



# KCCI - Country Wrap: MAURITIUS (FEB.'18)



## Mauritius – a brief overview

Mauritius was first explored by the Portuguese in the 16th century and subsequently settled by the Dutch - who named it in honor of Prince Maurits van Nassau - in the 17th century. The French assumed control in 1715, developing the island into an important naval base overseeing Indian Ocean trade, and establishing a plantation economy of sugar cane. The British captured the island in 1810, during the Napoleon War. Mauritius remained a strategically important British naval base, and later an air station, played an important role during World War II for anti-submarine and convoy operations, as well as the collection of signals intelligence. The country attained independence from the UK in 1968.

## Economy of Mauritius

Since independence in 1968, Mauritius has developed from a low-income, agriculturally based economy to a middle-income diversified economy with growing industrial, financial, and tourism sectors. The achievement has been reflected in more equitable income distribution, increased life expectancy and a much-improved infrastructure. The economy rests on sugar, tourism, textiles and apparel, and financial services, and is expanding into fish processing, information and communications technology, hospitality and property development. Sugarcane is grown on about 90% of the cultivated land area and accounts for 15% of export earnings. The government's development strategy centers on creating vertical and horizontal clusters of development in these sectors. Mauritius has attracted more than 32,000 offshore entities, many aimed at commerce in India, South Africa, and China. Investment in the banking sector alone has reached over \$ 1Bn. Mauritius' sound economic policies and prudent banking practices helped to mitigate negative effects of the global financial crisis in 2008-09. The country has continued to expand its trade and investment outreach around the globe.

## Key Agri-products of Mauritius

Key agri-products of Mauritius are sugarcane, tea, corn, potatoes, bananas, pulses; cattle, goats and fish.

## Key Industries of Mauritius

Key industries of Mauritius are food processing (largely sugar milling), textiles, clothing, mining, chemicals, metal products, transport equipment, nonelectrical machinery, tourism.

## Mauritius's major trading commodities and partners

Major export partners of Mauritius are UK (13.8%), France (14.6%), US (10.5%), South Africa (7.1%), Spain (7.6%), Italy (6.6%), Madagascar (5.2%) and U.A.E (10.6%). Its major import partners are India (21.7%), China (16.2%), France (7.8%) and South Africa (6.6%).

## Economic Relations between Pakistan and Mauritius

Under the Pakistan Technical Assistance Programme (PTAP), the Government of Pakistan has been providing assistance to Mauritius in various fields including medical, dental surgery, pharmacology and engineering.

## Bilateral Trade Relations between Pakistan and Mauritius

Relations between Pakistan and Mauritius were first established in 1969. Pakistan has an embassy at Port Louis and Mauritius has an embassy at Islamabad. During September 1994, a Double Taxation Agreement (DTA) treaty was signed between Pakistan and Mauritius. In April 1997, an Investment Promotion and Protection Agreement (IPPA) was reached. However, Pakistan's export to Mauritius is continuously falling off wherein; during Fiscal Year 2017, Pakistan exported goods to Mauritius of worth \$ 23.24Mn as against exports of \$ 28.33Mn in Fiscal Year 2016 showing of around 19% decline in a year. Pakistan's import from Mauritius also dwindled 43% to \$ 3.15Mn in FY17 compared to \$ 5.49Mn year ago.

## Preferential Trade Agreement between Pakistan & Mauritius

A Preferential Trade Agreement (PTA) negotiated between Mauritius and Pakistan, was signed during Jul. 2007 in Mauritius. The agreement is operational since Nov. 30, 2007. Under the agreement, Pakistan offered concessions to Mauritius on 130 items, whereas Mauritius has given concession on 102 items. However despite this trade agreement, the bilateral trade volume has remained very limited which might be due to the fact that concessions have been granted on the items that are not being currently traded between the two countries.

## Potential for enhancing bilateral trade relations between Mauritius and Pakistan

- Through effective analysis and utilization of trade promotion platforms, the bilateral trade can be increased.

- Pakistan should negotiate with Mauritius on converting its PTA into FTA through the platform of Joint Working group on Trade and Economic Cooperation existing between the two countries.

