

**GBC1s SURVEY- 2016
CROSS-BORDER POSITIONS
AND FLOWS DATA**

Bank of Mauritius

08 June 2017

Outline

- Background
- Review of 2016 GBC1 Survey Results
- Use of survey results: Balance of Payments (BoP) data and International Investment Position (IIP) of the country
- Issues with 2016 GBC1 Survey
- Launch of GBC1 Survey 2017 – Overview of Amended Survey form

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 statistics; 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.

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 statistics 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 deficit as they have improved the income account and shown the importance of Mauritius as an IFC.

GBC1 Survey 2016

- Sample: 23 Management Companies.
- Coverage: about 90 per cent of the GBC1 population's total assets.

Assets under management by GBC1s, as at end-December

USD million

End-December	Total Assets of all GBC1s	Total Assets of GBC1s covered under survey	Share (Per cent)
2012	480,910	456,720	95.0
2013	454,536	421,913	92.8
2014	520,753	470,932	90.4
2015	553,354	490,075	88.6

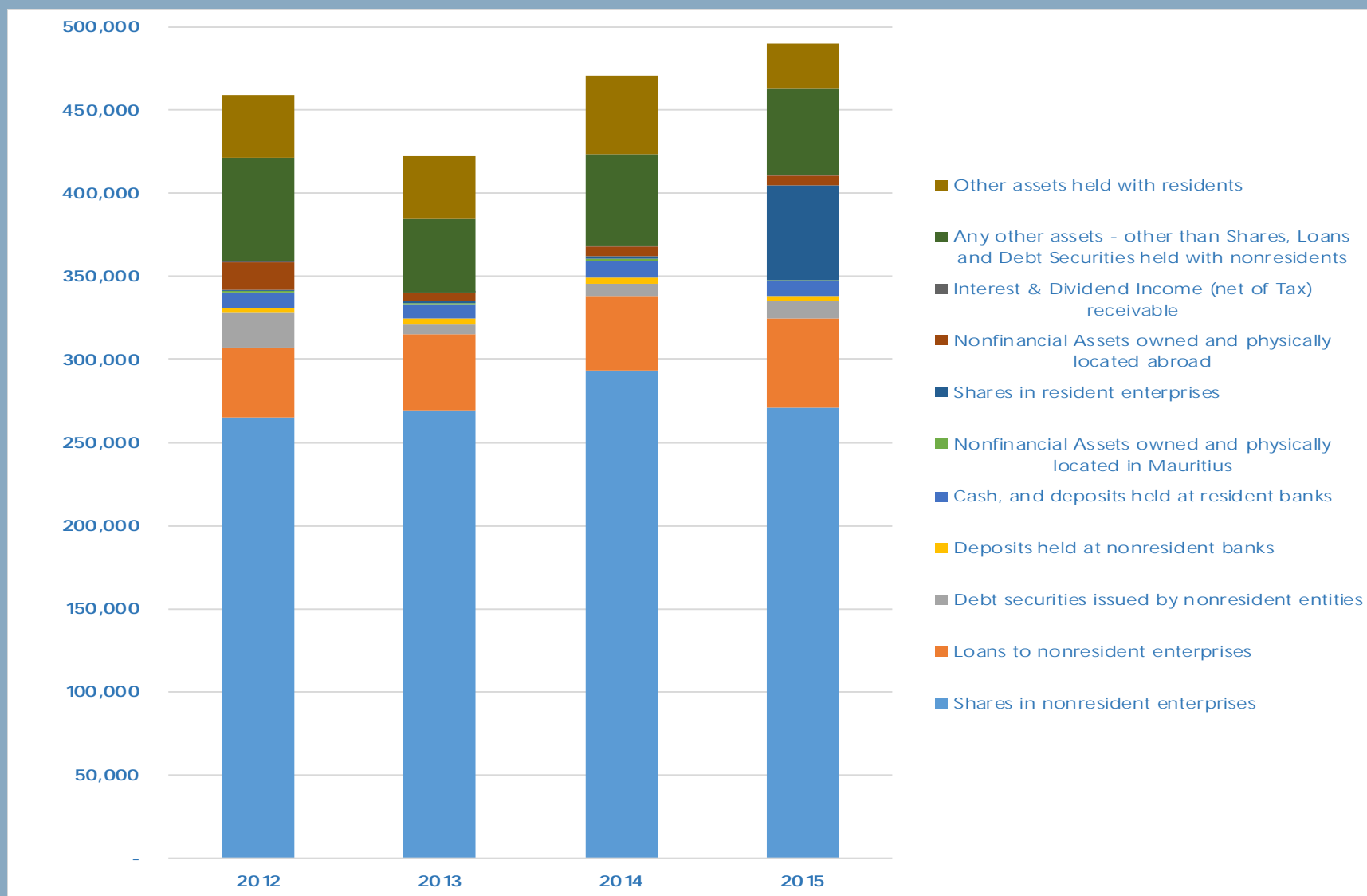
GBC1 Survey 2016: Key Findings

- The results cover income and investment flows of GBC1.
- Since the 1st GBC1 survey, every year of assessment of GBC1s' activities have been refined building on earlier year's findings.
- The survey questionnaire has been modified over the years to gather statistical information on the global business sector for incorporation in the ESS.

Assets

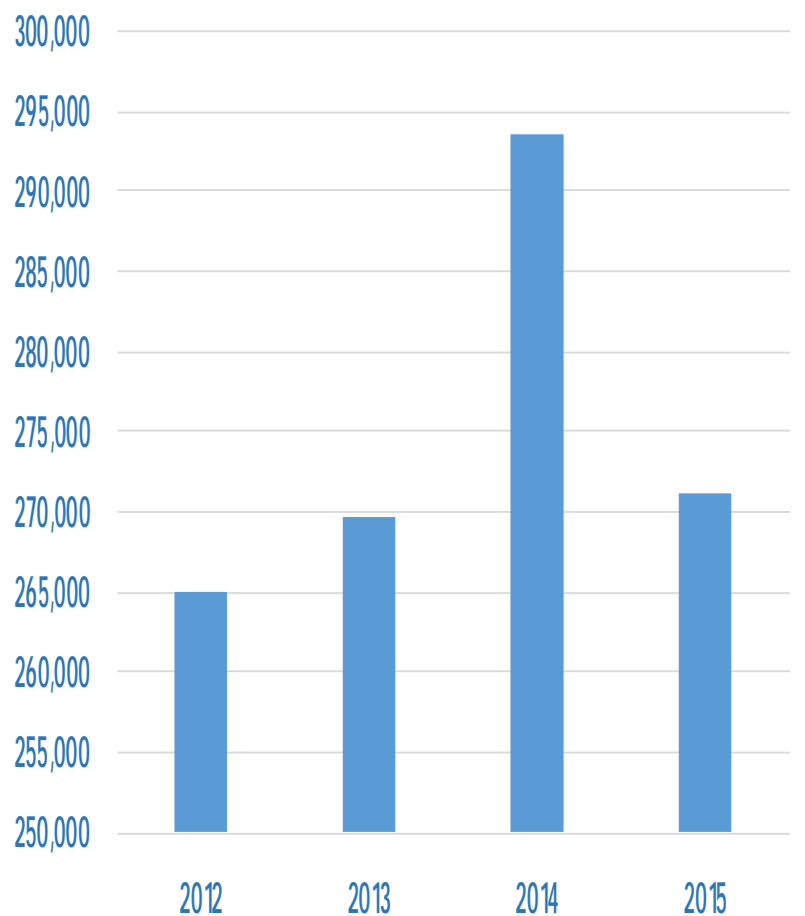
ASSETS, USD million	2012	2013	2014	2015
Shares in nonresident enterprises	265,066	269,582	293,465	271,193
Loans to nonresident enterprises	42,210	45,462	44,907	53,519
Debt securities issued by nonresident entities	20,563	5,905	6,970	10,434
Deposits held at nonresident banks	3,553	3,308	3,892	3,339
Cash, and deposits held at resident banks	9,099	8,801	10,326	8,842
Nonfinancial Assets owned and physically located in Mauritius	741	1,234	1,419	181
Shares in resident enterprises	776	815	1,071	57,524
Debt securities issued by residents	-	-	-	747
Loans to resident enterprises	-	-	-	6,236
Nonfinancial Assets owned and physically located abroad	16,600	5,133	6,191	5,377
Interest & Dividend Income (net of Tax) receivable from	560	560	625	1,206
Any other assets - other than Shares, Loans and Debt Securities	62,645	44,073	54,815	50,978
Other assets held with residents	37,034	37,040	47,252	20,492
Total Assets	458,847	421,913	470,932	490,068

