

AFRICA RISK CONSULTING

Mauritius Monthly Briefing November 2023

Mauritius Summary 30 November 2023

Mauritius hosts the third ministerial conference on maritime safety and security in the Western Indian Ocean between 14 and 16 November, organised by the foreign affairs, regional integration and trade ministry and Indian Ocean Commission (IOC). The Bank of Mauritius (BoM) Monetary Policy Committee (MPC) opts on 28 November to keep the key rate unchanged at 4.5% per annum, noting that the current monetary policy is supporting price stability and economic development. Congestion at South Africa's Port of Durban and Port of Cape Town has reaped benefits for Mauritius, with shipping lines opting to divert cargo to Port Louis.

Mauritius hosts maritime safety and security conference

Mauritius hosted the third ministerial conference on maritime safety and security in the **Western Indian Ocean** between 14 and 16 November, organised by the foreign affairs, regional integration and trade ministry and the **Indian Ocean Commission (IOC)**. Representatives from over 30 countries and organisations attended the conference, gathering to create partnerships that will help enhance the region's maritime safety and security policies.¹ The Western Indian Ocean encompasses the IOC member states of Mauritius, **Madagascar, Reunion, Mayotte, Comoros** and **Seychelles**. The ministerial conference is held to ensure that there is progress on a political level and commitment among countries on these issues in the Western Indian Ocean.

One topic discussed was the upcoming launch of the **Safe Seas Africa** programme, funded by the **European Union (EU)**, which will interconnect current maritime safety and security policies across the **Gulf of Guinea**, Western Indian Ocean and **Western Pacific** while helping countries develop strategies, legal frameworks and other internal mechanisms to help create better maritime safety and security.

The Western Indian Ocean is a key trade and commercial hub; however, it faces several challenges and threats to its maritime security including trafficking, smuggling, illegal fishing and pollution.² According to conference presenter **Christian Bueger**, the **Regional Maritime Information Fusion Centre (RMIFC)** registered 741 maritime security events in the first three quarters of 2023.³ Bueger noted that the assets made available to the **Regional Centre for Operational Coordination (RCOC)**, which is based in Seychelles and helps to coordinate response to address threats, are not enough and therefore, the number of these registered events could continue rising.

Prime minister **Pravind Jugnauth** (2017-present) addressed this concern, saying in his presentation that no significant improvement in maritime security in the region can be achieved without the "*committed support of the international community*".⁴ Jugnauth emphasised that strengthening of port security is necessary in order to address these regional threats. The IOC member states are hoping to tackle this by creating a regional policy on ports security and the safety of navigation.⁵

¹ Maritimafrica, 22 Nov 2023

² Zawya, 15 Nov 2023

³ Bueger.info, 16 Nov 2023

⁴ Le Matinal, 16 Nov 2023

⁵ Le Matinal, 16 Nov 2023

MPC keeps key rate unchanged

The **Bank of Mauritius (BoM) Monetary Policy Committee (MPC)** met on 28 November, opting to keep the key rate unchanged at 4.5% per annum, citing that the current monetary policy is supporting price stability and economic development.⁶ The MPC opted to keep the rate at 4.5% in both its June and September meetings. The MPC first opted to adopt a tighter monetary policy in March 2022, raising the key rate from 1.85% to 2% before settling on 4.5% in December 2022.⁷

BoM governor **Harvesh Seegolam**, who briefed the media following the meeting, noted that the MPC forecasts economic growth of 7% in 2023. Annual inflation has moderated, reaching 4.6% in October, down from 5.2% in September, and well within the BoM inflation target range of between 3% and 5%.⁸ Seegolam highlighted several other domestic developments including that tourist arrivals have reached pre-pandemic levels. **Statistics Mauritius** reported on 13 November that 1,026,771 tourists arrived in Mauritius between 1 January and 31 October.⁹

Given these positive results and inflation's continued moderation, the MPC is likely to lower the key rate in 2024, potentially at its first meeting.

Port Louis benefits from South Africa's port congestion

Congestion at **South Africa's Port of Durban** and **Port of Cape Town** has reaped benefits for Mauritius, with shipping lines opting to divert cargo to **Port Louis**. Global shipping giant **Maersk** released a statement on 14 November noting that due to the congestion specifically at Port of Cape Town, it would be reorganising its **Asia-West/South Africa** network and establishing a feeder service between Cape Town and Port Louis to help speed up transit times.¹⁰ The feeder service will ensure consistent cargo movement between Cape Town and Port Louis, with Port Louis now serving as a connection to **Asia**.

