



BALANCE OF PAYMENTS : 3RD Quarter 2008 REVIEW

The overall balance of payments for the third quarter of 2008, excluding valuation changes, recorded a surplus of Rs824 million.

Current account

Provisional estimates for the third quarter 2008 indicate that the current account of the balance of payments recorded a higher deficit of Rs8,196 million compared to Rs4,810 million registered in the third quarter 2007. Excluding the purchase of marine vessels, the current account deficit for the third quarter 2008 stood at Rs7,613 million.

The surpluses recorded on the services, income and current transfers accounts partly offset the widening deficit on the merchandise account.

The merchandise account worsened further in the third quarter 2008, recording a deficit of Rs14,460 million compared to Rs11,873 million in the third quarter 2007, essentially resulting from a higher growth in nominal imports compared to the increase in nominal exports.

On a balance of payments basis, total nominal imports (fob) increased by 11.1 per cent from Rs29,453 million in the third quarter 2007 to Rs32,709 million in third quarter 2008. Excluding the purchase of marine vessels in third quarter 2008, total imports increased by 9.1 per cent to Rs32,126 million. Total exports (fob) increased by 3.8 per cent, from Rs17,580 million in third quarter 2007 to Rs18,249 million in third quarter 2008.

The surplus on the services account increased slightly by 2.7 per cent, from Rs3,550 million in the third quarter 2007 to Rs3,646 million in the third quarter 2008. The surplus on the income account decreased significantly mainly due to higher direct investment income remitted abroad. The surplus on the current transfers account increased from Rs1,095 million in third quarter 2007 to Rs2,596 million in 2008.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded higher net inflows of Rs5,799 million during the third quarter 2008 compared to Rs131 million in the third quarter 2007. The major contributor to this improvement has been the significant increase in other investment account and net inflows of direct investment, which have more than offset net outflows on portfolio investment.

Direct investment account recorded higher net inflows of Rs3,194 million during the third quarter 2008 compared to Rs2,085 million registered in third quarter 2007. Foreign direct investment in Mauritius, net of repatriation, amounted to Rs3,393 million during the third quarter 2008 compared to Rs2,682 million in 2007. Direct investment abroad, net of repatriation, stood at Rs199 million compared to Rs597 million in third quarter 2007.

Portfolio investment during the third quarter 2008 recorded a net outflow of Rs743 million as against a net inflow of Rs1,259 million in 2007.

Net inflows in the 'other investment' account amounted to Rs4,172 million in the third quarter 2008 as against net outflows of Rs2,103 million in the third quarter 2007.

Statistics Division

16 December 2008

Balance of payments 3rd Quarter 2008

(Rs million)

	2007 ¹		2008 ²		
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
I. CURRENT ACCOUNT	-4,810	-4,950	-5,203	-7,444	-8,196
A. Goods and Services	-8,323	-7,420	-8,295	-10,824	-10,814
Goods	-11,873	-14,297	-14,613	-14,489	-14,460
Exports	17,580	20,036	14,311	15,917	18,249
Imports	-29,453	-34,333	-28,924	-30,406	-32,709
General Merchandise	-12,573	-15,036	-15,151	-16,146	-15,615
Credit	16,161	18,453	12,924	13,413	15,943
Debit	-28,734	-33,489	-28,075	-29,559	-31,558
Goods procured in Ports by Carriers	700	739	538	1,657	1,155
Credit	1,419	1,583	1,387	2,504	2,306
Debit	-719	-844	-849	-847	-1,151
Non-monetary Gold	-105	-109	-79	-84	-61
Services	3,550	6,877	6,318	3,665	3,646
Credit	15,503	20,893	19,007	17,574	16,947
Transportation	3,202	3,819	3,678	2,479	3,083
Passenger	2,694	3,198	3,124	1,944	2,608
Freight	208	274	193	180	188
Other	300	347	361	355	287
Travel	8,653	12,282	11,951	10,220	8,634
Business	2,636	4,056	4,235	4,127	2,919
Personal	6,017	8,226	7,716	6,093	5,715
Other Services	3,648	4,792	3,378	4,875	5,230
Private	3,570	4,756	3,317	4,786	5,036
Government	78	36	61	89	194
Debit	-11,953	-14,016	-12,689	-13,909	-13,301
Transportation	-4,421	-5,042	-4,669	-4,188	-4,445
Passenger	-230	-241	-188	-288	-284
Freight	-2,311	-2,617	-2,339	-2,206	-2,429
Other	-1,880	-2,184	-2,142	-1,694	-1,732
Travel	-2,775	-3,112	-3,089	-3,030	-3,257
Business	-187	-355	-250	-329	-272
Personal	-2,588	-2,757	-2,839	-2,701	-2,985
Other Services	-4,757	-5,862	-4,931	-6,691	-5,599
Private	-4,713	-5,781	-4,867	-6,614	-5,521
Government	-44	-81	-64	-77	-78
B. Income	2,418	1,367	2,389	2,166	22
Credit	6,729	6,820	6,402	6,094	5,559
Compensation of Employees	5	6	5	5	3
Direct Investment Income	56	15	48	93	15
Portfolio Investment Income	128	56	19	143	93
Other Investment Income	6,540	6,743	6,330	5,853	5,448
Monetary Authorities	828	779	752	313	663
General Government	0	0	0	0	0
Other	5,712	5,964	5,578	5,540	4,785

