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Mauritius Summary 25 November 2024

The Alliance du Changement (ADC) wins 62.6% of the vote in the 10 November general election, resulting in former prime minister Navinchandra Ramgoolam (1995-2000; 2005-2014) being sworn in for a fourth term. The previous administration, under prime minister Pravind Jugnauth (2017-2024), orders a ban on social media two weeks before the elections. The ban faces significant push back from opposition political parties and civil society. Ramgoolam appoints Rama Krishna Sithanen as Bank of Mauritius (central bank) governor. India's prime minister Narendra Modi (2014-present) congratulates Ramgoolam on his victory with Indian-Mauritian relations expected to continue growing.

Alliance du Changement (ADC) wins election

The **Mouvement Socialiste Militant (MSM)** suffered a significant loss against the **Alliance du Changement (ADC)** in the 10 November general election. The ADC is led by the former prime minister **Navinchandra Ramgoolam** (1995-2000; 2005-2014), who will not serve his fourth term as prime minister.¹ The ADC is a coalition consisting of Ramgoolam's **Parti Travailleiste (PTr)**, the **Mouvement Militant Mauricien (MMM)**, the **Nouveaux Démocrates (ND)**, and the **Rezistans ek Alternativ (ReA)**.

Mauritius has a First Past the Post (FPTP) electoral system which means that the party with the most votes wins the election resulting in a 'winner-takes-all' outcome.² The ADC won 62.6% of the vote, therefore winning an outright majority. Mauritius is divided into 21 constituencies with each constituency delivering three seats to the **National Assembly** – except for the small island of **Rodrigues** who only delivers two seats. The ADC won 60 out of 62 constituency seats in the National Assembly.³ The **Organisation du Peuple de Rodrigues (OPR)** won Rodrigues' two seats in the National Assembly.⁴

In total the National Assembly consists of 70 seats. The remaining eight seats are appointed by the **Electoral Supervisory Commission (ESC)** to ensure equal representation of all Mauritian cultural, religious, and ethnic identities. These eight seats are commonly referred to as the 'best losers'. However, the ESC these has not yet released these additional seats.

This election outcome is a landslide victory for the ADC, not only because the coalition won the majority seats in the National Assembly, but also compared to the MSM's previous performance in the 2019 elections. The MSM, led by the former prime minister **Pravind Jugnauth** (2017-2024), only secured 37% of the popular vote in the 2019 election. In both the 2019 and 2024 election voter turnout is estimated to be between 77% and 80%.⁵

The biggest reasons cited for Jugnauth's defeat is the high cost of living due to increasing inflation and continuing devaluation of the Mauritian rupee against the **United States (US)** dollar, and various allegations of corruption.⁶ Inflation especially increased in 2017 and 2018 and in 2022 and 2023, at least half of Jugnauth's term in office.

¹ Bloomberg, 11 Nov 2024

² The Conversation, 15 Nov 2024

³ Reuters, 13 Nov 2024

⁴ Business Day, 12 Nov 2024

⁵ Bloomberg, 11 Nov 2024

⁶ The Conversation, 15 Nov 2024

Jugnauth conceded defeat early on 11 November before the official election results were released, seeing as the results already tipped in the ADC's favour.⁷ Mauritius has a long history of peaceful transitions causing a low risk for electoral violence. Although there have been a few incidents of unrest reported on the day of the elections, both Jugnauth and Ramgoolam called for citizens to remain calm and not to respond to provocations.⁸ Ramgoolam was sworn in as prime minister on 13 November.

...previous administration ban social media for 24 hours, not helping its cause

In the second last week of October, Mauritius faced a wiretapping scandal where phone calls and conversations of politicians, police officers, lawyers and members of civil society were leaked to the public.⁹ Some conversations were incriminating against journalists and politicians and touched on sensitive issues such as police brutality and institutional interference. The government initially tried to say the audio files were not original and generated by artificial intelligence. However, given the sensitivity of content leaked, especially surrounding politicians, the government took more decisive action and once the clips started to gain media traction, the government announced on 1 November that it would block access to social media sites until after the elections on 11 November.¹⁰ Jugnauth argued that the shut down was necessary to protect national security.

Opposition political parties fiercely opposed the social media blockage by arguing that Jugnauth was trying to delay the elections to retain his parliamentary majority.¹¹ The social media ban also received significant backlash from civil society and international criticism.¹² The social media ban was lifted after 24 hours later due to the enormous backlash the former administration faced. After the ban was lifted, Ramgoolam rightly argued that this decision by the former government greatly undermined Mauritius' freedom of speech. The private sector lobby group **Business Mauritius** also criticised the decision by saying that the ban greatly weakens the country's international reputation.¹³

These criticisms by Ramgoolam and Business Mauritius are supported by Mauritius' drop of digital freedom on the **Ibrahim Index of African Governance**. In 2013 Mauritius ranked third out of 54 African countries but in 2023 Mauritius ranked 25th, which is a 21.7% drop over the past decade.¹⁴ Digital freedom is an important aspect of democracy because it allows citizens to freely express themselves, but is also an important mechanism for keeping politicians accountable. Additionally, the social media ban undermines the **Digital Mauritius 2030 Strategic Plan** (see *ARC Briefing Mauritius Sep 2024*). The core goal of the Digital Mauritius 2030 Strategic Plan is to incorporate technology into the daily lives of citizens and digitise bureaucracy.

