



BALANCE OF PAYMENTS: CALENDAR YEAR 2007

The significant expansion in the services account and growing investor sentiment marked the improvement of the country's external position in 2007. The overall balance of payments for 2007, excluding valuation changes, registered a surplus of Rs13,880 million.

Current Account

Provisional estimates for the calendar year 2007 indicate that the current account of the balance of payments recorded a lower deficit of Rs12,497 million compared with a deficit of Rs19,398 million in 2006. In relation to GDP, the deficit on the current account in 2007 represented 5.4 per cent compared to 9.4 per cent in 2006.

The deficit on the merchandise account of the balance of payments worsened significantly from Rs34,532 million in 2006 to Rs44,182 million in 2007, mostly as a result of rising imports as against a decline in exports. On a balance of payments basis, total imports (fob), excluding the acquisition of aircrafts, increased by 9.1 per cent from Rs101,723 million in 2006 to Rs110,964 million in 2007. Total exports (fob) decreased by 6.2 per cent, from Rs74,037 million in 2006 to Rs69,482 million in 2007.

Nonetheless, combined higher surpluses on the services account (Rs20,501 million) - mostly attributable to the surge in gross tourism receipts - and current transfers account (Rs3,693 million) as well as a more than moderate growth in income account (Rs7,491 million) in the 2007 have to a large extent offset the growing merchandise account deficit.

Capital and Financial Account

In the Capital and Financial account, combined direct and portfolio investment recorded higher net inflows of Rs9,447 million in 2007 compared to Rs2,140 million in 2006.

Direct investment in 2007 recorded net inflows of Rs8,800 million, significantly larger than net inflows of Rs3,018 million registered in 2006.

Portfolio investment recorded net inflows of Rs647 million in 2007 against net outflows of Rs878 million in 2006. This shows higher nonresidents portfolio investment in Mauritius which rose from Rs2,630 million in 2006 to Rs4,924 million in 2007, mainly on account of significant increases in investment in domestic money market instruments and on the Stock Exchange.

Other Investment recorded higher net inflows of Rs6,616 million in 2007 compared to Rs3,733 million in 2006.

Reserve assets, excluding valuation changes, increased by Rs13,880 million.

Bank of Mauritius

17 March 2008

Balance of Payments - Calendar Year 2007

Rs million

		2007 ¹				2007 ¹
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
I.	CURRENT ACCOUNT	890	-4,627	-4,947	-3,813	-12,497
A.	Goods and Services	-2,390	-6,269	-8,458	-6,564	-23,681
	Goods	-7,542	-10,290	-12,048	-14,302	-44,182
	Exports	15,460	16,547	17,410	20,065	69,482
	Imports	-23,002	-26,837	-29,458	-34,367	-113,664
	General Merchandise	-8,079	-10,878	-12,748	-15,038	-46,743
	Credit	14,224	15,342	15,991	18,485	64,042
	Debit	-22,303	-26,220	-28,739	-33,523	-110,785
	Goods procured in Ports by Carriers	537	588	700	736	2,561
	Credit	1,236	1,205	1,419	1,580	5,440
	Debit	-699	-617	-719	-844	-2,879
	Non-monetary Gold	-127	-164	-105	-109	-505
	Services	5,152	4,021	3,590	7,738	20,501
	Credit	17,162	15,264	15,542	20,786	68,754
	Transportation	3,698	2,736	3,202	3,823	13,459
	Passenger	3,109	2,219	2,694	3,198	11,220
	Freight	84	181	208	274	747
	Other	505	336	300	351	1,492
	Travel	10,791	8,962	8,653	12,281	40,687
	Business	4,078	3,318	2,636	4,056	14,088
	Personal	6,713	5,644	6,017	8,225	26,599
	Other Services	2,673	3,566	3,687	4,682	14,608
	Private	2,566	3,429	3,609	4,646	14,250
	Government	107	137	78	36	358
	Debit	-12,010	-11,243	-11,952	-13,048	-48,253
	Transportation	-5,140	-4,195	-4,421	-4,297	-18,053
	Passenger	-157	-219	-230	-243	-849
	Freight	-1,775	-2,108	-2,311	-1,873	-8,067
	Other	-3,208	-1,868	-1,880	-2,181	-9,137
	Travel	-2,724	-2,522	-2,775	-3,238	-11,259
	Business	-72	-137	-187	-355	-751
	Personal	-2,652	-2,385	-2,588	-2,883	-10,508
	Other Services	-4,146	-4,526	-4,756	-5,513	-18,941
	Private	-4,116	-4,456	-4,712	-5,432	-18,716
	Government	-30	-70	-44	-81	-225
B.	Income	2,586	652	2,412	1,841	7,491
	Credit	5,712	6,195	6,718	6,835	25,460
	Compensation of Employees	6	5	5	6	22
	Direct Investment Income	13	43	41	30	127
	Portfolio Investment Income	37	88	128	56	309
	Other Investment Income	5,656	6,059	6,544	6,743	25,002
	Monetary Authorities	529	521	828	779	2,657
	General Government	0	0	0	0	0
	Other	5,127	5,538	5,716	5,964	22,345

