



## **BALANCE OF PAYMENTS DEVELOPMENTS: 3<sup>rd</sup> Quarter 2009 REVIEW**

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The overall balance of payments for the third quarter of 2009, excluding valuation changes, recorded a surplus of Rs3,875 million.

### **Current Account**

Provisional estimates for the third quarter of 2009, indicate that the current account deficit of the balance of payments narrowed to Rs5,505 million from Rs8,198 million registered in the third quarter of 2008. In the previous quarter, the current account deficit stood at Rs8,742 million.

The contraction in the current account deficit in the third quarter of 2009 mostly came from an improvement in the merchandise trade deficit which stood at Rs11,033 million, 23.7 per cent lower than Rs14,466 million recorded in the third quarter of 2008. On a balance of payments basis, total imports (fob) decreased significantly by 16.2 per cent, from Rs32,521 million in the third quarter of 2008 to Rs27,244 million in the third quarter of 2009 while nominal exports declined by 10.2 per cent, from Rs18,055 million to Rs16,211 million.

The services account recorded a higher surplus of 4,888 million in the third quarter of 2009, compared to a surplus of Rs3,650 million in the third quarter 2008. The higher surplus was due to imports of services falling at a more faster pace than exports of services. In contrast, the income account registered a deficit of Rs438 million in third quarter of 2009, as against a surplus of Rs22 million in the third quarter 2008. The surplus on the current transfers account moderated to Rs1,078 million in the third quarter of 2009, from Rs2,596 million in the corresponding quarter of 2008.

### **Capital and Financial Account**

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded lower net inflows of Rs1,752 million during the third quarter of 2009 compared to net inflows of Rs5,760 million in the third quarter of 2008.

Direct investment account recorded lower net inflows of Rs1,284 million during the third quarter of 2009 compared to net inflows of Rs3,194 million registered in the third quarter of 2008. Foreign direct investment in Mauritius, net of repatriation, amounted to Rs1,625 million during the third quarter of 2009 compared to Rs3,393 million in the corresponding period of 2008. Direct investment abroad, net of repatriation, stood at Rs341 million compared to Rs199 million in the third quarter of 2008.

Portfolio investment registered net outflows of Rs18 million during the third quarter of 2009, compared to net outflows of Rs743 million in the third quarter of 2008.

Net inflows in 'Other Investment' account amounted to Rs4,365 million in the third quarter of 2009 compared to net inflows of Rs4,134 million in the corresponding period of 2008. Besides being an increase in gross reserve assets, through the increased holdings of SDRs, the allocation of SDR by the IMF in the third quarter of 2009 has also been recorded as long-term liabilities of Monetary Authorities, under 'Other Investment'.

**Statistics Division**

**17 December 2009**

## Balance of Payments - Fiscal Year 2008-09 and Third Quarter of 2009

(Rs million)

