396 million. The deficit grew from Rs 11 million in 1973 to Rs 44 million in 1974, and was related largely to the persistent deterioration of 'freight and insurance account'. The net expenditure on this account rose from Rs 112 million in 1973 to Rs 190 million in 1974. The two categories in the services account that have been consistently performing well in the past few years are the 'other transportation account' and the 'travel account'. In the first category, net earnings increased from Rs 41 million in 1973 to Rs 72 million in 1974 while the 'travel account' generated a surplus of Rs 61 million as compared to a surplus of Rs 49 million in 1973.

Under the 'unrequited transfers', net grants received more than doubled between 1973 and 1974: the surplus amounted to Rs 83 million in 1974 as compared to Rs 39 million in 1973. This increase was evident both in official grants received and private remittances: while net government transfers jumped from Rs 13 million in 1973 to Rs 53 million in 1974 net private transfers rose from Rs 26 million to Rs 30 million.

As regards the 'capital account', the net inflow of private long-term capital amounted to Rs 13.5 million in 1974, i.e. at about the same level as in the previous year. As regards official long-term capital, inflow of loans rose by Rs 21 million to Rs 40 million.

Estimates for 1975

A preliminary assessment of the balance of payments position for the year 1975 indicates that a surplus of Rs 158 million may be generated. This is based on the assumption that exports would amount to Rs 2,000 million while imports would be no more than Rs 2,100 million. It must be pointed out, however, that should imports exceed the forecast, the year may well end up with a deficit; if a surplus occurs it would be insignificant. The following table presents the balance of payments data for the years 1972 to 1974 as well as the Bank's estimates for 1975 :

Table XXI. Summary of the Balance of Payments: 1972-1975

(Rs. million)

	1972	1973	1974	1975 (estimates)
Net goods and services	+ 36	— 37	+ 228	+ 68
Net unrequited transfers	+ 47	+ 39	+ 83	+ 60
Net capital movements	+ 24	— 9	+ 17	+ 30
Allocation of SDRs	+ 13	—	—	—
Other capital, errors and omissions	+ 4	— 9	+ 47	—
Basic Balance of Payments	+ 124	— 16	+ 375	+ 158

(c) Tourism

The number of tourists visiting Mauritius increased from 68,000 in 1973 to nearly 73,000 in 1974 or by 7.4 per cent. The number of tourist nights spent in Mauritius, over the same period, also rose from 670,000 to 772,000 or by 15.2 per cent.

The majority of the tourists who visited Mauritius during 1974 also stayed longer. While in 1973 the average length of stay was 9.9 days, it went up to 10.6 days in 1974. Earnings from tourism have for the first time exceeded the Rs 100 million mark: they rose from Rs 83 million in 1973 to Rs 111 million in 1974.

The nearby Island of Reunion and South Africa continued to account for the bulk of the tourist traffic to Mauritius, but the rise in the number of visitors from Reunion between 1973 and 1974 was less pronounced than the rise in the number from South Africa. The number of visitors from Reunion increased marginally by 3.1 per cent from 22,542 in 1973 to 23,232 in 1974, but that from South Africa rose by more than 12 per cent from 9,985 to 11,193 over the same period.

Arrivals from such countries as Zambia, Australia and France went up in 1974, while fewer numbers came from the Malagasy Republic, India, the United Kingdom and Italy.

The outlook for 1975, however, is not very promising. As a result of cyclone *Gervaise* which passed over Mauritius in February, a drop has been observed in the number of arrivals during the first half of 1975. Consequently, tourism in 1975 may earn a lower income than in 1974.

(d) Official Reserves and the Exchange Rate

The foreign exchange reserves of Mauritius rose from Rs 402.3 million at the end of December, 1973, to Rs 785.7 million at the end of December, 1974. This increase reflects the substantial overall surplus in the balance of payments of 1974. Total reserves at the end of December, 1974, were equivalent to just over five months of 1974 imports.

The increase in the external reserves was reflected mainly in the high level of international reserves of the Bank of Mauritius which rose by Rs 383.4 million to Rs 739.8 million in 1974. This improvement in the Bank's international reserves resulted entirely from transactions in the latter part of 1974. They had continually dropped from Rs 346.4 million in December, 1973, to a low of only Rs 48.4 million at the end of August, 1974. But the increase between the end of October, 1974, and December, 1974, amounted to as much as Rs 616.4 million.

The parity between the Mauritius rupee and the pound sterling remained unchanged at £ 1 = Rs 13.33½. The cross rate of the Mauritius rupee to other leading currencies moved in line with the rate of the pound sterling to those currencies. From May, 1975, the pound sterling has been under pressure and on the 30th June, it suffered one of its sharpest falls in recent years, losing more than 3 cents against the U.S. dollar. The effective depreciation of the pound sterling against other leading currencies compared with the Smithsonian agreement of 1971 was 28.9 per cent.

IX. PRICES, WAGES AND EMPLOYMENT

(a) Consumer Prices

The price situation improved, from the second half of 1974: the Consumer Price Index (whole Island)* rose by only 7.5 per cent from 193.6 in December, 1974, to 208.2 in June, 1975, as compared to a rise of 15.4 per cent between December, 1973, and June, 1974. Again the index in June, 1975, was higher than that in June, 1974, by only 10.4 per cent as against a substantial increase of 37.5 per cent between June, 1973, and June, 1974. These are clear signs of a decelerating trend in prices as from the second half of 1974.

The monthly average of the indices also substantiates this trend. The monthly average works out to 204.7 for the first half of 1975. This was higher than the average of 177.2 for the first half of 1974 by 15.5 per cent. In contrast, the increase of the average for the first half of 1974 over the corresponding average for 1973 was 31.8 per cent.

The following Table shows some of the changes in prices over the recent years

Table XXII. **Changes in Prices**

(Consumer Price Index. Base January-June 1962 — 100)

					Changes (%)
I. Actual Index					
From					
(a)	June 1973 to June 1974 ...	...	...	...	+ 37.5
(b)	December 1973 to June 1974	...	...	...	+ 15.4
(c)	June 1974 to June 1975 ...	...	...	...	+ 10.4
(d)	December 1974 to June 1975	...	...	...	+ 7.5
II. Average of Indices					
(a)	First half of 1974 over Average for 1973	...	...	...	+ 24.6
(b)	First half of 1974 over first half of 1973	...	...	...	+ 31.8
(c)	First half of 1975 over Average for 1974	...	...	...	+ 11.5
(d)	First half of 1975 over First half of 1974	...	...	...	+ 15.5

It will be recalled that the year 1972 marked the beginning of a period of rising prices. After the rise of 5.4 per cent in 1972 the monthly average of the indices for 1973 showed a 13.5 per cent rise over the same average for 1972. This was a disturbing development on the price front especially as year-to-year increases in prices in earlier years were small. In 1974, following an acceleration of the inflationary trend, the rate of increase in consumer prices soared to 29.1 per cent. There are signs, however, of a reversal of this trend in 1975. The experience of the first six months of 1975 shows good prospects of a slowdown in the rate of inflation for the year as a whole. Indeed, there has been no substantial rise in prices since the second half

* Compiled by the Central Statistical Office. Base : Jan.-June 1962=100. See Appendix Table 18.

CHANGES IN THE CONSUMER PRICE INDEX

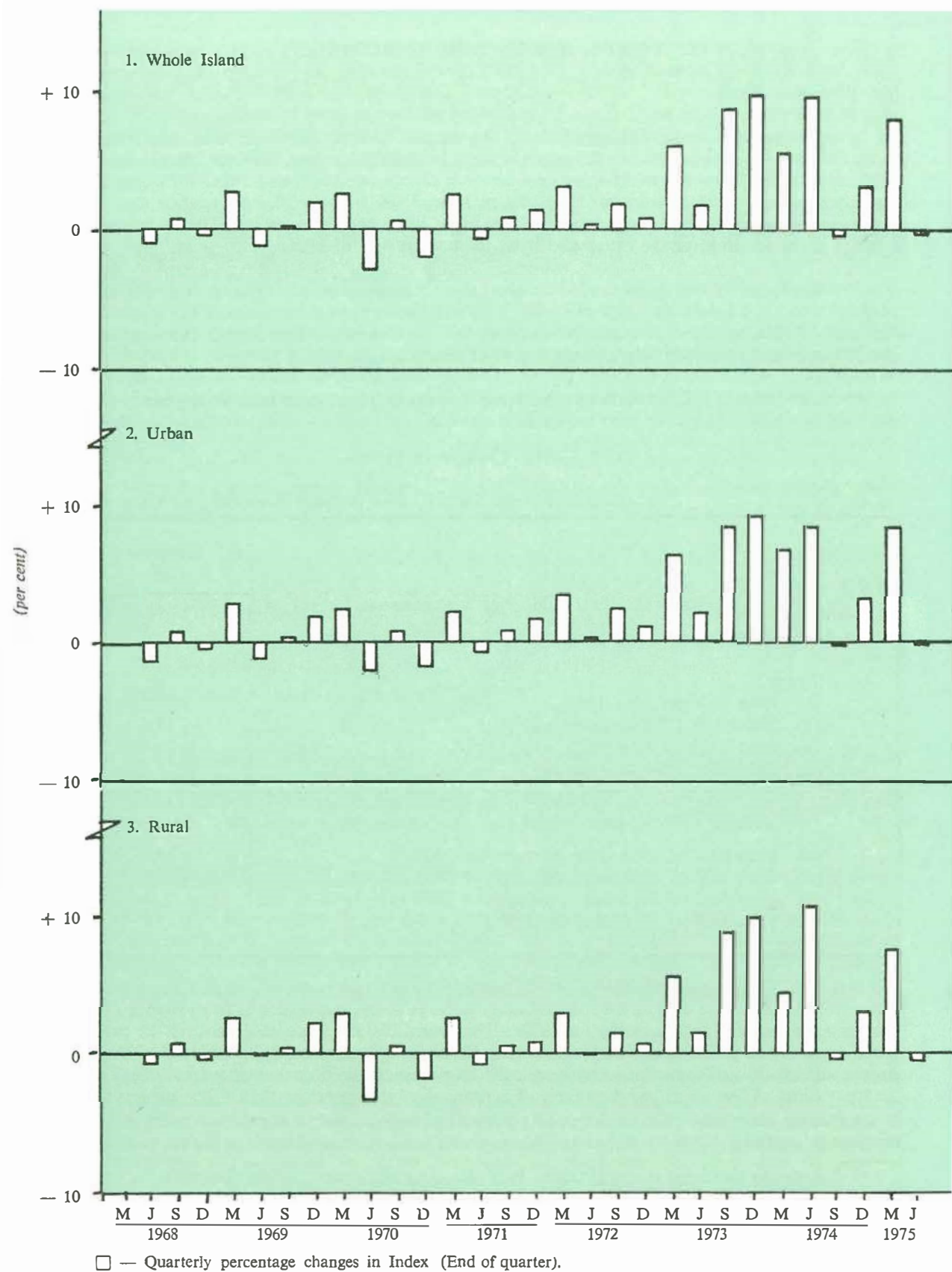


Figure V

of 1974, excepting the months of February and March, 1975, which, in the wake of cyclone *Gervaise*, registered an abrupt rise mostly led by the higher prices of domestic food products. The index in December, 1974, at 193.6 was, in fact, higher by only 2.7 per cent over the index of 188.6 for June, 1974. As mentioned in an earlier paragraph, the rise between December, 1974, and June, 1975, was only 7.5 per cent. Because of the dependence of Mauritius on imported supplies, inflation abroad has had a substantial impact on consumer prices here. However, the subsidy programme of the Government in respect of rice and wheat flour considerably reduced the cost of living impact, particularly on the lower income groups.

Fiscal and monetary measures have been taken since 1973 to contain demand pressures. In the fiscal year 1974-75 an additional surcharge of 5 per cent was imposed on all imported goods with the exception of foodstuffs, fertilizers, textiles, toys, sports requisites, raw materials, pharmaceutical products and fuel. The duties on certain categories of imports were increased further. With a view to increasing the reserves of the Sugar Insurance Fund and taking advantage of the high sugar price in 1974, the Fund's Board raised a special levy of Rs 100 per ton of insurable sugar. This levy siphoned off Rs 72 million from the system. The 10 per cent surcharge imposed in 1973-74 on the income tax of companies was replaced by a 10 per cent tax on the gross income of companies before the distribution of dividends. Also the 15 per cent surcharge on income tax of individuals which fell unequally on different income groups was reduced to 10 per cent to moderate the impact. Among the measures taken in the fiscal year 1975-76, mention must be made of the increase in the export duty on sugar from 10 per cent to 12 per cent applicable to producers exporting more than 5,000 metric tons, and of the collection of a special levy on the 1974 sugar crop for the financing of the construction of a bulk sugar terminal. The latter is expected to yield Rs 68 million from the sugar proceeds of 1974. A similar levy will be payable from the proceeds of the 1975 crop. Apart from these measures the Bank of Mauritius has initiated steps to absorb liquidity in the banking system and to reduce the expansion of credit to the private sector. These have been dealt with in the section on Monetary Policy.

(b) Trends in Wages

The National Remuneration Board was set up under the provisions of the Industrial Relations Act, 1973 (No. 67 of 1973), with the main function of making recommendations on rates of remuneration and conditions of work as and when necessary. In September, 1974, the Board considered conditions of work and wages of agricultural and non-agricultural workers of the sugar industry and awarded an increase in the wages paid in this sector. This was followed by a series of other recommendations. For instance, a "Remuneration Order" setting up the new scales of pay for workers in the Passenger Transport Industry was made by the Minister of Labour and Industrial Relations in November, 1974. In September, 1974, the Civil Service Arbitration Tribunal recommended the payment of a cost of living allowance according to the schedules in the Report of the Salaries Commissioner in 1973 and the payment was made effective as from January, 1974. In December, 1974, the Permanent Arbitration Tribunal awarded a 13 per cent increase in the basic wages of harbour and dock workers and also decided for the granting of a yearly bonus equivalent to 10 per cent of the yearly earnings of workers in this sector. The Cost of Living Allowance Act (No. 59 of 1974) provided for the payment of the allowance in accordance with specified schedules to all employees with the exception of public officers and some other categories of workers. The National Remuneration Board recommended another increase in August, 1975, in favour of agricultural and non-agricultural workers of the sugar industry. At the same time, the Civil Service Arbitration Tribunal recommended the grant of another cost of living allowance to civil servants. This allowance is deemed to be commensurate with the loss in purchasing power since the last increase granted to this sector in September, 1974.

The process of continuous wage increases, triggered off in 1973 by the implementation of the recommendations of the Salaries Commissioner on the public service, has gone on unchecked in 1974-75. The wage scene has been characterised, in fact, by an intensive use of collective bargaining since 1971, and the higher wage claims, though based essentially on the rise in consumer prices, have taken an additional dimension by the apparent shortage of labour in certain specific types of employment.

Inflation in Mauritius which has been fed by domestic and external factors is now in the process of deceleration but there is little likelihood of the situation returning to the level of the sixties when price movements were very narrow. Inflation abroad has not been eradicated and the domestic pressure for wage increases is still persistent. As the labour situation becomes tighter wage settlements would tend to rise further. The resulting redistribution of income in favour of the consuming classes will thus possibly exert an upward push on prices. For price stability to be restored a proper wages policy is one of the prerequisites.

(c) Trends in Employment

The uptrend registered in the general level of employment since 1971 continued in 1974. A survey of the employment figures of large establishments* shows that the number of persons employed increased from 157,787 in September, 1973, to 168,621 in September, 1974, that is to say by 6.9 per cent. The level of employment in these establishments increased by 26,907 in the three-year period from September, 1971, to September, 1974, or by an annual average of 8,969. The largest increase, of the order of 4,951 in the year ending in September, 1974, has taken place in the manufacturing sector. In fact, the employment generated by this sector has been continually on the increase, rising from 8,336 in September, 1970, to 20,673 in September, 1974. The number of employees in the transportation, storage, and communication sectors increased by 1,078 and that in the Development Works Corporation by 1,334 between September, 1973, and September, 1974.

It will be recalled that the level of employment in Mauritius follows closely the pace of activity in the sugar sector, generally rising in the second half of the year when the cane harvest absorbs a substantial part of the labour force. The increase in the level of employment season in recent years appears to have made a dent on the unemployment situation. In fact the year 1973 saw, for the first time since 1968, a decline in the number of persons registered as unemployed. The twelve average months number of the 1972 to registered 27,717 in unemployed 1973. declined Figures of from 34,463 registered over the unemployed are not available on a continuous basis for 1974 and 1975 but there are indications of a declining trend. For instance, the number of registered unemployed declined from 29,793 in May, 1973, to 23,678 in May, 1974, and further to 23,141 in March, 1975.

