



## ***Monetary Developments: July 2008***

Broad Money Liabilities (BML) rose by Rs 4,176 million, or 1.7 per cent, from Rs252,175 million at the end of June 2008 to Rs256,351 million at the end of July 2008 as compared to a rise of 1.2 per cent recorded between end-May 2008 and end-June 2008. The annual growth rate of BML stood at 18.2 per cent in July 2008, up from 17.1 per cent in the previous month. Monetary expansion during the month continued to be determined by higher domestic credit, coupled with a drop in the other counterparts of BML.

With regard to the counterparts of BML, domestic credit rose by Rs1,269 million, or 0.5 per cent, from Rs258,704 million in June 2008 to Rs259,973 million in July 2008 compared to a rise of 3.4 per cent in the previous month. The annual rate of growth of domestic credit maintained its upward trend, rising from 22.9 per cent in June 2008 to 26.0 per cent in July 2008. The increase in domestic credit growth during the month reflects the rise in both net claims on budgetary central government and claims on private sector. Net claims on budgetary central government rose by Rs393 million or 0.7 per cent, from Rs53,171 million in June 2008 to Rs53,565 million in July 2008. Claims on private sector grew by Rs876 million or 0.4 per cent to Rs206,408 million in July 2008 as compared to an increase of 3.2 per cent in the previous month.

The net foreign assets of depository corporations contracted by Rs2,491 million, or 3.0 per cent, from Rs83,628 million in June 2008 to Rs81,136 million in July 2008 compared to a contraction of 4.1 per cent in the previous month. As a result, the annual growth rate of net foreign assets showed a contraction of 6.1 per cent compared to a rise of 0.6 per cent in June 2008. This contraction during the month reflects the fall in net foreign assets of both other depository corporations and the Bank of Mauritius.

Statistics Division  
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**COMPONENTS AND SOURCES OF BROAD MONEY LIABILITIES\***

<i>(Rs millions)</i>							
Components of Broad Money Liabilities	July 2008	June 2008	Month-on-Month change		July 2007	Year-on-Year change	
			Amount	Per cent		Amount	Per cent
1. Currency with Public	12,998.8	12,914.4	84.3	0.7	11,806.5	1,192.2	10.1
2. Transferable Deposits	32,923.8	33,234.4	-310.6	-0.9	27,067.2	5,856.6	21.6
<b>I. Narrow Money Liabilities (1+2)</b>	<b>45,922.6</b>	<b>46,148.8</b>	<b>-226.2</b>	<b>-0.5</b>	<b>38,873.7</b>	<b>7,048.9</b>	<b>18.1</b>
1. Savings Deposits	73,145.0	73,444.2	-299.2	-0.4	62,294.5	10,850.5	17.4
2. Time Deposits	87,132.2	83,164.3	3,967.9	4.8	73,262.7	13,869.5	18.9
3. Foreign Currency Deposits	48,623.6	47,878.2	745.4	1.6	40,716.6	7,907.0	19.4
<b>II. Quasi-Money Liabilities (1+2+3)</b>	<b>208,900.8</b>	<b>204,486.7</b>	<b>4,414.1</b>	<b>2.2</b>	<b>176,273.8</b>	<b>32,627.0</b>	<b>18.5</b>
<b>III. Securities other than Shares</b>	<b>1,527.9</b>	<b>1,539.5</b>	<b>-11.6</b>	<b>-0.8</b>	<b>1,813.5</b>	<b>-285.6</b>	<b>-15.7</b>
<b>BROAD MONEY LIABILITIES (I+II+III)</b>	<b>256,351.3</b>	<b>252,175.1</b>	<b>4,176.2</b>	<b>1.7</b>	<b>216,961.0</b>	<b>39,390.3</b>	<b>18.2</b>
<b>Sources of Broad Money Liabilities</b>							
<b>I. Net Foreign Assets</b>	<b>81,136.4</b>	<b>83,627.6</b>	<b>-2,491.2</b>	<b>-3.0</b>	<b>86,419.8</b>	<b>-5,283.4</b>	<b>-6.1</b>
Bank of Mauritius	55,745.5	57,026.5	-1,281.0	-2.2	51,984.9	3,760.6	7.2
Other Depository Corporations	25,390.9	26,601.1	-1,210.2	-4.5	34,434.9	-9,044.0	-26.3
<b>1. Net Claims on Budgetary Central Government</b>	<b>53,564.6</b>	<b>53,171.3</b>	<b>393.4</b>	<b>0.7</b>	<b>39,668.1</b>	<b>13,896.5</b>	<b>35.0</b>
Bank of Mauritius	-5,446.8	-4,361.6	-1,085.2	24.9	-1,868.4	-3,578.5	191.5
Other Depository Corporations	59,011.5	57,532.9	1,478.6	2.6	41,536.5	17,475.0	42.1
<b>2. Claims on Private Sector</b>	<b>206,408.4</b>	<b>205,532.6</b>	<b>875.9</b>	<b>0.4</b>	<b>166,687.5</b>	<b>39,720.9</b>	<b>23.8</b>
Bank of Mauritius	134.7	134.5	0.2	0.1	171.8	-37.1	-21.6
Other Depository Corporations	206,273.7	205,398.0	875.7	0.4	166,515.8	39,758.0	23.9
<b>II. Domestic Credit (1+2)</b>	<b>259,973.1</b>	<b>258,703.8</b>	<b>1,269.2</b>	<b>0.5</b>	<b>206,355.6</b>	<b>53,617.4</b>	<b>26.0</b>
<b>III. Net Non-Monetary Liabilities</b>	<b>84,758.2</b>	<b>90,156.4</b>	<b>-5,398.2</b>	<b>-6.0</b>	<b>75,814.5</b>	<b>8,943.7</b>	<b>11.8</b>
<b>BROAD MONEY LIABILITIES (I+II+III)</b>	<b>256,351.3</b>	<b>252,175.1</b>	<b>4,176.2</b>	<b>1.7</b>	<b>216,961.0</b>	<b>39,390.3</b>	<b>18.2</b>

Figures may not add up to totals due to rounding.

\*Based on the new methodology of the IMF's Depository Corporations Survey framework.

Source: Statistics Division.