

**STATISTICS
MAURITIUS**

Main Results of GBC1 Survey 2015 (Section C: Income and Expenditure)

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Statistics Mauritius
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Coverage of GBC1s

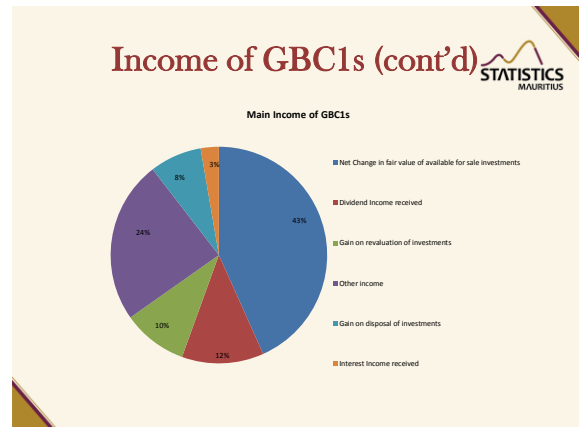
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	2013	2014
No. of MCs	142	147
No. of MCs surveyed	24	23
No. of GBC1s	9,825	10,306
No. of GBC1s covered	7,149	6,891

Income of GBC1s

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				Rs Billion	
Residents			Non residents	Total	
GBC1s	GBC2s	Other than GBC1s & GBC2s			
377	5	55	1,559	1,996	



Income of GBC1s (cont'd)

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				Rs Million	
Income from services provided by GBC1s	Residents			Non residents	Total
	GBC1s	GBC2s	Other than GBC1s & GBC2s		
Professional, technical and business services	10,538	23	3,295	92,680	106,536
Other income from services	972	0	717	19,808	21,497
Total	11,510	24	4,011	112,488	128,034

Income of GBC1s (cont'd)

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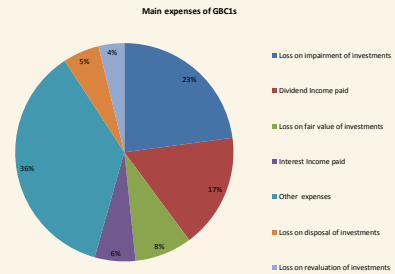
Merchanting Activities:		
For goods which have not transited through Mauritius		Rs Billion
(i) Value of goods sold		885
(ii) Cost of sales		779
Profit margin		106

Expenses of GBC1s



				Rs Billion	
Residents			Non residents	Total	
GBC1s	GBC2s	Other than GBC1s & GBC2s			
200	5	86	736	1,027	

Expenses of GBC1s (cont'd)



Expenses of GBC1s (cont'd)



Recurrent expenses on goods and services paid by GBC1s	Total	Residents			Non residents
		GBC1s	GBC2s	Other than GBC1s & GBC2s	
Office consumables & utilities expenses	46	0	0	32	14
Maintenance & repair	400	0	0	47	354
Accommodation & transport services	965	1	0	236	728
Storage & warehousing services	4,998	0	0	554	4,444
Services auxiliary to financial services	8,210	26	1	2,617	5,566
Real estate services	227	9	0	140	78
Legal services	3,350	3	0	272	3,075
Accounting, auditing & bookkeeping services	2,652	50	0	1,364	1,238
Professional, technical and business services	71,659	15,595	840	11,104	44,119
Advertising services	1,685	0	0	669	1,076
Office support services	78,234	7,312	12	5,933	64,988
Education and training services	15	0	0	7	8
Recreational, cultural and sporting services	10	0	0	4	6
Other recurrent expenses	6,880	4	0	227	6,649
Total	179,441	23,011	853	23,144	132,433

Income & Expenses by Activity of GBC1s



Activities of GBC1s being reported upon	Rs Billion	
	Income	Expenditure
Investment holding	1,444	703
Consultancy services	22	17
Trading of goods	73	136
Collective Investment Schemes and Close End Funds	392	99
Fund Management	16	9
Other activities	49	63
Total	1,996	1,027

Employment in GBC1s



No. of employees as at June 2014	Residents		Non residents (foreigners with a contract of less than one year)	Total
	Mauritians	Foreigners (with a contract of more than one year)		
Male	544	127	484	1,155
Female	210	35	150	395
Total	754	162	634	1,550

Compensation of Employees (CE)



Compensation of employees	Residents		Non residents (foreigners with a contract of less than one year)	Total
	Mauritians	Foreigners (with a contract of more than one year)		
(i) Wages and salaries including bonus	495	335	1,421	2,251
(ii) Other	34	12	927	972
Total	529	347	2,348	3,224

We observed a high value of CE as compared to the level of employment in GBC1s (i.e. annual CE of **Rs 2.1 million** per employee).

Compensation of Employees (cont'd)



- Compensation of employees paid to resident employees is an important variable used in the calculation of value added of GBC1s.
- MCs are requested to avoid submission of incomplete information. For instances:-
 - To report the number of workers employed without stating the amount of compensation of employees paid to those workers
 - To report the amount of compensation of employees paid without stating the number of workers employed

Rates & Licences paid by GBC1s



Rates and licences paid by GBC1s to	Resident authorities				Non-resident authorities	Total
	ROC	FSC	MRA	Other		
	(i) Rates	3	10	3	0	29
(ii) Licences	46	304	0	8	43	401
Total	48	315	3	8	72	446

Taxes paid by GBC1s



Taxes paid by GBC1s to	Resident authorities		Non-resident authorities	Total
	MRA	Other		
Income tax	2,428	0	8,116	10,544
Property tax	0	0	213	213
Withholding tax	0	0	5,533	5,533
Other payment for taxes	3	62	4	70
Total	2,431	62	13,865	16,359

Issue: Why GBC1s paid such huge amount of taxes (e.g. Rs 8 billion as income taxes) to non-resident authorities?

