

EXPORT insights

October 2018



MARKET TRENDS

2008
2017



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Executive Summary

Since its independence, Mauritius has developed its export industry based on a successful combination of trade, investment and industrialization strategies so as to take advantage of trade preferences obtained under various trade agreements. Since then, Mauritius has been exporting primarily to markets where preferential access was being obtained.

Over the last decade, although there has been an overall increase of 23% in the value of total exports, a decrease in exports can be noted since 2015. A breakdown of export figures indicates that main product categories exported have remained the same over the last ten years with textiles and clothing, fish and fish preparations and cane sugar remaining among our top exports. In 2017, these three product categories represented 66% of our total exports as compared to 72% in 2008. Over the same period, only a few products have emerged as new exports namely medical devices, animal feed and vanilla, amongst others. As regards to the jewelry sector, which used to be a main export sector, our exports now consist primarily of polished diamonds with minimal exports of manufactured jewelry items being noted.

The export figures also indicate that Mauritius is still highly dependent on preferential access obtained under the various trade agreements namely Interim Economic Partnership Agreement, the Africa Growth and Opportunity Act and, in the region, the Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC). Exports to preferential markets accounted for 80% of our total exports in 2017 as compared to 85% in 2008. The exports statistics show an underutilization of the available trade preferences with high concentration of exports to a few countries from which Mauritius benefits from trade preferences.

In terms of export destination, although the European Union (EU) still remains our main export market, a major decrease has been noted with share of exports to the EU dropping from 66% in 2008 to 48% in 2017. Out of the twenty-eight EU Member States, over 75% of exports to the EU was destined to four countries namely the United Kingdom, France, Italy and Spain in 2017. The United States still remains an important market for Mauritius with its share of exports increasing from 6% in 2008 to 11% in 2017.

Regional exports have grown significantly as Mauritius starts to reap the benefits of a successful regional export strategy. Exports to the African region now account for over 21% of total exports as compared to 13% in 2008 with significant increases noted in exports to the South African and Kenyan market. For the first time in 2017, sugar has been the main product exported to the region in terms of value overtaking 'garments' which had been, over the last years, the top product exported to the region. With the on-going negotiations for the setting up of the African Continental Free Trade Area among all the fifty-five African States, the share of exports to the African continent can only be expected to grow with Mauritius gaining access to new markets in Northern and Western Africa.

As part of its market diversification strategy, Mauritius has also been engaged in a number of bilateral trade negotiations. In terms of our existing agreements, it can be noted that there has been no significant increase in our exports to Pakistan and Turkey as a result of the implementation of these two bilateral trade agreements. As regards to new agreements, Mauritius is currently engaged in trade negotiations for the setting up of bilateral trade agreements with India and China. An analysis of the trade potential between Mauritius and these two countries indicate that a high export potential for our main exports.

The analysis of the export data over last ten years highlights the challenges and the opportunities for the export sector. It, also, helps identify some of key areas of intervention in our export strategy so as to increase exports:

- Address the underutilization of preferences under existing trade agreements with exports limited to a few product categories and concentrated on a few markets.
- Adopt a targeted strategy to increase regional exports with a formal mechanism set up to address specific trade barriers faced on the African market
- Formulate new investment and export strategies to encourage existing and attract new industries to export under the new trade agreements being negotiated.

Introduction

As a small island state located geographically far from all its major export markets, Mauritius has developed its export sector based on trade preferences obtained under different trade agreements and the successful combination of trade and industrial policies developed over the last decades.

Indeed, since its independence, Mauritius has been able to develop its export industries and expand its exports to a number of preferential markets, including the European Union, the United States and the African continent. Trade preferences available under the successive Lomé and Cotonou Conventions, now, under the Interim Economic Partnership Agreement, have been the basis for duty-free exports to Europe, which, since the 1970's, has been our main export market. With preferential access obtained under the Africa Growth and Opportunity Act (AGOA) and Generalized System of Preferences (GSP), the United States have also become an important market for our exports. More recently, we have seen a significant growth in exports to the regional market under the duty-free access obtained under the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

However, over the last decade, major developments in the international trading environment have negatively impacted on the value of trade preferences for Mauritius and countries heavily relying on trade preferences for their exports. These changes include the general global trend for a lowering of tariff barriers, the extension of trade preferences to all LDCs, and the large number of preferential trade agreements being negotiated across the globe. The developments have resulted in a gradual erosion of trade preferences leading to increased competition in our traditional export markets.

An analysis of the export data has been conducted to assess the evolution of exports of goods over the last ten years. The main objective was to examine the general total export trends as well as undertake an analysis of the main changes, both in terms of markets and products, over the period 2008 to 2017.



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GENERAL EXPORT TRENDS

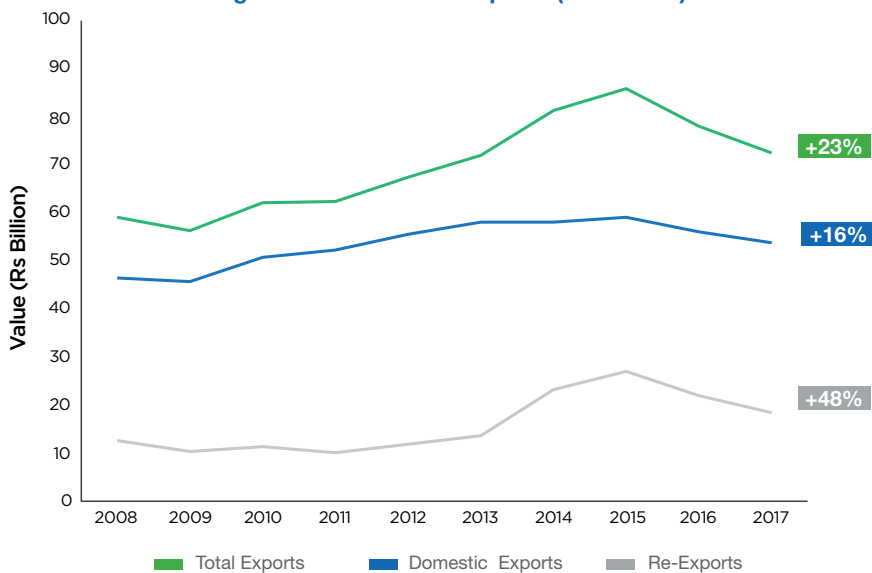
Over the last ten years, Mauritius has maintained its export-oriented objectives and adopted trade policies that have supported the expansion of exports. The following section examines the export performance of Mauritius over the period 2008 to 2017 highlighting the evolution in the value of exports, the main export markets and the main products exported over this ten-year period.

