

## AFRICA RISK CONSULTING

### Mauritius Monthly Briefing September 2024

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#### Mauritius Summary 25 September 2024

*In the build-up to the November general election, political parties continue negotiating with coalition partners. The opposition **Rezistans ek Alternativ (ReA)** finalises its decision to join the **Alliance du Changement** consisting of the **Parti Travailleiste (PTr)**, the **Mouvement Militant Mauricien (MMM)** and the **Nouveaux Démocrates (ND)**. **Standard Bank** announces plans to open its **Business and Commercial Banking (BCB)** division in Mauritius catering for family-owned and small to medium businesses. Government launches the **Mobil ID** digital identify card, highlighting the successful implementation of its **Digital Mauritius 2030 Strategic Plan**.*

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#### Political parties continue build up to general election

The build-up to Mauritius' 12<sup>th</sup> general election on 30 November is continuing.<sup>1</sup> Currently, Mauritian politics is split up into two blocks – the ruling **Mouvement Socialiste Militant (MSM)**, which formed a coalition with **Parti Mauricien Social Démocrate (PMSD)** in April 2024, and the **Alliance du Changement** alliance consisting of the **Parti Travailleiste (PTr)**, the **Mouvement Militant Mauricien (MMM)** and the **Nouveaux Démocrates (ND)**.<sup>2</sup> However, this dichotomy has been further intensified by the **Rezistans ek Alternativ (ReA)** which decided in September to join the PTr-MMM-ND coalition for change.

ReA decided to join this faction to unify opposition parties against the government which the ReA alleges are autocratic. ReA further supported their decision by saying that joining the Alliance du Changement gives the electorate an abundance of choice. The Alliance du Changement have welcomed ReA and MMM leader **Paul Bérenger** expressed as much during a campaign rally in **Troilet** on 23 September.<sup>3</sup>

This dichotomy in Mauritian politics roughly reflects the political dynasties which have emerged in Mauritius after the island's independence in 1968 from the **United Kingdom (UK)**. The prime ministership of Mauritius has either been held by a member of the **Ramgoolam** or **Jugnauth** family.<sup>4</sup> This dynamic continues into the 2024 elections with the ruling MSM contending for prime minister **Pravind Jugnauth's** (2017-present) second five-year term. Similarly, the main opposition leader, **Navin Ramgoolam** of the PTr is also a former prime minister who served between 2005 and 2010. Both Jugnauth and Ramgoolam's fathers were also former prime ministers.

The familial political dynasties are a topic for contention in Mauritian politics with parties such as ReA criticising these familial dynasties. A party spokesperson, **Kugan Parapen**, said on 6 September:

*"We are adamant that a regime change should not be adequate with what we often witnessed in the past – more of the same".<sup>5</sup>*

However, ReA's portrayal as a party of radical change is challenged by the Mauritian media. The news outlet, **Inside News**, argued in an article on 26 August that Ramgoolam controls the major decision in the Alliance du Changement. Additionally, the article also challenged ReA's credibility in terms of its policy which is largely focused on ecology.<sup>6</sup>

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<sup>1</sup> African Centre for Strategic Studies, 17 Jan 2024

<sup>2</sup> Mauritius Times, 21 Sep 2024

<sup>3</sup> Le Mauricien, 23 Sep 2024

<sup>4</sup> Cost of Politics, The Cost of Parliamentary Politics Mauritius, 2020

<sup>5</sup> Inside News, 10 Sep 2024

<sup>6</sup> Inside News, 26 Aug 2024

Although ReA has been outspoken about this issue, it is still expected that the MSM-PDSM coalition will win the 2024 elections.<sup>7</sup> Out of the 70 seats in parliament, MSM has 36 seats and PDSM 4 seats which totals to 40 seats. Compared to PTr's 13 seats and MMM's 9 seats – adding up to 22 seats.

