

# Balance of Payments and International Investment Position: Revised Estimates for 2013

## Background

- 1. The Bank of Mauritius (the Bank) has today released revised balance of payments (BoP) and international investment position (IIP) data for the year 2013.** These revisions are set against the background of various initiatives taken in recent years to improve external sector statistics (ESS). Several technical assistance missions from the International Monetary Fund (IMF) made specific recommendations on methodological improvements as well as enhanced data coverage for external sector statistics. The Bank has been implementing these recommendations accordingly.
- 2. The major enhancement to improving the quality of ESS pertains to the conduct of surveys to collect information from selected resident enterprises on their stock and flow data as well as other related income variables on their claims on and liabilities to non-residents.** The Bank implemented two specific surveys: the Foreign Assets and Liabilities Survey (FALS) and the Global Business Companies having a Category 1 licence (GBC1) Survey. Global business companies are considered as residents of Mauritius. To date, the Bank has conducted 5 FALS and 5 GBC1 surveys (the first one being an exploratory survey). For the latter survey, the Bank has enlisted the support and assistance of the Financial Services Commission.

## Revised 2013 BoP and IIP data

- 3. The results for the FALS and the GBC1 Survey have been used to revise previously published BoP and IIP 2013 data.** The results of these two surveys provided for revised data for preliminary estimates were published. In addition, the services and the current transfers accounts data were also revised following data revision by banks. Tables 1 and 2 summarize the results of FALS and the GBC1 Survey for 2013, respectively. Tables 3 and 4 show the FALS outcome and the GBC1 Survey outcome for 2013 transactions, respectively.

**Table 1: Foreign Assets and Liabilities Survey (FALS) 2014: Results for the Year 2013**

Rs Million

	Opening Stock	Disbursements	Repayments	Valuation Changes	Closing Stock
<b>I. Assets</b>	<b>48,245</b>	<b>14,696</b>	<b>13,114</b>	<b>44</b>	<b>49,870</b>
Equity	32,672	1,189	1,447	41	32,455
<i>Outward Direct Investment (Equity)</i>	<i>30,166</i>	<i>614</i>	<i>1,128</i>	<i>0</i>	<i>29,652</i>
<i>Portfolio Investment</i>	<i>2,506</i>	<i>574</i>	<i>319</i>	<i>41</i>	<i>2,802</i>
Other Claims	15,573	13,507	11,667	3	17,415
<i>Claims on affiliates</i>	<i>11,344</i>	<i>5,954</i>	<i>4,847</i>	<i>-16</i>	<i>12,436</i>
<i>Claims on unaffiliated nonresidents</i>	<i>4,229</i>	<i>7,553</i>	<i>6,821</i>	<i>18</i>	<i>4,979</i>
<b>II. Liabilities</b>	<b>63,319</b>	<b>23,150</b>	<b>20,748</b>	<b>1,594</b>	<b>67,314</b>
Equity	33,380	5,183	3,101	874	36,335
<i>Inward Direct Investment (Equity)</i>	<i>27,324</i>	<i>3,014</i>	<i>2,595</i>	<i>0</i>	<i>27,743</i>
<i>Portfolio Investment</i>	<i>6,055</i>	<i>2,169</i>	<i>505</i>	<i>874</i>	<i>8,593</i>
Debt	29,939	17,967	17,648	720	30,978
<i>Due to affiliates</i>	<i>12,606</i>	<i>4,001</i>	<i>2,183</i>	<i>654</i>	<i>15,079</i>
<i>Other Debt Liabilities due to unaffiliated nonresidents</i>	<i>17,333</i>	<i>13,966</i>	<i>15,465</i>	<i>66</i>	<i>15,899</i>

Note: Figures may not add up to totals due to rounding.

**Table 2: Global Business Companies Survey (GBC1) 2014 Results - Claims on and Liabilities to Non-residents: Results for the Year 2013**

