



BALANCE OF PAYMENTS (BoP) DEVELOPMENTS¹

Third Quarter 2024 (2024Q3)

1. The current account deficit increased to Rs12.9 billion in 2024Q3 compared to Rs8.4 billion in 2023Q3.
2. The goods account deficit rose to Rs44.4 billion, from Rs40.7 billion in 2023Q3, reflecting a higher nominal increase in imports relative to exports. Exports of goods (f.o.b.) rose by 9.3 per cent to Rs30.0 billion, mostly on account of a substantial rise in '*ship stores and bunkers*'. Imports of goods (f.o.b.) increased by 9.2 per cent to Rs74.4 billion, driven by a significant rise in the imports of '*Machinery & transport equipment*' and '*Food and live animals*'.
3. The services account, which henceforth incorporates GBC services exports ², recorded a surplus of Rs20.0 billion compared to Rs20.7 billion in 2023Q3. GBC services exports were estimated at Rs11 billion in 2024Q3. Gross tourism earnings rose by Rs1.9 billion, reflecting the sustained robust performance of the tourism sector, whilst freight paid on imports increased by Rs2.7 billion.
4. Inclusive of GBC flows, the surplus on the primary income account rose to Rs20.7 billion as residents' foreign assets continued to grow and global interest rates remained elevated. The secondary income account remained in deficit at Rs9.2 billion, mainly reflecting taxes paid by GBCs to foreign governments.
5. The financial account has been estimated to record net inflows of Rs11.5 billion. The direct investment account registered net outflows of Rs23.5 billion, reflecting primarily GBC direct investments abroad. Excluding GBCs' transactions, direct investment flows in Mauritius, net of repatriation, amounted to Rs9.0 billion.
6. The portfolio investment account recorded net inflows of Rs45.5 billion, mostly as a result of the repatriation of banks' foreign debt securities investments. The other investment account posted net outflows of Rs27.9 billion, largely on account of increases in bank loans to non-residents and decreases in non-resident deposits, while banks repatriated deposits from abroad.
7. The country recorded an overall balance of payments deficit of Rs17.7 billion in 2024Q3.

27 December 2024

Economic Analysis & Research and Statistics Department

¹ Including estimates of transactions of Global Business License Holders (GBLHs also referred to as GBCs).

² See Annex 1: "Methodological note on the inclusion of GBC services exports in the Balance of Payments Statistics".

Annex 1: Methodological note on the inclusion of GBC services exports in the Balance of Payments statistics

The Bank of Mauritius (BOM) and Statistics Mauritius (SM) set up a Joint Working Group in 2022 to harmonise the treatment of GBC services in the National Accounts (NA) and Balance of Payments (BOP) statistics. Following several rounds of discussions, and in line with the recommendations received from IMF Technical Assistance missions on the NA and BOP statistics in 2021 and 2024, respectively, SM and BOM have now agreed on the treatment and preliminary value of GBC services exports to be included in both sets of statistics.

The value compiled as GBC services exports is based on expenditures – such as some intermediate costs, taxes, license fees, compensation of employees – incurred by GBCs in the domestic economy on behalf of ultimate non-resident beneficial owners. These expenditures are now imputed as dividends payable to non-resident GBC shareholders on the debit side of the primary income account and as exports of services on the credit side of the services account. As a result, the current account balance remains unaffected.

The type of services consumed by GBCs in the domestic economy are primarily in the form of the *'Professional and management consulting services'* category as defined in the IMF Balance of Payments and International Investment Position Manual, sixth edition (BPM6). Following this revision, the online balance of payments database available on the website of the Bank has been updated as from 2018Q1.

The inclusion of GBC services exports in the NA and BOP statistics fill an important data gap. Both SM and BOM continue to work on the harmonization of their respective statistics and will seek additional technical assistance from the IMF to further improve the compilation and integration of GBC services exports in the NA and BOP statistics.