	2008-09 <sup>1</sup>	2008		2009 <sup>1</sup>		
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
<b>I. CURRENT ACCOUNT</b>	<b>-25,451</b>	<b>-8,198</b>	<b>-6,768</b>	<b>-1,743</b>	<b>-8,742</b>	<b>-5,505</b>
<b>A. Goods and Services</b>	<b>-32,313</b>	<b>-10,816</b>	<b>-8,987</b>	<b>-4,297</b>	<b>-8,213</b>	<b>-6,145</b>
<b>Goods</b>	<b>-48,713</b>	<b>-14,466</b>	<b>-12,990</b>	<b>-9,471</b>	<b>-11,786</b>	<b>-11,033</b>
Exports	66,889	18,055	19,858	14,262	14,714	16,211
Imports	-115,602	-32,521	-32,848	-23,733	-26,500	-27,244
General Merchandise	-53,470	-15,621	-14,965	-10,287	-12,597	-11,683
Credit	59,405	15,749	17,100	13,006	13,550	15,078
Debit	-112,875	-31,370	-32,065	-23,293	-26,147	-26,761
Goods procured in Ports by Carriers	4,757	1,155	1,975	816	811	650
Credit	7,484	2,306	2,758	1,256	1,164	1,133
Debit	-2,727	-1,151	-783	-440	-353	-483
Non-monetary Gold	-217	-61	-57	-37	-62	-112
<b>Services</b>	<b>16,400</b>	<b>3,650</b>	<b>4,003</b>	<b>5,174</b>	<b>3,573</b>	<b>4,888</b>
Credit	67,751	16,950	18,665	16,728	15,408	16,626
Transportation	11,743	3,081	3,455	3,012	2,195	2,496
<i>Passenger</i>	9,561	2,608	2,841	2,501	1,611	1,971
<i>Freight</i>	719	188	227	154	150	164
<i>Other</i>	1,463	285	387	357	434	361
Travel	37,292	8,631	10,412	10,265	7,984	7,436
<i>Business</i>	13,157	2,916	3,321	3,904	3,016	2,247
<i>Personal</i>	24,135	5,715	7,091	6,361	4,968	5,189
Other Services	18,716	5,238	4,798	3,451	5,229	6,694
<i>Private</i>	18,311	5,044	4,741	3,382	5,144	6,627
<i>Government</i>	405	194	57	69	85	67
Debit	-51,351	-13,300	-14,662	-11,554	-11,835	-11,738
Transportation	-17,522	-4,444	-5,109	-4,038	-3,931	-3,910
<i>Passenger</i>	-991	-284	-288	-187	-232	-264
<i>Freight</i>	-9,059	-2,427	-2,788	-1,808	-2,036	-1,861
<i>Other</i>	-7,472	-1,733	-2,033	-2,043	-1,663	-1,785
Travel	-12,406	-3,257	-3,464	-2,954	-2,731	-2,883
<i>Business</i>	-1,737	-272	-440	-587	-438	-287
<i>Personal</i>	-10,669	-2,985	-3,024	-2,367	-2,293	-2,596
Other Services	-21,423	-5,599	-6,089	-4,562	-5,173	-4,945
<i>Private</i>	-20,987	-5,521	-6,014	-4,392	-5,060	-4,707
<i>Government</i>	-436	-78	-75	-170	-113	-238
<b>B. Income</b>	<b>696</b>	<b>22</b>	<b>323</b>	<b>1,933</b>	<b>-1,582</b>	<b>-438</b>
Credit	17,834	5,559	5,085	4,198	2,992	3,760
Compensation of Employees	18	3	5	5	5	5
Direct Investment Income	149	15	8	72	54	32
Portfolio Investment Income	267	93	19	99	56	182
Other Investment Income	17,400	5,448	5,053	4,022	2,877	3,541
<i>General Government</i>	0	0	0	0	0	0
<i>Monetary Authorities</i>	2,084	663	812	344	265	280
<i>Banks</i>	15,219	4,745	4,224	3,652	2,598	3,199
<i>Other</i>	97	40	17	26	14	62

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(Rs million)