Components of Assets, USD million

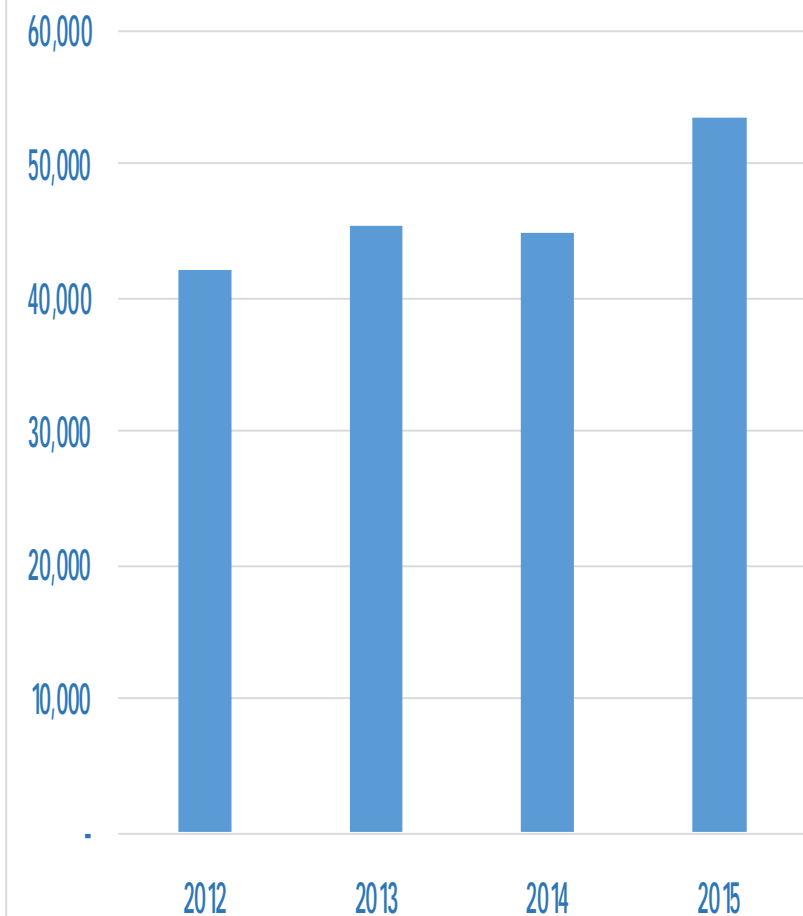


Components of Assets

Shares in nonresident enterprises, USD million

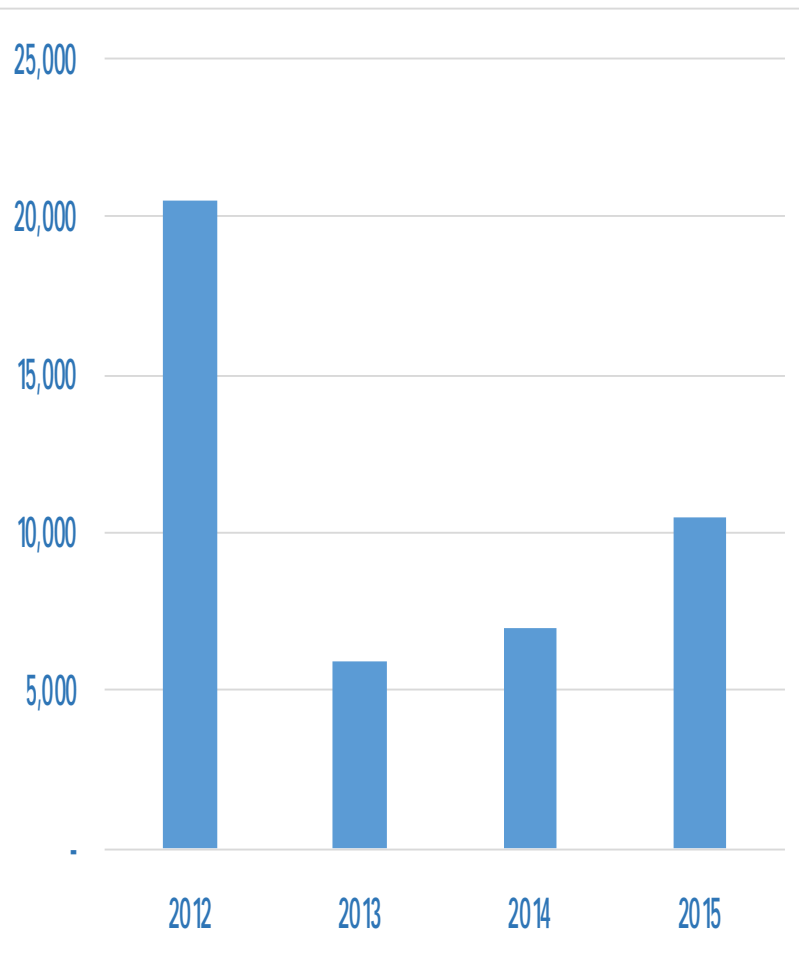


Loans to nonresident enterprises, USD million

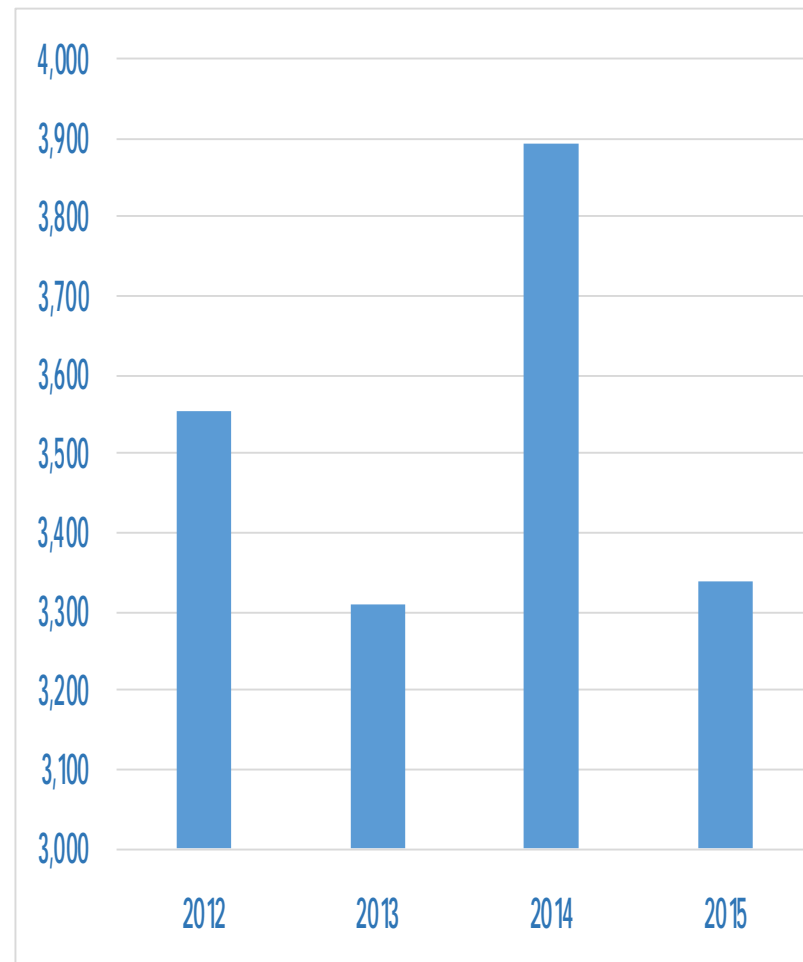


Components of Assets

Debt securities issued by nonresident entities, USD million

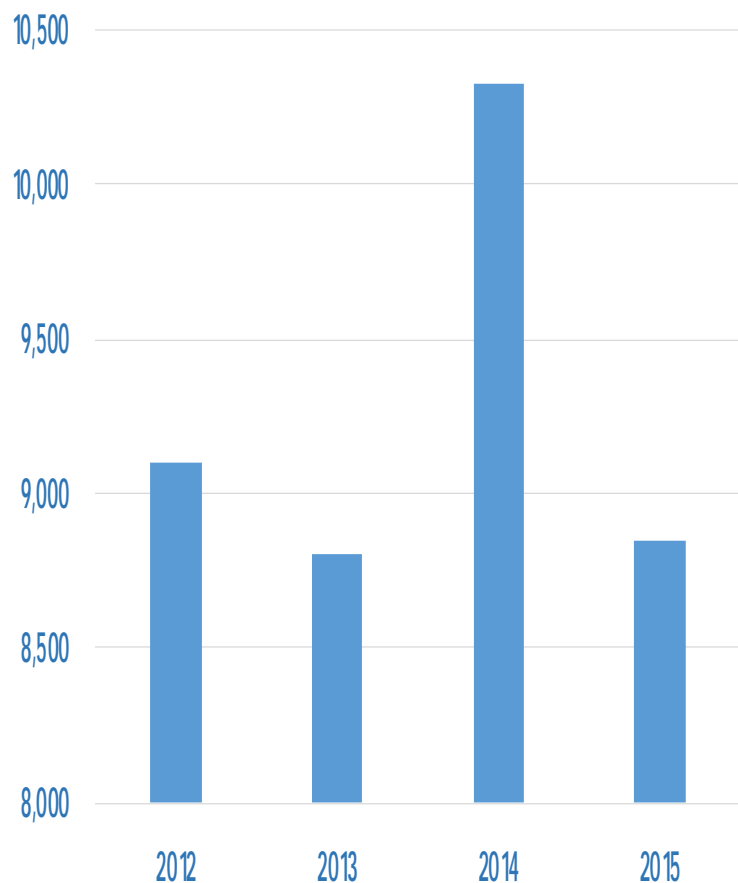


Deposits held at nonresident banks, USD million

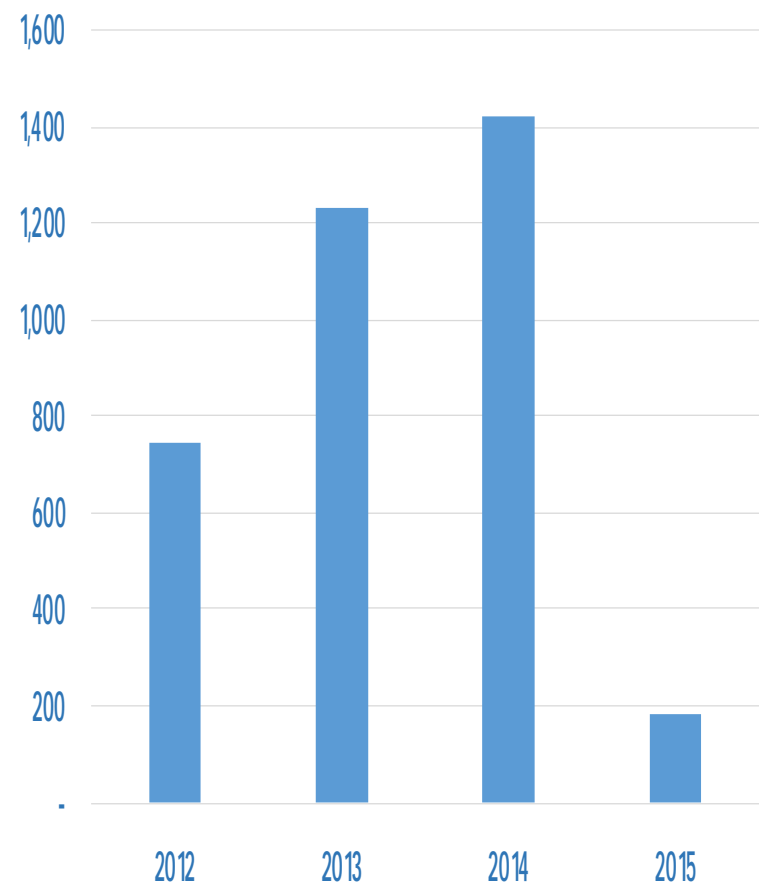


