

Revision of External Sector Statistics: Calendar Year 2019¹

I. Background

1. The Bank is today releasing revised External Sector Statistics (ESS) for calendar year 2019. The ESS revisions incorporate data culled from the annual Foreign Assets and Liabilities Survey (FALS) and the annual Global Business License Holders (GBLHs) Survey as well as amendments in other data collected for 2019. The FALS collects information from a sample of representative resident enterprises on their transaction, position data and other related income variables pertaining to their claims and liabilities to non-residents. The GBLHs Survey collects related information for global business entities. The Bank has so far conducted its eleventh FALS and GBLHs Survey. The FALS is carried out solely by the Bank while the GBLHs Survey is administered by the Financial Services Commission (FSC).

II. Key outcome

2. FALS2020 collected data for calendar year 2019 and targeted 759 enterprises. 606 enterprises responded to the survey, which represented a response rate of 80 per cent compared to 78 per cent for FALS2019. Based on survey results, it is estimated that the gross foreign assets of resident rose from Rs40.8 billion as at end-2018 to Rs42.0 billion as at end-2019. On the other hand, the gross foreign liabilities of resident enterprises declined by Rs3.0 billion, from Rs80.6 billion to Rs77.6 billion over the same period. Consequently, the net liability position of resident enterprises decreased by Rs4.1 billion, from Rs39.7 billion as at end-2018 to Rs35.6 billion as at end-2019. The FALS summary results are provided in Table 1.

3. The GBLHs Survey 2019 targeted the population of global business companies, similar to the preceding year. Gross foreign assets of GBLHs increased by Rs0.7 trillion, from Rs15.5 trillion (equivalent to USD453.8 billion) as at end-2018 to Rs16.2 trillion (equivalent to USD442.8 billion) as at end-2019, while gross foreign liabilities of GBLHs increased from Rs14.9 trillion (equivalent to USD436.1 billion) to Rs15.6 trillion (equivalent to USD427.5 billion) over that period. Consequently, the net foreign assets of GBLHs stood at Rs0.6 trillion (equivalent to USD15.3 billion) as at end-2019, lower by Rs45.0 billion (equivalent to USD2.4 billion) compared to end-2018.

¹ Given the national lockdown due to the second wave of the COVID-19 pandemic, the revision to external sector statistics for calendar year 2019 has been delayed and exceptionally does not coincide with the release of the fourth quarter 2020 balance of payments statistics, as per the Bank's Revision Policy for External Sector Statistics.

Table 1: Foreign assets and liabilities of resident entities (Excluding GBLHs), 2019, Rs million

	End-2018	Net Transaction	Other Changes ¹	End-2019
I. Assets	40,845	720	454	42,019
Equity	25,822	352	262	26,437
Outward Direct Investment (Equity)	11,637	(1)	23	11,659
Portfolio Investment	14,185	353	239	14,778
Other Assets	15,023	367	192	15,582
Held with affiliates ²	8,295	196	42	8,532
Held with unaffiliates ⁴	6,728	171	150	7,050
Long-Term	987	(0)	0	987
Short-Term	5,741	172	150	6,063
II. Liabilities	80,551	(3,683)	773	77,641
Equity	49,944	(1,321)	656	49,279
Foreign Direct Investment (Equity)	42,287	(1,083)	437	41,641
Portfolio Investment	7,656	(237)	219	7,638
Other Liabilities	30,608	(2,363)	117	28,362
Due to affiliates ³	14,223	(26)	86	14,283
Due to unaffiliates ⁵	16,385	(2,337)	31	14,080
Long-Term	9,663	(784)	2	8,881
Short-Term	6,722	(1,553)	29	5,199
III. NET ASSETS (I - II) - Rs million	-39,706	4,403	-320	-35,623
IV. NET ASSETS - USD million	-1,159	124	62	-973

¹ Include valuation change and other changes in volume. 'Other changes in volume' pertain to neither transactions nor valuation and may include items like cancellations/write-offs or movements across functional categories.

