



# TECHNICAL ASSISTANCE REPORT

## MAURITIUS

Report on the National Accounts and Balance  
of Payments Mission (March 24–28, 2025)

**JUNE 2025**

**Prepared By**

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## Acronyms and Abbreviations

<i>2008 SNA</i>	<i>System of National Accounts, 2008</i>
<i>2025 SNA</i>	<i>System of National Accounts, 2025</i>
AC	Authorized Company
BOM	Bank of Mauritius
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
<i>BPM7</i>	<i>Balance of Payments and International Investment Position Manual, seventh edition</i>
ESSNAC	External Sector Statistics and National Accounts Survey
FSC	Financial Services Commission
GBC	Global Business Corporation (GBC License Holder)
GDP	Gross Domestic Product
IIP	International Investment Position
MC	Management Company
SM	Statistics Mauritius
STA	IMF's Statistics Department

# Summary of Mission Outcomes and Priority Recommendations

- 1. A national accounts (NA) and external sector statistics (ESS) technical assistance (TA) mission visited Statistics Mauritius (SM) and Bank of Mauritius (BOM) during March 24–28, 2025.<sup>1</sup>**  
The primary objectives of the mission were to: (i) review the recent revisions in GDP estimates for 2020 to 2023; (ii) assess the treatment and recording of the output, services exports, and investment income of Global Business Corporations (GBCs) in the national accounts and the balance of payments; (iii) review the External Sector Statistics and National Accounts (ESSNAC) Survey data on GBCs income and expenditure that are used to compile the national accounts and the ESS.
- 2. The mission found that progress has been made in implementing the recommendations of the 2024 External Sector Statistics and the 2021 National Accounts TA missions.** We would like to commend the authorities on the progress made in collecting and compiling data for the GBC license holders and in integrating the data into the macroeconomic statistics. Nevertheless, the mission made several recommendations to the SM and the BOM to bring the estimates of output and implicit exports of services in line with international statistical standards. The mission also noted several areas in which the estimates of output and implicit exports of services require further revision and where the ESSNAC survey (the source data) showed notable inconsistencies – addressing these methodology and source data issues will likely result in a revision to the estimate of output for the ‘sector’. The mission worked with the authorities to clean up the source data and recommended the use of appropriate approaches for estimating output of different types of GBCs.
- 3. The mission would like to thank the staff of BOM, Financial Services Commission (FSC), and SM for their cooperation and participation during the mission’s work.** We would also like to thank the HSBC Bank, Standard Chartered Bank, and Rogers Capital Management Company for the open discussions and assistance with the mission.
- 4. To support progress in the above work areas, the mission recommended a detailed one-year action plan with the following priority recommendations carrying particular weight to make headway in improving ESS and NA:**

**TABLE 1. Priority Recommendations**

Target Date	Priority Recommendation	Responsible Institutions
<b>May 2025</b>	Statistics Mauritius to request ESSNAC survey results at the GBC level from FSC for 2022–2024, and for future collection periods.	SM to request GBC-level data from the FSC.
<b>September 2025</b>	SM to conduct appropriate validation of estimates used to compile the output, exports and imports of services for the categories identified during the mission for the 2022–2024 surveys (and 2025 once the surveys become available).	SM to conduct consistency checks with the GBC Management Companies.
<b>September 2025</b>	Integrate the mission’s recommendations to revise the estimation of output (and implicit exports of services) for the ‘GBC sector’ and integrate revised estimates in both the national accounts and BOP.	SM to revise estimates. Validation is to be done in coordination with the BOM.

<sup>1</sup> The national accounts statistics mission was extended to April 4, 2025 (virtually).

Target Date	Priority Recommendation	Responsible Institutions
<b>September 2025</b>	SM and BOM to revise and integrate primary income adjustments for the period 2018–2024 in line with statistical guidance provided by the mission.	BOM and SM
<b>September 2025</b>	SM and BOM to prepare a joint dissemination note – explaining the revision in the disseminated data	BOM and SM
<b>December 2026</b>	BOM to include estimates of GBC’s reinvested earnings both debits and credits in the primary income (allocation of earned income account) and net acquisition of assets and net incurrence of liabilities in the financial account of the BOP and revise the BOP series to improve the consistency of BOP and IIP estimates.	BOM

**5. Further details on the priority recommendations and the related actions/milestones can be found in the action plan under Detailed Technical Assessment and Recommendations.**

# Section I. Measurement of GBCs in the National Accounts and Balance of Payments

## A. OVERVIEW OF THE GLOBAL BUSINESS CORPORATIONS IN MAURITIUS

6. **Global Business Companies (GBCs) in Mauritius are integral to the island's economy.** As the key players in the international finance center, GBCs primarily engage in investment holdings, investment fund activities, fund management, consultancy services, global trading, and other activities. As of December 2023, more than 13,000 GBCs actively operated in Mauritius, a broad classification of their activities is provided in Table 2 below.

