



BALANCE OF PAYMENTS DEVELOPMENTS

I. 2nd Quarter 2010

The overall balance of payments for the second quarter of 2010, excluding valuation changes, recorded a surplus of Rs2,004 million.

Current Account

Provisional estimates for the second quarter of 2010 show a slight improvement of the current account deficit to Rs7,999 million, from Rs8,582 million recorded in the second quarter of 2009. This decrease in the current account deficit emanated from higher net invisibles' surpluses (services, income and current transfers), which have partly offset the expanding merchandise trade deficit.

The merchandise trade deficit deteriorated further in the second quarter of 2010 to Rs14,770 million, 25.3 per cent higher than that recorded in the corresponding period of 2009. On a balance of payments basis, total imports (fob) increased considerably by 21.0 per cent from Rs26,500 million in the second quarter of 2009 to Rs32,074 million in the second quarter of 2010, reflective of the higher impulse in domestic economic activity and a pick up in international prices. Nominal exports (fob) also posted an increase of 17.6 per cent from Rs14,714 million to Rs17,304 million in the second quarter of 2010.

The surplus on the services account reached Rs4,746 million in the second quarter of 2010 relative to Rs3,721 million in the second quarter of 2009, due to lower net transportation outflows, a rise in tourism receipts and higher net other services. The income account shifted to a surplus of Rs759 million as a result of significantly lower direct investment income paid outwards as against the deficit of Rs1,588 million recorded in the second quarter of 2009. The surplus on the current transfers account increased to Rs1,266 million in the second quarter of 2010, from Rs1,071 million in the corresponding quarter of 2009.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded higher net inflows of Rs6,205 million during the second quarter of 2010 compared to net inflows of Rs696 million in the second quarter of 2009.

Foreign direct investment in Mauritius, net of repatriation, amounted to Rs3,530 million compared to Rs2,008 million in the corresponding period of 2009. Direct investment abroad, net of repatriation, stood at Rs464 million compared to Rs295 million. Consequently, the direct investment account recorded significantly higher net inflows of Rs3,066 million during the second quarter of 2010 compared to Rs1,713 million registered in the second quarter of 2009.

Portfolio investment registered net outflows of Rs2,336 million during the second quarter of 2010, higher than the net outflows of Rs1,297 million recorded in the second quarter of 2009. Net inflows in the 'Other Investment' account amounted to Rs7,537 million in the second quarter of 2010, higher than net inflows of Rs4,229 million recorded in the corresponding period of 2009.

II. Fiscal Year 2009-10

The balance of payments recorded an overall surplus of Rs9,694 million in the fiscal year 2009-10.

Current Account

Provisional estimates indicate that the current account deficit for 2009-10 improved to Rs22,586 million, from a higher shortfall of Rs24,849 million registered in 2008-09. In relation to GDP, the deficit on the current account decreased to 8.0 per cent in 2009-10 from 9.2 per cent in 2008-09.

The merchandise account posted a more pronounced deficit of Rs55,532 million in 2009-10, owing to a rise in imports of goods (fob) as against a contraction in exports. On a balance of payments basis, total nominal imports (fob) increased from Rs115,602 million in 2008-09 to Rs119,801 million in 2009-10. The rise in the value of imports was largely attributable to higher import volume relative to the previous fiscal year on account of a pick up in domestic demand. Nominal exports (fob) contracted by 3.9 per cent in 2009-10 to Rs64,269 million, down from Rs66,889 million in 2008-09.

The surplus on the services account rose by 31.6 per cent, from Rs17,002 million in 2008-09 to Rs22,370 million in 2009-10. This higher surplus reflected mainly a turnaround in the "Other Services" account, which recorded a surplus of Rs2,557 million in 2009-10 compared to a deficit of Rs2,101 million in 2008-09. The decline in gross tourism receipts was marginal at 0.1 per cent in 2009-10 relative to the previous fiscal year, falling from Rs37,292 million in 2008-09 to Rs37,254 million in 2009-10.

The income account posted considerably higher net inflows of Rs3,986 million in 2009-10 compared to Rs689 million registered in 2008-09, reflecting lower direct investment income paid out to non-residents and higher net income earned by banks on their assets abroad. The surplus on the current transfers account increased from Rs6,173 million in 2008-09 to Rs6,590 million in 2009-10.

