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Mauritius Summary 29 April 2024

National Assembly leader of the opposition Xavier Duval, resigns on 15 April following his decision to remove his Parti Mauricien Social Démocrate (PMSD) party from an alliance with fellow opposition parties, Mouvement Militant Mauricien (MMM) and Parti Travailleiste (PTr). The Bank of Mauritius (BoM) (central bank) Monetary Policy Committee (MPC), at its first meeting of 2024 on 3 April, unanimously decides to keep the key rate unchanged at 4.5%, forecasting inflation will fall to 4.9% in 2024 and economic growth will reach 6.5%. Canada-headquartered NextSource Materials applies on 1 April to build a downstream battery anode facility (BAF) to process graphite in the Freeport Zone of the port of Port Louis. The company subsequently signs a long-term lease on 10 April.

Leader of the opposition resigns

National Assembly leader of the opposition **Xavier Duval** resigned on 15 April following his decision to remove his **Parti Mauricien Social Démocrate (PMSD)** party from an alliance with fellow opposition parties, **Mouvement Militant Mauricien (MMM)** and **Parti Travailleiste (PTr)**. The three parties finalised an opposition alliance in July 2023 ahead of the November 2024 general election (*see ARC Briefing Mauritius Jul 2023*).

During April, Duval, PTr leader **Navin Ramgoolam** and MMM leader **Paul Bérenger** met to discuss the parliamentary split between their parties, which they had not finalised at the time they announced their alliance. On 3 April, the leaders met and said they would propose that PTr submit candidates to run for 35 national assembly seats, while the MMM and PMSD could submit candidates to run for 25 seats. However, Bérenger said in a press conference on 6 April that following the 3 April meeting, Duval had told media that he was pushing for the 25 positions to be split 17 to PMSD and 8 to MMM (making up 25 in total), with which he did not agree.¹ Bérenger expressed his belief that if the PMSD left the alliance it would ally with the ruling **Mouvement Socialiste Militant (MSM)**, the largest political party and led by prime minister **Pravind Jugnauth** (2017-present), but that an MMM-PTr alliance would still win the elections.²

Within the alliance, the MMM and PMSD were clearly jockeying for more tickets and needed backing from the PTr to achieve this. Following the press conference, Duval said discussions were still in progress and called the PTr “*natural allies*”, noting that on various occasions, the PMSD had helped the PTr to achieve a majority in parliament, including the 2010 elections when the alliance between PTr, PMSD and the MSM secured 41 seats out of a possible 62.³ Currently, the PTr has 13 seats, MMM 9 seats and PMSD four seats.

The three leaders met again on 14 April, but Ramgoolam confirmed that they could not reach an agreement and that the PMSD had left. Without the support of the PTr and MMM, Duval was forced to resign as leader of the opposition. Adding to the turbulence, PMSD president **Veronique Leu-Govind** also submitted her resignation on 14 April, stating:

¹ Le Matinal, 6 Apr 2024

² Le Matinal, 6 Apr 2024

³ Le Matinal, 7 Apr 2024

“The values of transparency, internal democracy and respect for decision-making processes, which are essential to the cohesion and sustainability of the party, seem to have been neglected in recent times.”⁴

Following her resignation, a further nine members, most part of the executive committee, resigned stating that they do not agree with the PMSD’s recent actions.⁵ On 21 April, the PTr and MMM announced that the **Nouveaux Démocrates (ND)** would join the alliance.⁶

Since the collapse of the previous alliance, Ramgoolam and Bérenger have maintained that Duval was negotiating with the ruling MSM to join their alliance and that he purposely delayed key decisions while negotiating with both sides. In her resignation statement, Leu-Govind deplored that negotiations with the MSM and other political parties would *“take place in secret, without the members of the executive being informed”*.⁷ She has further alleged that the party did not want her to run for a member of parliament position in the upcoming election due to her race and socio-economic background, further casting the PMSD in a negative light.⁸

President **Prithvirajsing Roopun** (2019-present) on 16 April appointed PTr member **Shakeel Ahmed Yousuf Abdul Razack Mohamed** as the official leader of the opposition, replacing Duval.⁹

Key rate held at 4.5% as various agencies release 2024 forecasts

The **Bank of Mauritius (BoM)** (central bank) **Monetary Policy Committee (MPC)**, at its first meeting of 2024 on 3 April, unanimously decided to keep the key rate unchanged at 4.5%, stating that past interest rate hikes were still working through the economy and that the current monetary policy is working to promote price stability.¹⁰ Annual inflation eased to 4.9% in March, however, it hit an eight-month high of 6.2% in February, showing that prices are still volatile, another push behind the MPC’s decision.¹¹ Gross official international reserves at end-March stood at \$7.2 billion, enough to cover 11 months of imports and cushion the country against external shocks.

