

BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

Fourth Quarter 2019 (2019Q4)



1. The external current account deficit has been estimated at about Rs10.8 billion (equivalent to USD295 million or about 7.8 per cent of GDP) in 2019Q4 compared to around Rs8.3 billion (equivalent to USD241 million or 6.3 per cent of GDP) in 2018Q4.
2. The deficit on the goods account increased from Rs30.5 billion in 2018Q4 to Rs30.7 billion in 2019Q4, as a result of a higher decline in nominal exports relative to imports. However, in US dollar terms, the deficit dropped from USD887 million to USD841 million. As a percentage to GDP, the deficit also dropped from 23.2 per cent to 22.3 per cent.
3. Exports of goods (f.o.b.) declined by 9.0 per cent, from Rs21.2 billion (equivalent to USD618 million) in 2018Q4 to Rs19.3 billion (equivalent to USD529 million) in 2019Q4, dragged down by decreases of 31.2 per cent and of 17.1 per cent in '*Re-exports*' and '*Ship's Stores and Bunkers*', respectively. As a ratio to GDP, exports of goods went down from 16.2 per cent to 14.0 per cent.
4. Imports of goods (c.i.f.) dropped by 3.6 per cent, from Rs54.9 billion (equivalent to USD1,598 million) in 2018Q4 to Rs52.9 billion (equivalent USD1,449 million) in 2019Q4, mainly reflecting the decrease of 16.6 per cent in imports of '*Mineral fuels, lubricants, & related products*'. As a ratio to GDP, imports of goods (c.i.f.) went down from 41.9 per cent to 38.5 per cent.
5. The surplus on the services account fell to Rs8.6 billion (equivalent to USD236 million) in 2019Q4, from Rs10.2 billion in 2018Q4 (equivalent to USD296 million) mostly due to the deficit on the '*other business services*' sub-account. Gross tourism earnings edged up from Rs17.8 billion in 2018Q4 to Rs18.0 billion in 2019Q4.
6. Inclusive of Global Business License Holders (GBLHs) flows, the surplus on the primary income account has been estimated at Rs13.9 billion (equivalent to USD380 million) in 2019Q4, lower compared to Rs14.6 billion (equivalent to USD425 million) in 2018Q4. However, exclusive of GBLHs, the primary income account recorded a surplus of Rs4.3 billion in 2019Q4 higher compared to the surplus of Rs2.5 billion recorded in 2018Q4.
7. The deficit on the secondary income account has been estimated at Rs2.5 billion (equivalent to USD69 million) in 2019Q4 compared to Rs2.6 billion (equivalent to USD74 million) in 2018Q4. Exclusive of GBLHs, the secondary income account posted a higher deficit of Rs263 million in 2019Q4 compared to a deficit of Rs80 million in 2018Q4.

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

8. Net borrowing on the financial account, inclusive of reserve assets, has been estimated at Rs8.7 billion (equivalent to USD239 million) in 2019Q4 compared to Rs9.9 billion (equivalent to USD288 million) in 2018Q4.
9. The direct investment account is estimated to have recorded net inflows of Rs31.8 billion (equivalent to USD871 million) in 2019Q4. Excluding GBLHs, non-residents' direct investment in Mauritius, net of repatriation, was higher at Rs2.7 billion (equivalent to USD75 million) in 2019Q4 compared to Rs1.4 billion (equivalent USD41 million) in 2018Q4. Residents' direct investment abroad, net of repatriation and excluding GBLHs' flows, amounted to Rs693 million (equivalent to USD19 million) in 2019Q4 compared to Rs374 million (equivalent to USD11 million) in 2018Q4.
10. The portfolio investment account, inclusive of GBLHs' transactions, is estimated to have posted net outflows of Rs31.6 billion (equivalent to USD866 million) in 2019Q4. Excluding the transactions of GBLHs, the portfolio investment account registered net inflows of Rs17.9 billion (equivalent to USD491 million) in 2019Q4 as against net outflows of Rs9.6 billion (equivalent to USD279 million) recorded in 2018Q4. Net disinvestment by non-residents from the stock market totalled Rs184 million (equivalent to USD5 million) in 2019Q4, lower than Rs423 million (equivalent USD12 million) recorded in 2018Q4.
11. The other investment account is estimated to have recorded net inflows of Rs61 billion (equivalent to USD1,677 million) in 2019Q4. Excluding GBLHs, the other investment account recorded net outflows of Rs39.1 billion (equivalent to USD1,072 million) in 2019Q4 as against net inflows of Rs3.4 billion (equivalent to USD100 million) in 2018Q4. The general government sector effected net loan repayment of Rs509 million (equivalent to USD14 million) in 2019Q4 compared to Rs369 million (equivalent USD11 million) in 2018Q4.
12. The country recorded an overall balance of payments surplus of Rs3.7 billion (equivalent to USD101 million) in 2019Q4 as against a deficit of Rs2.2 billion (equivalent to USD65 million) in 2018Q4.

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