2.1. Total Exports from 2008 to 2017

Over the last ten years, the overall value of total exports¹ has increased from Rs. 59 billion in 2008 to reach Rs. 72 billion in 2017. While total exports showed a general increasing trend from 2008 to 2015, a fall in exports has been noted since the year 2016 (Figure 1).

A breakdown of total exports into the domestic exports and re-exports is also shown in Figure 1. Over the ten year period, the total value of domestic exports increased by 16% and that of re-exports increased by 48%.

Figure 1: Evolution of Exports (2008-2017)



In 2017, domestic exports amounted to Rs. 53 billion as compared to Rs. 46 billion in 2008. Domestic exports reached its highest level at Rs. 59 billion in 2015. The figure indicates that, after a period of continuous increase, there has been a plateauing of domestic exports from 2013 to 2015 with a decreasing trend noted after 2015. In 2017, domestic exports represented 74% of total exports as compared to 78% in 2008.

Similarly, for re-exports, after a continuous increase from 2008 to 2015, a significant drop in re-exports was noted after 2015. The highest peak was noted in the year 2015 when it reached Rs. 26 billion. The decrease in re-exports can be partly explained by the drop in the re-exports of mobile phones which, in the years 2014 and 2015, was the main re-export activity in the freeport and accounted for 35% of re-exports at that time.

¹ Total Exports is the sum of domestic exports and re-exports.

2.2. Total Exports by Region

A breakdown of our total exports by region and preferential markets indicate that there has been an evolution in terms of export markets for our products over the last ten years. In 2017, 80% of our total exports were destined to our preferential markets as compared to 85% in 2008.

Figure 2: Total Exports by Region

2008			2017		
Region	Value (Rs. Million)	Share of Total Exports	Region	Value (Rs. Million)	Share of Total Exports
EU	39,012	66%	EU	34,469	48%
Africa	7,490	13%	Africa	15,226	21%
USA	3,925	6%	USA	8,095	11%
Other	8,588	15%	Other	14,509	20%
Total Exports	59,015	100%	Total Exports	72,299	100%

Source: Statistics Mauritius

Although the European Union (EU) remained the main market for our exports, a decrease can be noted in the value of exports decreasing from Rs. 39 billion to Rs. 34 billion over the last ten years. In terms of market share, the share of exports to the European market as compared to our total exports to the world has decreased from 66% to 48%.

Over the same period, the value of exports to the United States doubled to reach Rs. 8 billion and the share of exports to the United States when compared to exports to the world increased from 6% to 11%.

It is interesting to note that, over the last decade, the African continent has emerged as a significant market for our exports accounting for nearly 21% of our total exports in 2017 as compared to 13% in 2008. The importance of trade preferences obtained under our different regional trade agreements need be emphasized since most of our exports to the African continent were destined primarily to the SADC and COMESA countries.

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In 2017, 80% of our total exports were destined to our preferential markets as compared to 85% in 2008.

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GENERAL EXPORT TRENDS (Cont'd)

2.3. Main Export Countries

From 2008 to 2017, our main export markets have remained almost the same with the United Kingdom, France and United States being the top three export markets (Table 1). Some changes noted from 2008 to 2017 with the Netherlands and Kenya joining the Top10 markets replacing Belgium and United Arab Emirates (UAE).

Table 1: Top 10 Export Markets (2008-2017)

Rank	2008			2017		
	Countries	Value (Rs. Million)	Share of Total Exports	Countries	Value (Rs. Million)	Share of Total Exports
1	United Kingdom	20,133	34%	United Kingdom	8,580	12%
2	France	7,914	13%	France	8,459	12%
3	United States	3,925	6%	United States	8,095	11%
4	Madagascar	3,451	6%	South Africa	6,458	9%
5	Italy	2,686	5%	Italy	4,970	7%
6	South Africa	2,146	4%	Madagascar	4,790	7%
7	Reunion	2,022	3%	Spain	4,031	6%
8	Belgium	1,945	3%	Netherlands	2,417	3%
9	Spain	1,902	3%	Reunion	2,151	3%
10	UAE	1,820	3%	Kenya	1,842	3%

Source: Statistics Mauritius

Although the United Kingdom remained our main market over the past ten years, its market share has substantially decreased from 34% to 12%. This can be mainly attributed to the significant decrease in the exports of garments and cane sugar over this period.

Export markets with significant increase in the value of exports over the last decade included the United States, South Africa, Italy and the Netherlands. Netherlands was amongst the new entrants in the top ten countries with an increase in exports of more than 200% registered in 2017 when compared to 2008. This was mainly attributed to an increase in the exports of garments, preserved fish, and rum. Significant increase in the value of textile and clothing products can be noted in exports to the United States and South African markets.

The two countries, which have exited the Top 10 markets in 2017, were Belgium and United Arab Emirates (UAE). Exports to Belgium dropped by 56% to reach Rs. 848 million in 2017, down from Rs. 1.9 billion in 2008, due to the major drop in the exports of 'polished diamonds' and other products, namely woven fabrics, garments and cane sugar. Regarding UAE, it was due to a significant drop of 90% in the re-exports of mobile phones over this period.

At a regional level, South Africa and Madagascar were listed amongst our Top 10 export markets. In 2017, Kenya also joined the Top 10 exports markets with a significant increase in the export of sugar.

It must also be highlighted that our Top 10 export countries accounted for 80% of total exports in 2008 and for 71% of total exports in 2017, with the top five countries accounting for over 50% of our total exports over the 10-year period.

2.4. Main Export Products

A breakdown of our total exports by product (at HS 4-digit level)² over the last ten years is shown in Table 2. In 2017, 'Preserved Fish' was ranked as our main export as compared to 'Knitted T-shirts' in 2008.

Table 2: Top 15 Products Exported to the World (2008-2017)

Rank	2008			2017		
	HS Code	Description	Value (Rs. Million)	HS Code	Description	Value (Rs. Million)
1	6109	T-shirts, knitted	10,356	1604	Preserved Fish	10,182
2	1701	Cane sugar	8,276	1701	Cane sugar	8,734
3	1604	Preserved fish	6,175	6109	T-shirts knitted	5,290
4	6205	Men's or boys' shirts,woven	3,502	6205	Men's or boys' shirts, woven	4,754
5	6203	Men's or boys' trousers	2,408	6203	Men's or boys' trousers	3,784
6	8517	Mobile Phones	2,310	0303	Frozen Fish	2,954
7	6110	Jerseys, pullovers, cardigans knitted	1,868	7102	Polished Diamonds	2,167
8	0303	Frozen Fish	1,698	0905	Vanilla	1,874
9	6105	Men's or boys' shirts, knitted	1,569	6110	Jerseys, pullovers, cardigans, knitted	1,542
10	7102	Polished diamonds	1,117	6204	Women's or girls' trousers, woven	1,313
11	6204	Women's or girls' trousers,woven	961	6104	Women's or girls' trousers, knitted	1,229
12	0106	Live animals.	954	3004	Medicaments	1,106
13	7113	Articles or jewellery and parts thereof, of precious metal	853	2711	Petroleum gases	1,080
14	6104	Women's or girls' trousers, knitted	725	6105	Men's or boys' shirts, knitted	925
15	3004	Medicaments	603	9018	Medical Instruments	882

Source: Statistics Mauritius

In terms of sectors, the main export products remained the same with preserved fish, sugar, garments and polished diamonds, being amongst our main exports. Some new products were in the Top 15, namely vanilla, medical instruments and 'petroleum gases'. It is to be noted that vanilla and 'petroleum gases' consisted mainly of re-exports. The Top 15 products exported in 2017 represented 66% of total exports for Mauritius as compared to 73% in 2008.

