

GBC1s Survey 2015

Bank of Mauritius Presentation

22 April 2016

Background - I

- Bank of Mauritius has the legal mandate to compile and disseminate external sector statistics for Mauritius.
- Adheres to international best practices and standards (SDDS).
- Reliance on surveys along with enhancing existing data sources.
- Coverage of entities involved in cross-border transactions.
- The conduct of surveys have been extremely helpful for compiling and analyzing external sector accounts; and for understanding cross-border transactions.

Background - II

- Two key surveys: Foreign Assets and Liabilities Survey (FALS) and Global Business Corporations holding Category 1 licence (GBC1) Survey.
- Cover transactions between resident enterprises and non-residents, in view of capturing claims of non-residents on resident enterprises, resident enterprises' claims on non-residents and related transactions, thereof.
- Focus on investments by non-residents in Mauritian entities as well as on investments by Mauritian entities abroad.
- Collects information on private financial flows, stocks and related income variables from enterprises in Mauritius having significant foreign assets and foreign liabilities.

Background - III

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FALS 2015

- Six FALS conducted so far.
- FALS, on average, target over 300 companies and real estate promoters under IRS/RES.
- The survey benefits from the collaboration of the FSC. The FSC is co-opted to conduct the survey for its regulatees, representing around 270 Other Financial Corporations (OFCs).
- Response rate of over 80 per cent.
- FALS allows the Bank to come up with hard data on re-invested earnings, shareholders' loan, trade credit, and private external debt, among others, which the current ITRS reporting system is unable to provide.

GBC1 Survey

- GBCs are considered residents of Mauritius and, thus, their transactions with non-residents must be captured to be included in the external sector accounts of Mauritius.
- Conducted in close collaboration with FSC.
- The first GBC1s survey was carried out in 2009 but was treated as exploratory.
- Results of the second survey carried out in 2011 were incorporated, for the first time, in the 2010 BoP statistics and the 2009 and 2010 IIP statistics.
- Results have enabled to reduce the current account as they have improved the income account and shown the importance of Mauritius as an IFC.

GBC1 Survey 2015

- Sample: 23 Management Companies.
- Response rate: about 90 per cent.
- Survey shows a better performance of the sector in 2014.
- Growing interest in the results of the survey, which besides cross-border transactions, also looking at interactions with domestic economy.

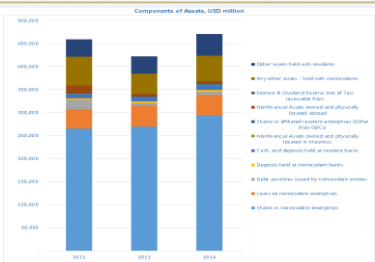


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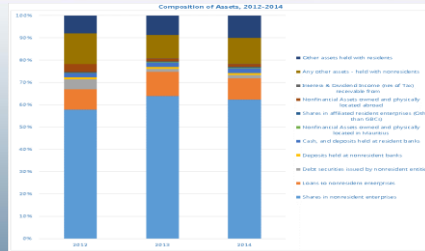
| ASSETS, USD Million | 2012 | 2013 | 2014 |
|---|----------------|----------------|----------------|
| Shares in nonresident enterprises | 265,066 | 269,582 | 293,465 |
| Loans to nonresident enterprises | 42,210 | 45,462 | 44,907 |
| Debt securities issued by nonresident entities | 20,563 | 5,905 | 6,970 |
| Deposits held at nonresident banks | 3,553 | 3,308 | 3,892 |
| Cash, and deposits held at resident banks | 9,099 | 8,801 | 10,326 |
| Nonfinancial Assets owned and physically located in Mauritius | 741 | 1,234 | 1,419 |
| Shares in affiliated resident enterprises (Other than GBCs) | 776 | 815 | 1,071 |
| Nonfinancial Assets owned and physically located abroad | 16,600 | 5,133 | 6,191 |
| Interest & Dividend Income (net of Tax) receivable from | 560 | 560 | 625 |
| Any other assets - held with nonresidents | 62,645 | 44,073 | 54,815 |
| Other assets held with residents | 37,034 | 37,040 | 47,252 |
| Total Assets | 458,847 | 421,913 | 470,882 |



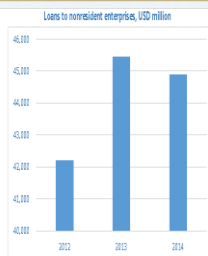
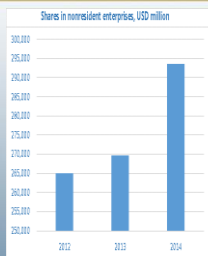
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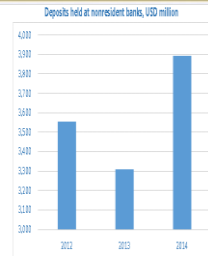
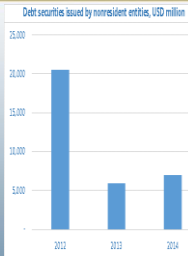
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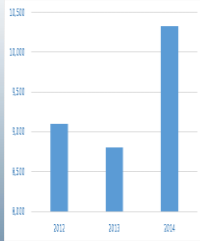
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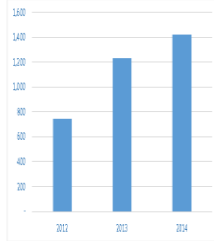
11



