



## **BALANCE OF PAYMENTS DEVELOPMENTS: 2<sup>nd</sup> QUARTER 2012** **(Including estimates for cross-border transactions of GBC1s)**

---

### **I. Current Account**

The current account, inclusive of cross-border transactions of GBC1s, registered a deficit of Rs8,771 million in the second quarter of 2012, lower than the deficit of Rs9,687 million recorded in the corresponding quarter last year. A higher net invisibles surplus recorded during the second quarter of 2012, contributed to partly offset the widening merchandise trade deficit. As a percentage of GDP at market prices, the current account deficit is estimated at 10.9 per cent, lower than the 12.4 per cent attained in the corresponding quarter of 2011.

During the second quarter of 2012, the merchandise trade account posted a deficit of Rs18,323 million, 24.4 per cent higher than the deficit of Rs14,724 million registered in the same period last year. A higher growth rate in imports, (*f.o.b.*) of 16.3 per cent, year-on-year, compared to the expansion in exports of 9.7 per cent resulted in the deterioration.

Trade in services generated a higher surplus of Rs7,452 million during the second quarter of 2012 compared to a surplus of Rs4,225 million recorded in the corresponding quarter last year. Transportation recorded lower net payments while net 'other services' posted a surplus in the second quarter of 2012 after registering a deficit in the previous corresponding period. Net travel receipts registered a rise, year-on-year, to reach Rs7,148 million in the second quarter of 2012.

The income account, inclusive of GBC1s, posted a surplus of Rs1,456 million compared to a deficit of Rs335 million in the second quarter of 2011. Portfolio investment income recorded higher net inflows of Rs1,459 million relative to Rs351 million in the second quarter of 2011. Direct investment income registered lower net outflows of Rs3,542 million compared to Rs4,392 million in the second quarter of 2011.

The surplus on the current transfers declined from Rs1,147 million in the second quarter of 2011 to Rs644 million in the second quarter of 2012, as a result of the lower net inflows on private transfers.

## **II. Capital and Financial Account**

The capital and financial account balance, inclusive of reserve assets, posted higher net inflows of Rs10,099 million in the second quarter of 2012, from Rs7,803 million in the corresponding period last year.

Direct investment, inclusive of GBC1s cross-border transactions, recorded net inflows of Rs71,885 million in the second quarter of 2012. Excluding cross-border transactions of GBC1s, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs2,007 million during the second quarter of 2012, down from Rs2,616 million registered in the corresponding period of last year. Residents' direct investment abroad, net of repatriation, and excluding cross-border transactions of GBC1s, rose to Rs646 million in the second quarter of 2012.

Portfolio investment, inclusive of GBC1s cross-border transactions, posted higher net outflows of Rs96,014 million in the second quarter of 2012, a substantial rise from Rs48,378 million registered during the second quarter of 2011.

Other investment recorded net inflows of Rs37,271 million in the second quarter of 2012 after it had registered net outflows of Rs46,314 million in the second quarter of 2011.

The overall balance of payments for the second quarter 2012, excluding valuation changes, posted a surplus of Rs2,970 million as against a lower surplus of Rs2,114 million recorded in the second quarter 2011.

**Statistics Division**

**7 September 2012**