² Harmonised System of the World Customs Organisation

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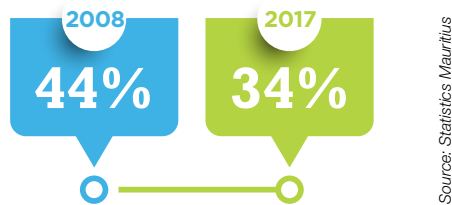
TOTAL EXPORTS BY SECTOR

An analysis of the main export products, namely textiles and apparel, fish and fish products, sugar, jewellery and medical devices has been conducted to assess the evolution of exports in terms of value and main products over the last ten years.

3.1. Textiles and Apparel

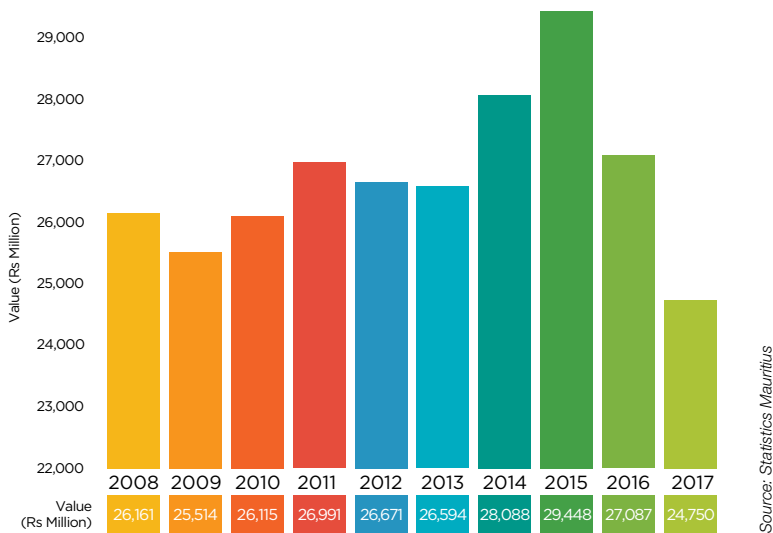
Over the last ten years, the share of exports of 'Textiles and Apparel' products (Chapters 50-63) over total exports decreased from 44% in 2008 to reach 34% in 2017.

Figure 3: Market Share of Textiles and Apparel



A yearly breakdown of export of this sector over the past ten years indicated that there was a general increasing trend until 2015 when a sharp drop in total exports was registered as from 2016 (Figure 4).

Figure 4: Total Exports of Textiles and Apparel (2008-2017)

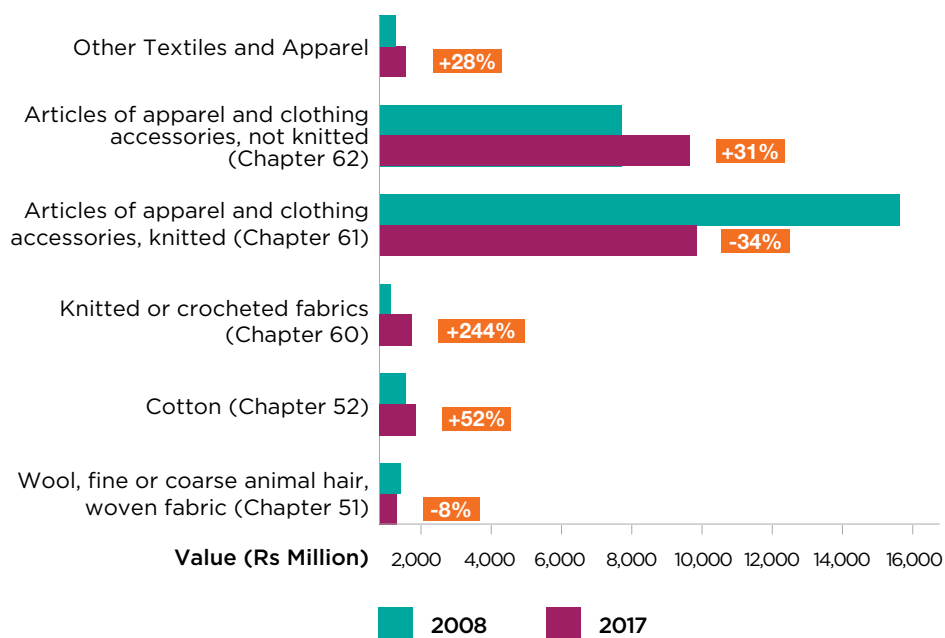


From 2015 to 2017, exports of textiles and clothing have dropped significantly on some of our major markets, namely United Kingdom by 20%, United States by 30% and South Africa by 19%. It must be highlighted that in 2015, export of garments to the United Kingdom amounted to Rs. 5.6 billion and dropped to Rs. 4.5 billion in 2017.



A further breakdown of total exports indicated that the main export product categories were garments, classified under Chapters 61 and 62, and fabrics, classified under Chapters 52 and 60, as shown in Figure 5 below.

Figure 5: Main Exports of Textiles and Apparel (Chapters 50-63)



Source: Statistics Mauritius

Over the last decade, garments have remained by far our top exports. A decrease of 34% was noted in the export of Knitted Garments, classified under Chapter 61, whereas the export of woven products, classified under Chapter 62, increased by 31% over this period. The main export categories, both knitted and woven, were T-shirts, shirts, trousers and jerseys.

Over the period 2008 to 2017, there has also been a significant increase in the exports of Cotton Fabrics (mainly denim and woven cotton fabrics), classified under Chapter 52, and Knitted Fabrics (piled knitted fabrics and other knitted fabrics), classified under Chapter 60.

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....in 2015, export of garments to the United Kingdom amounted to Rs. 5.6 billion, while in 2017, it accounted for Rs. 4.5 billion, representing a decrease of 20%.

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TOTAL EXPORTS BY SECTOR (Cont'd)

3.2. Fish and Fish Products

Over the period 2008 to 2017, export figures for preserved fish classified under HS Code 1604, and chilled or frozen fish classified under Chapter 3, have increased significantly. It is to be noted that the product category 'fish and fish products' is now among our main exports.

