



BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

Third Quarter 2017 (2017Q3)

- 1. Preliminary estimates of Mauritius' balance of payments indicate that the current account deficit improved in absolute terms in 2017Q3 compared to 2016Q3, mainly on account of higher surpluses on the services and income accounts.** The external current account deficit is projected at about Rs6.7 billion (equivalent to USD201 million) in 2017Q3, representing about 5.9 per cent of GDP compared to 6.4 per cent in 2016Q3.
- 2. The deficit on the goods account widened reflecting higher increases in imports relative to exports.** The deficit rose from Rs18.8 billion (equivalent to USD532 million) in 2016Q3 to Rs20.0 billion (equivalent to USD598 million) in 2017Q3. As a ratio to GDP, the deficit on the goods account increased from 17.4 per cent in 2016Q3 to 17.6 per cent in 2017Q3. Exports of goods (f.o.b.) went up by 1.5 per cent in 2016Q3 to Rs21.1 billion in 2017Q3 on account of increases of 7.5 per cent and 26.4 per cent in 'domestic exports' and 'Ship's Stores and Bunkers', respectively, that were partly offset by the decline of 21.3 per cent in 'Re-exports'. As a ratio to GDP, exports of goods (f.o.b.) dropped from 19.3 per cent in 2016Q3 to 18.5 per cent in 2017Q3. Imports of goods (c.i.f.) rose by 3.6 per cent in 2017Q3 compared to 2016Q3, reflecting mainly the increase in 'Mineral fuels, lubricants and related products' (+31.5 per cent), which resulted primarily from higher global oil prices. As a ratio to GDP, imports of goods (c.i.f.) declined from 38.8 per cent in 2016Q3 to 38.1 per cent in 2017Q3.
- 3. The services and income accounts recorded higher surpluses in 2017Q3 while the deficit on the current transfers account narrowed.** The services account posted a surplus of Rs4.4 billion (equivalent to USD133 million) compared to Rs4.1 billion in 2016Q3 (equivalent to USD115 million). Gross tourism earnings increased from Rs12.0 billion in 2016Q3 to Rs12.8 billion in 2017Q3. The surplus on the income account, exclusive of estimated GBC1 flows, is estimated at Rs2.2 billion, slightly higher than the Rs2.0 billion in 2016Q3. The deficit on the current transfers account is estimated at Rs1.6 billion in 2017Q3, lower than the estimated deficit of Rs2.2 billion in 2016Q3, reflecting essentially higher foreign grants.
- 4. The country registered significant capital and financial flows in 2017Q3 and posted a higher overall balance of payments surplus.** The capital and financial account, inclusive of reserve assets, is estimated to have posted net inflows of Rs10.2 billion (or the equivalent to USD306 million) in 2017Q3. The direct investment account is estimated to have recorded net inflows of Rs65.7 billion in 2017Q3. Excluding cross-border transactions of GBCs, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs2.3 billion in 2017Q3 compared to Rs2.4 billion in 2016Q3. The portfolio investment account, inclusive of GBC1s transactions, is

¹ Including estimates for cross-border transactions of GBC1s.

estimated to post net outflows of Rs51.7 billion in 2017Q3. Non-residents' net purchases of securities on the domestic capital market amounted to Rs71 million in 2017Q3 as against net sales of Rs928 million recorded in 2016Q3. The 'other investment' account registered net inflows of Rs2.2 billion in 2017Q3, while, exclusive of GBC transactions, it recorded net inflows of Rs13.2 billion as against net outflows of Rs6.9 billion in 2016Q3.

The country recorded a balance of payments surplus of Rs5.9 billion in 2017Q3 compared to a surplus of Rs3.4 billion in 2016Q3.

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