



BALANCE OF PAYMENTS DEVELOPMENTS: 1st QUARTER 2010 REVIEW

The overall balance of payments for the first quarter of 2010, excluding valuation changes, recorded a deficit of Rs315 million.

Current Account

Provisional estimates for the first quarter of 2010 indicate that the current account deficit of the balance of payments widened significantly to Rs3,867 million, from Rs1,301 million registered in the first quarter of 2009. In the fourth quarter of 2009, the current account deficit stood at Rs5,632 million. The widening of the current account deficit in the first quarter 2010 resulted largely from a more pronounced deficit in the merchandise trade account, which outweighed the surpluses registered on the services, income and current transfers accounts.

The merchandise trade deficit stood at Rs12,796 million, 35.1 per cent higher than the shortfall of Rs9,471 million recorded in the first quarter of 2009. On a balance of payments basis, total imports (fob) increased considerably by 13.6 per cent from Rs23,733 million in the first quarter of 2009 to Rs26,953 million in the first quarter of 2010 relative to a marginal decline of 0.7 per cent in nominal exports.

The surplus on the services account rose by 23.3 per cent to Rs6,940 million in the first quarter of 2010, up from Rs5,628 million registered in the same corresponding period of last year. The improvement in the services account, originated mostly from an inflow in net other services coupled with an increase in net travel receipts.

In the quarter under review, the income account posted a net surplus of Rs1,893 million, of which other investment income registered a net inflow of Rs2,275 million. Direct investment recorded a marginal net inflow of Rs7 million while portfolio investment income showed a net outflow of Rs344 million. The current transfers account recorded a significantly lower surplus of Rs96 million in the first quarter of 2010 compared to Rs610 million registered in the corresponding quarter of 2009, due to higher private transfers in the form of claims remitted abroad.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded lower net inflows of Rs2,193 million in the first three months of 2010 compared to net inflows of Rs6,596 million registered for the same corresponding period, a year ago.

Net foreign direct investment inflows slowed to Rs1,997 million during the first quarter of 2010 compared to Rs2,363 million registered in the first quarter of 2009. Foreign direct investment in Mauritius, net of repatriation, climbed to Rs4,037 million during the first quarter of 2010 from Rs2,558 million recorded in the corresponding period of 2009. Direct investment abroad, net of repatriation, stood at Rs2,040 million compared to Rs195 million in the first quarter of 2009.

The net outflow on portfolio investment widened to Rs2,725 million during the first quarter of 2010, from Rs928 million recorded in the first quarter of 2009 attributable to higher residents' acquisition of assets abroad. Net inflows in the 'Other Investment' account amounted to Rs2,663 million in the first three months of 2010 compared to net inflows of Rs5,316 million in the corresponding period of 2009.

Statistics Division

17 June 2010

Table 1: Balance of Payments - Quarters of 2009 and First Quarter of 2010
(Rs million)

