

# External Sector Statistics: Calendar Years 2014 to 2017

## Background

**The Bank of Mauritius (the Bank) is the official compiler of external sector statistics, and its mandate is drawn under Section 51A of the Bank of Mauritius Act 2004.** The Bank adheres to international best practices and standards<sup>1</sup> in the compilation and dissemination of these statistics. Effective June 2018, the Bank started the dissemination of balance of payments statistics, that is, for the first quarter of 2018, in line with the recommendations of the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6)<sup>2</sup>. Besides the reliance on the ITRS<sup>3</sup>, the Bank has increasingly been relying on the conduct of surveys whilst also widening its coverage of resident entities that transact with non-residents.

**Two key annual surveys, the Foreign Assets and Liabilities Survey (FALS); and the Global Business Corporations Holding Category 1 (GBC1) License<sup>4</sup> Survey, have been conducted over the years to broaden the coverage of external sector statistics.** These surveys collect information from selected resident enterprises on their transaction and position data as well as other related income variables on their claims on and liabilities to non-residents. To date, the Bank has conducted 7 FALS and 7 GBC1 surveys, in addition to an exploratory survey for each. The Bank works closely with the Financial Services Commission, which is the regulatory and supervisory authority for the global business sector, for the conduct of the annual GBC1 Survey.

## Revision of External Sector Statistics

The Bank is herewith releasing the final estimates for calendar years 2014, 2015 and 2016 for the following data categories falling under external sector statistics:

- (i) balance of payments (BoP);
- (ii) international investment position (IIP);
- (iii) coordinated portfolio investment survey (CPIS);
- (iv) coordinated direct investment survey (CDIS); and
- (v) gross direct investment flows.

In addition, the Bank has also revised its estimates for the year 2017 for BoP statistics.

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<sup>1</sup> Mauritius became part of the group of countries that disseminates data under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF) in February 2012.

<sup>2</sup> Prior to 2018Q1, balance of payments and international investment position statistics were disseminated in line with Fifth Edition of the IMF's Balance of Payments Manual (BPM5).

<sup>3</sup> The International Transactions Reporting System (ITRS) is a data collection system that obtains data from domestic banks at the level of individual transactions with non-residents on a cash basis.

<sup>4</sup> By definition, global business companies are residents of Mauritius.

## 1. Balance of payments

Revised balance of payments statistics for calendar years 2014, 2015 and 2016 reflects the:

- (i) inclusion of the results of the FALS;
- (ii) inclusion of the results of the GBC1 Survey<sup>5</sup>; and
- (iii) major revision of data previously submitted by a few banks.

Revised BoP statistics for calendar years 2014 through 2016 are provided hereunder with a breakdown by functional category. FALS supplements the income account in the balance of payments, and the financial account while the GBC1 Survey enhances the income and current transfers accounts of the current account and the financial account of the balance of payments. Banks' revised data related to the services account. Given the nature and size of GBC1 transactions, their inclusion naturally accounts for the larger share of the revisions.

- (i) **The Services Account.** The '*other services*' sub-account<sup>6</sup> has been revised in the wake of major revision to data previously submitted by a few banks.
- (ii) **The Income Account.** The GBC1 Survey results have been incorporated in the '*direct investment income*', '*portfolio investment income*' and '*other investment income*' sub-accounts while for the FALS results direct and investment income are incorporated in the balance of payments. The greater part of the revision consists of income on investments owing to GBC1s' operations.
- (iii) **Current Transfers Account.** Data revision by banks and the incorporation of the results of the GBC1 Survey brought about an increase in the *current transfers* account deficit. Private current transfers posted higher outflows to reflect the transactions of GBC1s, essentially due to payments of higher taxes by GBC1s to foreign governments than earlier estimated.
- (iv) **The Financial Account.** The direct investment, portfolio investment and other investment accounts have been revised, reflecting the inclusion of the results of both the FALS and the finalized GBC1 Survey. Consequently, the direct investment account pointed to higher net inflows for both 2014 and 2015; the portfolio investment account posted higher net outflows for 2014 but a turnaround to net inflows was noted for 2015 as against net outflows previously estimated; and the other investment account posted higher net outflows for both 2014 and 2015. All the above-mentioned revision had little impact on the previously estimated net inflows on the financial account.

BoP statistics for calendar year 2017 have also been revised, taking into consideration the revised contributions from the GBC1 sector (Table 1).

