



## **BALANCE OF PAYMENTS DEVELOPMENTS: 4th QUARTER 2009 and CALENDAR YEAR 2009 REVIEW**

---

### **I. 4<sup>TH</sup> Quarter 2009**

The overall balance of payments for the fourth quarter of 2009, excluding valuation changes, recorded a surplus of Rs4,130 million a shift from the deficit of Rs2,439 million recorded a year earlier.

#### **Current Account**

Provisional estimates for the fourth quarter of 2009 indicate that the current account deficit narrowed to Rs5,632 million, from Rs6,768 million in the fourth quarter of 2008. This improvement resulted from higher net invisibles' (services, income and current transfers) surpluses which largely offset the expanding merchandise trade deficit.

After four consecutive quarter-on-quarter declines, the merchandise trade deficit, inclusive of the purchase of an aircraft, posted a higher shortfall of Rs16,934 million in the fourth quarter of 2009 compared to Rs12,990 million recorded in the fourth quarter 2008. Even after excluding the aircraft, the deficit on the merchandise account still witnessed an 8.3 per cent increase from a year earlier. This largely reflects the decline in nominal exports in the fourth quarter of 2009 which outstripped the slowdown in the contraction in nominal imports.

The surplus on the services account recorded a rise of 56.2 per cent, from Rs4,003 million in the fourth quarter of 2008 to Rs6,253 million in the fourth quarter of 2009, largely driven by favourable developments in "other services" account, despite the drag in travel receipts.

The surplus on the income account reached Rs921 million in the fourth quarter of 2009 compared to Rs323 million in the last quarter of 2008, on account of lower net direct investment income remitted abroad. The surplus on the current transfers account increased more than two-fold to Rs4,128 million in the fourth quarter 2009 from Rs1,896 million in fourth quarter 2008, largely due to higher grants received by the Government.

## **Capital and Financial Account**

The capital and financial account, inclusive of reserve assets, recorded net inflows of Rs1,006 million during the fourth quarter 2009 compared to net inflows of Rs1,497 million in the fourth quarter 2008.

Net foreign direct investment inflows slowed to Rs1,529 million during the fourth quarter 2009 compared to Rs3,612 million registered in fourth quarter 2008. Foreign direct investment in Mauritius, net of repatriation, amounted to Rs1,895 million during the fourth quarter 2009 significantly down from Rs3,981 million registered in the corresponding period of last year. Direct investment outflows, net of repatriation, remained almost flat at Rs366 million in the fourth quarter of 2009.

Portfolio investment recorded lower net outflows of Rs489 million in the fourth quarter of 2009 compared to Rs1,694 million in the fourth quarter of 2008. The year-on-year narrowing of the deficit reflected partly resurging non-resident investors' confidence in investment opportunities on the domestic market both in money-market instruments and holdings of equity.

Among debt-creating flows, other investment posted significant net inflows of Rs4,129 million, a turnaround from net outflows of Rs2,850 million registered in the last quarter of 2008.

## **II. Calendar Year 2009**

The overall balance of payments for calendar year 2009, excluding valuation changes, recorded a surplus of Rs12,103 million, higher compared to Rs4,624 million recorded in 2008. The increase has been partly traced by the SDR allocations made by the IMF in August and September 2009 to the country.

## **Current Account**

Provisional estimates of the balance of payments show that the current account deficit for the year 2009 declined significantly from Rs27,633 million in 2008 to Rs21,442 million. This improvement is largely attributable to the narrowing of the merchandise trade deficit as the real economy lost momentum reflecting the impact of the global financial crisis causing import demand to slow down as well as exports to suffer a setback. As a percentage of GDP at market prices, the current account deficit in 2009 dropped to 7.7 per cent, from 10.4 per cent in 2008.

The merchandise trade deficit dropped to Rs49,223 million in 2009 from Rs56,597 million in 2008. On a balance of payments basis, nominal exports (fob) fell, year-on-year, by 9.1 per cent while imports (fob), excluding the purchase of an aircraft, declined at a higher pace of 13.2 per cent in 2009.

