



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

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### First Quarter 2024 (2024Q1)

1. The external current account deficit reached Rs8.2 billion in 2024Q1 as a widening trade deficit was partly offset by higher surpluses in the primary income and services accounts.
2. The goods account deficit rose to Rs42.5 billion in 2024Q1, from Rs35.5 billion in 2023Q1, due to a rise in imports and a contraction in exports. Exports of goods (f.o.b) fell by 8.4 per cent to Rs23.4 billion, reflecting declines in exports of '*Machinery and transport equipment*', '*Miscellaneous manufactured articles*', '*Manufactured goods classified chiefly by material*' and '*Food and live animals*'. Imports of goods (f.o.b.) increased by 8.0 per cent to Rs65.9 billion, mostly attributable to higher imports of '*Machinery and transport equipment*' and '*Mineral fuels, lubricants & related products*'.
3. The services account recorded a surplus of Rs13.8 billion in 2024Q1 compared to Rs12.2 billion in 2023Q1, mostly as a result of a rise in gross tourism earnings to Rs24.0 billion and lower freight costs paid on imports. Inclusive of Global Business Licence Holders' (GBLHs) flows, the surplus on the primary income account rose to Rs29.6 billion, benefitting from continued growth in residents' net foreign assets and attractive global interest rates. The secondary income account remained in deficit at Rs9.1 billion, mainly reflecting taxes paid by GBLHs to foreign governments.
4. Net borrowing in the financial account was estimated at Rs5.9 billion in 2024Q1. The direct investment account, inclusive of GBLHs' flows, registered net outflows of Rs14.6 billion.
5. The portfolio investment account recorded net inflows of Rs47.1 billion, following the repatriation of the proceeds from foreign debt securities by banks. The other investment account posted net outflows of Rs29.8 billion, mostly arising from banks' foreign currency deposits abroad.
6. The country recorded an overall balance of payments deficit of Rs3.5 billion in 2024Q1.

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Economic Analysis & Research and Statistics Department

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