

## AFRICA RISK CONSULTING

### Mauritius Monthly Briefing April 2023

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#### Mauritius Summary 26 April 2023

*Statistics Mauritius publishes its latest monthly bulletin on 14 April, releasing its growth forecasts for 2023 and reporting on the rise in annual inflation. The national statistics agency reports that annual inflation reached 11.1% in March, marginally up from 11% in February, and expects the economy to grow by 5% in 2023, spurred on by the accommodation and food services sectors. Parliamentary speaker Sooroojdev Phokeer suspends opposition Parti travailliste (PTr) leader Arvin Boolell on 11 April for reportedly questioning his integrity and capabilities in a radio interview. Opposition Mouvement Militant Mauricien (MMM) leader Paul Bérenger is also suspended after he voices his protest to the suspension of Boolell. Boolell lodges a case against the suspension with the supreme court. Seychelles and Mauritius hold their 13th bilateral cooperation commission on 3 April, where the two island nations discuss adopting an integrated approach to address emerging global issues of common concern or interest.*

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#### Statistics Mauritius releases economic growth forecasts

Statistics Mauritius published its latest monthly bulletin on 14 April, releasing its growth forecasts for 2023 and reporting on the rise in annual inflation. According to Statistics Mauritius, annual inflation reached 11.1% in March, marginally up from 11% in February.<sup>1</sup> The government has projected that annual inflation will fall to 6% in 2023.<sup>2</sup>

The national statistics agency affirmed that it expects the economy to grow by 5% in 2023 spurred on by the accommodation and food services sectors. This comes after it revised its 2022 growth rate projection upwards from 7.8% to 8.7%. However, the **International Monetary Fund (IMF)** has projected a lower growth rate of 4.6% for 2022, anticipating annual inflation to remain high at 9.5%.<sup>3</sup>

The continued depreciation of the rupee, which lost 25% of its value between 2019 and 2022, has added to inflationary pressures as the government battles a growing current account deficit. This reached \$1.6 billion in 2022, as Mauritius continues to import far more than it exports.<sup>4</sup> The **Bank of Mauritius'** (central bank) foreign exchange reserves have suffered as a result, dropping by \$1.8 billion between March 2022 and March 2023.<sup>5</sup> With no policies on the horizon to help tackle these issues, Mauritius' fiscal situation could become unsustainable.

Finance minister **Renganaden Padayachy** presented his supplementary budget of Rs 5.4 billion (\$119.68m) on 4 April, to be added to the Rs 154 billion (\$3.41 billion) budget previously adopted for the 2022/2023 financial year.<sup>6</sup> The supplementary budget is to be used to help finance government projects, which had an initial budget of Rs 11.8 billion. The main priority remains the construction of social housing, under the **Covid-19 Projects Development Fund**, which will receive R5 billion (\$110.82m) from the supplementary budget.<sup>7</sup> However, Padayachy noted that the supplementary budget will not greatly affect the budget deficit and public debt.

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<sup>1</sup> Le Matinal, 17 Apr 2023

<sup>2</sup> L'Express.mu, 21 Apr 2023

<sup>3</sup> L'Express.mu, 21 Apr 2023

<sup>4</sup> L'Express.mu, 21 Apr 2023

<sup>5</sup> L'Express.mu, 21 Apr 2023

<sup>6</sup> Le Mauricien, 5 Apr 2023

<sup>7</sup> Le Mauricien, 5 Apr 2023

## Parliamentary sitting ends in heated debate

Mauritius has seen a month of heated parliamentary sessions, beginning on 11 April with the suspension of opposition **Parti travailliste (PTr)** leader **Arvin Boolell**, who had just returned to parliament after several months of suspension.<sup>8</sup> Parliamentary speaker **Sooroojdev Phokeer** chose to suspend Boolell again, citing a radio interview Boolell gave on 28 March in which, according to Phokeer, he “*made some unwarranted attacks on my integrity in my capacity as speaker*”.<sup>9</sup> Boolell, given the choice to apologise or accept another suspension for three parliamentary sessions, chose the latter.

Boolell was quick to act on the decision, filing for an injunction against Phokeer, the national assembly and prime minister **Pravind Jugnauth** (the parties that approved the suspension decision) with the supreme court on 12 April. Justice **Shameem Hamuth-Laulloo** requested a meeting with Boolell, Phokeer, Jugnauth and the national assembly clerk on 14 April to discuss the matter, namely why the suspension should remain in place.<sup>10</sup> Phokeer and his counterparts were unable to make a confident case and the court ruled to lift the suspension pending a decision in the judicial review.<sup>11</sup> Boolell has since presented his main case to the supreme court on how his rights as an MP were violated.

