



## *Monetary Developments: October 2008*

Broad Money Liabilities (BML) expanded by Rs 2,932 million, or 1.1 per cent, from Rs260,001 million at the end of September 2008 to Rs262,933 million at the end of October 2008 compared to a rise of 1.5 per cent recorded between end-August 2008 and end-September 2008. The annual growth rate of BML stood at 15.7 per cent in October 2008, down from 16.5 per cent in the previous month.

With regard to the counterparts of BML, domestic credit expanded by Rs13,031 million, or 5.0 per cent, from Rs258,438 million in September 2008 to Rs271,470 million in October 2008 as against a contraction of 0.5 per cent in the previous month. The annual rate of growth of domestic credit rose from 21.6 per cent in September 2008 to 25.2 per cent in October 2008. Domestic credit expanded during the month as the rise in claims on private sector offset the drop in net claims on budgetary central government. Net claims on budgetary central government contracted by Rs3,416 million or 6.8 per cent, from Rs50,273 million in September 2008 to Rs46,856 million in October 2008. Claims on private sector expanded by Rs16,448 million or 7.9 per cent to Rs224,613 million in October 2008 compared to an expansion of 1.1 per cent in the previous month.

The net foreign assets of depository corporations expanded by Rs6,553 million, or 8.2 per cent, from Rs80,050 million in September 2008 to Rs86,603 million in October 2008 as against a contraction of 3.7 per cent in the previous month. As a result, the annual growth rate of net foreign assets showed a contraction of 1.8 per cent in October 2008 compared to a contraction of 6.2 per cent in September 2008. The expansion during the month reflects the rise in net foreign assets of both other depository corporations and the Bank of Mauritius.

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

*(Rs millions)*

Components of Broad Money Liabilities	October 2008	September 2008	Month-on-Month change		October 2007	Year-on-Year change	
			Amount	Per cent		Amount	Per cent
1. Currency with Public	13,723.1	13,617.7	105.3	0.8	12,330.8	1,392.3	11.3
2. Transferable Deposits	33,616.0	34,893.3	-1,277.3	-3.7	28,287.8	5,328.2	18.8
<b>I Narrow Money Liabilities (1+2)</b>	<b>47,339.1</b>	<b>48,511.1</b>	<b>-1,172.0</b>	<b>-2.4</b>	<b>40,618.6</b>	<b>6,720.5</b>	<b>16.5</b>
1. Savings Deposits	73,388.5	73,615.2	-226.7	-0.3	62,279.7	11,108.8	17.8
2. Time Deposits	88,400.1	87,685.0	715.1	0.8	77,875.7	10,524.4	13.5
3. Foreign Currency Deposits	52,303.4	48,699.8	3,603.6	7.4	45,069.0	7,234.4	16.1
<b>II Quasi-Money Liabilities (1+2+3)</b>	<b>214,092.0</b>	<b>210,000.0</b>	<b>4,092.0</b>	<b>1.9</b>	<b>185,224.4</b>	<b>28,867.6</b>	<b>15.6</b>
<b>III Securities other than Shares</b>	<b>1,502.1</b>	<b>1,490.1</b>	<b>12.1</b>	<b>0.8</b>	<b>1,502.6</b>	<b>-0.4</b>	<b>0.0</b>
<b>BROAD MONEY LIABILITIES (I+II+III)</b>	<b>262,933.1</b>	<b>260,001.1</b>	<b>2,932.0</b>	<b>1.1</b>	<b>227,345.5</b>	<b>35,587.6</b>	<b>15.7</b>
<b>Sources of Broad Money Liabilities</b>							
<b>I Net Foreign Assets</b>	<b>86,603.0</b>	<b>80,050.4</b>	<b>6,552.6</b>	<b>8.2</b>	<b>88,181.4</b>	<b>-1,578.4</b>	<b>-1.8</b>
Bank of Mauritius	56,110.1	55,389.1	721.0	1.3	52,696.2	3,413.9	6.5
Other Depository Corporations	30,492.9	24,661.2	5,831.6	23.6	35,485.1	-4,992.3	-14.1
<b>1. Net Claims on Budgetary Central Government</b>	<b>46,856.1</b>	<b>50,272.5</b>	<b>-3,416.4</b>	<b>-6.8</b>	<b>42,034.8</b>	<b>4,821.3</b>	<b>11.5</b>
Bank of Mauritius	-7,651.3	-7,082.7	-568.5	-8.0	-1,254.6	-6,396.7	-509.9
Other Depository Corporations	54,507.3	57,355.3	-2,847.9	-5.0	43,289.4	11,218.0	25.9
<b>2. Claims on Private Sector</b>	<b>224,613.4</b>	<b>208,165.8</b>	<b>16,447.6</b>	<b>7.9</b>	<b>174,804.8</b>	<b>49,808.6</b>	<b>28.5</b>
Bank of Mauritius	136.5	137.0	-0.6	-0.4	189.6	-53.1	-28.0
Other Depository Corporations	224,476.9	208,028.7	16,448.2	7.9	174,615.2	49,861.7	28.6
<b>II Domestic Credit (1+2)</b>	<b>271,469.5</b>	<b>258,438.3</b>	<b>13,031.2</b>	<b>5.0</b>	<b>216,839.6</b>	<b>54,629.9</b>	<b>25.2</b>
<b>III Net Non-Monetary Liabilities</b>	<b>95,139.2</b>	<b>78,487.5</b>	<b>16,651.7</b>	<b>21.2</b>	<b>77,675.4</b>	<b>17,463.7</b>	<b>22.5</b>
<b>BROAD MONEY LIABILITIES (I+II+III)</b>	<b>262,933.3</b>	<b>260,001.1</b>	<b>2,932.2</b>	<b>1.1</b>	<b>227,345.5</b>	<b>35,587.8</b>	<b>15.7</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.