



## MAURITIUS - ECONOMIC OVERVIEW & TRADE ANALYSIS

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(MARKET REPORT)



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African  
Economic  
Outlook



EULER HERMES



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## MAURITIUS: Economic Overview

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Despite external headwinds, especially sluggish growth in the Euro zone on which Mauritius is highly dependent for tourism, trade and foreign direct investment (FDI), the economy grew by 3.5% in 2015, similar to the 3.4% pace in 2014. Growth continues to be supported by tourism, information and communications technology (ICT) and the financial and insurance sectors, which grew by 8.6%, 6.9% and 5.2%, respectively. In contrast, the construction sector shrank for a second consecutive year (by 4.3%) and textile value-added also declined by 1%.

The current account deficit narrowed from 8.8% of gross domestic product (GDP) in 2014 to 7% of GDP in 2015, driven by a smaller trade deficit and lower net income outflows. The bulk of the current account deficit is structural, reflecting weaker private saving and reliance on capital goods imports, compounded by the slow recent growth of Mauritius' main trading partners. The current account deficit continues to be financed largely by FDI (especially property, and hospitality services), and financial flows from the offshore corporate sector.

Monetary policy is cautiously accommodative, consistent with macro stability, but with the Bank of Mauritius also attempting to support stronger growth and a closing of the output gap. The repo rate was reduced by 25 basis points to 4.40% in November 2015 and has subsequently been left unchanged, facilitated by headline inflation falling to 1.3% in 2015, owing to low global commodity prices and persistent slack in the domestic economy. Fiscal policy also remains broadly expansionary as judged by primary fiscal deficits in 2014 and 2015 (0.4% and 1.6% of GDP).

Mauritius is a stable, multiparty parliamentary democracy, and changing coalitions are a feature of politics in the country. The president is the head of state and the prime minister has full executive powers and heads the government. Mauritius's main challenges include: increasing competitiveness through greater regional integration, creating a stronger environment for innovation, making growth more inclusive by addressing a scarcity of skilled human resources, and bolstering resilience to natural disasters and climate change. Mauritius needs to accelerate reforms aimed at diversifying the economy, both in terms of deepening value chains in, and reorienting, exports toward emerging markets. Reforms with regards to trade barriers, education, and infrastructure will be crucial to achieving this. Moreover, the acceleration of fiscal consolidation is essential to achieving substantial efficiency gains in the budget and ensuring effective expenditure in priority areas such as the social safety net system, in order to cope with the impacts of a potential economic downturn.

Last Updated: Apr 04, 2016

<http://www.worldbank.org/en/country/mauritius/overview>

## GDP Annual Growth Rate

The Gross Domestic Product (GDP) in Mauritius expanded 3.60 percent in the fourth quarter of 2015 over the same quarter of the previous year. GDP Annual Growth Rate in Mauritius averaged 3.84 percent from 2001 until 2015, reaching an all time high of 9.80 percent in the first quarter of 2003 and a record low of -0.80 percent in the first quarter of 2005. GDP Annual Growth Rate in Mauritius is reported by the Central Statistics Office, Mauritius. Mauritius is one of the most successful economies in Africa and one with the highest GDP per capita. The country's success is a result of trade led development supported by exports of textiles, sugar and tourism. In recent years, Mauritius was able to attract foreign direct investment due to its skilled labour force and good infrastructure.



## GDP per capita

The Gross Domestic Product per capita in Mauritius was last recorded at 9134.82 US dollars in 2015. The GDP per Capita in Mauritius is equivalent to 72 percent of the world's average. GDP per capita in Mauritius averaged 4949.90 USD from 1976 until 2015, reaching an all time high of 9134.82 USD in 2015 and a record low of 2303.24 USD in 1980. GDP per capita in Mauritius is reported by the World Bank.



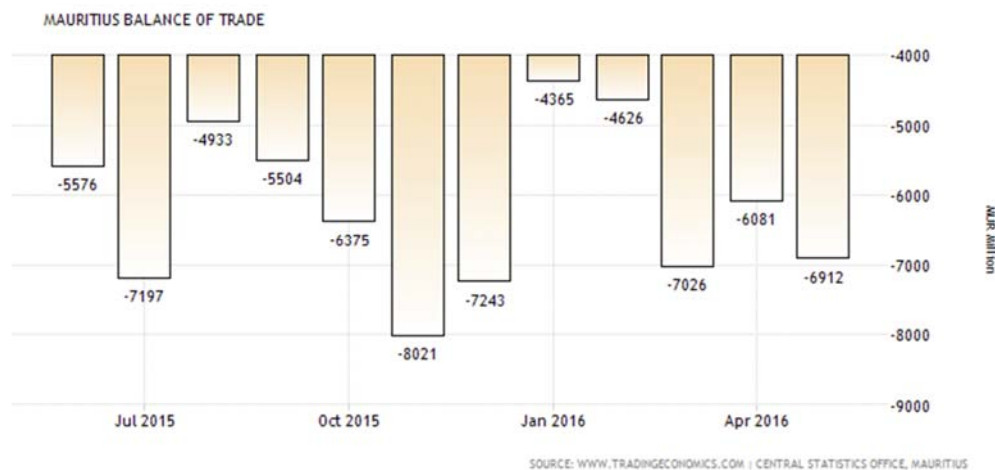
## Ease of Doing Business

Ease of Doing Business in Mauritius deteriorated to 32 in 2015 from 31 in 2014. Ease of Doing Business in Mauritius averaged 23.50 from 2008 until 2015, reaching an all time high of 32 in 2015 and a record low of 17 in 2009. Ease of Doing Business in Mauritius is reported by the World Bank.



## Balance of Trade

Mauritius recorded a trade deficit of 6912 MUR Million in May of 2016. Balance of Trade in Mauritius averaged -5797.85 MUR Million from 1985 until 2016, reaching an all time high of 560 MUR Million in September of 1986 and a record low of -23045 MUR Million in December of 2012. Balance of Trade in Mauritius is reported by the Central Statistics Office, Mauritius. Mauritius is a net exporter of sugar and textiles. However, due to lack of natural resources, Mauritius is dependent on imports of fuels to satisfy energy needs. Mauritius main trading partner is France with 17 percent of exports and 9 percent of imports. Others include: South Africa and Spain.



## Exports

Exports in Mauritius increased to 7466 MUR Million in May from 6364 MUR Million in April of 2016. Exports in Mauritius averaged 9554.39 MUR Million from 1985 until 2016,

reaching an all time high of 21687 MUR Million in December of 2012 and a record low of 1407 MUR Million in June of 1985. Exports in Mauritius is reported by the Central Statistics Office, Mauritius. Mauritius' exports is dominated by sugar and clothing which account for over 60 percent of total exports. Other exports include: animals and vegetable oils. Mauritius main export partner is the European Union with 64 percent of exports. Others include: South Africa, United States and Madagascar.



## Imports

Imports in Mauritius increased to 14378 MUR Million in May from 12445 MUR Million in April of 2016. Imports in Mauritius averaged 15352.24 MUR Million from 1985 until 2016, reaching an all time high of 44732 MUR Million in December of 2012 and a record low of 1755 MUR Million in March of 1985. Imports in Mauritius is reported by the Central Statistics Office, Mauritius. Mauritius' main imports are: oil, manufactured goods, capital equipment and food. Mauritius' main import partners are: India, China, South Africa and France.



Source: Trading Economics, <http://www.tradingeconomics.com/mauritius/indicators>

# Mauritius

## BASIC INDICATORS

Population (thousands, 2014)	1 261	<b>Rank in world trade, 2014</b>	<u>Exports</u>	<u>Imports</u>
GDP (million current US\$, 2014)	12 616	Merchandise	122	126
GDP (million current PPP US\$, 2014)	23 435	excluding intra-EU trade	97	99
Current account balance (million US\$, 2014)	- 1 289	Commercial services	85	105
Trade per capita (US\$, 2012-2014)	11 039	excluding intra-EU trade	58	78
Trade to GDP ratio (2012-2014)	115.8			
		<i>Annual percentage change</i>		
	2014	2010-2014	2013	2014
Real GDP (2010=100)	115	3	3	4
Exports of goods and services (volume, 2010=100)	118	4	4	3
Imports of goods and services (volume, 2010=100)	116	4	6	2

## TRADE POLICY

<b>WTO accession</b>	1 January 1995	<b>Contribution to WTO budget</b> (%, 2015)	0.030
<b>Trade Policy Review</b>	22, 24 October 2014	<b>Import duties collected</b> (%, 2011-2013)	
<b>GPA accession</b>	-	in total tax revenue	2.3
<b>Tariffs and duty free imports</b>		to total imports	0.7
Tariff binding coverage (%)	17.2	<b>Number of notifications to WTO and measures in force</b>	
MFN tariffs	<u>Final bound</u> <u>Applied 2014</u>	Outstanding notifications in WTO Central Registry	39
Simple average of import duties		Goods RTAs - services EIAs notified to WTO	4 - 0
All goods	97.8 1.0	Anti-dumping (30 June 2015)	...
Agricultural goods (AOA)	119.6 0.9	Countervailing duties (30 June 2015)	...
Non-agricultural goods	27.6 1.1	Safeguards	0
Non <i>ad-valorem</i> duties (% total tariff lines)	0.0 2.1	<b>Number of disputes</b> (complainant - defendant)	
MFN duty free imports (%, 2013)		Requests for consultation	0 - 0
in agricultural goods (AOA)	93.1	Original panel / Appellate Body (AB) reports	0 - 0
in non-agricultural goods	93.7	Compliance panel / AB reports (Article 21.5 DSU)	0 - 0
<b>Services sectors with GATS commitments</b>	27	Arbitration awards (Article 22.6 DSU)	0 - 0

## MERCHANDISE TRADE

	<i>Value</i>	<i>Annual percentage change</i>		
	2014	2010-2014	2013	2014
Merchandise exports, f.o.b. (million US\$)	3 107	8	8	8
Merchandise imports, c.i.f. (million US\$)	5 610	6	1	4

	2014		2014
<b>Share in world total exports</b>	0.02	<b>Share in world total imports</b>	0.03
<b>Breakdown in economy's total exports</b>		<b>Breakdown in economy's total imports</b>	
By main commodity group (ITS)		By main commodity group (ITS)	
Agricultural products	28.1	Agricultural products	23.3
Fuels and mining products	0.5	Fuels and mining products	20.1
Manufactures	56.7	Manufactures	56.1
By main destination		By main origin	
1. European Union (28)	49.1	1. India	21.6
2. United Arab Emirates	10.7	2. European Union (28)	20.8
3. United States	10.5	3. China	16.2
4. South Africa	7.1	4. South Africa	6.6
5. Madagascar	6.5	5. Viet Nam	3.6

## COMMERCIAL SERVICES TRADE

	<i>Value</i>	<i>Annual percentage change</i>		
	2014	2010-2014	2013	2014
Commercial services exports (million US\$)	3 331	6	-2	1
Commercial services imports (million US\$)	2 441	6	11	-7

	2014		2014
<b>Share in world total exports</b>	0.07	<b>Share in world total imports</b>	0.05
<b>Breakdown in economy's total exports</b>		<b>Breakdown in economy's total imports</b>	
By principal services item		By principal services item	
Goods-related services	...	Goods-related services	...
Transportation	11.0	Transportation	24.8
Travel	43.4	Travel	19.8
Other commercial services	45.6	Other commercial services	55.4



## No. 1 in Africa in terms of the ease of doing business

### General Information



<b>GDP</b>	USD12.616bn (World ranking 130, World Bank 2014)
<b>Population</b>	1.26mn (World ranking 156, World Bank 2014)
<b>Form of state</b>	Parliamentary Democracy
<b>Head of government</b>	Anerood JUGNAUGHT
<b>Next elections</b>	2017, presidential



### Strengths

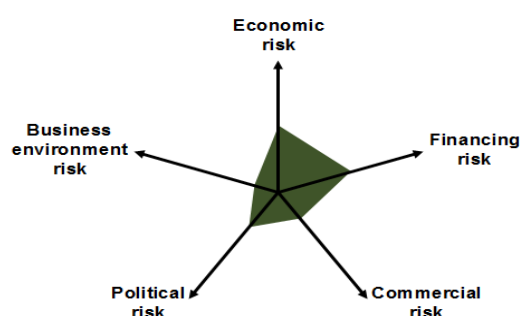
- Well-developed and stable political system with regular peaceful transfers of power (most recently December 2014).
- Sound track record with regard to policy implementation.
- Few ethnic/religious tensions, despite significant cultural diversity.
- Strong inward FDI inflows, reflecting supportive general business environment.
- Ranked by international agencies as the best Sub-Saharan economy for ease of doing business and in relation to economic freedoms.

### Weaknesses

- Subject to adverse weather conditions (including periodic cyclones).
- Small island state dependent on external trade and therefore vulnerable to external shocks. Finance and trade links with Europe remain strong and economic prospects depend on the strength of that region.
- Unemployment is high (currently estimated at 9%) and there is a shortage of skilled labour.
- Fiscal deficits have been reduced but current account deficits remain large (even with reduced oil import costs) and require careful management.

### Country Rating

**BB1**



Source: Euler Hermes

### Trade structure

By destination/origin (% of total)

Exports	Rank	Imports
United Kingdom	16% 1	23% India
France	14% 2	16% China
United States	9% 3	8% France
South Africa	8% 4	7% South Africa
Spain	7% 5	3% Spain

By product (% of total)

Exports	Rank	Imports
Articles of apparel & clothing accessories	31% 1	18% Petroleum, petroleum products and related materials
Fish, crustaceans, molluscs and Sugar, sugar preparations and honey	16% 2	7% Fish, crustaceans, molluscs and Road vehicles
Miscellaneous manufactured articles, n.e.s.	10% 3	5% Textile yarn and related products
Textile yarn and related products	5% 4	4% Non metallic mineral manufactures, n.e.s.

Source: UNCTAD



## Economic Overview

Governments of all political persuasions espouse a market-oriented policy framework and this will continue through 2015 and into 2016. A business-friendly environment is seen as key to investment promotion, given the economy's small size and the country's geographic location (small island status).