**TABLE 2. Summary of GBC Activities in Mauritius as of December 2023**

GBC Activity	Share (of Assets)	Number of GBCs	Share (of GBCs)
Investment Holding	67.1	7,549	56
Investment Fund	17.6	885	7
International Trading	1.4	646	5
Fund Management	0.4	384	3
Consultancy	0.1	299	2
Other	13.4	3,801	28
	<b>100</b>	<b>13,564</b>	<b>100</b>

Source: Financial Services Commission.

7. **Of the 13,564 active GBC license holders, the FSC reports that approximately 30 percent are considered to be foreign-controlled.** Here the entity is defined as foreign controlled if more than 50 percent of the equity in the entity is held by the direct investor directly or indirectly. The remaining 70 percent of the GBCs are considered to be domestically controlled. Nevertheless, majority of shares are reportedly held by nonresidents.

8. **GBCs are allowed to conduct business with both residents and non-residents.**<sup>2</sup> However, data reported through the ESSNAC survey indicate that, in order of volume, most of the activities of GBCs are with: (i) nonresidents; (ii) other GBCs; and (iii) other resident corporations. GBCs invest in nonresident entities – many of which are affiliated enterprises. This is followed by cross-shareholding among GBCs. GBCs are linked with the domestic economy primarily through: (i) the banking system which primarily holds the deposits held by GBCs in Mauritius, provides loans to these entities, and effect payments on behalf of these entities in return for a fee; (ii) direct purchases of services by GBCs from domestic (non-GBC) entities. These services include professional services that support the operations of the GBCs; (iii) limited, but some employment of residents; and (iv) investment in resident (non-GBC) entities.

<sup>2</sup> Unlike Authorized Companies that are not allowed to transact with resident entities.

## B. STATISTICAL TREATMENT OF GBCs IN THE NATIONAL ACCOUNTS

9. **Statistics Mauritius and the Bank of Mauritius recently started incorporating an estimate of output for GBCs in the national accounts and (implicit exports of services) in the balance of payments.**<sup>3</sup> The last comprehensive data was included during the 2018 national accounts revision exercise. Since then, the data have been partially revised as both BOM and SM work to improve the data and methodology. The latest revision led to an increase in the statistical discrepancy from the production and expenditure estimates of GDP. Furthermore, the estimates of output for the 'sector' were revised downwards for 2021–2024 (Table 3).

10. **The IMF African Department raised concern about the drivers of the estimates of output (and implicit exports of services) as well as the statistical discrepancies reported in the December 2024 release.** These discrepancies are shown in Table 3 below and these were investigated by the mission.

**TABLE 3. Estimates of GDP by Expenditure Published by Statistics Mauritius (2021–2024)**

	2021	2021 (R)	2022	2022 (R)	2023	2023 (R)	2024	2024 (R)
GDP (E) - Current Prices: Millions of Mauritian Rupees								
<b>GDP (E)</b>	<b>478,807</b>	<b>478,807</b>	<b>571,194</b>	<b>570,301</b>	<b>658,968</b>	<b>641,331</b>	<b>726,642</b>	<b>698,537</b>
<b>Final consumption expenditure</b>	<b>432,528</b>	<b>432,528</b>	<b>492,025</b>	<b>492,025</b>	<b>531,975</b>	<b>531,175</b>	<b>570,058</b>	<b>568,617</b>
<b>Gross fixed capital formation</b>	<b>93,820</b>	<b>93,820</b>	<b>112,806</b>	<b>112,806</b>	<b>158,195</b>	<b>140,986</b>	<b>203,351</b>	<b>171,111</b>
<b>Change in inventories</b>	<b>951</b>	<b>951</b>	<b>3,857</b>	<b>3,857</b>	<b>-1,304</b>	<b>-2,173</b>	<b>1,450</b>	<b>850</b>
<b>Net Exports</b>	<b>-45,949</b>	<b>-73,437</b>	<b>-43,718</b>	<b>-77,596</b>	<b>-19,639</b>	<b>-64,054</b>	<b>-19,947</b>	<b>-67,919</b>
<i>Exports</i>	<i>211,641</i>	<i>184,153</i>	<i>316,116</i>	<i>282,238</i>	<i>347,837</i>	<i>303,422</i>	<i>359,289</i>	<i>322,137</i>
<i>Goods (f.o.b)</i>	<i>81,992</i>	<i>81,992</i>	<i>105,524</i>	<i>105,524</i>	<i>103,895</i>	<i>103,895</i>	<i>104,295</i>	<i>110,684</i>
<i>Services</i>	<i>129,649</i>	<i>102,161</i>	<i>210,592</i>	<i>176,714</i>	<i>243,942</i>	<i>199,527</i>	<i>254,994</i>	<i>211,452</i>
<i>o/w GBCs</i>	<i>69,995</i>	<i>42,500</i>	<i>84,000</i>	<i>50,122</i>	<i>84,500</i>	<i>40,085</i>	<i>86,000</i>	<i>40,797</i>
<i>Imports</i>	<i>257,590</i>	<i>257,590</i>	<i>359,834</i>	<i>359,834</i>	<i>367,476</i>	<i>367,476</i>	<i>379,236</i>	<i>390,056</i>
<i>Goods (f.o.b)</i>	<i>194,313</i>	<i>194,313</i>	<i>265,404</i>	<i>265,404</i>	<i>266,789</i>	<i>266,789</i>	<i>272,957</i>	<i>277,582</i>
<i>Services</i>	<i>63,277</i>	<i>63,277</i>	<i>94,430</i>	<i>94,430</i>	<i>100,287</i>	<i>100,687</i>	<i>106,279</i>	<i>112,474</i>
<b>Statistical discrepancies</b>	<b>-2,544</b>	<b>24,945</b>	<b>6,224</b>	<b>39,209</b>	<b>-10,</b>	<b>35,397</b>	<b>-28,270</b>	<b>25,879</b>
<i>Reported by SM as at end-December 2024</i>								

