



Press Release

Balance of Payments (BoP) Developments Second Quarter 2026

30 September 2026

1. The current account deficit widened to Rs19.1 billion in 2026Q2 from Rs13.1 billion in 2025Q2, driven by a sharp increase in the goods account deficit due to higher oil prices following the US-Iran war. However, larger surpluses in the services and primary income accounts partly offset this adverse impact.
2. The goods account, which now includes GBCs' *'Merchanting'* activities¹, posted a wider deficit of Rs54.1 billion in 2026Q2, compared with Rs40.9 billion in 2025Q2. Goods imports (f.o.b.) increased sharply by 19.5 per cent to Rs90.5 billion, mainly reflecting higher imports of 'Mineral fuels, lubricants, & related products'. Goods exports rose by 4.3 per cent to Rs28.9 billion, primarily supported by higher exports of 'Ship's Stores and Bunkers'. The net margin earned by GBCs from *'Merchanting'* activities was estimated at Rs7.6 billion, helping to mitigate the goods deficit.
3. The services account recorded a surplus of Rs35.3 billion, supported by robust tourism earnings. Gross tourism earnings reached Rs25.7 billion in 2026Q2, 7.9 per cent higher than in 2025Q2. The primary income account posted a surplus of Rs18.6 billion, while the secondary income account remained in deficit at Rs19.0 billion, mainly reflecting taxes paid by GBCs to foreign governments.
4. The financial account is estimated to have posted net inflows of Rs20.8 billion in 2026Q2. The direct investment account recorded net inflows of Rs16.2 billion, mainly reflecting higher GBCs' direct investment liabilities and investment in the real estate sector. The portfolio investment account registered net outflows of Rs49.2 billion, driven largely by increased banks' investment in foreign debt securities and higher GBCs' portfolio investments abroad. The other investment account posted net inflows of Rs121.1 billion, mainly due to higher non-resident deposits with banks in Mauritius and increased GBCs' foreign borrowings.
5. The country recorded an overall balance of payments surplus of Rs64.5 billion in 2026Q2.

Economic Analysis & Research and Statistics Department

¹ Please refer to Information Note on the inclusion of *'Merchanting'* activities of Global Business Companies (GBCs) in the Balance of Payments Statistics, released today.