	2009 ¹				2010 ¹
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
I. CURRENT ACCOUNT	-1,301	-8,582	-5,927	-5,632	-3,867
A. Goods and Services	-3,843	-8,065	-6,587	-10,681	-5,856
Goods	-9,471	-11,786	-11,032	-16,934	-12,796
Exports	14,262	14,714	16,211	16,597	14,157
Imports	-23,733	-26,500	-27,243	-33,531	-26,953
General Merchandise	-10,287	-12,597	-11,682	-18,377	-13,950
Credit	13,006	13,550	15,078	14,631	12,466
Debit	-23,293	-26,147	-26,760	-33,008	-26,416
Goods procured in Ports by Carriers	816	811	650	1,443	1,154
Credit	1,256	1,164	1,133	1,966	1,691
Debit	-440	-353	-483	-523	-537
Non-monetary Gold	-37	-62	-112	-141	-222
Services	5,628	3,721	4,445	6,253	6,940
Credit	17,825	16,082	16,981	20,308	21,331
Transportation	3,012	2,195	2,496	3,047	3,025
<i>Passenger</i>	<i>2,501</i>	<i>1,611</i>	<i>1,971</i>	<i>2,496</i>	<i>2,466</i>
<i>Freight</i>	<i>154</i>	<i>150</i>	<i>164</i>	<i>213</i>	<i>182</i>
<i>Other</i>	<i>357</i>	<i>434</i>	<i>361</i>	<i>338</i>	<i>377</i>
Travel	10,265	7,984	7,436	10,008	11,035
<i>Business</i>	<i>3,904</i>	<i>3,016</i>	<i>2,247</i>	<i>3,274</i>	<i>3,915</i>
<i>Personal</i>	<i>6,361</i>	<i>4,968</i>	<i>5,189</i>	<i>6,734</i>	<i>7,120</i>
Other Services	4,548	5,903	7,049	7,253	7,271
<i>Private</i>	<i>4,479</i>	<i>5,818</i>	<i>6,982</i>	<i>7,031</i>	<i>7,062</i>
<i>Government</i>	<i>69</i>	<i>85</i>	<i>67</i>	<i>222</i>	<i>209</i>
Debit	-12,197	-12,361	-12,536	-14,055	-14,391
Transportation	-4,042	-3,931	-3,911	-4,422	-4,063
<i>Passenger</i>	<i>-187</i>	<i>-232</i>	<i>-264</i>	<i>-258</i>	<i>-169</i>
<i>Freight</i>	<i>-1,808</i>	<i>-2,036</i>	<i>-1,861</i>	<i>-2,159</i>	<i>-1,910</i>
<i>Other</i>	<i>-2,047</i>	<i>-1,663</i>	<i>-1,786</i>	<i>-2,005</i>	<i>-1,984</i>
Travel	-2,954	-2,731	-2,883	-2,739	-3,694
<i>Business</i>	<i>-587</i>	<i>-438</i>	<i>-287</i>	<i>-195</i>	<i>-426</i>
<i>Personal</i>	<i>-2,367</i>	<i>-2,293</i>	<i>-2,596</i>	<i>-2,544</i>	<i>-3,268</i>
Other Services	-5,201	-5,699	-5,742	-6,894	-6,634
<i>Private</i>	<i>-5,031</i>	<i>-5,586</i>	<i>-5,504</i>	<i>-6,723</i>	<i>-6,439</i>
<i>Government</i>	<i>-170</i>	<i>-113</i>	<i>-238</i>	<i>-171</i>	<i>-195</i>
B. Income	1,932	-1,588	-440	921	1,893
Credit	4,198	2,992	3,760	2,762	3,132
Compensation of Employees	5	5	5	6	7
Direct Investment Income	72	54	32	109	7
Portfolio Investment Income	99	56	182	138	132
Other Investment Income	4,022	2,877	3,541	2,509	2,986
<i>General Government</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Monetary Authorities</i>	<i>344</i>	<i>265</i>	<i>280</i>	<i>212</i>	<i>95</i>
<i>Banks</i>	<i>3,652</i>	<i>2,598</i>	<i>3,199</i>	<i>2,292</i>	<i>2,713</i>
<i>Other Sectors</i>	<i>26</i>	<i>14</i>	<i>62</i>	<i>5</i>	<i>178</i>

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(Rs million)

	2009 ¹				2010 ¹
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Debit	-2,266	-4,580	-4,199	-1,841	-1,239
Compensation to employees	-86	-87	-79	-76	-52
Direct Investment Income	0	-3,061	-2,596	-598	0
Portfolio Investment Income	-235	-316	-675	-494	-476
Other Investment Income	-1,945	-1,116	-849	-673	-711
General Government	-115	-80	-138	-87	-121
Monetary Authorities	-1	-1	0	0	0
Banks	-1,773	-921	-696	-526	-553
Other Sectors	-56	-114	-15	-60	-37
C. Current Transfers	610	1,071	1,100	4,128	96
Credit	2,109	2,474	2,754	5,610	2,080
Private	2,109	2,223	2,751	2,398	2,078
Government	0	251	3	3,212	2
Debit	-1,499	-1,403	-1,654	-1,482	-1,984
Private	-1,128	-1,387	-1,639	-1,467	-1,970
Government	-371	-16	-15	-15	-14
II. CAPITAL AND FINANCIAL ACCOUNT	6,596	696	2,751	1,006	2,193
D. Capital Account	-1	-4	-4	-34	-57
Migrants' Transfers	-1	-4	-4	-34	-57
E. Financial Account	6,597	700	2,755	1,040	2,250
Direct Investment	2,363	1,713	1,419	1,529	1,997
Abroad	-195	-295	-341	-366	-2,040
In Mauritius	2,558	2,008	1,760	1,895	4,037
Portfolio Investment	-928	-1,297	-18	-489	-2,725
Assets	-393	-382	-604	-231	-3,027
Equity Securities	-393	-382	-604	-231	-3,027
Debt Securities	0	0	0	0	0
Liabilities	-535	-915	586	-258	302
Equity Securities	-292	-928	84	48	506
Debt Securities	-243	13	502	-306	-204
Other Investment	5,316	4,229	5,229	4,129	2,663
Assets	19,407	5,382	-9,365	-24,093	-32,140
General Government	0	0	0	0	0
Monetary Authorities	0	0	0	0	0
Banks	18,992	4,726	-7,841	-24,720	-32,668
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	415	656	-1,524	627	528
Liabilities	-14,091	-1,153	14,594	28,222	34,803
General Government	349	4,700	-11	17	-89
Monetary Authorities	0	0	3,999	0	0
Banks	-15,435	-7,433	8,041	22,127	32,593
Other Sectors: Long-term	-78	-850	297	2,370	122
Other Sectors: Short-term	1,073	2,430	2,268	3,708	2,177
Reserve Assets	-154	-3,945	-3,875	-4,130	315
Monetary Gold	0	0	0	-2,195	0
Special Drawing Rights	-1	-1	-4,000	0	0
Reserve Position in the Fund	0	0	0	0	-179
Foreign Exchange	-153	-3,944	125	-1,935	494
Other Claims	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	-5,295	7,886	3,176	4,627	1,674

¹ Provisional estimates

Source : Statistics Division

Note:

(1) 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'.