### Mauritius acts as a commercial interface between Africa and Asia

The economy is vulnerable to external shocks because of its relative openness and requirement to import a high proportion of its food and energy requirements. In addition, economic growth is dependent on the vibrancy of the export sector, which is oriented towards developed markets in Europe and North America. Growth of GDP was estimated at just over +3% in 2012, 2013 and 2014 (down from an annual average >5% in 2006-08). However, the rate of growth appears to have stabilised after a period of volatility in 2000-10 (see chart), suggesting that there is greater resilience in economic development. The country's long-term (ten years to end-2014) annual average expansion is +3.9%.

EH forecasts GDP growth of +3.5% in both 2015 and 2016. Economic growth will be driven by the export sector, reflecting the anticipated rebound in global trade and the world economy, with positive knock-on effects on key domestic sectors, including tourism and textiles.

### Planning and diversification strategies

Economic planning has a track record of being sound, with periodic active diversification policies, firstly away from sugar, secondly from textiles and clothing and thirdly from tourism and financial services. Current policy is to promote Mauritius as the gateway to Africa, particularly for Asian giants, (particularly China and India) seeking entry to expanding markets in the Sub-Saharan Africa:

- as a destination for foreign direct investment because of its strong offshore financial sector and favourable tax base
- as a hub for merchandise trade flows
- by transplanting some of its textile sector to mainland African bases
- by transplanting some of its sugar sector and industry knowledge and connections to mainland African bases.

To ensure longer-term sustainability, economic management has involved the transformation of a low-skill sugar exporter to a progressive and skill-based economy. Indeed, Mauritius is now adhering to IMF recommendations for further export diversification and enhancement of productivity levels.

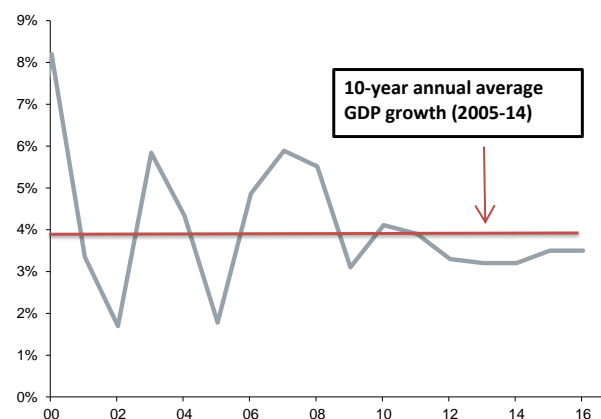
The country has not required a financial facility from the IMF since the mid-1980s, suggesting a period of relative economic and financial stability.

### Key economic forecasts

	2013	2014	2015f	2016f
GDP growth (% change)	3.2	3.2	3.5	3.5
Inflation (% end-year)	3.5	0.2	3.0	3.0
Fiscal balance (% of GDP)	-3.5	-3.2	-2.7	-2.2
Public debt (% of GDP)	53.8	54.7	55.5	55.8
Current account (% of GDP)	-9.9	-9.9	-7.7	-6.6
External debt (% of GDP)	91.2	87.2	96.4	96.6

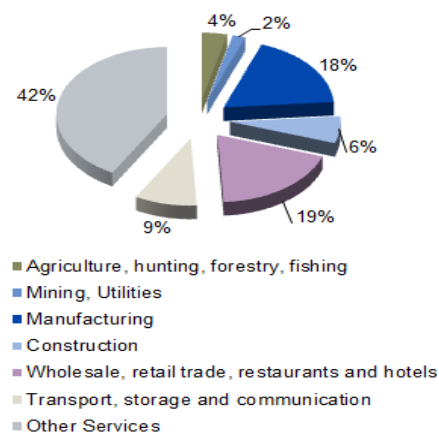
Sources: IHS, national sources, Euler Hermes

### GDP Profile (% growth)



Sources: IHS, national sources, Euler Hermes

### GDP Breakdown



Sources: UNCTAD

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World Rank: **15**

Regional Rank: **1**

**M**auritius continues to be a regional leader in economic freedom. The small island economy benefits greatly from a sound and transparent legal framework that institutionalizes and supports the rule of law. Fiscal policy has recently been more expansionary than planned, but the overall deficit and public debt remain manageable.

#### ECONOMIC FREEDOM SNAPSHOT

- 2016 Economic Freedom Score: **74.7** (down 1.7 points)
- Economic Freedom Status: **Mostly Free**
- Global Ranking: **15th**
- Regional Ranking: **1st in Sub-Saharan Africa**
- Notable Successes: **Open Markets and Regulatory Efficiency**
- Concerns: **Property Rights and Labor Freedom**
- Overall Score Change Since 2012: **-2.3**

With a stable business climate, Mauritius sustains a good environment for dynamic entrepreneurial activity. Efficient regulations support open-market policies. Inflationary pressures are under control, and foreign investment is welcome.

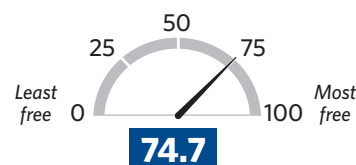
**BACKGROUND:** Independent since 1968, Mauritius is the only African country ranked as a “full democracy” by the Economist Intelligence Unit. Sir Anerood Jugnauth was appointed prime minister in December 2014, the third time he has held the position, and Ameenah Gurib-Fakim was elected to the presidency in June 2015, the first woman to hold the largely ceremonial role. The government is trying to encourage modernization of the sugar and textile industries while promoting diversification into such areas as information and communications technology, financial and business services, seafood processing, and exports. Services and tourism remain the main economic drivers. Mauritius has made maritime security a priority and in 2012 signed a deal with Britain’s Royal Navy to transfer suspected pirates to Mauritius for prosecution. Both Mauritius and the United Kingdom claim control of the Chagos Islands, administered by the U.K. and home to a U.S. military base.

#### How Do We Measure Economic Freedom?

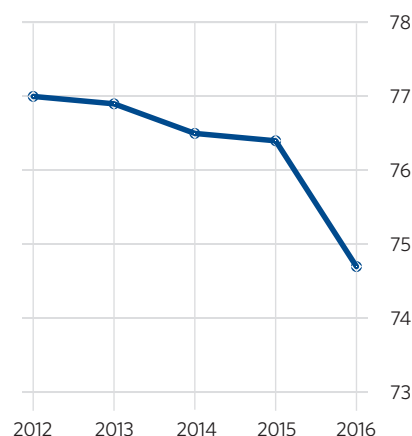
See page 467 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

# MAURITIUS

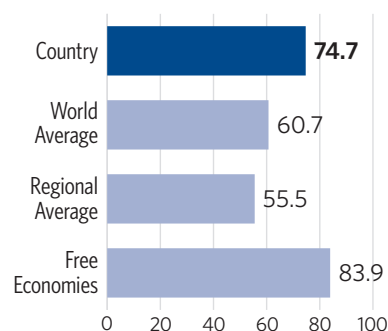
## Economic Freedom Score



## Freedom Trend



## Country Comparisons



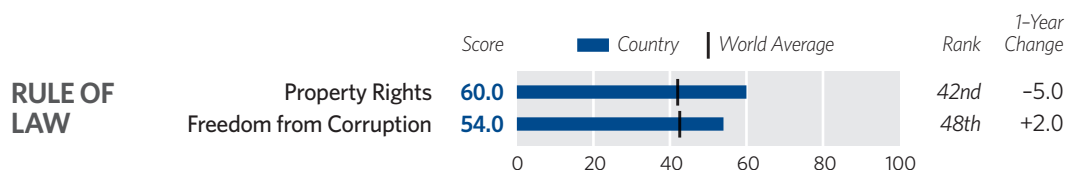
## Quick Facts

**Population:** 1.3 million  
**GDP (PPP):** \$23.4 billion  
 3.2% growth in 2014  
 5-year compound annual growth 3.5%  
 \$18,553 per capita  
**Unemployment:** 7.7%  
**Inflation (CPI):** 3.0%  
**FDI Inflow:** \$418.4 million  
**Public Debt:** 52.8% of GDP

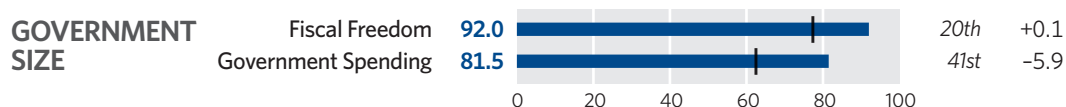
2014 data unless otherwise noted.  
Data compiled as of September 2015.

## MAURITIUS (continued)

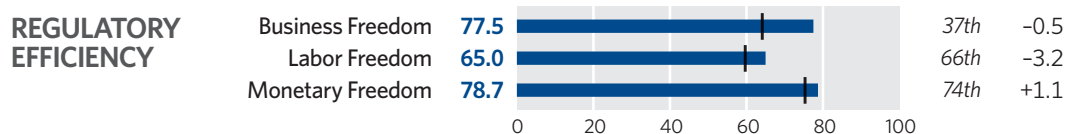
### THE TEN ECONOMIC FREEDOMS



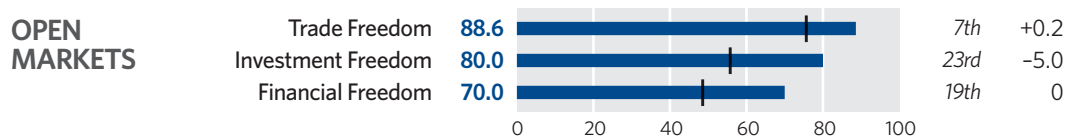
Since the current government came to power in December 2014, it has been accused of using an anti-corruption drive to retaliate against members and backers of the former administration (for example, by issuing an arrest warrant in 2015 for the director of public prosecutions). The judiciary continues to be independent, however, and the legal system is generally non-discriminatory and transparent. Property rights are respected.



The personal income and corporate tax rates are a flat 15 percent. Other taxes include a value-added tax. The overall tax burden equals 18.6 percent of total domestic income. Government spending has increased to 24.9 percent of GDP. The budget deficit has been under control, and public debt continues to hover around 50 percent of total domestic output.



With no minimum capital requirements, the overall start-up process has been simplified. Launching a business takes five procedures and six days on average. Licensing requirements still take over 100 days to complete. Labor regulations are not rigid, and costs to terminate employment are relatively low. In 2015, India announced new subsidies to Mauritius in the form of \$500 million in concessional loans for infrastructure development.



The average tariff rate for Mauritius is a low 0.7 percent, and both tariff and non-tariff trade barriers have been unilaterally reduced. The government screens new investment, but most sectors of the economy are open to foreign investment. The growing financial sector, dominated by private commercial banks, is competitive. The number of non-performing loans is declining, and banks continue to be well capitalized and resilient.

### Long-Term Score Change (since 1999)

RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	-10.0	Fiscal Freedom	+16.0	Business Freedom	-7.5	Trade Freedom	+31.6
Freedom from Corruption	+4.0	Government Spending	-3.6	Labor Freedom	-11.4	Investment Freedom	+30.0
				Monetary Freedom	+5.1	Financial Freedom	0

# MAURITIUS

## 2016

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## MAURITIUS

- The Mauritian economy grew by 3.7% in 2015 – slightly more than the 3.6% recorded in 2014 – and is projected to grow by 3.8% in 2016 and 3.7% in 2017 on the back of stronger domestic and external demand.
- Mauritius was rated as the best performing economy in Africa and was ranked 46th out of 140 economies in the latest edition of the World Economic Forum *Global Competitiveness Report*.
- The government introduced an innovative urban development approach, consisting of 8 “Smart Cities” and 5 techno-parks, in an effort to boost sustainable economic growth and enhance the competitiveness of Mauritius.

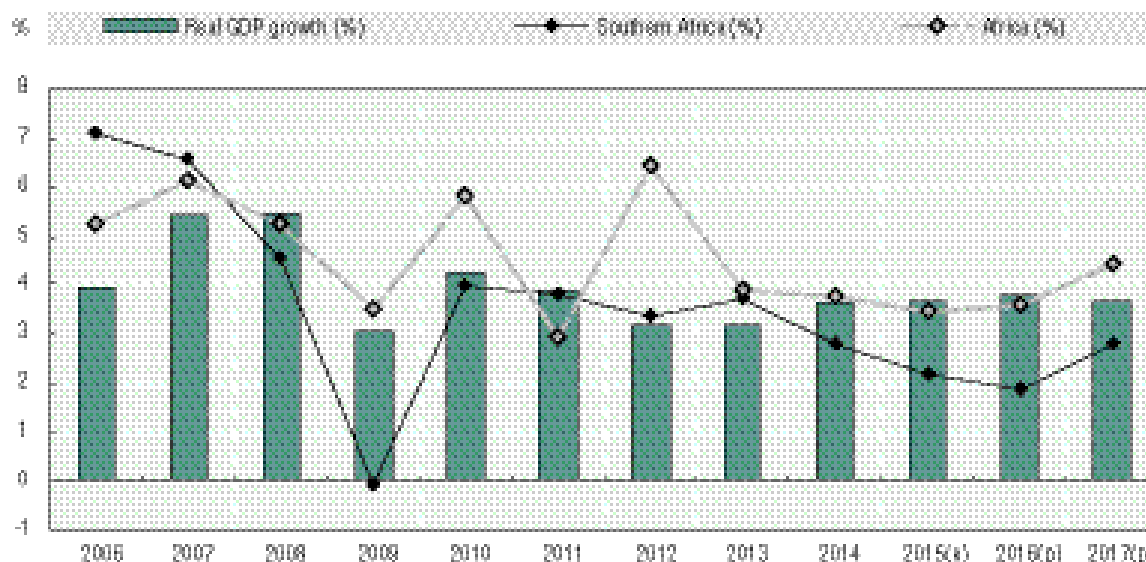
### Overview

The Mauritian economy recorded real growth of 3.7% in 2015, up from the 3.6% recorded in 2014. Economic growth in 2015 was driven by the information and communications technology and by the financial and insurance sectors, which grew by 6.3% and 5.6%, respectively. These gains were partially offset by the poor performance of the construction sector, which contracted by 5.4% over the same period. The government’s fiscal stance in 2015 remained expansionary, with the budget deficit increasing to 4.4% of GDP, compared with 3.2% at the end of 2014. The Bank of Mauritius (BoM) lowered the key repo rate to 4.4%, from 4.65%, taking into account the slow pace of growth and subdued inflation levels. Inflationary pressures in the domestic economy were generally low on account of subdued food prices and declining international commodity prices. Headline inflation stood at 1.3% in December 2015, and is expected to remain within the 2.5-3.0% range in the short term. Mauritius’ current account deficit fell to 4.9% in 2015, compared with 5.9% in 2014, largely due to the impact of weak oil prices on merchandise imports and a booming tourist sector on service exports.

