

## AFRICA RISK CONSULTING

### Mauritius Monthly Briefing August 2023

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#### Mauritius Summary 31 August 2023

*Opposition parties **Linion Pep Morisien (LPM)**, **Citoyen pour la Patrie (RCP)** and **Rassemblement Mauricien** on 25 August confirm they will establish an alliance ahead of the 2024 general elections. Industrial development minister **Sunil Bholah** addresses concerns over the expiration of the **African Growth Opportunity Act (AGOA)** agreement between the **United States (US)** and Mauritius during a meeting with stakeholders on 22 August. The dismissal of **Yogita Babboo**, the former president of the **Air Mauritius Cabin Crew Association (AMCCA)**, has drawn international condemnation and sparked a legal case for the national carrier, in which the government is the majority stakeholder.*

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#### Another opposition alliance established

Opposition parties **Linion Pep Morisien (LPM)**, **Citoyen pour la Patrie (RCP)** and **Rassemblement Mauricien** confirmed on 25 August that they would establish an alliance ahead of the 2024 general elections.<sup>1</sup> The announcement was made during a press conference attended by LPM leaders **Rama Valayden**, **Dev Sunnasy** and **José Moirt**, RM leader **Nando Bodha** and RCP leader **Parvèz Dookhy**. During the press conference, the leaders were critical of the current regime, noting that there is excessive concentration of power in the hands of prime minister **Pravind Jugnauth**.<sup>2</sup> The alliance said it is in talks with other opposition parties that may join them, with a final decision expected by 2 September.<sup>3</sup>

The new alliance was established just a month after the other main opposition parties adopted a similar action. **Parti Travailleiste (PTr)** leader **Navin Ramgoolam** confirmed on 15 July that his party and fellow opposition parties **Mouvement Militant Mauricien (MMM)** and **Parti Mauricien Social Démocrate (PMSD)** finalised an opposition alliance agreement to present a united front in the 2024 general elections. Ramgoolam confirmed on 14 August that the prime minister would come from the PTr, with the other opposition party leaders, **Paul Bérenger** of the MMM and **Xavier-Luc Duval** of the PMSD, noting that the alliance is not between the leaders but their parties in the hopes that they can bring change to the country in the next election. Ruling party **Mouvement Socialiste Militant (MSM)** president and energy and public services minister **Joe Lesjongard** has said that the MSM does not view this alliance as a threat and is focused on its electoral programme going into 2024.<sup>4</sup> The MSM has historically dominated elections, winning six of the 12 elections that Mauritius has held since independence; however, issues such as the economy, the delay of municipal election and an overall feeling of democratic backsliding face the party in the next election.

#### AGOA expiration concerns raised

Industrial development minister **Sunil Bholah** addressed concerns over the expiration of the **African Growth Opportunity Act (AGOA)** agreement between the **United States (US)** and Mauritius during a meeting with stakeholders on 22 August.<sup>5</sup> Bholah noted that Mauritius has begun its lobby with the US to extend the programme beyond its 2025 expiration date. However, there are concerns that

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<sup>1</sup> Le Mauricien, 28 Aug 2023

<sup>2</sup> Le Mauricien, 28 Aug 2023

<sup>3</sup> Le Mauricien, 28 Aug 2023

<sup>4</sup> Le Mauricien, 15 Aug 2023

<sup>5</sup> Council on Foreign Relations, accessed 30 August 2023

Mauritius' **World Bank** classification as an upper-middle income country<sup>6</sup> may prevent this from happening. Bholah noted in the meeting that Mauritius' gross national income (GNI) per capita is above \$13,846, which according to AGOA, means the country should be excluded.<sup>7</sup> AGOA was initially created to allow most low-income countries on the continent to export goods to the US duty-free.<sup>8</sup> If Mauritius is excluded from the agreement, its economy will suffer, as the US remains one of its top five export markets. Bholah also noted that Mauritius raised the idea of a free trade agreement with the US, should the AGOA exclusion happen, but that the current US administration is not keen on the idea.

