



Monetary Developments: June 2008

Broad Money Liabilities (BML) rose by Rs 2,966 million, or 1.2 per cent, from Rs249,209 million at the end of May 2008 to Rs252,175 million at the end of June 2008 as compared to a rise of 2.5 per cent recorded between end-April 2008 and end-May 2008. The annual growth rate of BML stood at 17.1 per cent in June 2008, up from 16.9 per cent in the previous month. Monetary expansion during the month was the net result of an increase in domestic credit, more than offsetting the decline in net foreign assets.

With regard to the counterparts of BML, domestic credit expanded by Rs8,566 million, or 3.4 per cent, from Rs250,138 million in May 2008 to Rs258,704 million in June 2008 compared to a rise of 4.2 per cent in the previous month. The annual rate of growth of domestic credit maintained its upward trend, rising from 21.1 per cent in May 2008 to 22.9 per cent in June 2008. The expansion of 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 expanded by Rs2,250 million or 4.4 per cent, from Rs50,921 million in May 2008 to Rs53,171 million in June 2008. Claims on private sector grew by Rs6,316 million or 3.2 per cent to Rs205,533 million in June 2008 as compared to an increase of 4.2 per cent in the previous month.

The net foreign assets of depository corporations contracted by Rs3,613 million, or 4.1 per cent, from Rs87,240 million in May 2008 to Rs83,628 million in June 2008 as against an expansion of 7.9 per cent in the previous month. As a result, the annual growth rate of net foreign assets stood at 0.6 per cent compared to 11.4 per cent in May 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
Bank of Mauritius
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COMPONENTS AND SOURCES OF BROAD MONEY LIABILITIES*

| <i>(Rs millions)</i> | | | | | | | |
|--|------------------|------------------|-----------------------|-------------|------------------|---------------------|--------------|
| Components of Broad Money Liabilities | June 2008 | May 2008 | Month-on-Month change | | June 2007 | Year-on-Year change | |
| | | | Amount | Per cent | | Amount | Per cent |
| 1. Currency with Public | 12,914.4 | 12,796.7 | 117.8 | 0.9 | 11,597.3 | 1,317.1 | 11.4 |
| 2. Transferable Deposits | 33,234.4 | 31,133.9 | 2,100.5 | 6.7 | 28,503.5 | 4,730.9 | 16.6 |
| I. Narrow Money Liabilities (1+2) | 46,148.8 | 43,930.6 | 2,218.2 | 5.0 | 40,100.8 | 6,048.0 | 15.1 |
| 1. Savings Deposits | 73,444.2 | 71,306.8 | 2,137.4 | 3.0 | 62,479.6 | 10,964.5 | 17.5 |
| 2. Time Deposits | 83,164.3 | 85,094.1 | -1,929.8 | -2.3 | 71,662.7 | 11,501.6 | 16.0 |
| 3. Foreign Currency Deposits | 47,878.2 | 47,354.2 | 524.0 | 1.1 | 39,324.7 | 8,553.5 | 21.8 |
| II. Quasi-Money Liabilities (1+2+3) | 204,486.7 | 203,755.2 | 731.5 | 0.4 | 173,467.1 | 31,019.6 | 17.9 |
| III. Securities other than Shares | 1,539.5 | 1,523.3 | 16.2 | 1.1 | 1,840.0 | -300.4 | -16.3 |
| BROAD MONEY LIABILITIES (I+II+III) | 252,175.1 | 249,209.0 | 2,966.0 | 1.2 | 215,407.8 | 36,767.2 | 17.1 |
| Sources of Broad Money Liabilities | | | | | | | |
| I. Net Foreign Assets | 83,627.6 | 87,240.4 | -3,612.8 | -4.1 | 83,161.6 | 466.0 | 0.6 |
| Bank of Mauritius | 57,026.5 | 57,775.0 | -748.6 | -1.3 | 52,222.7 | 4,803.8 | 9.2 |
| Other Depository Corporations | 26,601.1 | 29,465.3 | -2,864.2 | -9.7 | 30,938.9 | -4,337.7 | -14.0 |
| 1. Net Claims on Budgetary Central Government | 53,171.3 | 50,921.2 | 2,250.1 | 4.4 | 42,235.5 | 10,935.8 | 25.9 |
| Bank of Mauritius | -4,361.6 | -3,017.7 | -1,343.9 | 44.5 | -1,417.3 | -2,944.3 | 207.7 |
| Other Depository Corporations | 57,532.9 | 53,938.9 | 3,594.0 | 6.7 | 43,652.8 | 13,880.0 | 31.8 |
| 2. Claims on Private Sector | 205,532.6 | 199,216.4 | 6,316.2 | 3.2 | 168,207.3 | 37,325.3 | 22.2 |
| Bank of Mauritius | 134.5 | 136.1 | -1.5 | -1.1 | 238.1 | -103.5 | -43.5 |
| Other Depository Corporations | 205,398.0 | 199,080.3 | 6,317.7 | 3.2 | 167,969.2 | 37,428.8 | 22.3 |
| II. Domestic Credit (1+2) | 258,703.8 | 250,137.5 | 8,566.3 | 3.4 | 210,442.8 | 48,261.0 | 22.9 |
| III. Net Non-Monetary Liabilities | 90,156.4 | 88,168.9 | 1,987.5 | 2.3 | 78,196.5 | 11,959.8 | 15.3 |
| BROAD MONEY LIABILITIES (I+II+III) | 252,175.1 | 249,209.0 | 2,966.0 | 1.2 | 215,407.8 | 36,767.2 | 17.1 |

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.