### Review of the Statistical Discrepancies

11. **The data used to estimate the 'GBC sector' are taken from the ESSNAC survey.** The survey is administered by the FSC, in their role as regulators of non-bank financial corporations (including GBCs). The surveys are completed by the management companies (MCs) for all 13,000 plus GBC license holders. The mission noted that although the coverage of the data is comprehensive, there were notable inconsistencies. Additionally, there were several areas in which validation checks of the source

<sup>3</sup> The BOM and SM set up a Joint Working Group in 2022 to harmonize the treatment of statistics in the National Accounts and Balance of Payments statistics and have received previous technical assistance on some of the issues. The group has been meeting, on a need basis, with regular information exchange.



data (ESSNAC survey) was needed to improve the estimates of GBC output and implicit exports of services recorded in the national accounts and BOP.

**12. The ESSNAC survey results are collated by the FSC, at the GBC level.** The FSC then aggregates the responses into five activity groups according to the licensee's reported activity — at the time of application. These groups are investment holding companies, investment funds, international trading companies, consultancy companies, and legal and other professional services. As a result, the activities that are carried out by the companies do not strictly align with these categories. Secondly, the final catch-all category, 'other' accounts for over 28 percent of the GBCs (13 percent of the assets) and includes financial and nonfinancial service providers for which the treatment in national accounts may differ.

**13. The mission reviewed the survey results for 2020–2023 at the 'activity group' level and the estimation of output (and implicit exports of services) compiled from these data.** It was noted that a large proportion of the discrepancies in GDP (P) and GDP (E) was explained by: (i) a miscalculation of GBC's output and consequently implicit exports of services included in the GDP (E); (ii) errors in the survey data collected and misclassification of some input costs which led to mismeasurements in the implicit exports of services, and; (iii) the estimation method used to compute the output for the 'sector.'

**14. The mission made several recommendations to correct the data currently in the estimates for 2020–2023.** During the review of the source data, several areas in which the survey respondents either misreported or misclassified certain items were identified. SM staff made an effort to correct the largest discrepancies during the mission. However, since data are received at the activity group level, queries must be routed through the FSC to the MCs. The mission encouraged staff to conduct further verifications of the areas identified. Consistent verification of the data for each year is required by SM to obtain accurate estimates of output for the 'sector'. In particular, much of the estimates reported in the ESSNAC survey as "trade related services" for financial corporations should be investigated. Based on the discussions, it is likely that these service costs are attributable to the costs associated with buying and selling goods via merchanting. Since the mission, the BOM has reportedly developed a workplan to engage Statistics Mauritius and the FSC on the GBC survey data.

#### ***Mission Recommendations:***

- Statistics Mauritius to request ESSNAC survey results at the GBC level from the FSC for 2022–2024 and for collection periods going forward.
- Using the disaggregated data provided by the FSC, SM (in coordination with BOM) to further review the over 3000 entities in the 'other' category and improve the classification according to International Standard Industrial Classification of All Economic Activities (ISIC).
- SM to conduct appropriate validation of estimates used to compile the output and exports of services for the categories identified during the mission for the 2022–2024 surveys; and once the 2025 surveys become available.
- Trade-related and 'other' costs should be thoroughly investigated by SM – alongside the BOM and FSC – to remove the costs that should not be included in output.
- SM to review the data provided and correct the unusually large (unexplained) discrepancies identified during the mission and use revised data in the estimation.