The court is likely to agree with Boolell’s application that the speaker exceeded his powers, as the interview occurred outside of parliament. **University of Mauritius** senior law lecturer **Rajen Narsinghen** noted that the speaker’s powers are limited to anything that happens within parliament.<sup>12</sup>

Opposition members of parliament (MPs) met on 17 April, ahead of the scheduled 18 April parliamentary sitting, where they welcomed the judiciary’s decision to lift the suspension. Opposition **Parti mauricien social-démocrate** leader **Xavier-Luc Duval** demanded on behalf of the opposition Phokeer’s resignation, stating that he had attacked the freedom of opinion and acted against the law.<sup>13</sup> Opposition party **Rassemblement mauricien**’s leader **Nando Bodha** agreed, noting that Jugnauth needs to replace Phokeer.

Adding to the parliamentary debate was the suspension of opposition **Mouvement Militant Mauricien (MMM)** leader **Paul Bérenger**, also on 11 April, after he voiced his protest against Boolell’s suspension. Bérenger was given the option of apologising to parliament or risking suspension for five sittings.<sup>14</sup> No update has been given on the MMM leader’s suspension.

## Seychelles and Mauritius hold joint-commission

**Seychelles** and Mauritius held their 13<sup>th</sup> bilateral cooperation commission on 3 April, where the two island nations discussed adopting an integrated approach to address emerging global issues of common concern or interest. The two countries also discussed Mauritius’ bid for a non-permanent seat on the **United Nations Security Council (UNSC)** for the period 2025 to 2026, which Seychelles confirmed it would support, in addition to Mauritius’ bid for a place on the executive board of **United Nations Educational, Scientific and Cultural Organization (UNESCO)** for the 2023 to 2027 term.<sup>15</sup>

Other issues discussed included trade, the blue economy, tourism, the fishing industry, education and maritime security. In terms of maritime security, the two countries agreed on 29 March, just prior to the commission, to have their respective navies monitor the Joint Management Area (JMA) of the **Mascarene Plateau** in the **Indian Ocean**.<sup>16</sup> Seychelles and Mauritius share jurisdiction of the

<sup>8</sup> L’Express, 11 Apr 2023

<sup>9</sup> L’Express, 11 Apr 2023

<sup>10</sup> Le Matinal, 12 Apr 2023

<sup>11</sup> Le Matinal, 15 Apr 2023

<sup>12</sup> L’Express, 16 Apr 2023

<sup>13</sup> Le Matinal, 18 Apr 2023

<sup>14</sup> Le Mauricien, 12 Apr 2023

<sup>15</sup> Seychelles News Agency, 3 Apr 2023

<sup>16</sup> Seychelles News Agency, 29 Mar 2023

Mascarene Plateau, but regional and international organisations were tasked with conducting monitoring. The joint monitoring agreement aims to tackle illicit activities such as illegal fishing that occur in the plateau, with both parties agreeing that the approach would be more effective.<sup>17</sup> In 2021, **Netherlands**-based environmental nongovernmental organisation **Greenpeace** exposed the widespread use of illegal driftnet, which the UN banned 30 years ago, to catch tuna in the **Saya de Malha Bank** in the plateau.<sup>18</sup>

Mauritius is specifically interested in sea cucumber fishing in the area. In February, alongside Seychelles, Mauritius issued tenders for sea cucumber fishers in their respective countries to submit bids. However, for this venture to be successful, the area needs to be secure.<sup>19</sup> The ocean is the backbone of economic activity for both these island nations, with blue economy activities contributing 10.5% to Mauritius' GDP, and thus forms a key aspect of their bilateral relationship. If Mauritius were to win a seat on the UNSC, it would bode well for Seychelles, as Mauritius could promote issues the countries face that other members would not traditionally consider, such as the impact of climate change on the blue economy and maritime security.