Capital and Financial Account

The capital and financial account, inclusive of reserve assets, recorded lower net inflows of Rs13,000 million in 2009-10 compared to Rs14,549 million in 2008-09.

Foreign Direct Investment net inflows amounted to Rs8,011 million in 2009-10, a slowdown relative to last year as foreign direct investment moderated while direct investment abroad went up significantly. During 2009-10, foreign direct investment in Mauritius recorded net inflows of Rs11,222 million compared to net inflows of Rs11,940 million in 2008-09. Direct investment abroad by residents registered significant net outflows of Rs3,211 million in 2009-10 compared to net outflows of Rs1,058 million in the preceding fiscal year.

Portfolio investments recorded net outflows of Rs4,672 million in 2009-10 compared to Rs4,662 million registered in 2008-09. It must be noted that data on portfolio investment in 2009-10 are not strictly comparable to 2008-09, as they have been drawn from new reporting forms for banks. Other investment recorded higher net inflows of Rs19,525 million in 2009-10 compared to Rs10,829 million in 2008-09.

Statistics Division

17 September 2010

Table 1: Balance of Payments - Fiscal Year 2009-10

(Rs million)

	2009-10 ²	2009 ¹		2010 ²	
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
I. CURRENT ACCOUNT	-22,586	-5,630	-5,076	-3,881	-7,999
A. Goods and Services	-33,162	-6,587	-10,681	-5,870	-10,024
Goods	-55,532	-11,032	-16,934	-12,796	-14,770
Exports	64,269	16,211	16,597	14,157	17,304
Imports	-119,801	-27,243	-33,531	-26,953	-32,074
General Merchandise	-59,896	-11,682	-18,377	-13,950	-15,887
Credit	57,820	15,078	14,631	12,466	15,645
Debit	-117,716	-26,760	-33,008	-26,416	-31,532
Goods procured in Ports by Carriers	4,364	650	1,443	1,154	1,117
Credit	6,449	1,133	1,966	1,691	1,659
Debit	-2,085	-483	-523	-537	-542
Non-monetary Gold	-669	-112	-141	-222	-194
Services	22,370	4,445	6,253	6,926	4,746
Credit	77,434	16,981	20,308	21,317	18,828
Transportation	10,962	2,496	3,047	3,025	2,394
<i>Passenger</i>	8,626	1,971	2,496	2,466	1,693
<i>Freight</i>	742	164	213	182	183
<i>Other</i>	1,594	361	338	377	518
Travel	37,254	7,436	10,008	11,021	8,789
<i>Business</i>	12,637	2,247	3,274	3,901	3,215
<i>Personal</i>	24,617	5,189	6,734	7,120	5,574
Other Services	29,218	7,049	7,253	7,271	7,645
<i>Private</i>	28,456	6,982	7,031	7,062	7,381
<i>Government</i>	762	67	222	209	264
Debit	-55,064	-12,536	-14,055	-14,391	-14,082
Transportation	-16,265	-3,911	-4,422	-4,063	-3,869
<i>Passenger</i>	-903	-264	-258	-169	-212
<i>Freight</i>	-8,044	-1,861	-2,159	-1,910	-2,114
<i>Other</i>	-7,318	-1,786	-2,005	-1,984	-1,543
Travel	-12,138	-2,883	-2,739	-3,694	-2,822
<i>Business</i>	-1,209	-287	-195	-426	-301
<i>Personal</i>	-10,929	-2,596	-2,544	-3,268	-2,521
Other Services	-26,661	-5,742	-6,894	-6,634	-7,391
<i>Private</i>	-25,934	-5,504	-6,723	-6,439	-7,268
<i>Government</i>	-727	-238	-171	-195	-123
B. Income	3,986	-143	1,477	1,893	759
Credit	13,999	4,056	3,364	3,132	3,447
Compensation of Employees	23	5	6	7	5
Direct Investment Income	1,458	32	624	7	795
Portfolio Investment Income	963	478	213	132	140
Other Investment Income	11,555	3,541	2,521	2,986	2,507
<i>General Government</i>	0	0	0	0	0
<i>Monetary Authorities</i>	846	280	212	95	259
<i>Banks</i>	10,386	3,199	2,292	2,713	2,182
<i>Other Sectors</i>	323	62	17	178	66

