Glossary

Basis point is a unit equal to one hundredth of a percentage point.

Credit to GDP gap is the percentage deviation between the credit to GDP ratio and an estimate of its trend.

Cross-border exposure refers to exposure of banks outside Mauritius.

Dealt exchange rate is the weighted average rupee selling rate derived from transactions of US$30,000 and above, or equivalent.

Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as Dodd-Frank Act, was signed into federal law in July 2010.

GBC1s are resident corporations which conduct business outside Mauritius. The law has recently been amended to allow them to transact with residents provided that their activities in Mauritius are ancillary to their core business with non-residents.

MERI2 is the Mauritius Exchange Rate Index, a nominal effective exchange rate introduced in July 2008, based on the currency distribution of merchandise trade and tourist earnings.

MSCI World is a stock market index of 'world' stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International, and is often used as a common benchmark for 'world' or 'global' stock funds. MSCI Inc, also produces an index for emerging markets.

Other investment, which is a category in the Balance of Payments, includes all debt liabilities between unaffiliated non-residents and residents, which are not securitised. It can be classified by institutional sector: general Government, monetary authorities, banks, and other sector, and sub-classified between short-term and long-term.

Quantitative easing is a mechanism by which central banks increase the money supply by buying Government securities or other securities from the market.

Recession is typically defined as a decline in GDP for two consecutive quarters.

SEMDEX is an index of prices of all listed shares on the Stock Exchange of Mauritius and each stock is weighted according to its share in the total market capitalisation.

Tier 1 capital is a term used to qualify eligible capital of a bank and constitutes the component having the highest loss-absorbing capacity.

Y-o-y change compares the value of a variable at one period in time compared to the same period the previous year.

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