Figure 6: Total Exports of Fish and Fish Products 2008-2017 (Chapter 03 and HS 1604)

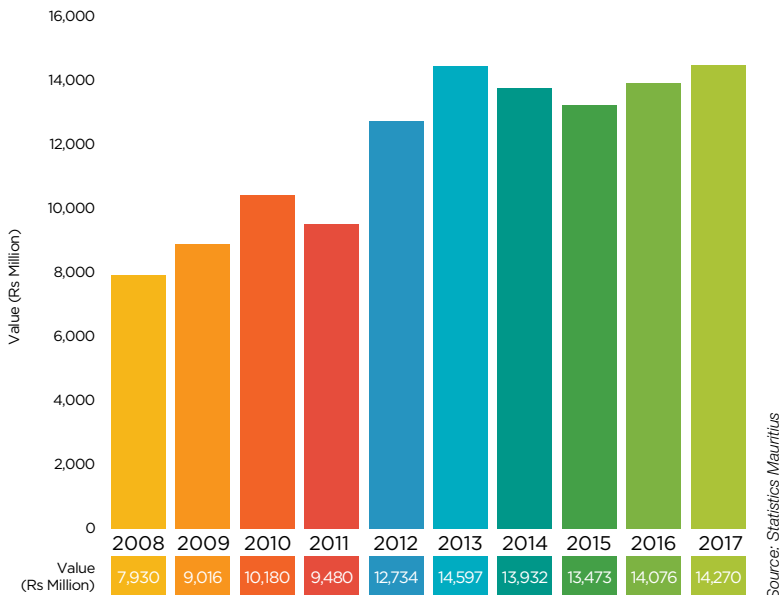


Figure 6 shows that there has been a major increase of over 80% in the total exports of fish and fish products with the value of exports increasing from Rs. 7.9 billion to Rs. 14.2 billion over the ten-year period.

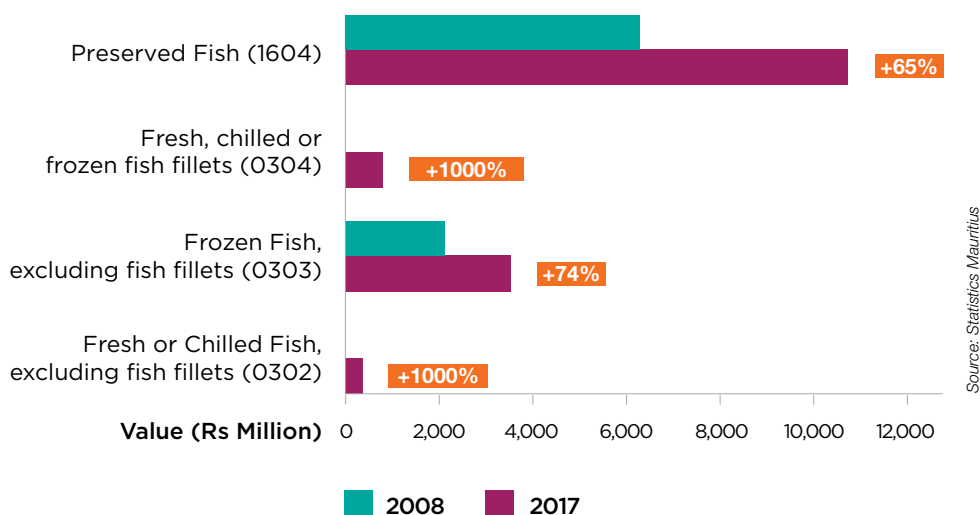


Preserved fish (HS Code 1604), consisting mainly of preserved tuna, was our top export in 2017, registering a growth of 65% in export value over the period 2008-2017.



A further breakdown of total exports of fish and fish products revealed that Preserved Fish, classified under HS Code 1604, and Frozen Fish, classified under HS Code 0303, were the major exports over the period 2008 to 2017, as shown in Figure 7

Figure 7: Main Exports of Fish and Fish Products (By HS Code)



Preserved fish (HS Code 1604), consisting mainly of preserved tuna, was our top export in 2017 registering a growth of 65% in export value over the period 2008 to 2017. An analysis of the export markets for preserved fish over the 10-year period showed that the main destination was the United Kingdom. The latter represented 23% of market share out of total exports of preserved fish. Other main markets for preserved fish included Spain, France and Italy, amongst others.

Exports of chilled and frozen fish under HS Codes 0302 and 0303, which consisted mainly of re-exports, registered a major increase over the last ten years to reach over Rs. 3.3 billion in 2017. The main markets in 2017 were Japan, Spain, Vietnam and Thailand.

There was also a significant increase in our exports of 'fish fillets' being processed from raw fish with the main markets, in 2017, being France, United Kingdom, Canada and Japan.

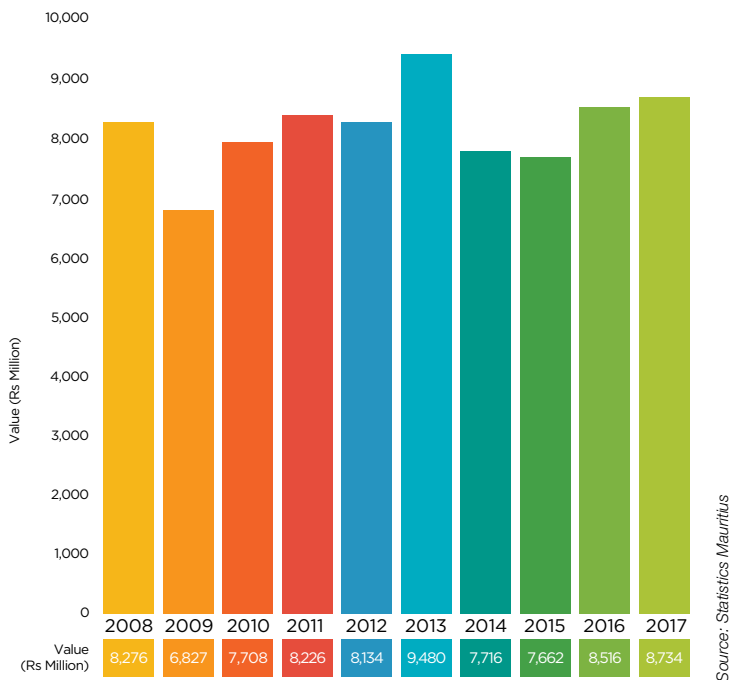
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TOTAL EXPORTS BY SECTOR (Cont'd)

3.3. Cane Sugar

Cane Sugar has always been the main agricultural export for Mauritius and exports of cane sugar represented 12% of our total exports in 2017 as compared to 14% in 2008.

