

AFRICA RISK CONSULTING

Mauritius Monthly Briefing May 2023

Mauritius Summary 29 May 2023

The National Assembly passes the Local Government (Amendment Bill), allowing municipal elections, which were set to place this year, to be pushed back to June 2025. The decision draws condemnation from opposition parties and non-governmental organisations such as Transparency Mauritius. The International Tribunal for the Law of the Sea (ITLOS) delivers its judgement on demarcating maritime boundaries between the Maldives and Mauritius, ending a 58-year-long dispute. The judgement assigns the Chagos Archipelago to Mauritius. South Africa's international relations and cooperation minister, Naledi Pandor, completes a working visit to Mauritius on 3 May, meeting with prime minister Pravind Jugnauth, foreign affairs minister Alan Ganoo and other government officials to discuss trade, investment tourism and education. South Africa was the main export market for Mauritius in 2022 with exports reaching \$233.75m and is its second-largest source of foreign direct investment (FDI), contributing 15% of total FDI.

Municipal elections delayed

The **National Assembly** passed the **Local Government (Amendment Bill)** in the early hours of 24 May, allowing municipal elections, which were set to place this year, to be pushed back to June 2025.¹ Following the government's confirmation of the bill on 21 May, parliamentary, extra-parliamentary parties and **Mauritian** social movements sent a common letter on 22 May demanding its withdrawal.²

The parliamentary debate preceding the bill's passage was heated, with parliamentary speaker **Sooroojdev Phokeer** expelling opposition leader **Nando Bodha** for stating that all institutions in Mauritius are "rotten".³ During the debates, prime minister **Pravind Jugnauth** assured all parties that elections would take place by May 2025. However, this is the third postponement of the municipal elections, calling this assurance into question. Unlike general elections, municipal and village elections are not enshrined in the constitution, allowing postponements to pass with relative ease. The ruling **Mouvement Socialiste Militant (MSM)** is also the single largest political party in the national assembly.

Local government minister **Anwar Husnoo** defended the municipal election decision during the parliamentary debate, noting that the delay aims to provide time for a thorough reform of the regional administrations and enhance the services that municipal councillors provide.⁴ Husnoo confirmed that a ministerial committee and technical committee would be formed to help with this local government reform and submit their proposals to parliament in 2024.

Opposition party leaders have condemned the decision. Opposition **Parti travailliste (PTr)** leader **Navin Ramgoolam** told a press conference on 27 May that Jugnauth is aware that his party is losing support and will not win against an alliance of the PTr, **Mouvement Militant Mauricien (MMM)** and **Parti Mauricien Social Démocrate (PMSD)**.⁵ PMSD leader **Xavier-Luc Duval** called the decision a "real attack on democracy", noting a lack of explanation for the government's decision.⁶ Duval told parliament that he believes that local government reforms are not necessary, but instead local

¹ Le Matinal, 24 May 2023

² Defimedia.info, 22 May 2023

³ Le Matinal, 24 May 2023

⁴ BNN Network, 24 May 2023

⁵ Le Mauricien, 27 May 2023

⁶ BNN Network, 24 May 2023

government elections are needed to relieve the councillors, who have been serving since 2015.⁷ MMM leader **Paul Bérenger** told the press on 27 May that opposition parties were unanimous in their condemnation of the decision to delay local elections:

*“Everyone condemns it. This is the first time that all the political parties, on the initiative of **Rezistans ek Alternativ**, have joined together in a joint petition. This is unprecedented.”⁸*

Transparency Mauritius, the local branch of the international nongovernmental organisation **Transparency International**, issued a statement on 25 May denouncing the government’s decision.⁹ The organisation called the decision a continuation of an autocratic trend that emerged a few years ago and called on the government to respect its citizens and Mauritius’ democratic ideals. Transparency Mauritius also claimed the opposition is being suppressed during parliamentary sessions.¹⁰

The postponement of elections three times is unprecedented in Mauritius, regarded as a democratically stable country. However, since Jugnauth became prime minister in 2019, Mauritius has been described as a democracy “*in retreat*”.¹¹ Although it is ranked as one of the most robust democracies in **Africa**, in 2021 **Netherlands**-based **Varieties of Democracy (V-Dem)** listed it as a major “*autocraciser*”, considering it to be an electoral democracy and not a liberal democracy.¹²

Maldives and Mauritius settle dispute, potentially allowing UK negotiations to progress

The **International Tribunal for the Law of the Sea (ITLOS)** delivered its judgement on 28 April on the demarcation of maritime boundaries between the **Maldives** and Mauritius, ending a 58-year-long dispute. Both Mauritius and the Maldives claimed a 92,563 km² area of sea that each believed fell within their Exclusive Economic Zones (EEZs).¹³ The ITLOS ruled that 47,232 km² belongs to the Maldives and 45,331 km² to Mauritius.