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<sup>5</sup> Preliminary estimates for GBC1s were previously included in the balance of payments statistics.

<sup>6</sup> The main data source for the '*other services*' sub-account is banks' monthly statistical reporting.

**Table 1: Revised Balance of Payments: Calendar Years 2014 - 2017, Rs million**

	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>2</sup>
<b>Current Account</b>	<b>-21,237</b>	<b>-14,724</b>	<b>-17,447</b>	<b>-25,846</b>
<b>Goods Account</b>	<b>-69,394</b>	<b>-65,398</b>	<b>-72,194</b>	<b>-90,646</b>
Credit	94,776	93,290	84,456	81,317
Debit	-164,170	-158,688	-156,650	-171,963
<b>Services Account</b>	<b>23,979</b>	<b>24,218</b>	<b>27,528</b>	<b>29,015</b>
Credit	89,030	95,812	100,459	105,089
Debit	-65,051	-71,594	-72,931	-76,074
<b>Income Account</b>	<b>34,855</b>	<b>37,891</b>	<b>38,875</b>	<b>49,925</b>
Credit	256,885	269,463	313,521	324,818
<i>o/w: GBC</i>	239,343	250,273	295,533	302,325
Debit	-222,030	-231,572	-274,646	-274,893
<i>o/w: GBC</i>	-206,463	-218,289	-257,630	-262,483
<b>Current Transfers</b>	<b>-10,677</b>	<b>-11,435</b>	<b>-11,657</b>	<b>-14,140</b>
Credit	10,771	9,413	9,539	10,487
Debit	-21,448	-20,848	-21,196	-24,627
<i>o/w: GBC</i>	-13,866	-14,264	-14,813	-14,851
<b>Capital and Financial Account</b>	<b>22,555</b>	<b>18,585</b>	<b>20,991</b>	<b>21,214</b>
<b>Capital Account</b>	<b>-36</b>	<b>-136</b>	<b>-36</b>	<b>-96</b>
<b>Financial Account</b>	<b>22,591</b>	<b>18,722</b>	<b>21,027</b>	<b>21,310</b>
Direct Investment	623,536	157,393	287,085	176,642
Assets	-203,480	-368,636	245,194	189,361
<i>o/w: GBC</i>	-199,159	-365,142	246,199	191,481
Liabilities	827,017	526,030	41,891	-12,720
<i>o/w: GBC</i>	813,066	518,443	28,429	-27,477
Portfolio Investment	-397,998	254,353	-102,389	-48,143
Assets	-366,614	185,499	115,349	115,272
<i>o/w: GBC</i>	-358,068	188,744	123,241	128,157
Liabilities	-31,384	68,853	-217,738	-163,415
<i>o/w: GBC</i>	-30,329	74,349	-216,450	-160,965
Other Investment	-179,928	-373,064	-137,442	-78,873
Assets	-371,304	283,892	-120,545	-173,375
<i>o/w: GBC</i>	-363,285	208,937	-162,673	-103,808
Liabilities	191,376	-656,957	-16,897	94,502
<i>o/w: GBC</i>	210,435	-580,329	16,776	33,271
<b>Reserve Assets</b>	<b>-23,019</b>	<b>-19,960</b>	<b>-26,227</b>	<b>-28,316</b>
<b>Net Errors &amp; Omissions</b>	<b>-1,318</b>	<b>-3,861</b>	<b>-3,543</b>	<b>4,633</b>
<b>Current Account Balance as a % of GDP</b>	<b>-5.4%</b>	<b>-3.6%</b>	<b>-4.0%</b>	<b>-5.7%</b>

<sup>1</sup> Final estimates.    <sup>2</sup> Revised estimates.

## 2. International Investment Position (IIP)

Results from the FALS and GBC1 Survey have also been used to update the international investment position statistics for Mauritius for 2014, 2015 and 2016. The following functional categories for the IIP have been amended:

- (i) direct investment for both the GBC1 and non-GBC sectors;
- (ii) portfolio investment for the GBC1 sector; and
- (iii) other investment, notably private sector gross external debt, for both the GBC1 and non-GBC sectors.

Mauritius' net foreign asset position went up from Rs443 billion as at end-December 2014 to Rs743 billion as at end-December 2015 but fell to Rs626 billion as at end-December 2016. Preliminary estimates as at end-December 2017 pointed to net foreign asset position of Rs909 billion. Table 2 shows the breakdown of Mauritius' IIP by main functional categories.