## **Output and Implicit Export of Services**

**15. Holding companies, investment funds, and fund managers make up majority of the GBCs operating in Mauritius – accounting for approximately 85 percent of the assets and 66 percent of**

**the number of entities (see table 2).** The remaining 34 percent of entities comprise international trading companies, professional service providers and some financial auxiliaries.

**16. For practical purposes, Statistics Mauritius compiles output for all GBCs (referred to as the 'GBC sector') using the sum of cost approach.** In this context, output of the 'GBC Sector' = Value Added of GBCs (license fees and rates paid by GBCs to resident authorities + wages and salaries paid out by GBCs to resident employees) + intermediate consumption (i.e. recurrent expenses on goods and services paid to resident companies). The output of this sector is currently being totally allocated to exports – the rationale of which is that shareholders/affiliates are consuming these services.

**17. The mission discussed several improvements to the current methodology.** First, the sum of cost methodology that is being applied universally to all GBCs should be revisited. The method is not appropriate for merchanting corporations, GBCs offering consultancy services, and some activity types included in the 'other' category. For investment funds, the SNA recommends that these entities have no output or intermediate consumption as such the mission recommends that SM revise these estimates to align with international standards. The current approach that is taken by SM is understood for practical purposes. However, this approach does not align with current macroeconomic statistics standards. For holding companies, imports of services are to be included in the sum of cost estimates of output. In estimating the value added from merchanting, only the margin is to be included. Consulting and other professional services are to be estimated using the SNA-recommended approach instead of the current sum of cost approach. This requires SM to collect GBC-level data from the FSC. Each of these recommendations is discussed further in ¶18–¶26 below.

## Merchanting

**18. Several nonfinancial GBCs in Mauritius have been setup to engage in merchanting activities.** Merchanting is the purchase of goods by a resident (of the compiling economy) from a nonresident combined with the subsequent resale of the same goods to another non-resident without the goods being physically moved in and out of the compiling economy. The 2025 SNA ¶ 23.13 provides guidance on the treatment of merchanting: (i) the acquisition of goods is shown as a negative export of the economy of the merchant; (ii) the sale of the goods is shown as a positive export, and (iii) the difference between sales and purchases of goods for merchanting is shown as the item “net exports of goods under merchanting.” The output of these GBCs reflects only the margin, the difference between sales and purchases of goods. This difference includes any margins, holding gains and losses, and changes in inventories of goods under merchanting.

**19. The ESSNAC survey results provide the value of the good sold under merchanting as well as the associated costs of selling these goods.** Nevertheless, further validation is needed for these data. Currently, estimates related to merchanting activities are reported throughout the various activity types in the ESSNAC survey. These should be investigated by SM, using the GBC-level data and used appropriately to compile output. Secondly, the mission recommended that SM revise the sum of cost approach used to estimate output for GBCs engaged in merchanting and implement the margin estimation in line with international statistical standards.

### **Mission Recommendations:**

- SM to revise the estimates of output for GBCs engaged in merchanting (2021–2024) from the sum of cost approach currently used, to the SNA-recommended approach (margin).
- BOM to review and validate ESSNAC data via a sample survey to correctly estimate exports of goods under merchanting and include in the BOP.

- The BOM and SM work together to ensure that the GBC goods data are of an acceptable quality and that they are not double counted in estimates of exports.

## Investment Funds and Holding Companies

**20. For investment funds, the 2025 SNA ¶7.177 – 7.179 and BPM7 ¶ 11.79 – 11.81, ¶12.57-59 and box 12.2.<sup>4</sup>** provide guidance on the treatment of investment funds. The guidance notes that these corporations engage the services of administrators, trustees and/or portfolio managers to manage the operations of the investment funds and make use of the required human resources to support their operations. These services include buying and selling of securities, legal, accounting, and other services that ensure the fund operates efficiently. Consequently, the fees should be treated as payments for services that are provided directly from the original professional providers to the shareholders, and their output and intermediate consumption is equal to zero.