The Development Works Corporation started functioning in 1971 and was entrusted with the task of reducing the incidence of unemployment, of creating productive employment and training the labour force. The work force of the Corporation increased from 6,000 in March, 1974, to 8,325 in March, 1975. The various activities of the Corporation comprise agriculture, road and house construction, plantation of fodder, re-afforestation and irrigation works, among others. In March, 1974, the Corporation was also entrusted with the execution of the Rural Development Programme which is financed by the World Bank and which aims at creating employment opportunities in the villages as well as raising the quality of life. Of the total work force of the Corporation, 2,625 workers were engaged on the Rural Development Programme.

*Large establishments include sugar plantations of 25 arpents or more, tea plantations of 5 arpents or more, all 'flue cured' tobacco establishments, non-agricultural establishments employing at least 10 persons and all central and local government departments.

X. THE LOMÉ CONVENTION

A Convention between the European Economic Community and the Africa, Caribbean and Pacific countries was signed at Lomé on the 28th February, 1975, after protracted discussions between the parties concerned. The main features of the EEC-ACP Convention, also called the Lomé Convention are outlined below.

General Affairs and Institutions

The EEC-ACP Convention will last for five years from the time of its signature by the members and can be renewed for further periods. As for the institutional framework, there will be three main bodies, namely a Ministerial Conference, a Committee of Ambassadors, and a Consultative Assembly made up of the members of the European Parliament and representatives designated by the ACP states.

Trade

The trade provisions of the Convention came into force on the 1st July, 1975. As from this date, the EEC allows free access to about 99.2 per cent of the imports from the ACP countries. However, free access is not permitted for agricultural and processed agricultural products which are covered by the EEC's common agricultural policy. Sugar representing 12 per cent of the exports of the ACP countries will be subject to a special scheme. The ACP countries have accepted the EEC proposals on the Rules of Origin. They have agreed to the 50 per cent of value added requirement, subject to the principle of cumulative origin — that is to say that the product can be processed at a number of stages in the different ACP countries to reach the final 50 per cent level. The Convention is thus expected to create the largest free trade zone in the world.

Stabilization of Export Receipts

The stabilization scheme is a new element in the Convention. The EEC has agreed to guarantee the export receipts of the ACP countries. The arrangement is limited to a certain number of products but will help in mitigating the problems arising from the fluctuations in prices and quantities. The ACP countries can request a financial transfer if there is a drop in export receipts for one or more products on the basis of a reference period covering four years preceding the year of request. The threshold at which an ACP country has the right to request a financial transfer is fixed at a reduction of 7.5 per cent in export earnings and a reduction of 2.5 per cent for the least developed countries. The stabilization fund is limited to 375 million European Units of Account for the duration of the Convention. The ACP countries will thus benefit from 75 million Units of Account per year to stabilize their export receipts. The least developed countries will be exempt from refunding the financial transfer.

European Development Fund

The ACP countries will receive aid to the extent of 3,390 million Units of Account. 2,100 million Units will be in the form of grants, 430 million Units as special loans up to a period of 40 years at 1 per cent of interest and 95 million Units as risk capital. The European Investment Bank will provide 390 million Units as loans carrying an interest of 5 per cent to 8 per cent. Moreover, as said above, 375 million Units will be set aside for the stabilization of export receipts scheme. The European Development Fund Commitments will end on the 1st March, 1980.

Industrial Co-operation

An industrial co-operation committee and an industrial development centre will be set up to encourage EEC private investment in the ACP countries and to diversify and develop the ACP industrial sector.

Sugar: EEC-ACP Sugar Protocol

The EEC will purchase annually 1.4 million metric tons of sugar from the ACP countries. This quantity of sugar includes the share of Mauritius which is fixed at about 500,000 metric tons. The EEC will guarantee a minimum price* to the ACP sugar producers to be fixed each year as near as possible to the price given to the Community's own sugar producers. The price Britain will pay during the first year of the application of the Protocol has been fixed at £ 260 per metric ton c.i.f. The Protocol came into force on the 1st July, 1975, for an indefinite period with a denunciation clause to be effective from the date of expiry of the Convention but would require two years notice.

The Sugar Protocol provides that if a country fails to fulfil its share, its quota will stand reduced by the same amount for the following years. The undelivered quantity can be covered by another ACP country.

The Lomé Convention is of great value to Mauritius not only because of the guaranteed price for sugar but also because of the other benefits likely to be derived from the duty-free entry into the EEC market of goods manufactured in Mauritius and the flow of official and private investment into Mauritius. The Lomé Convention is being quoted as a possible model for the transfer of resources from the developed to the developing countries.

XI. WORLD ECONOMY

Over the last four years the world has passed through a great economic crisis. First came the international monetary upheaval of 1971 which disrupted the established exchange relationships between countries with the result that, despite the Smithsonian Agreement of December, 1971, most major currencies got loose from their moorings and are now floating. Besides this, the major industrial countries took measures to stimulate their economies already suffering from recession. This gave rise to a strong inflationary upsurge in the world which was partly fed by wage demands and was partly propelled by the rise in the prices of raw materials. It was inevitable that this inflation should lead to a recession. The process was hastened by the four-fold increase in oil prices towards the end of 1973 which had a contractionary effect on domestic demand. About the middle of 1974 most industrial countries were in a recessionary phase.

The countries which have been most affected by the recession are the United States, Western Germany, Japan and the United Kingdom. The country where the recession has been the most severe is the United States. Between September, 1974, and April, 1975, industrial production in that country dropped by 12.9 per cent and in the same period the drop in real output was running at the rate of 11 per cent on an annual basis. Unemployment also reached a staggering figure of 8.9 per cent of the total work force. In Germany and Japan too, the setback to production with the ending of the export boom was quite extensive. Notwithstanding this development the inflationary forces in many countries remained strong. By October, 1974, the increase in the producer prices of manufactured goods over the previous

* The guaranteed price over the period 1st February, 1975, to 30th June, 1976, is fixed at 25.53 European Units of Account per 100 Kg of raw sugar.

twelve months was of the order of 20 per cent in all the industrial countries except Germany where it was about 11 per cent. In Italy and the U.K. the rise was nearly 30 per cent. The governments of industrial countries were thus faced with a dilemma: if any action was taken to stem the recession it could have the effect of feeding the inflation. Nevertheless, the lead in combating recession was taken by the United States which lowered its bank rate from 8 per cent to 6 per cent by stages and eased the money supply. In Germany too the discount rate was lowered from 7 per cent to 5 per cent. Japan was somewhat slow in moving towards anti-recessionary measures because of the severity of domestic inflation. In the U.K., the inflation rate is still around 25 per cent a year though the number of the unemployed has crossed a million mark. There are some signs of recovery in the United States and Germany, but because of the submerged inflationary forces there is a widespread fear of inflation surfacing again in 1976 and gathering momentum in 1977. It is too soon to say whether this development will take place. The recent rise of 10 per cent in oil prices is a new factor which may retard the recovery. The fall in prices of raw materials and the recession in the industrial countries is going to hurt the non-oil developing countries already suffering from severe balance of payments deficits. The OECD has forecast that their current account deficit which was \$ 25.5 billion in 1974 will rise to \$ 32 billion in 1975 and \$ 30 billion in 1976.

In the exchange field, the prospects of reaching stability in the exchange rates are not promising despite the guidelines established by the Fund for floating exchange rates. This is largely due to domestic factors and the weakness of foreign reserves. From the beginning of the crisis till about the middle of last May, the effective depreciation of the U.S. dollar and the pound sterling had reached 18.9 per cent and 24.5 per cent respectively. In the same period the appreciation of the Swiss franc was 42.7 per cent and that of the Deutsche Mark 26.3 per cent. Ten countries are linked to the pound sterling and fifty-four countries to the U.S. dollar. Their currencies in most cases have suffered a proportionate depreciation and their import costs have gone up, heightening the impact on the domestic inflationary situation. In the case of Mauritius, for example, of the rise in the value of imports in 1974, 60 per cent was attributed to the rise in unit costs which was a mixture of price increases and exchange rate changes and 20 per cent to the increase in volume. It is in the interest of developing countries that a regime of stable exchange rates is restored soon.

XII. REFORM OF THE INTERNATIONAL MONETARY SYSTEM

Progress in the reform of the international monetary system has not been significant. As recommended by the Committee of Twenty, an Interim Committee of the Board of Governors was set up for a period of 2 years pending the establishment of a Council to oversee the adjustment process. In the meantime, as recommended by the Committee of Twenty, the Fund took two important steps. It established a new method of valuing the SDR in terms of a basket of 16 currencies. The new value of the SDR became effective from the 1st July, 1974. Prior to this, the Fund valued the SDR at the old par value of the U.S. dollar. The Fund also established guidelines for the management of floating rates and called on the member countries to pledge themselves on a voluntary basis not to introduce or intensify trade or other current account measures for balance of payments purposes without a finding by the Fund that there is a balance of payments justification for such measures. Another step taken by the Fund on the recommendation of the Committee of Twenty was to set up a facility in the Fund to assist the member countries in meeting the initial impact on their balance of payments stemming from the increase in oil import costs. Financial arrangements were made in August, 1974, with seven member countries for the setting up of a fund with the equivalent of SDRs 3.3 billion for lending to member countries faced with balance of payments deficits arising from the higher oil prices.

The Interim Committee which formally met in October, 1974, held subsequently two meetings—one in Washington in January, 1975, and the other in Paris in June, 1975. At the Washington meeting, the Committee agreed that the oil facility should be continued for 1975 on an enlarged basis and proposed a borrowing of SD Rs 5 billion. In order to ameliorate the interest burden on the developing countries most affected by the oil prices, the Committee proposed that a special account be set up in the Fund with appropriate contributions from the oil exporting and the industrial countries. On the question of the quinquennial adjustment of Fund quota, the Committee recommended that the total quotas be increased by 32.5 per cent and be rounded up to SDRs 39 billion.

The third meeting of the Interim Committee was held in Paris in June, 1975. No final agreement could be reached on the various issues before the Committee but on the question of gold there was widespread agreement that the solution would have to be based on the following broad principles: (a) the objective should be an enhancement of the role of the SDR as the central asset in the international monetary system and consequently a reduction of the role of gold; (b) the official price of gold should be abolished; (c) obligations to use gold in payments between the Fund and members should be abrogated; (d) a portion of the Fund's gold should be sold at the approximate market price for the benefit of developing members in general and particularly those with low income and another portion should be sold to members at the present official price; (e) with respect to the rest of the Fund's gold, there should be a range of broad enabling powers, exercisable with a high majority; (f) a reasonable formula should be found for understandings on transactions by monetary authorities with each other and in the market, which would include understandings that would be designed to avoid the re-establishment of an official price of gold and would deal with the volume of gold held by monetary authorities; (g) an appropriate formula should be found for collaboration with the Fund in connection with the understanding among monetary authorities. Some countries felt that this collaboration should relate also to the reduction of the role of reserve currencies in the international monetary system.

The Committee endorsed the view that members should have a basic obligation to collaborate with the Fund and with other members in order to promote exchange stability, to maintain orderly exchange arrangements and to pursue exchange policies that contribute to adjustments, and that the Fund should adopt policies in order to enable members to act consistently with their basic obligations whatever their exchange arrangements might be. The Committee reiterated its agreement that provision should be made for stable but adjustable par values and the floating of currencies in particular situations, subject to appropriate rules and surveillance of the Fund, in accordance with the Outline of the Reform. In regard to the proposed increase in the Fund quotas, the Committee agreed that members should be given an option to pay 25 per cent of the increase in quota in SDRs, the currencies of certain other members subject to their concurrence, or in the member's own currency. The balance of the increase in subscription would be paid, as in the past, in the paying member's own currency. The Committee also recommended that there should be no obligation for a member to re-purchase the amount of its own currency paid in excess of 75 per cent of the increase in its quota.

Thus, in spite of the long lasting discussions over the last four years, no satisfactory progress has been made in the fundamental reform of the international monetary system and a return to stable exchange rates. In view of the unsettled conditions in the world stemming from widespread inflation—and now a recession—and the adverse balance of payments impact of the oil price increases, the prospects for restoration of stability to the international monetary system do not appear to be promising. There are wide differences of views among the major countries on basic issues. However, it is gratifying that the Interim Committee has begun well and it is to be hoped that the Committee will succeed in reaching a consensus on the various issues.

XIII. CONCLUSION AND PERSPECTIVE

The economic developments in Mauritius in 1974 and in the first half of 1975 have been described in the foregoing sections of this Report. The question which now needs to be dealt with is the outlook for the economy in the rest of 1975 and in 1976.

Despite a lower sugar crop estimated for 1975, the balance of payments outlook for the year is, on the whole, promising because of the guaranteed price for sugar which, for 1975, has been fixed at £ 260 per ton. The production of sugar in 1976 is expected to recover. The medium-term outlook for sugar prices on the world market is also promising. Under the Lomé Convention, the price guaranteed for sugar exports from Mauritius will not be below about £ 160 per ton. If sugar production regains its normal levels and if the world market price is reasonably good and given the EEC guaranteed price, the export income of the country in 1976 should stabilize around the present level or even improve.

The recession prevailing abroad, however, could affect the import demand for the products of the newly established industries in the Export Processing Zone and it could also slow down the rate of growth of tourism, which had been very encouraging in the last few years. The slackening of import demand from the Export Processing Zone and the adverse effect on tourism, if they occur to any sizeable degree, would tend to reduce the overall balance of payments surplus in 1975 and 1976 but there would be no undue pressure on the foreign reserves which today stand at a comfortable level.

Actual and potential demand pressures counsel the need for the continuation of the policy of demand management. Monetary policy in the coming year will have to place re-newed emphasis on the need to restrain credit expansion. This is all the more necessary as scarce foreign resources must be saved for the implementation of the second Development Plan which is of a much larger dimension than the first one.

Another area in which caution is indicated is in the formulation of fiscal policy. If monetary policy is to succeed, it must be effectively reinforced by fiscal policy. Mauritius is still in the grip of inflation and the position could assume larger dimensions if wage policy and fiscal policy push up individual incomes and thereby add to the potential liquidity. Monetary policy alone will find it difficult to stem the tide.

An additional reason for the pursuit of appropriate wage and fiscal policies is the country's commitment to a larger Development Plan to reach full employment. To the extent to which inflation continues, the current costs of implementing the Plan will go on escalating. This will increase the burden of generating savings and the tasks of the monetary and fiscal authorities. Increasing resort to domestic credits to finance the Plan will make the inflationary situation worse and the attainment of the Plan objectives more difficult. The co-ordination of wage policy, fiscal policy and monetary policy is essential for the fulfilment of the Plan.

Lastly, a word about the new industries which have been established. Many of these industries were set up in a period when inflation was prevailing all over the world. The inflationary situation will no doubt be mitigated and competition could become very keen as new capacities are built abroad. Besides, as the domestic labour situation becomes tighter with the progress of the Plan, these industries would find the going more difficult unless from now on they give maximum attention to efficiency of production. Their success in the long run will depend on continuing improvement in productivity and a sound financial base. This base could be built up now as profits are high because of the number of concessions given and the inflationary rise in prices. They must prepare for the time when these props would cease to operate.

10th January, 1975

The Manager

..... Bank Limited

PORT LOUIS

Dear Sir,

RESTRAINED CREDIT EXPANSION

As you are aware, various credit regulatory measures were taken in 1973 and were continued in 1974 with a view to containing the demand pressures existing in the economy. The demand management measures which the Bank considers necessary for 1975 have now been decided upon and I outlined them to you at our meeting on the 6th January. The purpose of this letter is to confirm the various measures taken and to set them out in greater detail for your guidance.

2. The first measure relates to bank credit. In pursuance of the policy to restrain excessive credit expansion, it has been decided that the 15 per cent overall ceiling on credit introduced in 1974 should be continued in 1975. More specifically, credit to the private sector will be permitted to expand in 1975 up to 15 per cent above either the permissible level for 1974 (as specified in my letter of the 31st July last) or the level actually reached in 1974, whichever is the lower. The four items listed in my letter of the 30th January last (namely loans and Advances to Customers, Bills Purchased and Discounted (local), Bills Receivable, and Investments in the private sector as furnished in the monthly statement of Assets and Liabilities of your bank) will be taken into account for arriving at the level of credit to the private sector.