Central bank governor **Harvesh Seegolam** gave a post-MPC press conference to expand on domestic economic developments and highlight the bank’s 2024 forecasts. He confirmed that following 7.3% growth in the fourth quarter of 2023, economic growth reached 7% in 2023, driven by a recovering tourism sector and strong construction sector performance.¹² Tourism earnings in 2023 reached Rs83 billion (\$1.79 billion), their highest ever, but the central bank expects them to reach Rs90.5 billion (\$1.95 billion) in 2024.¹³ Seegolam highlighted that the current account deficit improved to 4.5% of GDP in 2023 and is expected to improve further to 4% of GDP in 2024. The MPC also expects that inflation will fall to 4.9% in 2024, within the central bank target range of between 2% and 5%.¹⁴ Seegolam concluded by announcing that central bank staff forecast real GDP growth of 6.5% in 2024.

Prior to the MPC meeting, **Statistics Mauritius** on 29 March released its **National Accounts Estimates**, confirming that economic growth reached 7% in 2023 but forecast that economic growth will reach 4.9% in 2024, lower than the central bank’s forecast. The **International Monetary Fund (IMF)** in its April 2024 **World Economic Outlook** also forecast growth of 4.9%, but revised its projections for inflation upwards from initial forecasts of 4.9% to 5.1%.¹⁵

⁴ Le Mauricien, 15 Apr 2024

⁵ ION News, 16 Apr 2024

⁶ Le Mauricien, 22 Apr 2024

⁷ Le Mauricien, 15 Apr 2024

⁸ Coco Maurice, 18 Apr 2024

⁹ Le Matinal, 16 Apr 2024

¹⁰ Bank of Mauritius, 3 Apr 2024

¹¹ Trading Review, 8 Apr 2024

¹² Bank of Mauritius, 3 Apr 2024

¹³ Defi Media, 5 Apr 2024

¹⁴ Bank of Mauritius, 3 Apr 2024

¹⁵ ION News, 18 Apr 2024

While growth forecasts remain positive and 2023 was a strong year, Statistics Mauritius data released on 24 April indicated that exports declined by 5.1% to Rs47.5 billion (\$1.02 billion) in 2023 compared to 2022, with **Mauritius Export Association** chairman **Dominique de Froberville** noting that there is likely to be another contraction in 2024.¹⁶ The contraction reflects the subdued economic conditions in countries that are usually Mauritius' largest customers, including **South Africa**. De Froberville noted that there may be a return to growth in 2025, as economies recover, but that the "export sector is at a crossroad" that will require a policy re-think.¹⁷

Plans for construction of graphite plant

Canada-headquartered **NextSource Materials** applied on 1 April to build a downstream battery anode facility (BAF) to process graphite in the **Freeport Zone** of the port of **Port Louis**, subsequently signing a long-term lease on 10 April. The initial filing indicated that the BAF will have the capacity to produce 3,600 tonnes of battery-grade graphite per annum, increasing to 14,400 tonnes after 2024.¹⁸ The graphite will come from NextSource Material's **Molo** mine in **Madagascar**.

Graphite is the primary ingredient by weight used in the production of electric vehicle (EV) batteries, a market which is seeing a massive boost in demand, and a corresponding growing demand for graphite, as noted by NextSource Materials,

*"Graphite demands are on the rise as valuable and broad applications are being researched and developed ranging from consumer electronics, green energy storage and medical applications."*¹⁹

By the time it secured the lease, NextSource Materials had pre-ordered processing equipment, indicating the company's urgency in establishing the plant. **China**, the largest graphite producer in the world, announced in October 2023 that it would require export permits for graphite used in EV batteries, decreasing supply on the global market and prompting companies to look to other sources.²⁰ Companies such as NextSource Materials are seeking to plug this change in the supply chain. Operating within the Freeport Zone will allow companies to import, store, handle, manufacture and re-export goods free of normal taxes and duties.²¹ In September 2023, NextSource Materials also signed an agreement with **South Korean** battery precursor materials producer **Posco International**, which was seeking to reduce its reliance on China. The deal highlights Mauritius' key geographic location between Africa and **Asia**.

