

AFRICA RISK CONSULTING

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Mauritius Summary 26 January 2023

Opposition Mouvement Militant Mauricien (MMM) leader Paul Bérenger meets with opposition Parti Travailleiste (PTr) leader Navin Ramgoolam and opposition Parti Mauricien Social Démocrate (PMSD) leader Xavier Duval on 6 January, noting there has been positive progress on a potential opposition alliance ahead of the 2023 municipal elections and 2024 general election. Despite the rainy season starting, Mauritius continues to face severe water shortages. Central Water Authority (CWA) official Joe Lesjongard announces on 18 January that the CWA has no choice but to reduce the distribution of water across Mauritius. Statistics Mauritius reports on 11 January that 997,290 tourists arrived in Mauritius in 2022, just shy of the government's goal of one million arrivals. Despite not meeting the government's goal, it is a marked improvement on the mere 49,964 arrivals registered in 2021.

Political alliance talks continue

Opposition **Mouvement Militant Mauricien (MMM)** leader **Paul Bérenger** met with opposition **Parti Travailleiste (PTr)** leader **Navin Ramgoolam** and opposition **Parti Mauricien Social Démocrate (PMSD)** leader **Xavier Duval** on 6 January, noting that there has been positive progress on a potential opposition alliance ahead of the 2023 municipal elections and 2024 general election. Bérenger shared limited details but confirmed that if an alliance is formed, the PTr will decide on a candidate for the position of prime minister.¹ It is possible that the PMSD would then occupy the presidency while the MMM would have a member as vice president. The leaders will meet again in early February to discuss further details.²

Opposition **Rassemblement Mauricien (RM)** leader **Nando Bodha** said at a party press conference on 21 January that he doesn't believe that an alliance between the coalition **L'entente de l'Espoir**, which consists of the MMM, PMSD, RM and **Parti Réformiste (PR)**, and the PTr could win the next elections or that it could bring about radical change.³ Bodha has had a contentious relationship with PTr leader Ramgoolam, but has previously said he will wait until the MMM, PTr and PMSD end their discussions before he clarifies his position on the potential alliance.⁴ Thus far, Bodha and his RM party have not been invited to join the discussions.

Political observer **Jocelyn Chan Low** believes Bodha is hesitant to join any alliance, as he left his former foreign affairs ministerial position to join the opposition and position himself as the next prime minister, but within the potential alliance, this post would go to the PTr.⁵ Political analyst **Dharam Gokhool** noted that Bodha should evaluate how much political clout and legitimacy he has before choosing to not join the alliance, which he would be facing in the election.⁶ Gokhool said Bodha needs to look at the bigger picture for the next election, involving a change in government, and that there is a greater chance of this happening if the alliance presents a united front.

¹ Lexpress, 11 Jan 2023

² Lexpress, 11 Jan 2023

³ Defimedia.info, 24 Jan 2023

⁴ Zinfos-Moris, 14 Jan 2023

⁵ Defimedia.info, 24 Jan 2023

⁶ Defimedia.info, 24 Jan 2023

Drought leads to water crisis

Despite the onset of its rainy season, Mauritius continues to face severe water shortages that began with a rainfall deficit in August. **Central Water Authority (CWA)** official **Joe Lesjongard** announced on 18 January that the CWA has no choice but to reduce the distribution of water across Mauritius.⁷ As of 23 January, water reservoirs were on average 37% full compared to 74% at the same time in 2022.⁸ The **Vacoas** meteorological station recorded a 36% deficit in rainfall in the first half of January, which the government has attributed to climate change.⁹ Annual rainfall has been slowing for the past five years, from 2,479mm in 2018 to 2,050mm in 2022, and the **Mauritius Meteorological Services** expects even less rain in 2023.¹⁰

The government's management of the drought has drawn criticism. Environmental consultant and former **Greenpeace** employee **Sunil Dowarkasing** told local radio station **RadioOne** on 8 December that the government cannot blame the drought entirely on climate change and that it has failed to provide solutions to help manage the drought-related water shortages.¹¹ This comes on the back of prime minister **Pravind Kumar Jugnauth** and Mauritius playing host to the **African Economic Conference** in December, which had a strong focus on supporting climate change adaptation despite the Mauritian government having no actionable plans itself.