3. The overall ceiling to which credit to the private sector can expand will relate to the average of the twelve months of 1975 and not to the level reached at the end of any particular month. This will make for some flexibility within the ceiling and will permit any credit extended in excess of the ceiling in some months to be corrected by appropriate adjustments in the level of credit in other months.

4. As in the past, credit extended to industries operating in the Export Processing Zone and/or holding a Development Certificate will be exempted from the credit ceiling for 1975. The restriction on credit to the private sector mentioned in paragraph 2 above will, therefore, not apply to these categories of industries.

5. I must reiterate that, in the implementation of the credit measure for 1975, your bank should ensure that all priority items, such as food articles, agricultural equipment and machinery, animal feeds, chemicals like fertilizers, pharmaceutical goods, essential construction materials etc., are not adversely affected. I need hardly stress that the impact of the measure should be made to bear principally on non-essential consumer goods, semi-luxuries or luxuries.

6. The level to which credit to the private sector can expand, on an average, during the twelve months of 1975 in the case of your bank will be communicated to you when your bank's data relating to credit for the month of December, 1974, are available.

7. As a further step towards the rationalization of credit distribution, the Bank has decided to withdraw, with immediate effect, the refinancing facilities in respect of sugar. The Bank will, however, maintain in its portfolio those bills relating to sugar which have already been rediscounted with it until they are withdrawn.

8. It has also been decided, as an additional demand management measure, to raise the minimum cash balances which commercial banks are required to maintain from the present 8 per cent to 12 per cent of total deposits. Your minimum cash balances should therefore be based on the 12 per cent requirement.

9. The Bank has also decided that the two-tier structure of interest rates in respect of advances by the Bank of Mauritius to the commercial banks, which formed the subject of my letter of the 1st February last, should continue to be applied in 1975. Accordingly, advances to your bank up to the level of Rs..... will be made at Bank Rate, namely 6 per cent per

annum, but advances in excess of this amount will be charged at twice the Bank Rate, namely 12 per cent per annum.

10. I am confident that you will appreciate the need for all these measures and that you will be able to co-operate fully in their implementation. The Managing Director will be glad to furnish you any additional information you may need in the matter.

Yours faithfully,

(Sd) **G. Bunwaree**

Governor

4th March, 1975

The Manager

..... Bank Limited

PORT LOUIS

Dear Sir,

As you may already be aware, it has been decided that credit extended by commercial banks for the purpose of reconstruction and repairs to buildings and farms damaged by the recent cyclone will be excluded from the overall credit ceilings stipulated for the banks for 1975.

In terms of this decision your bank will be free to extend loans to intending borrowers for reconstruction purposes as stated above. Individual loans up to Rs 15,000 can be made by your bank on its own accord but loans exceeding this amount will need to be referred to the Bank of Mauritius for approval before they are put in payment.

I should be grateful if you would report to the Director of Research by the 15th March and at the end of every month thereafter information on the number and total amount of loans as above sanctioned by your bank and disbursements made thereunder up to the date of re-reporting.

Yours faithfully,

(Sd.) I. Ramphul

Managing Director

PART II. — OPERATIONS OF THE BANK

The routine operations of the Bank are mentioned in this Part.

I. OPERATIONS

(a) Government and Bankers' Accounts

During the year an account was opened by the newly established Bank of Credit and Commerce (International) S.A.

(b) International Institutions

The International Monetary Fund, the International Bank for Reconstruction and Development, and the International Development Association maintain current accounts with the Bank. Mauritius is a member of all these international institutions.

(c) Lending to Commercial Banks

(i) Advances to Banks

The Bank continued the application of the two-tier structure of interest rates in respect of advances granted to commercial banks.

(ii) Export Refinance Facilities

The Bank continued to accept for re-discount bills from commercial banks drawn for the purpose of financing exports of goods. The facility for the rediscounting of sugar bills has been withdrawn at the beginning of the year.

(iii) Import Refinance Facilities

The facility of re-discounting bills for the purpose of financing the import of raw materials for the production of fertilizer was continued on an *ad hoc* basis until the end of September, 1974.

(d) Other Facilities to Commercial Banks

(i) With a view to providing short-term investment facilities to commercial banks and other institutions, the Bank continued to issue Tap Treasury Bills with a life of 91 days. The discount rate was 4.9 per cent.

(ii) The commercial banks were provided with an additional facility for placing their short-term surplus funds arising from the high sugar proceeds with the Bank of Mauritius in 7 day notice deposit, 30 day fixed deposit and 3 month fixed deposit. This special deposit scheme remained in operation for a period of 3 months from the end of December, 1974.

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The Manager

..... Bank Limited

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(e) The audited Balance Sheet and Accounts of the Bank, date 30th June, 1975, are presented on page 56.

(f) Public Debt Management

During the year 1974-75, the Bank of Mauritius issued Government Stocks for a total amount of Rs 310 million, as follows :—

			(Rs. million)
6½% Mauritius Development Loan Stock 1981	...	...	20
7 % Mauritius Development Loan Stock 1987	...	...	15
7½% Mauritius Development Loan Stock 1993	...	...	20
6½% Mauritius Development Loan Stock 1979	...	...	20
6¾% Mauritius Development Loan Stock 1984	...	...	20
7¼% Mauritius Development Loan Stock 1989	...	...	30
7½% Mauritius Development Loan Stock 1994	...	...	35
6½% Mauritius Development Loan Stock 1982	...	...	40
7 % Mauritius Development Loan Stock 1987	...	...	40
7¼% Mauritius Development Loan Stock 1991	...	...	35
7½% Mauritius Development Loan Stock 1994	...	...	35
		TOTAL	310

During the financial year 1974-75, 5% Tap Loan Stock amounting to Rs 5 million was redeemed.

(g) Exchange Control

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

2. ADMINISTRATION, STAFF AND PREMISES

Administration

The Bank recalls with deep regret the death which occurred on the 11th May, 1975, of Mr. Roger Harvais, I.S.O. Mr. Harvais was appointed Director on the 8th September, 1972.

Mr. J. Clément Dalais, C.B.E., who had indicated his inability to serve beyond the end of December, 1974, resigned as a Director of the Bank. Mr. Louis Edgard Adolphe, O.B.E., was appointed Director in replacement of Mr. Dalais with effect from 1st January, 1975.

A list showing the composition of the Board of Directors and the names of the senior officials is appended to the Report.

Staff Matters

Mr. T. K. Padamanabhan, of the Reserve Bank of India, whose services as Adviser on Exchange Control had been made available to the Bank under the India Technical and Economic Co-operation Programme, left in August, 1974.

Dr. N. A. Mujumdar, M.A., Ph.D., of the Reserve Bank of India, who had been seconded to the Bank under arrangements made with the I.M.F. as Director of Research, left in December, 1974, on the expiry of his assignment.

Mr. D. S. Savkar, B.A. (Econ) Hons., M.Com., an ex-Director of the I.M.F., has been appointed by the I.M.F. as Director of Research and Economic Adviser to replace Dr. Mujumdar. Mr. Savkar arrived in Mauritius on the 16th November, 1974, and assumed duty on the 1st December, 1974.

The staff of the Bank (excluding the senior staff) numbered 77 at the end of the year.

The Bank continued its programme of training. Mr. S. Palayathan, an officer of the Research Department, attended the course on 'Balance of Payments Methodology' organised in Washington by the I.M.F. Institute from the 6th January to the 28th February, 1975.

Mr. B. R. Gujadhur, another officer of the same Department, participated in the course on 'Financial Analysis and Policy' organised by the I.M.F. Institute from the 18th February to the 3rd July, 1975.

Mr. V. K. Sonah, an officer of the Public Debt Office, attended the 7th Central Banking Course held at the State Bank of Pakistan from the 16th January to the 15th April, 1975.

Mr. C. Bunwaree, Assistant Inspector of Banks, attended in June, 1975, an Inspection — oriented course organised by the Reserve Bank of India.

Visit and Other Activities

A mission from the I.M.F. headed by Mr. F. Collings, had discussions with officials of the Bank.

Mr. R. Key, from the I.B.R.D., and Mr. J. Morris, from the Overseas Development Ministry who were on assignments to Mauritius visited the Bank.

Mr. C. Brahmabhatt, a former Assistant General Manager of the East African Branches of the Bank of Baroda, was commissioned by the Bank to assess the savings potential in the economy, to investigate the scope of raising the level of savings and to advise on methods of their mobilisation. He spent three weeks with the Bank,

The Bank had the opportunity to receive Mr. N. A. Narasimahan and Mr. M.P. Modi from the Ministry of Finance of the Government of India.

The Bank also received the Burmese Trade Delegation composed of His Excellency U Thein Nynt, U Oo Htoon and U Myint Thein.

Mr. Dagli, editor of 'Commerce', a weekly economic magazine published in Bombay, Mr. Hart of the Royal Mint, Mr. Liddell of Spink & Son Ltd., and Mr. Lethaby of the Crown Agents also visited the Bank during the course of the year.

The Governor attended in September, 1974, the Commonwealth Finance Ministers meeting and the IMF/IBRD meeting held in Ottawa and Washington respectively. He was accompanied by Dr. Mujumdar, the then Director of Research.

The Governor and the present Director of Research, Mr. Savkar, attended in June, 1975, the annual general meeting of the Bank for International Settlements held in Basle.

The Managing Director attended in July, 1974, the meeting of the Association of East African Central Banks held in Kampala.

**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 1975, 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 1975 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 1975, and of the results of its operations for the year then ended.

KEMP CHATTERIS

Chartered Accountants

Date : 27th August 1975.

BANK OF MAURITIUS

BALANCE SHEET AT 30TH JUNE 1975

30.6.74					
Rs.		Rs.		Rs.	
	CAPITAL				
10,000,000	Authorised and Paid Up	...	...	10,000,000	
14,700,000	GENERAL RESERVE FUND	...	...	18,000,000	
207,774,280	NOTES IN CIRCULATION	...	...	311,576,260	
10,840,558	COIN IN CIRCULATION	...	...	11,867,760	
	DEMAND DEPOSITS				
1,872,570	Government	...	...	84,559,214	
32,346,809	Banks	...	...	104,447,849	
7,079,283	Other	...	...	8,875,256	
				197,882,319	
42,340,000	OTHER DEPOSITS	...	...	53,660,000	
	OTHER LIABILITIES				
14,161,099	Profit payable to Government in accordance with Section 11(2)(c) of the Bank of Mauritius Ordinance 1966	...	...	22,982,601	
73,271,029	Others	...	...	154,280,836	
				177,263,437	
Rs. 414,385,628				Rs. 780,249,776	

PROFIT AND FOR THE YEAR ENDED

5,000,000	TRANSFER TO GENERAL RESERVE FUND	...	3,300,000	
14,161,099	PROFIT PAYABLE TO THE GOVERNMENT OF MAURITIUS — in accordance with Section 11(2)(c) of the Bank of Mauritius Ordinance 1966	...	22,982,601	
Rs. 19,161,099			Rs. 26,282,601	

30.6.74					
Rs.				Rs.	
	EXTERNAL ASSETS				
13,212,329	Balances with Banks	...	...	114,606,129	
35,264,050	Treasury Bills	...	...	206,070,034	
88,373,094	Eligible Securities (At Valuation)	...	...	227,026,667	
12,828,343	I.M.F. Special Drawing Rights	...	...	14,298,902	
31,784	Foreign Notes and Coin	...	...	37,695	
149,709,600	TOTAL EXTERNAL ASSETS	...	...	562,039,427	
92,392,362	GOVERNMENT SECURITIES (At Valuation)	...	...	150,989,488	
159,322,613	DISCOUNTS AND ADVANCES	...	...	45,906,905	
12,961,053	OTHER ASSETS	...	...	21,313,956	
	(sd.) G. BUNWAREE	—	Governor		
	(sd.) I. RAMPHUL	—	Managing Director		
	(sd.) R. TACOURI	—	Manager		
Rs. 414,385,628				Rs. 780,249,776	

LOSS ACCOUNT 30TH JUNE 1975

19,161,099	NET PROFIT — after charging current expenditure, writing down fixed assets and providing for reserves and contingencies	...	26,282,601	
Rs. 19,161,099			Rs. 26,282,601	

BANK OF MAURITIUS

Annual Report, 1974-1975

	STATISTICAL TABLES	PAGES
1. Selected Economic Indicators	***	61
2. Bank of Mauritius — Assets and Liabilities	***	62-63
3. Commercial Banks — Assets and Liabilities	***	64-65
4. Monetary Survey	***	66
5. Foreign Exchange Reserves ...	***	67
6. Money Supply	***	68
7. Bank of Mauritius — Selected Transactions	***	69
8. Tap Treasury Bills	***	70
9. Currency in Circulation	***	71
10. Cheque Clearance	***	72
11. Principal Interest Rates in Mauritius	***	73
12. Purpose-wise Classification of Loans and Advances and Bills Discounted	***	74
13. (a) Ownership of Time Deposits	***	75
(b) Ownership of Savings Deposits	***	75
14. Government Finances : Recurrent Budget	***	76
15. Government Finances : Capital Budget...	***	77
16. Employment by Economic Activity	***	78
17. Indicators of Unemployment	***	79
18. Consumer Price Indices	***	80
19. Sugar Production and Yields	***	81
20. Sugar Production and Disposal	***	82
21. Imports & Exports : Major Commodity Groups	***	83
22. Imports — Main Sources of Supply	***	84
23. Exports — Principal Countries of Destination	***	85
24. Tourist Arrivals : Area-wise Classification	***	86
25. Balance of Payments	***	87
26. Gross National Product at Current Factor Cost	***	88
27. Composition of Gross Domestic Fixed Capital Formation at Current Prices	***	89

Notes

The following conventional signs are used :

— Nil

Negligible

N.A Not Available

Table 1. Selected Economic Indicators

	Unit/ Base	June 1973	Sept. 1973	Dec. 1973	March 1974	June 1974	Sept 1974	Dec. 1974	March 1975	June 1975
<i>I. Bank of Mauritius</i>										
(1) Notes and coin in circulation	Rs million	159.0	177.0	226.4	214.6	218.6	236.4	357.0	331.6	323.4
(2) External assets ...	Rs million	334.6	356.4	356.4	339.3	149.7	84.9	739.8	648.1	562.0
(3) Government securities ...	Rs million	9.3	6.1	20.8	34.5	92.4	96.6	7.5	1.7	151.0
(4) Discounts and advances ...	Rs million	48.5	55.4	67.6	34.5	159.3	207.8	12.1	63.4	45.9
of which: Government borrowing ...	Rs million	1.2	1.2	1.2	1.2	34.2	75.2	1.2	38.5	1.2
<i>II. Commercial Banks</i>										
(1) Aggregate deposits ...	Rs million	503.1	554.6	647.0	647.3	600.0	653.8	1,234.0	1,086.5	981.8
(2) Bank lending to private sector	Rs million	421.2	459.7	536.5	500.4	503.0	557.3	594.3	615.7	710.5
(3) Cheque clearances ...	Rs million	187.1	213.7	311.6	277.4	282.3	294.8	572.7	388.1	418.2
<i>III. Post Office Savings Bank deposits ...</i>										
	Rs million	37.3	38.3	40.8	42.3	43.6	43.5	48.6	52.5	53.4
<i>IV. Interest Rates ...</i>										
(1) Bank rate ...	%/annum	6	6	6	6	6	6	6	6	6
(2) Prime rate (min) ...	%/annum	7	7	7	7	7	7	7	7	7
(3) Savings accounts (banks) ...	%/annum	4	4	4	4	4	4	4	4	4
<i>V. Money Supply ...</i>										
	Rs million	342.9	387.6	466.5	465.8	420.6	466.6	783.7	705.0	685.7
<i>VI. Consumer Price Index (Whole Island) ...</i>										
	Jan-June 1962=100	137.2	149.0	163.4	172.1	188.6	188.0	193.6	208.8	208.2
<i>VII. Foreign Trade</i>										
(1) Imports, c.i.f. ...	Rs million	222.6	214.6	306.7	344.3	483.7	493.3	434.7	475.0	463.8
(2) Exports, f.o.b. ...	Rs million	66.6	247.9	279.4	245.0	101.6	474.5	964.9	148.3	446.4
<i>VIII. Employment Data</i>										
(1) Registered unemployed ...	Number	28,716	24,985	20,691	21,939	N.A.	21,882	N.A.	23,141	N.A.
(2) Relief workers ...	Number	11,360	10,701	10,872	10,718	10,405	10,044	10,105	10,268	10,356

