



BALANCE OF PAYMENTS DEVELOPMENTS: 1st QUARTER 2014 (Including estimates for cross-border transactions of GBC1s)

I. Current Account

The current account, inclusive of cross-border transactions of GBC1s, recorded a lower deficit of Rs5,379 million in the first quarter of 2014 compared to Rs7,301 million in the corresponding quarter last year. The contraction in the deficit is largely attributed to an improvement in the merchandise trade deficit, which came down from Rs15,639 million to Rs12,653 million in the quarter under review.

On a balance of payments basis, the first three months of 2014 saw merchandise exports expanding, year-on-year, by 5.0 per cent while imports, *fob*, declined by 5.5 per cent. Excluding ships, stores and bunkers, exports of goods witnessed an expansion of 4.4 per cent, driven mainly by re-exports.

The surplus in foreign trade in services narrowed to Rs4,587 million in the first quarter of 2014, from Rs6,130 million in the corresponding quarter last year, attributable mostly to a decline of 10.6 per cent in net travel receipts. Transportation recorded lower net payments while net 'other services' posted a higher deficit in the first quarter of 2014.

The income account, inclusive of GBC1s, recorded a surplus of Rs2,217 million relative to Rs2,115 million in the first quarter of 2013. In terms of functional categories, direct investment income posted lower net outflows of Rs116 million while portfolio investment income recorded higher net inflows of Rs703 million.

The surplus on the current transfers increased from Rs93 million in the first quarter of 2013 to Rs470 million in the first quarter of 2014, as a result of the higher net inflows on private transfers.

II. Capital and Financial Account

The capital and financial account balance, inclusive of reserve assets, posted lower net inflows of Rs7,646 million in the first quarter of 2014, from Rs8,233 million in the same period last year.

Direct investment in Mauritius, inclusive of GBC1s cross-border transactions, recorded net inflows of Rs213,083 million in the first quarter of 2014. Excluding cross-border transactions of GBC1s, direct investment of non-residents into Mauritian entities, net of repatriation, amounted to Rs1,583 million in the first three months of 2014 compared to Rs2,198 million in the corresponding period of last year. Residents' direct investment abroad, net of repatriation, and excluding cross-border transactions of GBC1s, amounted to Rs75 million in the first quarter of 2014, lower than Rs612 million recorded a year ago.

Portfolio investment, including GBC1s, posted net inflows of Rs10,561 million in the first quarter of 2014 compared to Rs18,573 million in the corresponding quarter last year. Other investment, inclusive of GBC1s, registered lower net outflows of Rs3,313 million in the first three months of 2014 compared to Rs20,523 million for the corresponding period last year.

The overall balance of payments for the first quarter 2014, excluding valuation changes, posted a higher surplus of Rs6,090 million relative to Rs5,004 million recorded in the first quarter 2013.

Statistics Division

13 June 2014