² Include long-term lending to foreign-related parties and fellow enterprises as well as reverse investment transactions with nonresidents.

³ Include long-term borrowing from foreign-related parties and fellow enterprises as well as reverse investment transactions with nonresidents.

⁴ Include lending to unrelated nonresidents pertaining to debt securities and other foreign assets (e.g., loans, trade credit, advances, etc.)

⁵ Include borrowing from unrelated nonresidents pertaining to debt securities and other foreign assets (e.g., loans, trade credit, advances, etc.)

Table 2: GBLH Assets/Liabilities vis-à-vis nonresidents, 2019, Rs million

	Opening Stock 2019	Net Transaction	Other Changes ¹	Closing Stock 2019
Assets	15,540,667	-89,413	754,099	16,205,353
Direct Investment	9,598,397	-186,652	510,213	9,921,958
Equity	7,492,165	-54,148	344,592	7,782,609
Other Capital	2,106,233	-132,504	165,620	2,139,349
Portfolio Investment	4,282,230	-142,747	354,753	4,494,236
Equity	4,061,873	-172,474	330,043	4,219,443
Debt	220,357	29,727	24,710	274,794
Other Investment	1,572,020	219,944	-118,241	1,673,723
Financial Derivatives	88,019	20,043	7,375	115,437
Liabilities	14,936,655	-30,842	740,584	15,646,396
Direct Investment	11,185,795	-74,227	493,409	11,604,977
Equity	6,657,556	281,044	341,782	7,280,382
Other Capital	4,528,239	-355,271	151,626	4,324,595
Portfolio Investment	1,039,246	5,534	66,875	1,111,655
Equity	643,124	16,673	48,891	708,688
Debt	396,122	-11,139	17,984	402,967
Other Investment	2,677,468	46,293	178,260	2,902,022
Financial Derivatives	34,146	-8,443	2,040	27,743
NET ASSETS (I - II)	604,012	-58,570	13,515	558,957
NET ASSETS - USD million	17,636	-1,651	-713	15,272

¹ Include valuation change and other changes in volume. 'Other changes in volume' pertain to neither transactions nor valuation and may include items like cancellations/write-offs or movements across functional categories.

III. Revision of External Sector Statistics

The following data categories falling under external sector statistics are being revised for calendar year 2019:

- 1) Balance of payments (BoP);
- 2) International investment position (IIP);
- 3) Direct investment assets and liabilities positions;
- 4) Portfolio investment assets position;
- 5) Gross direct investment flows (gross DI); and
- 6) Private sector gross external debt (GED).

1. Balance of payments

The current account deficit for 2019 has been revised down to Rs25.7 billion (equivalent to USD721 million), from Rs27.1 billion (equivalent to USD761 million). The lower current account deficit emanated from a higher surplus in the services account which offset the lower surplus in the primary income account and higher deficit in the secondary income account. As a ratio to GDP, the current account deficit declined to 5.1 per cent in 2019, from the preliminary estimate of 5.4 per cent. The financial account posted higher net inflows of Rs27.9 billion compared to preliminary estimates of Rs25.4 billion. Table 3 compares the preliminary and revised estimates for the balance of payments for 2019 as per the BPM6 format.

The FALS and GBLH survey results are used to supplement the primary and secondary income accounts as well as the financial account of the balance of payments. The GBC sector contributed net primary income of Rs47.6 billion (equivalent to USD1.3 billion). Table 4 provides details of the GBLHs transactions in the income account. The inclusion of GBLH transactions constitutes the largest part of the revision given the magnitude and specificity of transactions for GBLHs entities. Thus, the revised balance of payments data reflected:

- (i) The improvement in the services account reflected mainly revised data submitted by banks for the year 2019.
- (ii) The revision in the primary income account related mainly to the investment income sub-account arising from actual data from both surveys. The GBLH Survey results have been incorporated in the '*direct investment income*', '*portfolio investment income*' and '*other investment income*' sub-accounts. The FALS results supplemented both the '*direct investment income*' and '*other investment income*' sub-accounts.
- (iii) The inclusion of the results of the GBLH Survey resulted in a higher deficit in the secondary income account. Private current transfers posted higher outflows, reflecting essentially higher tax payments by GBLHs to foreign governments.
- (iv) Within the financial account, the direct investment, portfolio investment and other investment accounts have been amended to include the results of both the FALS and GBLH Survey. The financial account, excluding reserve assets, posted higher net inflows.

