

BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:



First Quarter 2021 (2021Q1)

1. The external current account deficit has been estimated at Rs17.2 billion (equivalent to USD430 million) for 2021Q1 compared to Rs7.9 billion (equivalent to USD211 million) for 2020Q1. The higher current account deficit stemmed from a deficit in the services account and a higher deficit in the goods account, both resulting from the fallout of the COVID-19 pandemic on the economy.
2. The deficit on the goods account increased as a result of a higher contraction in nominal exports relative to nominal imports on f.o.b.² basis. The goods account deficit rose to Rs23.0 billion (equivalent to USD577 million) in 2021Q1, from Rs22.6 billion (equivalent to USD603 million) in 2020Q1.
3. Exports of goods (f.o.b.) declined by 8.7 per cent, from Rs19.0 billion (equivalent to USD508 million) in 2020Q1 to Rs17.4 billion (equivalent to USD434 million) in 2021Q1, driven by contractions of 31.0 per cent in *'ship stores and bunkers'* and of 19.6 per cent in the exports of *'fish and fish preparations'*.
4. Imports of goods (c.i.f.) went up slightly by 0.7 per cent, from Rs44.1 billion (equivalent to USD1,179 million) in 2020Q1 to Rs44.4 billion (equivalent USD1,111 million) in 2021Q1, mainly on account of higher imports of *'miscellaneous manufactured articles'* and *'food and live animals'*.
5. The services account remained in deficit in 2021Q1, deeply impacted by the closure of borders and travel restrictions prevailing due to measures taken to counter the COVID-19 pandemic. The services account deficit amounted to Rs3.3 billion (equivalent to USD82 million) in 2021Q1 compared to a surplus of Rs6.6 billion (equivalent to USD177 million) in 2020Q1. Tourism earnings declined sharply from Rs14.1 billion in 2020Q1 to Rs0.5 billion in 2021Q1. Export of transport services contracted from Rs3.5 billion to Rs0.8 billion over the same period.
6. The surplus on primary income account has been estimated at Rs13.1 billion (equivalent to USD328 million) in 2021Q1, higher compared to Rs12.3 billion (equivalent to USD328 million) in 2020Q1. Exclusive of Global Business License Holders (GBLHs) flows, the primary income account posted a surplus of Rs2.6 billion (equivalent to USD64 million) in 2021Q1, lower than Rs4.5 billion (equivalent to USD122 million) recorded in 2020Q1.
7. The deficit on the secondary income account has been estimated at Rs4.0 billion (equivalent to USD100 million) in 2021Q1 slightly lower compared to Rs4.2 billion (equivalent to USD112 million) in 2020Q1. Exclusive of GBLHs flows, the secondary income account posted a deficit of Rs0.5 billion compared to a surplus of Rs0.2 billion.

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

² Free on board.

8. Net borrowing on the financial account, inclusive of reserve assets, has been estimated at Rs19.0 billion (equivalent to USD475 million) in 2021Q1, compared to Rs9.2 billion (equivalent to USD245 million) in 2020Q1.
9. The direct investment account, inclusive of GBLH's flows, is estimated to have recorded net inflows of Rs42.8 billion (equivalent to USD1,072 million) in 2021Q1. Excluding GBLH's flows, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs1.9 billion (equivalent to USD47 million) in 2021Q1, lower compared to Rs3.3 billion (equivalent to USD88 million) recorded in 2020Q1. Excluding GBLHs' flows, residents' direct investment abroad, net of repatriation, amounted to Rs0.3 billion (equivalent to USD7 million) in 2021Q1, compared to Rs0.5 billion (equivalent to USD14 million) in 2020Q1.
10. The portfolio investment account is estimated to have posted net outflows of Rs16.4 billion (equivalent to USD411 million) in 2021Q1. Exclusive of GBLH's flows, the portfolio investment account recorded net outflows amounting to Rs14.5 billion (equivalent to USD362 million) in 2021Q1, higher compared to Rs1.0 billion (equivalent to USD27 million) in 2020Q1. Net disinvestment by non-residents on the Stock Exchange of Mauritius amounted to Rs0.4 billion (equivalent to USD11 million) in 2021Q1, lower compared to Rs0.8 billion (equivalent to USD22.0 million) recorded in 2020Q1.
11. The other investment account is estimated to have recorded net inflows of Rs1.2 billion (equivalent to USD29 million) in 2021Q1. Excluding GBLHs flows, the other investment account recorded net outflows of Rs51.1 billion (equivalent to USD1,280 million) in 2021Q1, as against net inflows of Rs8.1 billion (equivalent to USD215 million) in 2020Q1. Government received a net disbursement of external loans amounting to Rs9.0 billion (equivalent to USD226 million) during the quarter, as against a net loan repayment of Rs7.8 billion (equivalent to USD209 million) in 2020Q1.
12. The country recorded an overall balance of payments surplus of Rs7.0 billion (equivalent to USD176 million) in 2021Q1, as against a deficit of Rs5.9 billion (equivalent to USD157 million) in 2020Q1.

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

28 June 2021

Economic Analysis & Research and Statistics Department