	2008-09 <sup>1</sup>	2008		2009 <sup>1</sup>		
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Debit	-17,138	-5,537	-4,762	-2,265	-4,574	-4,197
Compensation to employees	-353	-89	-91	-86	-87	-79
Direct Investment Income	-6,459	-2,286	-1,112	0	-3,061	-2,596
Portfolio Investment Income	-1,575	-381	-643	-235	-316	-675
Other Investment Income	-8,751	-2,781	-2,916	-1,944	-1,110	-847
<i>General Government</i>	-363	-97	-78	-114	-74	-138
<i>Monetary Authorities</i>	-4	-1	-1	-1	-1	0
<i>Banks</i>	-8,007	-2,636	-2,677	-1,773	-921	-696
<i>Other</i>	-377	-47	-160	-56	-114	-13
<b>C. Current Transfers</b>	<b>6,166</b>	<b>2,596</b>	<b>1,896</b>	<b>621</b>	<b>1,053</b>	<b>1,078</b>
Credit	11,782	4,040	3,179	2,109	2,454	2,729
Private	8,941	2,350	2,269	2,109	2,213	2,726
Government	2,841	1,690	910	0	241	3
Debit	-5,616	-1,444	-1,283	-1,488	-1,401	-1,651
Private	-5,126	-1,395	-1,229	-1,117	-1,385	-1,636
Government	-490	-49	-54	-371	-16	-15
<b>II CAPITAL AND FINANCIAL ACCOUNT</b>	<b>13,379</b>	<b>5,760</b>	<b>1,497</b>	<b>5,903</b>	<b>219</b>	<b>1,752</b>
<b>D. Capital Account</b>	<b>-16</b>	<b>-1</b>	<b>-10</b>	<b>-1</b>	<b>-4</b>	<b>-4</b>
<i>Migrants' Transfers</i>	-16	-1	-10	-1	-4	-4
<b>E. Financial Account</b>	<b>13,395</b>	<b>5,761</b>	<b>1,507</b>	<b>5,904</b>	<b>223</b>	<b>1,756</b>
<b>Direct Investment</b>	<b>10,725</b>	<b>3,194</b>	<b>3,612</b>	<b>2,230</b>	<b>1,689</b>	<b>1,284</b>
Abroad	-1,058	-199	-369	-195	-295	-341
In Mauritius	11,783	3,393	3,981	2,425	1,984	1,625
<b>Portfolio Investment</b>	<b>-4,662</b>	<b>-743</b>	<b>-1,694</b>	<b>-928</b>	<b>-1,297</b>	<b>-18</b>
<b>Assets</b>	<b>-2,047</b>	<b>-572</b>	<b>-700</b>	<b>-393</b>	<b>-382</b>	<b>-604</b>
Equity Securities	-2,047	-572	-700	-393	-382	-604
Debt Securities	0	0	0	0	0	0
<b>Liabilities</b>	<b>-2,615</b>	<b>-171</b>	<b>-994</b>	<b>-535</b>	<b>-915</b>	<b>586</b>
Equity Securities	-1,528	116	-424	-292	-928	84
Debt Securities	-1,087	-287	-570	-243	13	502
<b>Other Investment</b>	<b>9,816</b>	<b>4,134</b>	<b>-2,850</b>	<b>4,756</b>	<b>3,776</b>	<b>4,365</b>
<b>Assets</b>	<b>21,932</b>	<b>5,188</b>	<b>-8,045</b>	<b>19,407</b>	<b>5,382</b>	<b>-9,365</b>
General Government	0	0	0	0	0	0
Monetary Authorities	0	0	0	0	0	0
Banks	21,880	6,027	-7,865	18,992	4,726	-7,841
Other Sectors: Long-term	0	0	0	0	0	0
Other Sectors: Short-term	52	-839	-180	415	656	-1,524
<b>Liabilities</b>	<b>-12,116</b>	<b>-1,054</b>	<b>5,195</b>	<b>-14,651</b>	<b>-1,606</b>	<b>13,730</b>
General Government	4,569	-213	-267	349	4,700	-21
Monetary Authorities	0	0	0	0	0	3,999
Banks	-23,100	-3,628	3,396	-15,435	-7,433	8,041
Other Sectors: Long-term	-1,636	22	-677	-78	-903	-276
Other Sectors: Short-term	8,051	2,765	2,743	513	2,030	1,987
<b>Reserve Assets</b>	<b>-2,484</b>	<b>-824</b>	<b>2,439</b>	<b>-154</b>	<b>-3,945</b>	<b>-3,875</b>
Monetary Gold	0	0	0	0	0	0
Special Drawing Rights (SDR)	-5	-1	-2	-1	-1	-4,000
Reserve Position in the Fund	-287	0	-287	0	0	0
Foreign Exchange	-2,192	-823	2,728	-153	-3,944	125
Other Claims	0	0	0	0	0	0
<b>II NET ERRORS AND OMISSIONS</b>	<b>12,072</b>	<b>2,438</b>	<b>5,271</b>	<b>-4,160</b>	<b>8,523</b>	<b>3,752</b>