### Standard Bank expands offshore offering

South Africa's biggest bank by assets, **Standard Bank**, announced on 19 September that it will expand its Mauritius offshore offering to include servicing family-owned business and small to medium-sized businesses. Standard Bank already has an established presence on the island considering how many businesses in **Sub-Saharan African (SSA)** prefer to do business in the **Indian Ocean Region (IOR)**. This is because the IOR is a better alternative for African businesses who might be struggling with economic challenges such as currency devaluations, which in turn affects the availability of capital.<sup>8</sup>

Standard Bank has been doing business on the island since 2001 through its **Corporate and Investment Banking** division. Historically, Standard Bank has only dealt with big corporations but announced in September 2024 that it would open its **Business and Commercial Banking (BCB)** division – catering for local and small to medium-sized businesses.<sup>9</sup> The head of Africa Regions and Offshore for Standard Bank BCB, **Tunde Macaulay**, said that the BCB division would be operating through the Mauritian **International Finance Centre (IFC)** capitalising on the islands' business-friendly environment.

The introduction of Standard Bank's BCB unit is an important opportunity for Mauritius which has an expansive and well-resourced finance sector. When sugar prices fell in the 1970s Mauritius made a serious attempt to reduce its dependence on imports, opting to liberalise its financial sector and build an offshore financial centre. The Mauritian finance sector brought the island great success with rapid economic growth in the late 1990s and 2000s.<sup>10</sup> **Statistics Mauritius** estimates that financial and insurance activities make up 12.08% of the country's Gross Domestic Product (GDP).<sup>11</sup>

Institution's such as the IFC form a core part of the finance sector in the country and are especially important institutions for international clients seeing as it provides support services such as law, accountancy, and technology. The Mauritian IFC is well equipped with skilled staff and state-of-the-art technology to provide services such as risk mitigation and to reduce barriers of entry into the business environment. The Mauritian IFC is strategically placed to assist SSA countries because Mauritius forms part of both the **Common Market for Southern and Eastern Africa (COMESA)** and the **South African Development Community (SADC)**. Geographically Mauritius is strategically placed to connect African, **Asian**, and **Australian** countries.

Business opportunities such as Standard Bank's establishment of its BCB division in Mauritius contributes positively to the country's economy and bolsters institutions such as the IFC which strengthens the country's business-friendly reputation.

### Success of Digital Mauritius 2030 Strategic Plan

Mauritius on 29 August officially launched its **Mobil ID** digital identify card, a key step in its **Digital Mauritius 2030 Strategic Plan** adopted in 2018. The launch has also highlighted the success of the plan. The plan's goal is to incorporate the use of technology into the daily lives of Mauritians but also for government services to become more digitised.<sup>12</sup> Although the plan

<sup>7</sup> BMI, 2 May 2024

<sup>8</sup> Reuters, 19 Sep 2024

<sup>9</sup> BizCommunity, 20 Sep 2024

<sup>10</sup> The Conversation, 17 Jun 2024

<sup>11</sup> Statistics Mauritius, Digest of National Account - Year 2023, 2024

<sup>12</sup> MasterCard, 24 Sep 2024.

might have seemed elaborate with targets such as end-to-end digital services with paperless transactions and data sharing through the **InfoHighway**.<sup>13</sup>

Mauritius achieved these objectives with the technology, communication and innovation ministry implementing digital public services such as e-work permits and e-procurement.<sup>14</sup> The implementation of these digital public services is what contributes to Mauritius scoring 75 on the **United Nations' E-Government Development Index (EGDI)** – making Mauritius only one of four African countries above the global average, 63, on the EGDI. The other countries include South Africa, **Seychelles**, and **Tunisia**.

Mauritius is also the only country in Africa that has a fully operational data exchange programme that engages in intra-government data sharing. This programme, the InfoHighway, is a unique programme the ministry developed which allows for seamless data sharing between government agencies. Programmes such as the InfoHighway allow for more transaction efficiency in government service delivery, and services are available 24/7.

The implementation of the objectives set out in the Digital Mauritius 2030 Strategic Plan is an impressive feat for the Mauritian government. It reflects positively on the country's governance efficiency, but also allows for a government which is more streamlined and easier to work with.