Table 3: Revised Balance of Payments: Calendar Year 2019, Rs million

	Preliminary Estimates	Revised Estimates
I. CURRENT ACCOUNT	-27,057	-25,650
Goods	-109,100	-109,099
Services	29,618	34,213
Primary Income	65,999	63,683
<i>Compensation of Employees</i>	-239	-238
<i>Direct Investment Income</i>	29,615	5,219
<i>Portfolio Investment Income</i>	17,239	30,378
<i>Other Investment Income</i>	14,044	22,984
<i>Reserve Assets</i>	5,340	5,340
Secondary Income	-13,575	-14,447
<i>Private</i>	-16,750	-17,622
<i>Government</i>	3,175	3,175
II. CAPITAL ACCOUNT	-86	0
Other capital transfers	-86	0
III. FINANCIAL ACCOUNT	-25,378	-27,885
Direct Investment	-72,018	-126,131
<i>Equity and investment fund shares</i>	-57,615	-100,905
<i>Debt instruments</i>	-14,404	-25,226
Portfolio Investment	234,571	-127,264
<i>Equity and investment fund shares</i>	232,236	-182,354
<i>Debt securities</i>	2,335	55,090
Financial derivatives and employee stock options	-198,578	27,917
Other Investment	-22,187	164,760
<i>Currency and deposits</i>	20,787	218,587
<i>Loans</i>	-43,770	99,092
<i>Trade Credits and advances</i>	-6,383	-6,383
<i>Other accounts receivable/payable- other</i>	7,180	-146,536
Reserve Assets	32,834	32,834
IV. NET ERRORS AND OMISSIONS	1,765	-2,235

Note: Figures may not add up to totals due to rounding.

Table 4: Income received or paid by GBLHs, 2019

	USD million	Rs million
Income Received	9,292	329,616
Dividend	6,053	214,732
<i>Affiliates</i>	4,919	174,494
<i>Unaffiliates</i>	1,134	40,238
Interest	3,239	114,884
<i>Affiliates</i>	1,781	63,188
<i>Unaffiliates</i>	1,457	51,697
Income Paid	7,950	282,005
Dividend	5,737	203,504
<i>Affiliates</i>	5,369	190,467
<i>Unaffiliates</i>	368	13,037
Interest	2,213	78,501
<i>Affiliates</i>	1,062	37,678
<i>Unaffiliates</i>	1,151	40,823
Net Income Received	1,342	47,611

2. International Investment Position (IIP)

Revisions to the IIP data pointed to a drop in the country's net foreign asset position to Rs992 billion at the end-2019, from Rs1,098 billion as at end-2018. The decline in net foreign asset position reflected lower GBLH residents' net claims on non-residents. However, excluding GBLHs, net claims on non-residents increased by Rs91 billion, from Rs342 billion to Rs433 billion over the same period.

Total claims on non-residents, inclusive of GBLHs, increased by Rs983 billion from Rs16,333 billion as at end-2018 to Rs17,316 billion at the end-2019. Total liabilities due to non-residents rose by Rs1,088 billion from Rs15,236 billion to Rs16,324 billion over the same period.