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

Table 2. Bank of Mauritius — Assets

(Rs million)

End of period	EXTERNAL ASSETS						CLAIMS ON GOVERNMENT			Redis- counts and Advances to Banks	Other Assets	Total Assets
	Special Drawing Rights	Balances with Banks	Treasury Bills	Eligible Securities	Ineligible Securities	Total*	Treasury Bills and Securities	Advances and Discounts	Total			
1967	—	4.9	25.8	36.5	6.5	73.7	34.0	6.9	40.9	—	2.1	116.7
1968	—	20.6	30.4	32.5	5.5	89.0	24.0	15.0	39.0	.9	1.8	130.7
1969	—	18.1	44.3	111.9	5.6	180.0	14.9	10.5	25.4	9.2	4.4	219.0
1970	14.6	131.0	16.1	82.1	2.7	246.6	.5	1.2	1.7	1.4	3.7	253.4
1971	27.7	64.3	76.9	82.0	—	250.9	16.9	1.2	18.1	31.7	7.4	308.1
1972	40.6	124.9	106.6	106.1	—	378.2	48.8	1.2	50.0	31.6	8.3	468.1
1973	40.6	163.7	52.3	99.7	—	356.4	20.8	1.2	22.0	66.4	9.3	454.1
1974	15.5	554.3	152.4	17.6	—	739.8	7.5	1.2	8.7	10.9	10.1	769.5
1970 March	14.8	17.8	38.1	133.8	5.8	210.3	7.4	.9	8.3	2.0	10.0	230.6
June	14.7	20.1	16.1	135.1	4.4	190.5	8.8	3.3	12.1	7.5	11.5	221.6
Sept.	14.6	82.6	16.3	78.4	3.4	195.3	1.4	5.7	7.1	.6	7.6	210.6
Dec.	14.6	131.0	16.1	82.1	2.7	246.6	.5	1.2	1.7	1.4	3.7	253.4
1971 March	27.7	129.7	21.8	60.5	2.6	242.3	13.4	1.2	14.6	3.6	4.2	264.7
June	27.7	100.0	8.1	59.3	—	195.1	8.8	1.2	10.0	20.1	11.7	236.9
Sept.	27.7	83.8	31.5	66.9	—	209.9	4.5	1.2	5.7	9.0	8.8	233.4
Dec.	27.7	64.3	76.9	82.0	—	250.9	16.9	1.2	18.1	31.7	7.4	308.1
1972 March	40.6	117.1	66.2	81.5	—	305.4	. .	1.2	1.2	4.9	7.7	319.2
June	40.6	64.9	11.6	123.3	—	240.5	12.9	1.2	14.1	28.8	10.7	294.1
Sept.	40.6	48.9	60.6	107.7	—	257.9	34.3	1.2	35.5	13.4	8.0	314.8
Dec.	40.6	124.9	106.6	106.1	—	378.2	48.8	1.2	50.0	31.6	8.3	468.1
1973 March	40.6	206.8	49.8	106.4	—	403.6	13.3	1.2	14.5	16.4	8.1	442.6
June	40.6	122.5	64.1	107.2	—	334.6	9.3	1.2	10.5	47.3	12.7	405.1
Sept.	40.6	122.9	70.3	101.6	—	335.4	6.1	1.2	7.3	54.2	10.3	407.2
Dec.	40.6	163.7	52.3	99.7	—	356.4	20.8	1.2	22.0	66.4	9.3	454.1
1974 March	40.6	121.2	79.5	97.9	—	339.3	34.5	1.2	35.7	33.3	14.0	422.3
June	12.8	13.2	35.3	88.4	—	149.7	92.4	34.2	126.6	125.1	13.0	414.4
Sept.	15.3	48.2	1.9	19.4	—	84.9	96.6	75.2	171.8	132.6	10.7	400.0
Dec.	15.5	554.3	152.4	17.6	—	739.8	7.5	1.2	8.7	10.9	10.1	769.5
1975 Jan.	15.5	551.6	120.2	85.1	—	772.4	2.9	1.2	4.1	5.7	10.1	792.3
Feb.	15.5	463.9	76.8	150.4	—	706.6	3.2	1.2	4.4	5.6	10.3	726.9
March	15.5	336.2	65.2	231.2	—	648.1	1.7	38.5	40.2	24.9	10.4	723.6
April	15.5	231.9	74.3	228.6	—	550.3	100.1	1.2	101.3	55.3	10.4	717.3
May	14.3	197.8	126.8	228.5	—	567.4	68.9	1.2	70.1	35.9	10.4	683.8
June	14.3	114.6	206.1	227.0	—	562.0	151.0	1.2	152.2	44.7	21.3	780.2

Table 2. Bank of Mauritius — Liabilities

(Rs. million)

End of period			Capital and Reserves	RESERVE MONEY							GOVERNMENT DEPOSITS			Current Accounts of International Organizations & Others	Time Deposits of Statutory Bodies (1) & P.O.S.B.	Special Drawing Rights Counterpart Funds	Other Liabilities(2)	Total Liabilities
				Currency in Circulation	Currency with Banks	Demand Deposits			Bankers' Deposits—Others	Total	Central Government	Semi-Government Institutions	Total					
						Bankers	Statutory Bodies (1)	Other Current Accounts										
1967	...	...	5.0	93.3	7.0	.5	—	—	—	100.8	—	—	—	—	—	—	10.9	116.7
1968	...	...	6.0	89.2	7.9	1.6	—	.1	—	98.8	1.4	—	1.4	.1	21.0	—	3.4	130.7
1969	...	...	7.3	97.1	9.5	3.5	1.3	.2	—	111.6	3.5	6.3	9.8	1.0	60.9	—	28.4	219.0
1970	...	...	9.5	104.7	10.0	6.2	.8	.3	22.9	144.9	24.6	4.6	29.2	1.4	60.5	—	7.9	253.4
1971	...	...	14.5	126.3	9.8	8.6	.8	1.1	—	145.6	32.9	1.2	34.1	1.4	70.6	28.0	13.9	308.1
1972	...	...	16.6	156.3	12.8	30.1	17.9	.2	—	217.3	130.8	1.4	132.2	1.5	41.9	41.0	17.6	468.1
1973	...	...	19.7	200.6	25.8	30.9	.1	.8	—	258.2	73.2	.1	73.3	1.4	38.0	41.0	22.5	454.1
1974	...	...	24.7	314.2	42.8	112.8	.7	—	5.0	475.5	86.3	.1	86.4	1.4	46.5	41.0	94.0	769.5
1970	March	...	7.3	89.9	7.5	5.6	.3	.3	—	103.6	19.8	6.1	25.9	1.0	59.4	—	33.4	230.6
	June	...	9.5	86.3	8.1	4.5	.1	.1	.7	99.8	1.9	6.1	8.0	1.1	57.9	14.9	30.4	221.6
	Sept.	...	9.5	93.2	8.6	5.1	.3	.5	11.9	119.6	2.6	6.5	9.1	1.0	58.1	4.0	9.3	210.6
	Dec.	...	9.5	104.7	10.0	6.2	.8	.3	22.9	144.9	24.6	4.6	29.2	1.4	60.5	—	7.9	253.4
1971	March	...	9.5	96.6	9.1	6.0	4.0	.2	16.8	132.7	38.4	4.9	43.3	1.4	53.8	13.1	10.9	264.7
	June	...	14.5	97.7	7.2	8.0	.6	.2	4.6	118.3	16.7	4.6	21.3	1.3	55.4	13.1	13.0	236.9
	Sept.	...	14.5	104.0	8.8	7.2	.2	—	4.6	124.8	17.1	5.1	22.2	1.5	48.7	13.1	8.6	233.4
	Dec.	...	14.5	126.3	9.8	8.6	.8	.1	—	145.6	32.9	1.2	34.1	1.4	70.6	28.0	13.9	308.1
1972	March	...	14.5	128.0	10.5	16.9	.1	.1	—	155.6	46.0	1.9	47.9	1.4	45.0	41.0	13.8	319.2
	June	...	16.6	122.7	8.7	10.9	.7	—	—	143.0	41.7	1.2	42.9	1.5	42.3	41.0	6.8	294.1
	Sept.	...	16.6	132.2	10.3	10.2	.1	.5	—	153.3	54.6	2.7	57.3	1.4	42.6	41.0	2.6	314.8
	Dec.	...	16.6	156.3	12.8	30.1	17.9	.2	—	217.3	130.8	1.4	132.2	1.5	41.9	41.0	17.6	468.1
1973	March	...	16.6	143.1	13.2	12.9	.2	2.1	—	171.5	161.7	3.5	165.2	1.4	33.4	41.0	13.5	442.6
	June	...	19.7	148.2	10.8	15.4	.5	.9	—	175.8	103.8	3.1	106.9	1.4	34.2	41.0	26.1	405.1
	Sept.	...	19.7	161.9	15.1	35.2	.4	.7	—	213.3	72.5	2.6	75.1	1.4	35.0	41.0	21.7	407.2
	Dec.	...	19.7	200.6	25.8	30.9	.1	.8	—	258.2	73.2	.1	73.3	1.4	38.0	41.0	22.5	454.1
1974	March	...	19.7	197.1	17.5	38.6	.1	.1	—	253.4	34.5	.1	34.6	1.5	41.3	41.0	30.8	422.3
	June	...	24.7	200.8	17.8	32.3	.1	—	—	251.0	1.9	.1	2.0	1.5	42.3	36.0	56.9	414.4
	Sept.	...	24.7	218.5	17.9	34.5	.2	—	—	271.1	.3	.1	.4	1.4	42.0	12.3	48.1	400.0
	Dec.	...	24.7	314.2	42.8	112.8	.7	—	5.0	475.5	86.3	.1	86.4	1.4	46.5	41.0	94.0	769.5
1975	Jan.	...	24.7	293.6	26.0	123.4	—1.7	—	17.0	458.3	115.0	.1	115.1	1.5	51.0	41.0	100.7	792.6
	Feb.	...	24.7	311.6	21.2	125.4	18.6	—	7.0	483.8	24.4	.2	24.6	1.5	52.0	41.0	99.3	762.9
	March	...	24.7	310.6	21.0	115.2	36.6	—	7.0	489.9	.3	.2	.5	1.4	52.5	41.0	113.6	723.6
	April	...	24.7	303.5	25.4	95.0	39.8	—	—	463.7	18.5	.2	18.7	1.6	53.0	41.0	114.6	717.3
	May	...	24.7	303.0	22.3	106.0	0.2	—	—	431.5	17.5	.2	17.7	1.5	52.6	12.3	143.5	683.8
	June	...	28.0	303.4	20.0	104.4	1.7	—	—	429.5	84.6	.2	84.8	1.5	53.7	410.0	141.7	780.2

(1) Other than Semi-Government Institutions.

(2) Includes Use of Fund Credit during April 69-July 70.

Table 3 — Commercial Banks — Assets

(Rs. million)

End of Period	Reserves		Foreign Assets				Claims on Govt.			Claims on Private Sector					Other Assets	Total Assets	Acceptances on account of Customers	Documentary Credits	Guarantees
	Cash in hand	Balances at Bank of Mauritius	Balances with banks abroad	Foreign Bills Discounted	Foreign Securities	Total ¹	Treasury Bills	Govt. Securities	Total	Local Bills Discounted	Bills Receivable	Loans & Advances to Public	Other Loans & Advances	Total ²					
1967 ...	7.0	.5	52.3	..	2.0	54.3	—	3.5	3.5	4.5	10.7	8.9				282.1	—	27.6	13.6
1968 ...	7.9	1.6	38.7	.1	1.9	41.0	—	8.5	8.5	4.5	5.6	9.4	177.6	201.0	16.1	276.1	2.5	26.4	15.2
1969 ...	9.5	3.5	45.2	.1	2.0	47.9	3.1	18.0	21.1	4.3	7.2	8.4	184.8	209.0	21.5	312.5	3.6	28.4	14.0
1970 ...	10.0	6.2	31.3	.9	2.0	34.8	7.8	42.3	50.1	16.5	11.7	9.3	168.1	209.9	49.3	360.3	5.7	32.9	14.0
1971 ...	9.8	8.6	13.2	1.6	2.0	18.0	1.0	77.5	78.5	40.8	14.3	13.3	225.3	299.1	33.4	447.4	10.1	40.0	13.9
1972 ...	12.8	30.1	10.0	2.9	2.0	17.1	8.7	118.9	127.6	56.1	19.4	15.6	259.6	356.5	45.4	589.5	10.6	65.0	17.0
1973 ...	25.8	30.9	13.9	6.7	2.0	25.3	3.0	142.4	145.4	92.5	49.2	20.3	368.1	536.5	64.0	827.9	24.1	142.2	37.1
1974 ...	42.8	112.8	24.5	6.2	2.0	35.8	144.2	335.2	479.4	57.7	65.1	7.8	455.7	594.3	112.6	1,377.7	30.7	120.2	100.4
1971 March	9.1	6.0	24.8	1.7	2.0	29.2	2.5	52.7	55.2	22.8	10.3	9.1	160.5	207.0	41.8	348.3	4.6	36.4	19.0
June	7.2	8.0	15.6	1.0	2.0	19.4	—	49.5	49.5	27.8	14.3	10.0	197.0	254.0	34.1	372.2	3.4	38.6	16.7
Sept.	8.8	7.2	14.9	1.3	2.0	18.8	8.8	50.8	59.6	21.2	13.2	10.2	192.3	242.3	33.1	369.8	7.8	36.9	19.2
Dec.	9.8	8.6	13.2	1.6	2.0	18.0	1.0	77.5	78.5	40.8	14.3	13.3	225.3	299.1	33.4	447.4	10.1	40.0	13.9
1972 March	10.5	16.9	4.6	1.3	2.0	8.8	12.3	85.8	98.1	51.4	17.2	13.7	204.3	292.0	27.8	454.1	10.8	43.9	16.0
June	8.7	10.9	4.4	2.1	2.0	10.0	3.0	84.8	87.8	46.0	13.6	16.9	241.9	324.1	33.1	474.6	10.1	55.5	16.0
Sept.	10.3	10.2	11.0	1.8	2.0	15.9	—	89.8	89.8	53.4	18.2	13.6	248.7	339.7	34.0	499.9	6.9	65.7	16.1
Dec.	12.8	30.1	10.0	2.9	2.0	17.1	8.7	118.9	127.6	56.1	19.4	15.6	259.6	356.5	45.4	589.5	10.6	65.0	17.0
1973 March	13.2	12.9	10.1	2.7	2.0	16.4	13.2	133.5	146.7	38.4	19.7	14.2	281.2	359.6	43.4	592.2	8.8	79.9	20.1
June	10.8	15.0	12.8	5.8	2.0	22.2	—	134.0	134.0	39.4	23.2	15.5	336.9	421.2	48.5	651.7	15.3	104.1	24.0
Sept.	15.1	29.8	8.1	5.3	2.0	17.2	—	135.0	135.0	53.3	28.7	15.3	356.1	459.7	50.4	707.2	10.9	155.1	30.0
Dec.	25.8	30.9	13.9	6.7	2.0	25.3	3.0	142.4	145.4	92.5	49.2	20.3	368.1	536.5	64.0	827.9	24.1	142.2	37.1
1974 March	17.5	38.6	12.3	7.6	2.0	23.9	11.8	120.4	132.2	31.1	38.7	19.1	404.3	500.4	58.1	770.7	24.2	216.1	87.1
June	17.8	32.5	10.8	9.1	2.0	23.2	8.0	96.4	104.4	15.3	59.6	5.3	415.4	503.0	60.0	740.9	16.9	203.5	111.4
Sept.	17.9	34.5	17.8	6.1	2.0	27.9	10.6	87.6	98.2	34.8	66.3	6.3	442.4	557.3	87.0	820.8	20.6	170.8	109.1
Dec.	42.8	112.8	24.5	6.2	2.0	35.8	144.2	335.2	479.4	57.7	65.1	7.8	455.7	594.3	112.6	1,377.7	30.7	120.2	100.4
1975 Jan.	26.0	123.4	20.9	5.6	2.0	31.3	190.4	337.7	528.1	37.5	61.5	8.5	473.6	589.3	125.1	1,423.2	33.1	119.6	65.7
Feb.	21.2	125.4	13.1	3.5	2.0	20.9	96.7	338.2	434.9	31.9	61.3	6.8	503.5	611.7	93.7	1,307.8	22.7	149.8	68.4
March	21.0	114.2	10.7	5.0	2.0	19.7	29.8	337.3	367.1	23.6	55.7	8.3	519.8	615.7	86.5	1,224.2	18.2	182.5	67.8
April	25.4	95.0	9.9	4.2	2.0	18.4	15.7	231.3	247.0	23.5	55.1	8.7	581.1	676.7	86.4	1,148.9	28.0	203.4	48.1
May	22.3	106.0	6.6	6.4	2.0	16.8	28.3	226.0	254.3	28.1	56.8	6.8	575.9	675.9	68.0	1,143.3	32.0	177.7	68.9
June	20.0	104.4	10.8	7.0	2.0	21.4	17.6	196.5	214.1	29.3	60.5	6.5	605.4	710.5	82.0	1,152.4	37.8	188.7	74.7

