



Balance of Payments¹: Preliminary Estimates for the Third Quarter of 2018 (2018Q3)

Preliminary estimates of Mauritius' balance of payments indicate a deterioration of the current account deficit in 2018Q3, mostly due to the wider deficit of the goods account, which more than offset the surpluses on the services and primary income accounts. The country recorded an overall balance of payments deficit of Rs6.9 billion in 2018Q3 as against a surplus of Rs5.9 billion in 2017Q3.

1. The current account is estimated to have recorded a deficit of Rs9.8 billion (equivalent to USD285 million or 8.1 per cent of the GDP) in 2018Q3 compared to Rs5.2 billion (equivalent to USD156 million or 4.6 per cent of the GDP) in 2017Q3.

The deficit on the goods account went up from Rs20.0 billion (equivalent to USD598 million) in 2017Q3 to Rs27.3 billion (equivalent to USD795 million) in 2018Q3. As a ratio to GDP, the goods account deficit rose from 17.8 per cent to 22.6 per cent. Total imports (f.o.b.) went up by Rs7.1 billion, or 17.2 per cent, from Rs41.1 billion in 2017Q3 to Rs48.2 billion in 2018Q3, driven by the higher import bill for petroleum products and other goods meant for infrastructure investments. Total exports (f.o.b.) reached Rs20.9 billion in 2018Q3, reflecting lower 're-exports' and 'domestic exports' offset by a surge in 'Ship's Stores and Bunkers' compared to a year earlier.

2. The services account posted a surplus of Rs5.9 billion (equivalent to USD174 million) in 2018Q3 compared to Rs5.1 billion in 2017Q3 (equivalent to USD151 million) as a result of higher net surplus registered on the 'travel' sub-account. Gross tourism earnings remained flat at Rs12.8 billion in 2018Q3 compared to corresponding period of 2017.
3. The surplus on the primary income account has been estimated at Rs13.9 billion in 2018Q3, higher than the surplus of Rs12.7 billion in 2017Q3. Exclusive of estimated GBC1 flows, the primary income account posted a surplus of Rs2.9 billion compared to a surplus of Rs2.2 billion in 2017Q3.
4. The secondary income account recorded a lower estimated deficit of Rs2.4 billion in 2018Q3, compared to the deficit of Rs2.9 billion estimated for 2017Q3. Excluding GBC1 flows, the surplus on the secondary income account totalled Rs0.2 billion in 2018Q3 compared to Rs0.7 billion in 2017Q3.
5. The net borrowing from the financial account, inclusive of reserve assets, has been estimated at Rs7.2 billion (equivalent to USD209 million) in 2018Q3 compared to Rs2.0 billion (equivalent to USD58 million) in 2017Q3. Both the direct investment and 'other investment' accounts are expected to have generated net inflows in 2018Q3, contrasting with the net outflows on the portfolio investment account.
6. Excluding GBC transactions, non-residents' direct investment in Mauritius, net of repatriation, amounted to Rs2.5 billion in 2018Q3, unchanged compared to 2017Q3. Residents' direct investment abroad, net of repatriation, was Rs1.6 billion in 2018Q3 compared to Rs0.2 billion

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

in 2017Q3. On the other hand, the portfolio investment account (exclusive of GBC transactions) registered net outflows of Rs30.0 billion in 2018Q3 compared to net outflows of Rs8.3 billion in 2017Q3. The 'other investment' account (exclusive of GBC transactions) recorded net estimated inflows of Rs47.0 billion in 2018Q3 compared to net inflows of Rs21.6 billion in 2017Q3.

7. An overall balance of payments deficit of Rs6.9 billion was recorded in 2018Q3, reflecting essentially the decline in banks' foreign currency balances with the central bank, as against a surplus of Rs5.9 billion in 2017Q3.
8. Tables 1 and 2 provide details on the balance of payments in Mauritian rupee and US dollar, respectively.

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