**Table 2: Revised International Investment Position, 2014 - 2016 and Preliminary 2017, Rs billion**

	End-Dec 2014 <sup>1</sup>	End-Dec 2015 <sup>1</sup>	End-Dec 2016 <sup>1</sup>	End-Dec 2017 <sup>2</sup>
<b>Net Foreign Asset Position</b>	<b>443</b>	<b>743</b>	<b>626</b>	<b>909</b>
<i>o/w: Non-GBC</i>	293	347	369	391
<i>GBC1</i>	151	396	257	519
<b>Claims on Non-residents</b>	<b>14,074</b>	<b>15,390</b>	<b>15,642</b>	<b>16,467</b>
Direct Investment	7,296	7,997	8,441	8,989
<i>o/w: Non-GBC</i>	31	26	27	26
<i>GBC1</i>	7,265	7,970	8,414	8,963
Portfolio Investment	3,919	4,387	3,985	4,881
<i>o/w: Non-GBC</i>	126	126	149	177
<i>GBC1</i>	3,793	4,260	3,836	4,704
Other Investment	1,504	1,714	1,987	2,187
<i>o/w: Non-GBC</i>	571	578	565	520
<i>GBC1</i>	934	1,136	1,422	1,667
Financial Derivatives	1,230	1,139	1,050	209
<i>o/w: Non-GBC</i>	121	119	63	131
<i>GBC1</i>	1,109	1,020	987	78
Reserve Assets	124	153	179	200
<b>Liabilities to Non-residents</b>	<b>13,631</b>	<b>14,646</b>	<b>15,016</b>	<b>15,557</b>
Direct Investment	9,475	10,017	10,203	11,159
<i>o/w: Non-GBC</i>	133	157	166	166
<i>GBC1</i>	9,342	9,860	10,036	10,993
Portfolio Investment	1,122	1,243	1,137	1,266
<i>o/w: Non-GBC</i>	39	31	30	35
<i>GBC1</i>	1,083	1,212	1,106	1,231
Other Investment	1,978	2,437	2,794	2,902
<i>o/w: Non-GBC</i>	388	348	354	330
<i>GBC1</i>	1,591	2,089	2,440	2,572
Financial Derivatives	1,055	950	883	230
<i>o/w: Non-GBC</i>	121	119	63	132
<i>GBC1</i>	934	830	820	97

<sup>1</sup> Revised. <sup>2</sup> Preliminary estimates.

Note: Figures may not add up to totals due to rounding.

### 3. Coordinated Direct Investment Survey

The stock of direct investment assets, which stood at Rs7.3 billion as at end-December 2014, went up to Rs8.0 billion as at end-December 2015 and further to Rs8.4 billion as at end-December 2016, largely on account of the performance of the GBC1 sector. The direct investment liability position rose from Rs9.5 billion as at end-December 2014 to Rs10.0 billion as at end-December 2015 and further to Rs10.2 billion as at end-December 2016.

**Table 3.1: Revised stock of inward direct investment, 2014 - 2016, Rs billion**

	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>
<b>Total Inward Direct Investment (DI)</b>	<b>9,475</b>	<b>10,017</b>	<b>10,203</b>
Equity (Inward-Net)	6,889	6,367	6,309
<i>Non-GBC</i>	124	144	153
<i>GBC</i>	6,765	6,223	6,156
Debt (Inward -Net)	2,586	3,650	3,893
<i>Non-GBC</i>	9	13	13
<i>GBC</i>	2,577	3,637	3,880

<sup>1</sup> Final estimates.

**Table 3.2: Revised stock of outward direct investment, 2014 -2016, Rs billion**

	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>
<b>Total Outward Direct Investment (DI)</b>	<b>7,296</b>	<b>7,997</b>	<b>8,441</b>
Equity (Outward-Net)	5,918	6,302	6,324
<i>Non-GBC</i>	18	17	19
<i>GBC</i>	5,900	6,285	6,306
Debt (Outward -Net)	1,378	1,694	2,117
<i>Non-GBC</i>	13	9	9
<i>GBC</i>	1,365	1,685	2,108

<sup>1</sup> Final estimates.

#### 4. Coordinated Portfolio Investment Survey

Mauritius' portfolio investment assets, which stood at Rs3,919 billion as at end-December 2014, increased to Rs4,386 billion as at end-December 2015 but fell to Rs3,985 million at the end of December 2016, largely due to GBC1s.

