



BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹:

Second Quarter of 2019 (2019Q2)

1. The external current account deficit has been estimated at Rs4.9 billion (equivalent to USD140 million or about 3.8 per cent of GDP) in 2019Q2 compared to Rs7.9 billion (equivalent to USD230 million or 6.6 per cent of GDP) in 2018Q2.
2. In absolute terms, the deficit on the goods account edged higher notwithstanding the increase in nominal exports. The deficit rose from Rs25.5 billion in 2018Q2 to Rs25.6 billion in 2019Q2. However, in US dollar terms, the deficit dropped from USD747 million to USD728 million. As a ratio to GDP, the deficit on the goods account came down from 21.3 per cent in 2018Q2 to 19.8 per cent in 2019Q2.

Exports of goods (f.o.b.) went up by 1.1 per cent, from Rs20.2 billion (equivalent to USD591 million) in 2018Q2 to Rs20.5 billion (equivalent to USD583 million) in 2019Q2, supported by 'Domestic exports', which grew by 4.2 per cent. As a ratio to GDP, exports of goods declined to 15.9 per cent of GDP, from 16.8 per cent in 2018Q2.

Imports of goods (c.i.f.) rose by 1.0 per cent, from Rs48.0 billion (equivalent to USD1,403 million) in 2018Q2 to Rs48.5 billion (equivalent USD1,382 million) in 2019Q2, reflecting essentially higher imports related to infrastructure projects. Imports of 'Manufactured goods classified chiefly by material' and 'Machinery and transport equipment' went up by 9.1 per cent and 2.4 per cent, respectively. As a ratio to GDP, imports of goods (c.i.f.) decreased from 40.0 per cent in 2018Q2 to 37.6 per cent in 2019Q2.

3. The services account posted a lower surplus of Rs6.7 billion (equivalent to USD190 million) in 2019Q2 compared to Rs7.3 billion in 2018Q2 (equivalent to USD214 million) mostly on account of the lower net surplus recorded on the 'travel' sub-account. The net surplus on the travel sub-account dropped from Rs9.8 billion in 2018Q2 to Rs9.2 billion in 2019Q2.
4. Inclusive of Global Business License Holders (GBLHs) flows, the surplus on the primary income account has been at Rs15.8 billion (equivalent to USD450 million) in 2019Q2 compared to Rs12.6 billion (equivalent to USD367 million) in 2018Q2. Exclusive of GBLHs, the primary income account recorded a higher surplus of Rs5.0 billion in 2019Q2 compared to Rs0.2 billion in 2018Q2. The deficit on the secondary income account has been estimated at Rs1.8 billion (equivalent to USD52 million) in 2019Q2 compared to Rs2.2 billion (equivalent to USD65

¹ Including estimates of transactions of Global Business License Holders (GBLHs).

million) in 2018Q2. Exclusive of GBLHs, the secondary income account posted a deficit of Rs41 million in 2019Q2 compared to a surplus of Rs290 million in 2018Q2.

5. Net borrowing on the financial account, inclusive of reserve assets, has been estimated at Rs6.4 billion (equivalent to USD182 million) in 2019Q2 compared to Rs10.2 billion (equivalent to USD298 million) in 2018Q2, and was more than adequate to finance the estimated current account deficit.
6. The direct investment account is estimated to have recorded net inflows of Rs33.0 billion (equivalent to USD940 million) in 2019Q2. Excluding GBLHs' flows, non-residents' direct investment in Mauritius, net of repatriation, was higher at Rs5.0 billion (equivalent to USD142 million) in 2019Q2 compared to Rs2.7 billion (equivalent USD78 million) in 2018Q2. Residents' direct investment abroad, net of repatriation, and excluding GBLHs' flows, amounted to Rs560 million (equivalent to USD16 million) in 2019Q2 compared to Rs576 million (equivalent to USD17 million) in 2018Q2.
7. The portfolio investment account, inclusive of GBLHs' transactions, is estimated to have posted net outflows of Rs99.7 billion (equivalent to USD2,839 million) in 2019Q2. Excluding the transactions of GBLHs, the portfolio investment account registered net outflows of Rs7.2 billion (equivalent to USD206 million) in 2019Q2 lower than the Rs7.6 billion (equivalent to USD223 million) recorded in 2018Q2. Net disinvestment by non-residents from the stock market totalled Rs586 million (equivalent to USD16.7 million) in 2019Q2, higher than the Rs86 million (equivalent USD2.5 million) registered in 2018Q2.
8. The other investment account is estimated to have recorded net inflows of Rs125.8 billion (equivalent to USD3,583 million) in 2019Q2. Excluding GBLHs, the other investment account recorded net inflows of Rs26.4 billion (equivalent to USD752 million) in 2019Q2 compared to net inflows of Rs7.2 billion (equivalent to USD210 million) in 2018Q2. The general government sector effected net loan repayment amounting to Rs410 million (equivalent to USD12 million) in 2019Q2 compared to Rs111 million (equivalent USD3 million) in 2018Q2. Excluding valuation changes, banks' net claims on non-residents decreased by Rs22.0 billion (equivalent to USD625 million) in 2019Q2 compared to a decrease of Rs831 million (equivalent to USD24 million) in 2018Q2.
9. The country recorded an overall balance of payments surplus of Rs19.2 billion (equivalent to USD547 million) in 2019Q2 compared to a surplus of Rs18.9 billion (equivalent to USD553 million) in 2018Q2.

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

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Economic Analysis & Research and Statistics Department