Components of Assets

Cash, and deposits held at resident banks, USD million

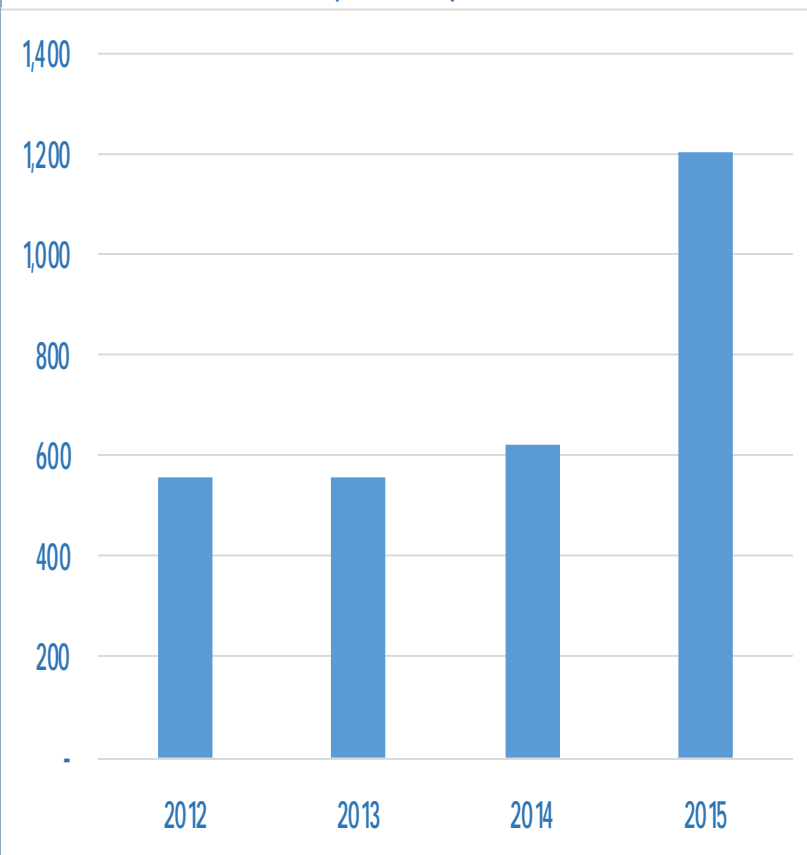


Nonfinancial Assets owned and physically located in Mauritius, USD million

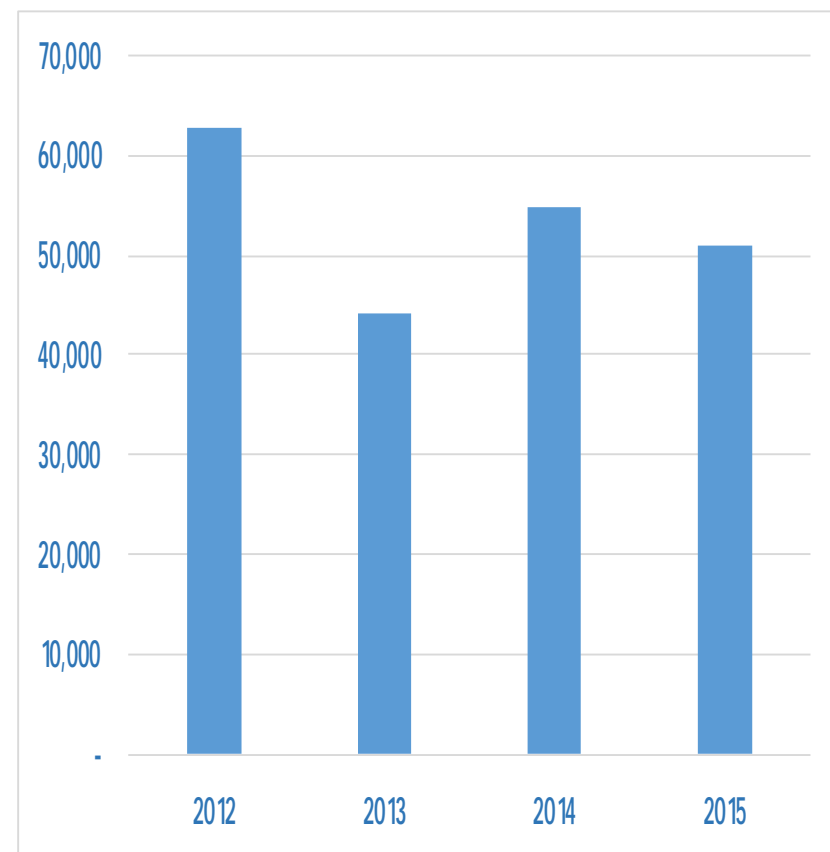


Components of Assets

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

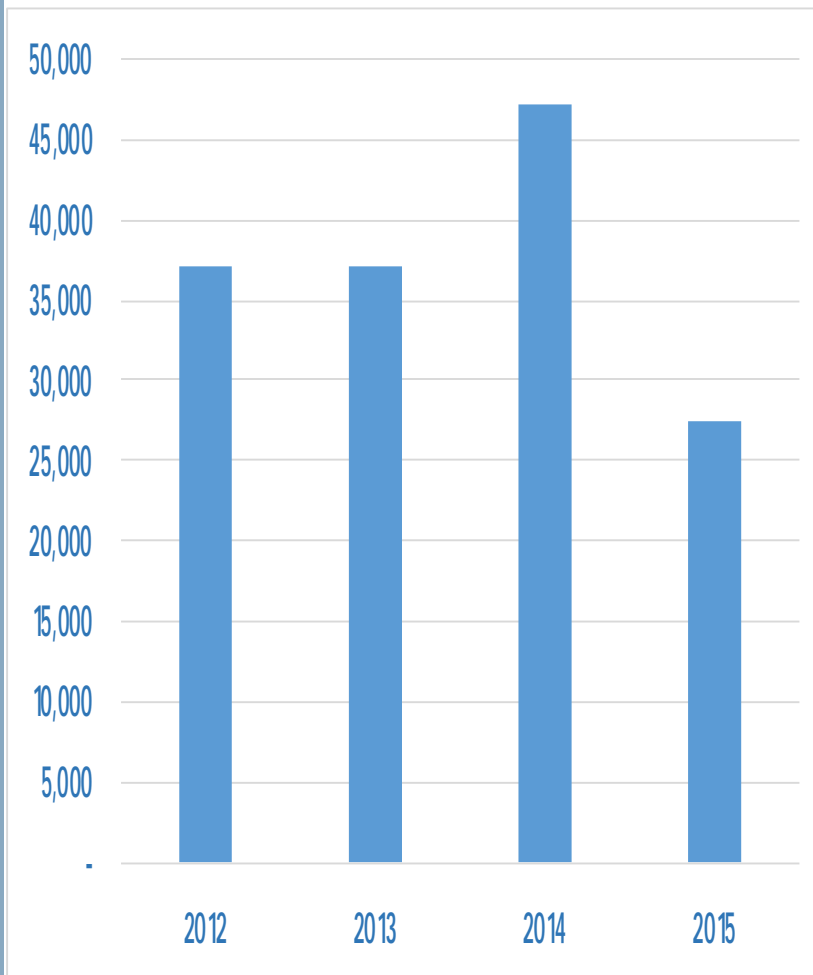


Any other assets - other than Shares, Loans and Debt Securities and not classified elsewhere - held with nonresidents, USD million

