



BALANCE OF PAYMENTS DEVELOPMENTS

I. 4TH Quarter 2008

The overall balance of payments for the fourth quarter of 2008, excluding valuation changes, recorded a deficit of Rs2,439 million.

Current account

Provisional estimates for the fourth quarter of 2008, indicate that the current account of the balance of payments recorded a higher deficit of Rs6,893 million compared to Rs4,950 million registered in the fourth quarter of 2007.

A lower merchandise deficit of Rs12,954 million has been recorded in the fourth quarter of 2008 compared to Rs14,297 million recorded in the fourth quarter of 2007. On a balance of payments basis, total imports (fob), decreased by 4.4 per cent from Rs34,333 million in the fourth quarter of 2007 to Rs32,886 million in the fourth quarter of 2008.

The deterioration in the current account deficit resulted from a remarkable drop in the surplus of the services account of 41.8 per cent from Rs6,877 million in the fourth quarter of 2007 to Rs4,003 million in the fourth quarter of 2008.

The surplus on the income account also narrowed down from Rs1,367 million in fourth quarter of 2007 to Rs321 million in the last quarter of 2008, while the surplus on the current transfers account increased from Rs1,103 million to Rs1,737 million in the last quarter of 2008.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded net inflows of Rs1,435 million during the fourth quarter 2008 as against net outflows of Rs1,166 million in the fourth quarter 2007.

Direct investment account recorded higher net inflows of Rs3,612 million during the fourth quarter of 2008 compared to Rs1,521 million registered in fourth quarter of 2007. Foreign direct investment in Mauritius, net of repatriation, amounted to Rs3,981 million during the fourth quarter of 2008 compared to Rs2,394 million in the corresponding period of 2007. Direct investment abroad, net of repatriation, stood at Rs369 million compared to Rs873 million in the fourth quarter of 2007.

Portfolio investment registered net outflows of Rs1,694 million during the fourth quarter of 2008, lower than Rs2,047 million recorded in the fourth quarter of 2007. Net outflows in the 'other investment' account amounted to Rs2,912 million in the last three months of 2008 as against net inflows of Rs1,141 million in the corresponding period of 2007.

II. Calendar Year 2008

The overall balance of payments for the calendar year 2008, excluding valuation changes, recorded a lower surplus of Rs4,624 million compared to Rs13,880 registered in 2007.

Current account

Provisional estimates for the calendar year 2008 showed that the current account of the balance of payments more than doubled from a deficit of Rs13,442 million in 2007 to Rs27,728 million. The deterioration resulted from a higher deficit of Rs56,516 million on the merchandise account together with lower surpluses on both the services and income accounts. As a percentage of GDP, the current account deficit stood at 10.5 per cent compared to 5.7 per cent in 2007.

The worsening of the merchandise account has been rapid in the calendar year 2008, with a deficit of Rs56,516 million compared to Rs43,936 million in 2007, essentially resulting from an increase in nominal imports as against a slight decline in nominal exports. On a balance of payments basis, total nominal imports (fob) increased by 9.9 per cent from Rs113,644 million in 2007 to Rs124,925 million in 2008. Total exports (fob) dropped by 1.9 per cent from Rs69,708 million in 2007 to Rs68,409 million in 2008.

The surplus on the services account decreased by 9.9 per cent, from Rs19,589 million in 2007 to Rs17,640 million in 2008. The income account posted lower net inflows of Rs4,898 million in 2008 while the surplus on the current transfers account increased from Rs3,882 million in 2007 to Rs6,250 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 Rs20,857 million during the year 2008 compared to Rs1,883 million in 2007. The major contributor to this improvement has been the significant increase in other investment account and higher net inflows of direct investment, which have offset net outflows on portfolio investment.

Foreign direct investment in Mauritius recorded net inflows of Rs9,411 million in 2008 compared to Rs8,800 million registered in 2007. Foreign direct investment in Mauritius, net of repatriation, amounted to Rs10,895 million during the calendar year 2008 compared to Rs10,617 million in 2007. Direct investment abroad, net of repatriation, stood at Rs1,484 million compared to Rs1,817 million in 2007.

Portfolio investment in 2008 recorded a net outflow of Rs4,868 million as against a net inflow of Rs1,988 million a year ago, mainly on account of maturing money market instruments held by non-residents. Net inflows in the 'other investment' account increased significantly from Rs5,026 million in 2007 to Rs20,978 million in 2008.