<sup>1</sup> Provisional

Note : The allocation of SDR by IMF in the third quarter of 2009, has been recorded as an increase in reserve assets, through the increased holdings of SDRs and as long-term liabilities of Monetary Authorities under ' Other Investment '

## Balance of Payments - Fiscal Year 2008-09 and Third Quarter of 2009

(USD million)

	2008-09 <sup>1</sup>	2008		2009 <sup>1</sup>		
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
<b>I. CURRENT ACCOUNT</b>	<b>-826</b>	<b>-295</b>	<b>-214</b>	<b>-52</b>	<b>-265</b>	<b>-174</b>
<b>A. Goods and Services</b>	<b>-1,051</b>	<b>-389</b>	<b>-285</b>	<b>-129</b>	<b>-249</b>	<b>-195</b>
<b>Goods</b>	<b>-1,573</b>	<b>-520</b>	<b>-412</b>	<b>-285</b>	<b>-357</b>	<b>-349</b>
Exports	2,152	649	629	428	445	513
Imports	-3,725	-1,169	-1,041	-713	-802	-863
General Merchandise	-1,726	-562	-474	-309	-381	-370
Credit	1,909	566	542	391	410	478
Debit	-3,635	-1,128	-1,016	-700	-792	-848
Goods procured in Ports by Carriers	153	42	63	25	25	21
Credit	243	83	87	38	35	36
Debit	-90	-41	-25	-13	-11	-15
Non-monetary Gold	-7	-2	-2	-1	-2	-4
<b>Services</b>	<b>522</b>	<b>131</b>	<b>127</b>	<b>155</b>	<b>108</b>	<b>155</b>
Credit	2,170	609	591	503	466	527
Transportation	377	111	109	90	66	79
<i>Passenger</i>	308	94	90	75	49	62
<i>Freight</i>	23	7	7	5	5	5
<i>Other</i>	46	10	12	11	13	11
Travel	1,190	310	330	308	242	236
<i>Business</i>	419	105	105	117	91	71
<i>Personal</i>	772	205	225	191	150	164
Other Services	602	188	152	104	158	212
<i>Private</i>	589	181	150	102	156	210
<i>Government</i>	13	7	2	2	3	2
Debit	-1,648	-478	-465	-347	-358	-372
Transportation	-562	-160	-162	-121	-119	-124
<i>Passenger</i>	-32	-10	-9	-6	-7	-8
<i>Freight</i>	-292	-87	-88	-54	-62	-59
<i>Other</i>	-238	-62	-64	-61	-50	-57
Travel	-398	-117	-110	-89	-83	-91
<i>Business</i>	-55	-10	-14	-18	-13	-9
<i>Personal</i>	-344	-107	-96	-71	-69	-82
Other Services	-688	-201	-193	-137	-157	-157
<i>Private</i>	-674	-198	-191	-132	-153	-149
<i>Government</i>	-14	-3	-2	-5	-3	-8
<b>B. Income</b>	<b>21</b>	<b>1</b>	<b>10</b>	<b>58</b>	<b>-48</b>	<b>-14</b>
Credit	578	200	161	126	91	119
Compensation of Employees	1	0	0	0	0	0
Direct Investment Income	5	1	0	2	2	1
Portfolio Investment Income	9	3	1	3	2	6
Other Investment Income	564	196	160	121	87	112
<i>General Government</i>	0	0	0	0	0	0
<i>Monetary Authorities</i>	68	24	26	10	8	9
<i>Banks</i>	493	171	134	110	79	101
<i>Other</i>	3	1	1	1	0	2

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(USD million)