**21. Like the other activity types, SM uses the sum of cost approach to derive an estimate of output for investments funds.** The mission discussed the methodology used in deriving intermediate consumption for the investment funds (i.e., recurrent expenses on goods and services paid to resident companies). It excludes costs paid to acquire services from nonresidents, as well as costs paid to other resident GBCs. SM indicated their intention to modify this methodology in the short term to include the cost of imported services in intermediate consumption (and output). The resulting implications are: (i) output from investment funds would increase significantly since a large portion of the expenses of investment funds are paid to nonresidents; (ii) without the adjustments discussed in ¶22 below, this would result in a significant increase in implicit export of services (based on the premise that the majority of the shareholders are nonresidents).

**22. The mission recommended that SM revise the methodology applied to investment funds to align with the guidance of the 2025 SNA / BPM7.** That is, the output, intermediate consumption, and gross value added of the investment funds would be zero. The costs paid to acquire services from domestic corporations should be appropriately attributed to 'implicit export of services'<sup>5</sup> and household final consumption expenditure based on the ownership of the fund. Services acquired by investment funds from nonresidents are not included in (implicit) exports of services. The allocation of earned income account would show total investment income, the imputed dividend paid to shareholders (including costs paid to acquire services from resident and nonresident units), the actual dividend paid to shareholders, and the remaining investment income attributable to investment fund shareholders.<sup>6</sup> This approach ensures that exports of services are not overstated by the costs paid to acquire services from nonresidents. The national income is not overinflated since the costs paid by IFs to nonresidents are removed from the total investment income. It also ensures that the supply and use of these services are accounted for. Notably, the SNA recognizes the difference in treatment of investment funds from other types of institutional units. For an example on treatment of investment funds' imputed exports of services and the attributable investment income, refer to Annex I.

**23. For holding companies operating in Mauritius, the output is appropriately calculated using the sum of cost approach.** The international statistical guidelines acknowledge that holding companies generate output in the form of professional or financial services. In this case, the services are expected to

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<sup>4</sup> The guidance in the 2025 SNA/BPM7 clarifies the recommendations provided in the 2008 SNA/BPM6.

<sup>5</sup> Mainly financial and professional services.

<sup>6</sup> BPM7 recommends that investment income attributable to investment fund shareholders should be recorded under portfolio investment (annex 14, BPM7).

be mostly consumed by the nonresident subsidiaries/affiliates, which gives rise to exports and import of professional and financial services. For practical purposes, only the fees paid to acquire services from other non-GBC resident entities are considered. However, the mission recommended that SM improve the estimate for holding companies to be fully aligned with the SNA's guidance. For holding companies, the intermediate consumption (and output) includes the costs paid to acquire services from resident and nonresident units (imports). The output should be appropriately attributed to export of services – assuming that these services are consumed by the nonresident subsidiaries/affiliates. The allocation of earned income account would show the net investment income, (net of fees paid to acquire services from resident and nonresident corporations), the actual dividend paid to shareholders, and the reinvested earning. See Annex II for an example on the calculation of investment holding companies' output, professional or financial services and the attributable investment income.

### ***Mission Recommendations:***

- SM to revise the methodology used to derive estimates of output (and implicit exports) and imports of investment funds and holding companies.
- Revise estimates of output for the GBC sector for 2021–2024 after implementing the mission's recommendations.

## **Fund Managers, Professional Service Providers and Other GBCs**

**24. For the fund managers, professional service providers and other GBCs, SM to revise the estimates for the fund managers and other professional service providers to the SNA recommended** approach for these activities instead of the sum of cost approach currently used. For the remaining GBCs included in the 'other category' the mission recommended that SM use the disaggregated data provided by the FSC to refine the classification of these entities before improving the methodology used.

**25. Previous IMF technical assistance missions assisted SM to develop the institutional sector accounts.** The mission noted that for the medium to long term, SM should consider using the classification of GBCs derived from the analysis process to classify GBCs as an 'of which' break out of the appropriate sectors in the institutional sector accounts. Based on preliminary assessment, at least 10 percent of the GBCs would be removed from the other financial corporations sector and classified to the nonfinancial corporations sector. SM noted that the dissemination of a full sequence of accounts activities for GBCs in the institutional sector accounts is a long-term ambition.

## **Investment Income Related to GBCs**

**26. Currently, the Bank of Mauritius has an estimate of 'imputed dividend' for services consumed by nonresident shareholders of all GBCs.** This 'imputed dividend' is charged against the interest and dividend income received by these corporations. For investment funds, this is the counter-entry to the implicit services exports in the current account. Statistics Mauritius agrees with the treatment but has not yet included this imputation of the 'dividends' in investment income. The mission discussed the appropriate treatment of investment income, reinvested earnings and income attributable to the shareholders of GBCs. This imputation is required in the national accounts to correctly estimate the balance of primary income and also the household final consumption expenditure in cases where domestic residents are shareholders of these GBCs. As discussed in previous paragraphs, imputed dividends only apply to investment funds, and to holding companies, merchanting companies, or other entities engaged in professional services.