Evidence from the first year in office for the Alliance Lepep (AL), led by Sir Anerood Jugnauth, supports the view that the policy proposals of the new government will focus on promoting inclusive growth and investment in the economy, with fiscal consolidation a secondary concern in the short term. The government’s main announcements to date have been its Economic Mission Statement (*Achieving the Second Economic Miracle and Vision 2030* – delivered in August 2015) and its first budget (*Mauritius at the Crossroad* – delivered in March 2015), which had a distinctly expansionary flavour (e.g. higher social spending), but was also largely aimed at drawing in private investment through tax incentives and major infrastructure projects. The budget also included a proposal to improve fiscal transparency by abolishing special funds and boosting sustainability with the creation of a “Legacy Sovereign Fund”. The 2015-19 government programme also places special emphasis on infrastructure development and promoting the “Blue Economy” whilst at the same time enhancing human capital development as the country looks to reduce the stubbornly high levels of unemployment which remain in the 8.5-9% range.

During the delivery of its 2015/16 national budget, the Government of Mauritius announced the set-up of the “Smart City Scheme” to provide an enabling framework and a package of attractive fiscal and non-fiscal incentives to investors for the development of smart cities across the island. The smart-city concept is about providing investors, nationals and foreigners, with options for living in sustainable, convenient and enjoyable urban surroundings. These new cities will be built around the “work-live-play” lifestyle in a vibrant environment with technology and innovation at their core.

Figure 1. Real GDP growth



Source: AfDB, Statistics Department AEO. Estimates (e); projections (p).

Table 1. Macroeconomic development

	2014	2015(e)	2016(p)	2017(p)
Real GDP growth	3.6	3.7	3.8	3.7
Real GDP per capita growth	3.2	3.3	3.4	3.3
CPI inflation	3.2	1.3	2.8	2.5
Budget balance % GDP	-3.2	-4.4	-3.9	-3.8
Current account % GDP	-5.9	-4.9	-4.7	-4.0

Source: Data from domestic authorities; estimates (e) and projections (p) based on authors' calculations.

## Recent developments and prospects

Mauritius' economy grew moderately during the 2014-15 period, with the support of the implementation of measures announced in the 2015/16 budget, prudent monetary policy and an upturn in private investment and FDI inflows. Real GDP growth edged up slightly to 3.7% in 2015, from 3.5% in 2014, due in large part to the strong performance of the tertiary sector. The outlook for the Mauritius economy is positive in the medium term (2015-17), with real GDP growth set to be driven by an increase in public sector investment, persistently low oil prices, high levels of investment in manufacturing, further development of the country's services industries and an increase in tourism arrivals to the island. The economy is expected to grow by 3.8% and 4.0% in 2016 and 2017 respectively. However, significant downside risks to economic prospects remain a concern, including subdued levels of private sector investment – which accounted for 74.7% of total fixed capital formation in 2014 – and sluggish external growth in principal export markets such as the euro area. A stubbornly high unemployment rate of 8.2% and rising inequality are also of concern as Mauritius aims to transition from an upper Middle Income Country to High Income Country status within the next 10 years.

The main drivers of GDP growth in 2015 were “financial and insurance activities” (0.5 percentage point); “manufacturing” and “wholesale & retail trade” (0.4 percentage point each); and “accommodation and food service activities”, “information and communication technology”





and “professional, scientific and technical activities” (0.3 percentage point each). Mauritius has one of the best developed financial services sectors in sub-Saharan African (SSA) and this sector is a prominent driver of economic growth in the country. The financial services sector has been growing at an average of 5% over the past three years, with this growth being aided by Mauritius’ favourable tax status, with substantial funds directed through the country before being reinvested in markets such as India and other SSA countries. Furthermore, the sector also benefits from the domiciliation of several private equity funds that seek beneficial tax treatment in Africa. Although the sector is coming under threat from negotiations on double tax agreements with many of these countries – India most crucially – the sector is expected to continue to grow at around 5.0%. This will be powered by both increasing domestic demand for banking services, and an increase in provision of financial services to foreign markets. Tourism and tourism-related industries also contributed strongly to the country’s GDP growth in 2015. Tourist arrivals reached 1.15 million in 2015, an increase on the 1.03 million arrivals in 2014. The government and tour operators are successfully opening up Mauritius to an increasing number of tourists from markets outside Europe, particularly Asia and mainland Africa. Earnings from tourism are expected to exceed USD 1 billion in 2015 and the industry, which accounts for 7% of GDP, is expected to grow by 6% in the short-to-medium term. Complementing the growth of tourism in Mauritius, is a growing medical tourism sector. The Mauritius Board of Investment estimates that these foreign patients will soon be contributing USD 1 billion to the economy annually. The ICT sector continues to establish itself as the “third pillar” of the Mauritian economy, contributing 6.4% of the GDP in 2014-15. The sector is expected to contribute 8% of GDP by year end 2016.

The manufacturing sector, another key sector of the Mauritian economy, grew by 4.8% in 2015, from 4.5% in 2014. The country continues to record a significant growth in the output of high value-added products ranging from complex medical devices to watch parts and diamond polishing. However, output in the textiles industry was subdued in 2015 and is expected to remain so in 2016. Although Mauritius maintained a strong footprint in the textile markets of Southern Africa, exports of textiles to Europe dropped due to weak demand in that region. The general outlook for the manufacturing sector is positive, as the country offers many opportunities to entrepreneurs across the various value chains but insufficient skilled labour and limited research and development will remain impediments to potentially higher growth in this sector. Other labour intensive sectors that are also expected to face major challenges in the near future are construction and agriculture. The construction sector is expected to grow by 1.4%, rather than the 3.3% that had been expected earlier in 2015, largely due to the slow implementation of public investment projects. A pick-up in the construction sector is expected in 2016 so long as on-going projects are completed and newly announced projects are implemented. Similarly, expected agricultural output for 2015 was revised downwards to 3.6% from initial predictions of 6.6% by Statistics Mauritius, with a significant decline in fishing the main factor here. Global sugar prices have dropped substantially over the 2014-15 period but the country’s sugar quotas with Europe remain in place and have therefore prevented substantial losses to the economy.

In terms of overall demand, all components, namely final consumption expenditure, gross domestic fixed capital formation (GDFCF) and net external demand, performed relatively well during the period under review. Private consumption grew by 3.2% in 2015, compared with 2.1%, in 2014 having gained from low inflation rates and the recently awarded wage compensation and increased pension benefits that have resulted in higher real disposable income. Government consumption grew by 1.2% in 2015 and is expected to grow substantially in 2016 and contribute significantly to overall growth when the implementation of fiscal stimulus packages announced in the 2015/16 budget comes into effect. GDFCF grew by 4.2% in 2015, rebounding from the -5.9% recorded in 2014, following an increase in both public and private expenditure on major infrastructure projects. GDFCF is expected to grow further on implementation of the 13 megaprojects announced in 2015/16 budget. Export growth contributed 4.4% to GDP, up from 3.5% in 2014, as Mauritius benefited from the boost in the tourism sector. The expected

depreciation of the rupee against the US dollar and euro should benefit the export sectors of the economy going forward.

Table 2. GDP by sector (percentage of GDP at current prices)

	2010	2015
Agriculture, forestry, fishing and hunting	3.6	2.9
of which fishing	...	...
Mining and quarrying	0.4	0.3
of which oil	...	...
Manufacturing	17.0	16.3
Electricity, gas and water	2.1	1.9
Construction	7.0	4.4
Wholesale and retail trade; Repair of vehicles household goods; Restaurants and hotels	18.6	19.3
of which hotels and restaurants	7.0	6.6
Transport, storage and communication	11.0	10.1
Finance, real estate and business services	21.8	23.6
Public administration and defence	6.1	6.7
Other services	12.2	14.5
<b>Gross domestic product at basic prices / factor cost</b>	<b>100.0</b>	<b>100.0</b>

Source: Data from domestic authorities.

## Macroeconomic policy

### Fiscal policy

The government's first budget shows a clear intention to promote inclusive growth and investment in the economy. In presenting the budget in March 2015, Finance Minister Vishnu Lutchmeenaraidoo said that a growth rate averaging around 3% over the last decade was not able to generate sufficient employment and improve living standards. His ambitious pro-growth budget targets an economic expansion of 5.3% in fiscal year (FY) 2015/16 – which runs from 1 July 2015 to 30 June 2016 – and 5.7% in FY 2016/17. The budget forecasts government revenues will increase to 90.8 billion Mauritian rupees (MUR) (2.47 billion United States dollars (USD)) for the year ending 30 June 2016 from the MUR 86.3 billion (USD 2.36 billion) collected in 2014, despite the proposed reduction of revenue generating sources. Taxes on goods and services are expected to remain the largest contributor to government revenue despite a slight reduction to 54.5% of total revenue from 56% in 2014. Taxes are projected to account for 85.7% of all government revenue with property income, other revenue, grants and social contributions accounting for the remaining 14.3%. On the expenditure side, the budget forecasts government expenditure will increase to MUR 106.2 billion (USD 2.92 billion) for the year ending 30 June 2016 from MUR 92.2 billion (USD 2.53) for 2014. Compensation of government employees remains the largest expense category for the government at just under MUR 27 billion (USD 0.74 billion).

Chief among the key new measures in the budget is a series of incentives for small and medium enterprises (SMEs) growth and job generation. A new SME bank was created to provide seed capital for entrepreneurs, while a “One Stop Shop” was established to facilitate registration and licensing procedures for small businesses. The budget also includes major infrastructure projects, such as the expansion of the port in Port Louis to become a regional hub stimulating growth and the development of “13 mega projects” which involve the construction of “Smart Cities” across the island. According to the government, this raft of new measures will lead to a deficit of 4.4% of GDP, up from an estimated 3.5% in 2014. This implies a 15.1% rise in spending and a 13.3% rise in income from the estimated outturn in 2014 (Jan.-Dec.). While a double-digit growth in spending had been envisaged, the revenue target is widely viewed as ambitious given the Finance Minister's decision to make this a “no tax budget”. Despite the wider-than-planned



budget deficit, the risks to macroeconomic stability are expected to remain limited over the medium term, especially as much of the fiscal stimulus is aimed at productive projects that have the potential for long-term benefits.

Table 3. Public finances (percentage of GDP at current prices)

	2007	2012	2013	2014	2015(e)	2016(p)	2017(p)
<b>Total revenue and grants</b>	<b>20.3</b>	<b>21.5</b>	<b>21.4</b>	<b>20.6</b>	<b>21.4</b>	<b>22.4</b>	<b>22.5</b>
Tax revenue	18.0	18.9	18.6	18.6	19.1	19.9	20.0
Grants	0.2	0.7	0.4	0.1	0.3	0.5	0.4
<b>Total expenditure and net lending (a)</b>	<b>22.8</b>	<b>23.3</b>	<b>24.9</b>	<b>23.9</b>	<b>25.7</b>	<b>26.3</b>	<b>26.3</b>
Current expenditure	17.7	15.3	16.2	15.9	18.2	17.9	17.7
Excluding interest	14.1	12.3	13.6	13.3	14.2	14.6	14.6
Wages and salaries	6.0	5.4	6.2	6.2	6.7	6.7	6.7
Interest	3.6	3.0	2.6	2.6	3.9	3.3	3.1
Capital expenditure	4.1	5.2	5.6	5.5	6.0	6.3	6.5
<b>Primary balance</b>	<b>1.1</b>	<b>1.2</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.7</b>
<b>Overall balance</b>	<b>-2.5</b>	<b>-1.8</b>	<b>-3.5</b>	<b>-3.2</b>	<b>-4.4</b>	<b>-3.9</b>	<b>-3.8</b>

Note : a. Only major items are reported.

Source: Data from domestic authorities; estimates (e) and projections (p) based on authors' calculations.

## Monetary policy

The BoM maintained the key repo rate at 4.65% for most of the period under review, amidst the slow pace of growth and subdued inflation levels. In November 2015, the BoM's Monetary Policy Committee (MPC) loosened rates by 25 basis points from 4.65% to 4.4%, in light of increasing economic growth concerns. The BoM is expected to further loosen their key policy rate. The decision to cut rates comes amid a benign inflationary environment, which is expected to continue into 2016. Headline inflation dropped throughout 2015, reaching 1.3% in December 2015, a level last recorded in June 2010. The primary factor underpinning the drop in inflation in 2015 was the decline in food prices (which accounts for 27.3% of the CPI basket) due to improved weather conditions and a recovery in production. Core inflation also remained subdued throughout the period under review.

In April 2015, the new Governor of the BoM announced that the central bank would propose a new monetary policy framework in which the money market interest rates would move in line with the key repo rate, compared to the current differential of 2.17%. The Bank's effective liquidity management operations that started on 18 May 2015 brought about a reduction in banks' excess reserves. After peaking at 13.2 % around mid-April 2015, the average cash ratio maintained by banks declined steadily to 11.4% for the monitoring period ending 25 June 2015. BoM Bills of 1-year maturity as well as BoM Notes of 2-Year, 3-Year and 4-Year maturities for a total nominal amount of MUR 10.9 billion (USD 0.3 billion) were issued through auctions held in May and June 2015. This resulted in a pick-up in the weighted yields on Treasury Bills and other government securities of longer dated maturities. The weighted yields on the 91-Day, 182-Day, and 364-Day Treasury Bills increased by about 41 basis points (bps), 35 bps and 64 bps between April and 30 June 2015. The BoM's liquidity management programme also had a positive effect on the Mauritian rupee, slowing down the strong depreciation, against the US dollar, which had been witnessed in the first semester of 2015. In nominal effective terms, the Rupee, as measured by the BoM's Mauritius Exchange Rate Index, depreciated by 10.2% in the first semester of 2015. The rupee also weakened against the euro throughout the period under review. The currency remains vulnerable to broad-based US Dollar strengthening and strong import demand for the remainder of 2015 and early 2016. However, the liquidity measures by the BoM to reduce high excess liquidity will help support the currency.