Statistics Division

17 March 2009

Balance of payments - 2007 and 2008

(Rs million)

		2007 ¹	2007 ¹	2008 ²				2008 ²
		4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
I.	CURRENT ACCOUNT	-4,950	-13,442	-5,203	-7,444	-8,188	-6,893	-27,728
A.	Goods and Services	-7,420	-24,347	-8,295	-10,824	-10,806	-8,951	-38,876
	Goods	-14,297	-43,936	-14,613	-14,489	-14,460	-12,954	-56,516
	Exports	20,036	69,708	14,311	15,917	18,249	19,932	68,409
	Imports	-34,333	-113,644	-28,924	-30,406	-32,709	-32,886	-124,925
	General Merchandise	-15,036	-46,500	-15,151	-16,146	-15,615	-14,928	-61,840
	Credit	18,453	64,265	12,924	13,413	15,943	17,175	59,455
	Debit	-33,489	-110,765	-28,075	-29,559	-31,558	-32,103	-121,295
	Goods procured in Ports by Carriers	739	2,564	538	1,657	1,155	1,974	5,324
	Credit	1,583	5,443	1,387	2,504	2,306	2,757	8,954
	Debit	-844	-2,879	-849	-847	-1,151	-783	-3,630
	Non-monetary Gold	-109	-505	-79	-84	-61	-57	-281
	Services	6,877	19,589	6,318	3,665	3,654	4,003	17,640
	Credit	20,893	68,822	19,007	17,574	16,955	18,669	72,205
	Transportation	3,819	13,455	3,678	2,479	3,083	3,458	12,698
	<i>Passenger</i>	3,198	11,220	3,124	1,944	2,608	2,841	10,517
	<i>Freight</i>	274	747	193	180	188	227	788
	<i>Other</i>	347	1,488	361	355	287	390	1,393
	Travel	12,282	40,688	11,951	10,220	8,634	10,413	41,218
	<i>Business</i>	4,056	14,088	4,235	4,127	2,919	3,322	14,603
	<i>Personal</i>	8,226	26,600	7,716	6,093	5,715	7,091	26,615
	Other Services	4,792	14,679	3,378	4,875	5,238	4,798	18,289
	<i>Private</i>	4,756	14,321	3,317	4,786	5,044	4,741	17,888
	<i>Government</i>	36	358	61	89	194	57	401
	Debit	-14,016	-49,233	-12,689	-13,909	-13,301	-14,666	-54,565
	Transportation	-5,042	-18,809	-4,669	-4,188	-4,445	-5,113	-18,415
	<i>Passenger</i>	-241	-847	-188	-288	-284	-288	-1,048
	<i>Freight</i>	-2,617	-8,822	-2,339	-2,206	-2,429	-2,792	-9,766
	<i>Other</i>	-2,184	-9,140	-2,142	-1,694	-1,732	-2,033	-7,601
	Travel	-3,112	-11,133	-3,089	-3,030	-3,257	-3,464	-12,840
	<i>Business</i>	-355	-751	-250	-329	-272	-440	-1,291
	<i>Personal</i>	-2,757	-10,382	-2,839	-2,701	-2,985	-3,024	-11,549
	Other Services	-5,862	-19,291	-4,931	-6,691	-5,599	-6,089	-23,310
	<i>Private</i>	-5,781	-19,066	-4,867	-6,614	-5,521	-6,011	-23,013
	<i>Government</i>	-81	-225	-64	-77	-78	-78	-297
B.	Income	1,367	7,023	2,389	2,166	22	321	4,898
	Credit	6,820	25,456	6,402	6,094	5,559	5,085	23,140
	Compensation of Employees	6	22	5	5	3	5	18
	Direct Investment Income	15	127	48	93	15	8	164
	Portfolio Investment Income	56	309	19	143	93	19	274
	Other Investment Income	6,743	24,998	6,330	5,853	5,448	5,053	22,684
	<i>Monetary Authorities</i>	779	2,657	752	313	663	812	2,540
	<i>General Government</i>	0	0	0	0	0	0	0
	<i>Other</i>	5,964	22,341	5,578	5,540	4,785	4,241	20,144

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(Rs million)

