



## BALANCE OF PAYMENTS (BoP) DEVELOPMENTS<sup>1</sup>:

### I. First Quarter of 2019 (2019Q1)

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1. The external current account deficit has been estimated at Rs5.0 billion (equivalent to USD146 million and representing about 4.2 per cent of GDP) in 2019Q1 compared to Rs1.9 billion (equivalent to USD59 million and representing 1.7 per cent of GDP) in 2018Q1. The higher current account deficit would reflect a larger deficit on the goods account and a relatively lower surplus on the services account.
2. The deficit on the goods account worsened due to a higher increase in nominal imports relative to nominal exports. The deficit rose from Rs19.3 billion (equivalent to USD586 million) in 2018Q1 to Rs24.4 billion (equivalent to USD711 million) in 2019Q1 and as a ratio to GDP, the deficit on the goods account increased from 17.1 per cent in 2018Q1 to 20.6 per cent in 2019Q1.  
  
Exports of goods (f.o.b.) went up by 7.0 per cent, from Rs18.1 billion (equivalent to USD550 million) in 2018Q1 to Rs19.4 billion (equivalent to USD565 million) in 2019Q1, supported by increases of 10.7 per cent and of 3.7 per cent in '*Domestic exports*' and '*Re-exports*', respectively. As a ratio to GDP, exports of goods increased to 16.4 per cent of GDP. Imports of goods (c.i.f.) increased by 18.2 per cent, from Rs39.2 billion (equivalent to USD1,191 million) in 2018Q1 to Rs46.3 billion (equivalent USD1,350 million) in 2019Q1, reflecting higher imports related to infrastructure projects to a large extent. Imports of '*Manufactured goods classified chiefly by material*' went up by 32.0 per cent, '*Machinery and transport equipment*' by 22.1 per cent while '*Food and live animals*' rose by 23.8 per cent. As a ratio to GDP, imports of goods (c.i.f.) rose from 34.8 per cent in 2018Q1 to 39.2 per cent in 2019Q1.
3. The services account posted a surplus of Rs7.4 billion (equivalent to USD217 million) in 2019Q1 compared to Rs10.4 billion in 2018Q1 (equivalent to USD317 million) mainly as a result of a lower net surplus registered on the 'travel' sub-account.
4. Inclusive of estimated Global Business License Holders (GBLHs) flows, the surplus on the primary income account was estimated at Rs14.6 billion (equivalent to USD425 million) in 2019Q1 compared to Rs9.7 billion (equivalent to USD294 million) in 2018Q1. The secondary income account was estimated to have recorded a lower deficit of Rs2.6 billion (equivalent to USD77 million) in 2019Q1 compared to Rs2.8 billion (equivalent to USD84 million) in 2018Q1.

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<sup>1</sup> Including estimates of transactions of Global Business License Holders (GBLHs).

5. Net borrowing on the financial account, inclusive of reserve assets, has been estimated at Rs8.4 billion (equivalent to USD245 million) in 2019Q1 compared to Rs3.5 billion (equivalent to USD106 million) in 2018Q1, and was more than adequate to finance the estimated current account deficit. The direct investment account is estimated to have recorded net inflows of Rs37.0 billion (equivalent to USD1,080 million) in 2019Q1. Excluding GBLHs' flows, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs4.5 billion (equivalent to USD133 million) in 2019Q1 compared to Rs6.0 billion (equivalent USD183 million) in 2018Q1. Residents' direct investment abroad, net of repatriation, and excluding GBLHs' flows, amounted to Rs390 million (equivalent to USD11 million) in 2019Q1 compared to Rs284 million (equivalent to USD9 million) in 2018Q1.
6. The portfolio investment account, inclusive of GBLHs' transactions, is estimated to have posted net outflows of Rs106.2 billion (equivalent to USD3,099 million) in 2019Q1 compared to Rs105.6 billion (equivalent to USD3,211 million) in 2018Q1. Excluding the transactions of GBLHs, the portfolio investment account registered net outflows of Rs9.4 billion (equivalent to USD275 million) in 2019Q1, lower than the Rs13.9 billion (equivalent to USD423 million) recorded in 2018Q1. Net disinvestment by non-residents from the stock market stood at Rs423 million (equivalent to USD12 million) in 2019Q1, higher than the Rs103 million (equivalent USD3 million) recorded in 2018Q1.
7. The other investment account recorded net inflows of Rs60.1 billion (equivalent to USD1,755 million) in 2019Q1 as against net outflows of Rs5.9 billion (equivalent USD180 million) in 2018Q1. Excluding GBLHs, the other investment account recorded net inflows of Rs10.5 billion (equivalent to USD307 million) in 2019Q1 compared to net inflows of Rs3.4 billion (equivalent to USD103 million) in 2018Q1. The general Government sector effected net repayment of loans amounting to Rs1.5 billion (equivalent to USD45 million) in 2019Q1 compared to Rs1.2 billion (equivalent USD35 million) in 2018Q1. Excluding valuation change, banks' net claims on non-residents decreased by Rs3.7 billion (equivalent to USD108 million) in 2019Q1 as against an increase of Rs6.3 billion (equivalent to 193 million) in 2018Q1.
8. The country recorded a balance of payments surplus of Rs7.4 billion (equivalent to USD216 million) in 2019Q1 compared to a surplus of Rs6.8 billion (equivalent to USD206 million) in 2018Q1.

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