Table 5: International Investment Position, end-2018 and end-2019, Rs billion

	2018	2019			2018	2019	
	Revised Estimates	Preliminary Estimates	Revised Estimates		Revised Estimates	Preliminary Estimates	Revised Estimates
Claims on Non-residents	16,333	17,304	17,316	Liabilities to Non-residents	15,236	16,342	16,324
Direct Investment	8,983	9,984	9,947	Direct Investment	10,971	11,829	11,817
<i>o/w: Non-GBLH</i>	23	25	26	<i>o/w: Non-GBLH</i>	188	216	212
<i>GBLH</i>	8,960	9,958	9,922	<i>GBLH</i>	10,783	11,613	11,605
Portfolio Investment	4,905	4,718	4,757	Portfolio Investment	1,110	1,154	1,154
<i>o/w: Non-GBLH</i>	221	262	262	<i>o/w: Non-GBLH</i>	57	42	42
<i>GBLH</i>	4,684	4,455	4,494	<i>GBLH</i>	1,052	1,112	1,112
Other Investment	2,142	2,216	2,225	Other Investment	3,057	3,329	3,323
<i>o/w: Non-GBLH</i>	487	551	552	<i>o/w: Non-GBLH</i>	360	423	421
<i>GBLH</i>	1,655	1,665	1,674	<i>GBLH</i>	2,696	2,906	2,902
Financial Derivatives	86	117	117	Financial Derivatives	98	31	31
<i>o/w: Non-GBLH</i>	2	2	2	<i>o/w: Non-GBLH</i>	2	3	3
<i>GBLH</i>	84	115	115	<i>GBLH</i>	96	28	28
Reserve Assets	218	269	269				

Table 6: Net International Investment Position, end-2018 and end-2019, Rs billion

	Claims on Non-Residents	Liabilities to Non-Residents	Net International Investment Position
End-2018	16,333	15,236	1,098
<i>o/w: Non-GBLH</i>	950	608	342
<i>GBLH</i>	15,383	14,628	755
End-2019	17,316	16,324	992
<i>o/w: Non-GBLH</i>	1,111	678	433
<i>GBLH</i>	16,205	15,646	559

3. Direct Investment Assets and Liabilities Positions

The revised direct investment liabilities position of the country declined to Rs11,817 billion as at end-December 2019 compared to the preliminary estimate of Rs11,829 billion (Table 7). The stock of direct investment assets stood at Rs9,947 billion at end-December 2019, lower from the preliminary estimate of Rs9,984 billion (Table 8).

Table 7: Stock of direct investment liabilities, end-2019, Rs billion

	End-Dec-18	End-Dec-19	
		Preliminary Estimates	Revised Estimates
Total Inward Direct Investment (DI)	10,971	11,829	11,817
Equity	6,348	7,483	7,478
<i>Non-GBLHs</i>	173	202	197
<i>GBLHs</i>	6,175	7,281	7,280
Debt	4,624	4,346	4,339
<i>Non-GBLHs</i>	15	15	14
<i>GBLHs</i>	4,609	4,331	4,325

Table 8: Stock of direct investment assets, end-2019, Rs billion

	End-Dec-18	End-Dec-19	
		Preliminary Estimates	Revised Estimates
Total Outward Direct Investment (DI)	8,983	9,984	9,947
Equity	6,993	7,919	7,800
<i>Non-GBLHs</i>	17	19	17
<i>GBLHs</i>	6,976	7,900	7,783
Debt	1,990	2,065	2,148
<i>Non-GBLHs</i>	6	7	9
<i>GBLHs</i>	1,984	2,058	2,139

4. Portfolio Investment Assets Position

Total portfolio investment assets as at end-2019 have been revised up to Rs4,757 billion, based on the result of the FALS2020 and the GBLH Survey, from the initial estimate of Rs4,718 billion (Table 9).

Compared to end-December 2018, the total foreign portfolio investment assets dropped by Rs148 billion reflecting a decline in the stock of foreign assets held by GBLHs. The GBLH's stock of portfolio investment assets held abroad stood at Rs4,494 billion as at end 2019, down from Rs4,684 billion as at end-2018. However, the foreign portfolio investment assets held by non-GBLHs stood at Rs263 billion as at end-2019, up by Rs42 billion, or 19 per cent, from Rs221 billion over the same period.

