



BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

Preliminary estimates for 4th Quarter 2015 (2015Q4) and Calendar Year 2015

Preliminary data on Mauritius' balance of payments for 2015Q4 point to a lower current account deficit, both in absolute terms and as a ratio to GDP, compared to 2014Q4. The improvement in the current account would reflect a lower trade deficit and a higher surplus on the services account. The current account deficit is estimated at Rs2,214 million compared to Rs3,275 million for 2014Q4. As a percentage of GDP, the current account deficit is estimated at about 2.0 per cent in 2015Q4 compared to 3.1 per cent in 2014Q4.

The merchandise trade deficit narrowed by 11.4 per cent, from Rs21,849 million in 2014Q4 to Rs19,368 million in 2015Q4, reflecting the higher decline in imports relative to exports.

As a ratio to GDP, the merchandise trade deficit contracted from 20.5 per cent to around 17.1 per cent. Exports of goods (f.o.b.) fell by 8.4 per cent year-on-year while imports of goods (f.o.b.) decreased by 9.8 per cent. Exclusive of *'Ships' stores and bunkers'*, exports posted a decrease of 3.0 per cent on account of the contraction of 31.8 per cent in re-exports, which was partly offset by the rise of 11.7 per cent in domestic exports. The decline in the value of imports reflected essentially the lower value of imports of *'Mineral fuels, lubricants & related products'* as a result of lower oil prices, and the fall in the imports of *'Machinery and transport Equipment'*.

Both the services and income accounts are estimated to have generated surpluses in 2015Q4, which partly offset the deficit on the current transfers account.

The services account is estimated to post a surplus of Rs6,968 million, higher than the surplus of Rs4,817 million estimated for 2014Q4. The surplus on income account is estimated at around Rs12,213 million compared to Rs15,603 million estimated for 2014Q4. The deficit on the current transfers account is estimated to have risen from Rs1,846 million in 2014Q4 to Rs2,027 million in 2015Q4.

The capital and financial account, inclusive of reserve assets, is estimated to have recorded net inflows of Rs3,378 million in 2015Q4 compared to net inflows of Rs7,248 million in 2014Q4.

Excluding reserve assets, the capital and financial account is estimated to have recorded net inflows of Rs10,338 million in 2015Q4 compared to net inflows of Rs11,864 million in 2014Q4. Direct investment in Mauritius is estimated to have recorded net inflows of Rs54,715 million while direct investment abroad is estimated to have registered net outflows of Rs55,614 million. Exclusive of GBC transactions, direct investment flows in Mauritius net of repatriation amounted

¹ Including estimates for cross-border transactions of GBC1s.

to Rs2,172 million while direct investment abroad net of repatriation were Rs582 million. The 'Portfolio investment' account is estimated to have posted higher net outflows of Rs6,840 million in 2015Q4 compared to net outflows of Rs6,432 million in 2014Q4. The 'Other investment' account is estimated to have recorded net inflows of Rs18,094 million compared to net inflows of Rs12,309 million in 2014Q4.

The country recorded an overall BoP surplus of Rs6,960 million in 2015Q4 compared to an overall BoP surplus of Rs4,616 million in 2014Q4.

Calendar Year 2015

Preliminary estimates of the current account balance point to a lower deficit of Rs19,704 million in 2015, from Rs21,824 million in 2014. The improvement in the current account stemmed mainly from the significant narrowing of the negative trade balance. As a percentage of GDP, the current account deficit contracted from 5.6 per cent in 2014 to 4.8 per cent in 2015 and the merchandise trade deficit decreased from 17.9 per cent in 2014 to 15.9 per cent in 2015. The services and income accounts are estimated to have recorded surpluses of Rs21,095 million and Rs31,748 million, respectively, in 2015. The deficit on the current transfers account is estimated to have risen from Rs6,451 million in 2014 to Rs7,917 million in 2015.

The capital and financial account, inclusive of reserve assets, posted net inflows of Rs17,871 million in 2015, from Rs18,586 million in 2014. Direct investment in Mauritius recorded net inflows of Rs242,535 million while direct investment abroad registered net outflows of Rs230,827 million. The 'Portfolio investment' account posted net outflows of Rs24,642 million, while the 'Other investment' account recorded net inflows of Rs50,900 million.

The country recorded an overall BoP surplus of Rs19,960 million in 2015 compared to an overall BoP surplus of Rs23,019 million in 2014.

Tables 1 and 2 provide details on the balance of payments in Mauritian rupee and US dollar, respectively.

Research & Economic Analysis Department

15 March 2016