	2007 ¹	2007 ¹	2008 ²				2008 ²
	4th Quarter		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Debit	-5,453	-18,433	-4,013	-3,928	-5,537	-4,764	-18,242
Compensation to employees	-77	-311	-85	-96	-89	-91	-361
Direct Investment Income	-1,008	-2,781	-466	-774	-2,286	-1,112	-4,638
Portfolio Investment Income	-687	-2,012	-359	-409	-381	-643	-1,792
Other Investment Income	-3,681	-13,329	-3,103	-2,649	-2,781	-2,918	-11,451
<i>Monetary Authorities</i>	-2	-11	-1	-1	-1	-1	-4
<i>General Government</i>	-108	-310	-74	-76	-97	-78	-325
<i>Other</i>	-3,571	-13,008	-3,028	-2,572	-2,683	-2,839	-11,122
C. Current Transfers	1,103	3,882	703	1,214	2,596	1,737	6,250
Credit	2,070	7,803	1,861	2,623	4,040	3,020	11,544
Private	2,049	7,093	1,858	2,571	2,350	2,269	9,048
Government	21	710	3	52	1,690	751	2,496
Debit	-967	-3,921	-1,158	-1,409	-1,444	-1,283	-5,294
Private	-928	-3,756	-1,138	-1,386	-1,395	-1,229	-5,148
Government	-39	-165	-20	-23	-49	-54	-146
II. CAPITAL AND FINANCIAL ACCOUNT	-1,166	1,883	5,233	8,391	5,798	1,435	20,857
D. Capital Account	-15	-51	-28	-1	-1	-10	-40
<i>Migrants' Transfers</i>	-15	-51	-28	-1	-1	-10	-40
E. Financial Account	-1,151	1,934	5,261	8,392	5,799	1,445	20,897
Direct Investment	1,521	8,800	1,134	1,471	3,194	3,612	9,411
Abroad	-873	-1,817	-518	-398	-199	-369	-1,484
In Mauritius	2,394	10,617	1,652	1,869	3,393	3,981	10,895
Portfolio Investment	-2,047	1,988	-1,266	-1,165	-743	-1,694	-4,868
Assets	-1,325	-2,937	-862	-509	-572	-700	-2,643
Equity Securities	-1,325	-2,937	-862	-509	-572	-700	-2,643
Debt Securities	0	0	0	0	0	0	0
Liabilities	-722	4,925	-404	-656	-171	-994	-2,225
Equity Securities	709	1,531	780	401	116	-424	873
Debt Securities	-1,431	3,394	-1,184	-1,057	-287	-570	-3,098
Other Investment	1,141	5,026	11,234	8,484	4,172	-2,912	20,978
Assets	-26,888	-92,071	-9,483	27,952	5,188	-8,045	15,612
General Government	0	0	0	0	0	0	0
Banks	-26,089	-88,285	-10,406	27,465	6,027	-7,865	15,221
Other Sectors: Long-term	0	0	0	0	0	0	0
Other Sectors: Short-term	-799	-3,786	923	487	-839	-180	391
Liabilities	28,028	97,097	20,717	-19,468	-1,016	5,133	5,366
General Government	-338	1,518	-98	1,803	-213	-267	1,225
Banks	22,947	81,617	19,113	-24,835	-3,628	3,396	-5,954
Other Sectors: Long-term	2,350	924	-979	-425	22	-747	-2,129
Other Sectors: Short-term	3,069	13,038	2,681	3,989	2,803	2,751	12,224
Reserve Assets	-1,766	-13,880	-5,841	-398	-824	2,439	-4,624
Monetary Gold	0	0	0	0	0	0	0
Special Drawing Rights	-2	-11	-9	-1	-1	-2	-13
Reserve Position in the Fund	0	171	40	-44	0	-287	-291
Foreign Exchange	-1764	-14040	-5872	-353	-823	2728	-4320
Other Claims	0	0	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	6,116	11,559	-30	-947	2,390	5,458	6,871

¹ Revised Estimates² Provisional Estimates

Source: Statistics Division

Balance of payments - 2007 and 2008

(USD million)

	2007 ¹		2008 ²				2008 ²
	4th Quarter	2007 ¹	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
I. CURRENT ACCOUNT	-166	-429	-188	-278	-294	-218	-973
A. Goods and Services	-250	-777	-300	-404	-388	-284	-1,365
Goods	-481	-1,402	-528	-541	-520	-411	-1,984
Exports	674	2,225	517	594	656	632	2,402
Imports	-1,155	-3,628	-1,045	-1,135	-1,176	-1,042	-4,386
General Merchandise	-506	-1,484	-547	-603	-561	-473	-2,171
Credit	621	2,051	467	501	573	544	2,087
Debit	-1,126	-3,536	-1,014	-1,103	-1,135	-1,017	-4,258
Goods procured in Ports by Carriers	25	82	19	62	42	63	187
Credit	53	174	50	93	83	87	314
Debit	-28	-92	-31	-32	-41	-25	-127
Non-monetary Gold	-4	-16	-3	-3	-2	-2	-10
Services	231	625	228	137	131	127	619
Credit	703	2,197	687	656	610	592	2,535
Transportation	128	430	133	93	111	110	446
<i>Passenger</i>	108	358	113	73	94	90	369
<i>Freight</i>	9	24	7	7	7	7	28
<i>Other</i>	12	47	13	13	10	12	49
Travel	413	1,299	432	381	310	330	1,447
<i>Business</i>	136	450	153	154	105	105	513
<i>Personal</i>	277	849	279	227	205	225	934
Other Services	161	469	122	182	188	152	642
<i>Private</i>	160	457	120	179	181	150	628
<i>Government</i>	1	11	2	3	7	2	14
Debit	-471	-1,572	-458	-519	-478	-465	-1,916
Transportation	-170	-600	-169	-156	-160	-162	-647
<i>Passenger</i>	-8	-27	-7	-11	-10	-9	-37
<i>Freight</i>	-88	-282	-84	-82	-87	-88	-343
<i>Other</i>	-73	-292	-77	-63	-62	-64	-267
Travel	-105	-355	-112	-113	-117	-110	-451
<i>Business</i>	-12	-24	-9	-12	-10	-14	-45
<i>Personal</i>	-93	-331	-103	-101	-107	-96	-405
Other Services	-197	-616	-178	-250	-201	-193	-818
<i>Private</i>	-194	-609	-176	-247	-198	-190	-808
<i>Government</i>	-3	-7	-2	-3	-3	-2	-10
B. Income	46	224	86	81	1	10	172
Credit	229	813	231	227	200	161	812
Compensation of Employees	0	1	0	0	0	0	1
Direct Investment Income	1	4	2	3	1	0	6
Portfolio Investment Income	2	10	1	5	3	1	10
Other Investment Income	227	798	229	218	196	160	796
<i>Monetary Authorities</i>	26	85	27	12	24	26	89
<i>General Government</i>	0	0	0	0	0	0	0
<i>Other</i>	201	713	201	207	172	134	707