Table 9: Stock of portfolio investment assets, end-2019, Rs billion

	End-Dec-18	End-Dec 2019	
		Preliminary Estimates	Revised Estimates
Portfolio Investment Assets	4,905	4,718	4,757
Equity	4,192	4,203	4,253
<i>Non-GBLHs</i>	34	34	34
<i>GBLHs</i>	4,158	4,170	4,219
Debt Securities	714	514	504
<i>Non-GBLHs</i>	187	229	229
<i>GBLHs</i>	526	286	275
Long-term	590	361	360
<i>Non-GBLHs</i>	93	107	107
<i>GBLHs</i>	497	254	254
Short-term	124	154	143
<i>Non-GBLHs</i>	94	122	122
<i>GBLHs</i>	29	32	21

5. Gross Direct Investment Flows ² (Excluding GBLHs companies)

Gross direct investment flows for 2019 have been revised to incorporate the foreign direct investment flows culled from FALS2020. Gross direct investment flows in Mauritius summed to Rs22,289 million, of which Rs4,453 million or 20 per cent was supplemented with the outcomes of FALS2020 (Table 10). Gross direct investment abroad amounted to Rs3,937 million in 2019. FALS2020 contributed an additional Rs1,590 million, representing 40 per cent of the total gross direct investment outflows. Tables 11a and 12a provide details on gross direct investment flows by sector in Mauritius and abroad, respectively. Tables 11b and 12b provide details on gross direct investment flows by geographical origin and destination, respectively.

Table 10: Gross direct investment flows supplemented by FALS in 2019, Rs million

	2018	2019
Gross inward direct investment flows	20,046	22,289
Banking records and other administrative sources	13,570	17,837
FALS supplement	6,476	4,453
<i>o/w: Equity</i> ¹	2,463	618
<i>Retained earnings</i>	2,496	2,711
<i>Shareholders' loan</i>	1,516	1,123
Gross outward direct investment flows	5,200	3,937
Banking records and other administrative sources	2,512	2,347
FALS supplement	2,688	1,590
<i>o/w: Equity</i> ¹	41	122
<i>Retained earnings</i>	1,655	293
<i>Shareholders' loan</i>	993	1,175

¹ Refers to equity supplemented by FALS, that is, equity not captured from banking records and other administrative sources.

² FALS collects data on equity and intra-company loans separately, which cannot be collected from banking records and other administrative sources. Data on retained or reinvested earnings can be collected through surveys and financial statements of entities.

Table 11a: Gross direct investment flows in Mauritius (Excluding GBLHs companies) by sector, 2019, Rs million

Sector ¹	Description	2019
A	Agriculture, forestry and fishing	10
C	Manufacturing	793
D	Electricity, gas, steam and air conditioning supply	50
E	Water supply; sewerage, waste management and remediation	23
F	Construction	279
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	516
H	Transportation and storage	242
I	Accommodation and food service activities	1,498
J	Information and communication	741
K	Financial and insurance activities	1,044
L	Real estate activities	16,180
	<i>of which - IRS/RES/IHS/PDS/SCS ²</i>	<i>14,030</i>
M	Professional, scientific and technical activities	38
N	Administrative and support service activities	23
P	Education	489
Q	Human health and social work activities	48
R	Arts, entertainment and recreation	55
S	Other service activities	260
Total		22,289

¹ Sector according to ISIC 1 digit. The data are in line with the structure of the fourth revision of the UN's International Standard Industrial Classification (ISIC Rev. 4). Details on ISIC Rev.4 are available on the United Nations Statistics Division website at <http://unstats.un.org/unsd/cr/registry/isic-4.asp>.

² IRS/RES/IHS/PDS/SCS: Integrated Resort Scheme/Real Estate Scheme/Invest Hotel Scheme/Property Development Scheme/Smart City Scheme.

