METHODOLOGICAL NOTE

Following the IMF's recommendation to include cross border transactions of global business entities in our external accounts, the quarterly Balance of Payments accounts have been revised since 2010. As a result there will be a break in the balance of payments time series data. Prior to 2010, cross border transactions of global business entities are not available.

In the wake of this revision in the external accounts, the foreign assets of deposit-taking corporations, for consistency, will no longer be adjusted. The net foreign assets data series in tables 12, 13 and 16b of the bulletin have been revised since January 2010.

Other changes are:

(1) The Bank has aligned the computation of reserves with the IMF's definition of Gross Official International Reserves and has ceased the publication of Net International Reserves. The sixth edition of the IMF Balance of Payments Manual (BPM6) sets forth the underlying concept of international reserves. A country's international reserves refer to "those external assets that are **readily available** to and **controlled by monetary authorities** for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and/or for other purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing)". The Gross Official International Reserves of the country consists of the gross foreign assets of the Bank (excluding the Bank's foreign equity participation as this does not meet the criteria of "**readily available**" reserves), the country's reserve position at the IMF and the Government of Mauritius foreign assets and meets the definition sets out in the BPM6 manual.

(2) On IMF's recommendation, import cover is now being computed on imports of goods, *fob* and non-factor services rather than imports of goods, *cif*. A revised historical data series will be released on the Bank's website at a later stage.

Statistics Division

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