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(Rs million)

	2009-10 ²	2009 ¹		2010 ²	
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Debit	-10,013	-4,199	-1,887	-1,239	-2,688
Compensation to employees	-270	-79	-76	-52	-63
Direct Investment Income	-4,864	-2,596	-598	0	-1,670
Portfolio Investment Income	-2,071	-675	-506	-476	-414
Other Investment Income	-2,808	-849	-707	-711	-541
General Government	-396	-138	-87	-121	-50
Monetary Authorities	0	0	0	0	0
Banks	-2,219	-696	-526	-553	-444
Other Sectors	-193	-15	-94	-37	-47
C. Current Transfers	6,590	1,100	4,128	96	1,266
Credit	12,860	2,754	5,610	2,080	2,416
Private	9,638	2,751	2,398	2,078	2,411
Government	3,222	3	3,212	2	5
Debit	-6,270	-1,654	-1,482	-1,984	-1,150
Private	-6,196	-1,639	-1,467	-1,970	-1,120
Government	-74	-15	-15	-14	-30
II. CAPITAL AND FINANCIAL ACCOUNT	13,000	3,988	610	2,198	6,205
D. Capital Account	-169	-9	-45	-57	-58
Migrants' Transfers	-169	-9	-45	-57	-58
E. Financial Account	13,170	3,997	655	2,255	6,263
Direct Investment	8,011	1,419	1,529	1,997	3,066
Abroad	-3,211	-341	-366	-2,040	-464
In Mauritius	11,222	1,760	1,895	4,037	3,530
Portfolio Investment	-4,672	1,259	-870	-2,725	-2,336
Assets	-13,200	-4,688	-2,666	-3,027	-2,819
Equity Securities	-13,200	-4,688	-2,666	-3,027	-2,819
Debt Securities	0	0	0	0	0
Liabilities	8,528	5,946	1,796	302	483
Equity Securities	8,566	5,444	2,102	506	514
Debt Securities	-38	502	-306	-204	-30
Other Investment	19,525	5,194	4,126	2,668	7,537
Assets	-109,020	-9,365	-24,093	-32,140	-43,423
General Government	0	0	0	0	0
Monetary Authorities	0	0	0	0	0
Banks	-108,025	-7,841	-24,720	-32,668	-42,796
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	-996	-1,524	627	528	-627
Liabilities	128,545	14,558	28,219	34,808	50,960
General Government	27	-12	24	-84	99
Monetary Authorities	3,999	3,999	0	0	0
Banks	110,072	8,041	22,127	32,593	47,311
Other Sectors: Long-term	4,205	262	2,360	122	1,460
Other Sectors: Short-term	10,243	2,268	3,708	2,177	2,090
Reserve Assets	-9,694	-3,875	-4,130	315	-2,004
Monetary Gold	-2,195	0	-2,195	0	0
Special Drawing Rights	-3,992	-4,000	0	0	8
Reserve Position in the Fund	-410	0	0	-179	-231
Foreign Exchange	-3,097	125	-1,935	494	-1,782
Other Claims	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	9,586	1,642	4,466	1,683	1,794

¹ Revised estimates.² 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 quarters of 2009-10 have been drawn from new monthly banking statements.

Figures may not add up to totals due to rounding.

Table 2: Balance of Payments - Fiscal Year 2009-10

(USD million)

