



BALANCE OF PAYMENTS DEVELOPMENTS: 3rd QUARTER 2010

The overall balance of payments for the third quarter of 2010, excluding valuation changes, recorded a surplus of Rs602 million.

Current Account

Provisional estimates for the third quarter of 2010 indicate that the current account deficit of the balance of payments worsened to Rs7,576 million, from Rs5,687 million registered in the third quarter of 2009, owing chiefly to a more pronounced deficit in the merchandise trade account and lower surpluses on both the services and current transfers accounts. The turnaround in the income account helped to partly contain the rising deficit. In the second quarter of 2010, the current account deficit stood at Rs7,673 million.

The merchandise trade deficit worsened significantly to Rs13,811 million, 24.5 per cent higher relative to the shortfall of Rs11,090 million recorded in the third quarter of 2009. This deficit was largely driven by a higher increase of 15.6 per cent in imports (fob) relative to a rise of 9.4 per cent in exports (fob).

The surplus on the services account reached Rs3,015 million, representing a year-on-year decrease of 32.2 per cent from Rs4,446 million recorded in the third quarter of 2009. Out of the three main components within the services account, the shift in “other services” to a deficit in the third quarter of 2010 contributed significantly to lower the overall surplus.

The income account recorded a surplus of Rs2,739 million in the third quarter of 2010 as against a deficit of Rs143 million in the third quarter of 2009, largely on account of significantly lower direct income paid abroad. Direct investment income narrowed to post net outflows of Rs454 million, considerably lower than the net outflows of Rs2,564 million recorded in the third quarter of 2009 when there were significant direct investment income remitted abroad. Income on other investment, comprising mostly of interest paid by banks on liabilities and income drawn on their foreign assets, recorded growing net inflows of

Rs3,462 million compared to net inflows of Rs2,692 million during the same quarter in 2009.

The surplus on the current transfers decreased to Rs481 million in the third quarter of 2010, from Rs1,100 million in the corresponding quarter of 2009 driven by lower net inflows of private transfers.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded higher net inflows of Rs11,328 million in the third quarter of 2010 compared to net inflows of Rs3,983 million registered for the same corresponding period of 2009.

Net foreign direct investment inflows dropped to Rs1,073 million during the third quarter of 2010 compared to Rs1,419 million registered in the third quarter of 2009. Foreign direct investment in Mauritius, net of repatriation, increased to Rs2,281 million during the third quarter of 2010 from Rs1,760 million recorded in the same corresponding period of 2009. Direct investment abroad, net of repatriation, during the third quarter of 2010 amounted to Rs1,208 million compared to Rs341 million in the third quarter of 2009.

Portfolio investment recorded net outflows of Rs1,027 million during the third quarter of 2010, as against net inflows of Rs1,259 million a year earlier. Other investment posted net inflows of Rs11,892 million in the third quarter of 2010, representing a year-on-year increase of Rs6,703 million. The overall surplus emanated mostly from expanding balances on non-residents' deposits with domestic banks, which more than offset the rise in their foreign assets.

Statistics Division

17 December 2010

Table 1: Balance of Payments - Fiscal Year 2009-10 and Third Quarter of 2010

(Rs million)

