

## AFRICA RISK CONSULTING

### Mauritius Monthly Briefing August 2024

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#### Mauritius Summary 29 August 2024

*Political tensions emerge following the appointment of Adrien Duval as speaker of the national assembly. South Africa-headquartered Rand Merchant Bank (RMB) publishes its 'Where to Invest in Africa 2024' report on 6 August, ranking Mauritius as the second most attractive investment destination on the continent after Seychelles. Ukraine's foreign minister, Dmytro Kuleba, arrives in Mauritius on 8 August as the fourth stop on his recent Africa tour in a bid to bolster Ukrainian influence on the continent.*

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#### National assembly tensions

Political tensions have emerged following the appointment of **Adrien Duval** as speaker of the national assembly. Duval is the son of **Parti Mauricien Social Démocrate (PMSD)** leader **Xavier-Luc Duval** who served as leader of the opposition between 4 March 2021 and 15 April 2024. Xavier-Luc Duval resigned on 15 April following his decision to remove the PMSD from an alliance with fellow opposition parties, **Mouvement Militant Mauricien (MMM)** and **Parti Travailleiste (PTr)** (see *ARC Briefing Mauritius Apr 2024*).

Duval's appointment was controversial, as he is facing charges of drunk driving and is set to appear in court in October.<sup>1</sup> The opposition also questioned how Duval's short-term appointment guarantees him a pension for life, despite the fact that the national assembly will be dissolved in November for the general elections. There were only three parliamentary sessions left when prime minister **Pravind Jugnauth** (2017-present) appointed Duval. Notably, Xavier-Luc Duval served as deputy prime minister between December 2014 and December 2016 in the cabinet of Jugnauth's father, **Anerood Jugnauth**. Reports also indicate that the PMSD and Jugnauth's **Mouvement Socialiste Militant (MSM)** have formed an electoral alliance, raising further concerns over Duval's appointment.<sup>2</sup> At the time of Xavier-Luc Duval's resignation, PTr leader **Paul Bérenger** expressed his belief that it was done in order to allow the PMSD to ally with the MSM.

On 5 August, parliament debated a motion of no confidence filed by the leader of the opposition, **Arvin Boolell**, stating that Duval has been taking part in political activities despite having to resign from all PMSD bodies in order to assume the national assembly speaker role. Boolell filed the motion on 29 July after a photo of Duval with civil service minister **Anjiv Ramdhany** was posted on social media with Boolell stating that a national assembly speaker should be apolitical.<sup>3</sup> Duval was also pictured with the former assistant director of public prosecutions, **Roshan Sankokhee**, who is expected to be a candidate for constituency six in the general election.<sup>4</sup>

During the parliamentary debate, Boolell claimed that Duval has been on the "campaign trail" alongside members of government since his appointment, a claim that prompted Jugnauth to call a point of order and ask for proof.<sup>5</sup> The motion was ultimately denied as it was not seconded.

Tensions also reached a new height between Duval and Bérenger. Media reported on 22 August that Duval filed a complaint in the supreme court for defamation against Bérenger claiming Rs 50m

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<sup>1</sup> RFI, 24 Jul 2024

<sup>2</sup> Ion News, 18 Jul 2024

<sup>3</sup> Le Mauricien, 5 Aug 2024

<sup>4</sup> Defi Media, 29 Jul 2024

<sup>5</sup> Le Mauricien, 6 Aug 2024

(\$1.08m) in damages.<sup>6</sup> Duval claims that comments Bérenger made during an 11 August rally insinuated that he had lied about a 2021 car accident to the police, which has “*tarnished his reputation*”.<sup>7</sup>

While the motion of no confidence was denied, there are still questions about the transparency of Duval’s appointment to the national assembly speaker role. Should the MSM and PMSD alliance be confirmed, these questions will be highlighted once again and could be at the forefront of voters’ minds in the upcoming general elections.

### Mauritius ranked second-best investment destination in Africa

**South Africa**-headquartered **Rand Merchant Bank (RMB)** published its ‘*Where to Invest in Africa 2024*’ report on 6 August, ranking Mauritius as the second most attractive investment destination in **Africa** after **Seychelles**. Mauritius ranked first in 2023, but its score dropped from 0.74 out of a possible 0.80 in 2023 to 0.69 in 2024.<sup>8</sup>

RMB ranks Mauritius first for economic freedom and innovation in Africa and describes the country as politically stable, respectful of personal liberties and with a high human development index.<sup>9</sup> The report also highlighted Mauritius’ diverse exports, which include information and communication technology, fishing, travel, tourism, insurance and finance.<sup>10</sup> However, Mauritius’ small land mass and small population mean any business has access to a far smaller consumer population:

*“The limited size of the Seychelles’ and Mauritius’ markets is a barrier that many investors will not overcome, despite the many other positives.”<sup>11</sup>*

Mauritius, according to 2023 figures, has a population of 1.26 million people and a GDP of \$14 billion.<sup>12</sup> Seychelles’ high population growth is what bolstered its ranking above Mauritius. Despite this, in 2023, foreign direct investment (FDI) reached Rs 37 billion (\$799.68m), a new record.<sup>13</sup>

Mauritius’s stability was further affirmed on 26 July when **United States**-headquartered **Moody’s** affirmed Mauritius’ long-term foreign and local currency issuer ratings at Baa3 with a stable outlook.<sup>14</sup> The rating action noted that the Baa3 rating balances Mauritius’s high and stable growth rates and political stability against an elevated debt burden and small economy.<sup>15</sup> Moody’s forecasts that growth will reach 5.9% in 2024 after reaching 7% in 2023 while debt will gradually decline from 65% of GDP in 2025 to 64% of GDP in 2024.