The backlog at Cape Town has been cleared, as of 29 November. However, South Africa's state-owned port operator **Transnet** clarified that there are more than 60 ships currently anchored at Port of Durban and that it will take between seven and 15 weeks to clear these vessels. Mauritius' honorary consul to South Africa commented on the situation:

"We [Mauritius] will be benefiting from every single extra container coming in and out of Mauritius."¹¹

Maritime expert **Alain Malherbe** commented that the situation offers an opportunity for Mauritius to improve its ports and catch up to other ports, which would be beneficial given that Mauritius is a key location along shipping routes. Despite its strategic location, Port Louis ranked 327th out of 344 ports on the **Container Port Performance Index 2022**, indicating that there is room for improvement, which current events might spur on.¹²

Over the years, several updates have been planned for Port Louis. In July 2016, the **Mauritius Ports Authority (MPA)** commissioned **Royal Haskoning DHV** to carry out an update of the master plan for Port Louis, focused on likely developments between 2015 and 2040.¹³ In 2019, a \$200m project saw the extension of the port's quay by 240 metres and the expansion of the container stacking area by 7.5 hectares, increasing the throughput capacity from 550,000 TEUs (twenty-foot equivalent unit) to one million TEUs.¹⁴ Despite these improvements, the port still ranks low in terms of performance and it

⁶ Le Matinal, 29 Nov 2023

⁷ L'Express, 28 Nov 2023

⁸ Le Matinal, 29 Nov 2023

⁹ Statistics Mauritius, 13 Nov 2023

¹⁰ The Loadstar, 14 Nov 2023

¹¹ Cape Talk, 21 Nov 2023

¹² Sunday Times Mauritius, Nov 2023

¹³ Mauport.com, accessed 30 Nov 2023

¹⁴ The Business Report, 2019

has taken severe congestion at South Africa's ports for Port Louis to really feature again in regional port dynamics. Port Louis handles 99.5% of external trade and directly contributes 2% to Mauritius' GDP. This figure could be greater if further investment focuses beyond improving the port's tourism facilities.

Planner

2024 **(Mauritius)** General election
2025 **(Mauritius)** Municipal elections

Chronology

29 Nov 2023 **Port Louis (Mauritius)** *Le Mauricien*. National assembly speaker **Sooroojdev Phokeer** expels **Joanna Bérenger**, **Arianne Navarre-Marie** and **Karen Foo Kune-Bacha** from the opposition **Mouvement Militant Mauricien (MMM)** after heated exchanges between the four, and also suspends MMM general secretary **Rajesh Bhagwan** for four sessions;

28 Nov 2023 **Port Louis (Mauritius)** *Le Mauricien*. State-owned entity, the **Road Development Authority**, and **South Korea's Korea Expressway Construction** sign a memorandum of understanding (MoU) to strengthen collaboration in the road infrastructure sector;

28 Nov 2023 **Port Louis (Mauritius)** *Le Mauricien*. **France's** minister delegate to the foreign affairs ministry in charge of foreign trade **Olivier Becht** is set to visit Mauritius on 1 December and sign four cooperation agreements with finance minister **Renganaden Padayachy** and meet with prime minister **Pravind Jugnauth**;

27 Nov 2023 **Port Louis (Mauritius)** *Maurice-Info*. Opposition **Rassemblement Mauricien** leader **Nando Bodha** calls on prime minister **Pravind Jugnauth** to table a motion in parliament calling for an immediate ceasefire in **Palestine**;

27 Nov 2023 **Port Louis (Mauritius)** *Ion News*. **Finnish** ambassador to Mauritius, **Raija Anne Lammila**, meets with deputy prime minister **Leela Devi Dookun-Luchoomun** to discuss areas of commercial and educational cooperation;

25 Nov 2023 **Port Louis (Mauritius)** *Le Matinal*. Foreign affairs, regional integration and trade minister **Maneesh Gobin** attends the **Common Market for Eastern and Southern Africa (COMESA) 44th council of ministers** in **Lusaka (Zambia)**;

21 Nov 2023 **Port Louis (Mauritius)** *Le Matinal*. A Port Louis court grants bail to six suspects involved in the attack on **La Citadelle** hotel on 21 October, with bail set at Rs 25,000 (\$566,93);

16 Nov 2023 **Port Louis (Mauritius)** *Defi Media*. Two private schools, located in **Mapou** and **Bois-Rouge**, report receiving bomb threats via email, prompting the dispatch of the bomb disposal squad and investigators. No bombs are located, and an investigation is launched to track the source of the emails;

13 Nov 2023 **Port Louis (Mauritius)** *Bloomberg*. **United Kingdom**-headquartered **HSBC Holdings** agrees to sell its retail and business banking units to **South Africa**-headquartered **Absa** in a sale that will impact 38,000 customers;

10 Nov 2023 **Port Louis (Mauritius)** *The Print*. Mauritius receives a shipment of 1,325 metric tonnes of rice from **India** with an additional 795 metric tonnes expected to help ease shortages. The shipment is viewed as a sign of the positive ties between the countries as India currently has a ban on rice exports, but waived this upon Mauritius' request;

8 Nov 2023 **Port Louis (Mauritius)** *The Namibian*. The **Mauritius-Namibia Trade and Investment Forum**, organised by the **Namibia Investment Promotion and Development Board** and Mauritius' **Economic Development Board (EDB)**, begins with an aim of strengthening cooperation;

3 Nov 2023 **Henrietta (Mauritius) Le Matinal**. Prime minister **Pravind Jugnauth**, accompanied by an **Indian** representative of the prime minister, **Shri Muraleedharan**, inaugurate an 8MW solar power plant which was built through a RS350m (\$7.93m) line of credit agreement with the Indian government;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)