	2009-10 ¹	2009 ¹		2010		
		3rd Quarter	4th Quarter	1st Quarter ¹	2nd Quarter ¹	3rd Quarter ²
I. CURRENT ACCOUNT	-22,891	-5,687	-5,344	-4,187	-7,673	-7,576
A. Goods and Services	-33,841	-6,644	-10,949	-6,176	-10,072	-10,796
Goods	-55,911	-11,090	-17,206	-12,796	-14,819	-13,811
Exports	64,129	16,130	16,538	14,157	17,304	17,650
Imports	-120,040	-27,220	-33,744	-26,953	-32,123	-31,461
General Merchandise	-60,275	-11,740	-18,649	-13,950	-15,936	-14,607
Credit	57,680	14,997	14,572	12,466	15,645	16,231
Debit	-117,955	-26,737	-33,221	-26,416	-31,581	-30,838
Goods procured in Ports by Carriers	4,364	650	1,443	1,154	1,117	796
Credit	6,449	1,133	1,966	1,691	1,659	1,419
Debit	-2,085	-483	-523	-537	-542	-623
Non-monetary Gold	-669	-112	-141	-222	-194	-148
Services	22,070	4,446	6,257	6,620	4,747	3,015
Credit	77,261	16,981	20,308	21,144	18,828	18,321
Transportation	10,789	2,496	3,047	2,852	2,394	2,696
<i>Passenger</i>	8,641	1,971	2,496	2,466	1,708	2,146
<i>Freight</i>	742	164	213	182	183	176
<i>Other</i>	1,406	361	338	204	503	374
Travel	37,254	7,436	10,008	11,021	8,789	8,358
<i>Business</i>	12,637	2,247	3,274	3,901	3,215	2,421
<i>Personal</i>	24,617	5,189	6,734	7,120	5,574	5,937
Other Services	29,218	7,049	7,253	7,271	7,645	7,267
<i>Private</i>	28,456	6,982	7,031	7,062	7,381	7,017
<i>Government</i>	762	67	222	209	264	250
Debit	-55,191	-12,535	-14,051	-14,524	-14,081	-15,306
Transportation	-16,392	-3,910	-4,418	-4,196	-3,868	-4,085
<i>Passenger</i>	-903	-264	-258	-169	-212	-207
<i>Freight</i>	-8,199	-1,861	-2,155	-2,070	-2,113	-2,101
<i>Other</i>	-7,290	-1,785	-2,005	-1,957	-1,543	-1,777
Travel	-12,138	-2,883	-2,739	-3,694	-2,822	-3,041
<i>Business</i>	-1,209	-287	-195	-426	-301	-102
<i>Personal</i>	-10,929	-2,596	-2,544	-3,268	-2,521	-2,939
Other Services	-26,661	-5,742	-6,894	-6,634	-7,391	-8,180
<i>Private</i>	-25,934	-5,504	-6,723	-6,439	-7,268	-8,006
<i>Government</i>	-727	-238	-171	-195	-123	-174
B. Income	4,368	-143	1,477	1,893	1,141	2,739
Credit	14,375	4,056	3,364	3,132	3,823	4,277
Compensation of Employees	23	5	6	7	5	7
Direct Investment Income	1,458	32	624	7	795	36
Portfolio Investment Income	963	478	213	132	140	137
Other Investment Income	11,931	3,541	2,521	2,986	2,883	4,097
<i>General Government</i>	0	0	0	0	0	0
<i>Monetary Authorities</i>	846	280	212	95	259	205
<i>Banks</i>	10,762	3,199	2,292	2,713	2,558	3,778
<i>Other Sectors</i>	323	62	17	178	66	114

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(Rs million)