The surplus on the services account stood at Rs20,047 million in 2009, up from Rs17,655 million in 2008. The increase in net inflows came mostly on account of favourable developments in “other services” account, which recorded a surplus of Rs1,217 million in 2009 as against a deficit of Rs5,033 million in 2008. Reflective of the adverse spill-over effects of the global crisis on travel, net tourism receipts posted a negative growth rate of 14.1 per cent in 2009, as net travel receipts dropped to Rs24,386 million, from Rs28,374 million in 2008. The deficit on the transportation account narrowed to Rs5,556 million in 2009 from Rs5,686 million in 2008, largely on account of the fall in passenger fares associated with the contraction in tourists arrivals coupled with the decline in freights associated with falling import volumes.

The surplus on the income account dropped considerably to Rs825 million in 2009, from Rs4,900 million in 2008, as a result of higher direct investment income outflows and lower net income drawn by banks.

The current transfers account recorded a surplus of Rs6,909 million in 2009, slightly higher than Rs6,409 million registered in 2008. The determining inflows within current transfers have been the relatively higher grants received by the Government.

## **Capital and Financial Account**

The capital and financial account, inclusive of reserve assets, recorded net inflows of Rs11,049 million in 2009, nearly 48 per cent decrease from net inflows of Rs21,073 million recorded in 2008.

Net foreign direct investment inflows slowed in 2009 compared to 2008, reflecting the relatively morose attitude associated with the global recession. Direct investment flows in Mauritius, net of repatriation, amounted to Rs8,221 million down from Rs10,895 million in 2008. Direct investment outflows also went down from Rs1,484 million in 2008 to Rs1,197 million in 2009.

During 2009, portfolio investment recorded lower net outflows of Rs2,732 million, compared to Rs4,868 million in 2008. The year-on-year narrowing of the deficit reflected partly resurging non-resident investors' confidence in investment opportunities on the domestic market. Other investment posted net inflows of Rs18,903 million, down from Rs21,194 million registered in 2008.

**Statistics Division**

**17 March 2010**

**Table 48: Balance of Payments - Fourth Quarter 2009 and Calendar Year 2009**
*(Rs million)*

	2009 <sup>1</sup>				2009 <sup>1</sup>
	1st Quarter <sup>2</sup>	2nd Quarter <sup>2</sup>	3rd Quarter <sup>2</sup>	4th Quarter <sup>1</sup>	
<b>I. CURRENT ACCOUNT</b>	<b>-1,301</b>	<b>-8,582</b>	<b>-5,927</b>	<b>-5,632</b>	<b>-21,442</b>
<b>A. Goods and Services</b>	<b>-3,843</b>	<b>-8,065</b>	<b>-6,587</b>	<b>-10,681</b>	<b>-29,176</b>
<b>Goods</b>	<b>-9,471</b>	<b>-11,786</b>	<b>-11,032</b>	<b>-16,934</b>	<b>-49,223</b>
Exports	14,262	14,714	16,211	16,597	61,784
Imports	-23,733	-26,500	-27,243	-33,531	-111,007
General Merchandise	-10,287	-12,597	-11,682	-18,377	-52,943
Credit	13,006	13,550	15,078	14,631	56,265
Debit	-23,293	-26,147	-26,760	-33,008	-109,208
Goods procured in Ports by Carriers	816	811	650	1,443	3,720
Credit	1,256	1,164	1,133	1,966	5,519
Debit	-440	-353	-483	-523	-1,799
Non-monetary Gold	-37	-62	-112	-141	-352
<b>Services</b>	<b>5,628</b>	<b>3,721</b>	<b>4,445</b>	<b>6,253</b>	<b>20,047</b>
Credit	17,825	16,082	16,981	20,308	71,196
Transportation	3,012	2,195	2,496	3,047	10,750
Passenger	2,501	1,611	1,971	2,496	8,579
Freight	154	150	164	213	681
Other	357	434	361	338	1,490
Travel	10,265	7,984	7,436	10,008	35,693
Business	3,904	3,016	2,247	3,274	12,441
Personal	6,361	4,968	5,189	6,734	23,252
Other Services	4,548	5,903	7,049	7,253	24,753
Private	4,479	5,818	6,982	7,031	24,310
Government	69	85	67	222	443
Debit	-12,197	-12,361	-12,536	-14,055	-51,149
Transportation	-4,042	-3,931	-3,911	-4,422	-16,306
Passenger	-187	-232	-264	-258	-941
Freight	-1,808	-2,036	-1,861	-2,159	-7,864
Other	-2,047	-1,663	-1,786	-2,005	-7,501
Travel	-2,954	-2,731	-2,883	-2,739	-11,307
Business	-587	-438	-287	-195	-1,507
Personal	-2,367	-2,293	-2,596	-2,544	-9,800
Other Services	-5,201	-5,699	-5,742	-6,894	-23,536
Private	-5,031	-5,586	-5,504	-6,723	-22,844
Government	-170	-113	-238	-171	-692
<b>B. Income</b>	<b>1,932</b>	<b>-1,588</b>	<b>-440</b>	<b>921</b>	<b>825</b>
Credit	4,198	2,992	3,760	2,762	13,712
Compensation of Employees	5	5	5	6	21
Direct Investment Income	72	54	32	109	267
Portfolio Investment Income	99	56	182	138	475
Other Investment Income	4,022	2,877	3,541	2,509	12,949
General Government	0	0	0	0	0
Monetary Authorities	344	265	280	212	1,101
Banks	3,652	2,598	3,199	2,292	11,741
Other Sectors	26	14	62	5	107