**Table 4: Revised stock of portfolio investment assets, 2014 -2016, Rs billion**

	End Dec-14 <sup>1</sup>	End Dec-15 <sup>1</sup>	End Dec-16 <sup>1</sup>
<b>Portfolio Investment Assets</b>	<b>3,919</b>	<b>4,387</b>	<b>3,985</b>
<b>Equity</b>	<b>3,695</b>	<b>3,995</b>	<b>3,661</b>
<i>GBC</i>	3,667	3,961	3,627
<i>Non-GBC</i>	28	34	34
<b>Debt Securities</b>	<b>224</b>	<b>392</b>	<b>325</b>
<i>GBC</i>	126	299	210
<i>Non-GBC</i>	98	93	115

<sup>1</sup> Final estimates.

#### 5. Gross Direct Investment Flows<sup>7</sup>

The Bank is also revising up gross direct investment flows for calendar years 2015 and 2016 to incorporate the findings of FALS 2016 and FALS 2017. FALS allows for the collection of data on equity that have not been captured from banking records and other administrative sources; data on retained or reinvested earnings that can only be collected only through surveys and financial statements of firms; and loans between affiliated entities better known as intra-company loans.

Gross direct investment flows in Mauritius totaled Rs13,726 million in 2015 and Rs18,161 million in 2016 compared to the previous estimates of Rs9,677 million and Rs13,648 million, respectively.

Gross direct investment outflows stood at Rs5,158 million in 2015 and Rs4,402 million in 2016 (Table 6). FALS contributed an amount of Rs2,748 million and Rs2,560 million in 2015 and 2016, respectively, representing over 50 per cent of total gross direct investment outflows. The FALS contribution were mainly in the form of equity and shareholders loan.

Tables 6a and 7a provide details on gross direct investment flows by sector in Mauritius and abroad, respectively. Tables 6b and 7b provide details on gross direct investment flows by geographical origin and destination, respectively.

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<sup>7</sup> Excluding the global business sector.

**Table 5: Gross direct investment flows supplemented by FALS: 2015 and 2016, Rs million**

	2015	2016
<b>Gross inward direct investment flows</b>	<b>13,726</b>	<b>18,161</b>
Banking records and other administrative sources	9,677	13,648
FALS supplement	4,049	4,514
<i>o/w: Equity</i> <sup>1</sup>	1,431	1,244
<i>Retained earnings</i>	1,814	2,138
<i>Shareholders' loan</i>	805	1,132
<b>Gross outward direct investment flows</b>	<b>5,158</b>	<b>4,402</b>
Banking records and other administrative sources	2,410	1,842
FALS supplement	2,748	2,560
<i>o/w: Equity</i> <sup>1</sup>	2,080	759
<i>Retained earnings</i>	57	132
<i>Shareholders' loan</i>	612	1,668

<sup>1</sup> Refers to equity supplemented by FALS, that is, equity not be captured from banking records and other administrative sources.

**Table 6a: Revised gross direct investment flows in Mauritius (Excluding Global Business) by sector, 2015 and 2016, Rs million**

Sector (ISIC 1 digit)*	Description	2015	2016
<b>A</b>	Agriculture, forestry and fishing	4	37
<b>C</b>	Manufacturing	792	1,609
<b>D</b>	Electricity, gas, steam and air conditioning supply	134	91
<b>F</b>	Construction	1,246	700
<b>G</b>	Wholesale and retail trade; repair of motor vehicles and motorcycles	333	597
<b>H</b>	Transportation and storage	35	204
<b>I</b>	Accommodation and food service activities	1,939	1,478
<b>J</b>	Information and communication	158	467
<b>K</b>	Financial and insurance activities	494	2,269
<b>L</b>	Real estate activities	8,498	9,976
	<i>of which - IRS/RES/IHS/PDS</i> <sup>1</sup>	6,842	7,936
<b>M</b>	Professional, scientific and technical activities	19	63
<b>N</b>	Administrative and support service activities	23	32
<b>P</b>	Education	32	15
<b>Q</b>	Human health and social work activities	18	615
<b>R</b>	Arts, entertainment and recreation	-	-
<b>S</b>	Other service activities	1	11
	<b>Total</b>	<b>13,726</b>	<b>18,161</b>

\* The data are in line with the structure of the fourth revision of the UN's International Standard of Industrial Classification (ISIC Rev. 4).