Cash, and deposits held at resident banks, USD million



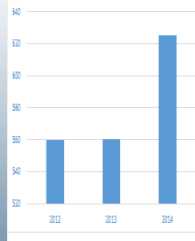
Nonfinancial Assets owned and physically located in Mauritius, USD million



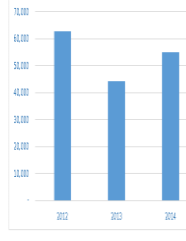
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Interest & Dividend Income (net of Tax) receivable from, USD million



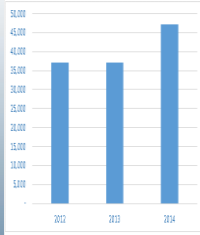
Any other assets held with nonresidents, USD million



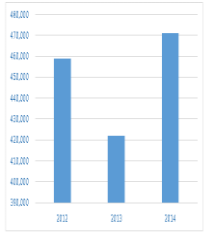
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Other assets held with residents, USD million



Total Assets, USD million



14



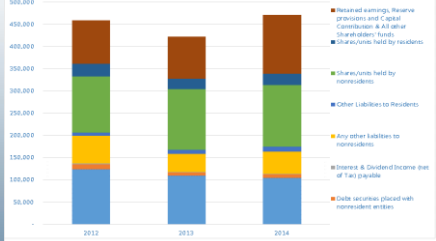
LIABILITIES, USD Million

| | 2012 | 2013 | 2014 |
|--|----------------|----------------|----------------|
| Borrowing from nonresident enterprises | 123,829 | 109,198 | 104,499 |
| Debt securities placed with nonresident entities | 11,818 | 7,706 | 7,662 |
| Interest & Dividend Income (net of Tax) payable | 2,527 | 1,137 | 1,264 |
| Any other liabilities to nonresidents | 61,495 | 40,684 | 49,943 |
| Other liabilities to Residents | 7,220 | 9,272 | 11,298 |
| Shares/units held by nonresidents | 126,321 | 136,104 | 138,480 |
| Shares/units held by residents | 28,525 | 23,579 | 25,647 |
| Retained earnings, Reserve provisions and Capital Contribution & All other Shareholders' funds | 97,922 | 94,233 | 132,123 |
| Total shareholders' funds | 252,768 | 253,916 | 296,266 |
| Total liabilities | 206,079 | 167,996 | 174,666 |

15



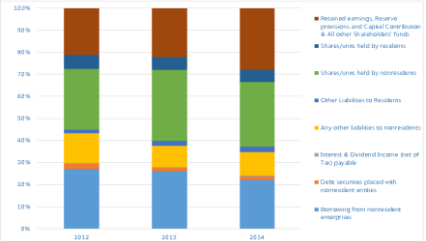
Components of Liabilities, USD million



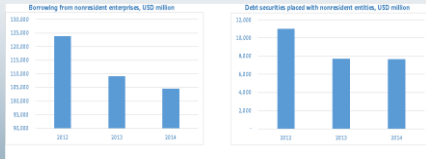
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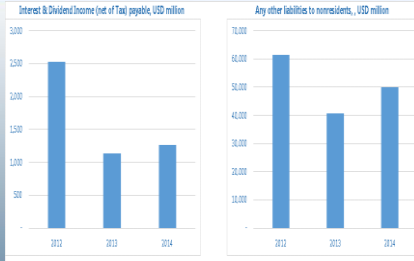
Composition of Liabilities, 2012-2014



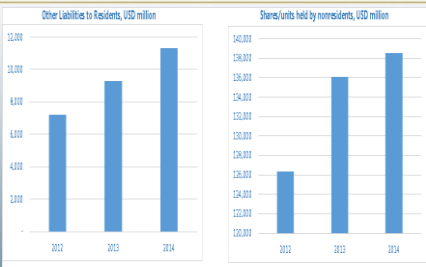
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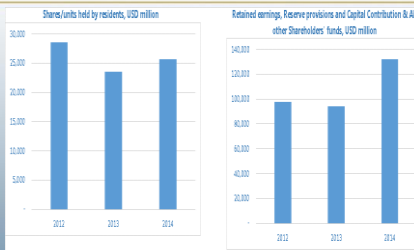
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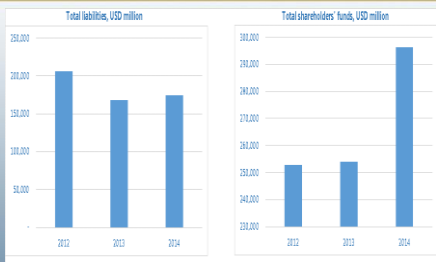
19