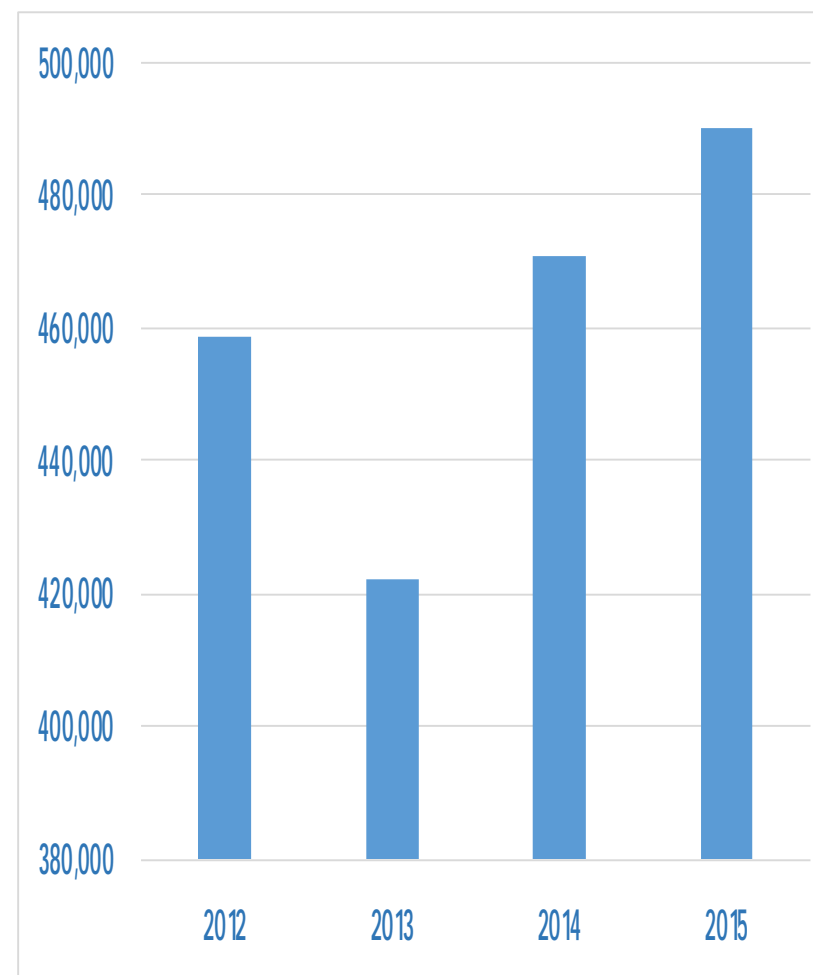


Components of Assets

Other assets held with residents, USD million



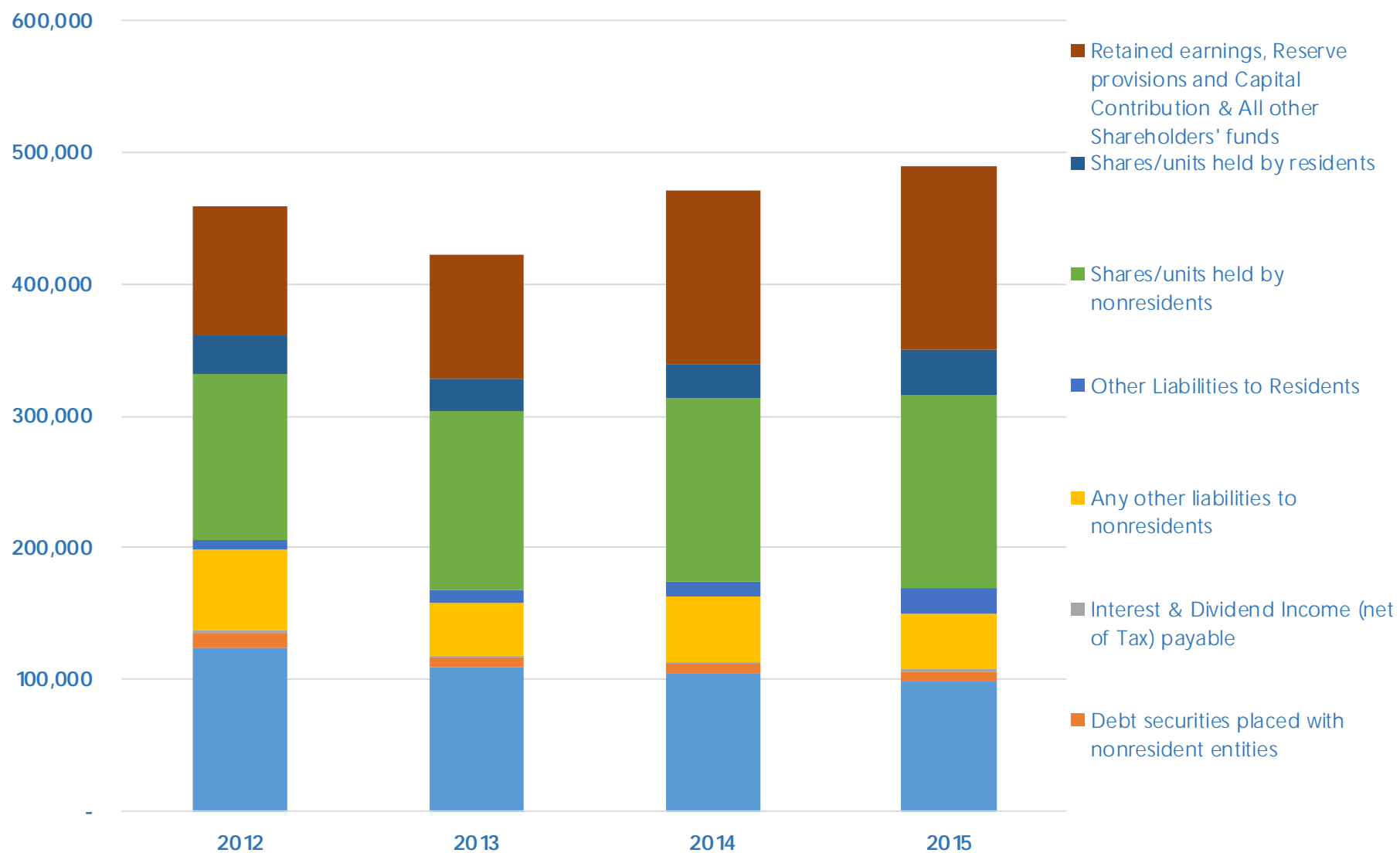
Total Assets, USD million



Liabilities

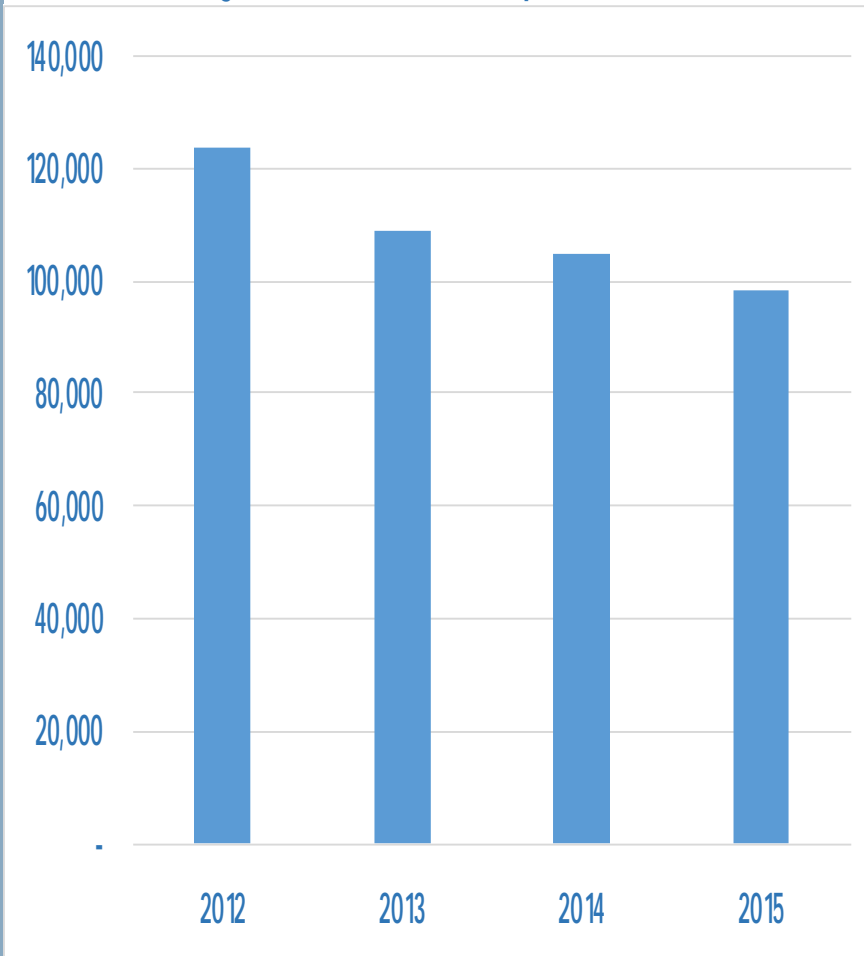
LIABILITIES, USD million	2012	2013	2014	2015
Borrowing from nonresident enterprises	123,829	109,198	104,499	98,182
Debt securities placed with nonresident entities	11,018	7,706	7,662	7,642
Interest & Dividend Income (net of Tax) payable	2,527	1,137	1,264	2,468
Any other liabilities to nonresidents	61,485	40,684	49,943	41,518
Other Liabilities to Residents	7,220	9,272	11,298	19,073
Shares/units held by nonresidents	126,321	136,104	138,490	146,946
Shares/units held by residents	28,525	23,579	25,647	34,544
Retained earnings, Reserve provisions and Capital Contribution & All other Shareholders' funds	97,922	94,233	132,129	139,695
Total shareholders' funds	252,768	253,916	296,266	321,185
Total liabilities	458,847	421,913	470,932	490,068