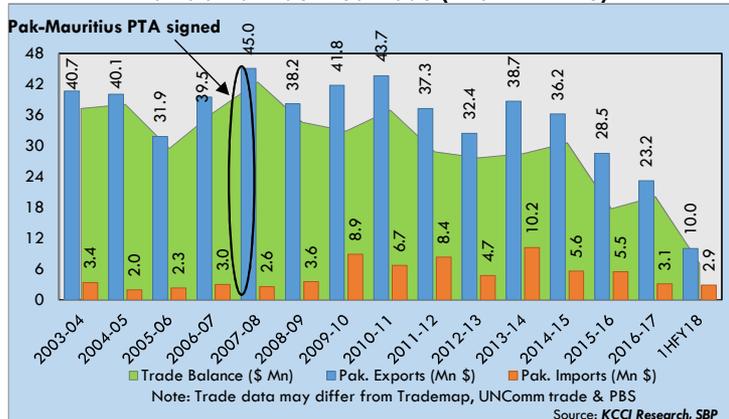
- There are various beaches in Mauritius where a lot of European Tourists visit annually. Pakistan should also develop its beach resort on the same pattern to earn greater revenues from this neglected sector. Pakistan also possess ancient historical and cultural heritage through which Pakistan can create its soft image in the world.

## Economic Indicators

Indicators	Unit	2016	2017	Change
GDP (PPP)	\$ Bn	26.41	27.44	3.90%
GDP per Capita	\$	20,900	21,600	3.35%
GDP growth	%	3.90	3.90	0.00%
Forex Reserves	\$ Bn	4.97	5.07	2.03%
External Debt	\$ Bn	14.34	14.67	2.30%
Exports of Goods	\$ Bn	2.36	2.33	-1.27%
Imports of Goods	\$ Bn	4.41	4.55	3.11%
Trade Balance	\$ Bn	-2.05	-2.22	-8.15%
Current Account	\$ Bn	-531.00	-710.00	-33.71%
FDI - at Home	\$ Bn	N/A	N/A	N/A
FDI - at Abroad	\$ Bn	N/A	N/A	N/A
CPI	%	1.0	4.2	3.20%
Prime Lending Rate	%	8.5	8.5	0.00%
Population	Mn	1.36	1.36	0.00%
Unemployment	%	7.20	6.90	-0.30%
Literacy Rate	%	92.70	92.70	0.00%

Sources: KCCI Research, CIA Factbook

## Pakistan & Mauritius Trade (FY04-1HFY18)



## Mauritius's Top 10 Trade Items (2016)

Imports Items	(\$ Mn)	Exports Items	(\$ Mn)
Mineral fuels, oils	637.80	Knitted Apparel Articles, clothing	333.68
Electrical machines, equip.	422.05	Unknit Apparel Articles, clothing	326.10
Machinery, mech. Appliance	369.57	Prep. of meat, fish, crustaceans	263.00
Vehicles other than railway	304.20	Sugars, confectionery	237.51
Fish, crustaceans, molluscs	295.78	Fish, crustaceans, molluscs	133.25
Cotton	144.26	Electrical mach., equip.	125.45
Plastics, articles thereof	125.71	Pearls, stones, metals	124.30
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Pharmaceuticals	121.53	Cotton	40.99
Dairy ; eggs; natural honey	103.16	Optical, photographic measures	39.00

Sources: KCCI Research, Trademap

## Pakistan - Mauritius Top 10 Trade Items (2016)

Pakistan Export Items	(\$ Mn)	Pakistan Imports Items	(\$ Mn)
Cereals	7.49	Ships, boats, floating structures	2.43
Cotton	3.30	Soap, organic surface-active agents	1.01
Other made-up textile artic	0.93	Iron and steel	0.61
Raw hides, skins, leather	0.84	Wood Pulp of fibrous cellulosic materi	0.05
Prep. of cereals, flour, starch	0.72	Other made-up textile articles	0.04
Pharmaceuticals	0.55	Aluminium, articles thereof	0.02
Edible fruit, nuts	0.47	Man-made staple fibres	0.02
Prep. of veg., fruit, nuts	0.46	Unknit Applr Artcls, clothing accessorie:	0.01
Fish, crustaceans, molluscs	0.33	Cotton	0.01
Salt; sulphur; earths, stone	0.31	Copper, articles thereof	0.01

Sources: KCCI Research, Trademap