

PQ B/148

PARLIAMENTARY QUESTION

The Honourable First Member for Port Louis South and Port Louis Central
(Mr Uteem)

To ask the Honourable Prime Minister, Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development –

Whether, in regard to the period January 2018 to date, he will state the rate of the following economic indicators (a) youth unemployment (b) Gross Domestic Product growth and (c) Foreign Direct Investments?

REPLY

Madam Speaker,

The unemployment rate is now at its lowest since 2001, that is, since the past 17 years. Moreover, it has been on a clear declining trend for the past three years. In fact, the unemployment rate fell to 6.9% in 2018 from 7.1% in 2017 and 7.3% in 2016. Due to effective economic policies to spur growth, to create jobs and to improve employability, the number of persons employed in the

economy has grown from 559,200 in 2014 to 573,100 in 2018. The increase in employment means that the growth potential of the economy is also expanding.

As regards part (a) of the Question, the youth unemployment rate stood at 25.1% in 2018. This includes young people who are enrolled in part time courses at the Open University, tertiary institutions and other training establishments but who are still looking for a job. Moreover, statistics show that 88% of the unemployed youths do find a job within one year. It is also pertinent to note that 52% of the unemployed youths find employment in less than 5 months.

According to these statistics, there is practically no long term unemployment among our youths. In fact, in almost all countries around the world, the unemployment rate among young people is higher than the overall unemployment rate.

Madam Speaker,

In regard to part (b) of the Question, it must be noted that the growth path of the economy has declined since 2009 with GDP growth reaching as low as 3.4% in 2013. However, for the past three years including 2018, the growth rates have been higher at 3.8%. Moreover, Statistics Mauritius is forecasting a growth rate of 3.9% in 2019. The IMF is forecasting a growth rate of 3.9% for both 2019 and 2020 and 4% in the medium term. Moody's is of the view that Government's proactive approach via a wide range of projects and measures will support GDP growth of around 4% in 2019 and 2020. It is clear that the growth rate is firmly on a rising trend.

As regards part (c) of the Question, FDI inflows for the year 2018 are estimated by the Bank of Mauritius at Rs 17.4 billion. It should be highlighted that in 2017, FDI inflows reached the highest level ever recorded, that is, Rs 21.2 billion. These figures testify to the growing confidence of foreign investors in our economy.

It should also be noted that the estimates for these three indicators, namely youth unemployment, GDP

growth and FDI for the first quarter of 2019 will be published by end of June this year by Statistics Mauritius and the Bank of Mauritius.

PKJ