		2007				2007 ⁱ
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
	Debit	-3,126	-5,543	-4,306	-4,994	-17,969
	Compensation to employees	-76	-81	-77	-76	-310
	Direct Investment Income	-52	-1,660	-61	-575	-2,348
	Portfolio Investment Income	-153	-580	-592	-687	-2,012
	Other Investment Income	-2,845	-3,222	-3,576	-3,656	-13,299
	<i>Monetary Authorities</i>	-4	-3	-2	-2	-11
	<i>General Government</i>	-27	-104	-71	-108	-310
	<i>Other</i>	-2,814	-3,115	-3,503	-3,546	-12,978
C.	Current Transfers	694	990	1,099	910	3,693
	Credit	1,765	1,968	2,032	2,150	7,915
	Private	1,760	1,672	1,644	2,130	7,206
	Government	5	296	388	20	709
	Debit	-1,071	-978	-933	-1,240	-4,222
	Private	-1,049	-922	-885	-1,201	-4,057
	Government	-22	-56	-48	-39	-165
II.	CAPITAL AND FINANCIAL ACCOUNT	-4,657	-164	5,427	1,525	2,132
D.	Capital Account	-15	-16	-5	-15	-51
	<i>Migrants' Transfers</i>	-15	-16	-5	-15	-51
E.	Financial Account	-4,642	-148	5,432	1,540	2,183
	Direct Investment	1,399	3,795	2,085	1,521	8,800
	Abroad	-111	-236	-597	-873	-1,817
	In Mauritius	1,510	4,031	2,682	2,394	10,617
	Portfolio Investment	856	1,695	142	-2,047	647
	Assets	-537	-765	-1,650	-1,325	-4,277
	Equity Securities	-537	-765	-1,650	-1,325	-4,277
	Debt Securities	0	0	0	0	0
	Liabilities	1,393	2,460	1,792	-722	4,924
	Equity Securities	217	380	224	709	1,530
	Debt Securities	1,176	2,080	1,568	-1,431	3,394
	Other Investment	-1,481	-45	4,310	3,832	6,616
	Assets	-7,134	-2,094	-5,041	-6,723	-20,992
	General Government	0	0	0	0	0
	Banks	-5,887	-1,177	-2,783	-4,595	-14,442
	Other Sectors: Long-term	0	0	0	0	0
	Other Sectors: Short-term	-1,247	-917	-2,258	-2,128	-6,550
	Liabilities	5,653	2,049	9,351	10,555	27,608
	General Government	932	783	141	-338	1,518
	Banks	944	529	803	-1,558	718
	Other Sectors: Long-term	-189	-848	-389	2,350	924
	Other Sectors: Short-term	3,966	1,585	8,796	10,101	24,448
	Reserve Assets	-5,416	-5,593	-1,105	-1,766	-13,880
	Monetary Gold	0	0	0	0	0
	Special Drawing Rights	-4	-3	-2	-2	-11
	Reserve Position in the Fund	78	93	0	0	171
	Foreign Exchange	-5,490	-5,683	-1,103	-1,764	-14,040
	Other Claims	0	0	0	0	0
III.	NET ERRORS AND OMISSIONS	3,767	4,791	-480	2,288	10,365

Note: This table has been recast with a view to providing a more detailed classification of the Balance of Payments.

In line with the methodology laid down in the Fifth Edition of the IMF's Balance of Payments Manual, valuation changes are excluded from reserve assets transactions.

As from Quarter 3, 2005, 'Other Income' includes interest income of banks.

As from Quarter 3, 2006, valuation changes are excluded from foreign assets and liabilities transactions of banks.

¹ *Provisional Estimates.*