	2009-10 ¹	2009 ¹		2010		
		3rd Quarter	4th Quarter	1st Quarter ¹	2nd Quarter ¹	3rd Quarter ²
Debit	-10,007	-4,199	-1,887	-1,239	-2,682	-1,538
Compensation to employees	-270	-79	-76	-52	-63	-60
Direct Investment Income	-4,864	-2,596	-598	0	-1,670	-490
Portfolio Investment Income	-2,071	-675	-506	-476	-414	-353
Other Investment Income	-2,802	-849	-707	-711	-535	-635
General Government	-396	-138	-87	-121	-50	-116
Monetary Authorities	0	0	0	0	0	-1
Banks	-2,216	-696	-526	-553	-441	-492
Other Sectors	-190	-15	-94	-37	-44	-26
C. Current Transfers	6,582	1,100	4,128	96	1,258	481
Credit	12,860	2,754	5,610	2,080	2,416	2,584
Private	9,638	2,751	2,398	2,078	2,411	2,577
Government	3,222	3	3,212	2	5	7
Debit	-6,278	-1,654	-1,482	-1,984	-1,158	-2,103
Private	-6,204	-1,639	-1,467	-1,970	-1,128	-1,836
Government	-74	-15	-15	-14	-30	-267
II. CAPITAL AND FINANCIAL ACCOUNT	12,853	3,983	651	2,263	5,956	11,328
D. Capital Account	-169	-9	-45	-57	-58	-8
Migrants' Transfers	-169	-9	-45	-57	-58	-8
E. Financial Account	13,022	3,991	696	2,320	6,014	11,336
Direct Investment	8,011	1,419	1,529	1,997	3,066	1,073
Abroad	-3,211	-341	-366	-2,040	-464	-1,208
In Mauritius	11,222	1,760	1,895	4,037	3,530	2,281
Portfolio Investment	-4,672	1,259	-870	-2,725	-2,336	-1,027
Assets	-13,200	-4,688	-2,666	-3,027	-2,819	2,909
Equity Securities	-13,200	-4,688	-2,666	-3,027	-2,819	2,909
Debt Securities	0	0	0	0	0	0
Liabilities	8,528	5,946	1,796	302	483	-3,936
Equity Securities	8,566	5,444	2,102	506	514	-3,958
Debt Securities	-38	502	-306	-204	-30	22
Other Investment	19,377	5,189	4,167	2,733	7,289	11,892
Assets	-109,020	-9,365	-24,093	-32,140	-43,423	-18,864
General Government	0	0	0	0	0	0
Monetary Authorities	0	0	0	0	0	0
Banks	-108,025	-7,841	-24,720	-32,668	-42,796	-18,461
Other Sectors: Long-term	0	0	0	0	0	0
Other Sectors: Short-term	-996	-1,524	627	528	-627	-402
Liabilities	128,397	14,553	28,260	34,873	50,712	30,756
General Government	27	-12	24	-84	99	3,129
Monetary Authorities	3,999	3,999	0	0	0	0
Banks	110,072	8,041	22,127	32,593	47,311	26,031
Other Sectors: Long-term	4,204	262	2,360	122	1,460	-979
Other Sectors: Short-term	10,095	2,263	3,749	2,242	1,842	2,575
Reserve Assets	-9,694	-3,875	-4,130	315	-2,004	-602
Monetary Gold	-2,195	0	-2,195	0	0	0
Special Drawing Rights	-3,992	-4,000	0	0	8	241
Reserve Position in the Fund	-410	0	0	-179	-231	0
Foreign Exchange	-3,097	125	-1,935	494	-1,782	-843
Other Claims	0	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	10,038	1,704	4,693	1,924	1,717	-3,752

¹ Revised estimates.² Provisional estimates.

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 2: Balance of Payments - Fiscal Year 2009-10 and Third Quarter of 2010

(USD million)

	2009-10 ¹	2009 ¹		2010		
		3rd Quarter	4th Quarter	1st Quarter ¹	2nd Quarter ¹	3rd Quarter ²
I. CURRENT ACCOUNT	-737	-180	-179	-138	-240	-247
A. Goods and Services	-1,095	-210	-367	-204	-315	-352
Goods	-1,812	-351	-576	-422	-463	-450
Exports	2,072	511	554	467	540	575
Imports	-3,884	-862	-1,130	-889	-1,003	-1,025
General Merchandise	-1,954	-372	-624	-460	-498	-476
Credit	1,862	475	488	411	489	529
Debit	-3,816	-847	-1,112	-871	-986	-1,004
Goods procured in Ports by Carriers	142	21	48	38	35	26
Credit	209	36	66	56	52	46
Debit	-67	-15	-18	-18	-17	-20
Non-monetary Gold	-22	-4	-5	-7	-6	-5
Services	717	141	209	218	148	98
Credit	2,503	538	680	697	588	597
Transportation	350	79	102	94	75	88
<i>Passenger</i>	281	62	84	81	53	70
<i>Freight</i>	24	5	7	6	6	6
<i>Other</i>	45	11	11	7	16	12
Travel	1,208	236	335	363	275	272
<i>Business</i>	410	71	110	129	100	79
<i>Personal</i>	799	164	225	235	174	193
Other Services	945	223	243	240	239	237
<i>Private</i>	920	221	235	233	231	229
<i>Government</i>	25	2	7	7	8	8
Debit	-1,786	-397	-470	-479	-440	-499
Transportation	-531	-124	-148	-138	-121	-133
<i>Passenger</i>	-29	-8	-9	-6	-7	-7
<i>Freight</i>	-265	-59	-72	-68	-66	-68
<i>Other</i>	-236	-57	-67	-65	-48	-58
Travel	-393	-91	-92	-122	-88	-99
<i>Business</i>	-39	-9	-7	-14	-9	-3
<i>Personal</i>	-354	-82	-85	-108	-79	-96
Other Services	-862	-182	-231	-219	-231	-266
<i>Private</i>	-839	-174	-225	-212	-227	-261
<i>Government</i>	-24	-8	-6	-6	-4	-6
B. Income	143	-5	49	62	36	89
Credit	464	128	113	103	119	139
Compensation of Employees	1	0	0	0	0	0
Direct Investment Income	47	1	21	0	25	1
Portfolio Investment Income	31	15	7	4	4	4
Other Investment Income	385	112	84	98	90	133
<i>General Government</i>	0	0	0	0	0	0
<i>Monetary Authorities</i>	27	9	7	3	8	7
<i>Banks</i>	347	101	77	89	80	123
<i>Other Sectors</i>	10	2	1	6	2	4