Figure 8: Total Exports of Sugar 2008-2017 (HS Code 1701)



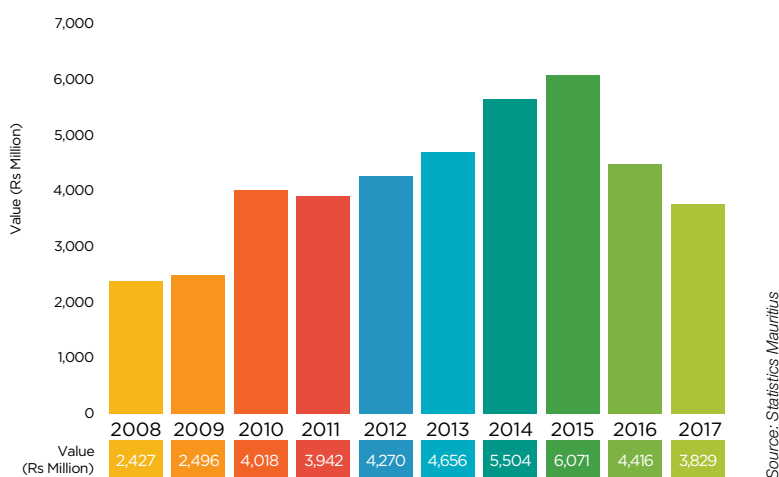
The European Union has been our main export market for a very long time because of the preferences obtained under the 'Sugar Protocol'. With the end of the 'Sugar Protocol' in 2017, Mauritius intensified its efforts to diversify and identify new markets for its exports of sugar. While in 2008, nearly 100% of our exports of sugar were destined to the EU, a significant change can be noted in 2017 with the share of exports to the EU dropping to 72% of total exports.

Cane sugar can be considered as one of the products having started and achieved a market diversification strategy over the last few years. Indeed, the African continent has become an important market for our sugar with Kenya being our main export destination. In 2017, 80,000 tons of sugar were exported to Africa, out of which 71,000 tons were destined to Kenya, representing 15% of our total exports of sugar. The other markets for our exports of sugar included Singapore, Switzerland, Russia, the United States and China.

3.4. Articles of Jewellery

Over the past ten years, the Jewellery sector (all products classified under Chapter 71), which used to be one of the main export sectors, experienced a significant decline.

Figure 9: Total Exports of Articles of Jewellery 2008-2017 (Chapter 71)



The main products exported under Chapter 71 included mainly jewellery of precious metals, polished diamonds and imitation jewellery. A breakdown of exports in terms of the main exported items (by HS Code 4-digit level), are shown in Figure 10 with a major drop noted in articles of jewellery made of gold and silver.



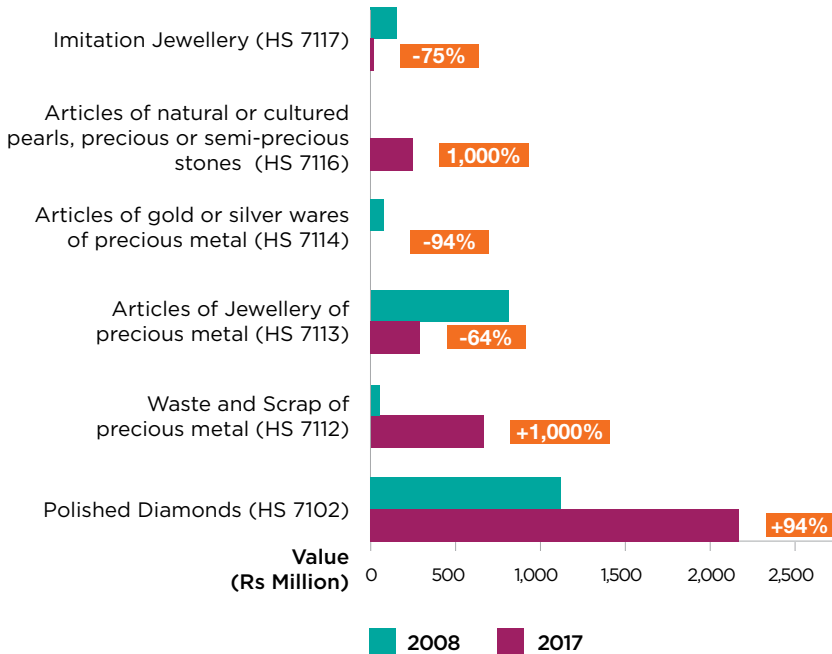
Exports of polished diamonds increased by 94% in value over the last ten years.



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TOTAL EXPORTS BY SECTOR (Cont'd)

Figure 10: Total Exports of Articles of Jewellery (By HS Code)



Source: Statistics Mauritius

In terms of specific items exported, there has been a steady growth in the exportation of polished diamonds, reaching a value of Rs. 2 billion in 2017. Exports of polished diamonds increased by 94% in value over the last ten years. While Belgium was the major destination in 2008 representing 78% of market share for exports of polished diamonds, since a few years, Vietnam has emerged as the top destination for polished diamonds with 77% of export market share in 2017.

It is worth noting that exports of jewellery of precious metal classified under HS Code 7113, have registered a substantial drop in the last ten years with exports falling from Rs. 853 million in 2008 to Rs. 310 million in 2017 representing a decrease of more than 60%. The United Kingdom was one of the main markets where a major decrease of 91% in exports of 'articles of jewellery' was noted with a drop from Rs. 250 million in 2008 to Rs. 22 million in 2017.



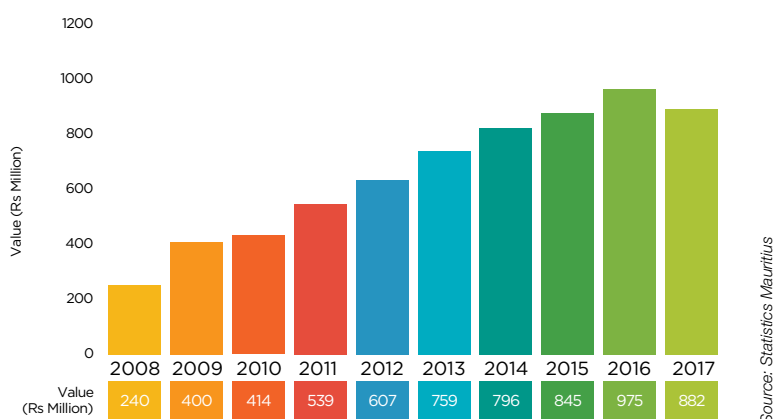
While Belgium was the major destination in 2008 representing 78% of market share for exports of polished diamonds, since a few years, Vietnam has emerged as the top destination for polished diamonds with 77% of export market share in 2017.



