



BALANCE OF PAYMENTS DEVELOPMENTS: 1st QUARTER 2011

I. Current Account

Provisional estimates indicate that the current account of the balance of payments posted a lower deficit of Rs3,578 million for the first quarter of 2011, from Rs4,319 million a year earlier. Higher surpluses in the services account coupled with larger net inflows in the income and current transfers accounts managed to partly offset the pronounced merchandise trade deficit, leading to the narrowing down of the current account deficit. As a percentage of GDP at market prices, the current account deficit is estimated at 5.0 per cent.

The merchandise trade deficit stood at Rs15,172 million, 18.6 per cent higher from the deficit of Rs12,796 million registered in the first quarter of 2010. On a balance of payments basis, the growth of nominal exports (+25.6 per cent) during the first quarter of 2011 outpaced that of nominal imports (*fob*) (+22.2 per cent).

The surplus on the services account reached Rs7,824 million from Rs6,581 million recorded in the first quarter of 2011, mostly driven by higher net travel receipts.

The income account registered a higher surplus of Rs2,451 million in the first quarter of 2011 relative to Rs1,799 million in the first quarter of 2010. The surplus was largely attributed to higher net investment income earned by banks.

The surplus on the current transfers increased from Rs97 million in the first quarter of 2010 to Rs1,319 million in the first quarter of 2011, as a result of higher net inflows of private transfers.

II. Capital and Financial Account

The capital and financial account, inclusive of reserve assets, recorded lower net inflows of Rs1,215 million in the first quarter of 2011 compared to net inflows of Rs2,263 million in the first quarter of 2010.

Net foreign direct investment slowed to Rs469 million in the first quarter of 2011. Non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs1,041 million during the first quarter of 2011 significantly down from Rs4,037 million registered in the corresponding period of last year. Residents' direct investment abroad, net of repatriation, stood at Rs572 million compared to Rs2,040 million in the first quarter of 2010.

Portfolio investment registered lower net outflows of Rs1,244 million during the first quarter of 2011, compared to Rs2,725 million recorded in the corresponding quarter of 2010. Net inflows in the 'Other investment' account amounted to Rs3,796 million in the first quarter of 2011, higher than net inflows of Rs2,733 million recorded in the corresponding period of 2010.

Statistics Division

10 June 2011