



Balance of Payments¹: Preliminary Estimates for the Second Quarter of 2018 (2018Q2)

Higher estimated surpluses on both the services and the primary income accounts contributed to restraining the widening deficit on the goods account in 2018Q2. The goods account deficit deepened amid a further rise in imports emanating largely from a higher import bill for petroleum products. On the other hand, the country recorded an overall balance of payments surplus of Rs18.9 billion in 2018Q2 compared to Rs7.3 billion in 2017Q2.

1. The current account is estimated to have recorded a deficit of Rs7.9 billion (equivalent to USD230 million or 6.5 per cent of the GDP) in 2018Q2 compared to Rs7.8 billion (equivalent to USD223 million or 6.9 per cent of the GDP) in 2017Q2.

The deficit on the goods account went up from Rs21.7 billion in 2017Q2 to Rs25.5 billion in 2018Q2, and as a ratio to GDP, it rose from 19.1 per cent to 21.1 per cent. Total imports (f.o.b.) increased by Rs3.7 billion, or 8.9 per cent, from Rs42.1 billion in 2017Q2 to Rs45.8 billion in 2018Q2. Total exports (f.o.b.) inched down from Rs20.3 billion to Rs20.2 billion, reflecting the declines in both 're-exports' and 'domestic exports' that were partly offset by the substantial rise in 'Ship's Stores and Bunkers'.

2. In 2018Q2, the surplus on the services account has been estimated at Rs7.3 billion compared to Rs5.9 billion in 2017Q2 largely due to the combined impact of a higher surplus on the travel sub-account and the lower deficit on the 'transport' sub-account. Gross tourism earnings reached Rs15.0 billion in 2018Q2, from Rs13.2 billion in 2017Q2.

3. The surplus on the primary income account has been estimated at Rs12.6 billion compared to Rs10.5 billion in 2017Q2. However, exclusive of estimated GBC1 flows, the primary income account posted a surplus of Rs0.2 billion compared to Rs2.7 billion.

4. The deficit on the secondary income account has been estimated at Rs2.2 billion in 2018Q2, an improvement compared to the deficit of Rs2.5 billion recorded in 2017Q2. Excluding estimated GBC1 flows, the surplus on the secondary income account stood at Rs0.3 billion compared to Rs0.1 billion.

5. The net borrowing from the financial account, inclusive of reserve assets, has been estimated at Rs10.2 billion (equivalent to USD298 million) in 2018Q2 compared to Rs5.8 billion (equivalent to USD167 million) in 2017Q2. Both the direct investment and 'other investment' accounts are expected to have generated net inflows contrasting with the net outflows for the portfolio investment account.

6. Excluding GBC transactions, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs2.7 billion in 2018Q2 compared to Rs6.1 billion in 2017Q2. Residents' direct investment abroad, net of repatriation, was Rs575 million compared to Rs1,055 million. On the other hand, the portfolio investment account registered net outflows of Rs7.5 billion in 2018Q2 compared to net inflows of Rs14.7 billion in 2017Q2, mostly reflecting residents' investments

¹ Inclusive of estimates of GBC1 flows between residents and non-residents.

abroad. The 'other investment' account (exclusive of GBC transactions) recorded net estimated inflows of Rs7.0 billion in 2018Q2 compared to net estimated outflows of Rs24.1 billion in 2017Q2.

7. Tables 1 and 2 provide details on the balance of payments in Mauritian rupee and US dollar, respectively.

Economic Analysis and Research and Statistics Department
20 September 2018