3.5. Medical Instruments

One of the new emerging export sectors is 'medical instruments' where a steady growth in exports has been noted over the last ten years, and Medical instruments are now ranked amongst our Top 15 exports.

Figure 11 : Total Exports of Medical Instruments 2008-2017 (HS Code 9018)



The export of medical instruments, classified under HS Code 9018 (which include mainly medical catheters and needles), rose from Rs. 238 million in 2008 to reach Rs. 882 million in 2017, representing an increase of more than 200%. France has been the major destination for medical instruments representing nearly 60% of exports in 2017. It is worth noting that India was the second biggest market for our exports of medical instruments amounting to Rs. 160 million in 2017. The other major market for our exports of medical instruments was the United States representing 10% of our total exports of medical instruments in 2017.

It is to be noted that over the period 2016 to 2017, exports of medical instruments registered an overall decrease of 10%. A drop from Rs. 587 million to Rs. 516 million was noted in our exports to the French market and a decrease from Rs. 208 million to Rs. 160 million in our exports to the Indian market.

3.6. Other Products

A number of products appearing in the Top 15 exports consisted mainly of re-exports in the Freeport and included, in the year 2008, products such as mobile phones.

In the year 2017, the main re-exports were vanilla beans, medicaments and petroleum gas. Vanilla beans worth Rs.1.8 billion were exported in 2017 and the main country of destination was the United States, which represented 80% of total exports of vanilla beans. The other markets included France and Denmark.

Re-exports of medicaments also increased from Rs. 603 million in 2008 to reach Rs. 1.1 billion in 2017, representing a growth of 82% with significant increase of re-exports noted to France and Singapore.

Re-exports of petroleum gas (mainly Butane under HS Code 2711), in the Freeport increased from Rs. 9 million in 2008 to reach Rs. 1.0 billion in 2017. The main destinations were Reunion, Seychelles and Maldives.

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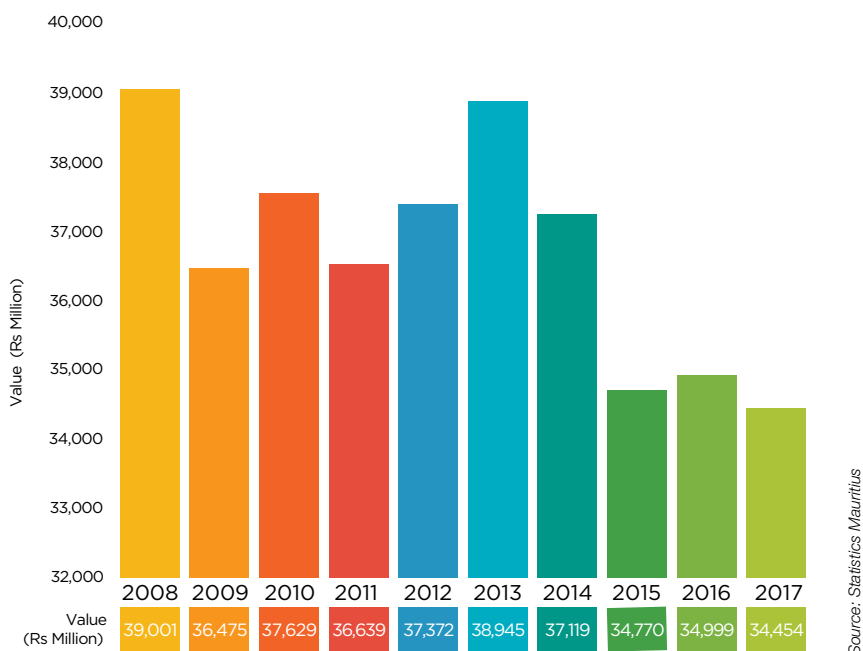
EXPORTS TO THE EUROPEAN UNION

Since the 1970s, Mauritius has been exporting under preferences to Europe under the successive Lomé Conventions, the Cotonou Agreement and, now, the Interim Economic Partnership Agreement (IEPA). Signed in 2009 between the European Commission and the Eastern and Southern African States (ESA), the IEPA provides duty-free and quota-free access to the EU market for all ESA States, which include Madagascar, Mauritius, Seychelles and Zimbabwe.

4.1. Exports Trends

Over the last decade, the EU has remained the main export market for our locally manufactured products with the value of exports oscillating between Rs. 35 billion to Rs. 39 billion. Since 2013, a decreasing trend can be noted for our exports to the EU with a drop of 11% over the period 2013 to 2017.

Figure 12: Total Exports to EU (2008-2017)



It is important to highlight that, in addition to the decrease in the value of exports from Rs. 39 billion to Rs. 34 billion, the share of exports to EU market as compared to our total exports to the world has also decreased from 66% to 48% over the last ten years.

“...the share of exports to EU as compared to our total exports to the world has also decreased from 66% to 48% over the last ten years”

4.2. Main Countries

Our main export markets in the EU have remained almost the same over the last ten years with the United Kingdom, France and Italy remaining amongst the top three destinations for our exports (Table 3).

Table 3: Top 10 Export Markets in EU (2008-2017)

Rank	2008			2017		
	Countries	Value (Rs. Million)	Share of Exports in EU	Countries	Value (Rs. Million)	Share of Exports in EU
1	United Kingdom	20,133	52%	United Kingdom	8,580	25%
2	France	7,924	20%	France	8,459	25%
3	Italy	2,685	7%	Italy	4,970	14%
4	Belgium	1,944	5%	Spain	4,031	12%
5	Spain	1,901	5%	The Netherlands	2,417	7%
6	Germany	1,694	4%	Germany	1,443	4%
7	The Netherlands	801	2%	Portugal	1,046	3%
8	Portugal	731	2%	Greece	853	2%
9	Czech Republic	340	1%	Belgium	847	2%
10	Austria	213	1%	Finland	375	1%

Source: Statistics Mauritius

Although, the United Kingdom remains our main market in the EU, a major drop in exports can be noted over the last ten years. In 2008, the United Kingdom represented 52% of our total exports to the EU and this dropped to 25% in 2017. A decrease in the market share of Belgium can also be noted from 5% in 2008 to 2% in 2017.

In contrast, several countries in the EU have seen their respective market share increase over the last ten years including France (+5%), Italy (+7%), Spain (+7%), and the Netherlands (+5%).

It is important to highlight that the Top 10 countries represented 96% of our total exports to the European Union in 2017. Considering that the EU is currently a duty-free market of twenty-eight countries, it is important to highlight the untapped potential in terms of exporting to the other EU countries.

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EXPORTS TO THE EUROPEAN UNION (Cont'd)

4.3. Main Products

The EU has remained the major market destination for our top exports, namely garments, preserved fish and sugar. Preserved fish was our top export in 2017 as compared to T-shirts in 2008. In 2017, new products appearing in our total exports figures to the EU market included medical instruments, chilled fish fillets and medicaments.