## Economic co-operation, regional integration and trade

Mauritius was formally accepted as the 25th member of Trade in Services Agreement (TISA) during the negotiations held in July 2015 at the World Trade Organization in Geneva. Mauritius agreed to join the TISA negotiations given the objective to transform the country into an essentially services based economy. The services sector is already contributing approximately 72% of the country's GDP. The objective is to further expand exports of services, including in new emerging sectors such as ICT, education and health services and to substantially increase foreign direct investment in these sectors. The TISA can play a meaningful role by opening up export opportunities for the country's service providers and creating a more conducive environment to attract foreign investment.

The new government has continued with existing efforts to foster integration with mainland Africa and become a bridge between Africa and Asia. Benefiting from its strategic location between Africa and Asia, Mauritius is rapidly developing into the primary trade, distribution, re-export and logistics hub servicing inter-regional commerce between the two high-growth geographies, while providing a launching point for local and international companies looking to move into the African trade space. The government announced further initiatives to open up Mauritius to Africa and the world in the 2015/16 budget, such as reconfiguration of the Mauritius-Africa Fund to concentrate on developing Special Economic Zones in countries such as Ghana, Madagascar and Senegal. Other significant Mauritian investments that are either underway or in the pipeline on the African mainland include the use of Mauritian expertise in the sugar industry to rehabilitate and manage sugar production in Mozambique, Tanzania, Ivory Coast, Madagascar and Uganda. Another major initiative announced was the setting up of the regional shipping line to expand regional trade and the role of Port-Louis in the region

Mauritius continued to demonstrate resilience in terms of its external position both at the regional and global level during 2014 and 2015. Total trade for the first quarter of 2015 amounted to MUR 62.3 billion (USD 1.71 billion), representing an increase of 11% from the corresponding quarter in 2014. In particular total exports from January-March 2015, which added up to MUR 23 billion (USD 0.63 billion), showed an increase of 14% compared to the same quarter in 2014. This has been engendered mainly by a rise in re-exports of mobile phones by Freeport operators. Europe has maintained its position as Mauritius' main market with a share of 42% of the country's exports. During this period, imports from Asia accounted for MUR 22.3 billion (USD 0.61 billion), representing 57.4% of the total imports. The country's main supplying markets were China (18.9 %), India (17.9%), France (6.5%) and South Africa (6.4%). In terms of Mauritius' trade flows with regional peers, total exports from Mauritius to the Southern African Development Community (SADC) amounted to MUR 12.4 billion (USD 0.34) in 2014, slightly up from the MUR 12.1 billion (USD 0.33 billion) recorded in 2013. The trade balance deficit stood at 15.7% of GDP in 2015 and is expected to remain at that level in 2016. The overall current account deficit narrowed to 5.0% of GDP and should shrink further as a result of increased tourism receipts and persistently low oil prices.

Table 4. Current account (percentage of GDP at current prices)

	2007	2012	2013	2014	2015(e)	2016(p)	2017(p)
Trade balance	-18.0	-21.5	-16.5	-17.6	-15.7	-15.3	-14.3
Exports of goods (f.o.b.)	28.6	23.2	25.2	24.9	26.6	26.4	26.7
Imports of goods (f.o.b.)	46.6	44.6	41.8	42.5	42.3	41.7	41.0
Services	8.1	9.3	5.7	6.4	6.7	6.7	6.6
Factor income	10.4	4.7	4.3	3.8	2.6	2.6	2.5
Current transfers	1.6	1.1	1.0	1.5	1.4	1.3	1.2
<b>Current account balance</b>	<b>2.1</b>	<b>-6.3</b>	<b>-5.5</b>	<b>-5.9</b>	<b>-4.9</b>	<b>-4.7</b>	<b>-4.0</b>

Source: Data from domestic authorities; estimates (e) and projections (p) based on authors' calculations.

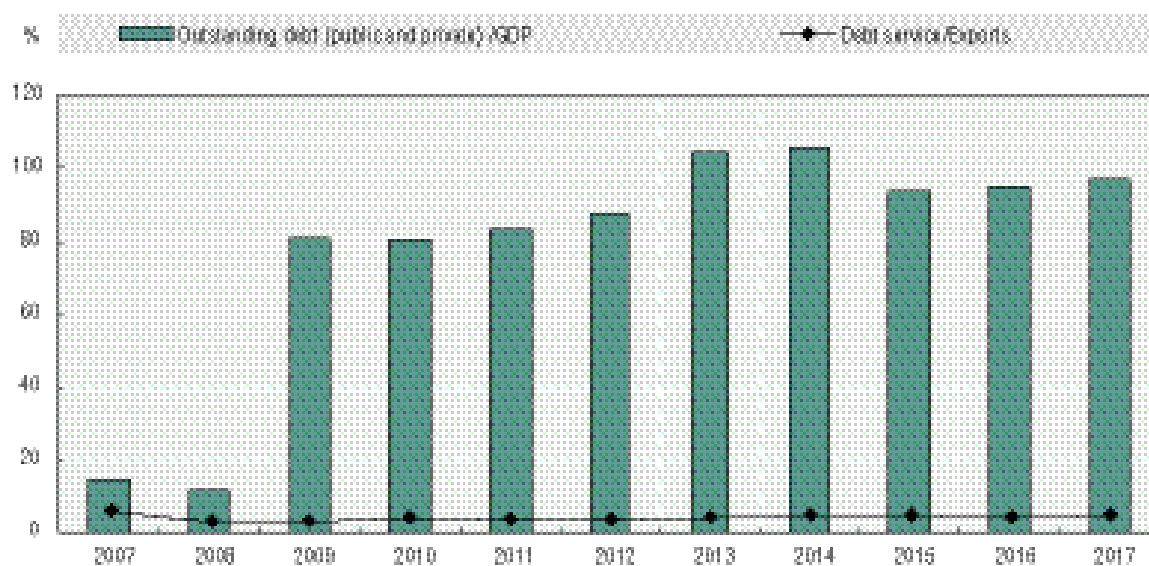


## Debt policy

Despite its expansionary fiscal plans, the government has pledged reduce public debt to below 50% of GDP by 2018, as stipulated in the 2008 Public Debt Management Act. From the outset, the new government's aim has been to reduce the share of public debt for payment within one year, by bringing down the share of short and medium term debt and increasing long term debt. The government has been exploring ways to reinforce risk control benchmarks and medium term targets for the composition, currency mix, interest rate mix, maturity profile and relative size of the public sector debt. The country is determined to reduce its external debt stock and raise domestic debt instead as rupee rates are currently low given the excess liquidity in the banking system. There are on-going consultations between the Ministry of Finance and the Bank of Mauritius to introduce benchmark securities and deepen the secondary markets by issuing new debt instruments. However, the expected outcomes appear overly ambitious especially as fiscal consolidation has been put on hold for the short term, in order to fund the social programmes and infrastructure projects identified in the 2015/16 budget. The ratio of public debt rose to 58.2% of GDP in 2015, and the debt stock is set to rise further in the short term.

Domestic debt of central government stood at 46.3% of GDP, whilst the share of external sector debt, including corporate debt, was recorded at 10.7% of GDP in 2014. These ratios are relatively high in the region. According to research by Moody's Investors Service (March 2015 the size of government debt is manageable as the debt structure is mainly composed of medium- to long-term obligations. Moody's point out that the depreciation of the Mauritian rupee in the first semester of 2015 left the country's repayment of foreign debt under pressure. However, given the decline in international food and commodity prices and the build-up in Mauritius' foreign exchange reserves over the 2014-15 period, the government's capability of servicing of foreign-denominated debt is expected to remain stable. Moody's maintained its sovereign rating of "Baa1" (stable) for Mauritius in 2015 but did question whether the government would be able to rein in the country's public debt levels to 50% by 2018. The rating agency's assessment is corroborated by the latest Debt Sustainability Assessment of the International Monetary Fund, which confirms that debt levels remain sustainable but calls for short-term fiscal consolidation if the statutory debt target of 50% to GDP is to be met by 2018.

Figure 2. Stock of total external debt (percentage of GDP) and debt service (percentage of exports of goods and services)



Source : IMF (WEO & Article IV).



## Economic and political governance

### Private sector

Mauritius continues to be among the freest and most business-friendly countries in Africa, according to a number of global surveys. According to the 2016 edition of the World Bank report, *Doing Business*, in which Mauritius ranked 32nd out of 189 economies, starting a business in the country requires 5 procedures, 6 days at a cost of 2% of income per capita, which remains well above the African average and is high by OECD standards in terms of efficiency. The 2015 Index of Economic Freedom, published annually by the Wall Street Journal and The Heritage Foundation, ranks Mauritius as the 10th freest economy in the world and the 1st out of the 46 countries of sub-Saharan Africa. For the third consecutive year, the World Economic Forum, *Global Competitive Report* (GCR) 2015-2016 ranked Mauritius as the most competitive in Africa. The country ranked 28th in the world, out of 140 countries, in the “number of days to start a business” sub-category and 38th in the “Number of procedures to start a business” sub-category. The new government has ushered in a series of measures to further simplify the start-up process and improve the business climate in the country. Firstly, a total of 70 permits and licenses were abolished, having been deemed obsolete. Secondly, the renewal of some types of licenses and permits annually will become automatic simply upon payment of fees, including through e-payment.

In terms of the Global Business Sector, Mauritius remains a well-established and reputable international services and global business centre for investment flows into the emerging markets of Asia and Africa. Structuring investments through the Mauritius global business sector presents foreign investors and investment funds with significant fiscal planning opportunities. This is mainly because Mauritius is a low-tax jurisdiction and it has double tax treaties with several countries. The value proposition includes the absence of exchange controls, low corporate tax, no capital gains tax and no withholding tax. Mauritius provides an attractive environment for the establishment of offshore trusts.

### Financial sector

During the period under review, the financial sector in Mauritius was resilient. Banking sector assets grew at a rapid pace mainly due to further expansion of the foreign asset portfolio held by both domestic-owned banks and subsidiaries of foreign-owned banks. The minimum capital adequacy requirement of 10% was largely observed, as banks’ overall capital adequacy ratio was recorded at 16.6% at end-March 2015. In terms of asset quality, the ratio of Non-Performing Loans (NPL) to total credit trended upwards over the year and reached 4.1% at end-March 2015. There was a marked deterioration in the asset quality in some key sectors and strong indications of rising credit and market risks. The tourism sector recorded the highest rise in NPL ratio from 7.0% at end-March 2014 to 13.8% at end March 2015, reflecting a significant drop in tourist receipts over that period. More tourists from Europe and other regions are now expected to travel to the island and thus the NPLs ratio in this sector should decrease. Most banks were gradually phasing in Basel III during this period and all banks are expected to have adhered to the latest Basel principles by early 2016.

The GCR 2015-2016 ranks Mauritius in 34th position out of 140 economies in terms of financial market development and 3rd amongst its peers in Africa, behind South Africa and Rwanda. Within this indicator, Mauritius performed particularly well in the sub-indicator “availability of financial services”, where it scored 5.5 out of 7 and ranked 33 out of 140. Over the five-year period ended March 2015, the share of total assets held by the four largest banks dropped from 59.4% to 52.9%. The degree of market concentration is expected to gradually dilute further, with increased competition from smaller banks as well as new entrants in the banking sector.

The latest FinScope Survey in Mauritius – carried out by FinMark Trust towards the end of 2014 – revealed that the level of financial inclusion in Mauritius is high, with only 10% of





adults 18 years or over classified as financially excluded. Thus, Mauritius has the highest level of financial inclusion in the SADC region, with 90% of adults having or using a formal or informal financial service.

### **Public sector management, institutions and reform**

Mauritius continues to demonstrate high standards on the continent when it comes to governance and property rights. The process of securing and registering a property on the island-state is relatively smooth and contracts are regularly enforced. The country maintained its high ranking in international benchmarks in the area of property rights – ranking 32nd out of 140 economies in the GCI 2015-2016 and 40th out of 178 economies in the 2015 Index of Economic Freedom in the sub-category of “property rights”. Similarly, the country performed well on the “strength of investor protection” in the GCI 2015-2016, coming 28th out of 144 economies in this sub-category. There was, however, a slight decline in the “property rights” sub-category in the Ibrahim Index of African Governance 2015.

While government introduced some measures to improve policy responsiveness and reduce public administration, several new institutions were created during the period under review: the Mauritius Renewable Energy Agency, Financial Institutions Ombudsman, SME bank, and Financial Services Promotion Agency. Government plans to invest MUR 20 billion (USD 0.55 billion) to tackle the water supply and sanitation challenges in the country are regarded positively by independent observers. The lack of reforms and policy direction in the water sector are of concern. Much needed reforms in trimming bureaucracy in the energy sector are still required if the government is going to attract private operators into this space. The road investment programme and transport sector must eradicate cost overruns, quality issues and weak public administration to encourage public private partnership (PPI) initiatives. With government’s aim to reduce the debt to GDP ratio to 50% by 2018, private sector participation, through PPPs or disposals of government run businesses, can help not only to contain public debt but also manage cost overruns as well as improve efficiency in public administration.

### **National resource management and environment**

Sustainable and eco-friendly development ranks high on the new government’s agenda aiming to pave way for a cleaner, greener and safer Mauritius. This is clearly indicated in the 2015-19 government programme and the 2015/16 budget, which contain a series of measures and incentives aiming to improve the environment in Mauritius and safeguard the island state’s rich biodiversity and beaches. The Environment Protection Act of 2008 and the Beach Authority Act were reviewed in 2015 in an attempt to firm up environmental policy and regulations. In March 2015, the government passed a law prohibiting the import, manufacture, sale or supply of plastic bags on the island, in line with its vision of leading Mauritius towards a more sustainable growth path.

The National Energy Commission, chaired by the Prime Minister, was revived in 2015 to improve coordination and synergies between the various stakeholders to address environmental issues and concerns. A National Disaster Management Centre was also established, under the aegis of the Ministry of Environment, Sustainable Development and Disaster and Beach Management, to ensure rapid response to unforeseen natural events. With regards to renewable energy, the government set up a Mauritius Renewable Energy Agency in 2015 to promote the development of renewable energies. Government is aiming to raise the share of local renewable energy in the electricity generation mix to 35% or higher by 2025. The target is deemed feasible given that renewable energy already contributes 26% to overall energy generation in the country and should reach 30% by 2020.