### ***Mission Recommendations:***

- SM and BOM to compile and reconcile investment income related to holding companies and investment funds based on the mission's recommendations (also discussed in section B above). This investment income should be appropriately included in the balance of payments' and national accounts – earned income account (and allocation of earned income account) as interest and dividend income received.
- SM and BOM to compile and reconcile imputed dividends for investment funds based on the mission's recommendations (also discussed in section B above), in the earned income account (and allocation of earned income account) of the balance of payments and national accounts
- SM and BOM to check actual dividends reported in the ESSNAC survey for consistency and include these in the earned income account (and allocation of earned income account) of the balance of payments and national accounts.
- SM and BOM to compile and reconcile investment income attributable to investment fund shareholders in the balance of payments and national accounts.

## **C. TREATMENT OF REINVESTED EARNINGS IN THE BALANCE OF PAYMENTS**

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**27. The mission found that the BOM currently does not include reinvested earnings of GBCs in the primary income account of the BOP, both on debits and credits, citing concerns on the likely impact on the current account estimates.** However, in the financial account, reinvestment of earnings of GBCs - net incurrence of liabilities are included in equity other than reinvested earnings, while GBCs reinvestment of earnings - net acquisition of financial assets are not compiled nor included. The IIP equity positions include reinvested earnings on liabilities only. This leads to internal inconsistencies within the BOP and mismatches between the current account balance and the net international investment position (IIP) for Mauritius. Over time, the IIP data shows a surplus indicating that Mauritius is a net lender to the rest of the world while the current account in the BOP shows a sustained deficit (suggesting that Mauritius is a net borrower from the rest of the world). To this effect, in the Article IV Staff Report external sector assessment (ESA) for Mauritius, an adjustment is made to the current account balance. If BOM begins to disseminate integrated IIP as recommended in BPM7, without addressing this gap, unreconciled discrepancies of positions with flows will be extremely large.<sup>7</sup>

**28. The mission recommends that the BOM and SM include estimates of reinvested earnings of GBCs both debits and credits in the primary income (allocation of earned income account) and net acquisition assets and net incurrence of liabilities in the financial account of the BOP and revise the BOP series to improve the consistency of BOP and IIP estimates.** If the authorities implement the TA recommendation, it is likely that the current account balance may record a lower deficit or turn to a surplus which would be broadly in line with the adjusted current account balance estimated in the external sector assessment. BOM to prepare a dissemination note – explaining the revisions to the BOP series.

### ***Mission Recommendations:***

- BOM and SM to include estimates of reinvested earnings of GBCs both debits and credits in the primary income (allocation of earned income account) and net acquisition of assets and net

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<sup>7</sup> GBCs assets and liabilities also show large 'valuation changes' and 'other changes in volume' every period.

incurrence of liabilities in the financial account of the BOP and revise the BOP series to improve the consistency of BOP and IIP estimates.

- BOM to prepare a dissemination note – explaining the revisions to the BOP series.

## D. INTER-AGENCY COORDINATION

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**29. The BOM, SM, and the FSC created a Joint Working Group in 2022 to harmonize the treatment of GBC services in the national accounts and balance of payments statistics.** The group has not been active, although collaborations and information exchange were held when required. It could benefit from more frequent meetings to discuss statistical issues. The mission encouraged the BOM and SM to reactivate the working group and ensure that there is ongoing communication among the three agencies about any statistical matter — particularly related to GBCs. In the coming months, the meetings should focus on validation/consistency checks of the ESSNAC survey results for the 2022–2025 periods and the revised methodology for GBCs in the national accounts and balance of payments. The mission also recommended that SM and BOM resume annual training of the management companies on completing the ESSNAC survey.

### ***Mission Recommendations:***

- Joint Working Group on Statistics between SM, FSC, and BOM should resume quarterly coordination meeting.
- SM and BOM to continue training the Management Companies and FSC on the ESSNAC Survey.

## Section II. Detailed Technical Assessment

**30. The action plan below outlines steps to accomplish milestones for achieving the designated outcomes.** The plan is for technical compilers. Actions are prioritized (PR: priority recommendations H: high) and identified.