	2008-09 <sup>1</sup>	2008		2009 <sup>1</sup>		
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Debit	-556	-199	-151	-68	-138	-133
Compensation to employees	-11	-3	-3	-3	-3	-3
Direct Investment Income	-210	-82	-35	0	-93	-82
Portfolio Investment Income	-51	-14	-20	-7	-10	-21
Other Investment Income	-284	-100	-92	-58	-34	-27
General Government	-12	-3	-2	-3	-2	-4
Monetary Authorities	0	0	0	0	0	0
Banks	-261	-95	-85	-53	-28	-22
Other	-12	-2	-5	-2	-3	0
<b>C. Current Transfers</b>	<b>204</b>	<b>93</b>	<b>60</b>	<b>19</b>	<b>32</b>	<b>34</b>
Credit	384	145	101	63	74	86
Private	287	84	72	63	67	86
Government	97	61	29	0	7	0
Debit	-180	-52	-41	-45	-42	-52
Private	-165	-50	-39	-34	-42	-52
Government	-15	-2	-2	-11	0	0
<b>II. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>438</b>	<b>207</b>	<b>47</b>	<b>177</b>	<b>7</b>	<b>55</b>
<b>D. Capital Account</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Migrants' Transfers	-1	0	0	0	0	0
<b>E. Financial Account</b>	<b>439</b>	<b>207</b>	<b>48</b>	<b>177</b>	<b>7</b>	<b>56</b>
<b>Direct Investment</b>	<b>347</b>	<b>115</b>	<b>114</b>	<b>67</b>	<b>51</b>	<b>41</b>
Abroad	-34	-7	-12	-6	-9	-11
In Mauritius	381	122	126	73	60	51
<b>Portfolio Investment</b>	<b>-148</b>	<b>-27</b>	<b>-54</b>	<b>-28</b>	<b>-39</b>	<b>-1</b>
<b>Assets</b>	<b>-66</b>	<b>-21</b>	<b>-22</b>	<b>-12</b>	<b>-12</b>	<b>-19</b>
Equity Securities	-66	-21	-22	-12	-12	-19
Debt Securities	0	0	0	0	0	0
<b>Liabilities</b>	<b>-81</b>	<b>-6</b>	<b>-32</b>	<b>-16</b>	<b>-28</b>	<b>19</b>
Equity Securities	-46	4	-13	-9	-28	3
Debt Securities	-35	-10	-18	-7	0	16
<b>Other Investment</b>	<b>316</b>	<b>149</b>	<b>-90</b>	<b>143</b>	<b>114</b>	<b>138</b>
<b>Assets</b>	<b>678</b>	<b>187</b>	<b>-255</b>	<b>583</b>	<b>163</b>	<b>-297</b>
General Government	0	0	0	0	0	0
Monetary Authorities	0	0	0	0	0	0
Banks	681	217	-249	571	143	-248
Other Sectors: Long-term	0	0	0	0	0	0
Other Sectors: Short-term	-4	-30	-6	12	20	-48
<b>Liabilities</b>	<b>-362</b>	<b>-38</b>	<b>165</b>	<b>-440</b>	<b>-49</b>	<b>435</b>
General Government	137	-8	-8	10	142	-1
Monetary Authorities	0	0	0	0	0	127
Banks	-712	-130	108	-464	-225	255
Other Sectors: Long-term	-50	1	-21	-2	-27	-9
Other Sectors: Short-term	263	99	87	15	61	63
<b>Reserve Assets</b>	<b>-76</b>	<b>-30</b>	<b>77</b>	<b>-5</b>	<b>-119</b>	<b>-123</b>
Monetary Gold	0	0	0	0	0	0
Special Drawing Rights (SDR)	0	0	0	0	0	-127
Reserve Position in the Fund	-9	0	-9	0	0	0
Foreign Exchange	-67	-30	86	-5	-119	4
Other Claims	0	0	0	0	0	0
<b>II. NET ERRORS AND OMISSIONS</b>	<b>388</b>	<b>88</b>	<b>167</b>	<b>-125</b>	<b>258</b>	<b>119</b>

<sup>1</sup> Provisional

Note : The allocation of SDR by IMF in the third quarter of 2009, has been recorded as an increase in reserve assets, through the increased holdings of SDRs and as long-term liabilities of Monetary Authorities under ' Other Investment '