### Planner

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

2025 (**Mauritius**) Municipal elections

### Chronology

23 Sep 2024 **Port Louis (Mauritius)** *Statistics Mauritius*. **Education Statistics** of 2023 was released which detailed that government expenditure on education and training for the financial year 2023/24 was estimated to be Rs 21.39m (\$469,019) compared to Rs 20.71m (\$454,109) in 2022/23;

22 Sep 2024 **Port Louis (Mauritius)** *Inside News*. **Airports Council International (ACI)** awards the **Sir Seewoosagur Ramgoolam International Airport** the Africa Safety Award 2024 for excellence in airport emergency management and resilience;

22 Sep 2024 **Port Louis (Mauritius)** *Ahram Online*. A Mauritian delegation arrives in **Egypt** for talks on establishing an electronic waste recycling project;

22 Sep 2024 **Port Louis (Mauritius)** *Le Mauricien*. Opposition **Parti Travailleiste (PTr)** leader **Navin Ramgoolam** has still not announced in which constituency he will stand during the 2024 general election. Ramgoolam is deciding between constituency nr. 5 (**Pamplemousses** and **Triolet**) or nr. 10 (**Montagne Blanche** and **Grand River South East**);

20 Sep 2024 **Port Louis (Mauritius)** *Bank of Mauritius*. **Bank of Mauritius** (central bank) **Monetary Policy Committee** cuts the key repo rate with 50 basis point from 4.50% to 4.00%;

20 Sep 2024 **Port Louis (Mauritius)** *Statistics Mauritius*. **Mauritius Chamber of Agriculture** estimates that sugar production for 2024 crop is 250,000 tonnes, an increase of 4.7% from 2023's crop of 238,854 tonnes;

20 Sep 2024 **Port Louis (Mauritius)** *Monthly Statistical Bulletin*. **Consumer Price Index (CPI)** rose from 102.8 in July to 103.2 in August but remains lower in comparison to 135.2 in January 2024 ;

<sup>13</sup> Ministry of Technology, Communication & Innovation, Digital Mauritius 2030, 2018

<sup>14</sup> Africa Policy Research Institute, What African countries can learn from the continent's top performers in e-government, 2024.

20 Sep 2024 **Port Louis (Mauritius)** *Monthly Statistical Bulletin*. Headline inflation for August declines to 4% from 6.5% in January 2024, which is lower in comparison to 9.6% in August 2023;

16 Sep 2024 **Port Louis (Mauritius)** *ION News*. **The Procurement Policy Office** organises a workshop of which a central theme was to highlight the changes to the legal framework for public procurement between 2022-2024;

12 Sep 2024 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. Foreign affairs minister **Maneesh Gobin** meets with the ambassador from the **Republic of Congo** in residence in **Maputo (Mozambique)**, **Constant-Serge Bounda**, to discuss enhancing bilateral cooperation emphasising the key areas of trade, investment, air access, and tourism;

10 Sep 2024 **Port Louis (Mauritius)** *Bank of Mauritius*. **Bank of Mauritius** (central bank) intervenes in the foreign exchange market selling \$20m at a rate of Rs 46.05 per dollar;

4 Sep 2024 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. The **South African Development Community's (SADC) Electoral Advisory Council (SEAC)** is undertaking a pre-election assessment goodwill mission in Mauritius to evaluate the political and security landscape to ensure an environment for free and fair elections;

4 Sep 2024 **Port Louis (Mauritius)** *Bank of Mauritius*. **Bank of Mauritius** (central bank) intervenes in the foreign exchange market selling \$20m at a rate of Rs 46.11 per dollar;

3 Sep 2024 **Port Louis (Mauritius)** *Developing Telecoms*. Government launches a new programme under which citizens aged 18-25 are eligible to get free mobile internet services;

3 Sep 2024 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. Foreign affairs minister **Maneesh Gobin** meets with a delegation from the **African Peer Review Mechanism (APRM)** to express Mauritius' readiness and willingness to host the institution of the **Africa Credit Rating Agency (AfcRA)**;

### About Africa Risk Consulting:

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