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(USD million)

	2007 ¹		2008 ²				2008 ²
	4th Quarter	2007 ¹	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Debit	-183	-588	-145	-147	-199	-151	-640
Compensation to employees	-3	-10	-3	-4	-3	-3	-13
Direct Investment Income	-34	-89	-17	-29	-82	-35	-163
Portfolio Investment Income	-23	-64	-13	-15	-14	-20	-63
Other Investment Income	-124	-425	-112	-99	-100	-92	-402
<i>Monetary Authorities</i>	0	0	0	0	0	0	0
<i>General Government</i>	-4	-10	-3	-3	-3	-2	-11
<i>Other</i>	-120	-415	-109	-96	-96	-90	-390
C. Current Transfers	37	124	25	45	93	55	219
Credit	70	249	67	98	145	96	405
Private	69	226	67	96	84	72	318
Government	1	23	0	2	61	24	88
Debit	-33	-125	-42	-53	-52	-41	-186
Private	-31	-120	-41	-52	-50	-39	-181
Government	-1	-5	-1	-1	-2	-2	-5
II. CAPITAL AND FINANCIAL ACCOUNT	-39	60	189	313	208	45	732
D. Capital Account	-1	-2	-1	0	0	0	-1
<i>Migrants' Transfers</i>	-1	-2	-1	0	0	0	-1
E. Financial Account	-39	62	190	313	208	46	734
Direct Investment	51	281	41	55	115	114	330
Abroad	-29	-58	-19	-15	-7	-12	-52
In Mauritius	81	339	60	70	122	126	383
Portfolio Investment	-69	63	-46	-43	-27	-54	-171
Assets	-45	-94	-31	-19	-21	-22	-93
Equity Securities	-45	-94	-31	-19	-21	-22	-93
Debt Securities	0	0	0	0	0	0	0
Liabilities	-24	157	-15	-24	-6	-32	-78
Equity Securities	24	49	28	15	4	-13	31
Debt Securities	-48	108	-43	-39	-10	-18	-109
Other Investment	38	160	406	317	150	-92	737
Assets	-904	-2,939	-343	1,043	187	-255	548
General Government	0	0	0	0	0	0	0
Banks	-878	-2,818	-376	1,025	217	-249	534
Other Sectors: Long-term	0	0	0	0	0	0	0
Other Sectors: Short-term	-27	-121	33	18	-30	-6	14
Liabilities	943	3,099	748	-726	-37	163	188
General Government	-11	48	-4	67	-8	-8	43
Banks	772	2,605	690	-927	-130	108	-209
Other Sectors: Long-term	79	29	-35	-16	1	-24	-75
Other Sectors: Short-term	103	416	97	149	101	87	429
Reserve Assets	-59	-443	-211	-15	-30	77	-162
Monetary Gold	0	0	0	0	0	0	0
Special Drawing Rights	0	0	0	0	0	0	0
Reserve Position in the Fund	0	5	1	-2	0	-9	-10
Foreign Exchange	-59	-448	-212	-13	-30	86	-152
Other Claims	0	0	0	0	0	0	0
III. NET ERRORS AND OMISSIONS	206	369	-1	-35	86	173	241

Data have been converted using average Rs/US\$ exchange rate for the respective period.

¹ Revised Estimates² Provisional Estimates

Source: Statistics Division