Table 11b: Gross direct investment flows in Mauritius (Excluding GBLHs companies) by geographical origin, 2019, Rs million

Region /Economy	2019
Total world	22,289
Developed countries	13,211
Europe	12,934
European Union 27	11,697
Belgium	320
Luxembourg	221
France	8,557
Germany	467
United Kingdom	1,172
Switzerland	1,034
Other	202
North America	277
United States	205
Developing economies	9,016
Africa	5,616
Reunion	143
South Africa	4,527
Other	946
Latin America and the Caribbean	276
South America	-
Central America	276
Asia and Oceania	3,124
Asia	2,923
West Asia	743
United Arab Emirates	649
South and East Asia	2,180
South Asia	912
India	794
East Asia	1,268
China	964
Other	304
Oceania	201
Unspecified	62

Figures may not add up to totals due to rounding.

Table 12a: Gross direct investment flows abroad (Excluding GBLHs companies) by sector, 2019, Rs million

Sector ¹	Description	2019
A	Agriculture, forestry and fishing	81
C	Manufacturing	1,365
D	Electricity, gas, steam and air conditioning supply	150
E	Water supply; sewerage, waste management and remediation activities	-
F	Construction	19
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	99
H	Transportation and storage	12
I	Accommodation and food service activities	808
J	Information and communication	16
K	Financial and insurance activities	1,059
L	Real estate activities	292
M	Professional, scientific and technical activities	35
N	Administrative and support service activities	2
P	Education	-
Q	Human health and social work activities	-
R	Arts, entertainment and recreation	-
S	Other service activities	-
Total		3,937

¹ Sector according to ISIC 1 digit. The data are in line with the structure of the fourth revision of the UN's International Standard Industrial Classification (ISIC Rev. 4). Details on ISIC Rev.4 are available on the United Nations Statistics Division website at <http://unstats.un.org/unsd/cr/registry/isic-4.asp>.

Table 12b: Gross direct investment flows abroad (Excluding GBLHs companies), by geographical destination, 2019, Rs million

Region /Economy	2019
Total world	3,937
Developed countries	974
Europe	901
European Union 27	840
France	142
Switzerland	17
Other	44
North and Central America	73
United States	73
Developing economies	2,963
Africa	1,776
Comoros	8
Kenya	51
Madagascar	268
Mozambique	17
Reunion	403
Seychelles	710
South Africa	110
Other	209
Latin America and the Carribbean	65
Asia and Oceania	1,122
Asia	1,121
West Asia	20
United Arab Emirates	20
South and East Asia	1,101
South Asia	1,036
India	550
Other	486
East Asia	65
China	-
Other	65
Oceania	1
Unspecified	-

Figures may not add up to totals due to rounding.

6. Private Sector Gross External Debt (Including GBLHs)

Gross external debt stock of the private sector declined as at end-2019 relative to end-2018. It edged down by Rs70 billion, from Rs7,722 billion as at end 2018 to Rs7,652 billion as at end-2019. Excluding GBLHs external debt stock, private sector gross external debt decreased by Rs1.1 billion to Rs22.6 billion as at end-2019. The stock of non-GBLHs long-term external debt declined to Rs17.7 billion, from Rs17.9 billion as at end-2018. The stock of short-term external debt dropped to Rs4.9 billion as at end-2019, from Rs5.8 billion as at end-2018.

Table 13: Private sector gross external debt, Rs million

Private sector external debt	End-Dec-18	End-Dec-19	
		Preliminary Estimates	Revised Estimates
Short-term	5,780	6,728	4,927
Long-term	7,716,272	7,658,567	7,647,263
<i>o/w: Non-GBLH</i>	17,925	17,966	17,679
<i>GBLH</i>	7,698,347	7,640,600	7,629,584
Private sector gross external debt	7,722,053	7,665,294	7,652,190
Private sector gross external debt excluding GBLH	23,706	24,694	22,607

Economic Analysis & Research and Statistics Department

14 July 2021