



BALANCE OF PAYMENTS DEVELOPMENTS

I. 2nd Quarter 2009

The overall balance of payments for the second quarter of 2009, excluding valuation changes, recorded a surplus of Rs3,945 million.

Current Account

Provisional estimates for the second quarter of 2009 show a widening of the current account deficit to Rs8,757 million, from Rs7,288 million recorded in the second quarter of 2008. In the first quarter of 2009, the current account deficit stood at Rs1,743 million.

This increase in the current account deficit emanated from lower surpluses in the services and current transfers' accounts coupled with a deficit in the income account which offset the drop in the merchandise trade deficit. The merchandise trade deficit dropped to Rs11,786 million, 17.9 per cent lower than that recorded in the second quarter of 2008. On a balance of payments basis, total imports (fob) decreased considerably by 12.4 per cent from Rs30,264 million in the second quarter of 2008 to Rs26,500 million in the second quarter of 2009 while nominal exports (fob) decreased by 7.5 per cent from Rs15,900 million to Rs14,714 million.

The surplus on the services account went down from Rs3,696 million in the second quarter of 2008 to Rs3,574 million in the second quarter of 2009, reflecting the decline in tourism receipts coupled with lower passenger fares. A deficit of Rs1,598 million was registered in the income account compared to a surplus of Rs2,166 million in the corresponding quarter of 2008. The surplus on the current transfers account moderated to Rs1,053 million in the second quarter of 2009 from Rs1,214 million in the corresponding quarter of 2008.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded net outflows of Rs1,083 million during the second quarter of 2009 compared to net inflows of Rs8,391 million in the second quarter of 2008.

Direct investment account recorded higher net inflows of Rs1,689 million during the second quarter of 2009 compared to Rs1,471 million registered in the second quarter of 2008. Foreign direct investment in Mauritius, net of repatriation, amounted to Rs1,984 million compared to Rs1,869 million in the corresponding period of 2008. Direct investment abroad, net of repatriation, stood at Rs295 million compared to Rs398 million.

Portfolio investment registered net outflows of Rs1,297 million during the second quarter of 2009, higher than the net outflows of Rs1,165 million recorded in the second quarter of 2008. Net inflows in the 'Other Investment' account amounted to Rs2,474 million in the second quarter of 2009, lower than net inflows of the Rs8,484 million recorded in the corresponding period of 2008.

II. Fiscal Year 2008-09

The balance of payments recorded an overall surplus of Rs2,484 million in the fiscal year 2008-09.

Current account

Provisional estimates for the fiscal year 2008-09 indicate that the current account of the balance of payments recorded a higher deficit of Rs25,466 million compared to Rs22,232 million registered in fiscal year 2007-08. In relation to GDP, the deficit on the current account deepened to 9.3 per cent in 2008-09 from 8.8 per cent in 2007-08.

On a balance of payments basis, total nominal imports (fob) decreased from Rs122,986 million in 2007-08 to Rs115,602 million in 2008-09. The fall in the value of imports was attributed to a drop in import volume on account of the slowdown in domestic activity as well as in commodity and non-commodity prices on the international market. Total exports (fob) decreased slightly from Rs67,673 million in 2007-08 to Rs66,889 million in 2008-09.

The surplus on the services account declined by 20.5 per cent, from Rs20,626 million in 2007-08 to Rs16,401 million in 2008-09. The decline largely reflected the considerable drop in the surplus on the travel account, from Rs31,100 million in 2007-08 to Rs24,886 million in 2008-09.

The income account posted considerably lower net inflows of Rs680 million in 2008-09 compared to Rs8,340 million registered in 2007-08, partly reflecting higher direct investment earnings remitted abroad. The surplus on the current transfers account increased from Rs4,115 million in 2007-08 to Rs6,166 million in 2008-09.

Capital and Financial Account

The capital and financial account, inclusive of reserve assets, recorded lower net inflows of Rs9,697 million in 2008-09 compared to Rs12,589 million in 2007-08.

The direct investment account recorded net inflows of Rs9,510 million during the fiscal year 2008-09 compared to Rs6,211 million in 2007-08. Foreign direct investment in Mauritius net of repatriation recorded higher net inflows of Rs10,568 million compared to net inflows of Rs8,597 million in 2007-08.

Portfolio investments recorded higher net outflows of Rs4,662 million in 2008-09 compared to Rs3,219 million registered in 2007-08 reflecting a decrease in foreign investors' demand for shares on the local stock market.

Other investment recorded lower net inflows of Rs7,349 million in 2008-09 compared to Rs18,755 million in 2007-08.