The risk of AGOA expiring in 2025 is a real concern for Mauritius as its export sector has already seen weak growth in the first half of 2023 with exports only increasing 2.4% to Rs 24 billion (\$527.97m) versus the Rs 23.4 billion (\$514.77m) registered in the corresponding period in 2022.<sup>9</sup> Lower economic growth in Mauritius' main export markets – **South Africa, England, the European Union (EU)** and the US – has contributed to this.<sup>10</sup> The weak export growth has had a knock-on effect, with **Statistics Mauritius** reporting on 25 August that it forecasts the trade deficit to reach a record high of Rs 205 billion (\$4.51 billion) in 2023, a 9.6% increase from the Rs 187 billion (\$2.26 billion) trade deficit in 2022. Statistics Mauritius noted in its second quarter (Q2) external trade report that total exports for 2023 are projected to amount to Rs 110 billion (\$2.43 billion) while imports will amount to Rs 315 billion (\$6.96 billion).<sup>11</sup>

### **Air Mauritius under fire for dismissal of cabin crew director**

The dismissal of **Yogita Babboo**, former president of the **Air Mauritius Cabin Crew Association (AMCCA)**, has drawn international condemnation and sparked a legal case for the national carrier, in which the government is the majority stakeholder. **Air Mauritius** dismissed Babboo with immediate effect on 10 July over statements she made on a radio programme on 25 April which the airline said was damaging to Air Mauritius' reputation.<sup>12</sup> Babboo refuted this, saying she was expressing concerns of staff members as a trade union spokesperson and not as an employee. However, Air Mauritius maintains that it followed procedure and noted that Babboo failed to appear before a disciplinary board following the interview which also contributed to her immediate dismissal.

During the interview, Babboo expressed concern that 15 Air Mauritius employees were unable to return to work for two years as they had not been vaccinated against **Covid-19**, which Air Mauritius had made compulsory for personnel.<sup>13</sup> According to Babboo, the employees were left on unpaid leave. Babboo noted this policy is contradictory to statements by health minister **Kailesh Jagutpal** who said that unvaccinated employees can work if they present a negative PCR test.<sup>14</sup> Shortly after the interview, Babboo was placed on forced leave, before her eventual dismissal. The **World Federation of Trade Unions (WFTU)** on 2 June released a statement on the interview, expressing support with Air Mauritius workers over the policy and with Babboo, calling it an attack on worker's rights and freedoms.

On 28 July, Babboo, accompanied by her lawyer, made a statement with the **Central Criminal Investigation Department (CCID)** alleging that her dismissal breached Sections 30 and 21 of the **Employment Relations Act** as her comments were made in her role as a union representative and

<sup>6</sup> The World Bank classified Mauritius as a high-income country based on 2019 data, however, in the aftermath of the Covid-19 pandemic, it was re-classified as an upper-middle-income country in July 2021.

<sup>7</sup> Le Mauricien, 23 Aug 2023

<sup>8</sup> Council on Foreign Relations, accessed 30 August 2023

<sup>9</sup> Le Mauricien, 23 Aug 2023

<sup>10</sup> Le Mauricien, 23 Aug 2023

<sup>11</sup> Le Mauricien, 26 Aug 2023

<sup>12</sup> Le Matinal, 29 Jul 2023

<sup>13</sup> Sunday Times Mauritius

<sup>14</sup> Le Mauricien, 27 Aug 2023

not an Air Mauritius employee.<sup>15</sup> The labour ministry on 29 July confirmed it would open an enquiry into the case.

The **United Kingdom**-headquartered **International Transport Workers' Federation (ITF)** on 2 August released a statement calling on the government to intervene in the situation while condemning the approach of Air Mauritius to Babboo's dismissal.<sup>16</sup> The federation represents transport sector workers in over 150 countries including Mauritius. The federation's statement came a day after local trade unions, human rights activists and even opposition members of parliament (MPs) held a peaceful demonstration in support of Babboo. ITF president **Paddy Crumlin** told the media:

*"Mauritius cannot claim to be a modern democratic republic while it is allowing large employers to run roughshod over basic worker and human rights."<sup>17</sup>*

The case's attention prompted the labour ministry to investigate Babboo's dismissal, but the outcome of its investigation has been kept confidential. Labour minister **Soodesh Callichurn** invited Babboo for a meeting on 14 August, where it was recommended that the matter be referred to the **Employment Relations Tribunal (ERT)**.<sup>18</sup> Prior to this meeting, Jugnauth had received a letter from the **France**-headquartered global trade union federation, **Public Services International (PSI)**, asking that he promote a solution to the situation.<sup>19</sup> The situation has drawn poor international attention to the airline that is still recovering after the Covid-19 pandemic while also placing pressure on the government to become involved in a corporate matter, which has inadvertently drawn more attention to the issue.