While the judgement is almost an even split between them, the ruling is a victory for Mauritius. The area of sea legally assigned to it includes the **Chagos Archipelago**, which lies closer to Maldivian borders but has historically been claimed as Mauritian territory. Prime minister Pravind Jugnauth noted in an address on 28 April that the judgement has re-affirmed Mauritian sovereignty over Chagos.¹⁴

Chagos remains the subject of ongoing negotiations between Mauritius and the **United Kingdom (UK)**, which has maintained control of it since Mauritian independence in 1968. The Maldives accepted Mauritius’ sovereignty claim over Chagos in October but remained firm on the maritime border dispute.¹⁵ However, resolution of the dispute helps to affirm Mauritius’ claim over Chagos, which will help progress the negotiations with the UK.¹⁶

The UK and Mauritius have concluded three rounds of negotiations and will begin a fourth shortly. The **UK Foreign Office** announced on 21 May it has put forward a suggestion that Mauritius would grant a 99-year lease to the **United States (US)**, which houses a military base on **Diego Garcia**, an island in the Chagos.¹⁷ It appears that negotiations have dragged on due to US concern that Mauritius may offer a part of the Chagos to **China** for a military base.

⁷ Le Mauricien, 24 May 2023

⁸ Le Matinal, 27 May 2023

⁹ Transparency Mauritius, 25 May 2023

¹⁰ Transparency Mauritius, 25 May 2023

¹¹ Financial times, 1 Apr 2022

¹² V-Dem, March 2021

¹³ L’Express, 30 Apr 2023

¹⁴ L’Express, 30 Apr 2023

¹⁵ Sun Siyam media, 28 Apr 2023

¹⁶ ARC Mauritius analyst

¹⁷ Defimedia.info, 24 May 2023

The current negotiations are fuelling media debate in both countries. Local media outlet **Le Mauricien** reported on 23 May that the UK's **Daily Mail** article from 20 May on the issue is an "underhanded campaign to link Mauritius and the People's Republic of China in order to obstruct the progress of bilateral consultations".¹⁸ As long as negotiations continue, the US base is secure, supporting Le Mauricien's evaluation of the situation.

Mauritius and South Africa strengthen ties

South Africa's international relations and cooperation minister, **Naledi Pandor**, completed a working visit to Mauritius on 3 May, meeting with prime minister Jugnauth, foreign affairs minister **Alan Ganoo** and other government officials to discuss trade, investment tourism and education. The main goal of the visit was to enhance economic ties between South Africa and Mauritius.¹⁹ South Africa presented several investment opportunities to Mauritius in the sectors of energy, agriculture and infrastructure, while Mauritius emphasised its strategic location and ease of doing business. Pandor and Jugnauth also signed a General Cooperation Agreement (GCA), which allows the two countries to establish a joint commission and improve cooperation in various areas.²⁰

Trade between South Africa and Mauritius has continued to increase. South African exports to Mauritius increased by 285% between 2012 and 2022, from \$132.15m to \$508.30m, while South Africa was the main export market for Mauritius in 2022 with exports reaching \$233.75m.²¹ Both countries are members of the **Southern African Development Community (SADC)** and **African Continental Free Trade Agreement** which offers favourable trade benefits such as preferential duties and removal of trade barriers. The two are also connected by several daily direct flights, helping to facilitate trade, tourism and business.²²

Following Pandor's visit, Mauritius' **Economic Development Board (EDB)** led a series of roadshows across South Africa to boost trade relations and investment ties.²³ EDB chair **Hemraj Ramnial** noted during the various events in May that South Africa is the second largest source of foreign direct investment (FDI) for Mauritius, contributing 15% of total FDI. Mauritius presents a politically and economically stable environment for South African companies looking to extend their footprint, and for individuals looking to emigrate. Mauritius may also be able to offer South Africa guidance on removing itself from the global **Financial Action Task Force's** grey list. Mauritius was grey listed in February 2020, but by January 2022 had been removed from the list following a series of actions addressing its deficiencies in a quick and comprehensive manner.²⁴

While the relationship between South Africa and Mauritius is not often explored, South Africa is Mauritius' most important partner on the continent, both in trade and FDI. On the plus side for Mauritius, the relationship has always been positive, and these recent interactions shows political will on both sides to further grow trade and investment to new levels.

