

# BALANCE OF PAYMENTS (BoP) DEVELOPMENTS<sup>1</sup>:



## Second Quarter 2021 (2021Q2)

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1. The external current account deficit has been estimated at Rs18.5 billion (equivalent to USD452 million) for 2021Q2 compared to Rs12.8 billion (equivalent to USD320 million) for 2020Q2. The worsening current account deficit emanated from higher deficits in the goods, secondary income and services accounts.
2. The deficit on the goods account widened as a result of a higher increase in nominal imports relative to nominal exports in absolute terms. The deficit rose to Rs24.7 billion (equivalent to USD605 million) in 2021Q2, from Rs19.3 billion (equivalent to USD483 million) in 2020Q2.
3. Exports of goods (f.o.b.) recorded robust growth of 58.7 per cent, from Rs12.3 billion (equivalent to USD306 million) in 2020Q2 to Rs19.4 billion (equivalent to USD476 million) in 2021Q2, mostly driven by the rise in exports of *'articles of apparel & clothing accessories', 'textile yarns, fabrics, made up articles' and 'fish and fish preparations'*.
4. Imports of goods (c.i.f.) surged by 39.7 per cent, from Rs34.2 billion (equivalent to USD854 million) in 2020Q2 to Rs47.8 billion (equivalent USD1,171 million) in 2021Q2, mainly on account of higher imports of *'mineral fuels, lubricants, & related products', 'chemicals and related products' and 'manufactured goods classified chiefly by material'*.
5. Reflecting the economic fallout of the COVID-19 pandemic, the services account deficit increased to Rs3.3 billion (equivalent to USD80 million) in 2021Q2 compared to the deficit of Rs1.1 billion (equivalent to USD28 million) in 2020Q2. Tourism earnings dropped sharply from Rs1.9 billion in 2020Q2 to Rs0.4 billion in 2021Q2.
6. Inclusive of Global Business License Holders' (GBLHs) flows, the surplus on primary income account has been estimated at Rs13.4 billion (equivalent to USD328 million) in 2021Q2 higher compared to Rs9.2 billion (equivalent to USD230 million) in 2020Q2. Exclusive of GBLHs' flows, the primary income surplus inched down to Rs3.2 billion (equivalent to USD79 million) in 2021Q2 from Rs3.8 billion (equivalent to USD95 million) in 2020Q2.
7. The deficit on the secondary income account has been estimated at Rs3.8 billion (equivalent to USD94 million) in 2021Q2 significantly higher compared to Rs1.6 billion (equivalent to USD39 million) in 2020Q2. Exclusive of GBLHs' flows, the secondary income account posted a deficit of Rs0.7 billion as against a surplus of Rs0.4 billion over the same period.

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<sup>1</sup> Including estimates of transactions of Global Business License Holders (GBLHs).

9. Net borrowing on the financial account, inclusive of reserve assets, has been estimated at Rs20.3 billion (equivalent to USD496 million) in 2021Q2 compared to Rs9.8 billion (equivalent to USD244 million) in 2020Q2.
10. The direct investment account, inclusive of GBLHs' flows, is estimated to have recorded net inflows of Rs32.8 billion (equivalent to USD804 million) in 2021Q2. Excluding GBLHs' flows, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs1.7 billion (equivalent to USD41 million) in 2021Q2, compared to Rs2.6 billion (equivalent to USD64 million) recorded in 2020Q2. Exclusive of GBLHs' flows, residents' direct investment abroad recorded net inflows of Rs0.3 billion (equivalent to USD7 million) in 2021Q2 as against net outflows of Rs0.3 billion (equivalent to USD8 million) in 2020Q2.
11. The portfolio investment account is estimated to have posted net outflows of Rs46.7 billion (equivalent to USD1,145 million) in 2021Q2. Excluding GBLHs' flows, the portfolio investment account recorded net outflows of Rs8.9 billion (equivalent to USD219 million) in 2021Q2, lower compared to Rs12.2 billion (equivalent to USD304 million) in 2020Q2. Net disinvestment by non-residents on the Stock Exchange of Mauritius amounted to Rs0.3 billion (equivalent to USD8 million) in 2021Q2, lower compared to Rs0.6 billion (equivalent to USD14 million) recorded in 2020Q2.
12. The other investment account is estimated to have recorded net inflows of Rs32.1 billion (equivalent to USD786 million) in 2021Q2. Exclusive of GBLHs' flows, the other investment account registered net inflows of Rs77.3 billion (equivalent to USD1,893 million) in 2021Q2. Government effected a net repayment of external loans amounting to Rs0.6 billion (equivalent to USD15 million) during the quarter compared to a net disbursement of Rs8.6 billion (equivalent to USD214 million) in 2020Q2.
13. The country recorded an overall balance of payments deficit of Rs2.6 billion (equivalent to USD63 million) in 2021Q2 compared to a deficit of Rs3.9 billion (equivalent to USD97 million) in 2020Q2.

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