¹⁶ Bloomberg, 24 Apr 2024

¹⁷ Bloomberg, 24 Apr 2024

¹⁸ Mining.com, 1 Apr 2024

¹⁹ Mining.com, 1 Apr 2024

²⁰ Mining.com, 10 Apr 2024

²¹ Mining Weekly, 11 Apr 2024

Planner

1 May 2024 **(Mauritius) Labour Day**

Jun – Jul 2024 **Port Louis (Mauritius) Bank of Mauritius (BoM)** (central bank) **Monetary Policy Committee (MPC)** quarterly meeting

30 Nov 2024 **(Mauritius)** General elections

Aug 2025 **Port Louis (Mauritius) United States-Mauritius Business Summit**

2025 **(Mauritius)** Municipal elections

Chronology

29 Apr 2024 **Port Louis (Mauritius) *Le Mauricien***. **Transparency Mauritius**, allied to international NGO **Transparency International**, welcomes the announcement that the **Political Financing Bill** will be recirculated for consultations;

29 Apr 2024 **Port Louis (Mauritius) *Le Mauricien***. **United States Department of State** presents its 2023 report on human rights in Mauritius, calling the incidents that occurred in October 2023 during a charity concert at the **Citadel Hotel** an “*anti-Semitic*” act;

27 Apr 2024 **Port Louis (Mauritius) *Le Mauricien***. Parliament says it will recirculate the drafts of the **Constitution Amendment Bill** and **Political Financing Bill** to allow consultations to be held with all members of the **National Assembly**, the **Electoral Supervisory Commission**, the **Electoral Commissioner**, the **Financial Crimes Commission** as well as with **Business Mauritius**;

22 Apr 2024 **Port Louis (Mauritius) *Moneyweb***. **Stock Exchange of Mauritius** confirms its offices will be closed today after torrential rains caused flooding, also forcing government to keep banks and offices closed;

19 Apr 2024 **Port Louis (Mauritius) *ION News***. **United Kingdom**-headquartered **Henley & Partners’ Africa Wealth Report 2024** ranks Mauritius sixth in the top ten richest countries in **Africa**, which takes into account the number of millionaire residents in the country;

19 Apr 2024 **Port Louis (Mauritius) *Defi Media***. **Statistics Mauritius** confirms that 212,574 tourists arrived in Mauritius in January and February, an 8% increase compared to the same two months in 2023;

17 Apr 2024 **Port Louis (Mauritius) *ION News***. Prime minister **Pravind Jugnauth** meets with **Vietnam’s** ambassador to Mauritius, **Pham Joand Kim**, to discuss improving economic relations between the two countries;

12 Apr 2024 **Port Louis (Mauritius) *Le Matinal***. Prime minister **Pravind Jugnauth** announces during an **Eid** celebration that **Saudi Arabia** has committed to setting up a fully-fledged embassy in Mauritius;

11 Apr 2024 **Port Louis (Mauritius) *Indian Express***. Mauritius and **India** sign a **Double Taxation Avoidance Agreement** to try to plug treaty abuse for tax evasion and avoidance;

5 Apr 2024 **Port Louis (Mauritius) *Le Matinal***. **Mauritius Ports Authority** confirms that since commencing operations in November 2023, the **Port Louis Cruise Terminal** has welcomed 35 cruise ships and over 40,000 arrivals;

4 Apr 2024 **Port Louis (Mauritius) *ION News***. **World Economic Governance Index 2023**, compiled by **United Kingdom**-based **World Economic Research**, ranks Mauritius first in **Africa** in the category of best-governed countries;

3 Apr 2024 **Port Louis (Mauritius) ION News. Bank of Mauritius (BoM)** (central bank) governor **Harvesh Seegoolam** says that inflation will continue its downward trajectory in 2024;

31 Mar 2024 **Port Louis (Mauritius) Le Mauricien. Statistics Mauritius** reports that unemployment stood at 6.1% at end December 2023 , compared to 6.8% for the corresponding period in 2022;

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