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(Rs million)

	2007 ¹		2008 ²		
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Debit	-4,311	-5,453	-4,013	-3,928	-5,537
Compensation to employees	-77	-77	-85	-96	-89
Direct Investment Income	-61	-1,008	-466	-774	-2,286
Portfolio Investment Income	-592	-687	-359	-409	-381
Other Investment Income	-3,581	-3,681	-3,103	-2,649	-2,781
<i>Monetary Authorities</i>	-2	-2	-1	-1	-1
<i>General Government</i>	-71	-108	-74	-76	-97
<i>Other</i>	-3,508	-3,571	-3,028	-2,572	-2,683
C. Current Transfers	1,095	1,103	703	1,214	2,596
Credit	2,000	2,070	1,861	2,623	4,040
Private	1,612	2,049	1,858	2,571	2,350
Government	388	21	3	52	1,690
Debit	-905	-967	-1,158	-1,409	-1,444
Private	-857	-928	-1,138	-1,386	-1,395
Government	-48	-39	-20	-23	-49
II. CAPITAL AND FINANCIAL ACCOUNT	131	-1,166	5,233	8,392	5,799
D. Capital Account	-5	-15	-28	-1	-1
<i>Migrants' Transfers</i>	-5	-15	-28	-1	-1
E. Financial Account	136	-1,151	5,261	8,393	5,800
Direct Investment	2,085	1,521	1,134	1,471	3,194
Abroad	-597	-873	-518	-398	-199
In Mauritius	2,682	2,394	1,652	1,869	3,393
Portfolio Investment	1,259	-2,047	-1,266	-1,165	-743
Assets	-534	-1,325	-862	-509	-572
Equity Securities	-534	-1,325	-862	-509	-572
Debt Securities	0	0	0	0	0
Liabilities	1,793	-722	-404	-656	-171
Equity Securities	225	709	780	401	116
Debt Securities	1,568	-1,431	-1,184	-1,057	-287
Other Investment	-2,103	1,141	11,234	8,484	4,172
Assets	-31,279	-26,888	-9,483	27,952	5,188
General Government	0	0	0	0	0
Banks	-30,456	-26,089	-10,406	27,465	6,027
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	-823	-799	923	487	-839
Liabilities	29,176	28,028	20,716	-19,468	-1,016
General Government	141	-338	-98	1,803	-213
Banks	26,414	22,947	19,113	-24,835	-3,628
Other Sectors: Long-term	-389	2,350	-979	-425	22
Other Sectors: Short-term	3,009	3,069	2,681	3,989	2,803
Reserve Assets	-1,105	-1,766	-5,841	-398	-824
Monetary Gold	0	0	0	0	0
Special Drawing Rights	-2	-2	-9	-1	-1
Reserve Position in the Fund	0	0	40	-44	0
Foreign Exchange	-1,103	-1,764	-5,872	-353	-823
Other Claims	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	4,679	6,116	-30	-948	2,397

Note: This table has been recast with a view to providing a more detailed classification of the Balance of Payments.

In line with the methodology laid down in the Fifth Edition of the IMF's Balance of Payments Manual, valuation changes are excluded from reserve assets transactions.

As from Quarter 3, 2005, 'Other Income' includes interest income of banks

As from Quarter 3, 2006, valuation changes are excluded from foreign assets and liabilities transactions of banks.