Lesjongard told the media on 18 January that the government has again considered using desalination plants to help solve the water shortage, but despite discussing it several times, has not launched any projects. Drier conditions are becoming more persistent and desalination plants would allow water to be sourced from rivers, groundwater and other sources besides rainfall. Desalination would help the CWA to become less dependent on rainfall to ensure water supplies.¹² Lesjongard noted that Mauritius does not have the expertise to launch a large-scale desalination project and would need assistance from overseas experts, but did not mention if the government had taken steps to identify potential experts who could help.¹³

PT member of parliament (MP) **Osman Mahomed** raised concerns about the potential desalination project, noting his scepticism about Lesjongard's "*seriousness*" on desalination, as it is not the first time the option has been presented, with no results thus far.¹⁴ Mahomed raised concerns about the viability of such an approach, claiming the infrastructure that would be used to transport the desalinated water to homes is faulty and likely to break.

The water shortage also came up in recent discussions with the **African Development Bank (AfDB)**, which was present in Mauritius on 24 January to conduct an appraisal of its budget support operation under the Economic Recovery and Resilience Support Programme (ERRSP).¹⁵ In a statement released after the visit, the AfDB highlighted the need for government to develop better mechanisms for water management and to find solutions to the drought facing the country, noting that the AfDB would support Mauritius in its future endeavours.

The drought and water shortage have impacted several industries across the country. Farmers on **Rodrigues Island** have expressed concern that the island may need food aid if farmers are unable to access water to grow their crops and support their livestock.¹⁶ The water supply on the island has become very limited and delivery of water is more expensive given the shortage. Prime minister

⁷ Lemauricien.com, 18 Jan 2023

⁸ Wazaa FM, 23 Jan 2023

⁹ Lemauricien.com, 18 Jan 2023

¹⁰ Defimedia.info, 3 Jan 2023

¹¹ Radio One, 8 Dec 2022

¹² Defimedia.info, 19 Jan 2023

¹³ Defimedia.info, 19 Jan 2023

¹⁴ Defimedia.info, 19 Jan 2023

¹⁵ Newsinvasion24.com, 25 Jan 2023

¹⁶ Lexpress.mu, 31 Dec 2022

Jugnauth announced a Rs 1 billion (\$22.14m) investment by the **Mauritius Investment Corporation** for desalination units on the island, but the project is still in the discussion stages.¹⁷

Residents of **Amaury** protested on 6 January against what they claim is an inequitable distribution of water from CWA cisterns, raising tension among residents who say they have received less water than others.¹⁸ Companies in the textile industry have also taken it upon themselves to discuss relief measures to ensure they can continue production despite the lack of water.¹⁹ Approximately 20 hotels across Mauritius have desalination plants, but drought could impact the number of tourist arrivals in 2023 and the ability of hotels without desalination plants to host guests, risking further recovery of this vital sector.

Tourism recovery

Statistics Mauritius reported on 11 January that 997,290 tourists arrived in Mauritius during the course of 2022, just shy of the government's goal of one million arrivals.²⁰ Despite not meeting the government's goal, it is a marked improvement on the mere 49,964 arrivals registered in 2021. Mauritius is heavily reliant on tourism; in 2019, prior to the **Covid-19** pandemic, tourism contributed 19.5% to gross domestic product (GDP) and created more than 100,000 jobs.²¹ Tourism contributed 8.3% to GDP in 2020 and only 4.6% in 2021.

However, economic experts have cautioned against being too optimistic about the sector's recovery given the below-average growth prospects in 2023. Mauritius relies on **France, the United Kingdom, Germany, South Africa and Reunion** for 60% of its tourist arrivals, and the expected recession in **Europe** could negatively affect the tourism sector.²² Financial consultant **Kevin Teeroovengadum** has said that the government and private sector hold the key to navigating any potential recession or negative sector growth in Mauritius and that every economic crisis presents opportunities that can be capitalised on.²³