Components of Liabilities, USD million

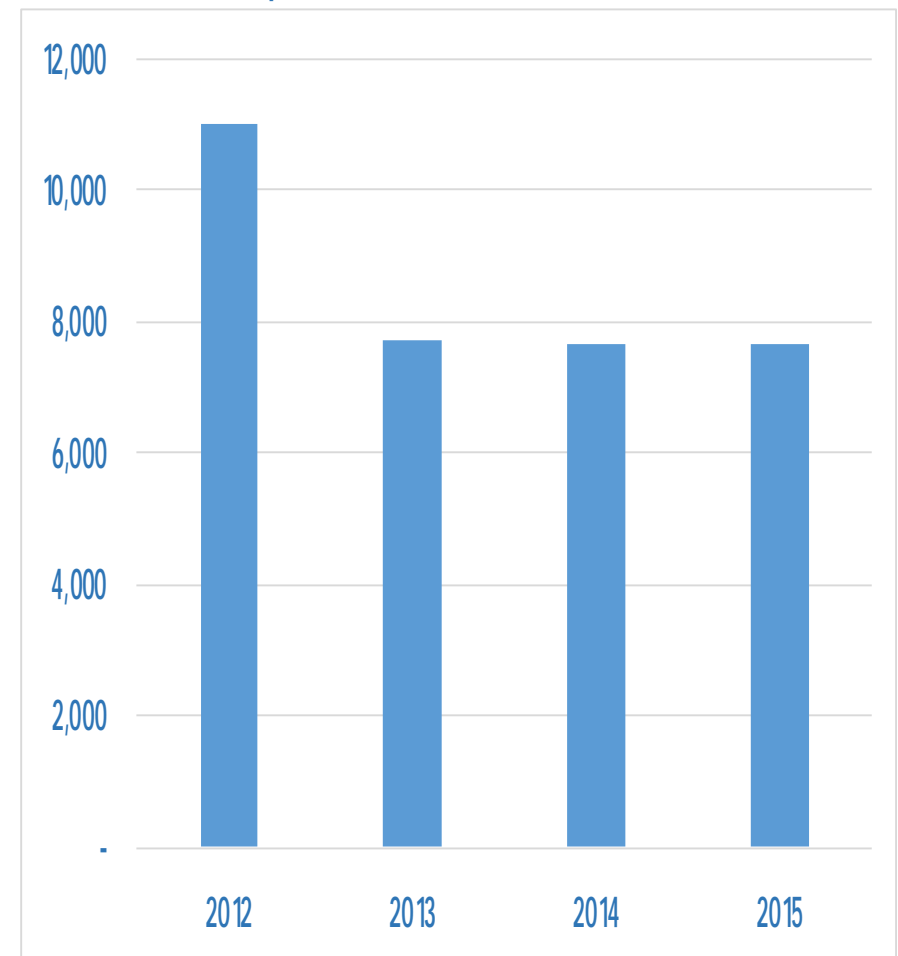


Liabilities

Borrowing from nonresident enterprises, USD million

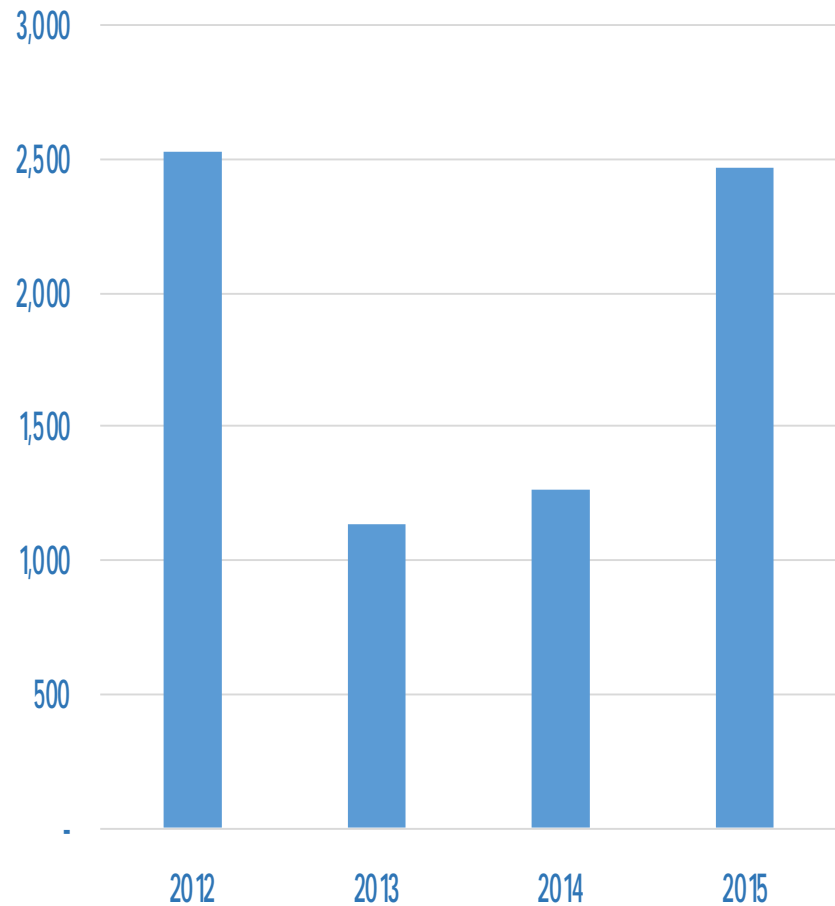


Debt securities placed with nonresident entities, USD million

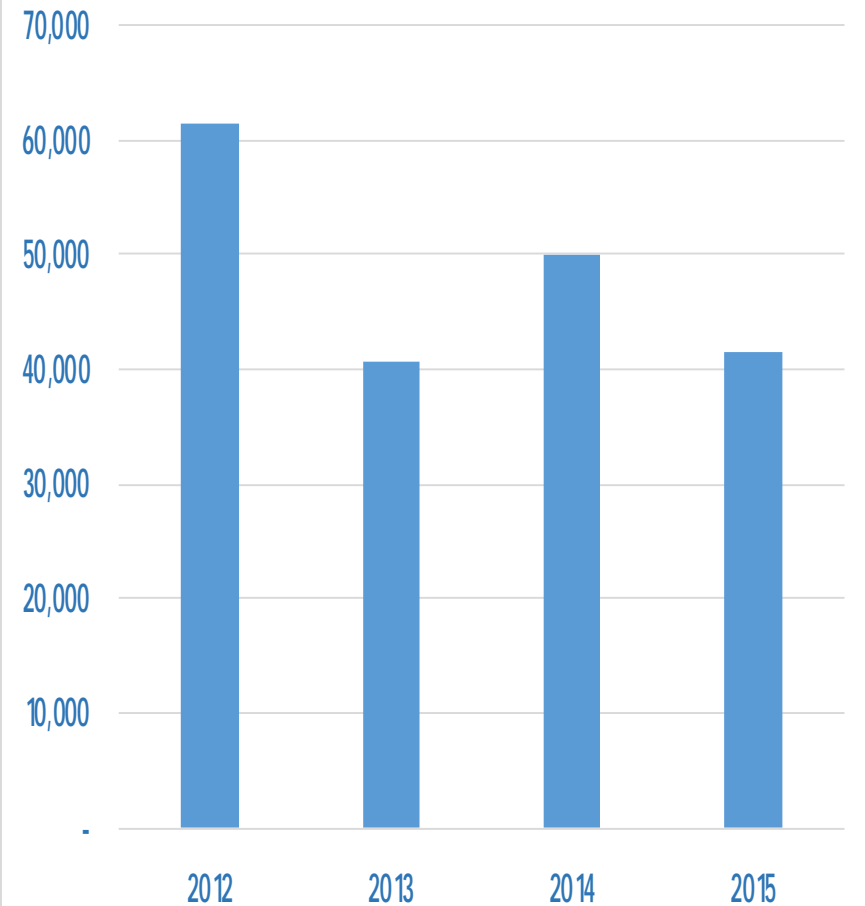


Liabilities

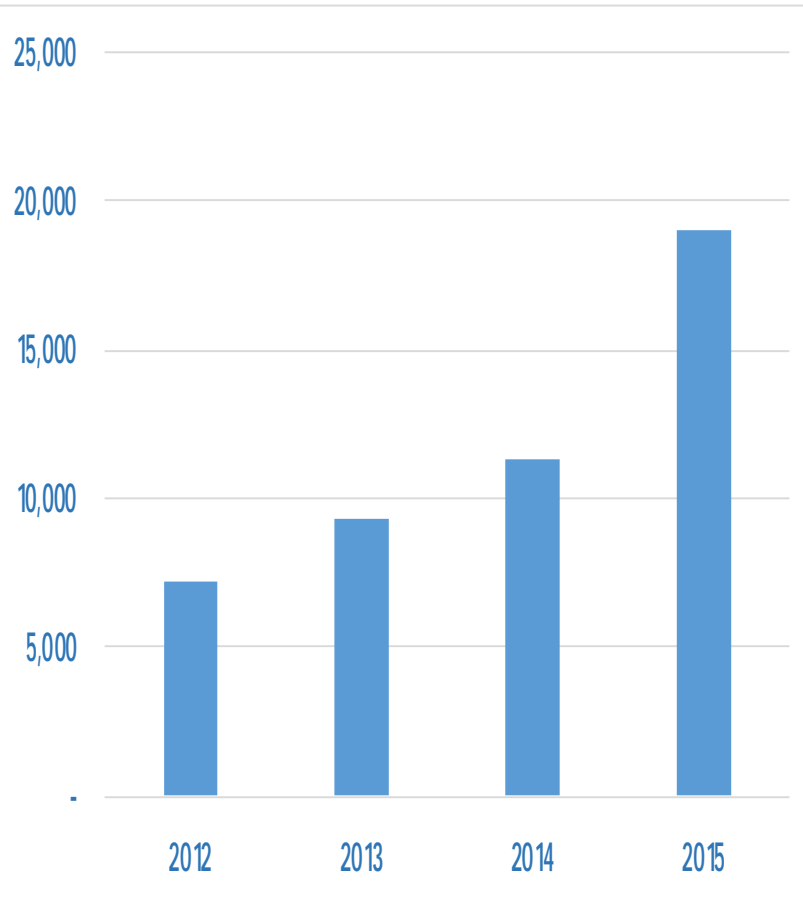
Interest & Dividend Income (net of Tax) payable, USD million