Table 4: Top 15 Products Exported to EU

HS Code	Description	2008		2017		% Change (2008-2017)
		Rank	Value (Rs. Million)	Rank	Value (Rs. Million)	
1604	Preserved fish	3	5,984	1	9,819	64%
1701	Cane sugar	2	8,275	2	6,334	-24%
6109	T-shirts, singlets knitted	1	9,574	3	3,595	-63%
6203	Men's or boys' trousers, woven	5	1,572	4	1,349	-14%
6110	Jerseys, pullovers, cardigans, knitted	4	1,695	5	1,106	-35%
6104	Women's or girls' trousers, knitted	10	662	6	924	40%
6205	Men's or boys' shirts, woven	7	1,152	7	830	-28%
0303	Frozen Fish	103	5	8	804	+1000%
7112	Waste and scrap of precious metal	39	48	9	694	+1000%
3004	Medicaments	22	157	10	682	334%
6204	Women's or girls' trousers, woven	13	439	11	643	47%
9018	Medical Instruments	25	144	12	552	283%
6105	Men's or boys' shirts, knitted	6	1,328	13	507	-62%
0304	Fresh, chilled or Frozen Fish Fillets	71	14	14	415	+1000%
7102	Polished Diamonds	8	871	15	391	-55%

Source: Statistics Mauritius

In 2017, 'Preserved Fish' was our main export to the EU with a significant increase of 64% in the export value noted over the last ten years.

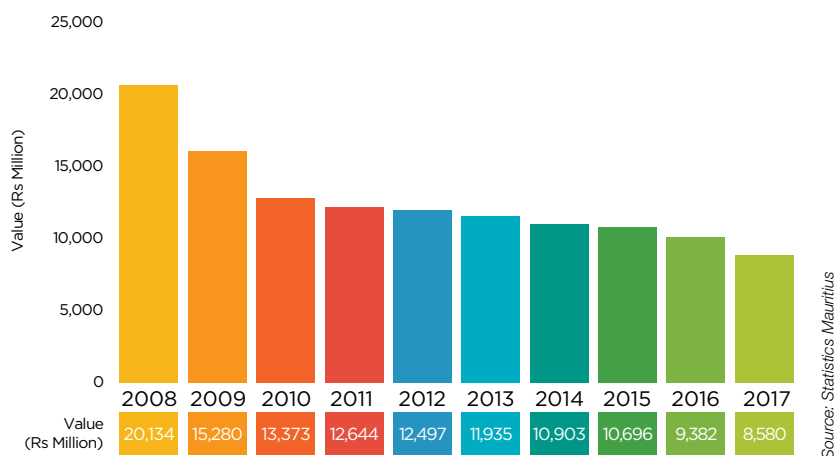
Some other products from the seafood industry, namely chilled/frozen fish and fish fillets are amongst the new entrants in the Top 15 products exported to the EU. 'Medical instruments' (HS Code 9018) have also emerged as one of our main exports to the EU in 2017 with an export value of Rs. 552 million.

It is to be noted that there has been a significant drop in the main exports to the EU, namely sugar, polished diamonds and some garment categories including T-shirts, jerseys, shirts and trousers.

4.4. Exports to United Kingdom

The United Kingdom has been our main export market in Europe over the last ten years. In 2017, the United Kingdom accounted for 12% of our total exports as compared to 34% in 2008. It can be noted that the value of exports has decreased by 57% over the last ten years moving from Rs. 20 billion to Rs. 8.5 billion.

Figure 13: Total Exports to United Kingdom (2008-2017)



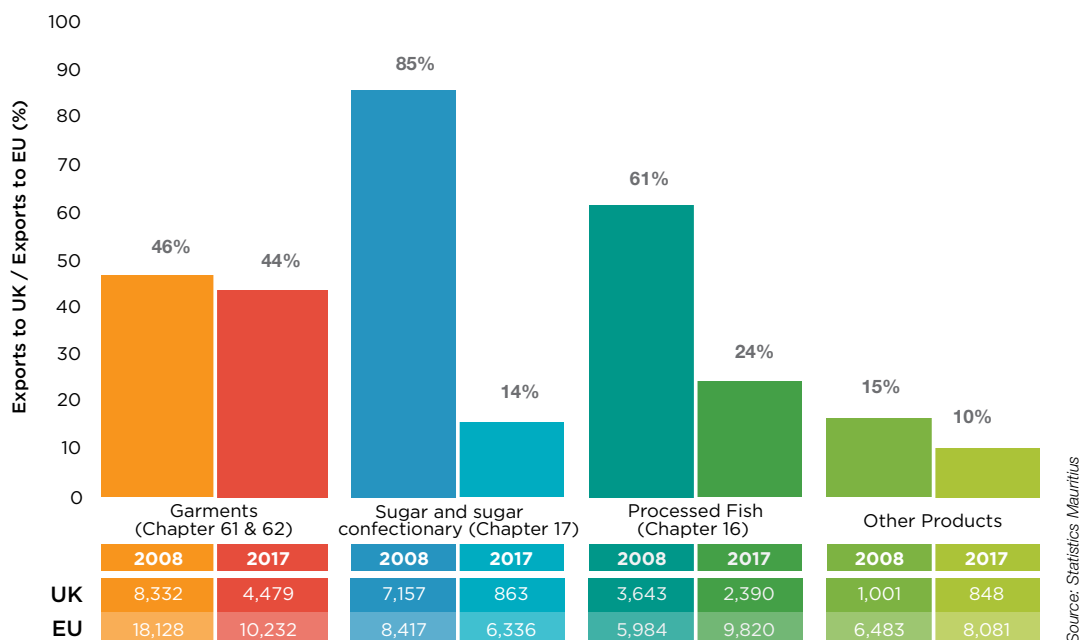
A break down of the main product categories exported to the UK indicates that the main product categories exported to the UK were garments, processed fish and sugar.

Figure 14 shows the exports to UK as a share of exports to the EU countries for the main product categories for the period 2008-2017.

4

EXPORTS TO THE EUROPEAN UNION (Cont'd)

Figure 14: Share of Exports to UK as a Percentage of Total Exports to EU



In 2008, exports of garments (Chapter 61 & 62) to the UK amounted to Rs. 8.3 billion, representing 46% of total exports of garments to the EU. In 2017, the total value of exports of garments to the UK decreased to Rs. 4.4 billion.

The most noticeable decrease was in the exports of sugar to the UK. Indeed, during the last ten years, the market share of UK for exports of sugar dropped from 85% to reach 14% representing a decrease from Rs. 7.1 billion in 2008 down to Rs. 863 million in 2017.