¹⁷ Lexpress.mu, 31 Dec 2022

¹⁸ Lexpress.mu, 6 Jan 2023

¹⁹ Defimedia.info, 9 Jan 2023

²⁰ Defimedia.info, 11 Jan 2023

²¹ The North Africa Post, 3 Jan 2023

²² Lexpress.mu, 11 Jan 2023

²³ Lexpress.mu, 11 Jan 2023

Planner

June 2023 **(Mauritius)** Municipal elections

2024 **(Mauritius)** General election

Chronology

26 Jan 2023 **Port Louis (Mauritius)** *Business Insider Africa*. **Nigeria**-headquartered **African** news publication **Business Insider Africa** ranks Mauritius 9th on its list of top 10 African countries with highest economic prospects;

26 Jan 2023 **Port Louis (Mauritius)** *Radio One*. Heavy rains cause primary schools to close in certain regions of the country;

25 Jan 2023 **Port Louis (Mauritius)** *Lemauricien.com*. Several representatives of civil society announce a planned demonstration for 24 February to challenge high petrol prices after government announces it will maintain the current price of petrol;

25 Jan 2023 **Port Louis (Mauritius)** *ION News*. **French** renewable company **GreenYellow** concludes a transaction for Rs 350m (\$7.94m) with the **Mauritius Commercial Bank** to finance a solar power plant in **Arsenal**;

23 Jan 2023 **Port Louis (Mauritius)** *Lexpress.mu*. **Parti Travailleurs** members of parliament **Arvin Boolell** and **Shakeel Mohamed** challenge speaker **Sooroojdev Phokeer**'s decision to suspend them from the national assembly in the **Supreme Court**;

23 Jan 2023 **Port Louis (Mauritius)** *The Print*. Prime minister **Pravind Kumar Jugnauth** inaugurates the **India**-sponsored metro express line linking **Rose Hill** to **Reduit**;

23 Jan 2023 **Port Louis (Mauritius)** *ION News*. **Mauritius Research and Innovation Council (MRIC)** and the **Mohammed Bin Rashid Space Center** of the **United Arab Emirates (UAE)** sign a framework agreement for cooperation in the fields of space and space technologies;

19 Jan 2023 **Port Louis (Mauritius)** *World Health Organisation*. Health minister Dr **Kailesh Jagutpal** and the **World Health Organisation (WHO)** representative to Mauritius, Dr **Anne Anicia**, launch the third WHO country cooperation strategy focused on scaling up universal health coverage;

19 Jan 2023 **Port Louis (Mauritius)** *ION News*. Foreign affairs minister **Alan Ganoo** meets with a **Japanese** foreign affairs ministry delegation to discuss strengthening bilateral cooperation in several sectors;

17 Jan 2023 **Port Louis (Mauritius)** *MBC News*. **Economic Development Board** meets to discuss investing Rs 31 billion (\$704m) in setting up 33 projects in the manufacturing, tourism, health and blue economy sectors over the next three years;

19 Jan 2023 **Port Louis (Mauritius)** *Newsinvasion*. **Mauritius Institute of Biotechnology** and the **United Kingdom**'s department for international trade sign a memorandum of understanding (MoU) on cooperation in the fields of pharmaceuticals and biotechnology;

12 Jan 2023 **Port Louis (Mauritius)** *Weetracker.com*. Mauritius retains the title of **Africa**'s most innovative country in the **World Intellectual Property Organisation**'s latest innovation report;

10 Jan 2023 **Port Louis (Mauritius)** *Lexpress.mu*. **Statistics Mauritius** indicates inflation reached 12.2% year-on-year in December, a slight increase from 12.1% in November;

9 Jan 2023 **Port Louis (Mauritius)** *Lexpress.mu*. **Bank of Mauritius** says gross foreign currency reserves fell Rs 30 billion (\$680.99m) in 2022, from \$8.5 billion in December 2021 to \$7.7 billion in December 2022;

8 Jan 2023 **Port Louis (Mauritius)** *Defimedia.info*. **Mauritius Vehicles Dealers Association (MVDA)** notes record sales in 2022, and expects even more sales in 2023, partly due to government's abolition of excise duties on hybrid and electric vehicles;

2 Jan 2023 **Port Louis (Mauritius)** *The Africa Report*. **United Kingdom** and Mauritius begin talks on the sovereignty of the disputed **Chagos** archipelago;

22 Dec 2022 **Port Louis (Mauritius)** *African Development Bank*. **African Development Bank (AfDB)** approves a \$40m trade finance package for **Mauritius**-based **Bank One Ltd** composed of a \$25m risk participation agreement and a \$15m transaction guarantee;

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