### Mauritius and Ukraine bolster ties

**Ukraine’s** foreign minister, **Dmytro Kuleba**, arrived in Mauritius on 8 August as the fourth stop on his recent Africa tour, the first-ever visit by a Ukrainian foreign minister to Mauritius. Kuleba met with prime minister Pravind Jugnauth following his arrival and welcomed Mauritius’ interest in taking part in Ukraine’s recovery post-conflict.<sup>16</sup>

Kuleba also met with his counterpart, **Maneesh Gobin**, and the two signed a visa-free agreement which the Ukrainian foreign ministry said would mainly focus on facilitating visits by Mauritian investors and businessmen to Ukraine in search of work opportunities.<sup>17</sup> Gobin and Kuleba also

<sup>6</sup> Le Mauricien, 22 Aug 2024

<sup>7</sup> Defi Media, 22 Aug 2024

<sup>8</sup> RMB, 6 Aug 2024

<sup>9</sup> RMB, 6 Aug 2024

<sup>10</sup> Daily Maverick, 6 Aug 2024

<sup>11</sup> RMB, 6 Aug 2024

<sup>12</sup> RMB, 6 Aug 2024

<sup>13</sup> Economic Development Board, 26 Apr 2024

<sup>14</sup> Moody’s, 26 Jul 2024

<sup>15</sup> Moody’s, 26 Jul 2024

<sup>16</sup> Anadolu Agency, 8 Aug 2024

<sup>17</sup> Anadolu Agency, 8 Aug 2024

discussed the deepening of trade and economic relations. The two agreed to prepare agreements on mutual promotion and protection of investments and avoidance of double taxation.<sup>18</sup>

Kuleba's visit is part of Ukraine's broader effort to shore up support among African countries in its war with **Russia** while countering growing Russian influence on the continent. Mauritius has taken a more hardline approach to the conflict compared to other African countries, voting to suspend Russia from the **United Nations (UN) Human Rights Council** and voting in favour of a **UN General Assembly** resolution condemning Russia's annexation of breakaway territories of Ukraine.<sup>19</sup> In 2023, Boolell stated:

*"But the reality is that what happens in Ukraine is being felt in Africa and in Mauritius."*<sup>20</sup>

Unlike many other African countries, which had Russia as a supporter of their liberation movements, Mauritius has no historical ties to Russia, which also explains the difference in stance. Mauritius is also more strongly aligned with the US and the **European Union (EU)**. However, Mauritius is a small country that will not greatly influence the power dynamics in this conflict.

### Planner

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

2025 (**Mauritius**) Municipal elections

### Chronology

26 Aug 2024 **Port Louis (Mauritius)** *ION News*. **Statistics Mauritius** maintains its trade deficit forecast of Rs 196 billion (\$4.24 billion) compared to Rs 180 billion (\$3.89 billion) in 2023;

21 Aug 2024 **Balaclava (Mauritius)** *US Embassy*. **United States** embassy to Mauritius, in collaboration with the **Economic Development Board (EDB)** and the **American Chamber of Commerce (AmCham) Mauritius**, launches the 2024 US Business Summit in Balaclava;

21 Aug 2024 **Port Louis (Mauritius)** *Le Matinal*. **Italy's** ambassador to Mauritius with residence in **Pretoria (South Africa)**, **Alberto Vecchi**, meets with foreign affairs minister **Maneesh Gobin** to discuss strengthening bilateral ties;

19 Aug 2024 **Port Louis (Mauritius)** *ION News*. **Bank of Mauritius** (central bank) intervenes in the foreign exchange market, selling \$20m at a rate of Rs 46.27 per dollar;

17 Aug 2024 **Port Louis (Mauritius)** *Le Mauricien*. National assembly speaker **Adrien Duval** arrives in **India** for an official visit to strengthen bilateral parliamentary diplomacy ties between the two countries;

16 Aug 2024 **Port Louis (Mauritius)** *Bloomberg*. **Mauritius Chamber of Agriculture** general secretary **Jacqueline Sauzier** expresses concern over sugar production, which accounts for 10% of exports, following the driest July in 120 years in Mauritius;

12 Aug 2024 **Port Louis (Mauritius)** *ION News*. **Bank of Mauritius** (central bank) intervenes in the foreign exchange market, selling \$20m at a rate of Rs 46.40 per dollar;

10 Aug 2024 **Port Louis (Mauritius)** *Le Mauricien*. **Statistics Mauritius** reports that annual inflation increased slightly from 2.2% in June to 2.7% in July;

10 Aug 2024 **Port Louis (Mauritius)** *Defimedia*. **Bank of Mauritius** (central bank) reports that international reserves fell from \$8 billion in May to \$7.95 billion in June;

<sup>18</sup> Visit Ukraine, 9 Aug 2024

<sup>19</sup> L'Express, 27 Mar 2023

<sup>20</sup> L'Express, 27 Mar 2023

5 Aug 2024 **Port Louis (Mauritius)** *Defimedia*. **Bank of Mauritius** (central bank) intervenes in the foreign exchange market, selling \$20m at a rate of Rs 46.40 per dollar;

3 Aug 2024 **Port Louis (Mauritius)** *Le Matinal*. **Algeria's** ambassador to Mauritius, **Filali Ghouini**, pays a courtesy visit to prime minister **Pravind Jugnauth**;

1 Aug 2024 **Port Louis (Mauritius)** *Le Matinal*. Foreign affairs minister **Maneesh Gobin** meets with special representative of the **Chinese** government on **African** affairs and ambassador for the affairs of the **Forum of China-Africa Cooperation (FOCAC)**, **Liu Yuxi**, to discuss ties;

1 Aug 2024 **Port Louis (Mauritius)** *Le Mauricien*. National assembly adopts the **Mauritius Strategy Board Bill** which aims to implement a strategy for economic research and planning in the country;

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