Transactions of GBC1s with local financial service providers



	Investment holding	Trading of goods	CIS & CEF	Fund Management	Consultancy services	Others	Total
Interest income and payments during the Year 2014 - Residents							
Interest income received from financial service providers	192	2,098	79	1	1	22	2,393
Interest income paid to financial service providers	187	9	76	3	9	10	293
Net interest income	5	2,089	3	-1	-9	13	2,100

Moreover, GBC1s paid an amount of Rs 0.3 billion as **bank charges**.

Investment in non-financial assets by GBC1s



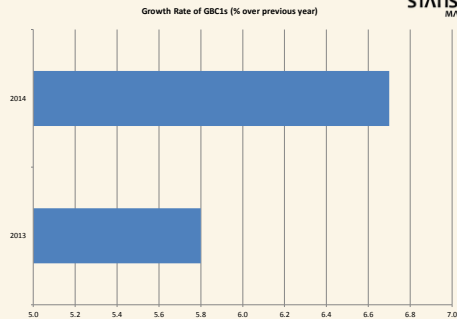
Non-financial Assets owned and physically located in Mauritius			Net
	(+)	(-)	
(i) Buildings	855	331	523
(ii) Machinery & Equipment	4,759	47	4,712
(iii) IT inclusive of expenses to develop databases	70	0	70
(iv) Inventories of Goods & Other	186	604	-418
Total	5,870	983	4,888

Comparing 2014 with 2013 results



	2013	2014
No. of MCs surveyed	24	23
No. of GBC1s covered	7,149	6,891
	Rs Billion	
1. Income received by GBC1s	986	1,996
2. Margin on goods sold by GBC1s which have not transited through Mauritius	53	106
3. Total Income of GBC1s (1+2)	1,039	2,102
4. Recurrent expenditure paid by GBC1s	1,002	1,027
5. Rates and licences paid by GBC1s	0.3	0.4
6. Taxes paid by GBC1s	14	16
7. Compensation of employees paid by GBC1s	3	3
8. Total Expenditure of GBC1s (4+5+6+7)	1,019	1,046
9. Net Profit/Loss (3-8)	20	1,056

Real Growth Rate of GBC1s



Contribution of GBC1s to the economy

	2013	2014
Direct Contribution (%)	0.5	0.6
Indirect Contribution (%)	4.2	4.1
Direct and Indirect Contribution of GBC1s (%)	4.7	4.7

If the coverage of the survey is extended to GBC2s, the contribution of GBCs to the economy can be assumed to be approximately or even exceed the 5%.

Main Problem Encountered

- **Cases of misreporting.** For examples:-
 - GBC1s paying "management companies fees" to other GBC1s
 - GBC1s paying "custody, brokerage, clearing and exchange, legal, accounting, auditing, director and secretarial fees" to other GBC1s
 - GBC1s paying "bank charges, bank interest and insurance premium" to other GBC1s
 - GBC1s purchasing "advertising and entertainment services" from other GBC1s
- **The value of transaction (income & expenses) between GBCs**
 - ✓ Income Side: GBC1s received Rs 12 billion from provision of services to GBCs
 - ✓ Expenditure Side: GBC1s purchased Rs 24 billion of services from GBCs
- Is there any misclassification?

Main Problem Encountered (cont'd)

Recurrent expenditure paid by GBC1s being reported upon:	To Residents		
	GBC1s	GBC2s	Other than GBC1s & GBC2s
Printing, postage and stationery	x	x	✓
Electricity, water and telephone	x	x	✓
Other office consumables & utilities expenses	x	x	✓
Minor repairs and maintenance	x	x	✓
Motor vehicles running expenses	x	x	✓
Storage & warehousing	x	x	✓
Custody fees	x	x	✓
Brokerage fees	x	x	✓
Clearing and exchange fees	x	x	✓
Bank charges	x	x	✓
Rental of premises	x	x	✓
Rental of machinery & equipment	x	x	✓
Legal fees	x	x	✓
Auditing fees	x	x	✓
Accounting fees	x	x	✓
Fees paid to management companies	x	x	✓
Director fees	x	x	✓
Advertising & promotion	x	x	✓
Marketing	x	x	✓
Secretarial fees	x	x	✓
Fund administration fees	x	x	✓
Other administration expenses	x	x	✓
Training	x	x	✓
Entertainment	x	x	✓

Submission for Year 2016

- The same questionnaire will be used.
- **Minor change in GBC1 Survey 2016:**
 - MCs are requested to submit two additional information:
 - (i) To specify the amount of interest received by GBC1s on **deposits** from resident financial service providers.
 - (ii) To specify the amount of interest paid by GBC1s on **loans or borrowings** to resident financial service providers.
 - Requirement for calculation of Financial Intermediation Services Indirectly Measured (FISIM) as per SNA 2008.
 - FISIM is one way that financial institutions (banks and similar institutions) charge for services.

End of Presentation
Thank you for your attention

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