Priority	Action/Milestone	Target Completion Date
PR	Statistics Mauritius to receive ESSNAC survey results at the GBC level from the FSC for 2022–2024 and for collection periods going forward,	May 2025
PR	SM to conduct appropriate validation of estimates used to compile the output, exports and imports of services for the categories identified during the mission for the 2022–2024 surveys; and once the 2025 surveys become available.	September 2025
PR	Integrate the mission’s recommendations to revise the estimation of output (and implicit exports) for GBCs and integrate revised estimates in both the national accounts and BOP.	September 2025
H	SM and BOM to revise and integrate primary income adjustments for the period 2018–2024 in line with statistical guidance provided by the mission.	September 2025
H	SM and BOM to prepare a joint dissemination note – explaining the revision in the disseminated data	September 2025
H	Using the disaggregated data provided by the FSC, SM (in coordination with BOM) to further review the over 3000 entities in the ‘other’ category and improve the classification according to ISIC activity.	December 2025
H	Trade-related and ‘other’ costs should be thoroughly investigated by SM– alongside the BOM and FSC – to remove the expenses that should not be recorded as output.	September 2025
H	SM to revise the estimates of output for GBCs engaged in merchanting (2021–2024) from the sum of cost approach currently used, to the SNA-recommended (margin) approach.	December 2025
H	SM to revise the methodology used to derive estimates of output (and exports) for investment funds and holding companies	December 2025
M	SM and BOM to compile (separately and reconcile) investment income related to holding companies and investment funds based on the mission’s recommendations (also discussed in section B above). This investment income should be appropriately included in the balance of payments and national accounts – earned income account (and allocation of earned income account) as interest and dividend income received.	June 2026



Priority	Action/Milestone	Target Completion Date
<b>M</b>	SM and BOM to compile (separately and reconcile) imputed dividends for investment funds based on the mission's recommendations (also discussed in section B above), in the earned income account (and allocation of earned income account) of the balance of payments and national accounts.	June 2026
<b>M</b>	SM and BOM to check actual dividends reported in the ESSNAC survey for consistency and include these in the earned income account (and allocation of earned income account) of the balance of payments and national accounts.	June 2026
<b>M</b>	SM and BOM to compile and reconcile investment income attributable to investment fund shareholders in the balance of payments and national accounts.	June 2026
<b>H</b>	SM to ensure that the Working Group, comprising itself, BOM, and FSC, meet regularly to ensure agencies are aware of, and involved in addressing, new or existing issues.	First meeting after ESSNAC survey results and continue semi-annually going forward
<b>H</b>	After the rebasing in 2026, the BOM/SM to prepare and publish an information paper some time ahead of the release of the revised estimates to explain the revisions, why they have been made, the economic intuition and macroeconomic implications.	2026
<b>M</b>	Use the classification of GBCs derived from the analysis process to classify GBCs as an 'of which' break out of the appropriate sectors in the institutional sector accounts. Based on preliminary assessment at least 10 percent of the GBCs would be removed from the other financial corporations sector and classified to the nonfinancial corporations sector.	End-2027
<b>M</b>	BOM to review and validate ESSNAC data via a sample survey to correctly estimate exports of goods under merchanting and include in the BOP.	September 2026
<b>PR</b>	BOM and SM to include estimates of GBC's reinvested earnings both debits and credits in the primary income (allocation of earned income account) and net acquisition assets and net incurrence of liabilities in the financial account of the BOP and revise the BOP series to improve the consistency of BOP and IIP estimates.	December 2026

## E. OFFICIALS MET DURING THE MISSION

Name	Position / Institution
<b>Rama Krishna Sithanen</b>	Governor, Bank of Mauritius
<b>J.Gilbert Gnany</b>	Chief Economic Advisor to the Prime Minister, Office of the Prime Minister, Mauritius



Name	Position / Institution
<b>Anandsing Acharuz</b>	Acting Financial Secretary, Ministry of Finance, Mauritius
<b>Ram Hittoo</b>	Acting Director, Ministry of Finance, Mauritius
<b>Marjorie Pampusa</b>	Director, Economic Analysis & Research and Statistics Division, Bank of Mauritius
<b>Dooneshsingh Audit</b>	Acting Assistant Director, Bank of Mauritius
<b>Satishsingh Jugoo</b>	Section Chief, Bank of Mauritius
<b>Bhisht Mautadin</b>	Acting Senior Analyst, Bank of Mauritius
<b>Faizal Mussa</b>	Analyst, Bank of Mauritius
<b>Mukesh Dawoonauth</b>	Acting Director, Statistics Mauritius
<b>Sanjev Bhonoo</b>	Principal Statistician, Statistics Mauritius
<b>Dhanwantree Ramphul</b>	Senior Statistician, Statistics Mauritius
<b>Deerajen Ramasawmy</b>	Assistant Director - Financial Stability & Statistics, Operations Directorate, Financial Services Commission
<b>Sebastie Lamothe</b>	Acting Assistant Manager, Financial Services Commission
<b>Kavish Jhoomuck</b>	Analyst, Financial Services Commission
<b>Lakshita Sannasee</b>	Analyst, Financial Services Commission
<b>Nirvana Sooriah</b>	Analyst, Financial Services Commission
<b>Meenakshee Pullut</b>	Manager, Rogers Capital
<b>Yan Kisto</b>	Assistant Team Leader, Rogers Capital
<b>Abrar A Anwar</b>	CEO & Head, Banking & Coverage Corporate and Investment Bank, Standard Chartered Bank (Mauritius) Limited
<b>Yasseen Jaffar</b>	Head – Client Management, Standard Chartered Bank (Mauritius) Limited
<b>Hajrah Sakauloo</b>	CEO and Head of Banking, HSBC Bank (Mauritius) Limited
<b>Vassan Caleemootoo</b>	Head of Markets & Securities Services, HSBC Bank (Mauritius) Limited