In the long term, the social media ban also forms part of a concerning trend in Mauritian politics, which has previously attempted restrictions on social media. In 2021, the **Information and Communication Technologies Authority (ICTA)** attempted to amend the **Information and Communication Technologies (ICT) Act** to increase social media regulation.¹⁵ However, the proposal received significant local and international opposition leading to the proposed amendment being discarded.

New economic outlooks

After the general elections, President **Prithvirajsing Roopun** (2019-present) announced the new **Bank of Mauritius (BoM)** (central bank) governor as **Rama Krishna Sithanen**. Sithanen's

⁷ Bloomberg, 11 Nov 2024

⁸ Bloomberg, 11 Nov 2024

⁹ Reporters Without Borders, 24 Oct 2024

¹⁰ Newsweek, 1 Nov 2024

¹¹ Al Jazeera, 1 Nov 2024

¹² The Conversation, 6 Nov 2024

¹³ Tech Central, 4 Nov 2024

¹⁴ Mo Ibrahim Foundation – Governance Profile: Mauritius, 2024

¹⁵ The Conversation, 6 Nov 2024

appointment was on the recommendation of Ramgoolam.¹⁶ Sithanen served as the finance minister between 1991 and 1995 and again between 2005 and 2010. He also served as the vice prime minister of Mauritius between 2005 and 2010. Sithanen is widely viewed as very experienced and is well-known for driving financial reforms as finance minister which helped lead to Mauritius' financial sector boon between 2005 and 2010.¹⁷

The new governor announced that his first priorities are to address the devaluation of the Mauritian rupee and to fix the shortage of foreign currency in the domestic market.¹⁸ This statement from Sithanen roughly goes against the economic policies of the previous MSM government. The MSM government prioritised economic growth over currency stability by devaluating the rupee to support export competitiveness and fiscal revenues through increased Value Added Tax (VAT) collections.¹⁹ However, the consequences of this strategy are declining foreign reserves and inflationary pressures. Sithanen has critiqued this strategy by arguing that it creates a 'monetary illusion' because people or businesses receive higher nominal incomes due to a weaker currency.

As a counter-strategy, Sithanen proposed that he will gradually try to stabilise the rupee by avoiding policies that artificially boosts consumption by introducing structural reforms which fosters export competitiveness and improving the balance of payments.²⁰ In turn these implementations aim to curb inflation which will indirectly decrease the cost of living. The increased cost of living is one of the main reasons voters refrained from voting for the MSM government again.

As a consequence of the economic growth over currency stability strategy, the MSM government sold foreign currency reserves to stem the shortages of the currency on the market and to relieve pressure on the currency.²¹ This leads to Sithanen's second priority of fixing the currency shortage in the domestic market. During the past four financial years, the MSM government pressured the BoM to withdraw Rs158 billion (\$3.32 billion) from foreign reserves. As a consequence the Mauritian rupee has depreciated 30% against the US dollar between 8 November 2019, when the MSM government took office, and 9 July 2024. Sithanen's strategy of stabilising the currency through structural reforms should increase foreign currency reserves. Sithanen further elaborated that he aims to increase foreign currency reserves by decreasing the trade deficit. He plans to do this by reducing import expenditure of the two most costly sectors – food and fuels.²² However, Sithanen cautioned that the appreciation of the rupee will not happen overnight and advised patience.

India seems more of the same

India, which has always enjoyed warm relations with Mauritius, welcomed Ramgoolam to his fourth term as prime minister. In a social media post on **X**, India's prime minister **Narendra Modi** (2014-present) stated:

*"Had a warm conversation with my friend Dr Navin Ramgoolam, congratulating him on his electoral victory. I wished him great success in leading Mauritius and extended an invitation to visit India. Look forward to working closely together to strengthen our special and unique partnership."*²³

The Mauritian election results come as a optimistic moment for Indian foreign affairs which have seen increasing challenges with newly elected governments across the **Indian Ocean Region (IOR)** specifically from the **Maldives** and **Sri Lanka**. Mauritius is of strategic importance in the IOR to India, who is increasingly trying to assert itself as a maritime power.²⁴

¹⁶ Bloomberg, 15 Nov 2024

¹⁷ Source, journalist, London

¹⁸ BNN Bloomberg, 16 Nov 2024

¹⁹ Mauritius Times, 12 Jul 2024

²⁰ BNN Bloomberg, 16 Nov 2024

²¹ Mauritius Times, 12 Jul 2024

²² Bloomberg, 16 Nov 2024

²³ Indian Express, 12 Nov 2024

²⁴ The Diplomat, 20 November 2024

Not only is Mauritius' cooperation important for India, but also Mauritius' **Agaléga Island** which hosts a 3,000m airstrip developed by India. Agaléga was used by India to expand its reach within the IOR to survey military and non-military activities.²⁵ India originally developed the airstrip in 2015 in the spirit of Mauritian-Indian maritime security. However, in 2024 the airstrip was upgraded from an initial 800m to the full-length airfield of 3,000m and a new jetty built.²⁶ Additionally, at the end of 2023, India shared that it is planning to permanently send 50 officers and guards to Agaléga with equipment that can handle Boeing P-81 surveillance and anti-submarine warfare aircraft of the Indian Armed Forces.²⁷