Mauritius was unable to meet all of the MDG 7 – Environmental Sustainability – criteria but will aim to ensure it meets the environment benchmarks set out in the post-2015 Sustainable

Development Goals. As a small island state with a fragile ecosystem and limited resources, the Republic of Mauritius is fully conscious of the serious consequences resulting from degradation of the global environment and its impact on the quality of life, health and the economy.

## Political context

Mauritius benefits from stable and mature institutions that have developed over the 48 years since independence. The country ranks first in Africa and 34th globally for the strength of its institutions in the GCR 2015-2016, commanding a score of 4.5 out of 7. This, combined with four remaining years of the current five year political mandate will strengthen policy continuity and the policy-making process. The year old government has already made headway on its electoral promise to clamp down on corruption, which has prevailed despite strong institutions. This commitment is underlined by the announcement by the Prime Minister in August 2015 of the setting up of a new Financial Crime Commission to ensure better coordination and synergy amongst existing anti-corruption institutions.

Mauritius maintains good relations with neighbouring states and so faces little risk of interstate violence. One area, however, where concerns remain is long term social issues such as high unemployment and income inequality. Nevertheless, the expected upturn in investment and stable economic growth over the medium term will boost employment prospects.

## Social context and human development

### Building human resources

Mauritius falls within the high human development category, with a Human Development Index (HDI) score of 0.777 for 2014 which is above the average of 0.744 for countries in the high human development group and well above the sub-Saharan African average of 0.518, giving the country a global rank of 63 out of 188 countries. Life expectancy stands at 74.4 years and Gross National Income (GNI) per capita (2011 PPP) at USD 17,470 in 2014. As of mid-2015, Mauritius had achieved 82% of the MDG 1-7 targets (2015 National MDG Report). With a net enrolment ratio of 98% in primary education in 2014, and a proportion of pupils completing the last grade of primary school at 99% in 2014, Mauritius has achieved universal primary education (MDG 2). The literacy rate among population aged 15 and 24 years old, has improved from 91.2% in 1990 to 98.1% in 2014.

The under-five mortality rate (per 1 000 live births), which has dropped from 23.1 in 1990 to 16.0 in 2014, is slightly lower than in other upper middle-income countries (World Bank Country Diagnosis, 2015). While this achievement has been supported by efforts to reduce the number of deaths caused by infections during the perinatal period, it has not proved sufficient to meet the MDG target of reducing under-five mortality rate by two-thirds between 1990 and 2015.

Progress in reducing maternal mortality ratio has been slow, with a decrease from 66 deaths per 100 000 live births in 1990 to 52 deaths per 100 000 live births in 2014. The government has carried out a Maternal Death Audit to help further reduce maternal mortality, while clinical guidelines for obstetric and neonatal care are reviewed. The implementation of the National Sexual and Reproductive Health Action Plan also aims at strengthening maternal and child healthcare.

The prevalence of HIV/AIDS in Mauritius is low, at 0.86% in 2014 but is very concentrated, with high prevalence among injection drug users (44%). Despite decentralized and free access to Anti-Retroviral Therapy (ART) through 5 national day care centres, more than half of people with advanced HIV infection (51.3%) do not receive antiretroviral drugs, because of coverage gaps in the treatment cascade and challenges in reaching out to vulnerable populations. Prevalence of malaria (1.6 per 100 000 in 2014) and tuberculosis (10 per 100 000 in 2014) is low and mostly associated with trade and travel.



## Poverty reduction, social protection, and labour

Extreme poverty in Mauritius is very low. Since 1996, the population living on less than USD 1 a day has been constantly estimated at less than 1% of overall population by Statistics Mauritius, while proportion of inhabitants living under less than USD 2 a day has slightly decreased, from 2.9% in 1996/1997 to less than 2%. Income inequalities are nonetheless on the rise, as demonstrated by the increase in relative poverty from 7.8% in 2001/2 to 9.8% in 2012, using a relative poverty line set at half of the median monthly household income per adult equivalent. Most notably, the income of the bottom 40% of the population has been growing much more slowly than the rest of the population - at an annual rate of 1.8% compared to 3.1% for the rest of the population (World Bank, Systematic Country Diagnostic 2015), leading to a deterioration of the Gini coefficient, from 0.37 in 2007 to 0.41 in 2012. This trend raises concerns that a proportion of the population is at risk of falling back into poverty.

Poverty is higher in households headed by women and by those with education below secondary level. In 2012, women were more likely to be in relative poverty, with a proportion of 10.5% against 9.0% for males. Out of 122 700 persons in relative poverty, 66 700 were females and 56 000 males (2012 Poverty Analysis, Statistics Mauritius October 2015). Most notably, poverty is also concentrated among children and youth, which has important implications for inclusion and inter-generational transmission of poverty. The increase in inequality can be explained by a shift of the economy from agriculture and primary production to a more services driven economy, resulting in less demand for unskilled labour, combined with a growing gap between income from formal work, strongly supported by wage settling mechanisms, and informal work.

Social protection schemes, which are dominated by non-contributory universal pensions, have a significant impact on reducing poverty by bringing it down to half its level. The GoM estimates that the 2012 poverty rate of 9.4% would have been 19% without the government transfers associated to social protection. Social protection schemes are however fragmented. The government has established a Social Register of Mauritius with a view to providing a comprehensive database of beneficiaries and improving eligibility assessments and effectiveness of social protection.

Jobs for the young has emerged as a priority area for the Mauritius authorities. Statistics available for 2nd quarter 2015 have highlighted that the youth unemployment rate (aged 16-24) has reached 24.8%, well above the unemployment rate of the general population (7.8%). In 2015, the Government of Mauritius extended the Youth Employment Programme (YEP), a joint public-private initiative introduced in 2013 which supports youth employability by sharing with the private sector the costs of youth placement and training. Since its launch in January 2013, more than 13 000 young people have been placed in private companies through the YEP.

## Gender equality

Despite significant achievements over the last two decades, gender disparities remain severe in Mauritius, with the exception of education where gender parity has been achieved at the primary, secondary and tertiary levels. The main challenges for gender equality include under-representation of women in parliament, with 11% of seats held by women in the National Assembly, and in corporate boards, where only 5.6% of board members are women (Hay Group, July 2015). Female labour participation rate is also significantly low, with 45.3% of women in work against 75.2% of men. These gender-based disparities have contributed to a regression in Mauritius ranking (120th out of 145 countries) in the World Economic Forum, Global Gender Gap Index 2015.

The primary factors for the low female labour force participation are marriage and family size, with a married woman having a 40% higher probability of being out of the labour force than a married man (World Bank Country Diagnostics 2015). The Government of Mauritius is

implementing a “Back to Work” Programme for women over 30 years who wish to rejoin the labour force. It consists of special training schemes to prepare women for specific occupations such as child-carers or cleaners, for which hiring needs have been assessed. As the Programme has just been launched, no impact analysis has yet been carried out.

## Thematic analysis: Sustainable cities and structural transformation

With a total land area of only 2 040 km<sup>2</sup> and a total population of 1.25 million, the Republic of Mauritius has a very high population density of 640 persons per km<sup>2</sup>, the highest in Africa (UNSD Demographic Yearbook 2014). However, the urbanisation rate is comparatively low and slowly decreasing, from 44% in 1990 to 40% in 2014. The main reason for this is the low rate of rural to urban migration as most towns and villages are easily accessible by public transport (UN Habitat, Mauritius National Urban Profile 2012), in a territory where the longest distance is 61 km from north to south. According to the UN World Urbanization Prospects (2014 Revision), the urbanisation rate is expected to remain stable at 41% by 2030 and increase to 46% by 2050.

There are five municipal councils in the urban areas with four district councils in rural areas, under which fall 130 village councils. The urban population of the island of Mauritius is mostly concentrated in a conurbation strip running from Port Louis to Curepipe. Reflecting the growing share of the ICT and service sector in the urban economy, this conurbation strip includes the Cyber City, a modern development on a site of 152 acres, initiated in 2001 as an ICT international hub, and strategically located at the centre of the island at Ebene, along with the university, research centres, the free port, and offshore activities.

Overall, an estimated 9.8% of Mauritians live in poverty, with a higher incidence in rural areas as demonstrated by the Relative Development Index (RDI) of each administrative area using data from the 2011 Housing and Population Census survey. The RDI is based on 12 variables that encompass housing and living conditions, literacy, education, and employment and measures the relative development of municipal wards and village council areas.

The overwhelming majority of housing in Mauritius (89%) is owner-occupied. This percentage varies from 93% in rural areas to 83% in urban regions. Although there is no major rural exodus, squatter settlements do exist on the island, and are characterised by the absence of property rights on land, poor material standard of the shelters and lack of basic infrastructure. They are mostly concentrated in the periphery of the capital of Port Louis as well as in some coastal regions, especially in the south-western coastal region. Whereas some of the urban squatter's settlements have been established by migrants from the island of Rodrigues, others are Mauritians who are unemployed or have unstable jobs. In September 2015, a government survey identified 1 054 squatter families in the country.

Statistics on public perception on crime and victimisation published by Statistics Mauritius in 2013 highlighted a more negative perception of crime evolution in the country from citizens living in urban zones compared to citizens in rural areas. The percentage of household burglaries and attempted burglaries that occurred in the least advantaged regions, which are mostly rural, decreased from 40% in 2010 to 30% in 2013 whereas increases from 13% in 2010 to 17% in 2013 were noted in the most advantaged, and mostly urban, regions.

Environmental pressures are also significant especially in urban areas, and the complexity of a Small Island Developing State (SIDS) compounds this considering the very high population density. Urbanisation in Mauritius faces multiple challenges of environmental vulnerability, water and chemicals management, exposure to natural disasters, coastal zone erosion, reduction in forest and coral coverage (Energy and Environment Statistics 2014). In addition, urbanisation affects biodiversity as agricultural and protected lands are being replaced by construction and today only 43% of the land remains under agriculture (Statistics Mauritius, 2011), with the number



of endangered plants and animals increasing in the last five years (5th National Report on the CBD 2015).

Local authorities depend on the central government for more than 70% of their revenue and only the municipal councils have the power to levy their own taxes. Horizontal allocations to local authorities used to be based on a specific formula but since 1998-1999 have been incrementally increased with no clear link to the socio-economic structure of local governments. The grant for the island of Rodrigues is negotiated annually as part of the budget process, based on a formal budget submission, reflecting its greater autonomy.

The National Development Strategy (NDS) 2003-23 constitutes the main policy framework for urban development and spatial planning, supported by a strategic vision which aims at “encouraging economic growth in the conurbation, the country side and the coast whilst maintaining and enhancing the quality of the environment and striving for a more sustainable pattern of development”. The NDS sets out the guidelines for sector development and local plans and policies for the nine administrative districts, based on international spatial planning practices. The policies and proposals of the NDS have been translated at the local level through the preparation and approval of local development plans (“outline planning schemes”) for both urban and rural areas. The task of land planning, distribution and building of houses on a large scale falls under the responsibility of the Ministry of Housing and Lands. This ministry has access to a national integrated set of spatial data for effective land management and land use planning through the Land Administration Valuation and Information Management System (LAVIMS) established in June 2011.

A major innovation in urban development has been introduced in the 2015/16 budget to boost the economy and drive the competitiveness of Mauritius. The Smart City Scheme was established as an ambitious economic development programme aimed at consolidating the Mauritian international business and financial hub by creating ideal conditions for working, living and spurring investment. It provides an enabling framework and a package of attractive fiscal and non-fiscal incentives to investors for the development of smart cities across the island, supporting the transformation of Mauritius into a sustainable, inclusive and high-income economy.



# MAURITIUS

POPULATION  
1.3 MILLION  
GDP PER CAPITA  
9,999 US\$

A3  
COUNTRY RISK  
ASSESSMENT

A3  
BUSINESS  
CLIMATE

## MAJOR MACRO ECONOMIC INDICATORS

	2013	2014	2015 (f)	2016 (f)
GDP growth (%)	3.2	3.5	3.4	3.8
Inflation (yearly average) (%)	3.5	3.2	2.0	2.8
Budget balance (% GDP)	-3.5	-3.2	-5.0	-6.0
Current account balance (% GDP)	-6.3	-5.6	-6.0	-6.5
Public debt (% GDP)	53.9	56.2	56.0	56.0

(f) Forecast

### STRENGTHS

- English/French bilingualism
- Robust banking system
- Effective democratic institutions and governance
- Favourable business climate
- High tourism potential

### WEAKNESSES

- Infrastructure shortcomings in some regions
- Shortage of qualified labour
- Public monopolies and subsidised prices in several sectors
- Commercial and economic dependence on Europe (tourism, construction)



## RISK ASSESSMENT

### Activity is highly dependent on European demand

The Mauritian economy, organised around four key sectors (tourism, textile, sugar, finance) is outweighed by services (more than 70% of GDP). The island's activity is highly dependent on that of European countries, where two-thirds of the tourists come from. The moderate growth in Europe should continue to boost the tertiary sector moderately, while the efforts to diversify aimed at attracting travellers from other countries, especially from Asia, are slow in producing their effects. The manufacturing sector is likely to remain hampered by the energy supply problems as well as by the rise in wages which is weighing on the competitiveness of local industry.

However, the relatively expansionary fiscal policy should boost household demand. Private and public investments, encouraged by government measures, should also contribute to vigorous growth. The huge plan to create smart cities, aimed at creating urban zones that combine workplaces, housing and leisure, could in particular attract local and foreign private investors.

The inflation rate could accelerate slightly in 2016 under the combined effect of stronger local demand, a more flexible monetary policy (rate cut in November 2015) and a slight increase in food prices. The price control measures for certain products and the fall in the price of petrol decided end-2015 should nevertheless dampen the pace of the price rises.

### The fiscal and current account deficits could increase but remain moderate

The fiscal deficit should worsen in 2016 because of the increase in spending announced by the government. The commitment regarding a reduction in inequalities will in particular be reflected in an increase in welfare payments and the introduction of a minimum wage. An



increase in spending on education is also among the priorities of the new government and infrastructure needs remain significant. The government nevertheless encourages the use of private financing for these projects in order to avoid an excessive deterioration in public finances, given its commitment to reduce the public debt (56% of GDP in 2015) to 50% by 2018. The objective remains ambitious, but the debt profile, predominantly concessional, sharply limits the risk of excessive debt.

