



BALANCE OF PAYMENTS QUARTERLY REVIEW: 2nd QUARTER 2008

The overall balance of payments for the second quarter 2008, excluding valuation changes, registered a surplus of Rs398 million.

Current Account

Provisional estimates for the second quarter 2008 indicate that the current account of the balance of payments recorded a deficit of Rs7,531 million compared to a deficit of Rs4,583 million in the second quarter 2007, mostly on account of worsening merchandise account deficit.

The deficit on the merchandise account of the balance of payments deteriorated significantly from Rs10,243 million in the second quarter 2007 to Rs14,489 million in the second quarter 2008, mostly as a result of a significant increase in the nominal imports as against a decline of exports. On a balance of payment basis, total imports (fob), increased by 13.2 per cent from Rs26,857 million in the second quarter 2007 to Rs30,406 million in the second quarter 2008. Total exports (fob) decreased by 4.2 per cent from Rs16,614 million in the second quarter 2007 to Rs15,917 million in the second quarter 2008.

However, surpluses on the services account, mostly attributable to higher gross tourism receipts, current transfers and income accounts have partly offset the growing merchandise account deficit.

Capital and Financial Account

The capital and financial account of the balance of payments, inclusive of reserve assets, recorded a net inflow of Rs8,376 million during the second quarter of 2008. Direct investment in the second quarter 2008 recorded lower net inflows of Rs1,471 million compared to Rs3,795 million in the second quarter 2007.

Portfolio investment recorded lower net outflows of Rs1,165 million in the second quarter 2008 as against inflows of Rs1,909 million in the second quarter 2007.

Other investment recorded inflows of Rs8,469 million in the second quarter 2008 as against outflows of Rs45 million in the second quarter 2007.

It may be noted that data on certain components of 'Other Investment' (namely, banks' assets, banks' liabilities and other short term assets and other short term liabilities) for 2nd Quarter of 2008 in the Capital and Financial Account have been derived using data culled from the Depository Corporations Survey (DCS) and are not strictly comparable to data of 2nd quarter 2007, which was based on Monetary Survey.

Balance of Payments data for fiscal year 2007-08 will be published on 19 September 2008.

Statistics Division
12 September 2008

Balance of Payments : Second Quarter 2008

		2008 ¹ 2nd Quarter	
		(Rs million)	(USD million)
I.	CURRENT ACCOUNT	-7,531	-281
A.	Goods and Services	-10,842	-405
	Goods	-14,489	-541
	Exports	15,917	595
	Imports	-30,406	-1,136
	General Merchandise	-16,146	-603
	Credit	13,413	501
	Debit	-29,559	-1,105
	Goods procured in Ports by Carriers	1,657	62
	Credit	2,504	94
	Debit	-847	-32
	Non-monetary Gold	-84	-3
	Services	3,647	136
	Credit	17,525	655
	Transportation	2,480	93
	<i>Passenger</i>	1,944	73
	<i>Freight</i>	180	7
	<i>Other</i>	356	13
	Travel	10,220	382
	<i>Business</i>	4,127	154
	<i>Personal</i>	6,093	228
	Other Services	4,825	180
	<i>Private</i>	4,736	177
	<i>Government</i>	89	3
	Debit	-13,878	-519
	Transportation	-4,160	-155
	<i>Passenger</i>	-288	-11
	<i>Freight</i>	-2,177	-81
	<i>Other</i>	-1,695	-63
	Travel	-3,030	-113
	<i>Business</i>	-329	-12
	<i>Personal</i>	-2,701	-101
	Other Services	-6,688	-250
	<i>Private</i>	-6,611	-247
	<i>Government</i>	-77	-3
B.	Income	2,162	81
	Credit	6,094	228
	Compensation of Employees	5	0
	Direct Investment Income	92	3
	Portfolio Investment Income	143	5
	Other Investment Income	5,854	219
	<i>Monetary Authorities</i>	313	12
	<i>General Government</i>	0	0
	<i>Other</i>	5,541	207

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		2008 ¹	
		2nd Quarter	
		(Rs million)	(USD million)
	Debit	-3,932	-147
	Compensation to employees	-96	-4
	Direct Investment Income	-778	-29
	Portfolio Investment Income	-409	-15
	Other Investment Income	-2,649	-99
	<i>Monetary Authorities</i>	-1	0
	<i>General Government</i>	-76	-3
	<i>Other</i>	-2,572	-96
C.	Current Transfers	1,149	43
	Credit	2,651	99
	Private	2,648	99
	Government	3	0
	Debit	-1,502	-56
	Private	-1,479	-55
	Government	-23	-1
II.	CAPITAL AND FINANCIAL ACCOUNT	8,376	313
D.	Capital Account	-1	0
	<i>Migrants' Transfers</i>	-1	0
E.	Financial Account	8,377	313
	Direct Investment	1,471	55
	Abroad	-398	-15
	In Mauritius	1,869	70
	Portfolio Investment	-1,165	-44
	Assets	-509	-19
	Equity Securities	-509	-19
	Debt Securities	0	0
	Liabilities	-656	-25
	Equity Securities	401	15
	Debt Securities	-1,057	-39
	Other Investment	8,469	316
	Assets	27,952	1,045
	General Government	0	0
	Banks	27,465	1,026
	Other Sectors: Long-term	0	0
	Other Sectors: Short-term	487	18
	Liabilities	-19,483	-728
	General Government	1,795	67
	Banks	-24,835	-928
	Other Sectors: Long-term	-425	-16
	Other Sectors: Short-term	3,982	149
	Reserve Assets	-398	-15
	Monetary Gold	0	0
	Special Drawing Rights	-1	0
	Reserve Position in the Fund	-44	-2
	Foreign Exchange	-354	-13
	Other Claims	0	0
III.	NET ERRORS AND OMISSIONS	-845	-32

¹ Provisional Estimates