1. Includes Foreign Notes and Coin.

2. Includes non-interbank investments ; interbank investments are included in " Other Assets ".

Table 3 — Commercial Banks — Liabilities

(Rs. million)

End of Period	Capital & Reserves	Private Sector Deposits				Government Deposits	Credit from Bank of M'tius*	Balances due to		Bills Payable	Other Liabilities	Total Liabilities	Acceptances on account of Customers	Documentary Credits	Guarantees
		Demand	Time	Savings	Total			Banks in M'tius	Banks Abroad						
1967 ...	15.7	130.2	26.4	44.8	201.4	17.2	—	5.4	16.3	.2	25.9	282.1	—	27.6	13.6
1968 ...	16.1	102.1	55.3	46.7	204.1	6.8	.9	1.9	19.2	.3	26.8	276.1	2.5	26.4	15.2
1969 ...	16.7	118.8	75.3	51.2	245.3	3.8	9.2	.8	6.0	.8	29.9	312.5	3.6	28.4	14.0
1970 ...	17.8	123.8	105.7	65.4	294.9	2.5	1.4	1.4	10.6	1.2	30.5	360.3	5.7	32.9	14.0
1971 ...	30.7	134.4	115.5	87.7	337.6	3.7	31.7	7.9	14.3	1.5	20.0	447.4	10.1	40.0	13.9
1972 ...	31.9	201.9	140.6	118.7	461.2	2.4	31.6	11.6	7.9	1.7	41.2	589.5	10.6	65.0	17.0
1973 ...	40.0	265.0	210.0	165.9	640.9	6.1	66.4	11.4	11.5	1.7	49.9	827.9	24.1	142.2	37.1
1974 ...	45.1	468.8	512.1	243.4	1,224.3	9.7	10.9	8.8	9.7	3.7	65.5	1,377.7	30.7	120.2	100.4
1971 March	18.2	112.4	96.6	70.9	279.9	3.1	3.6	2.8	10.6	1.3	28.8	348.3	4.6	36.4	19.0
June ...	18.3	112.8	94.1	73.2	280.1	3.1	20.1	6.4	18.9	.8	24.5	372.2	3.4	38.6	16.7
Sept. ...	18.3	111.8	102.0	78.7	292.5	2.0	9.0	4.7	12.3	1.0	30.0	369.8	7.8	36.9	19.2
Dec. ...	30.7	134.4	115.5	87.7	337.6	3.7	31.7	7.9	14.3	1.5	20.0	447.4	10.1	40.0	13.9
1972 March	31.5	151.1	119.3	97.7	368.1	5.5	4.9	1.0	12.1	1.6	29.4	454.1	10.8	43.9	16.0
June ...	31.6	137.2	121.5	102.7	361.4	5.7	28.8	4.9	8.4	1.1	32.7	474.6	10.1	55.5	16.0
Sept. ...	31.8	158.2	130.4	111.0	399.6	3.0	13.4	4.2	12.2	2.0	33.7	499.9	6.9	65.7	16.1
Dec. ...	31.9	201.9	140.6	118.7	461.2	2.4	31.6	11.6	7.9	1.7	41.2	589.5	10.6	65.0	17.0
1973 March	34.2	185.6	165.9	131.7	483.2	2.1	16.4	2.0	10.1	3.4	40.8	592.2	8.8	79.9	20.1
June ...	34.4	193.3	168.7	136.8	498.8	4.3	47.3	5.3	15.3	.9	45.4	651.7	15.3	104.1	24.0
Sept. ...	34.8	224.6	179.2	147.7	551.5	3.1	54.2	3.7	10.0	2.4	47.5	707.2	10.9	155.1	30.0
Dec. ...	40.0	265.0	210.0	165.9	640.9	6.1	66.4	11.4	11.5	1.7	49.9	827.9	24.1	142.2	37.1
1974 March	41.8	268.5	187.1	184.2	639.8	7.5	33.3	11.5	4.3	5.7	26.8	770.7	24.2	216.1	87.1
June ...	44.3	219.7	185.7	188.0	593.4	6.6	125.1	7.6	16.2	5.4	48.0	740.9	20.6	203.5	111.4
Sept. ...	44.8	247.9	201.1	197.6	646.6	7.2	132.6	19.0	6.5	11.4	55.0	822.8	16.9	170.8	109.1
Dec. ...	45.1	468.8	512.1	243.4	1,224.3	9.7	10.9	8.8	9.7	3.7	65.5	1,377.7	30.7	120.2	100.4
1975 Jan.	45.1	445.6	550.6	263.3	1,259.5	15.8	5.7	10.2	8.5	6.1	72.3	1,423.2	33.1	119.6	65.7
Feb. ...	46.6	410.9	473.5	277.4	1,161.8	10.1	5.6	5.1	9.4	4.0	65.2	1,307.8	22.7	149.8	68.4
March ...	47.6	358.3	423.4	286.7	1,068.4	18.1	24.9	5.5	6.2	5.6	48.0	1,224.2	18.2	182.5	67.8
April ...	48.8	320.6	359.0	290.9	970.5	9.7	55.3	24.1	10.6	5.0	24.9	1,148.9	28.0	203.4	48.1
May ...	50.8	341.4	340.9	292.2	974.5	10.0	35.9	7.1	19.3	4.2	41.5	1,143.3	32.0	177.7	68.9
June ...	51.9	380.6	297.3	294.3	972.2	9.6	44.7	10.3	14.1	5.0	44.6	1,152.4	37.8	188.7	74.7

* Item adjusted with Table 2

Table 4. Monetary Survey

(Rs. million)

End of Period	Foreign Assets (net)	Domestic Credit			Total Assets	Currency with Public	Money			Quasi — Money				Other Items (net)
		Claims on Public Sector (net)	Claims on Private Sector	Total			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
1972	387.4	43.0	356.5	399.5	786.9	156.3	18.1	201.9	376.3	41.9	140.6	118.7	301.2	109.4
1973	370.2	88.0	536.5	624.5	994.7	200.6	.9	265.0	466.5	38.0	210.0	165.9	413.9	114.3
1974	765.9	392.0	594.3	986.3	1,752.2	314.2	.7	468.8	783.7	46.5	512.1	243.4	802.0	166.5
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 — 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
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
September ..	261.7	65.0	339.7	404.7	666.4	132.2	.6	158.2	291.0	42.6	130.4	111.0	284.0	91.4
December ..	387.4	43.0	356.5	399.5	786.9	156.3	18.1	201.9	376.3	41.9	140.6	118.7	301.2	109.4
1973 — March ..	409.8	— 6.1	359.6	353.5	763.3	143.1	2.3	185.6	331.0	33.4	165.9	131.7	331.0	101.3
June... ..	341.5	33.3	421.2	454.5	796.0	148.2	1.4	193.3	342.9	34.2	168.7	136.8	339.7	113.4
September ..	342.6	64.1	459.7	523.8	866.4	161.9	1.1	224.6	387.6	35.0	179.2	147.7	361.9	116.9
December ..	370.2	88.0	536.5	624.5	994.7	200.6	.9	265.0	466.5	38.0	210.0	165.9	413.9	114.3
1974 — March ..	358.9	125.8	500.4	626.2	985.1	197.1	.2	268.5	465.8	41.3	187.1	184.2	412.6	106.7
June... ..	166.4	222.4	503.3	725.4	891.8	200.8	.1	219.7	420.6	42.3	185.7	188.0	416.0	55.2
September ..	96.6	262.4	557.3	819.7	916.3	218.5	.2	247.9	466.6	42.0	201.1	197.6	440.7	9.0
December ..	765.9	392.0	594.3	986.3	1,752.2	314.2	.7	468.8	783.7	46.5	512.1	243.4	802.0	166.5
1975 — January ..	795.2	401.3	589.3	990.6	1,758.8	293.6	—1.7	445.6	737.5	51.0	550.6	263.3	864.9	183.4
February ..	718.1	404.6	611.7	1,016.3	1,734.4	311.6	18.6	410.9	741.1	52.0	473.5	277.4	802.9	190.4
March... ..	661.6	388.8	615.7	1,004.5	1,666.1	310.1	36.6	358.3	705.0	52.5	423.4	286.7	762.6	198.5
April... ..	558.1	319.9	676.7	996.6	1,554.7	303.5	39.8	320.6	663.9	53.0	359.0	290.9	702.9	187.9
May... ..	564.9	296.7	675.9	972.6	1,537.5	303.0	.2	341.4	644.6	52.6	340.9	292.2	685.7	207.2
June... ..	569.3	271.9	710.5	982.4	1,551.7	303.4	1.7	380.6	685.7	53.7	297.3	294.3	645.3	220.7

* Excluding Foreign Notes and Coins.

Table 5. Foreign Exchange Reserves

(Rs. million)

	1970			1971				1972				1973				1974				1975	
	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June
IMF Position: (net)	-20.5	1.7	10.0	10.0	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	35.0	—	—	—	—	—
Bank of Mauritius	197.3	199.7	246.6	242.3	195.1	209.9	250.9	305.4	240.5	257.9	378.2	403.6	334.6	335.4	356.4	339.3	149.7	84.8	739.8	648.1	562.0
Government (a)	20.8	20.5	23.5	22.9	22.6	18.5	19.8	18.6	13.7	19.7	19.0	19.3	19.4	18.7	23.7	24.7	21.5	22.1	26.0*	31.0	28.4*
Post Office Savings Bank (b) and Statutory Bodies ...	7.7	7.2	6.9	6.9	4.0	4.3	3.2	2.4	2.8	2.7	2.5	1.6	1.5	1.5	1.6	1.5	1.6	1.6	1.1	1.6	0.8
Commercial Banks: (net) (c)	16.6	30.2	23.2	16.9	-0.5	5.2	2.2	-4.6	-0.6	1.9	6.3	3.6	1.2	1.9	7.1	12.0	7.6	6.2	26.2	13.5	7.3
TOTAL ...	221.9	259.3	310.2	299.0	234.7	251.4	289.6	335.3	269.9	295.7	419.5	441.6	370.2	371.0	402.3	412.5	180.4	114.7	793.1	694.2	598.5

(a) As from March, 1975, securities held by the Government are expressed at 'Nominal Values,' except as otherwise indicated.

(b) 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, onwards.

* Securities expressed at market values.

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)				
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	.1	99.3	99.4	182.2
December	89.1	.1	102.1	102.2	191.3
1969 — March	82.7	.1	105.3	105.4	188.1
June... ..	79.1	—	90.1	90.1	169.2
September	84.2	.4	98.7	99.1	183.3
December	97.1	1.5	118.8	120.3	217.4
1970 — March	89.9	.6	100.5	101.1	191.0
June... ..	86.3	.2	104.1	104.3	190.6
September	93.2	.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	.8	112.8	113.6	211.3
September	104.0	.2	111.8	112.0	216.0
December	126.3	.9	134.4	135.3	261.6
1972 — March	128.0	.2	151.1	151.3	279.3
June... ..	122.7	.7	137.2	137.9	260.6
September	132.2	.6	158.2	158.8	291.0
December	156.3	18.1	201.9	220.0	376.3
1973 — March	143.1	2.3	185.6	187.9	331.0
June... ..	148.2	1.4	193.3	194.7	342.9
September	161.9	1.1	224.6	225.7	387.6
December	200.6	.9	265.0	265.9	466.5
1974 — January	188.6	—	242.4	242.4	431.0
February	189.3	.2	240.9	241.1	430.4
March	197.1	.2	268.5	268.7	465.8
April	195.1	.2	217.2	217.4	412.5
May	199.0	2.4	230.8	233.2	432.2
June	200.8	.1	219.7	219.8	420.6
July	201.3	.3	202.6	202.9	404.2
August	214.1	.8	215.0	215.8	429.9
September	218.5	.2	247.9	248.1	466.6
October	237.0	. .	245.9	245.9	482.9
November	249.9	.1	305.6	305.7	555.6
December	314.2	.7	468.8	469.5	783.7
1975 — January	293.6	—1.7	445.6	443.9	737.5
February	311.6	18.6	410.9	429.5	741.1
March	310.1	36.6	358.3	394.9	705.0
April	303.5	39.8	320.6	360.4	663.9
May... ..	303.0	.2	341.4	341.6	644.6
June	303.4	1.7	380.6	382.3	685.7

* Net of cash held by commercial banks.

** Miscellaneous private deposits.

Table 7. Bank of Mauritius — Selected Transactions

(Rs. million)

Year/Month	Government Stocks			Treasury Bills			Claims on Commercial Banks (end of month)			
	Sold During Month	Purchased During Month	Amount held at End of Month	Sold During Month	Purchased During Month	Amount held at End of Month	Export Bills Rediscounted	Advances against Securities	Advances Other	TOTAL
1971 March ...	..	2.9	4.4	9.3	8.7	9.0	.4	2.3	.9	3.6
June ...	3.1	1.8	1.2	.2	—	7.6	6.2	13.0	1.0	20.2
September ...	.6	.3	.3	13.1	.3	4.2	5.0	.4	3.7	9.1
December	13.0	—	1.2	15.1	10.8	15.6	12.0	19.8	..	31.8
1972 March ...	..	—	..	12.0	2.4	—	.8	—	4.1	4.9
June ...	2.1	2.1	11.8	4.3	7.9	1.1	3.0	24.4	1.5	28.9
September	4.5	.4	34.3	—	—	—	3.3	7.0	3.1	13.4
December	.4	—	39.8	4.0	11.7	9.0	..	1.8	29.8	31.6
1973 January ...	25.6	—	14.2	8.5	—	.6	.4	1.1	10.5	12.0
February	7.7	—	6.5	.2	—	—	1.0	2.6	.8	4.4
March ...	3.1	..	3.4	—	9.9	9.9	3.0	10.9	2.5	16.4
April ...	.1	—	3.3	.5	6.0	15.3	.9	14.5	1.0	16.4
May ...	3.3	—	—	7.2	.7	—	2.0	27.5	.1	29.6
June ...	2.8	12.1	9.3	—	1.8	—	2.1	44.7	.5	47.3
July ...	1.5	—	7.8	—	—	—	9.6	82.0	1.3	92.9
August ...	.3	—	7.4	—	—	—	3.5	63.0	.1	66.6
September	1.4	..	6.1	—	—	—	5.1	47.2	1.9	54.2
October ...	3.8	38.5	40.7	2.0	5.0	3.0	.6	53.3	2.0	55.9
November	.6	—	40.1	4.0	4.0	3.0	.2	25.9	1.3	27.4
December	22.3	—	17.8	7.0	7.0	3.0	8.9	54.4	3.1	66.4
1974 January ...	6.6	6.5	17.7	1.0	2.1	2.1	15.7	63.1	13.7	92.5
February	1.6	18.7	34.8	2.1	1.0	1.0	71.8	8.5	13.8	94.1
March ...	.8	—	34.0	1.9	2.4	.5	26.8	1.6	4.9	33.3
April ...	—	—	77.7	—	—	3.6	49.7	15.2	1.2	66.1
May ...	—	—	85.2	—	—	4.2	65.1	15.6	5.1	85.8
June ...	—	—	91.9	—	—	.5	104.3	17.0	3.8	125.1
July ...	3.0	3.3	92.2	.5	—	—	130.1	23.4	1.1	154.6
August ...	1.2	6.9	97.9	—	—	—	159.6	20.0	.7	180.3
September	—	2.4	96.5	—	—	—	119.6	10.9	2.1	132.6
October ...	3.0	—	9.6	—	—	—	152.6	9.8	1.2	163.6
November	15.5	107.5	.6	—	—	—	7.0	.7	2.5	10.2
December	0.1	7.0	97.5	—	—	—	—	—	10.9	10.9
1975 January ...	4.0	..	3.0	—	—	—	—	.3	5.4	5.7
February	..	.2	3.1	—	—	—	2.6	.7	2.3	5.6
March ...	1.4	—	1.7	—	—	—	15.5	5.2	4.2	24.9
April ...	12.8	112.3	100.1	—	—	—	43.8	9.9	1.6	55.3
May ...	58.8	18.7	68.9	—	—	—	35.0	—	.9	35.9
June ...	42.9	51.8	151.0	—	—	—	35.3	6.0	3.4	44.7