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(USD million)

	2009-10 ¹	2009 ¹		2010		
		3rd Quarter	4th Quarter	1st Quarter ¹	2nd Quarter ¹	3rd Quarter ²
Debit	-321	-133	-63	-41	-84	-50
Compensation to employees	-9	-3	-3	-2	-2	-2
Direct Investment Income	-154	-82	-20	0	-52	-16
Portfolio Investment Income	-67	-21	-17	-16	-13	-11
Other Investment Income	-91	-27	-24	-23	-17	-21
General Government	-13	-4	-3	-4	-2	-4
Monetary Authorities	0	0	0	0	0	0
Banks	-72	-22	-18	-18	-14	-16
Other Sectors	-6	0	-3	-1	-1	-1
C. Current Transfers	215	35	138	3	39	16
Credit	419	87	188	69	75	84
Private	311	87	80	69	75	84
Government	108	0	108	0	0	0
Debit	-204	-52	-50	-65	-36	-68
Private	-201	-52	-49	-65	-35	-60
Government	-2	0	-1	0	-1	-9
II. CAPITAL AND FINANCIAL ACCOUNT	409	126	22	75	186	369
D. Capital Account	-5	0	-2	-2	-2	0
Migrants' Transfers	-5	0	-2	-2	-2	0
E. Financial Account	414	126	23	76	188	369
Direct Investment	258	45	51	66	96	35
Abroad	-105	-11	-12	-67	-14	-39
In Mauritius	363	56	63	133	110	74
Portfolio Investment	-152	40	-29	-90	-73	-33
Assets	-426	-148	-89	-100	-88	95
Equity Securities	-426	-148	-89	-100	-88	95
Debt Securities	0	0	0	0	0	0
Liabilities	274	188	60	10	15	-128
Equity Securities	276	172	70	17	16	-129
Debt Securities	-2	16	-10	-7	-1	1
Other Investment	622	164	139	90	228	387
Assets	-3,519	-297	-807	-1,060	-1,356	-614
General Government	0	0	0	0	0	0
Monetary Authorities	0	0	0	0	0	0
Banks	-3,490	-248	-828	-1,077	-1,337	-601
Other Sectors: Long-term	0	0	0	0	0	0
Other Sectors: Short-term	-29	-48	21	17	-20	-13
Liabilities	4,141	461	946	1,150	1,584	1,002
General Government	1	0	1	-3	3	102
Monetary Authorities	127	127	0	0	0	0
Banks	3,548	255	741	1,075	1,478	848
Other Sectors: Long-term	137	8	79	4	46	-32
Other Sectors: Short-term	329	72	126	74	58	84
Reserve Assets	-313	-123	-138	10	-63	-20
Monetary Gold	-73	0	-73	0	0	0
Special Drawing Rights	-126	-127	0	0	0	8
Reserve Position in the Fund	-13	0	0	-6	-7	0
Foreign Exchange	-100	4	-65	16	-56	-27
Other Claims	0	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	328	54	157	63	54	-122

¹ Revised estimates.² Provisional estimates.

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.