



BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

First Quarter 2023 (2023Q1)

1. The external current account deficit narrowed substantially to Rs4.4 billion in 2023Q1 compared to Rs14.6 billion in 2022Q1. The improvement in the current account deficit stemmed from higher surpluses in the services and primary income accounts that outweighed increases in the goods and secondary income accounts deficits.
2. The goods account deficit amounted to Rs35.9 billion, as imports of goods (f.o.b.) rose to Rs61.0 billion and the exports of goods (f.o.b.) increased to Rs25.2 billion. The growth in goods exports resulted mostly from higher exports of *'Food and live animals'* and *'Machinery and transport equipment'*, while the imports of goods went up mainly due to higher imports of *'Machinery & transport equipment'*, *'Mineral fuels, lubricants, & related products'* and *'Food and live animals'*.
3. The services account registered a higher surplus of Rs12.2 billion in 2023Q1 compared to Rs4.1 billion in 2022Q1, on account of a notable increase in gross tourism earnings to Rs22.3 billion and lower freight costs.
4. The surplus in the primary income account, inclusive of Global Business License Holders' (GBLHs) flows, rose to Rs25.5 billion in 2023Q1 from Rs20.2 billion in 2022Q1, benefitting from higher interest rates and continued growth in residents' net assets. The deficit in the secondary income account stood at Rs6.3 billion.
5. Net borrowing in the financial account has been estimated at Rs3.2 billion in 2023Q1. The direct investment account, inclusive of GBLHs flows, registered net inflows of Rs25.8 billion. Non-residents' direct investment in Mauritius, excluding GBLHs and net of repatriation, amounted to Rs7.1 billion.
6. The portfolio investment account posted net outflows of Rs56.5 billion. Excluding GBLHs, net outflows of Rs7.0 billion were registered in the portfolio account, resulting largely from banks' investment in debt securities abroad. The other investment account recorded net outflows of Rs20.1 billion, mostly reflecting an increase in currency and deposits held abroad and net repayment of external loans by banks.
7. The country recorded an overall balance of payments deficit of Rs54.9 billion in 2023Q1.

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Economic Analysis & Research and Statistics Department

¹ Including estimates of transactions of Global Business License Holders (GBLHs).