## Annex I. Output, Implicit Exports, and Investment Income of Investment Funds

1. The 2025 SNA ¶7.177 – 7.179 and BPM7 ¶ 11.79 – 11.81, ¶12.57-59 and box 12.2 provide guidance on the treatment of investment funds. The guidance notes that these corporations engage the services of administrators, trustees and/or portfolio managers to manage the operations of the investment funds and make use of the required human resources to support their operations. These services include buying and selling of securities, legal, accounting, and other services that ensure the fund operates efficiently. Consequently, the fees should be treated as payments for services that are provided directly from the original professional providers to the shareholders, and their output and intermediate consumption is equal to zero.

2. Consider the following numerical example of the treatment of indirect fees paid by the shareholder of investment funds to service providers (resident and nonresident). An investment fund in Economy A (Mauritius), invests in securities and other assets in Economy C, on behalf shareholders in Economy B. During the period, investments yield interest income of 20, and incur day to day costs of 4 for fund management services from corporations in Economy A and 5 paid for advisory services from OFCs in economy D. The fees are financed from the income received on investments. Finally, the fund pays a dividend of 6 to shareholders. The fund is owned entirely by nonresidents.

3. The output, implicit exports, and investment income recorded in each economy are shown below:

### I. Domestic Economy (Mauritius) Entries Economy A (Mauritius)

Investment Fund		Fund Manager	
Debit (Expenditures)	Credit (Revenues)	Debit (Expenditures)	Credit (Revenues)
Actual Dividend 6	Investment Income 20		Output 4
Imputed Dividend 9			
Reinvested Earnings 5			Exports of services 4

The domestic economy records the actual, and imputed dividend 'paid' by the investment fund along with the reinvested earnings in the allocation of earned income (SNA) / earned income account (BPM). The imputed dividend is the cost of services acquired from resident and nonresident service providers. The services acquired from resident corporations are shown as the output of the domestic service providers. In this example, the 4 in fund management services acquired from resident fund managers are shown as the economy's output.

## II. Economy of the Shareholders

Economy B (Shareholders)			
Debit (Expenditure)		Credit (Revenues)	
Import of services	9	Actual Dividend	6
Imputed Dividend	9	Imputed Dividend	9
Reinvested Earnings	5	Reinvested Earnings	5

The economy of the shareholders would record import services from the Economy A (Mauritius). Note the imputed dividend is shown on both sides of the account because it shows the imputed dividends from the investment funds which are the used to 'purchase' services from Mauritius and Economy D.

## III. Economy of the Advisory Firm

Economy D (Advisory Firm)			
Debit (Expenditure)		Credit (Revenues)	
		Output	5
		Exports of services	5

Economy D would record the services sold to Economy B (the shareholders) as their output and (exports).

Note that the distribution of investment income by economy C is not shown in the illustration above.



## II. Economy of the Parent

Economy B (Parent)			
Debit (Expenditures)		Credit (Revenues)	
Reinvestment of Earnings	5	Actual Dividend	6
		Reinvested earnings	5

The economy of the parent company would record investment income received from the holding company and any reinvestment of earnings back to the holding company.

## III. Economy of the Subsidiaries

Economy D			
Subsidiary		Service Provider in D	
Debit (Expenditures)		Debit (Expenditures)	Credit (Revenues)
Intermediate Consumption	9		Output 5
Investment Income	11		
			Reinvestment of Earnings 5
Imports from Economy A (Mauritius)	9		
			Exports to A (Mauritius) 5

The economy of the subsidiaries would record the imports from the economy of the holding company (totaling the amount of the cost of services). These are used as intermediate consumption of the subsidiaries. It also shows any exports of services provided by the OFCs to the holding company. Note that the investment income paid to the holding company as well as the reinvestment of earnings are shown as well.