20



21



22

GBC1 Survey 2015 Selected Findings I



- Overall Total Assets = Total Liabilities;
- However, on a disaggregated basis between residents and non-residents this is not the case
- Residents' Assets exceed Liabilities held by residents which are mostly GBC1s

USD million

| Position as at end-2014 | Assets | Liabilities |
|-------------------------|---------|-------------|
| Resident | 60,508 | 54,146 |
| Non-Resident | 410,423 | 416,786 |
| Total | 470,932 | 470,932 |

23

GBC1s 2015 Selected Findings II



- Excluding valuation changes, Most of the GBC1s cross-border financial inflows are in the form of DI while that of outflows are in PI and OI

USD million

| Net GBC1s cross-border transactions during 2014 | | | |
|---|----------|----------------------|--------|
| Financial Outflows | (31,823) | Financial Inflows | 32,433 |
| Direct Investment | (6,504) | Direct Investment | 26,552 |
| Portfolio Investment | (13,456) | Portfolio Investment | (990) |
| Other Investment | (11,864) | Other Investment | 6,872 |
| | 3% | | 21% |

Notes: (i) Figures in *italics* represent share in total.
(ii) Figures may not add up to totals due to rounding.

GBC1 Survey 2015 Selected Findings III



| | 2014 Revised Data |
|-----------------------------------|-------------------|
| Investment Income - Credit | 239,343 |
| Direct Investment Income | 193,376 |
| Portfolio Investment Income | 33,526 |
| Other Investment Income | 12,441 |
| Investment Income - Debit | 201,907 |
| Direct Investment Income | 174,959 |
| Portfolio Investment Income | 7,713 |
| Other Investment Income | 19,235 |
| Net Investment Income | 37,436 |
| Direct Investment Income | 18,417 |
| Portfolio Investment Income | 25,813 |
| Other Investment Income | -6,794 |
| Current Transfers - Debit | 13,866 |

GBC1 Survey 2015 Selected Findings IV



| | 2014 Revised Data |
|--------------------------------------|-------------------|
| Direct Investment | 613,906 |
| Abroad | -199,159 |
| In Mauritius | 813,066 |
| Portfolio Investment | -388,397 |
| Assets | -358,067 |
| Liabilities | -30,329 |
| Other Investment | -155,912 |
| Assets | |
| <i>a/w/ Other Sectors: Long-term</i> | -366,347 |
| Liabilities | |
| <i>a/w/ Other Sectors: Long-term</i> | 210,435 |

GBC1 Survey 2015 Selected Findings V



- Net GBC1s foreign assets stood at Rs241 billion as at end-2014

Rs million

| | Preliminary Estimates, 2014 | Revised Estimates, 2014 | | Preliminary Estimates, 2014 | Revised Estimates, 2014 |
|--------------------------------|-----------------------------|-------------------------|-------------------------------------|-----------------------------|-------------------------|
| Claims on Non-residents | Rs 208,785 | Rs 177,348 | Liabilities to Non-residents | Rs 57,066 | Rs 146,037 |
| Direct Investment | 7,296,501 | 7,296,501 | Direct Investment | 9,431,123 | 9,478,616 |
| <i>a/w/ Non-GBCs</i> | 44,440 | 31,287 | <i>a/w/ Non-GBCs</i> | 110,960 | 176,277 |
| GBC1s | 2,251,060 | 2,265,000 | GBC1s | 9,320,163 | 9,302,339 |
| Portfolio Investment | 3,813,974 | 4,009,301 | Portfolio Investment | 1,131,964 | 1,128,322 |
| <i>a/w/ Non-GBCs</i> | 132,480 | 152,710 | <i>a/w/ Non-GBCs</i> | 45,147 | 45,147 |
| GBC1s | 3,748,128 | 3,883,591 | GBC1s | 1,086,817 | 1,083,175 |
| Other Investment | 1,518,879 | 1,517,222 | Other Investment | 1,937,484 | 1,988,512 |
| <i>a/w/ Non-GBCs</i> | 586,128 | 581,475 | <i>a/w/ Non-GBCs</i> | 400,108 | 396,021 |
| GBC1s | 933,751 | 933,751 | GBC1s | 1,537,376 | 1,592,491 |
| Financial Derivatives | 1,230,761 | 1,230,761 | Financial Derivatives | 1,264,511 | 1,253,767 |
| <i>a/w/ Non-GBCs</i> | 12,019 | 12,019 | <i>a/w/ Non-GBCs</i> | 121,407 | 121,407 |
| GBC1s | 1,208,742 | 1,208,742 | GBC1s | 1,143,104 | 1,132,360 |
| Reserve Assets | 124,542 | 124,542 | | | |

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

GBC1 Survey 2016



- No major change in the survey form. Breakdowns required for resident sectors, especially with regards to GBC1 and GBC2.
- Need to understand further the interactions with the domestic economy ... vulnerability issues as well as for policy considerations.
- Financial derivatives.
- New statistical reporting ... MFS

**Thanking you
for your ongoing
support,
cooperation and
collaboration**

