

BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:



Fourth Quarter 2020 (2020Q4)

1. The external current account deficit has been estimated at Rs18.6 billion (equivalent to USD465 million or 15.6 per cent of GDP) for 2020Q4 compared to Rs10.6 billion (equivalent to USD289 million or 7.9 per cent of GDP) for 2019Q4. The higher current account deficit stemmed mainly from a deficit in the services account and lower surplus in the income account.
2. The deficit on the goods account improved significantly benefiting from a pronounced decline in nominal imports and a rise in nominal exports. The goods account deficit contracted to Rs23.9 billion (equivalent to USD599 million or 20.0 per cent of GDP) in 2020Q4, from Rs30.8 billion (equivalent to USD844 million or 23.1 per cent of GDP) in 2019Q4.
3. Exports of goods (f.o.b.) rose by 3.2 per cent, from Rs18.9 billion (equivalent to USD517 million or 14.1 per cent of GDP) in 2019Q4 to Rs19.5 billion (equivalent to USD487 million or 16.3 per cent of GDP) in 2020Q4, supported by an increase of 12.0 per cent in '*Domestic exports*'.
4. Imports of goods (c.i.f.) dropped by 10.0 per cent, from Rs52.6 billion (equivalent to USD1,441 million or 39.4 per cent of GDP) in 2019Q4 to Rs47.4 billion (equivalent USD1,185 million or 39.6 per cent of GDP) in 2020Q4, reflecting the lower imports of '*refined petroleum products*' and '*machinery & transport equipment*'.
5. The services account remained in deficit for the third consecutive quarter of 2020, severely impacted by the travel restrictions prevailing amidst the fallout of the COVID-19 pandemic. The services account deficit amounted to Rs3.7 billion (equivalent to USD94 million) in 2020Q4 as against a surplus of Rs8.6 billion (equivalent to USD235 million) in 2019Q4. Export of transport services contracted sharply, from Rs4.3 billion to Rs0.6 billion over the same period.
6. The surplus on primary income account has been estimated at Rs13.5 billion (equivalent to USD338 million) in 2020Q4, lower compared to Rs15.2 billion (equivalent to USD418 million) in 2019Q4. Exclusive of Global Business License Holders (GBLHs) flows, the primary income account posted a surplus of Rs3.9 billion in 2020Q4, lower than Rs4.3 billion recorded in 2019Q4.
7. The deficit on the secondary income account has been estimated at Rs4.4 billion (equivalent to USD110 million) in 2020Q4 higher compared to Rs3.6 billion (equivalent to USD97 million) in 2019Q4. Exclusive of GBLHs flows, the secondary income account posted a lower deficit of Rs0.2 billion compared to Rs0.3 billion.

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 Rs17.0 billion (equivalent to USD426 million) in 2020Q4, compared to Rs7.0 billion (equivalent to USD191 million) in 2019Q4.
9. The direct investment account is estimated to have recorded net inflows of Rs33.2 billion (equivalent to USD830 million) in 2020Q4. Excluding GBLHs flows, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs1.5 billion (equivalent to USD38 million) in 2020Q4, compared to Rs2.8 billion (equivalent to USD78 million) recorded in 2019Q4. Residents' direct investment abroad, net of repatriation, amounted to Rs0.2 billion (equivalent to USD5 million) in 2020Q4, compared to Rs0.7 billion (equivalent to USD18 million) in 2019Q4.
10. The portfolio investment account is estimated to have posted net outflows of Rs26.1 billion (equivalent to USD653 million) in 2020Q4. Exclusive of GBLH's flows, the portfolio investment account recorded net outflows amounting to Rs7.7 billion (equivalent to USD193 million) in 2020Q4, as against net inflows of Rs17.9 billion (equivalent to USD491 million) in 2019Q4. Net disinvestment by non-residents on the Stock Exchange of Mauritius amounted to Rs94 million (equivalent to USD2 million) in 2020Q4, lower compared to Rs189 million (equivalent to USD5 million) recorded in 2019Q4.
11. The other investment account is estimated to have recorded net inflows of Rs4.5 billion (equivalent to USD111 million) in 2020Q4. Excluding GBLHs flows, the other investment account recorded net inflows of Rs40.1 billion (equivalent to USD1,003 million) in 2020Q4. Government effected net repayment of external loans amounting to Rs0.7 billion (equivalent to USD17 million) during the quarter, compared to net repayment of Rs0.5 billion (equivalent to USD14 million) in 2019Q4.
12. The country recorded an overall balance of payments deficit of Rs4.4 billion (equivalent to USD109 million) in 2020Q4, as against a surplus of Rs3.7 billion (equivalent to USD101 million) in 2019Q4, mainly reflecting the Bank's intervention on the domestic foreign exchange market.

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