¹ Revised Estimates

Source: Statistics Division

² Provisional Estimates

Balance of payments - 3rd Quarter 2008

(USD million)

		2007 ¹		2008 ²		
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
I.	CURRENT ACCOUNT	-156	-166	-188	-278	-295
A.	Goods and Services	-270	-250	-300	-404	-389
	Goods	-384	-481	-528	-541	-520
	Exports	569	674	517	594	656
	Imports	-954	-1,155	-1,045	-1,135	-1,176
	General Merchandise	-407	-506	-547	-603	-561
	Credit	523	621	467	501	573
	Debit	-930	-1,126	-1,014	-1,103	-1,135
	Goods procured in Ports by Carriers	23	25	19	62	42
	Credit	46	53	50	93	83
	Debit	-23	-28	-31	-32	-41
	Non-monetary Gold	-3	-4	-3	-3	-2
	Services	115	231	228	137	131
	Credit	502	703	687	656	609
	Transportation	104	128	133	93	111
	<i>Passenger</i>	87	108	113	73	94
	<i>Freight</i>	7	9	7	7	7
	<i>Other</i>	10	12	13	13	10
	Travel	280	413	432	381	310
	<i>Business</i>	85	136	153	154	105
	<i>Personal</i>	195	277	279	227	205
	Other Services	118	161	122	182	188
	<i>Private</i>	116	160	120	179	181
	<i>Government</i>	3	1	2	3	7
	Debit	-387	-471	-458	-519	-478
	Transportation	-143	-170	-169	-156	-160
	<i>Passenger</i>	-7	-8	-7	-11	-10
	<i>Freight</i>	-75	-88	-84	-82	-87
	<i>Other</i>	-61	-73	-77	-63	-62
	Travel	-90	-105	-112	-113	-117
	<i>Business</i>	-6	-12	-9	-12	-10
	<i>Personal</i>	-84	-93	-103	-101	-107
	Other Services	-154	-197	-178	-250	-201
	<i>Private</i>	-153	-194	-176	-247	-198
	<i>Government</i>	-1	-3	-2	-3	-3
B.	Income	78	46	86	81	1
	Credit	218	229	231	227	200
	Compensation of Employees	0	0	0	0	0
	Direct Investment Income	2	1	2	3	1
	Portfolio Investment Income	4	2	1	5	3
	Other Investment Income	212	227	229	218	196
	<i>Monetary Authorities</i>	27	26	27	12	24
	<i>General Government</i>	0	0	0	0	0
	<i>Other</i>	185	201	201	207	172

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(USD million)

	2007 ¹		2008 ²		
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Debit	-140	-183	-145	-147	-199
Compensation to employees	-2	-3	-3	-4	-3
Direct Investment Income	-2	-34	-17	-29	-82
Portfolio Investment Income	-19	-23	-13	-15	-14
Other Investment Income	-116	-124	-112	-99	-100
<i>Monetary Authorities</i>	0	0	0	0	0
<i>General Government</i>	-2	-4	-3	-3	-3
<i>Other</i>	-114	-120	-109	-96	-96
C. Current Transfers	35	37	25	45	93
Credit	65	70	67	98	145
Private	52	69	67	96	84
Government	13	1	0	2	61
Debit	-29	-33	-42	-53	-52
Private	-28	-31	-41	-52	-50
Government	-2	-1	-1	-1	-2
II. CAPITAL AND FINANCIAL ACCOUNT	4	-39	189	313	208
D. Capital Account	0	-1	-1	0	0
<i>Migrants' Transfers</i>	0	-1	-1	0	0
E. Financial Account	4	-39	190	313	208
Direct Investment	68	51	41	55	115
Abroad	-19	-29	-19	-15	-7
In Mauritius	87	81	60	70	122
Portfolio Investment	41	-69	-46	-43	-27
Assets	-17	-45	-31	-19	-21
Equity Securities	-17	-45	-31	-19	-21
Debt Securities	0	0	0	0	0
Liabilities	58	-24	-15	-24	-6
Equity Securities	7	24	28	15	4
Debt Securities	51	-48	-43	-39	-10
Other Investment	-68	38	406	317	150
Assets	-1,013	-904	-343	1,043	187
General Government	0	0	0	0	0
Banks	-986	-878	-376	1,025	217
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	-27	-27	33	18	-30
Liabilities	945	943	748	-727	-37
General Government	5	-11	-4	67	-8
Banks	855	772	690	-927	-130
Other Sectors: Long-term	-13	79	-35	-16	1
Other Sectors: Short-term	97	103	97	149	101
Reserve Assets	-36	-59	-211	-15	-30
Monetary Gold	0	0	0	0	0
Special Drawing Rights	0	0	0	0	0
Reserve Position in the Fund	0	0	1	-2	0
Foreign Exchange	-36	-59	-212	-13	-30
Other Claims	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	152	206	-1	-35	86

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