Rs Million

	Opening Stock	Disbursements	Repayments	Valuation & Other Changes in Volume	Closing Stock
<b>I. Claims on Nonresidents</b>	<b>10,737,676</b>	<b>2,943,204</b>	<b>3,071,714</b>	<b>-327,967</b>	<b>10,428,660</b>
Shares in affiliated enterprises	5,285,942	895,517	768,013	99,864	5,508,598
Shares in unaffiliated enterprises	2,688,964	872,818	825,682	-137,763	2,600,220
Loans to affiliated enterprises	880,076	281,597	276,122	14,217	899,149
Loans to unaffiliated enterprises	294,560	129,248	68,034	-14,059	342,462
Loans to affiliated investment funds	65,903	54,702	10,386	49,565	158,037
Debt securities issued by affiliated enterprises	515,262	9,938	429,426	-19,596	104,702
Debt securities held on affiliated investment funds	10,859	952	2,280	3,232	12,723
Debt securities issued by unaffiliated nonresident entities	11,150	3,464	1,374	-6,327	60,192
Deposits held at banks	98,753	459,233	449,866	-8,602	99,502
Any other assets	396,502	187,567	223,157	64,728	488,687
Nonfinancial assets	489,705	48,170	17,374	-373,225	154,388
<b>II. Liabilities to Nonresidents</b>	<b>10,361,652</b>	<b>1,877,934</b>	<b>2,598,592</b>	<b>-220,004</b>	<b>9,153,073</b>
Shares/units held by affiliates	3,206,460	475,971	338,547	143,332	3,481,400
Retained earnings due to affiliates	513,263	119,238	95,318	77,432	612,510
Borrowings from affiliated enterprises	2,970,941	355,317	842,659	-626,710	1,880,828
Debt securities placed with affiliates	137,017	7,442	7,994	17,797	153,903
Debt securities placed with affiliated investment funds	37,489	670	269	-36,687	1,957
Debt securities placed with unaffiliated entities	129,482	28,551	52,512	-30,723	75,934
Borrowings from affiliated investment funds	175,993	175,993	175,993	351,985	787,105
Borrowings from unaffiliated enterprises	512,943	265,436	79,854	-79,671	616,655
Capital contribution	462,776	173,156	55,621	277	578,142
All other shareholders' funds	643,209	129,381	104,991	-85,957	478,561
Any other liabilities	1,572,080	146,780	844,835	48,921	486,078

Note: Figures may not add up to totals due to rounding.

**Table 3: FALS2014 Outcome: Transactions for 2013**

Rs Million

	2013 Released data	2013 Revised data
Direct Investment Income payable	-5,473	-5,966
Direct Investment Income receivable	434	599
Direct Investment, gross inflows	9,512	13,766
<i>o/w: Equity</i>	9,512	9,979
<i>Retained Earnings</i>	<i>n.a</i>	2,211
<i>Shareholders' Loans</i>	<i>n.a</i>	1,576
Direct Investment, gross outflows	4,135	6,329
<i>o/w: Equity</i>	4,135	4,749
<i>Retained Earnings</i>	<i>n.a</i>	54
<i>Shareholders' Loans</i>	<i>n.a</i>	1,526
Other Investment, other sectors, long-term liabilities	-2,544	-3,285

*n.a.: Not applicable.*

*Note: Figures may not add up to totals due to rounding.*

**Table 4: GBC1s 2014: Outcome for 2013 Transactions**

Rs Million

	2013 Released Data	2013 Revised Data
<b>Net Investment Income</b>	<b>5,282</b>	<b>27,891</b>
Direct Investment Income	3,194	-7,491
Portfolio Investment Income	3,443	41,732
Other Investment Income	-1,355	-6,350
<b>Direct Investment</b>	<b>63,406</b>	<b>33,097</b>
Abroad	-765,459	211,311
In Mauritius	828,865	-178,215
<b>Portfolio Investment</b>	<b>53,764</b>	<b>-12,701</b>
Assets	-14,620	-30,987
Liabilities	68,384	18,286
<b>Other Investment</b>	<b>-139,833</b>	<b>-23,194</b>
Assets		
<i>o/w: Other Sectors: Long-term</i>	-101,469	533,620
Liabilities		
<i>o/w: Other Sectors: Long-term</i>	-38,364	-556,814

*Note: Figures may not add up to totals due to rounding.*

## BoP Revision

4. The current account deficit for 2013 showed an improvement to Rs23.1 billion, from Rs36.2 billion published earlier. As a percentage to GDP, the current account deficit stood at 6.3 per cent compared to the earlier estimate of 9.9 per cent. The capital and financial account posted lower net inflows of Rs16.1 billion compared to preliminary estimates of Rs33.2 billion. Table 5 compares the preliminary and revised estimates for the balance of payments for 2013.

**Table 5: Preliminary and Revised Estimates of Balance of Payments: Year 2013**

Rs Million

	Preliminary Estimates	Revised Estimates
<b>I. CURRENT ACCOUNT</b>	<b>-36,234</b>	<b>-23,124</b>
<b>A. Goods and Services</b>	<b>-48,144</b>	<b>-52,261</b>
Goods	-69,625	-69,625
Services	21,481	17,364
<b>B. Income</b>	<b>9,134</b>	<b>31,969</b>
Compensation of Employees	-238	-238
Direct Investment Income	-1,845	-12,858
Portfolio Investment Income	2,655	41,732
Other Investment Income	8,562	3,333
<b>C. Current Transfers</b>	<b>2,776</b>	<b>-2,832</b>
Private	1,521	2,515
Government	1,255	-5,347
<b>II. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>33,172</b>	<b>16,091</b>
<b>D. Capital Account</b>	<b>-123</b>	<b>-123</b>
<b>E. Financial Account</b>	<b>33,295</b>	<b>16,214</b>
Direct Investment	67,213	36,949
Abroad	-769,591	206,157
In Mauritius	836,804	-169,209
Portfolio Investment	59,760	-6,960
Equity Securities	69,745	-17,453
Debt Securities	-9,985	10,493
Other Investment	-77,097	2,805
General Government	9,783	9,783
Monetary Authorities	-12	-12
Banks	46,892	12,375
Other Sectors: Long-term	-142,377	-26,479
Other Sectors: Short-term	8,617	7,137
Reserve Assets	-16,580	-16,580
<b>III. NET ERRORS AND OMISSIONS</b>	<b>3,061</b>	<b>7,033</b>

Note: Figures may not add up to totals due to rounding.