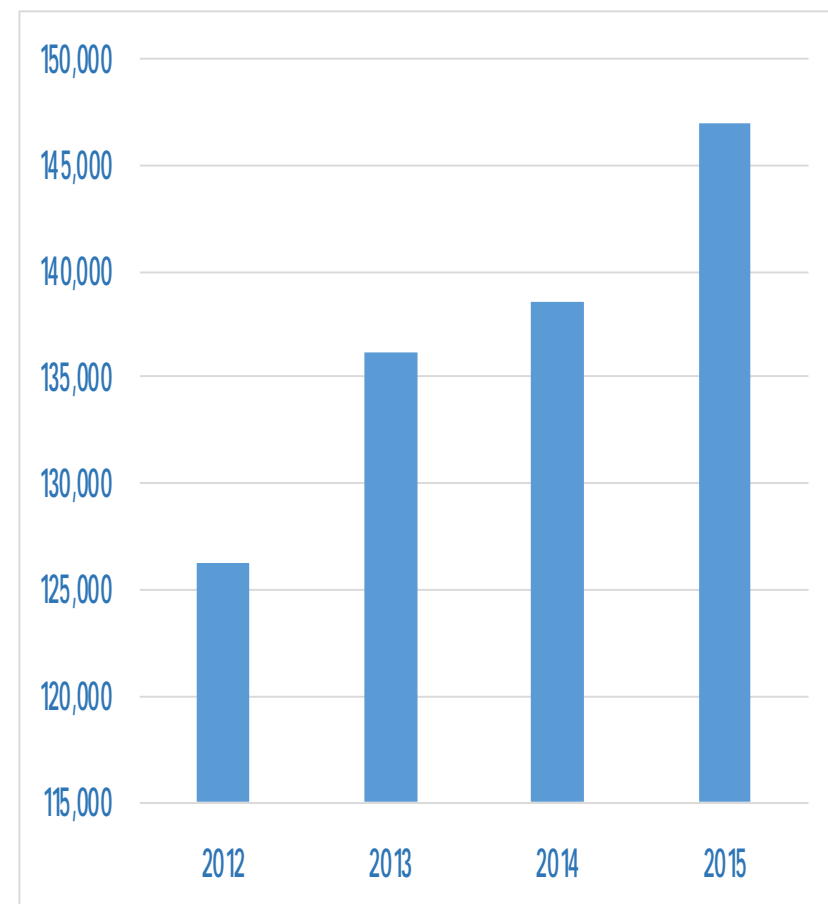
Any other liabilities to nonresidents, USD million



