



Monetary Developments: September 2008

Broad Money Liabilities (BML) expanded by Rs 3,724 million, or 1.5 per cent, from Rs256,277 million at the end of August 2008 to Rs260,001 million at the end of September 2008 as against a marginal decline recorded between end-July 2008 and end-August 2008. The annual growth rate of BML edged up marginally to 16.5 per cent in September 2008 from 16.4 per cent in the previous month.

With regard to the counterparts of BML, domestic credit contracted by Rs1,381 million, or 0.5 per cent, from Rs259,819 million in August 2008 to Rs258,438 million in September 2008 compared to a contraction of 0.1 per cent in the previous month. The annual rate of growth of domestic credit dropped from 22.5 per cent in August 2008 to 21.6 per cent in September 2008. Domestic credit contracted during the month as the decrease in net claims on budgetary central government outweighed the increase in claims on private sector. Net claims on budgetary central government contracted by Rs3,674 million or 6.8 per cent, from Rs53,946 million in August 2008 to Rs50,273 million in September 2008. Claims on private sector expanded by Rs2,293 million or 1.1 per cent to Rs208,166 million in September 2008 compared to a contraction of 0.3 per cent in the previous month.

The net foreign assets of depository corporations declined by Rs3,048 million, or 3.7 per cent, from Rs83,098 million in August 2008 to Rs80,050 million in September 2008 as against an increase of 2.4 per cent in the previous month. As a result, the annual growth rate of net foreign assets showed a contraction of 6.2 per cent in September 2008 compared to 4.3 per cent in August 2008. The contraction during the month reflects the fall 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	September 2008	August 2008	Month-on-Month change		September 2007	Year-on-Year change	
			Amount	Per cent		Amount	Per cent
1. Currency with Public	13,617.7	13,328.7	289.0	2.2	12,080.6	1,537.2	12.7
2. Transferable Deposits	34,893.3	33,865.7	1,027.6	3.0	28,842.7	6,050.6	21.0
I. Narrow Money Liabilities (1+2)	48,511.1	47,194.4	1,316.7	2.8	40,923.3	7,587.8	18.5
1. Savings Deposits	73,615.2	73,226.1	389.1	0.5	62,705.5	10,909.7	17.4
2. Time Deposits	87,685.0	87,063.7	621.3	0.7	75,875.7	11,809.3	15.6
3. Foreign Currency Deposits	48,699.8	47,258.8	1,441.0	3.0	41,739.8	6,960.0	16.7
II. Quasi-Money Liabilities (1+2+3)	210,000.0	207,548.6	2,451.4	1.2	180,321.1	29,679.0	16.5
III. Securities other than Shares	1,490.1	1,534.1	-44.0	-2.9	1,858.8	-368.7	-19.8
BROAD MONEY LIABILITIES (I+II+III)	260,001.1	256,277.1	3,724.0	1.5	223,103.1	36,898.0	16.5
Sources of Broad Money Liabilities							
I. Net Foreign Assets	80,050.4	83,098.2	-3,047.8	-3.7	85,373.2	-5,322.8	-6.2
Bank of Mauritius	55,389.1	56,573.2	-1,184.1	-2.1	51,740.0	3,649.2	7.1
Other Depository Corporations	24,661.2	26,525.0	-1,863.8	-7.0	33,633.2	-8,972.0	-26.7
1. Net Claims on Budgetary Central Government	50,272.5	53,946.3	-3,673.8	-6.8	42,876.3	7,396.2	17.3
Bank of Mauritius	-7,082.7	-3,702.7	-3,380.0	-91.3	-179.4	-6,903.3	-3,847.2
Other Depository Corporations	57,355.3	57,649.1	-293.8	-0.5	43,055.8	14,299.5	33.2
2. Claims on Private Sector	208,165.8	205,873.0	2,292.7	1.1	169,602.7	38,563.0	22.7
Bank of Mauritius	137.0	137.8	-0.8	-0.5	166.5	-29.4	-17.7
Other Depository Corporations	208,028.7	205,735.2	2,293.5	1.1	169,436.3	38,592.5	22.8
II. Domestic Credit (1+2)	258,438.3	259,819.4	-1,381.1	-0.5	212,479.1	45,959.2	21.6
III. Net Non-Monetary Liabilities	78,487.5	86,640.5	-8,153.0	-9.4	74,749.1	3,738.4	5.0
BROAD MONEY LIABILITIES (I+II+III)	260,001.1	256,277.1	3,724.0	1.5	223,103.1	36,898.0	16.5

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.