*Continued on next page*

(Rs million)

	2009 <sup>1</sup>				2009 <sup>1</sup>
	1st Quarter <sup>2</sup>	2nd Quarter <sup>2</sup>	3rd Quarter <sup>2</sup>	4th Quarter	
Debit	-2,266	-4,580	-4,199	-1,841	-12,886
Compensation to employees	-86	-87	-79	-76	-328
Direct Investment Income	0	-3,061	-2,596	-598	-6,255
Portfolio Investment Income	-235	-316	-675	-494	-1,720
Other Investment Income	-1,945	-1,116	-849	-673	-4,583
General Government	-115	-80	-138	-87	-420
Monetary Authorities	-1	-1	0	0	-2
Banks	-1,773	-921	-696	-526	-3,916
Other Sectors	-56	-114	-15	-60	-245
<b>C. Current Transfers</b>	<b>610</b>	<b>1,071</b>	<b>1,100</b>	<b>4,128</b>	<b>6,909</b>
Credit	2,109	2,474	2,754	5,610	12,947
Private	2,109	2,223	2,751	2,398	9,481
Government	0	251	3	3,212	3,466
Debit	-1,499	-1,403	-1,654	-1,482	-6,038
Private	-1,128	-1,387	-1,639	-1,467	-5,621
Government	-371	-16	-15	-15	-417
<b>II. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>6,596</b>	<b>696</b>	<b>2,751</b>	<b>1,006</b>	<b>11,049</b>
<b>D. Capital Account</b>	<b>-1</b>	<b>-4</b>	<b>-4</b>	<b>-34</b>	<b>-43</b>
Migrants' Transfers	-1	-4	-4	-34	-43
<b>E. Financial Account</b>	<b>6,597</b>	<b>700</b>	<b>2,755</b>	<b>1,040</b>	<b>11,092</b>
<b>Direct Investment</b>	<b>2,363</b>	<b>1,713</b>	<b>1,419</b>	<b>1,529</b>	<b>7,024</b>
Abroad	-195	-295	-341	-366	-1,197
In Mauritius	2,558	2,008	1,760	1,895	8,221
<b>Portfolio Investment</b>	<b>-928</b>	<b>-1,297</b>	<b>-18</b>	<b>-489</b>	<b>-2,732</b>
<b>Assets</b>	<b>-393</b>	<b>-382</b>	<b>-604</b>	<b>-231</b>	<b>-1,610</b>
Equity Securities	-393	-382	-604	-231	-1,610
Debt Securities	0	0	0	0	0
<b>Liabilities</b>	<b>-535</b>	<b>-915</b>	<b>586</b>	<b>-258</b>	<b>-1,122</b>
Equity Securities	-292	-928	84	48	-1,088
Debt Securities	-243	13	502	-306	-34
<b>Other Investment</b>	<b>5,316</b>	<b>4,229</b>	<b>5,229</b>	<b>4,129</b>	<b>18,903</b>
<b>Assets</b>	<b>19,407</b>	<b>5,382</b>	<b>-9,365</b>	<b>-24,093</b>	<b>-8,669</b>
General Government	0	0	0	0	0
Monetary Authorities	0	0	0	0	0
Banks	18,992	4,726	-7,841	-24,720	-8,843
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	415	656	-1,524	627	174
<b>Liabilities</b>	<b>-14,091</b>	<b>-1,153</b>	<b>14,594</b>	<b>28,222</b>	<b>27,572</b>
General Government	349	4,700	-11	17	5,055
Monetary Authorities	0	0	3,999	0	3,999
Banks	-15,435	-7,433	8,041	22,127	7,300
Other Sectors: Long-term	-78	-850	297	2,370	1,739
Other Sectors: Short-term	1,073	2,430	2,268	3,708	9,479
<b>Reserve Assets</b>	<b>-154</b>	<b>-3,945</b>	<b>-3,875</b>	<b>-4,130</b>	<b>-12,103</b>
Monetary Gold	0	0	0	-2,195	-2,195
Special Drawing Rights	-1	-1	-4,000	0	-4,002
Reserve Position in the Fund	0	0	0	0	0
Foreign Exchange	-153	-3,944	125	-1,935	-5,907
Other Claims	0	0	0	0	0
<b>III. NET ERRORS AND OMISSIONS</b>	<b>-5,295</b>	<b>7,886</b>	<b>3,176</b>	<b>4,627</b>	<b>10,393</b>