Details on ISIC Rev.4 are available on the United Nations Statistics Division website at <http://unstats.un.org/unsd/cr/registry/isic-4.asp>

<sup>1</sup> IRS/RES/IHS/PDS: Integrated Resort Scheme/Real Estate Scheme/Invest Hotel Scheme/ Property Development Scheme.

**Table 6b: Revised gross direct investment flows in Mauritius (Excluding Global Business) by geographical origin, 2015 and 2016, Rs million**

Region /Economy	2015	2016
<b>Total world</b>	<b>13,723</b>	<b>18,161</b>
<b>Developed countries</b>	<b>8,512</b>	<b>9,340</b>
Europe	8,386	8,947
European Union 27	7,498	8,026
Belgium	135	436
Luxembourg	855	223
France	4,099	5,419
Germany	167	177
United Kingdom	1,478	825
Switzerland	754	667
Other	134	254
North America	126	393
United States	123	340
<b>Developing economies</b>	<b>5,211</b>	<b>8,817</b>
Africa	3,160	3,294
Reunion	185	200
South Africa	1,999	2,453
Other	976	641
Latin America and the Caribbean	108	443
South America	-	1
Central America	108	442
Asia and Oceania	1,943	5,080
Asia	1,913	5,009
West Asia	296	1,478
United Arab Emirates	159	1,382
South and East Asia	1,617	3,531
South Asia	385	533
India	377	526
East Asia	1,232	2,998
China	570	2,543
Other	662	455
Oceania	30	71
<b>Unspecified</b>	<b>3</b>	<b>4</b>

**Table 7a: Revised gross direct investment flows abroad (Excluding Global Business) by sector, 2015 and 2016, Rs million**

Sector (ISIC 1 digit)*	Description	2015	2016
<b>A</b>	Agriculture, forestry and fishing	799	285
<b>C</b>	Manufacturing	330	1,381
<b>D</b>	Electricity, gas, steam and air conditioning supply	-	53
<b>E</b>	Water supply; sewerage, waste management and remediation activities	12	-
<b>F</b>	Construction	242	138
<b>G</b>	Wholesale and retail trade; repair of motor vehicles and motorcycles	145	69
<b>H</b>	Transportation and storage	24	28
<b>I</b>	Accommodation and food service activities	919	920
<b>J</b>	Information and communication	-	324
<b>K</b>	Financial and insurance activities	1,136	95
<b>L</b>	Real estate activities	286	448
<b>M</b>	Professional, scientific and technical activities	14	58
<b>N</b>	Administrative and support service activities	17	9
<b>P</b>	Education	7	-
<b>Q</b>	Human health and social work activities	1226	573
<b>R</b>	Arts, entertainment and recreation	-	18
<b>S</b>	Other service activities	1	5
<b>Total</b>		<b>5,158</b>	<b>4,402</b>

\* The data are in line with the structure of the fourth revision of the UN's International Standard of Industrial Classification (ISIC Rev. 4).

Details on ISIC Rev.4 are available on the United Nations Statistics Division website at <http://unstats.un.org/unsd/cr/registry/isic-4.asp>



**Table 7b: Revised gross direct investment flows abroad (Excluding Global Business) by geographical destination, 2015 and 2016, Rs million**

<b>Region /Economy</b>	<b>2015</b>	<b>2016</b>
<b>Total world</b>	<b>5,158</b>	<b>4,402</b>
<b>Developed countries</b>	<b>914</b>	<b>798</b>
Europe	779	647
European Union 27	444	478
France	164	223
Switzerland	335	-
Other	-	169
North and Central America	135	151
United States	82	124
<b>Developing economies</b>	<b>4,240</b>	<b>3,576</b>
Africa	3,940	3,077
Comoros	-	-
Kenya	733	211
Madagascar	235	547
Mozambique	666	-
Reunion	47	850
Seychelles	709	172
South Africa	79	241
Other	1,471	1,056
Asia and Oceania	300	499
Asia	278	499
West Asia	95	12
United Arab Emirates	68	12
South and East Asia	183	487
South Asia	183	447
India	29	6
Other	154	441
East Asia	-	40
China	-	18
Other	-	22
Oceania	22	-
<b>Unspecified</b>	<b>4</b>	<b>28</b>

Research and Economic Analysis Department

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