Other Liabilities to Residents, USD million

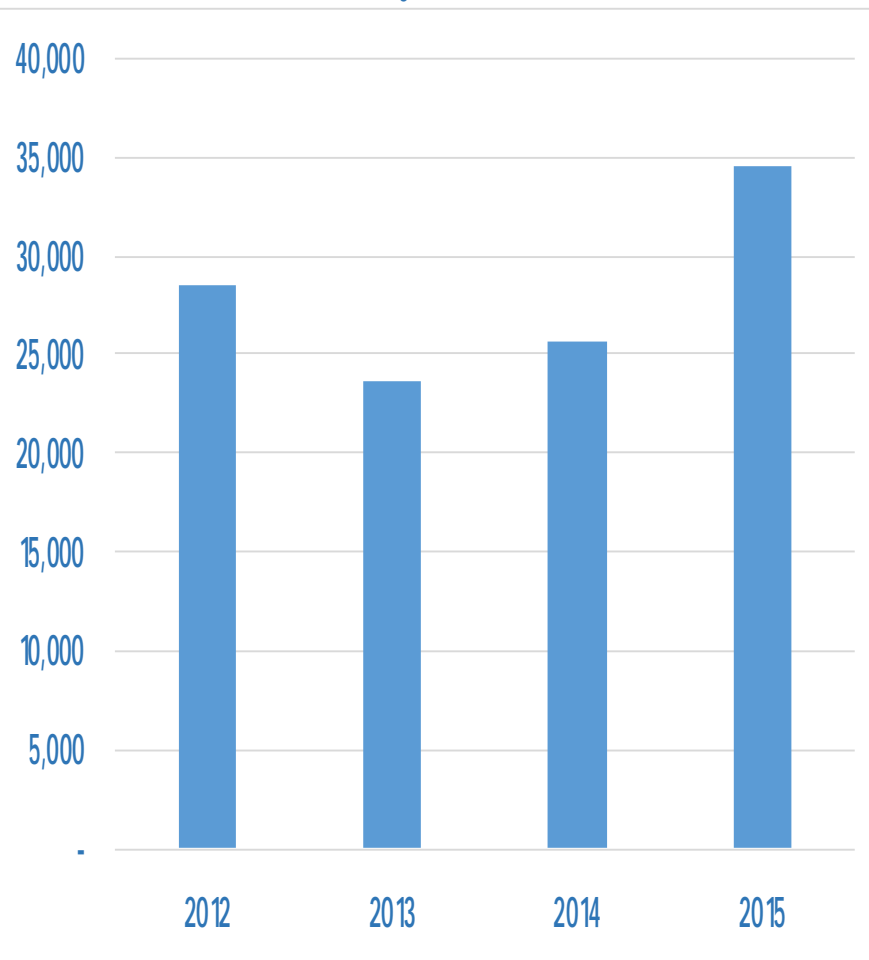


Shares/units held by nonresidents, USD million

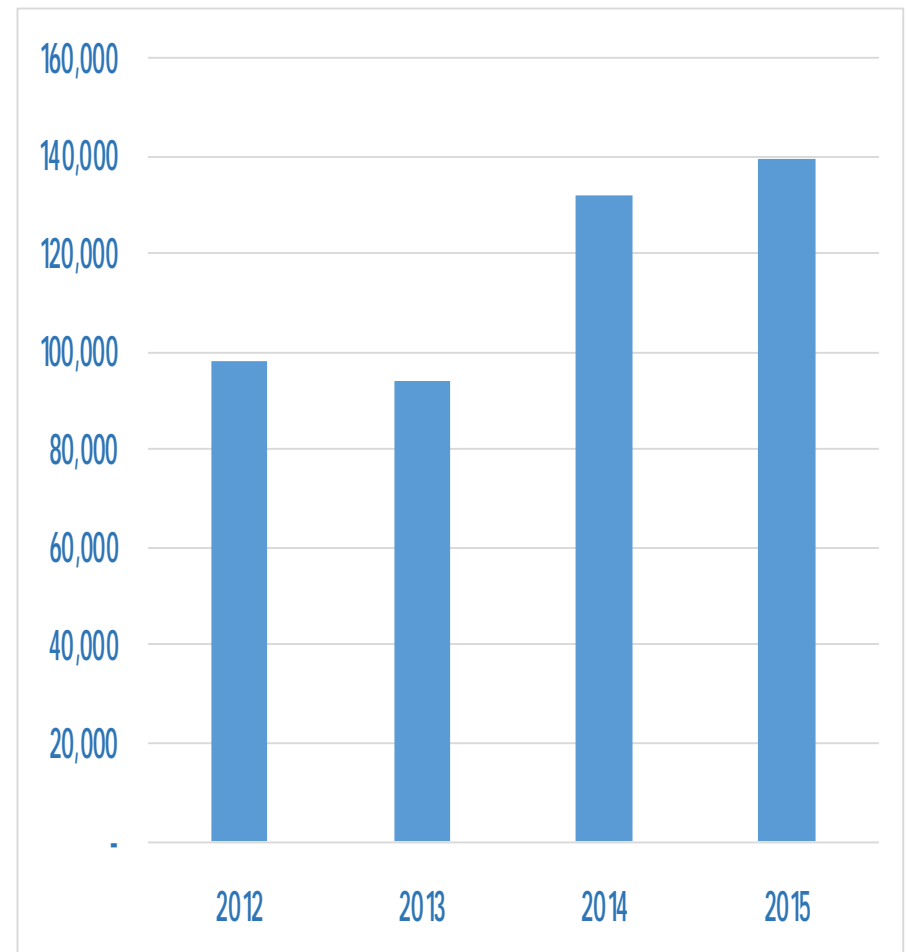


Liabilities

Shares/units held by residents, USD million

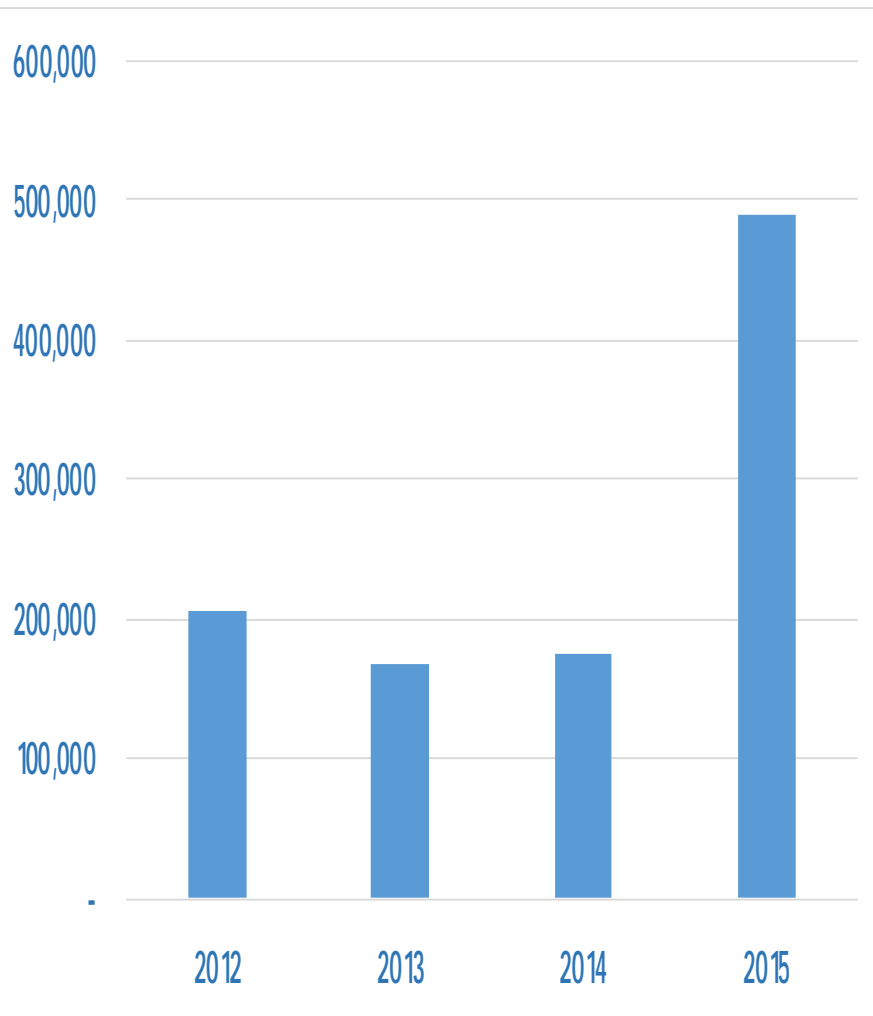


Retained earnings, Reserve provisions and Capital Contribution & All other Shareholders' funds, USD million

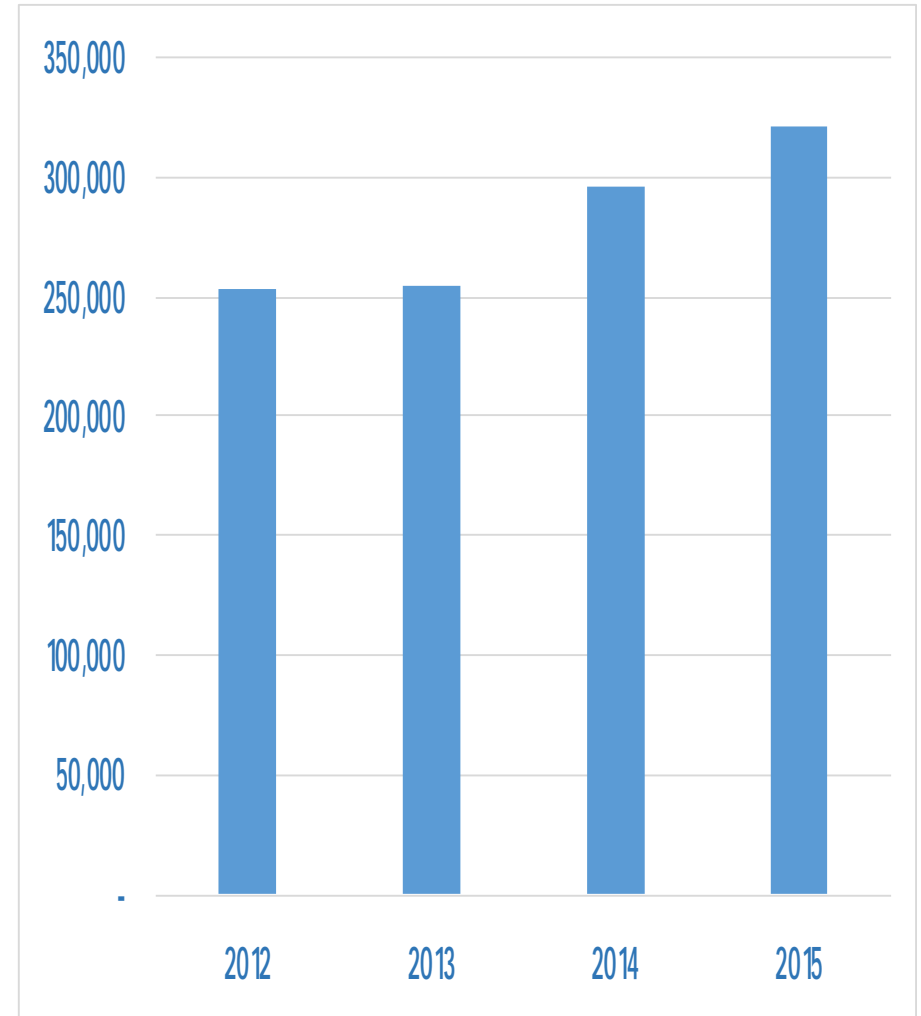


Liabilities

Total liabilities, USD million



Total shareholders' funds, USD million



GBC1 Survey 2016 - Selected Findings

- 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

Position data - Non-Resident v/s Resident, as at end-December

USD million

End-December	Assets		Liabilities	
	Non-Res	Res	Non-Res	Res
2012	409,857	46,863	417,757	38,962
2013	374,838	47,075	379,962	41,960
2014	411,934	58,997	416,786	54,146
2015	389,691	100,377	387,297	102,771

International Investment Position

GBC1 International Investment Position: End-2014 and end-2015

Claims on Non-residents	2014 (Rs million)	Share in 2014	2015 (Rs million)	Share in 2015
	13,191,554	100%	13,996,952	100%