<sup>1</sup> Provisional.<sup>2</sup> Revised

Source : Statistics Division

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'.

Figures may not add up to totals due to rounding

**Table 48: Balance of Payments - Fourth Quarter 2009 and Calendar Year 2009**
*(USD million)*

	2009 <sup>1</sup>				2009 <sup>1</sup>
	1st Quarter <sup>2</sup>	2nd Quarter <sup>2</sup>	3rd Quarter <sup>2</sup>	4th Quarter <sup>1</sup>	
<b>I. CURRENT ACCOUNT</b>	<b>-39</b>	<b>-260</b>	<b>-188</b>	<b>-194</b>	<b>-680</b>
<b>A. Goods and Services</b>	<b>-115</b>	<b>-244</b>	<b>-209</b>	<b>-367</b>	<b>-936</b>
<b>Goods</b>	<b>-285</b>	<b>-357</b>	<b>-349</b>	<b>-583</b>	<b>-1,573</b>
Exports	428	445	513	571	1,958
Imports	-713	-802	-863	-1,154	-3,532
General Merchandise	-309	-381	-370	-632	-1,693
Credit	391	410	478	503	1,782
Debit	-700	-792	-848	-1,136	-3,475
Goods procured in Ports by Carriers	25	25	21	50	119
Credit	38	35	36	68	176
Debit	-13	-11	-15	-18	-57
Non-monetary Gold	-1	-2	-4	-5	-11
<b>Services</b>	<b>169</b>	<b>113</b>	<b>141</b>	<b>215</b>	<b>638</b>
Credit	535	487	538	699	2,259
Transportation	90	66	79	105	341
<i>Passenger</i>	75	49	62	86	272
<i>Freight</i>	5	5	5	7	22
<i>Other</i>	11	13	11	12	47
Travel	308	242	236	344	1,130
<i>Business</i>	117	91	71	113	392
<i>Personal</i>	191	150	164	232	738
Other Services	137	179	223	250	788
<i>Private</i>	135	176	221	242	774
<i>Government</i>	2	3	2	8	14
Debit	-366	-374	-397	-484	-1,621
Transportation	-121	-119	-124	-152	-516
<i>Passenger</i>	-6	-7	-8	-9	-30
<i>Freight</i>	-54	-62	-59	-74	-249
<i>Other</i>	-61	-50	-57	-69	-237
Travel	-89	-83	-91	-94	-357
<i>Business</i>	-18	-13	-9	-7	-47
<i>Personal</i>	-71	-69	-82	-88	-310
Other Services	-156	-173	-182	-237	-748
<i>Private</i>	-151	-169	-174	-231	-726
<i>Government</i>	-5	-3	-8	-6	-22
<b>B. Income</b>	<b>58</b>	<b>-48</b>	<b>-14</b>	<b>32</b>	<b>28</b>
Credit	126	91	119	95	431
Compensation of Employees	0	0	0	0	1
Direct Investment Income	2	2	1	4	9
Portfolio Investment Income	3	2	6	5	15
Other Investment Income	121	87	112	86	406
<i>General Government</i>	0	0	0	0	0
<i>Monetary Authorities</i>	10	8	9	7	35
<i>Banks</i>	110	79	101	79	369
<i>Other Sectors</i>	1	0	2	0	3