The current account balance should also deteriorate in 2016. The increase in demand in the countries receiving Mauritian exports (two-thirds European) is likely to be muted, like the trend in tourist flows. Prices of food and energy products, which weigh heavily on the island's imports, will probably not decline. Demand for consumer goods should be sustained by the increase in household consumption and the implementation of infrastructure projects will require imports of capital goods. The Mauritian economy should continue to attract significant FDI flows mainly from European countries (France), but also from South Africa and China. Moreover, the efforts to eliminate the double taxation and the protection of investors will continue to attract deposits from non-residents in the business centres, which provides an additional financing source.

**Political stability is likely to continue after the return to power of the previous president Jugnauth on the island which is among the best-ranked countries in Africa in terms of governance**

Mauritius is a well-established democracy. The general elections in December 2014 brought Sir Anerood Jugnauth (85 years) back to the post of prime minister. He held this function in the past (1982-1995 and 2000-2003) and was also president (2003-2012). He will have a comfortable parliamentary majority thanks to the resounding victory of the People's Alliance (Lepep, 51 seats out of 69) that he represented. However, there are disagreements within this tri-party coalition, casting doubts on his ability to implement reforms. The population's expectations are strong given the inequalities and a lack of progress in this area could cause discontent, nevertheless without calling into question the country's political and social stability.

Lastly, Maurice enjoys efficient governance and a favourable business climate. Its ranking according to the World Bank's governance indicators is one of the best in Sub-Saharan Africa and Mauritius ranks first among African countries (32nd at a worldwide level) in the Doing Business ranking.

**Last update: January 2016**



## Top products at 4 digits HS level imported by MAURITIUS in 2015 and Exporting Countries

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators			Top Exporters to MAURITIUS for Selected Products		
		Imported value 2015 (USD '000)	Trade balance 2015 (USD '000)	Annual value growth 2011-15 (%, p.a.)			
TOTAL	All products	4,458,342	(1,977,249)	(3)	China	India	France
8517	Electric app for line telephony,incl curr line system	341,450	(54,304)	57	Vietnam	China	Korea
0303	Fish, frozen, whole	201,900	(105,965)	(8)	Spain	Seychelles	Taipei
8703	Cars (incl. station wagon)	168,145	(167,406)	4	Japan	Germany	UK
7102	Diamonds, not mounted or set	104,815	10,429	15	Canada	Russia	Tanzania
3004	Medicament mixtures (not 3002, 3005, 3006), put in dosage	103,873	(81,746)	3	India	France	Switzerland
5208	Woven cotton fabrics, 85% or more cotton, weight less than 200 g/m2	71,372	(54,779)	0	China	India	Italy
8471	Automatic data processing machines;optical reader, etc	63,105	(50,695)	3	China	Vietnam	Czech Rep.
2402	Cigars, cheroots, cigarillos & cigarettes	60,474	(48,455)	1	Kenya	South Africa	China
0402	Milk and cream, concentrated or sweetened	55,218	(54,045)	(5)	New Zealand	France	Malaysia
1006	Rice	46,708	(46,654)	(1)	India	Pakistan	Thailand
2701	Coal; briquettes, ovoids & similar solid fuels manufactured from coal	46,611	(46,611)	(15)	South Africa	China	India
1001	Wheat and meslin	43,585	(43,585)	0	France	Australia	South Africa
5201	Cotton, not carded or combed	43,111	(42,782)	(12)	Mozambique	Madagascar	Malawi
5205	Cotton yarn (not sewing thread) 85% or more cotton, not retail	36,775	(19,479)	(13)	India	Pakistan	Indonesia
8704	Trucks, motor vehicles for the transport of goods	33,315	(33,221)	(9)	South Africa	Japan	Thailand
8528	Television receivers (incl video monitors & video projectors)	32,461	(23,417)	(4)	China	Vietnam	South Africa
1701	Cane or beet sugar and chemically pure sucrose, in solid form	32,128	186,511	(3)	Brazil	Thailand	India
2523	Cements, portland, aluminous, slag, supersulfate & similar hydraulic c	31,637	(31,592)	(11)	Taipei	Oman	Pakistan
2106	Food preparations, nes	29,644	(28,622)	0	Swaziland	France	Malaysia
1905	Bread, biscuits, wafers, cakes and pastries	27,702	(25,425)	4	Malaysia	France	Indonesia
0204	Meat of sheep or goats - fresh, chilled or frozen	25,773	(25,720)	0	Australia	New Zealand	India

## Top products at 4 digits HS level imported by MAURITIUS in 2015 and Exporting Countries

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators			Top Exporters to MAURITIUS for Selected Products		
		Imported value 2015 (USD '000)	Trade balance 2015 (USD '000)	Annual value growth 2011-15 (%, p.a.)			
0406	Cheese and curd	25,436	(25,086)	0	Australia	France	Egypt
3304	Beauty, make-up & skin-care preparations; sunscreens, manicure or pedi	25,016	(15,148)	2	France	South Africa	UK
7604	Aluminum bars, rods and profiles	22,044	(21,475)	(1)	China	Spain	France
2304	Soya-bean oil-cake and other solid residues	21,728	(17,597)	1	Argentina	France	India
7108	Gold unwrought or in semi-manuf forms	21,394	(18,796)	4	France	Switzerland	South Africa
8418	Refrigerator, freezer, etc	20,613	(19,343)	(4)	China	Thailand	Poland
9403	Other furniture and parts thereof	20,511	(18,322)	(7)	China	Indonesia	France
7210	Flat-rolled prod of iron or non-al/s wd>=600mm,clad, plated or coated	20,335	(20,311)	(2)	Indonesia	China	Australia
8544	Insulated wire/cable	19,086	(17,652)	1	India	France	Turkey
4011	New pneumatic tires, of rubber	18,964	(18,451)	(6)	China	Japan	India
1005	Maize (corn)	18,877	(18,877)	(12)	Argentina	Paraguay	South Africa
8708	Parts & access of motor vehicles	18,618	(17,882)	0	Japan	China	Germany
1507	Soya-bean oil&its fractions	18,540	(17,658)	(10)	Argentina	Netherlands	Brazil
0302	Fish, fresh, whole	18,133	(4,296)	93	Australia	Norway	Taipei
7308	Structures (rods,angle, plates) of iron & steel nes	17,773	(17,220)	(34)	Spain	China	UK
3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	17,607	2,046	(4)	China	India	South Africa
8536	Electrical app for switchg (ex fuse,switche,etc) not exceedg 1000 volt	17,396	(14,083)	0	France	China	Italy
3907	Polyacetal,o polyether,epoxide resin,polycarbonate,etc,in primary form	17,143	(16,883)	(9)	China	South Africa	Taipei
6908	Glazed ceram flags&paving,hearth/wall tiles; mosaic cube	16,912	(16,852)	(6)	China	Spain	India
7305	Tubes&pipe nes, ext diam >406.4mm,of iron &steel	16,869	(16,868)	205	China	Singapore	South Africa
0905	Vanilla	16,623	5,753	175	Madagascar	Comoros	India
1604	Prepared/preserved fish & caviar	16,391	239,516	(1)	Morocco	Thailand	South Africa

## Top products at 4 digits HS level imported by MAURITIUS in 2015 and Exporting Countries

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators			Top Exporters to MAURITIUS for Selected Products		
		Imported value 2015 (USD '000)	Trade balance 2015 (USD '000)	Annual value growth 2011-15 (%, p.a.)			
1806	Chocolate and other food preparations containing cocoa	16,302	(16,152)	0	Italy	South Africa	Switzerland
0511	Animal products nes;	15,450	(105)	13	South Africa	China	Taipei
7113	Articles of jewellery&parts thereof	15,366	13,513	(23)	France	Italy	China
9405	Lamps & lighting fittings nes; signs, nameplates illuminated	15,035	(14,132)	(5)	China	France	South Africa
8481	Tap,cock, valve for pipe,tank for the like,incl pressure reducing valve	14,963	(14,722)	(4)	USA	China	France
2204	Wine of fresh grapes	14,222	(12,914)	(3)	France	South Africa	Italy
3901	Polymers of ethylene, in primary forms	13,916	(13,734)	(2)	Thailand	KSA	UAE
8504	Electric transformer,static converter (for example rectifiers)	13,300	(11,572)	(4)	India	China	USA
202	Meat of bovine animals, frozen	13,182	(13,168)	2	India	Australia	South Africa
3920	Other plates, sheets, film, foil, tape, strip of plastics etc.	13,177	(12,060)	2	Malaysia	China	South Africa
3402	Organic surface-active agents, washing & clean preparations, nes	13,148	(9,057)	(2)	China	France	South Africa
3808	Insecticides, fungicides, herbicides packaged for retail sale	13,055	(12,912)	(1)	China	South Africa	Indonesia
4407	Wood sawn/chipped lengthwise, sliced/peeled	12,824	(12,767)	(9)	Malaysia	Madagascar	Congo
6403	Footwear, upper of leather	12,665	(9,122)	14	China	Vietnam	Indonesia
8415	Air conditioning machines, with motor-driven elements	12,545	(11,979)	0	China	Korea	Spain
8443	Printing machinery; machines for uses ancillary to printing	12,537	(11,804)	0	China	Spain	Japan
6204	Women's suits, jackets,dresses skirts etc&shorts	12,464	31,926	13	India	China	Madagascar
8516	Electric instantaneous water heater,space htg; hair dryer	12,383	(11,605)	(3)	China	Italy	Turkey
0306	Crustaceans	12,100	(12,100)	(2)	India	Madagascar	Bangladesh
3303	Perfumes and toilet waters	11,843	(8,927)	0	France	Spain	Poland
3926	Article of plastic nes.	11,674	(10,623)	11	France	China	HongKong
7213	Bars & rods, hr, in irreg wound coils, of iron or non-alloy steel	11,597	(11,533)	(6)	Turkey	South Africa	China
9018	Electro-medical apparatus (electro-cardiographs, infra-red ray app, sy	11,487	12,633	(4)	South Africa	USA	Japan

## Top products at 4 digits HS level imported by MAURITIUS in 2015 and Exporting Countries

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators			Top Exporters to MAURITIUS for Selected Products		
		Imported value 2015 (USD '000)	Trade balance 2015 (USD '000)	Annual value growth 2011-15 (%, p.a.)			
2202	Non-alcoholic beverages (excl. water, fruit or vegetable juices and mi	11,459	(9,233)	7	Austria	South Africa	UK
6211	Track suits, ski suits and swimwear; other garments	11,439	(10,396)	(5)	India	China	Pakistan
1602	Prepared or preserved meat, meat offal or blood, nes	11,375	(11,321)	5	Brazil	Australia	France
0713	Dried vegetables, shelled	11,201	(10,499)	(1)	Australia	Madagascar	Canada
8421	Centrifuges, incl centrifugal dryers; filtering/purifying machinery	10,692	(10,277)	(2)	France	South Africa	Germany
8473	Parts&acces of computers & office machines	10,648	(8,020)	(14)	China	Malaysia	Taipei
1901	Malt extract; food preparations of flour, meal, starch or malt extract	10,581	(10,482)	(3)	France	Malaysia	UK
8477	Machinery for wrkg rbr/plas/ for the mfr of prod from these material	10,360	(10,258)	46	Luxemborg	Canada	Taipei
9401	Seat (o/t dentists' & barbers' chairs, etc), &part thereof	10,198	(9,897)	(6)	China	Indonesia	France
2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	10,136	(7,224)	2	UK	France	USA
8414	Air, vacuum pumps; hoods incorp a fan	10,120	(8,696)	(1)	China	France	Taipei
2103	Sauces mixed condiments & mixed seasonings	10,111	(9,941)	4	China	Thailand	France
8309	Stopper,caps & lid,of base metal	9,985	(9,981)	(1)	Thailand	Italy	India
0102	Live bovine animals	9,812	(9,812)	(13)	South Africa	Kenya	Australia
8451	Machinery nes,washing/clean/ironing/impreg tex yarn	9,792	(5,519)	19	Italy	China	Germany
3401	Soap; organic surface-active preparations for soap use	9,748	(6,383)	0	Indonesia	France	South Africa
3204	Synthetic organic coloring matter & preperations	9,624	(7,802)	6	Taipei	Singapore	China
4810	Paper & paperboard, coated with kaolin or other inorganic substances	9,554	(9,336)	(6)	China	Korea	Austria
8419	Machinery,plant/lab,involving a change of temp ex heating,cooking,etc	9,540	(8,828)	(5)	China	Italy	France
7306	Tubes, pipes and hollow profiles of iron or steel, nes	9,419	(4,030)	(7)	China	Ireland	Taipei

