

BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

First Quarter 2020 (2020Q1)



1. The external current account deficit is estimated at about Rs4.9 billion (equivalent to USD132 million or 4.2 per cent of GDP) for 2020Q1 compared to Rs3.8 billion (equivalent to USD111 million or 3.2 per cent of GDP) for 2019Q1. The deterioration in the current account deficit would result from lower surpluses on the services and primary income accounts.
2. The deficit on the goods account improved on account of a higher decline in nominal imports relative to nominal exports. The deficit on the goods account decreased from Rs24.4 billion (equivalent to USD711 million) in 2019Q1 to Rs22.4 billion (equivalent to USD598 million) in 2020Q1. As a percentage to GDP, the deficit dropped from 20.8 per cent to 19.2 per cent.
3. Exports of goods (f.o.b.) declined marginally by 1.0 per cent, from Rs19.4 billion (equivalent to USD565 million) in 2019Q1 to Rs19.2 billion (equivalent to USD512 million) in 2020Q1, dragged down by decreases of 8.1 per cent and of 3.5 per cent in '*Re-exports*' and '*Domestic exports*', respectively. As a ratio to GDP, exports of goods dropped from 16.5 per cent to 16.4 per cent.
4. Imports of goods (c.i.f.) went down by 4.8 per cent, from Rs46.3 billion (equivalent to USD1,350 million) in 2019Q1 to Rs44.1 billion (equivalent USD1,178 million) in 2020Q1, mainly reflecting the decreases of 22.0 per cent and 13.8 per cent in imports of '*Manufactured goods classified chiefly by material*' and '*Food and live animals*', respectively. As a ratio to GDP, imports of goods (c.i.f.) went down from 39.5 per cent to 37.8 per cent.
5. The surplus on the services account dropped to Rs6.6 billion (equivalent to USD176 million) in 2020Q1, from Rs8.0 billion in 2019Q1 (equivalent to USD235 million), mainly due to lower net surplus recorded on the '*travel*' sub-account. Gross tourism earnings declined from Rs16.5 billion in 2019Q1 to Rs14.1 billion in 2020Q1.
6. Inclusive of Global Business License Holders (GBLHs) flows, the primary income account is expected to record a lower surplus of Rs15.1 billion (equivalent to USD403 million) in 2020Q1, compared to Rs17.0 billion (equivalent to USD495 million) in 2019Q1. Exclusive of GBLHs, the surplus on the primary income account inched down to Rs4.5 billion in 2020Q1, from Rs4.9 billion in 2019Q1.
7. The deficit on the secondary income account is estimated at Rs4.2 billion (equivalent to USD112 million) in 2020Q1 compared to Rs4.4 billion (equivalent to USD129 million) in 2019Q1. Exclusive of GBLHs, the

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

secondary income account posted a surplus of Rs173 million in 2020Q1 as against a deficit of Rs822 million in 2019Q1, due to higher foreign grants received by Government.

8. Net borrowing on the financial account, inclusive of reserve assets, is estimated at Rs6.7 billion (equivalent to USD180 million) in 2020Q1 compared to Rs7.3 billion (equivalent to USD213 million) in 2019Q1.
9. The Direct Investment account is estimated to have recorded net inflows of Rs27.9 billion (equivalent to USD746 million) in 2020Q1. Excluding GBLHs, non-residents' direct investment in Mauritius, net of repatriation, was lower at Rs3.3 billion (equivalent to USD88 million) in 2020Q1 compared to Rs4.5 billion (equivalent USD130 million) in 2019Q1. Residents' direct investment abroad, net of repatriation and excluding GBLHs' flows, amounted to Rs521 million (equivalent to USD14 million) in 2020Q1 compared to Rs352 million (equivalent to USD10 million) in 2019Q1.
10. The Portfolio Investment account, inclusive of GBLHs' transactions, is estimated to have posted net outflows of Rs60.8 billion (equivalent to USD1,626 million) in 2020Q1. Excluding the transactions of GBLHs, the portfolio investment account registered net outflow of Rs1.0 billion (equivalent to USD26.8 million), lower compared to Rs9.4 billion (equivalent to USD275 million) in 2019Q1. Net disinvestment by non-residents on the Stock Exchange of Mauritius almost doubled to Rs841 million (equivalent to USD22 million), from Rs423 million (equivalent to USD12 million).
11. Estimates of the Other Investment account in 2020Q1 would point to net inflows of Rs34.7 billion (equivalent to USD928 million) in 2020Q1. Excluding GBLHs, the other investment account recorded net inflows of Rs8.1 billion (equivalent to USD216 million) in 2020Q1. The government effected net loan repayment of Rs7.8 billion (equivalent to USD209 million) in 2020Q1, higher compared to Rs1.5 billion (equivalent to USD45 million) in 2019Q1.
12. The country recorded an overall balance of payments deficit of Rs5.9 billion (equivalent to USD157 million) in 2020Q1 as against a surplus of Rs7.4 billion (equivalent to USD215 million) in 2019Q1, mainly due to the repayment of external debt by the government.

Tables 1 and 2 provide details on the balance of payments in Mauritian rupees and the equivalent in US dollars, respectively.