Table 8. Tap Treasury Bills*

(Rs. million)

<i>Year/Month:</i>	<i>Amount Applied for and Issued</i>	<i>Price at Issue</i>	<i>Rate of Discount %</i>	<i>Amount Redeemed during month</i>	<i>Total Amount Outstanding</i>
1971 December ...	1.0	98.67	5.4	—	1.0
1972 January ...	—	—	—	—	1.0
February ...	—	—	—	—	1.0
March ...	2.0	98.67	5.4	1.0	2.0
April ...	2.8	98.77	5.0	4.8	—
May ...	8.8	98.80	4.9	1.8	7.0
June ...	—	—	—	7.0	—
July ...	1.3	98.80	4.9	—	1.3
August ...	4.9	98.80	4.9	—	6.2
September ...	—	—	—	—	6.2
October ...	1.3	98.80	4.9	1.3	6.2
November ...	23.7	98.80	4.9	4.9	25.0
December ...	—	—	—	—	25.0
1973 January ...	1.3	98.80	4.9	1.3	25.0
February ...	23.7	98.80	4.9	23.7	25.0
March ...	10.0	98.80	4.9	—	35.0
April ...	1.3	98.80	4.9	1.3	35.0
May ...	.4	98.80	4.9	23.7	11.7
June ...	5.8	98.80	4.9	10.0	7.5
July ...	1.3	98.80	4.9	1.3	7.5
August ...	.7	98.80	4.9	.4	7.8
September ...	10.2	98.80	4.9	5.8	12.2
October ...	4.3	98.80	4.9	1.3	15.2
November ...	2.2	98.80	4.9	.7	16.7
December ...	14.8	98.80	4.9	10.2	21.3
1974 January ...	5.3	98.80	4.9	4.3	22.3
February ...	3.5	98.80	4.9	2.2	23.6
March ...	10.1	98.80	4.9	7.3	26.4
April ...	10.1	98.80	4.9	12.8	23.7
May ...	—	—	—	3.5	20.2
June ...	7.3	98.80	4.9	10.1	17.4
July ...	15.8	98.80	4.9	10.1	23.1
August ...	18.7	98.80	4.9	21.8	20.0
September ...	11.0	98.80	4.9	12.0	19.0
October ...	9.5	98.80	4.9	9.4	19.1
November ...	93.9	98.80	4.9	15.0	98.0
December ...	132.8	98.80	4.9	80.8	150.0
1975 January ...	69.8	98.80	4.9	21.0	198.8
February ...	37.4	98.80	4.9	131.4	104.8
March ...	38.6	98.80	4.9	108.4	35.2
April ...	2.1	98.80	4.9	18.6	18.7
May ...	21.8	98.80	4.9	9.1	31.4
June ...	22.1	98.80	4.9	32.9	20.6

* The issue of Tap Treasury Bills started in December, 1971, as a supplement to the Bills issued by tender; after May, 1972, however, the issue of Treasury Bills by tender was discontinued. For data relating to Bills issued by tender reference is invited to the Annual Report for 1972.

Note : Amount of Tap Treasury Bills issuable was increased from Rs. 35 million to Rs. 100 million on the 25th November, 1974. On the 6th December the amount was again increased to Rs. 150 million and finally, on the 31st December, 1974, it was fixed at Rs. 225 million.

Table 9. 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																	
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																	
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
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
September	28,439	56,893	17,848	30,730	133,910	604	56	28	4,292	1,078	1,309	377	430	222	158	7,950	142,464
December	33,206	71,308	18,343	37,223	160,080	598	56	28	4,794	1,026	1,322	389	439	225	159	8,438	169,113
1973																	
March ...	28,439	63,182	16,831	38,500	146,952	586	56	29	5,099	1,041	1,323	418	449	227	159	8,801	156,339
June ...	28,135	63,496	16,485	40,992	149,108	583	573	170	4,963	1,011	1,339	432	464	231	161	9,344	159,035
September	31,818	73,096	16,751	44,928	166,593	580	573	171	5,256	1,052	1,445	465	491	238	164	9,856	177,029
December	37,916	101,480	18,257	57,251	214,904	576	573	172	5,900	1,263	1,582	531	522	244	166	10,954	226,434
1974																	
March ...	32,951	92,183	17,674	60,717	203,525	571	573	173	5,461	1,226	1,603	548	529	246	168	10,527	214,623
June ...	31,905	92,243	16,958	66,099	207,205	569	649	188	5,600	1,197	1,667	579	543	249	169	10,841	218,615
September	36,597	88,117	35,025	64,755	224,494	567	648	189	5,898	1,282	1,732	630	565	252	171	11,367	236,428
December	50,491	120,431	52,016	120,942	343,880	521	649	192	6,656	1,429	1,918	702	595	259	173	12,573	356,974
1975																	
January ...	39,185	108,513	47,014	112,263	306,975	518	649	192	6,138	1,448	1,947	711	607	260	174	12,126	319,619
February ...	39,553	116,406	46,015	118,095	320,069	518	649	192	6,171	1,439	1,963	713	617	262	175	12,181	332,768
March ...	37,617	116,097	44,858	120,093	318,665	518	649	193	5,986	1,364	1,963	714	629	264	175	11,937	331,120
April ...	36,146	113,175	45,084	122,095	316,500	517	649	193	5,921	1,363	1,986	714	643	266	176	11,911	328,928
May ...	35,337	115,161	43,350	118,997	312,845	517	649	193	5,864	1,356	2,018	715	650	268	176	11,889	325,251
June ...	40,672	112,441	41,724	116,222	311,059	517	649	247	5,810	1,308	2,036	715	657	270	176	11,868	323,444

* Includes demonetised coins : Rs. 204,000

Table 10. Cheque Clearance

Year|Month		No. of cheques	Amount (Rs. 000)	No. of days	Daily Average	
					No. of cheques	Amount (Rs. 000)
1968	December ...	57,557	129,607	24	2,398	5,400
1969	March ...	57,068	85,890	25	2,283	3,436
	June ...	52,891	79,599	25	2,116	3,184
	September ...	60,895	98,149	26	2,342	3,775
	December ...	70,705	104,076	25	2,828	4,163
1970	March ...	62,824	92,296	24	2,618	3,846
	June ...	63,798	103,952	25	2,552	4,158
	September ...	64,313	116,062	26	2,474	4,464
	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
	July ...	94,878	129,453	26	3,649	4,979
	August ...	96,375	130,370	26	3,707	5,014
	September ...	88,497	131,696	24	3,687	5,487
	October ...	100,814	169,856	25	4,033	6,794
	November ...	86,743	122,117	22	3,943	5,551
	December ...	105,121	201,967	24	4,380	8,415
1973	January ...	98,851	159,260	23	4,298	6,924
	February ...	88,910	143,252	23	3,866	6,228
	March ...	105,123	178,029	24	4,380	7,418
	April ...	103,121	162,847	21	4,911	7,755
	May ...	109,072	159,098	25	4,363	6,396
	June ...	109,899	187,128	26	4,227	7,197
	July ...	116,635	217,367	26	4,486	8,360
	August ...	115,541	164,425	26	4,444	6,324
	September ...	102,336	213,744	23	4,449	9,293
	October ...	119,470	265,966	24	4,978	11,082
	November ...	106,565	211,967	24	4,440	8,832
	December ...	128,421	311,605	24	5,351	12,984
1974	January ...	106,859	227,955	23	4,646	9,911
	February ...	98,853	240,637	22	4,493	10,938
	March ...	114,588	277,391	23	4,982	12,060
	April ...	124,669	305,905	24	5,195	12,746
	May ...	117,021	265,146	26	4,500	10,198
	June ...	115,503	282,332	25	4,620	11,293
	July ...	123,890	277,952	27	4,588	10,294
	August ...	130,416	283,205	26	5,016	10,892
	September ...	120,775	294,753	23	5,251	12,815
	October ...	145,548	363,282	25	5,822	14,531
	November ...	135,049	319,162	23	5,872	13,877
	December ...	149,810	572,723	23	6,513	24,901
1975	January ...	134,002	373,551	24	5,583	15,565
	February ...	111,139	387,634	22	5,052	17,620
	March ...	125,837	388,136	21	5,992	18,483
	April ...	138,940	481,382	24	5,789	20,058
	May ...	140,255	384,408	26	5,394	14,785
	June ...	126,177	418,159	25	5,047	16,726

Table 11. Principal Interest Rates in Mauritius

(per cent per annum)

	Dec. 69 (last week)	March 70 (last week)	June 70 (last week)	September 70 (15.7.70)	June 74 (1)	June 75
I — LENDING						
Bank rate... ..	7½	7	7	6	6	6
Effective	(23.10.69)	(10.3.70)		(1.7.70)		6½
Export finance — Bank of Mauritius						
Rediscount facilities	7	6½	6½	Sugar : 6	Sugar : 6	
Effective	(27.10.69)	(10.3.70)		Others: 5½ (1.7.70)	Others: 5½	
Commercial banks						
(i) Prime rate (min.)†	8	8	7½	7½	7 (6.1.72)	7
(ii) Fine commercial rate (min.)	8½	8½	8½	7½	7½	7½
(iii) Commercial rate	9	9	9	9	8½ (1.7.72)	9 (6.9.74)
(iv) Other accounts	9½	9½	9½	9½	9 (1.7.72)	9
(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	Sugar : 6½-6½ (6.1.72) Others: 6½
Mauritius Co-operative Central Bank (min.)	8	×	×	×	×	×
II — DEPOSITS						
Post Office Savings Bank	4	4	4	4	4	4
Commercial banks						
(i) Deposit accounts :						
3 months*	5½	5	5	4½	4½	4½c
6 months*	5½	5½	5½	4½	4½	4½c
12 months*	6	5½	5½	5½	5½ ^a	5½c
Over 12 months	6½-7½	6½-7½	6½-7½	5½-6½ ^b	6½	6½c
18 months						7 c
24 months						7½c
36 months						7½c
Over 36 months						7½c
(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	7
36 months	6½	6½	6½	6½	6½	7½
Mauritius Co-operative Central Bank						
(i) Deposit accounts :						
3 months	5½	5	5	4½	4½	4½c
6 months	5½	5½	5½	4½	4½	4½c
12 months	6½	5½	5½	5½	5½ ^a	5½
(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
Mauritius Housing Corporation — Housing Loans	8	8	8	8	8 8½ (2)	8 8½ (2)

† 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.

a Between 12 and 17 months (Effective 28.10.71)

b Between 18 and 24 months (Effective 28.10.71)

c All these rates are effective from 20.8.74 except the one for over 36 months which became effective from 6.9.74.

(2) Rate raised since March, 1973, for housing loans over Rs. 40,000.

Table 12 Purpose-wise Classification of Loans and Advances and Bills Discounted

(Rs million)

SECTORS	June 1971	Sept. 1971	Dec. 1971	March 1972	June 1972	Sept. 1972	Dec. 1972	March 1973	June 1973	Sept. 1973	Dec. 1973	March 1974	June 1974	Sept. 1974	Dec. 1974	March 1975	June 1975
Sugar industry ...	94.3 (40.0)	76.5 (34.0)	116.4 (41.4)	104.1 (38.4)	112.2 (36.6)	117.7 (37.1)	101.9 (30.5)	85.2 (25.3)	97.3 (24.5)	92.9 (21.6)	123.4 (25.3)	64.2 (13.9)	51.7 (11.6)	56.5 (11.5)	31.9 (6.0)	49.8 (8.9)	106.8 (16.5)
Other agricultural interests	4.0 (1.7)	5.3 (2.4)	7.2 (2.6)	11.0 (4.1)	7.4 (2.4)	9.2 (2.9)	9.5 (2.8)	10.2 (3.1)	10.3 (2.6)	11.6 (2.7)	11.7 (2.4)	10.7 (2.3)	22.0 (4.9)	23.5 (4.8)	26.8 (5.1)	22.3 (4.0)	24.9 (3.8)
Other industries & manufacturers	34.6 (14.7)	38.4 (17.1)	49.5 (17.6)	53.3 (19.7)	54.7 (17.8)	63.3 (19.9)	72.4 (21.6)	78.8 (23.4)	98.0 (24.7)	134.4 (31.3)	140.7 (28.9)	168.3 (36.4)	147.2 (33.0)	186.7 (38.1)	257.4 (48.8)	266.5 (47.9)	277.8 (42.9)
Traders ***	61.5 (26.1)	56.5 (25.1)	56.7 (20.2)	54.9 (20.3)	72.9 (23.8)	71.6 (22.6)	80.8 (24.2)	94.0 (27.9)	108.1 (27.2)	105.7 (24.6)	115.1 (23.6)	120.0 (26.0)	137.3 (30.9)	141.9 (29.0)	133.1 (52.2)	137.9 (24.8)	149.3 (23.0)
Personal & professional	21.0 (8.9)	25.0 (11.1)	23.2 (8.3)	22.6 (8.3)	25.6 (8.3)	28.4 (8.9)	30.5 (9.1)	39.1 (11.6)	50.4 (12.7)	50.8 (11.8)	53.9 (11.1)	56.5 (12.2)	56.8 (12.8)	51.3 (10.3)	46.3 (8.8)	47.2 (8.5)	57.1 (8.8)
Stockbrokers ***	(. .)	(. .)	(. .)	(. .)	(. .)	(. .)	(. .)	(. .)	.1 (. .)	.2 (. .)	.3 (. .)	2.0 (.4)	1.4 (.3)	1.2 (.2)	.3 (. .)	.3 (. .)	.7 (.1)
Government ***	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(. .)	(—)	(—)	(—)	(—)	(. .)	(—)
Public bodies ***	10.0 (4.2)	10.2 (4.5)	13.3 (4.7)	13.7 (5.1)	16.9 (5.5)	13.6 (4.3)	15.6 (4.7)	14.2 (4.2)	15.5 (3.9)	15.3 (3.6)	20.3 (4.2)	19.1 (4.1)	5.3 (1.2)	6.3 (1.3)	7.8 (1.5)	8.3 (1.5)	6.5 (1.0)
Financial institutions	.8 (.3)	1.0 (.4)	1.2 (.4)	1.0 (.4)	1.9 (.6)	1.4 (.4)	1.3 (.4)	1.4 (.4)	1.9 (.5)	3.1 (.7)	2.7 (.6)	2.3 (.5)	2.0 (.5)	2.8 (.6)	3.0 (.6)	4.3 (.8)	3.3 (.5)
Other customers ...	8.7 (3.7)	10.8 (4.8)	11.9 (4.2)	8.8 (3.2)	13.2 (4.3)	10.4 (3.3)	19.3 (5.8)	10.9 (3.3)	10.1 (2.5)	10.8 (7.5)	(12.8) (2.6)	11.4 (2.5)	12.3 (2.8)	13.3 (2.7)	14.6 (2.8)	15.2 (2.7)	14.8 (2.3)
Foreign bills ***	1.0 (.4)	1.3 (.6)	1.6 (.6)	1.3 (.5)	2.1 (.7)	1.8 (.6)	2.9 (.9)	2.7 (.8)	5.8 (1.4)	5.3 (1.2)	6.7 (1.3)	7.6 (1.7)	9.1 (2.0)	6.1 (1.3)	6.2 (1.2)	5.0 (.9)	7.0 (1.1)
TOTAL ..	235.9	225.0	281.0	270.7	306.9	317.5	334.2	336.5	397.5	430.1	487.6	462.1	445.1	489.6	527.4	556.8	648.2

Figures in brackets are percentages to the total.