¹⁸ Le Mauricien, 23 May 2023

¹⁹ BNN Network, 3 May 2023

²⁰ Government of South Africa, 3 May 2023

²¹ Government of South Africa, 3 May 2023; IOL.co.za, 22 May 2023

²² Business Magazine, 27 Apr 2023

²³ IOL.co.za, 22 May 2023

²⁴ The Africa Report, 7 Oct 2022

Planner

2 Jun 2023 **Port Louis (Mauritius)** Budget speech presented to parliament
 2025 **(Mauritius)** Municipal elections
 Aug 2023 **Port Louis (Mauritius)** Maritime Security Conference
 2024 **(Mauritius)** General election

Chronology

27 May 2023 **Port Louis (Mauritius)** *Le Matinal*. **African Leadership Magazine** announces the winners of its **13th African Business Leadership Awards**, naming finance minister **Renganaden Padayachy** as finance minister of the year;

26 May 2023 **Port Louis (Mauritius)** *United States Department of State*. **United States** confirms deputy secretary of state for management and resources **Richard Verma** will visit Mauritius on 29 and 30 May to elevate relations with countries in the **Indian Ocean** region;

25 May 2023 **Port Louis (Mauritius)** *Defimedia.info*. **World Bank's Container Port Performance Index 2022** ranks Mauritius 327th out of 344 countries, a very poor rank regionally and globally;

21 May 2023 **Port Louis (Mauritius)** *Le Matinal*. **Economic Development Board** of Mauritius and the **European Union** launch an investment guide for doing business in Mauritius;

18 May 2023 **Port Louis (Mauritius)** *Government press release*. Parliament hosts a **Namibian** delegation to exchange information and benchmark best practices on policies on education;

13 May 2023 **Port Louis (Mauritius)** *Le Matinal*. Several ministers including prime minister **Pravind Jugnauth** chair a meeting on projects of national priority, and discuss public-private collaboration in the renewable energy and financial services sectors;

11 May 2023 **Saint-Anne (Mauritius)** *Le Matinal*. **European Union** ambassador to Mauritius, **Vincent Degert**, reiterates the EU-Mauritius partnership for oceans while celebrating **Europe Day**;

11 May 2023 **Dhaka (Bangladesh)** *BNN Network*. **Mauritian** president **Pradeep Roopun** visits Bangladesh to meet his counterpart, **Mohammed Shahabuddin**, and deepen cultural and economic ties, the first visit by a Mauritian president to Bangladesh;

10 May 2023 **Port Louis (Mauritius)** *Le Mauricien*. **Statistics Mauritius** releases latest data indicating that annual inflation fell to 8.3% in April, down from 9.1% in March;

8 May 2023 **London (United Kingdom)** *Le Matinal*. President **Pradeep Roopun** attends the coronation of **King Charles III**, addressing the monarch the night before his coronation;

4 May 2023 **Port Louis (Mauritius)** *Government press release*. Foreign affairs and international trade minister **Alan Ganoo** hosts a two-day training programme on the **African Continent Free Trade Area (AfCFTA)**;

3 May 2023 **Port Louis (Mauritius)** *Africanews*. **France**-headquartered **Reporters Without Borders** ranks Mauritius 63rd out of 180 countries in its latest **World Press Freedom Index**, within the top ten **African** countries;

28 Apr 2023 **Port Louis (Mauritius)** *Agence Ecofin*. Authorities launch a tender for a development of a ten-megawatt (MW) solar power plant, inviting both local and international developers to bid;

26 Apr 2023 **Port Louis (Mauritius)** *Agence Ecofin*. **African Development Bank (AfDB)** approves a \$110m loan to strengthen the power grid and build new substations in Mauritius;

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