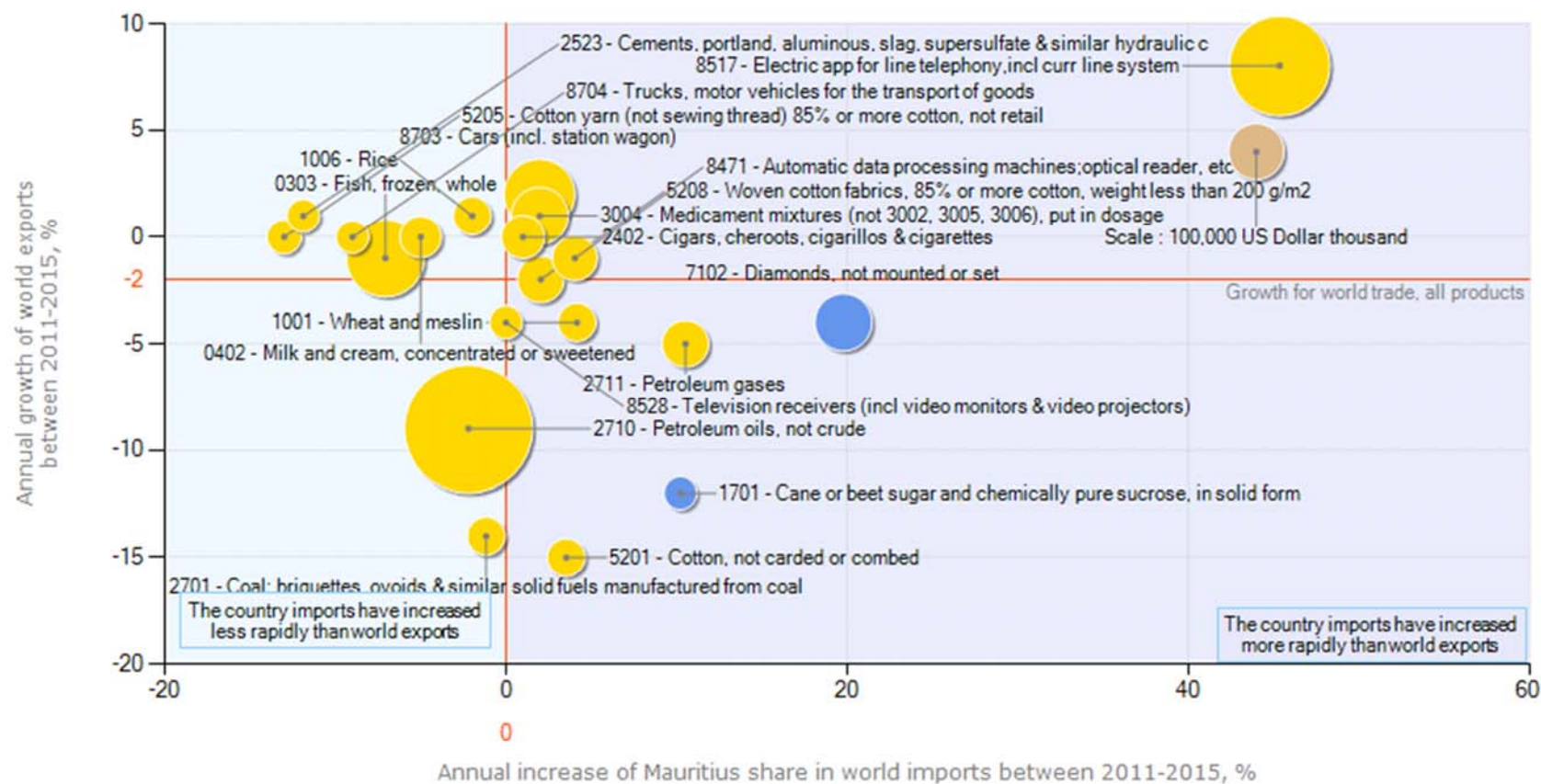
## Top products at 4 digits HS level imported by MAURITIUS in 2015 and Exporting Countries

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators			Top Exporters to MAURITIUS for Selected Products		
		Imported value 2015 (USD '000)	Trade balance 2015 (USD '000)	Annual value growth 2011-15 (%, p.a.)			
5209	Woven cotton fabrics, 85% or more cotton, weight over 200 g/m2	8,908	(1,892)	7	China	Lesotho	India
4412	Plywood, veneered panels and similar laminated wood	8,886	(8,866)	(3)	China	Malaysia	Indonesia
3924	Tableware, kitchenware, toiletry articles, of plastic	8,877	(7,738)	(1)	China	South Africa	Malaysia
3307	Personal toilet preparations shaving preparations, deodorants etc.	8,733	(8,035)	4	India	France	UK
9114	Other clock or watch parts	8,708	(2,595)	(10)	France	Switzerland	HongKong
3305	Hair preparations	8,697	(8,113)	2	France	Italy	India
7214	Bars&rods of iron/non-al/s, nfw than forged, hr, hd./hot-extruded	8,679	(8,669)	(24)	Turkey	South Africa	Egypt
9619	Sanitary towels (pads) and tampons, napkins and napkin liners for babies, and similar arti	8,657	(8,201)	(15)	China	South Africa	Malaysia
6404	Footwear, upper of textile mat	8,522	(6,702)	12	China	Vietnam	Indonesia
8413	Pumps for liquids; liquid elevators	8,346	(7,007)	(8)	Italy	China	South Africa
4202	Trunks,suit-cases,camera cases,handbags etc,of leather,plas,tex etc	8,226	3,185	(2)	China	India	Vietnam
6402	Footwear nes, outer soles and uppers of rubber or plastics	8,185	(7,015)	4	China	Brazil	Vietnam
4901	Printed books,brochures,leaflets & similar printed matter	8,104	12,142	(5)	UK	India	France
8450	Household or laundry-type washing machines	7,876	(7,581)	2	Thailand	China	India
8529	Part suitable for use solely/princ with televisions, recpt app	7,859	(5,484)	6	China	South Africa	Germany
3707	Photographic chemicals	7,740	(7,609)	(2)	Japan	China	South Africa
8409	Part for use solely/principally with the motor engines	7,661	(6,611)	(11)	France	Spain	Finland
2309	Animal feed preparations, nes	7,401	3,177	14	France	South Africa	Thailand



### Growth of national demand and international supply for products imported by Mauritius in 2015



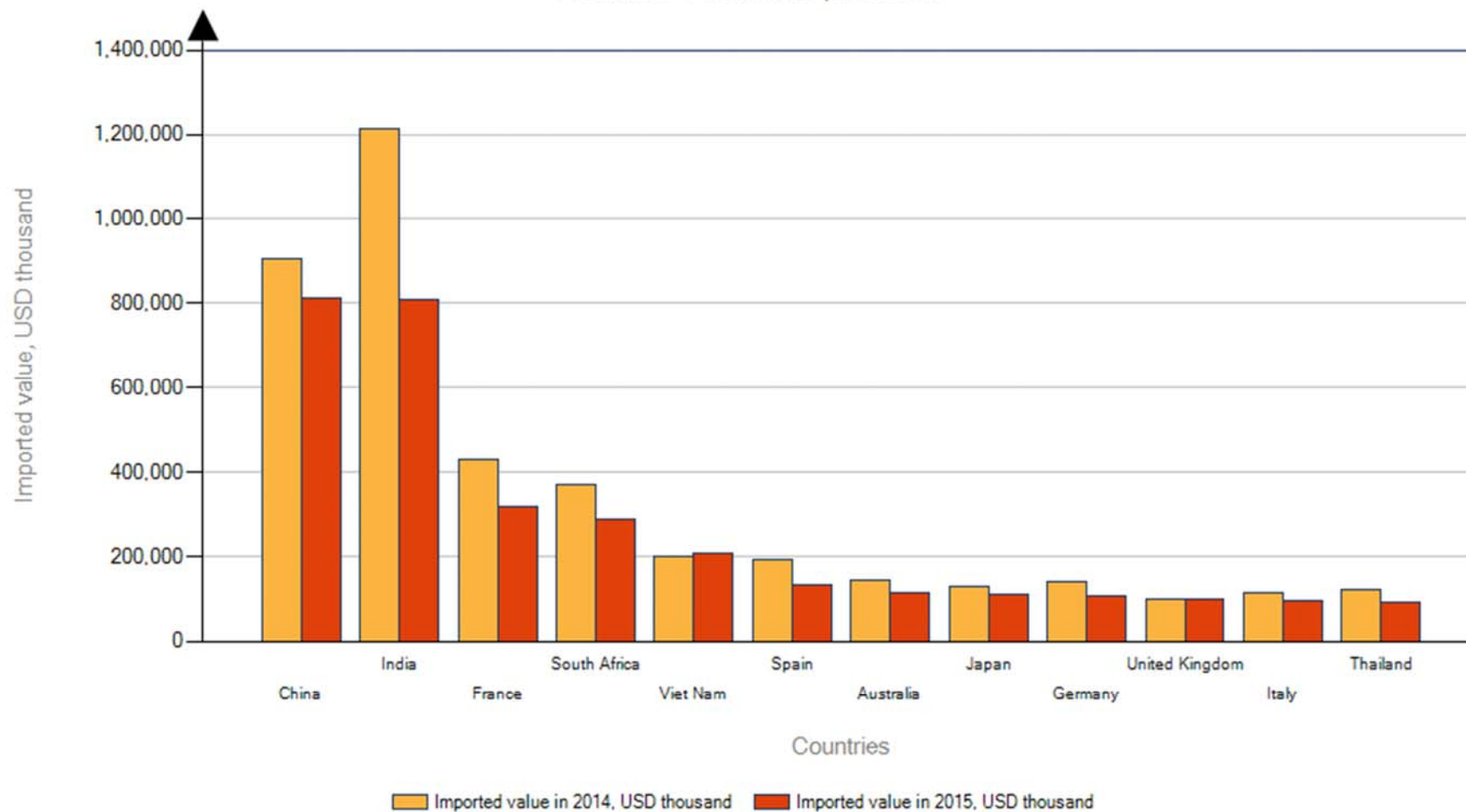
● Mauritius is a net importer for this product

● Mauritius is a net exporter for this product

● Reference bubble

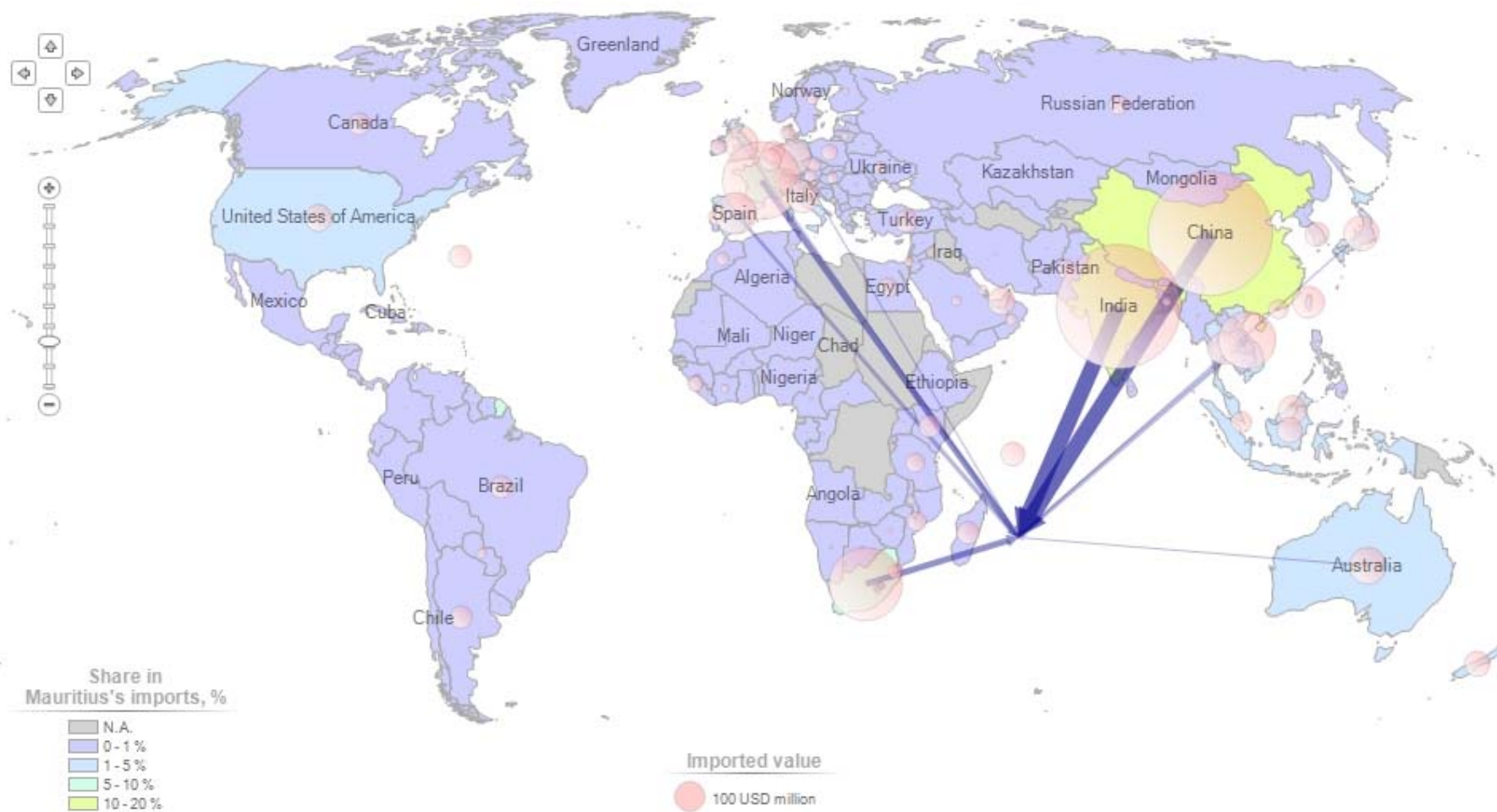
The bubble size is proportional to import value

List of supplying markets for a product imported by Mauritius  
Product: TOTAL All products



## List of supplying markets for a product imported by Mauritius in 2015

Product : TOTAL All products



## Top products Exported by UAE to MAURITIUS

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators		
		Exported value 2015 (USD '000)	Annual growth in value between 2011-2015, %, p.a.	Share in Mauritius's imports, %
TOTAL	All products	68,897	0	1.5
2711	Petroleum gases	31,806	(8)	45.5
2710	Petroleum oils, not crude	12,558	91	2.3
3004	Medicament mixtures (not 3002, 3005, 3006), put in dosage	2,071	27	2.0
8517	Electric app for line telephony,incl curr line system	2,004	5	0.6
3901	Polymers of ethylene, in primary forms	1,709	(5)	12.3
3923	Plastic packing goods or closures stoppers, lids, caps, closures, plas	1,423	(20)	8.1
7207	Semi-finished products of iron or nonalloy steel	1,216		39.5
3920	Other plates, sheets, film, foil, tape, strip of plastics etc.	954	12	7.2
2713	Petroleum coke, petroleum bitumen & other residues of petroleum oils	855		26.3
7110	Platinum, unwrought or in semimanufactured forms	679		83.5
7010	Carboy,bottle & other container of glass	635	5	9.5
3305	Hair preparations	632	31	7.3
8537	Board & panels, equipped with two/more switches, fuses	486	24	6.9
3907	Polyacetal,o polyether,epoxide resin,polycarbonate,etc,in primary form	485	40	2.8
7020	Articles of glass, nes	465		62.8
3401	Soap; organic surface-active preparations for soap use	450	27	4.6
7113	Articles of jewellery&parts thereof	434	(12)	2.8
8471	Automatic data processing machines;optical reader, etc	376	15	0.6
7308	Structures (rods,angle, plates) of iron & steel nes	323	5	1.8
1905	Bread, biscuits, wafers, cakes and pastries	314	23	1.1
713	Dried vegetables, shelled	294	81	2.6
7114	Articles of goldsmith's/silversmith's wares&pts	285	155	28.9
2304	Soya-bean oil-cake and other solid residues	284		1.3
3924	Tableware, kitchenware, toiletry articles, of plastic	251	(3)	2.8
2522	Quicklime, slaked lime and hydraulic lime	250	2	47.3
9001	Optical fibre, cables; sheets&plate of polarising mat	244		6.3
3903	Polymers of styrene, in primary forms	212		21.1
306	Crustaceans	204	(22)	1.7
3902	Polymers of propylene or of other olefins, in primary forms	195	102	10.6
9406	Prefabricated buildings	190		9.8
1806	Chocolate and other food preparations containing cocoa	186	69	1.1
9403	Other furniture and parts thereof	172	(16)	0.8
2202	Non-alcoholic beverages (excl. water, fruit or vegetable juices and mi	143	(7)	1.2
2208	Spirits, liqueurs, other spirit beverages, alcoholic preparations	142		1.4
3304	Beauty, make-up & skin-care preparations; sunscreens, manicure or pedi	139	89	0.6
3214	Glaziers putty, grafting putty, resin cements, painters fillings	135	18	4.8
8473	Parts&acces of computers & office machines	132	14	1.2

## Top products Exported by UAE to MAURITIUS

Sources: ITC calculations based on UN COMTRADE statistics.