Statistics Division

18 September 2009

Balance of Payments - Fiscal Year 2008-09
(Rs million)

	2008-09 ²	2008 ¹		2009 ²	
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
I. CURRENT ACCOUNT	-25,466	-8,198	-6,768	-1,743	-8,757
A. Goods and Services	-32,312	-10,816	-8,987	-4,297	-8,212
Goods	-48,713	-14,466	-12,990	-9,471	-11,786
Exports	66,889	18,055	19,858	14,262	14,714
Imports	-115,602	-32,521	-32,848	-23,733	-26,500
General Merchandise	-53,470	-15,621	-14,965	-10,287	-12,597
Credit	59,405	15,749	17,100	13,006	13,550
Debit	-112,875	-31,370	-32,065	-23,293	-26,147
Goods procured in Ports by Carriers	4,757	1,155	1,975	816	811
Credit	7,484	2,306	2,758	1,256	1,164
Debit	-2,727	-1,151	-783	-440	-353
Non-monetary Gold	-217	-61	-57	-37	-62
Services	16,401	3,650	4,003	5,174	3,574
Credit	67,751	16,950	18,665	16,728	15,408
Transportation	11,743	3,081	3,455	3,012	2,195
Passenger	9,561	2,608	2,841	2,501	1,611
Freight	719	188	227	154	150
Other	1,463	285	387	357	434
Travel	37,292	8,631	10,412	10,265	7,984
Business	13,157	2,916	3,321	3,904	3,016
Personal	24,135	5,715	7,091	6,361	4,968
Other Services	18,716	5,238	4,798	3,451	5,229
Private	18,311	5,044	4,741	3,382	5,144
Government	405	194	57	69	85
Debit	-51,350	-13,300	-14,662	-11,554	-11,834
Transportation	-17,521	-4,444	-5,109	-4,038	-3,930
Passenger	-991	-284	-288	-187	-232
Freight	-9,059	-2,427	-2,788	-1,808	-2,036
Other	-7,471	-1,733	-2,033	-2,043	-1,662
Travel	-12,406	-3,257	-3,464	-2,954	-2,731
Business	-1,737	-272	-440	-587	-438
Personal	-10,669	-2,985	-3,024	-2,367	-2,293
Other Services	-21,423	-5,599	-6,089	-4,562	-5,173
Private	-20,987	-5,521	-6,014	-4,392	-5,060
Government	-436	-78	-75	-170	-113
B. Income	680	22	323	1,933	-1,598
Credit	17,834	5,559	5,085	4,198	2,992
Compensation of Employees	18	3	5	5	5
Direct Investment Income	149	15	8	72	54
Portfolio Investment Income	267	93	19	99	56
Other Investment Income	17,400	5,448	5,053	4,022	2,877
Monetary Authorities	2,084	663	812	344	265
General Government	0	0	0	0	0
Other	15,316	4,785	4,241	3,678	2,612

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(Rs million)

	2008-09 ²	2008 ¹		2009 ²	
		3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Debit	-17,154	-5,537	-4,762	-2,265	-4,590
Compensation to employees	-353	-89	-91	-86	-87
Direct Investment Income	-6,459	-2,286	-1,112	0	-3,061
Portfolio Investment Income	-1,575	-381	-643	-235	-316
Other Investment Income	-8,767	-2,781	-2,916	-1,944	-1,126
<i>Monetary Authorities</i>	-4	-1	-1	-1	-1
<i>General Government</i>	-360	-97	-78	-114	-71
<i>Other</i>	-8,403	-2,683	-2,837	-1,829	-1,054
C. Current Transfers	6,166	2,596	1,896	621	1,053
Credit	11,782	4040	3179	2109	2454
Private	8,941	2,350	2,269	2,109	2,213
Government	2,841	1,690	910	0	241
Debit	-5,616	-1,444	-1,283	-1,488	-1,401
Private	-5,126	-1,395	-1,229	-1,117	-1,385
Government	-490	-49	-54	-371	-16
II. CAPITAL AND FINANCIAL ACCOUNT	9,697	5,760	1,497	3,523	-1,083
D. Capital Account	-16	-1	-10	-1	-4
<i>Migrants' Transfers</i>	-16	-1	-10	-1	-4
E. Financial Account	9,713	5,761	1,507	3,524	-1,079
Direct Investment	9,510	3,194	3,612	1,015	1,689
Abroad	-1,058	-199	-369	-195	-295
In Mauritius	10,568	3393	3981	1210	1984
Portfolio Investment	-4,662	-743	-1,694	-928	-1,297
Assets	-2,047	-572	-700	-393	-382
Equity Securities	-2,047	-572	-700	-393	-382
Debt Securities	0	0	0	0	0
Liabilities	-2,615	-171	-994	-535	-915
Equity Securities	-1,528	116	-424	-292	-928
Debt Securities	-1,087	-287	-570	-243	13
Other Investment	7,349	4,134	-2,850	3,591	2,474
Assets	21,852	5,188	-8,045	15,632	9,077
General Government	0	0	0	0	0
Banks	21,800	6,027	-7,865	15,217	8,421
Other Sectors: Long-term	0	0	0	0	0
Other Sectors: Short-term	52	-839	-180	415	656
Liabilities	-14,503	-1,054	5,195	-12,041	-6,603
General Government	4,093	-213	-267	187	4386
Banks	-23,995	-3628	3396	-12673	-11090
Other Sectors: Long-term	-2,652	22	-677	-68	-1929
Other Sectors: Short-term	8,051	2765	2743	513	2030
Reserve Assets	-2,484	-824	2,439	-154	-3,945
Monetary Gold	0	0	0	0	0
Special Drawing Rights	-5	-1.4	-2	-1	-1
Reserve Position in the Fund	-287	0	-287	0	0
Foreign Exchange	-2,192	-823	2728	-153	-3944
Other Claims	0	0	0	0	0

III. NET ERRORS AND OMISSIONS	15,769	2,438	5,271	-1,780	9,840
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¹ Revised Estimates.

² Provisional Estimates.

Source : Statistics Division