

BALANCE OF PAYMENTS DEVELOPMENTS: 3rd QUARTER 2014 (Including estimates for cross-border transactions of GBC1s)



During the third quarter of 2014, the current account deficit declined to Rs10,724 million while the gross official international reserves continued to expand.

I. Current Account

The current account deficit stood at Rs10,724 million in the third quarter of 2014, 11.3 per cent lower than the deficit incurred in the third quarter of 2013. The contraction of the current account deficit reflected essentially the improvement in the services and current transfers accounts, which more than offset the deficit in the income account.

During the third quarter of 2014:

- The merchandise trade deficit declined to Rs17,422 million relative to a deficit of Rs17,606 million in the same period last year. Exports of goods (fob), year-on-year, witnessed a rise of 17.2 per cent while imports of goods (fob) grew at lower pace of 9.1 per cent. Excluding ship, stores and bunkers, exports of goods recorded an expansion of 19.7 per cent, driven mainly by re-exports of “Telecommunication equipment & accessories”. The rise in imports of goods reflected mainly higher imports of “machinery and transport equipment” and “mineral fuels, lubricants and related products”.
- The surplus on the services account increased to Rs6,235 million, from Rs1,925 million recorded during the same period last year. The higher surplus in the services account largely resulted from a combination of higher net inflows on the travel and net other services accounts with the latter being driven by private net other services.
- The income account, inclusive of GBC1s, posted a deficit of Rs743 million as against a surplus of Rs3,197 million recorded in the third quarter of 2013. This reflected essentially net outflows on the direct investment income account.
- The surplus on the current transfers account increased to Rs1,206 million from Rs389 million in the corresponding quarter of 2013.

II. Capital and Financial Account:

During the third quarter of 2014, the capital and financial account, inclusive of reserve assets, posted lower net inflows of Rs7,871 million, compared to Rs12,465 million during the same period last year. Sizeable net inflows of foreign direct investment coupled with accumulation of reserve assets largely contributed to the financing of the current account deficit. However, substantial net outflows were registered on the 'Other Investment' account, reflecting the change in the net foreign assets position of Other Depository Corporations.

During the third quarter of 2014:

- Inclusive of GBC1s cross-border transactions, direct investment in Mauritius recorded net inflows of Rs222,428 million while direct investment abroad registered net outflows of Rs153,462 million. Excluding cross-border transactions of GBC1s, non-residents' direct investment in Mauritius, net of repatriation, registered higher net inflows of Rs1,787 million in the third quarter of 2014 compared to Rs1,292 million in the corresponding period of last year.
- Portfolio investment, inclusive of GBC1s cross-border transactions, posted net inflows of Rs7,274 million, while the 'Other investment' account recorded net outflows of Rs64,923 million. The latter mainly reflected changes in the net foreign assets position of Other Depository Corporations.
- The overall balance of payments, excluding valuation changes, recorded a surplus of Rs3,394 million in the third quarter 2014, contrasting with a deficit of Rs3,431 million recorded in the corresponding quarter of 2013.

Statistics Division

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