## Planner

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

## Chronology

- 30 Aug 2023 **Port Louis (Mauritius)** *Le Matinal*. Prime minister **Pravind Jugnauth** swears in Dr. **Marie Christiane Dorine Chukowry** as commerce and consumer protection minister and Dr. **Anjiv Ramdhany** as public service, administrative and institutional reforms minister;
- 30 Aug 2023 **Port Louis (Mauritius)** *Le Mauricien*. The first meeting of the **Mauritius-China Joint Free Trade Commission** is set to take place, ensuring effective functioning and implementation of the framework agreement;
- 25 Aug 2023 **Port Louis (Mauritius)** *Defimedia.info*. Tourist arrivals between 1 January and 15 August reach 750,645 compared to 517,266 during the same period in 2022 as the tourism sector continues to recover;
- 24 Aug 2023 **Johannesburg (South Africa)** *Le Matinal*. Foreign affairs minister **Alan Ganoo** addresses the **BRICS-Africa Outreach** and **BRICS Plus Dialogue** calling for a strengthened partnership between the **African** continent and **BRICS**;
- 12 Aug 2023 **Johannesburg (South Africa)** *Le Mauricien*. **Mauritius'** prime minister, **Pravind Jugnauth**, confirms he will travel to South Africa to take part in the 15th **BRICS Summit** being held from 22 to 24 August;

<sup>15</sup> Le Matinal, 29 Jul 2023

<sup>16</sup> Defi Media, 3 Aug 2023

<sup>17</sup> ITF Aviation, 2 Aug 2023

<sup>18</sup> Defi Media, 15 Aug 2023

<sup>19</sup> Le Mauricien, 14 Aug 2023

11 Aug 2023 **Port Louis (Mauritius)** *Le Mauricien*. **SBM Group** reports in its financial statement for the six months that its post-tax revenue reached Rs 2.4 billion (\$52.81m), a 66.5% increase compared to the corresponding period last year;

10 Aug 2023 **Port Louis (Mauritius)** *Le Matinal*. Summons is sent to **Japanese** companies **Okiyo Maritime Corp, Nagashiki Shipping Co** and **Mitsui O.S.K. Lines** on behalf of 1,762 residents and socio-economic operators in the **South-East** region who were impacted by the July 2020 oil spill in which the **Panamanian**-flagged bulk carrier **MV Wakashio** sunk. The plaintiffs are claiming Rs 5.3 billion (\$116.64m) in damages;

9 Aug 2023 **Port Louis (Mauritius)** *Defimedia.info*. **Bank of Mauritius** confirms that foreign direct investment (FDI) amounted to Rs 7.24 billion (\$159.33m) in the first quarter (Q1) of 2023, compared to Rs 5.25 billion (\$115.54m) in Q1 2022. The real estate sector was the largest target followed by tourism;

7 Aug 2023 **Port Louis (Mauritius)** *Le Mauricien*. Financial services and good governance minister **Mahen Seerutten** confirms that the bill associated with the establishment of the **Financial Crimes Commission (FCC)** will be debated in the national assembly at the start of October;

7 Aug 2023 **Port Louis (Mauritius)** *Defimedia.info*. Finance ministry in its latest debt data update shows that public debt fell to 79.7% of GDP at end-June, down from 83.2% of GDP in December, despite overall debt increasing from Rs 475.1 billion (\$10.45 billion) to Rs 496 billion (\$10.91 billion) for the same time period. This indicates the resumption of economic activities and growth is offsetting any new debt;

7 Aug 2023 **Port Louis (Mauritius)** *Le Mauricien*. **Statistics Mauritius** reports that annual inflation slowed to 5.9% in July from 7.9% in June;

4 Aug 2023 **Port Louis (Mauritius)** *AXIS*. Prime minister **Pravind Jugnauth** meets the newly appointed **Ugandan** high commissioner to Mauritius, **Fred Mwesigye**, to discuss cooperation in the areas of tourism, education, entrepreneurship and trade;

### About Africa Risk Consulting:

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