Code	Product label	Trade Indicators		
		Exported value 2015 (USD '000)	Annual growth in value between 2011-2015, %, p.a.	Share in Mauritius's imports, %
3307	Personal toilet preparations shaving preparations, deodorants etc.	129	42	1.5
8708	Parts & access of motor vehicles	126	29	0.7
9405	Lamps & lighting fittings nes; signs, nameplates illuminated	120	(12)	0.8
8539	Electric filament or discharge lamps	119	14	3.0
6908	Glazed ceram flags&paving,hearth/wall tiles; mosaic cube	115	(9)	0.7
802	Nuts nes	107	36	5.2
4803	Paper,household/sanitary,rolls of a width > 36 cm	103	6	2.1
1701	Cane or beet sugar and chemically pure sucrose, in solid form	102		0.3
7115	Articles of precious metal or metal clad with precious metal, nes	100		84.7
3306	Oral & dental hygiene preparations	90	7	1.8
6910	Ceramic sink,wash basin,bath,bidet &similar sanitary fixture	87	138	2.4
9504	Articles for funfair, table/parlour games&auto bowling alley equipment	83	(18)	2.8
406	Cheese and curd	83	1	0.3
3925	Builders' ware of plastics, nes	82		3.7
3926	Article of plastic nes.	81	15	0.7
8716	Trailers&semi-trailers;other vehicles not mechanically propelled	81		3.6
9015	Surveying, hydrographic,oceanographic,meteorological instruments	79		12.0
4821	Paper or paperboard labels of all kinds	77	(28)	1.1
5515	Woven fabrics of synthetic staple fibres, nes	77		1.1
2008	Preserved fruits nes	75	16	1.8
4911	Printed matter nes, including printed pictures and photographs	70	44	3.1
6911	Tableware,kitchenware, of porcelain/china	70	27	3.8
7216	Angles, shapes and sections of iron or non-alloy steel	70		2.5
9701	Paintings, drawings, pastel, collages&sim art executd by hand	69		4.1
1904	Breakfast cereals & cereal bars	68	1	1.2
804	Dates, figs,pineapples, mangoes, avocadoes, guavas	62	12	8.9
710	Frozen vegetables	61		2.1
2004	Prepared or preserved vegetables nes (incl. frozen)	61		1.6
2103	Sauces mixed condiments & mixed seasonings	61	42	0.6
3507	Enzymes; prepared enzymes, nes	60		5.7
3606	Ferrocium & other pyrophoric alloys, articles of combustible materia	60		53.6
9102	Wrist- or pocket-watch (other than 9101)	57		1.0
2712	Petroleum jelly; mineral waxes & similar products	56	234	8.9
2009	Fruit & vegetable juices, unfermented	55	(5)	0.8
7208	Flat-rolld products of iron/non-al/s wdth>/=600mm,hr,not clad	54	87	2.1
3215	Printing, writing or drawing inks & inks nes	51	53	0.9

## THE BUSINESS ENVIRONMENT

The absolute values of the indicators tell another part of the story (table 1.1). The indicators, on their own or in comparison with the indicators of a good practice economy or those of comparator economies in the region, may reveal bottlenecks reflected in large numbers of procedures, long delays or high costs. Or they may reveal unexpected strengths in an area of business

regulation—such as a regulatory process that can be completed with a small number of procedures in a few days and at a low cost. Comparison of the economy's indicators today with those in the previous year may show where substantial bottlenecks persist—and where they are diminishing.

Table 1.1 Summary of *Doing Business* indicators for Mauritius

Indicator	Mauritius DB2016	Mauritius DB2015	Botswana DB2016	Kenya DB2016	Madagascar DB2016	Namibia DB2016	Rwanda DB2016	Singapore DB2016	Best performer globally DB2016
<b>Starting a Business (rank)</b>	37	29	143	151	128	164	111	10	New Zealand (1)
<b>Starting a Business (DTF Score)</b>	92.49	92.47	76.21	74.47	79.63	68.92	83.05	96.49	New Zealand (99.96)
<b>Procedures (number)</b>	5.0	5.0	9.0	11.0	9.0	10.0	7.0	3.0	New Zealand (1.00)*
<b>Time (days)</b>	6.0	6.0	48.0	26.0	13.0	66.0	5.5	2.5	New Zealand (0.50)
<b>Cost (% of income per capita)</b>	2.0	2.1	0.7	35.3	43.7	11.1	55.0	0.6	Slovenia (0.00)
<b>Paid-in min. capital (% of income per capita)</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	105 Economies (0.00)*
<b>Dealing with Construction Permits (rank)</b>	35	74	97	149	182	66	37	1	Singapore (1)
<b>Dealing with Construction Permits (DTF Score)</b>	76.51	69.97	67.95	59.37	35.21	72.24	76.34	92.97	Singapore (92.97)
<b>Procedures (number)</b>	15.0	15.0	19.0	15.0	15.0	10.0	11.0	10.0	5 Economies (7.00)*



Indicator	Mauritius DB2016	Mauritius DB2015	Botswana DB2016	Kenya DB2016	Madagascar DB2016	Namibia DB2016	Rwanda DB2016	Singapore DB2016	Best performer globally DB2016
Time (days)	156.0	246.0	110.0	146.0	185.0	137.0	77.0	26.0	Singapore (26.00)
Cost (% of warehouse value)	0.6	0.7	0.3	6.9	30.8	0.5	5.9	0.3	Qatar (0.00)
Building quality control index (0-15)	13.0	13.0	8.0	7.0	4.0	6.5	11.0	14.0	New Zealand (15.00)
Getting Electricity (rank)	41	39	122	127	188	76	118	6	Korea, Rep. (1)
Getting Electricity (DTF Score)	81.93	81.88	59.34	58.57	18.27	71.89	60.04	94.34	Korea, Rep. (99.88)
Procedures (number)	4.0	4.0	5.0	4.0	6.0	6.0	4.0	4.0	14 Economies (3.00)*
Time (days)	81.0	81.0	77.0	110.0	450.0	37.0	34.0	31.0	Korea, Rep. (18.00)*
Cost (% of income per capita)	260.0	277.0	297.6	732.3	6,229.5	338.7	2,932.0	25.9	Japan (0.00)
Reliability of supply and transparency of tariff index (0-8)	6.0	6.0	0.0	0.0	0.0	4.0	0.0	8.0	18 Economies (8.00)*
Registering Property (rank)	99	98	70	115	161	174	12	17	New Zealand (1)
Registering Property (DTF Score)	61.18	61.17	67.25	56.63	44.04	38.61	87.75	85.66	New Zealand (94.46)
Procedures (number)	4.0	4.0	4.0	9.0	6.0	8.0	3.0	4.0	4 Economies (1.00)*
Time (days)	14.0	14.0	12.0	61.0	100.0	52.0	32.0	4.5	3 Economies (1.00)*
Cost (% of property value)	10.6	10.6	5.1	4.2	9.2	13.7	0.1	2.9	Saudi Arabia (0.00)
Quality of the land administration index (0-30)	14.0	14.0	10.0	15.0	8.0	8.5	25.0	26.5	3 Economies (28.50)*

Indicator	Mauritius DB2016	Mauritius DB2015	Botswana DB2016	Kenya DB2016	Madagascar DB2016	Namibia DB2016	Rwanda DB2016	Singapore DB2016	Best performer globally DB2016
Getting Credit (rank)	42	36	70	28	167	59	2	19	New Zealand (1)
Getting Credit (DTF Score)	65	65	55	70	15	60	95	75	New Zealand (100)
Strength of legal rights index (0-12)	6.0	6.0	5.0	7.0	3.0	5.0	11.0	8.0	3 Economies (12.00)*
Depth of credit information index (0-8)	7.0	7.0	6.0	7.0	0.0	7.0	8.0	7.0	26 Economies (8.00)*
Credit registry coverage (% of adults)	82.6	71.9	0.0	0.0	3.0	0.0	5.4	0.0	Portugal (100.00)
Credit bureau coverage (% of adults)	0.0	0.0	51.1	14.3	0.0	62.8	18.8	58.6	22 Economies (100.00)*
Protecting Minority Investors (rank)	29	27	81	115	105	66	88	1	Singapore (1)*
Protecting Minority Investors (DTF Score)	65	65	55	46.67	50	56.67	53.33	83.33	Singapore (83.33)*
Strength of minority investor protection index (0-10)	6.5	6.5	5.5	4.7	5.0	5.7	5.3	8.3	3 Economies (8.30)*
Extent of conflict of interest regulation index (0-10)	7.7	7.7	6.0	4.7	6.0	5.7	6.3	9.3	Singapore (9.30)*
Extent of shareholder governance index (0-10)	5.3	5.3	5.0	4.7	4.0	5.7	4.3	7.3	4 Economies (8.00)*
Paying Taxes (rank)	13	13	71	101	76	93	48	5	United Arab Emirates (1)*
Paying Taxes (DTF Score)	91.92	91.92	77.47	71.96	76.32	73.63	81.48	96.56	United Arab Emirates (99.44)*
Payments (number per	8.0	8.0	34.0	30.0	23.0	27.0	25.0	6.0	Hong Kong SAR,

Indicator	Mauritius DB2016	Mauritius DB2015	Botswana DB2016	Kenya DB2016	Madagascar DB2016	Namibia DB2016	Rwanda DB2016	Singapore DB2016	Best performer globally DB2016
year)									China (3.00)*
Time (hours per year)	152.0	152.0	152.0	201.5	183.0	302.0	109.0	83.5	Luxembourg (55.00)
Total tax rate (% of profit)	22.4	24.5	25.1	37.1	38.1	21.3	33.0	18.4	Ireland (25.90)
Trading Across Borders (rank)	66	66	51	131	125	118	156	41	Denmark (1)*
Trading across Borders (DTF Score)	80.05	80.05	85.93	57.83	59.42	61.47	45.17	89.35	Denmark (100)*
Time to export: Border compliance (hours)	48	48	8	21	70	120	97	12	15 Economies (0.00)*
Cost to export: Border compliance (USD)	269	269	317	143	868	745	183	335	18 Economies (0.00)*
Time to export: Documentary compliance (hours)	9	9	24	19	59	90	42	4	Jordan (0.00)
Cost to export: Documentary compliance (USD)	128	128	179	191	117	348	110	37	20 Economies (0.00)*
Time to import: Border compliance (hours)	48	48	4	180	105	6	282	35	19 Economies (0.00)*
Cost to import: Border compliance (USD)	294	294	98	908	595	145	680	220	28 Economies (0.00)*
Time to import: Documentary compliance (hours)	9	9	3	84	68	3	290	1	21 Economies (1.00)*
Cost to import: Documentary compliance (USD)	166	166	67	550	150	63	366	37	30 Economies (0.00)*
Enforcing Contracts	27	28	128	102	153	103	127	1	Singapore (1)

Indicator	Mauritius DB2016	Mauritius DB2015	Botswana DB2016	Kenya DB2016	Madagascar DB2016	Namibia DB2016	Rwanda DB2016	Singapore DB2016	Best performer globally DB2016
(rank)									
<b>Enforcing Contracts (DTF Score)</b>	70.5	70.5	50.95	56.25	44.7	56.03	51.21	84.91	Singapore (84.91)
<b>Time (days)</b>	519.0	519.0	625.0	465.0	871.0	460.0	230.0	150.0	Singapore (150.00)
<b>Cost (% of claim)</b>	25.0	25.0	39.8	47.2	33.6	35.8	82.7	25.8	Iceland (9.00)
<b>Quality of judicial processes index (0-18)</b>	13.0	13.0	7.0	9.0	6.0	6.5	10.0	15.5	3 Economies (15.50)*
<b>Resolving Insolvency (rank)</b>	39	36	56	144	127	97	72	27	Finland (1)
<b>Resolving Insolvency (DTF Score)</b>	65.94	65.94	54.66	30.64	34.24	42.22	47.82	74.83	Finland (93.81)
<b>Recovery rate (cents on the dollar)</b>	67.4	67.4	63.8	27.9	11.4	34.9	19.2	89.7	Japan (92.90)
<b>Time (years)</b>	1.7	1.7	1.7	4.5	3.0	2.5	2.5	0.8	Ireland (0.40)
<b>Cost (% of estate)</b>	14.5	14.5	18.0	22.0	8.5	14.5	29.0	3.0	Norway (1.00)
<b>Outcome (0 as piecemeal sale and 1 as going concern)</b>	1	1	1	1	0	0	0	1	
<b>Strength of insolvency framework index (0-16)</b>	9.5	9.5	6.5	5.0	9.0	7.5	12.0	8.5	4 Economies (15.00)*

Source: *Doing Business* database.

Note: DB2015 rankings shown are not last year's published rankings but comparable rankings for DB2015 that capture the effects of such factors as data revisions and changes to the methodology. The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2016 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. If an economy has no laws or regulations covering a specific area—for example, insolvency—it receives a “no practice” mark. Similarly, an economy receives a “no practice” mark if regulation exists but is never used in practice or if a competing regulation prohibits such practice. Either way, a “no practice” mark puts the economy at the bottom of the ranking on the relevant indicator. \* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the *Doing Business* website (<http://www.doingbusiness.org>).