<i>Direct Investment</i>	<i>7,265,070</i>	<i>55%</i>	<i>7,970,270</i>	<i>57%</i>
<i>Portfolio Investment</i>	<i>3,883,591</i>	<i>29%</i>	<i>3,869,843</i>	<i>28%</i>
<i>Other Investment</i>	<i>933,751</i>	<i>7%</i>	<i>1,136,308</i>	<i>8%</i>
<i>Financial Derivatives</i>	<i>1,109,141</i>	<i>8%</i>	<i>1,020,531</i>	<i>7%</i>
Liabilities to Non-residents	2014 (Rs million)	Share in 2014	2015 (Rs million)	Share in 2015
	12,950,225	100%	13,377,728	100%
<i>Direct Investment</i>	<i>9,342,379</i>	<i>72%</i>	<i>9,349,473</i>	<i>70%</i>
<i>Portfolio Investment</i>	<i>1,083,175</i>	<i>8%</i>	<i>1,173,812</i>	<i>9%</i>
<i>Other Investment</i>	<i>1,590,911</i>	<i>12%</i>	<i>2,024,015</i>	<i>15%</i>
<i>Financial Derivatives</i>	<i>933,760</i>	<i>7%</i>	<i>830,429</i>	<i>6%</i>

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

GBC1 Survey 2016 - Issues

- Opening stock for 2015 does **NOT** match the closing stock for 2014 for each item – This leads to inconsistency between the set of accounts for the ESS; that is, BoP and IIP.
- Please provide further details on significant GBC1's transactions.
- Sampling reporting prevents analysis across historical set of data.



Thank you