The **Indian Navy** believes this equipment and personnel will allow India to monitor the **Mozambique Channel** with maritime patrols. The installation of equipment, infrastructure, and personnel on the Agaléga island is bolstering India's influence and reach across the IOR. All of these Indian developments with Mauritius fall under the Modi administration's **Security and Growth for All Policy**. These developments are beneficial for Mauritius, as it is receiving military support which in turn bolsters its own military capacity.

However, the Mauritian population has been more sceptical than its government. The citizens of Agaléga have increasingly expressed their concerns about the Indian military developments on the island, claiming that the island is becoming increasingly militarised which is forcing families to either relocate or completely leave the island. One instance is claims from Agalégans that the village of **La Fourche** will be swallowed by Indian infrastructure and the ten families who live there will need to relocate as it will become a restricted area for the Indian Navy.²⁸ This is supported by other claims saying that Agalégans are barred from using infrastructure, such as hospitals, developed by India. Agaléga citizens have also accused the Mauritian government of making living conditions on the island miserable so that citizens will be forced to leave – leaving the island free for military development.²⁹

The return of Ramgoolam to office will see a continuation of Mauritius-India bilateral relations and even possibly an increase in trade and military relations. Although there are mutual benefits on both sides, the Mauritian military relations with India is proving to be an issue for Mauritian citizens.

Planner

2025 (**Mauritius**) Municipal elections

Chronology

18 Nov 2024 **Port Louis (Mauritius) Bank of Mauritius**. The **Bank of Mauritius** (central bank) intervenes in the foreign exchange market selling \$25m at a rate of Rs 46.50 per **United States (US)** dollar;

17 Nov 2024 **Port Louis (Mauritius) Le Mauricien**. The **Constance Hotels & Resorts Group** wins the **Green Globe Platinum** award for the its efforts to make travel and tourism more sustainable on the island, becoming the first Mauritian hotel to win the award;

12 Nov 2024 **Port Louis (Mauritius) Bank of Mauritius**. The **Bank of Mauritius** (central bank) releases the auction results of the 4.76% **Five-Year Government of Mauritius Bons (Re-Opening)** for a nominal amount of Rs2.3m (\$47,914) maturing on 6 September 2029;

6 Nov 2024 **Port Louis (Mauritius) Ministry of Foreign Affairs**. Foreign affairs minister **Maneesh Gobin** welcomes the **Southern African Development Community's (SADC) Electoral Observation Mission (SEOM)** between 5 and 12 November 2024 for the national elections;

²⁵ The Diplomat, 20 November 2024

²⁶ The Interpreter, 20 November 2024

²⁷ Africa Defence Forum, 10 October 2023

²⁸ BBC, 9 November 2024

²⁹ BBC, 9 November 2024

6 Nov 2024 **Cape Town (South Africa)** *Africa Energy Week*. **Economic Development Board of Mauritius** director of financial services **Vinay Guddye** is a panelist on the 'From Feasibility to Bankability – Developing a Sustainable Finance Strategy for African Downstream' session and stated that energy projects needs more private funding to be successful;

5 Nov 2024 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. Foreign affairs minister **Maneesh Gobin** holds a meeting a meeting with **Southern African Development Community's (SADC) Electoral Observation Mission (SEOM)** delegation leader **Othman Chande**, the former Tanzanian chief justice, together with other senior officials from the foreing affairs minister;

5 Nov 2024 **Port Louis (Mauritius)** *Bank of Mauritius*. The **Bank of Mauritius** (central bank) releases the provisional gross tourism earning for September 2024 of Rs 6.87m (\$142,517);

1 Nov 2024 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. Foreign affairs minister **Maneesh Gobin** presents the **Exequatur** to **Dick Christophe Ng Sui Wa** on his appointment as honorary consul of **Kazakhstan** in Mauritius;

30 Oct 2024 **Port Louis (Mauritius)** *Bank of Mauritius*. The **Bank of Mauritius** (central bank) issues a Twenty-Year Government of Mauritius Bonds which will mature on 8 November 2044. The bonds will be auctioned on 6 November 2024 for a nominal amount of Rs2.10m (\$43,523);

30 Oct 2024 **Port Louis (Mauritius)** *Le Mauicien*. Mauritius' trade deficit reaches Rs 19.2 billion (\$399.98m) in August, an 11.8% increase compared to Rs 17.2 billion (\$358.31m) in August 2023, largely due to an approximate 8.5% increase in imports from August 2023 to August 2024;

28 Oct 2024 **Port Louis (Mauritius)** *Ministry of Foreign Affairs*. Foreign affairs minister **Maneesh Gobin** received the **United States (US)** agency **Prosper Africa** led by the coordinator **British Robinson** to discuss the strategic and economic partnership between the US and Africa.

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