*Continued on next page*

(USD million)

	2009 <sup>1</sup>				2009 <sup>1</sup>
	1st Quarter <sup>2</sup>	2nd Quarter <sup>2</sup>	3rd Quarter <sup>2</sup>	4th Quarter <sup>1</sup>	
Debit	-68	-139	-133	-63	-403
Compensation to employees	-3	-3	-3	-3	-10
Direct Investment Income	0	-93	-82	-21	-195
Portfolio Investment Income	-7	-10	-21	-17	-55
Other Investment Income	-58	-34	-27	-23	-142
General Government	-3	-2	-4	-3	-13
Monetary Authorities	0	0	0	0	0
Banks	-53	-28	-22	-18	-121
Other Sectors	-2	-3	0	-2	-8
<b>C. Current Transfers</b>	<b>18</b>	<b>32</b>	<b>35</b>	<b>142</b>	<b>228</b>
Credit	63	75	87	193	418
Private	63	67	87	82	300
Government	0	8	0	110	118
Debit	-45	-42	-52	-51	-191
Private	-34	-42	-52	-50	-178
Government	-11	0	0	-1	-13
<b>II. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>198</b>	<b>21</b>	<b>87</b>	<b>35</b>	<b>341</b>
<b>D. Capital Account</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
Migrants' Transfers	0	0	0	-1	-1
<b>E. Financial Account</b>	<b>198</b>	<b>21</b>	<b>87</b>	<b>36</b>	<b>342</b>
<b>Direct Investment</b>	<b>71</b>	<b>52</b>	<b>45</b>	<b>53</b>	<b>220</b>
Abroad	-6	-9	-11	-13	-38
In Mauritius	77	61	56	65	259
<b>Portfolio Investment</b>	<b>-28</b>	<b>-39</b>	<b>-1</b>	<b>-17</b>	<b>-85</b>
<b>Assets</b>	<b>-12</b>	<b>-12</b>	<b>-19</b>	<b>-8</b>	<b>-50</b>
Equity Securities	-12	-12	-19	-8	-50
Debt Securities	0	0	0	0	0
<b>Liabilities</b>	<b>-16</b>	<b>-28</b>	<b>19</b>	<b>-9</b>	<b>-34</b>
Equity Securities	-9	-28	3	2	-33
Debt Securities	-7	0	16	-11	-2
<b>Other Investment</b>	<b>160</b>	<b>128</b>	<b>166</b>	<b>142</b>	<b>595</b>
<b>Assets</b>	<b>583</b>	<b>163</b>	<b>-297</b>	<b>-829</b>	<b>-380</b>
General Government	0	0	0	0	0
Monetary Authorities	0	0	0	0	0
Banks	571	143	-248	-850	-385
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	12	20	-48	22	6
<b>Liabilities</b>	<b>-423</b>	<b>-35</b>	<b>462</b>	<b>971</b>	<b>975</b>
General Government	10	142	0	1	153
Monetary Authorities	0	0	127	0	127
Banks	-464	-225	255	761	327
Other Sectors: Long-term	-2	-26	9	82	63
Other Sectors: Short-term	32	74	72	128	305
<b>Reserve Assets</b>	<b>-5</b>	<b>-119</b>	<b>-123</b>	<b>-142</b>	<b>-389</b>
Monetary Gold	0	0	0	-76	-76
Special Drawing Rights	0	0	-127	0	-127
Reserve Position in the Fund	0	0	0	0	0
Foreign Exchange	-5	-119	4	-67	-187
Other Claims	0	0	0	0	0
<b>III. NET ERRORS AND OMISSIONS</b>	<b>-159</b>	<b>239</b>	<b>101</b>	<b>159</b>	<b>339</b>

<sup>1</sup> Provisional.<sup>2</sup> Revised

Source : Statistics Division

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'.

Figures may not add up to totals due to rounding