	2009-10 ²	2009 ¹		2010 ²	
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
I. CURRENT ACCOUNT	-726	-178	-170	-128	-250
A. Goods and Services	-1,073	-209	-358	-194	-313
Goods	-1,800	-349	-567	-422	-461
Exports	2,076	513	556	467	540
Imports	-3,876	-863	-1,123	-889	-1,002
General Merchandise	-1,941	-370	-615	-460	-496
Credit	1,867	478	490	411	489
Debit	-3,808	-848	-1,105	-871	-985
Goods procured in Ports by Carriers	142	21	48	38	35
Credit	209	36	66	56	52
Debit	-67	-15	-18	-18	-17
Non-monetary Gold	-22	-4	-5	-7	-6
Services	727	141	209	228	148
Credit	2,509	538	680	703	588
Transportation	356	79	102	100	75
<i>Passenger</i>	280	62	84	81	53
<i>Freight</i>	24	5	7	6	6
<i>Other</i>	51	11	11	12	16
Travel	1,208	236	335	363	275
<i>Business</i>	410	71	110	129	100
<i>Personal</i>	799	164	225	235	174
Other Services	945	223	243	240	239
<i>Private</i>	920	221	235	233	231
<i>Government</i>	25	2	7	7	8
Debit	-1,782	-397	-471	-474	-440
Transportation	-527	-124	-148	-134	-121
<i>Passenger</i>	-29	-8	-9	-6	-7
<i>Freight</i>	-260	-59	-72	-63	-66
<i>Other</i>	-237	-57	-67	-65	-48
Travel	-393	-91	-92	-122	-88
<i>Business</i>	-39	-9	-7	-14	-9
<i>Personal</i>	-354	-82	-85	-108	-79
Other Services	-862	-182	-231	-219	-231
<i>Private</i>	-839	-174	-225	-212	-227
<i>Government</i>	-24	-8	-6	-6	-4
B. Income	131	-5	49	62	24
Credit	452	128	113	103	108
Compensation of Employees	1	0	0	0	0
Direct Investment Income	47	1	21	0	25
Portfolio Investment Income	31	15	7	4	4
Other Investment Income	373	112	84	98	78
<i>General Government</i>	0	0	0	0	0
<i>Monetary Authorities</i>	27	9	7	3	8
<i>Banks</i>	336	101	77	89	68
<i>Other Sectors</i>	10	2	1	6	2

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(USD million)

	2009-10 ²	2009 ¹		2010 ²	
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Debit	-321	-133	-63	-41	-84
Compensation to employees	-9	-3	-3	-2	-2
Direct Investment Income	-154	-82	-20	0	-52
Portfolio Investment Income	-67	-21	-17	-16	-13
Other Investment Income	-91	-27	-24	-23	-17
General Government	-13	-4	-3	-4	-2
Monetary Authorities	0	0	0	0	0
Banks	-72	-22	-18	-18	-14
Other Sectors	-6	0	-3	-1	-1
C. Current Transfers	216	35	138	3	40
Credit	419	87	188	69	75
Private	311	87	80	69	75
Government	108	0	108	0	0
Debit	-203	-52	-50	-65	-36
Private	-201	-52	-49	-65	-35
Government	-2	0	-1	0	-1
II. CAPITAL AND FINANCIAL ACCOUNT	413	126	20	72	194
D. Capital Account	-5	0	-2	-2	-2
Migrants' Transfers	-5	0	-2	-2	-2
E. Financial Account	418	127	22	74	196
Direct Investment	258	45	51	66	96
Abroad	-105	-11	-12	-67	-14
In Mauritius	363	56	63	133	110
Portfolio Investment	-152	40	-29	-90	-73
Assets	-426	-148	-89	-100	-88
Equity Securities	-426	-148	-89	-100	-88
Debt Securities	0	0	0	0	0
Liabilities	274	188	60	10	15
Equity Securities	276	172	70	17	16
Debt Securities	-2	16	-10	-7	-1
Other Investment	626	165	138	88	235
Assets	-3,519	-297	-807	-1,060	-1,356
General Government	0	0	0	0	0
Monetary Authorities	0	0	0	0	0
Banks	-3,490	-248	-828	-1,077	-1,337
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	-29	-48	21	17	-20
Liabilities	4,145	461	945	1,148	1,592
General Government	1	0	1	-3	3
Monetary Authorities	127	127	0	0	0
Banks	3,548	255	741	1,075	1,478
Other Sectors: Long-term	137	8	79	4	46
Other Sectors: Short-term	333	72	124	72	65
Reserve Assets	-313	-123	-138	10	-63
Monetary Gold	-73	0	-73	0	0
Special Drawing Rights	-126	-127	0	0	0
Reserve Position in the Fund	-13	0	0	-6	-7
Foreign Exchange	-100	4	-65	16	-56
Other Claims	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	313	52	150	55	56

¹ Revised estimates.² 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 quarters of 2009-10 have been drawn from new monthly banking statements.

Figures may not add up to totals due to rounding.