Table 13(a) — Ownership of Time Deposits

(Rs. '000)

Category of Owner			March 70	March 71	March 72	March 73	March 74	March 75
1.	Sugar	...	5,813 (7.9)	9,916 (10.2)	7,958 (6.5)	13,529 (8.1)	16,611 (8.8)	115,918 (27.3)
2.	Other Agriculture	...	379 (.5)	433 (.4)	366 (.3)	4,905 (2.9)	1,281 (.7)	2,200 (0.5)
3.	Industry and Manufacturing	...	2,090 (2.8)	2,696 (2.8)	1,527 (1.3)	946 (.6)	875 (.5)	3,516 (0.8)
4.	Public Utilities	...	2,318 (3.2)	4,262 (4.4)	6,151 (5.0)	4,664 (2.8)	3,124 (1.7)	5,806 (1.4)
5.	Business and Trade	...	476 (0.6)	1,188 (1.2)	375 (0.3)	1,559 (.9)	2,060 (1.1)	2,160 (0.5)
6.	Financial Institutions	...	8,689 (11.8)	11,701 (12.0)	19,811 (16.3)	23,266 (14.0)	23,105 (12.3)	61,295 (14.4)
7.	Government *	...	27,927 (38.0)	31,725 (32.6)	34,913 (28.6)	51,245 (30.8)	56,930 (30.4)	120,816 (28.4)
8.	Professional and Personal	...	25,857 (35.2)	35,454 (36.4)	50,841 (41.7)	66,374 (39.9)	83,389 (44.5)	113,698 (26.7)
TOTAL			73,549	97,375	121,942	166,488	187,375	425,409

Table 13 (b) — Ownership of Savings Deposits

(Rs. '000)

Category of Owner			March 70	March 71	March 72	March 73	March 74	March 75
1.	Personal	...	51,396 (93.7)	66,585 (93.9)	92,602 (94.8)	125,072 (95.0)	177,414 (96.3)	271,378 (94.7)
2.	Professional	...	653 (1.2)	629 (.9)	890 (.9)	996 (.8)	1,465 (.8)	1,397 (0.4)
3.	Other	...	2,817 (5.1)	3,677 (5.2)	4,207 (4.3)	5,597 (4.2)	5,368 (2.9)	13,917 (4.9)
TOTAL			54,866	70,891	97,699	131,665	184,247	286,692

Figures in brackets are percentages to the total.

* Includes local authorities and semi-government institutions.

Table 14. Government Finances : Recurrent Budget

(Rs. million)

	1972/73 <i>Actual</i>	1973/74 <i>Actual</i>	1974/75 <i>Estimates</i>	1974/75 <i>Revised Estimates</i>	1974/75 <i>Estimates</i>
Revenue :					
Direct Taxes	98.7	153.3	171.6	220.1	462.6
Income Tax	(77.6)	(122.5)	(140.0)	(189.5)	(428.0)
Succession Duties	(2.2)	(3.0)	(2.3)	(2.3)	(2.5)
Contribution to Social Security	(2.0)	(2.7)	(2.7)	(4.9)	(2.1)
Other	(16.9)	(25.1)	(26.6)	(25.4)	(30.0)
Indirect Taxes	217.5	290.2	366.0	438.2	443.7
of which: Import duties	(107.0)	(141.6)	(165.0)	(187.5)	(197.1)
Export duties	(29.9)	(48.1)	(89.5)	(125.5)	(129.0)
Excise duties	(59.5)	(74.9)	(84.1)	(95.4)	(88.2)
Other	(21.1)	(25.6)	(27.4)	(29.8)	(29.4)
Receipt from public utilities	27.3	28.2	29.9	31.8	34.8
Receipt from public services	10.9	12.5	11.5	13.7	15.0
Rental of public property	2.3	2.7	2.3	2.3	2.4
Other	20.0	28.5	24.5	31.6	36.5
TOTAL	376.7	515.4	605.8	737.7	995.0
Expenditure :					
General administration	73.4	116.1	117.6	136.8	192.4
of which: Defence and Police	(19.4)	(24.8)	(32.4)	(33.5)	(40.9)
Economic Services	41.5	56.3	76.7	89.6	102.8
Agriculture, forestry and fisheries	(8.7)	(11.6)	(17.2)	(20.3)	(24.0)
Transport	(4.0)	(7.3)	(9.8)	(11.4)	(12.7)
Posts and Telecommunications	(7.2)	(9.3)	(11.8)	(13.6)	(15.3)
Other	(21.6)	(28.1)	(37.9)	(44.3)	(50.8)
Social expenditure	115.7	152.7	192.2	213.9	293.8
Education	(45.3)	(60.6)	(82.2)	(85.8)	(108.1)
Health	(34.2)	(45.0)	(59.0)	(67.5)	(83.8)
Social Security	(33.4)	(44.0)	(48.1)	(56.0)	(97.9)
Relief works	(2.8)	(3.1)	(2.9)	(4.6)	(4.0)
Public debt & pensions	72.1	82.8	92.1	107.5	143.2
of which: Public debt service	(52.7)	(57.8)	(64.8)	(71.3)	(105.5)
Subsidy to rice & flour	—	107.0	100.0	161.0	102.0
Local governments	8.7	19.9	25.0	27.6	32.6
Transfer to Capital Budget	15.0	—	—	—	110.0
TOTAL	326.4	534.8	603.6	736.4	976.8
Surplus (+) or deficit (—)	+ 50.3	— 19.4	+ 2.2	+ 1.3	+ 18.2

Table 15: Government Finances: Capital Budget

(Rs. million)

	1972-73 <i>Actual</i>	1973-74 <i>Actual</i>	1974-75 <i>Estimates</i>	1975-76 <i>Estimates</i>
RECEIPTS				
Revenues	1.0	5.1	54.1	15.5
Other domestic revenues	123.9	83.7	55.0	160.0
Current Budget	(15.0)	(—)	(. .)	(60.0)
Borrowing	(108.9)	(83.7)	(55.0)	(100.0)
External receipts	31.5	40.8	142.9	164.1
U.K. Grants	(8.7)	(0.2)	(—)	(—)
Other Grants	(5.0)	(2.6)	(17.0)	(23.8)
U.K. Loans	(11.7)	(23.9)	(60.4)	(32.0)
World Bank Group Loans	(6.1)	(9.3)	(40.8)	(51.0)
Other Loans	(—)	(4.8)	(24.7)	(57.3)
TOTAL	156.4	129.6	252.0	339.6
EXPENDITURE				
Economic Services	58.0	93.6	128.4	162.9
Agriculture, forestry & industry	(26.0)	(48.1)	(21.9)	(59.9)
Transport & infrastructure	(30.0)	(41.8)	(56.9)	(62.5)
Other	(2.0)	(3.7)	(49.6)	(40.5)
Social Services... ..	4.7	9.3	29.9	35.1
Education	(2.3)	(4.8)	(20.0)	(17.3)
Health and Welfare	(1.9)	(3.4)	(6.4)	(4.7)
Housing	(0.5)	(1.1)	(3.5)	(13.1)
Central Administration and Local Government and other	64.7	142.0	127.5	179.9
TOTAL	127.4	244.9	285.8	377.9
Surplus (+) or deficit (—)	+ 29.0	— 115.3	— 33.8	— 38.3

Table 16 Employment by Economic Activity¹

(In Thousands)

Period	Agriculture & Fishing			Mining & Quarrying	Manu- facturing	Const- ruction	Electri- city	Com- merce	Transport, Storage & Communica- tions	Government Services		Other Services	Total
	Total	Of Which								Total	Of Which Relief / Development workers		
		Sugar*	Tea*										
April 1966 ..	55.2	51.9	1.9	.2	6.9	2.7	1.3	3.0	4.1	43.3	17.0	2.5	119.3
September 1966 ..	57.1	53.5	2.3	.2	7.0	2.4	1.3	3.1	5.0	46.2	19.0	2.6	125.0
March 1967 ..	53.4	48.5	3.5	.2	7.2	3.0	1.3	3.1	4.1	46.6	19.3	3.0	122.0
September 1967 ..	57.0	53.3	2.6	.2	7.5	2.7	1.3	3.3	4.8	59.0	30.9	3.2	139.0
March 1968 ..	56.4	51.2	3.9	.2	7.7	2.3	1.3	3.2	4.4	46.0	17.8	3.2	124.7
September 1968 ..	61.7	57.4	3.1	.2	7.7	1.6	1.3	3.7	5.1	41.4	13.4	3.9	126.6
March 1969 ..	53.7	48.4	4.2	.2	7.9	1.9	1.3	3.9	4.4	42.1	13.5	4.0	119.4
September 1969 ..	58.7	54.5	2.9	.1	8.0	2.2	1.3	4.1	5.6	41.8	12.4	4.1	125.9
March 1970 ..	53.8	48.1	4.4	.2	8.1	1.3	1.3	4.1	5.4	42.8	12.6	4.4	121.9
September 1970 ..	60.6	55.5	3.6	.2	8.3	2.0	1.3	4.2	5.2	43.1	13.7	4.7	129.6
March 1971 ..	55.4	48.5	5.3	.2	8.7	2.1	1.3	4.0	4.9	48.2	17.6	6.1	130.9
September 1971 ..	59.8	54.8	3.3	.2	9.8	2.2	1.3	4.7	6.5	47.5	16.7	9.7	141.7
March 1972 ..	58.2	47.9	8.4	.2	10.3	2.5	1.3	5.0	6.3	43.6	12.5	13.0	140.4
September 1972 ..	61.9	54.0	6.1	.1	11.6	3.0	1.3	5.4	6.9	43.9	11.6	13.4	147.5
March 1973 ..	58.9	50.0	7.1	.2	13.4	3.4	2.6	5.8	6.8	44.3	11.6	13.9	149.3
September 1973 ..	62.1	54.1	6.2	.1	15.7	4.6	2.7	6.2	7.9	44.8	10.8	13.7	157.8
March 1974 ..	56.8	48.2	7.1	.1	18.5	4.6	2.9	6.5	8.2	45.6	10.6	14.5	157.7
September 1974 ..	63.0	55.7	5.7	.2	20.7	5.0	2.9	6.7	9.0	45.5	10.2	15.6	168.6

Source : Central Statistical Office, *Survey of Employment and Earnings*¹ Excludes self-employed and unpaid family workers.

* Covers plantations and factories.

Table 17: Indicators of Unemployment

MONTH	REGISTERED UNEMPLOYED*						RELIEF/DEVELOPMENT WORKERS**					
	1970	1971	1972	1973	1974	1975	1970	1971	1972	1973	1974	1975
January ...	17,113	27,810	33,776	31,463	22,125	22,633	14,505	17,743	14,222	11,585	10,884	10,091
February ...	17,328	27,770	34,718	31,636	21,302	N.A.	14,611	17,716	12,890	11,686	10,885	9,961
March ...	18,519	30,354	34,589	31,543	21,939	23,141	14,427	17,672	12,749	11,608	10,718	10,268
April ...	20,656	30,030	39,133	29,894	N.A.	N.A.	14,526	17,520	12,636	11,579	10,645	10,424
May ...	21,584	29,696	39,328	29,793	23,678	24,684	14,955	17,451	12,612	11,538	10,530	10,391
June ...	21,838	31,277	39,273	28,716	N.A.	N.A.	15,807	17,510	12,592	11,360	10,405	10,356
July ...	22,189	34,502	38,074	27,114	24,361		15,396	17,355	12,389	10,865	10,156	
August ...	19,986	32,034	34,408	25,408	N.A.		16,118	16,998	12,420	10,792	10,083	
September ...	19,754	31,882	33,101	24,985	21,882		16,094	16,879	12,259	10,701	10,044	
October ...	22,418	31,083	30,207	23,057	N.A.		17,296	16,747	12,067	10,676	10,038	
November ...	25,197	30,838	28,582	22,302	21,095		17,515	16,596	12,031	10,657	10,083	
December ...	25,328	30,632	28,367	20,691	N.A.		17,768	14,207	12,285	10,872	10,105	
Average ...	20,992	30,659	34,463	27,217	22,340 ⁽¹⁾	24,486 ⁽²⁾	15,751	17,032	12,596	11,160	10,381	10,248 ⁽³⁾

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

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

(1) 7 months (2) 3 months (3) 6 months

Source : Central Statistical Office.

Table 18. Consumer Price Indices

Base : January - June 1962 = 100

MONTH	RURAL					URBAN					WHOLE ISLAND				
	1971	1972	1973	1974	1975	1971	1972	1973	1974	1975	1971	1972	1973	1974	1975
January ...	117.8	122.7	129.6	164.7	192.9	116.8	122.8	131.8	169.3	198.5	117.4	122.8	130.5	166.7	195.1
February ...	120.6	123.9	131.0	166.8	205.5	118.9	124.3	133.7	172.3	210.7	119.9	124.1	132.2	169.2	207.7
March ...	120.0	124.1	133.8	169.3	206.3	118.5	124.4	136.7	175.7	212.1	119.3	124.2	135.1	172.1	208.8
April ...	118.8	124.8	135.3	179.5	200.8	117.3	125.2	138.2	184.3	206.1	118.1	125.0	136.5	181.6	203.1
May ...	118.7	124.0	134.0	183.7	202.6	117.3	124.4	137.5	186.9	208.4	118.1	124.2	135.5	185.1	212.0
June ...	119.0	124.0	135.5	187.4	205.3	117.6	124.6	139.4	190.1	212.0	118.4	124.3	137.2	188.6	208.2
July ...	119.2	125.0	138.3	188.4		118.3	125.8	142.3	191.0		118.8	125.3	140.0	189.5	
August ...	119.6	125.2	143.2	187.4		118.5	126.6	146.4	190.6		119.1	125.8	144.6	188.9	
September	119.6	125.9	147.5	186.6		118.7	127.5	151.0	190.0		119.2	126.6	149.0	188.0	
October ...	118.9	126.6	146.5	187.3		118.5	128.1	150.7	190.5		118.8	127.3	148.3	188.7	
November	119.6	126.1	152.3	189.7		119.0	127.9	156.1	192.9		119.3	126.9	154.0	191.1	
December	120.6	126.6	162.2	191.8		120.6	128.6	164.8	195.9		120.6	127.5	163.4	193.6	
Average ...	119.4	124.9	140.8	181.9	202.2*	118.3	125.9	144.1	185.8	208.0*	118.9	125.3	142.2	183.6	205.8*
Percentage Change (Yearly) ...	+ 0.2	+ 4.6	+12.7	+29.2	+11.2*	+ 0.6	+ 6.4	+14.5	+28.9	+11.9*	+ 0.3	+ 5.4	+13.5	+29.1	+12.1*

* Six months.

Table 19. Sugar Production and Yields

Crop Year	Total Area under cultivation	Total area harvested	Cane produced	Yield of cane per arpent				Sugar Produced	Average yield of sugar per arpent	Sugar recovered
				Miller Planters	Owner Planters	Tenant Planters	Average Island			
	(In thousands of arpents)*		(In thousands of metric tons)	(In metric tons)				(In thousands of metric tons)	(In metric tons)	(In per cent of cane)
1961-65 Average	205	193	5,136	31.4	21.9	16.4	26.6	591	3.06	11.5
1966 ...	208	196	4,843	29.5	19.8	15.8	24.7	562	2.87	11.6
1967 ...	205	192	5,814	35.3	25.0	21.1	30.3	638	3.32	11.0
1968 ...	204	189	5,152	31.2	23.2	17.7	27.2	596	3.15	11.6
1969 ...	203	188	5,824	36.1	25.8	19.1	30.9	669	3.55	11.5
1970 ...	205	190	5,120	31.5	22.1	17.3	26.9	576	3.02	11.3
1971 ...	205	189	5,255	33.7	21.0	18.8	27.8	621	3.28	11.8
1972 ...	205	190	6,315	38.0	28.0	23.3	33.2	686	3.61	10.9
1973 ...	207	192	6,243	37.3	27.4	22.5	32.5	718	3.75	11.5
1974 ...	204	189	5,964	37.1	24.9	20.5	31.5	697	3.68	11.7

* 1 arpent = 1.043 acres.

Source : The Mauritius Chamber of Agriculture.

Table 20. Sugar Production and Disposal

('000 metric tons)

	<i>Stock at beginning of year</i>	<i>Production</i>	<i>Total availability</i>	<i>Local consumption</i>	<i>Exports**</i>	<i>Stocks at end of year¹</i>	<i>Average Price Ex-Syndi- cate* (Rs. per ton)</i>
1961-65 Average	42.1	591.0	633.1	27.5	549.2	56.5	463.36
1966	90.6	561.8	652.4	29.1	570.5	52.8	421.50
1967	52.8	638.3	691.1	29.7	531.4	130.0	424.49
1968	130.1	596.5	726.6	29.3	578.0	118.8	428.39
1969	118.8	668.7	787.5	31.0	591.6	164.5	445.27
1970	164.5	576.2	740.7	31.9	581.6	127.3	471.70
1971	127.3	621.1	748.4	33.4	568.4	146.1	522.64
1972	146.1	686.4	832.5	33.3	613.9	185.3	641.43
1973	185.3	718.5	903.8	35.8	697.6	170.8	790.21
1974	170.8	696.7	867.5	33.0	685.3	149.2	1,909.00

Source : The Mauritius Chamber of Agriculture.