### Planner

13 Jun 2023 **(Mauritius)** Local municipal councils are dissolved  
 2023 **(Mauritius)** Municipal elections  
 Aug 2023 **Port Louis (Mauritius)** Maritime Security Conference  
 2024 **(Mauritius)** General election

### Chronology

25 Apr 2023 **Port Louis (Mauritius)** *Defimedia.info*. Parliament to debate the **Digital Promotion Bill** which would provide for the creation of the **Mauritius Digital Promotion Agency** and boost the growth of the ICT sector through skills development and innovation;

20 Apr 2023 **Port Louis (Mauritius)** *The Edition*. **International Tribunal for the Law of the Sea** schedules to hear Mauritius' maritime boundary dispute case against **Maldives** on 28 April;

20 Apr 2023 **Port Louis (Mauritius)** *African Business*. **United Kingdom**-headquartered **Henley & Partners** says its in 2023 Africa Wealth Report that the number of Mauritian millionaires will increase by 75% in the next decade;

20 Apr 2023 **Port Louis (Mauritius)** *Le Matinal*. **Hungary's** foreign affairs and trade minister, **Péter Szijjártó**, pays a courtesy call to Mauritius' prime minister, **Pravind Jugnauth**, while on a one-day visit to enhance trade and investment opportunities;

18 Apr 2023 **Port Louis (Mauritius)** *Le Matinal*. Mauritius and the **United Kingdom** sign a Strategic Trade Partnership (STP) to boost trade and investment across several priority sectors;

18 Apr 2023 **Johannesburg (South Africa)** *News24*. Chronic power shortages in **South Africa** have reduced demand for **Mauritian** manufactured goods, posing a downside risk to growth in Mauritius' export industry after two years of recovery;

17 Apr 2023 **Port Louis (Mauritius)** *Agence Ecofin*. **International Finance Corporation** says it will provide a \$30m loan to the Mauritian subsidiary of **United Kingdom** payment company **TerraPay** to expand operations in Mauritius;

13 Apr 2023 **Port Louis (Mauritius)** *Defi Media*. Opposition parties **Parti travailliste (PTr)**, **Mouvement militant mauricien (MMM)** and **Parti mauricien social-démocrate (PMSD)** confirm

<sup>17</sup> Seychelles News Agency, 29 Mar 2023

<sup>18</sup> Reuters, 16 Apr 2021

<sup>19</sup> Seychelles News Agency, 29 Mar 2023

they have been unable to receive authorisation to hold Labour Day celebrations on 1 May despite making several requests to the relevant authorities;

12 Apr 2023 **Port Louis (Mauritius)** *Government press release*. Deputy prime minister and tourism minister **Steven Obeegadoo** affirms the goal set for tourism revenues for 2023 it to record earnings equivalent to 2019, prior to the **Covid-19** pandemic, when revenues reached \$1.77 billion;

11 Apr 2023 **Port Louis (Mauritius)** *Skift.com*. **Mauritius Tourism Promotion Authority** director **Arvind Bundhun** says the re-opening of **China** gives hope to Mauritius' tourism industry, as it seeks to welcome back tourists from this major market;

1 Apr 2023 **Port Louis (Mauritius)** *L'Express.mu*. **Bank of Mauritius** (central bank) governor **Harvesh Seegolam** issues warning letters to four banks and imposes sanctions on eight others for currency speculation;

31 Mar 2023 **Port Louis (Mauritius)** *Defimedia.info*. Opposition party leaders, including **Mouvement Militant Mauricien (MMM)** leader **Reza Uteem**, request further information on the allegations of corruption involving agro-industry minister **Maneesh Gobin** and 350 acres of land awarded to the **Eco Deer Park** association, in which Rs 3.5m (\$77,557) was allegedly paid to Gobin to guarantee the lease grant;

30 Mar 2023 **Port Louis (Mauritius)** *Afrimag.net*. **African Development Bank (AfDB)** approves \$147m under a bond loan convertible into shares to the **Mauritius Commercial Bank** to strengthen its equity;

30 Mar 2023 **Port Louis (Mauritius)** *Southern African Development Community*. Prime minister **Pravind Jugnauth** calls for implementation of more joint projects to ease connectivity and increase intra-regional trade among **Southern African Development Community (SADC)** member states;

30 Mar 2023 **Port Louis (Mauritius)** *Travel Daily Media*. Council of ministers endorses the appointment of **Donald Payen** as the new **Mauritius Tourism Promotion Authority** chair;

28 Mar 2023 **Port Louis (Mauritius)** *L'Express.mu*. Prime minister **Pravind Jugnauth** confirms all municipal councils will dissolve on 13 June, but fails to provide details on when municipal elections will take place;

### About Africa Risk Consulting:

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