(2) Figures for the first quarter 2010 are not strictly comparable to previous quarters as they have been drawn from new monthly banking statements effective January 2010.

Figures may not add up to totals due to rounding.

Table 2: Balance of Payments - Quarters of 2009 and First Quarter of 2010

(USD million)

	2009 ¹				2010 ¹
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
I. CURRENT ACCOUNT	-39	-260	-188	-194	-127
A. Goods and Services	-115	-244	-209	-367	-193
Goods	-285	-357	-349	-583	-422
Exports	428	445	513	571	467
Imports	-713	-802	-863	-1,154	-889
General Merchandise	-309	-381	-370	-632	-460
Credit	391	410	478	503	411
Debit	-700	-792	-848	-1,136	-871
Goods procured in Ports by Carriers	25	25	21	50	38
Credit	38	35	36	68	56
Debit	-13	-11	-15	-18	-18
Non-monetary Gold	-1	-2	-4	-5	-7
Services	169	113	141	215	229
Credit	535	487	538	699	703
Transportation	90	66	79	105	100
Passenger	75	49	62	86	81
Freight	5	5	5	7	6
Other	11	13	11	12	12
Travel	308	242	236	344	364
Business	117	91	71	113	129
Personal	191	150	164	232	235
Other Services	137	179	223	250	240
Private	135	176	221	242	233
Government	2	3	2	8	7
Debit	-366	-374	-397	-484	-474
Transportation	-121	-119	-124	-152	-134
Passenger	-6	-7	-8	-9	-6
Freight	-54	-62	-59	-74	-63
Other	-61	-50	-57	-69	-65
Travel	-89	-83	-91	-94	-122
Business	-18	-13	-9	-7	-14
Personal	-71	-69	-82	-88	-108
Other Services	-156	-173	-182	-237	-219
Private	-151	-169	-174	-231	-212
Government	-5	-3	-8	-6	-6
B. Income	58	-48	-14	32	62
Credit	126	91	119	95	103
Compensation of Employees	0	0	0	0	0
Direct Investment Income	2	2	1	4	0
Portfolio Investment Income	3	2	6	5	4
Other Investment Income	121	87	112	86	98
General Government	0	0	0	0	0
Monetary Authorities	10	8	9	7	3
Banks	110	79	101	79	89
Other Sectors	1	0	2	0	6

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(USD million)

	2009 ¹				2010 ¹
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter
Debit	-68	-139	-133	-63	-41
Compensation to employees	-3	-3	-3	-3	-2
Direct Investment Income	0	-93	-82	-21	0
Portfolio Investment Income	-7	-10	-21	-17	-16
Other Investment Income	-58	-34	-27	-23	-23
General Government	-3	-2	-4	-3	-4
Monetary Authorities	0	0	0	0	0
Banks	-53	-28	-22	-18	-18
Other Sectors	-2	-3	0	-2	-1
C. Current Transfers	18	32	35	142	3
Credit	63	75	87	193	69
Private	63	67	87	82	69
Government	0	8	0	110	0
Debit	-45	-42	-52	-51	-65
Private	-34	-42	-52	-50	-65
Government	-11	0	0	-1	0
II. CAPITAL AND FINANCIAL ACCOUNT	198	21	87	35	72
D. Capital Account	0	0	0	-1	-2
Migrants' Transfers	0	0	0	-1	-2
E. Financial Account	198	21	87	36	74
Direct Investment	71	52	45	53	66
Abroad	-6	-9	-11	-13	-67
In Mauritius	77	61	56	65	133
Portfolio Investment	-28	-39	-1	-17	-90
Assets	-12	-12	-19	-8	-100
Equity Securities	-12	-12	-19	-8	-100
Debt Securities	0	0	0	0	0
Liabilities	-16	-28	19	-9	10
Equity Securities	-9	-28	3	2	17
Debt Securities	-7	0	16	-11	-7
Other Investment	160	128	166	142	88
Assets	583	163	-297	-829	-1,060
General Government	0	0	0	0	0
Monetary Authorities	0	0	0	0	0
Banks	571	143	-248	-850	-1,077
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	12	20	-48	22	17
Liabilities	-423	-35	462	971	1,147
General Government	10	142	0	1	-3
Monetary Authorities	0	0	127	0	0
Banks	-464	-225	255	761	1,075
Other Sectors: Long-term	-2	-26	9	82	4
Other Sectors: Short-term	32	74	72	128	72
Reserve Assets	-5	-119	-123	-142	10
Monetary Gold	0	0	0	-76	0
Special Drawing Rights	0	0	-127	0	0
Reserve Position in the Fund	0	0	0	0	-6
Foreign Exchange	-5	-119	4	-67	16
Other Claims	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	-159	239	101	159	55

¹ Provisional estimates

Source : Statistics Division

Note:

- (1) 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'.
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