

BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

Preliminary estimates for 3rd Quarter 2015 (2015Q3)



Preliminary data on Mauritius balance of payments for 2015Q3 point to a lower current account deficit, both in absolute terms and as a ratio to GDP, compared to 2014Q3. The improvement in the current account would reflect a lower trade deficit and an estimated improved surplus on the income account. The current account deficit is projected at Rs5,292 million, compared to Rs8,282 million for 2014Q3. As a percentage of GDP, the current account deficit is estimated at about 5.3 per cent in 2015Q3 compared to 8.7 per cent in 2014Q3.

The merchandise trade deficit narrowed by 19.4 per cent, from Rs18,413 million in 2014Q3 to Rs14,848 million in 2015Q3, reflecting lower value of imports of goods. As a ratio to GDP, the merchandise trade deficit contracted from 19.3 per cent to around 14.9 per cent. Exports of goods (f.o.b.) fell by 1.9 per cent, year-on-year, while imports of goods (f.o.b.) decreased by 9.3 per cent. Exclusive of '*Ships' stores and bunkers*', exports of goods posted an increase of 2.9 per cent on account of a rise of 6.1 per cent in domestic exports, which offset the contraction of 3.8 per cent in re-exports. The decline in the value of imports of goods reflected essentially lower value of imports of '*Mineral fuels, lubricants & related products*' as a result of lower oil prices, and the fall in imports of '*Machinery and transport Equipment*'.

The services and income accounts are projected to have generated surpluses in 2015Q3, that partially offset the deficits on the merchandise trade and current transfers accounts. The services account is estimated to post a surplus of Rs3,394 million, lower than the surplus of Rs4,005 million estimated for 2014Q3. The surplus on income account is estimated at around Rs7,879 million, higher compared to Rs6,800 million estimated for 2014Q3. The deficit on the current transfers account is projected to have widened from Rs674 million in 2014Q3 to Rs1,717 million in 2015Q3.

The capital and financial account, inclusive of reserve assets, is estimated to have recorded net inflows of Rs4,237 million in 2015Q3 compared to net outflows of Rs1,671 million in the corresponding quarter of 2014. Direct investment in Mauritius is estimated to have recorded net

¹ Including estimates for cross-border transactions of GBC1s.

inflows of Rs52,228 million while direct investment abroad is estimated to have registered net outflows of Rs55,244 million. Exclusive of GBC transactions, direct investment flows in Mauritius net of repatriation amounted to Rs2,166 million while direct investment abroad net of repatriation were Rs608 million. The portfolio investment account is estimated to have posted lower net outflows of Rs3,456 million in 2015Q3 compared to net outflows of Rs3,895 million in 2014Q3. The other investment account is estimated to have recorded net inflows of Rs16,650 million as against net outflows of Rs24,234 million in 2014Q3.

The country recorded an overall BoP surplus of Rs5,905 million in 2015Q3, compared to an overall BoP surplus of Rs3,394 million in 2014Q3.

2015Q1 and 2015Q2 Revisions:

The current account deficit for 2015Q1 and 2015Q2 have been revised down following an improvement in the 'travel' account of the services account resulting from improved coverage of existing data sources. Specifically, the Bank has improved its collection of tourism earnings data which emanated mainly from the inclusion of transactions of Money-changers and Foreign exchange dealers. Other revisions of the current account reflected amended data, following an improvement in data reporting. The 2015Q1 and 2015Q2 current account deficits decreased from preliminary estimates of Rs6,784 million and Rs5,188 million to Rs6,049 million and Rs5,077 million, respectively.

The 'travel' account posted further net inflows during 2015Q1 and 2015Q2. On the credit side, additional inflows of Rs1,310 million and Rs1,150 million were recorded in 2015Q1 and 2015Q2, respectively. Likewise, on the debit side, additional outflows of Rs540 million and Rs534 million were registered. Other minor revisions were brought to the current transfers account and the other investment account in the financial account of the balance of payments, based on submission of amended returns and revised information on government transactions.

Tables 1 and 2 provide details on the balance of payments in the domestic currency and US dollar, respectively.

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