## 5. The pertinent revisions for 2013 related to:

- (i) **The Services Account.** Specifically, the *other services account* has been revised on account of major revision of data previously submitted by a few banks. The data source for this account is banks, which submit an International Transactions Reporting System (ITRS<sup>1</sup>) return every month. On the basis of the revision, the services account showed a lower surplus of Rs17.4 billion compared to Rs21.5 billion initially estimated.
- (ii) **The Income Account.** The FALS and the GBC1 Survey results for 2013 were incorporated in the *direct investment income, portfolio investment income and other investment income accounts*. The income received by GBCs on account of their transactions with non-residents comprises the bulk of the revision. As such, the initial estimate of Rs9.1 billion has been revised significantly higher to Rs32.0 billion, with direct investment income showing net outflows of Rs12.9 billion (against the earlier estimate of Rs1.8 billion); portfolio investment income posting net inflows of Rs41.7 billion (against the earlier estimate of Rs2.7 billion); and other investment income recording lower net inflows of Rs3.3 billion (against the earlier estimate of Rs8.6 billion).
- (iii) **Current Transfers Account.** Data revision by one bank and the incorporation of the results of the GBC1 Survey for the year 2013 brought about a turnaround in the outcome of this account. Private current transfers recorded a higher surplus after data culled from the ITRS was revised, while government current transfers posted net outflows to reflect the transactions of GBC1s, which pertained to GBC1s payments of taxes to foreign governments.
- (iv) **The Financial Account.** The direct investment account, portfolio investment account and other investment account were revised, reflecting the incorporation of the results of both the FALS and the GBC1 Survey. Consequently, the direct investment account pointed to lower net inflows of Rs36.9 billion (against the earlier estimate of Rs67.2 billion); the portfolio investment account showed net outflows of Rs7.0 billion (against the earlier estimate of net inflows of Rs59.8 billion); and the other investment account posted net inflows of Rs2.8 billion (against the earlier estimate of net outflows of Rs77.1 billion). The combined effects of these revisions virtually halved the initially estimated net inflows on the financial account.

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<sup>1</sup> The ITRS collects customers' cross-border cash transactions that are settled through the domestic banking sector.

## IIP Revision

6. **The incorporation of the results of the FALS and the GBC1 Survey for the year 2013 in the balance of payments implies that the IIP for 2013 has also been revised.** Consequently, the country's total claims on non-residents have been revised up to Rs12.2 trillion (compared to the initial estimate of Rs12.1 trillion) and its total liabilities to non-residents have been revised up to Rs11.8 trillion (from Rs10.8 trillion). Table 6 shows the break-up of these changes relating to different investment categories.

**Table 6: Preliminary and Revised Estimates of International Investment Position: End-2013**

Rs Million

	Preliminary Estimates, 2013	Revised Estimates, 2013		Preliminary Estimates, 2013	Revised Estimates, 2013
<b>Claims on Non-residents</b>	<b>12,107,192</b>	<b>12,222,352</b>	<b>Liabilities to Non-residents</b>	<b>10,842,695</b>	<b>11,821,691</b>
Direct Investment	6,823,014	7,005,392	Direct Investment	7,158,919	7,997,759
<i>o/w: Non-GBCs</i>	44,230	45,260	<i>o/w: Non-GBCs</i>	132,695	130,682
<i>GBC1s</i>	6,778,784	6,960,132	<i>GBC1s</i>	7,026,224	7,867,076
Portfolio Investment	2,818,350	2,782,808	Portfolio Investment	857,518	1,003,668
<i>o/w: Non-GBCs</i>	109,291	109,673	<i>o/w: Non-GBCs</i>	38,344	38,344
<i>GBC1s</i>	2,709,059	2,673,134	<i>GBC1s</i>	819,175	965,325
Other Investment	1,396,474	1,295,176	Other Investment	1,985,541	1,892,366
<i>o/w: Non-GBCs</i>	515,243	499,782	<i>o/w: Non-GBCs</i>	355,744	349,781
<i>GBC1s</i>	881,231	795,394	<i>GBC1s</i>	1,629,797	1,542,585
Financial Derivatives	964,345	1,033,968	Financial Derivatives	840,717	927,899
<i>o/w: Non-GBCs</i>	196,980	196,980	<i>o/w: Non-GBCs</i>	195,140	195,140
<i>GBC1s</i>	767,365	836,988	<i>GBC1s</i>	645,578	732,759
Reserve Assets	105,009	105,009			

*Note: Figures may not add up to totals due to rounding.*

17 June 2015

Statistics Division