* Net of all marketing expenses, taxes and levies, and after deducting Cyclone and Drought Insurance premium.

** Refers to exports for the year's entitlement.

¹ Stocks at the end of year equals initials stocks + production less local consumption and exports. Slight differences are caused by rounding and small storage differences.

Table 21. Imports and Exports : Major Commodity Groups

(Rs. million)

Imports	1971	1972	1973	1974	1st Qr. 1974	2nd Qr. 1974	1st Qr. 1975	2nd Qr. 1975
Food and live animals	121.5	159.0	217.8	500.0	86.7	152.5	127.9	106.1
Beverages and tobacco	6.1	7.9	9.3	13.4	2.9	3.3	3.0	4.1
Crude materials, inedible except fuels	11.3	11.1	14.2	39.3	8.9	8.3	12.9	12.9
Mineral fuels, lubricants, and related materials	29.7	50.7	63.6	161.5	31.2	54.0	55.1	23.5
Animal and vegetable oils and fats	28.9	25.1	23.1	70.7	12.5	28.9	18.6	12.9
Chemicals	49.7	70.4	81.4	151.4	22.6	25.3	47.5	55.1
Manufactured goods classified chiefly by material	104.4	153.4	222.4	417.0	89.6	105.3	97.9	117.3
Machinery and transport equipment	77.6	111.2	225.1	313.5	72.4	85.4	87.8	99.7
Miscellaneous manufactured articles	32.1	46.8	58.5	84.6	16.6	19.6	22.9	30.2
Commodities and transactions not classified according to kind	0.3	0.2	0.4	4.9	0.9	1.1	1.4	2.0
TOTAL	461.6	635.8	915.8	1,756.3	344.3	483.7	475.0	463.8
Exports								
Sugar	313.3	507.6	608.1	1,538.0	200.8	49.0	92.2	367.8
Molasses	8.3	14.2	40.2	45.1	4.9	6.5	2.9	7.4
Tea	17.0	20.8	18.9	19.7	7.0	5.7	6.9	4.0
Other	16.0	23.5	69.6	168.2	29.6	36.3	42.7	62.5
Re-exports	6.0	7.7	11.6	15.4	2.7	4.1	3.6	4.7
TOTAL	360.6	573.8	748.4	1,786.4	245.0	101.6	148.3	446.4

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

Table 22. Imports — Main Sources of Supply

(Rs. million)

	1969	1970	1971	1972	1973	1974	1st Qr. 1974	2nd Qr. 1974	1st Qr. 1975	2nd Qr. 1975
United Kingdom	74.4	88.0	100.5	131.0	193.4	253.4	63.6	61.6	78.4	92.8
Australia	27.1	30.4	30.2	44.8	49.1	83.1	15.2	26.1	29.0	25.7
Burma	7.7	23.1	17.3	34.4	18.5	40.4	16.3	0.1	17.0	0.1
China (Mainland)	6.8	8.4	8.4	14.0	29.8	149.4	28.9	42.3	4.4	7.8
Federal Republic of Germany	17.1	20.5	22.3	36.6	46.1	110.6	18.7	29.5	28.8	40.1
France	24.8	29.5	32.6	43.3	63.2	133.4	26.9	33.4	42.2	43.8
Hong Kong	8.8	10.2	9.9	17.7	23.3	49.6	17.4	10.3	9.4	13.8
India	10.2	12.8	12.9	16.8	30.5	35.3	3.5	13.0	22.0	12.4
Iran	19.9	14.9	22.4	42.1	50.6	148.8	19.9	50.1	50.6	18.4
Italy	6.7	4.4	6.3	8.7	13.7	20.4	3.6	4.5	5.5	6.4
Japan	14.6	21.8	30.5	49.3	59.8	100.2	22.0	23.3	20.1	30.5
Kenya	11.1	14.6	12.4	12.6	17.8	20.0	5.7	3.3	9.1	6.8
Malaysia	2.5	2.7	4.2	4.3	6.4	11.3	4.4	2.3	2.6	2.9
Netherlands	3.9	5.4	7.2	14.8	17.0	28.0	4.1	8.9	4.6	9.1
New Zealand	2.7	5.6	5.9	6.8	9.1	22.5	2.2	1.1	8.4	4.6
Republic of South Africa	31.3	37.8	36.4	50.4	78.5	161.1	27.4	48.2	38.3	53.5
Singapore	4.5	6.3	8.6	12.4	15.1	31.8	5.6	9.2	5.1	6.1
Thailand	43.8	12.8	12.9	2.9	1.2	74.8	0.5	35.3	23.9	24.0
United States of America	6.0	23.9	31.8	21.7	25.4	87.2	9.3	26.5	32.6	19.9
Belgium	2.6	5.3	4.3	6.9	30.8	39.7	9.6	9.8	10.7	7.8
Denmark	1.2	1.5	1.4	2.4	6.9	14.7	1.0	10.8	0.7	1.1
Austria	1.2	2.0	3.9	6.9	14.8	18.8	4.7	10.8	0.9	0.5
Other	47.0	38.0	39.3	55.0	114.8	121.8	33.8	23.3	30.7	35.5
TOTAL	375.9	419.9	461.6	635.8	915.8	1,756.3	344.3	483.7	475.0	463.6

Table 23. Exports — Principal Countries of Destination

(Rs. million)

	1969	1970	1971	1972	1973	1974	1st Qr. 1974	2nd Qr. 1974	1st Qr. 1975	2nd Qr. 1975
United Kingdom	260.5	260.3	198.3	339.5	338.6	630.6	103.4	18.3	97.6	236.7
Canada	63.2	77.6	101.1	107.7	185.9	640.2	51.0	37.8	0.1	70.1
United States of America	18.4	21.1	21.8	36.2	65.0	140.8	24.2	12.3	6.4	72.7
Republic of South Africa	9.6	12.1	15.8	18.9	17.4	24.2	7.5	6.8	5.2	5.9
Malagasy Republic	2.5	2.6	2.5	2.2	1.9	1.8	0.3	0.4	0.1	1.2
Réunion	3.3	3.9	5.0	7.7	9.2	12.5	2.5	3.0	2.4	4.1
Australia	0.9	0.8	0.5	0.2	0.5	2.2	0.7	1.1	0.1	0.4
Germany (Feb. Rep.)	—	0.2	0.3	1.5	2.6	18.2	4.0	3.5	6.5	7.1
Netherlands	0.5	—	1.5	3.9	2.6	12.4	1.2	0.8	0.6	0.7
France	1.2	1.1	1.3	3.5	14.9	43.7	4.5	9.5	14.5	29.6
Other	5.1	4.8	12.5	52.5	109.8	259.8	45.7	8.1	14.8	17.9
TOTAL	365.2	384.5	360.6	573.8	748.4	1,786.4	245.0	101.6	148.3	446.4

Table 24: Tourist Arrivals: Area-wise classification

1965 - 1974

		1966	1967	1968	1969	1970	1971	1972	1973	1974
EUROPE	...	1,804	2,314	2,637	2,809	4,319	6,820	9,917	17,323	17,665
of which: France	...	816	888	922	767	1,437	2,540	3,771	7,281	7,874
U.K.	...	618	1,056	1,261	1,524	1,740	2,252	2,848	3,822	3,452
Germany Fed. Rep. of	...	98	88	106	124	481	824	1,406	1,996	1,951
Italy	...	74	69	98	146	190	428	775	2,136	1,937
Switzerland	...	56	78	74	77	110	159	303	537	840
AFRICA	...	10,259	10,626	10,404	15,058	19,784	25,289	33,206	41,969	46,971
of which: Reunion	...	6,738	6,242	6,094	8,905	11,405	15,161	19,230	22,542	23,232
South Africa	...	770	1,209	1,555	2,680	3,637	4,939	7,088	9,985	14,193
Malagasy Rep.	...	1,648	1,598	1,512	2,050	1,985	2,287	2,747	3,563	2,679
Zambia	...	142	218	154	332	1,314	1,224	1,825	2,375	3,332
Kenya	...	299	552	579	574	681	634	684	824	898
ASIA	...	284	487	721	579	863	1,070	1,642	3,412	2,619
of which: India	...	70	257	421	272	479	554	879	2,235	1,308
Japan	...	48	53	72	86	83	105	148	240	261
Hong Kong	...	56	62	55	70	51	115	226	230	154
AMERICA	...	220	437	559	612	765	978	1,201	1,406	1,435
of which: U.S.A.	...	184	377	464	506	646	778	917	989	1,000
Canada	...	21	33	69	57	90	145	209	329	247
OCEANIA	...	426	946	1,224	1,495	1,908	2,233	2,807	3,828	4,138
of which: Australia...	...	331	771	999	1,162	1,571	1,700	2,171	3,060	3,351
New Zealand	...	69	101	190	224	254	374	437	568	620
OTHER COUNTRIES	...	47	4	8	34	11	8	24	56	87
GRAND TOTAL	...	13,040	14,814	15,553	20,587	27,650	36,398	48,797	67,994	72,915

SOURCE : Central Statistical Office.

Table 25. Balance of Payments

(Rs. million)

Item	1969 r		1970		1971		1972		1973		1974	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
A. GOODS AND SERVICES ...	491	462	548	527	542	597	775	739	1018	1055	2150	1922
1. Merchandise ...	367	328	388	360	362	410	577	524	755	778	1798	1521
2. Non-monetary gold ...	—	..	—	..	—	1	—	2	—	3	—	5
3. Freight and insurance on merchandise ...	7	46	14	54	26	61	11	88	3	115	..	191
4. Other transportation ...	48	35	56	59	56	63	72	47	88	47	146	74
5. Travel ...	18	18	27	20	39	23	52	29	83	34	112	51
6. Investment income ...	14	14	17	12	19	14	16	17	27	18	26	20
<i>on direct investment</i> ...	2	4	3	3	3	7	1	10	1	11	1	11
<i>Other</i> ...	12	10	14	9	16	7	15	7	26	7	25	9
7. Other government ...	14	5	17	7	18	7	21	8	24	11	28	13
8. Other private ...	23	16	29	15	22	18	26	24	38	49	40	47
B. UNREQUITED TRANSFERS ...	25	10	31	10	36	11	62	15	52	13	103	20
9. Private ...	8	6	13	6	15	6	30	10	36	10	41	11
10. Government ...	17	4	18	4	21	5	32	5	16	3	62	9
NET TOTAL OF GOODS, SERVICES, AND TRANSFERS	44	—	42	—	—	30	83	—	2	—	311	—
C. CAPITAL (EXCLUDING RESERVES AND RELATED ITEMS) ...	16	—	29	—	27	—	24	—	—	14	7	—
NON-MONETARY SECTORS ...	39	—	8	—	4	—	24	—	—	13	12	—
11, 12. Direct Investment and other private long-term ...	10	—	5	—	5	—	24	—	14	—	22	—
<i>Direct investment liabilities</i> ...	6	—	9	—	8	—	3	—	2	—	24	—
<i>Other</i> ...	4	—	—	4	—	3	21	—	12	—	—	2
13. Other private short-term ...	5	—	—	1	4	—	—	4	—	40	—	38
14. Local government ...	—	—	—	—	—	—	—	—	—	—	—	—
15. Central government ...	24	—	4	—	—	5	4	—	13	—	28	—
<i>Loans received</i> ...	5	8	11	11	12	24	12	5	19	8	40	6
<i>Other Liabilities</i> ...	—	—	—	—	—	—	—	—	6	—	—	1
<i>Assets</i> ...	27	—	4	—	12	5	—	3	—	4	—	5
MONETARY SECTORS ...	—	23	21	—	23	—	—	—	—	1	—	5
16. Private institutions ...	—	18	21	—	23	—	—	—	—	1	—	5
<i>Liabilities</i> ...	—	11	6	—	6	—	—	2	7	—	5	—
<i>Assets</i> ...	—	7	15	—	17	—	2	—	—	8	—	10
17. Central institutions ...	—	5	—	—	—	—	—	—	—	—	—	—
D.18. ALLOCATION OF SDRs ...	—	—	15	—	13	—	13	—	—	—	—	—
E. RESERVES AND RELATED ITEMS ...	—	61	—	94	—	9	—	124	21	—	—	365
19. Liabilities ...	20	—	—	20	—	—	—	—	—	—	36	—
<i>Use of Fund credit</i> ...	20	—	—	20	—	—	—	—	—	—	36	—
<i>Other</i> ...	—	—	—	—	—	—	—	—	—	—	—	—
20. Assets ...	—	81	—	74	—	9	—	124	21	—	—	401
<i>Monetary gold</i> ...	—	—	—	—	—	—	—	—	—	—	—	—
<i>SDRs</i> ...	—	—	—	15	—	13	—	13	—	—	25	—
<i>Reserve Position in the Fund</i> ...	2	—	—	10	—	4	—	—	—	—	—	21
<i>Foreign Exchange</i> ...	—	95	—	49	9	—	—	114	22	—	—	408
<i>Other claims</i> ...	12	—	—	—	—	1	3	—	—	1	3	—
NET ERRORS AND OMISSIONS	1	—	8	—	—	1	4	—	—	9	47	—

r — revised.

Table 26. Gross National Product at Current Factor Cost

(Rs million)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974*
Agriculture, Forestry, hunting and fishing	198	190	203	193	224	222	262	353	494	1,365
Mining	1	1	1	1	1	1	1	2	2	2
Manufacturing	129	121	130	124	142	146	168	233	277	411
Construction	55	52	59	49	46	48	60	73	114	134
Energy, water and sanitary services	25	26	30	30	30	29	34	39	43	48
Transport, storage and communications	102	99	100	102	105	108	114	129	161	191
Commerce and Banking	103	100	106	108	109	111	112	149	203	255
Ownership of dwellings	61	63	65	66	68	70	71	74	77	80
Government services	40		43	44	46		53	61	76	100
Other services	94	99	104	110	116	126	141	166	203	244
Gross domestic product at factor cost	808	792	841	827	887	912	1,016	1,279	1,650	2,830
Net factor income from abroad	— 6	— 1	— 5	— 3	1	7	7	2	16	20
Gross National Product at factor cost	802	791	836	824	888	919	1,023	1,281	1,666	2,850

* Preliminary Estimate.

Source : Central Statistical Office.

Table 27. Composition of Gross Domestic Fixed Capital Formation at Current Prices

(Rs. million)

	1967	1968	1969	1970	1971	1972	1973	1974*
(A) By type of capital goods								
a. Land ...	2	4	3	4	3	4	10	14
b. Dwellings ...	37	32	35	33	38	54	103	169
c. Non-residential buildings ...	29	21	13	23	30	34	76	156
d. Other construction and works ...	27	24	34	36	42	39	81	121
e. Transport equipment ...								
(i) Passenger cars ...	4	5	4	5	7	11	19	22
(ii) Other equipment ...	11	15	22	15	16	15	66	39
f. Machinery and other equipment ...	35	40	33	29	48	72	125	229
GROSS DOMESTIC FIXED CAPITAL FORMATION ...	145	141	144	145	184	229	480	750
(B) By industrial use								
a. Agriculture, forestry and fishing ...	19	17	19	23	28	20	38	84
b. Mining and quarrying ...								
c. Manufacture ...	13	14	12	16	28	37	79	186
d. Construction ...	3	4	4	5	6	8	14	21
e. Energy, water and sanitary services ...	14	13	15	12	16	32	33	39
f. Transport, storage and Communications ...	21	30	37	32	35	42	126	134
g. Commerce and Banking ...	6	6	7	8	13	8	23	25
h. Ownership of dwellings ...	38	32	35	33	38	54	103	165
i. Government services ...	1		1		1	1	3	14
f. Other services ...	28	21	11	12	16	23	51	68
k. Legal fees, stamp duties, etc. ...	2	4	3	4	3	4	10	14
GROSS DOMESTIC FIXED CAPITAL FORMATION ...	145	141	144	145	184	229	480	750

* Preliminary Estimate.

Source: Central Statistical Office.

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