A decrease was also noted in the exports of preserved fish. In 2008, exports of preserved fish to the UK represented 61% of total exports of preserved fish to the EU while in 2017, the market share of UK for preserved fish substantially dropped down to 24%. During the same period, the share of other EU countries for preserved fish increased from 39% to 76%.

A more detailed analysis of exports of products at the 4-digit level to the UK between 2008 and 2017 revealed that there has been a significant drop in the exports of several product categories (Table 5)

Table 5: Top 15 Products Exported to United Kingdom

HS Code	Description	2008		2017		% Change (2008-2017)
		Rank	Value (Rs. Million)	Rank	Value (Rs. Million)	
1604	Preserved fish	3	3,643	1	2,390	-34%
6109	T-Shirts, knitted	2	5,403	2	1,731	-68%
1701	Cane Sugar	1	7,092	3	862	-88%
6104	Women's or girls' trousers, knitted	11	189	4	643	240%
6110	Jerseys, pullovers, cardigans, knitted	4	993	5	494	-50%
6203	Men's or boys' trousers	5	413	6	437	6%
6204	Women's or girls' trousers, woven	22	14	7	277	+1000%
6114	Other Garments, knitted or crocheted	36	3	8	202	+1000%
5106	Yarn of carded wool	14	110	9	156	42%
6105	Men's or boys' shirts, knitted	6	387	10	127	-67%
6103	Men's or boys' trousers, knitted	18	38	11	126	232%
6106	Women's or girls' blouses, knitted	12	177	12	120	-32%
9507	Fishing Requisites	16	89	13	114	28%
6108	Women's or girls', bathrobe, knitted	9	221	14	109	-51%
0106	Live animals	10	199	15	101	-49%

Source: Statistics Mauritius

With the decision of the UK to withdraw itself from the European Union (Brexit), Mauritius and the UK have completed discussions for the setting up of a trade agreement to maintain trade preferences between the two countries. In the meantime, the trade preferences under the IEPA continue to apply for all our exports to United Kingdom.

5

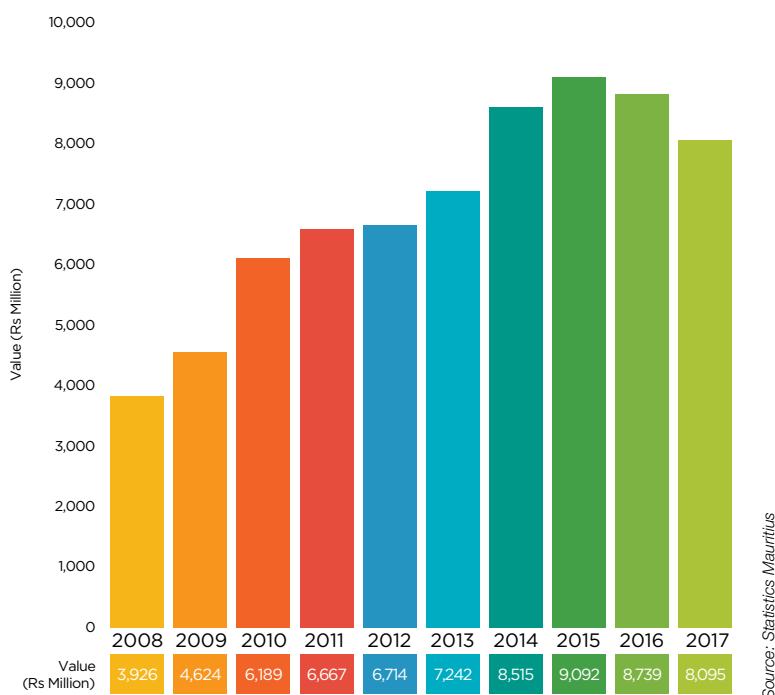
EXPORTS TO UNITED STATES

The preferential market access granted to Mauritius and other African countries through the Africa Growth and Opportunity Act (AGOA) has played a critical role in spurring Mauritius' exports to the US. The AGOA builds on the existing Generalised System of Preferences (GSP) scheme and offers duty-free and quota-free market access to the United States for approximately 7000 products. It is to be noted that under the AGOA, Mauritius is eligible for the 'Third country fabric' derogation for garments.

5.1 Export Trends

Exports to the United States almost doubled over the last ten years moving from Rs. 3.9 billion in 2008 to reach Rs. 8.0 billion in 2017. The share of our total exports to the US increased from 6% in 2008 to reach 11% in 2017.

Figure 15: Total Exports to United States (2008-2017)



There has been a continuous increase in exports to the US from 2008 to 2015 with a slight decrease noted since 2016.

5.2 Main Products

A breakdown of exports to the US indicates that garments remained the most exported item to the United States (Table 6). In 2008, exports of garments (Chapters 61 and 62) represented 73% of total exports to the US and represented 59% in 2017. There has been a substantial increase of more than Rs. 1.3 billion in the exports of woven shirts to the US market over the last ten years.

Table 6: Top 15 Products Exported to United States

HS Code	Description	2008		2017		% Change (2008-2017)
		Rank	Value (Rs. Million)	Rank	Value (Rs. Million)	
6205	Men's or boys' shirts, woven	1	1,907	1	3,246	70%
0905	Vanilla	99	0.01	2	1,480	+1000%
6203	Men's or boys' trousers, woven	4	323	3	677	110%
1701	Cane sugar	41	0.80	4	430	+1000%
0106	Live animals	2	412	5	362	-12%
6109	T-shirts, singlets, knitted	8	100	6	321	221%
1604	Preserved fish	7	120	7	168	40%
0302	Fresh or chilled Fish, excluding fish fillets	40	0.82	8	158	+1000%
9003	Frames and mountings for spectacles	14	24	9	152	533%
0303	Frozen Fish, excluding fish fillets	12	28	10	119	325%
6110	Jerseys, pullovers, cardigans, knitted	15	19	11	112	489%
6204	Women's or girls' trousers, woven	3	368	12	106	-71%
6206	Women's or girls' blouses, shirts, woven	13	27	13	97	259%
6104	Women's or girls' suits trousers, knitted	19	6	14	87	+1000%
9018	Medical Instruments	75	0.06	15	83	+1000%

Source: Statistics Mauritius

An increase in the exports of cane sugar on the US market can also be noted with exports worth Rs. 430 million in 2017 as compared to almost no exports in 2008.

New products exported to the US market included 'vanilla beans', which are now amongst the top products exported reaching a value of Rs. 1.4 billion in 2017. Over the past few years, the US has become a niche market for the exports of vanilla beans which are being imported from Madagascar, preserved and packaged in Mauritius and exported to the US.

6

EXPORTS TO AFRICA

Over the last two decades, Mauritius has actively been involved in pursuing its regional trade integration agenda on the African Continent.

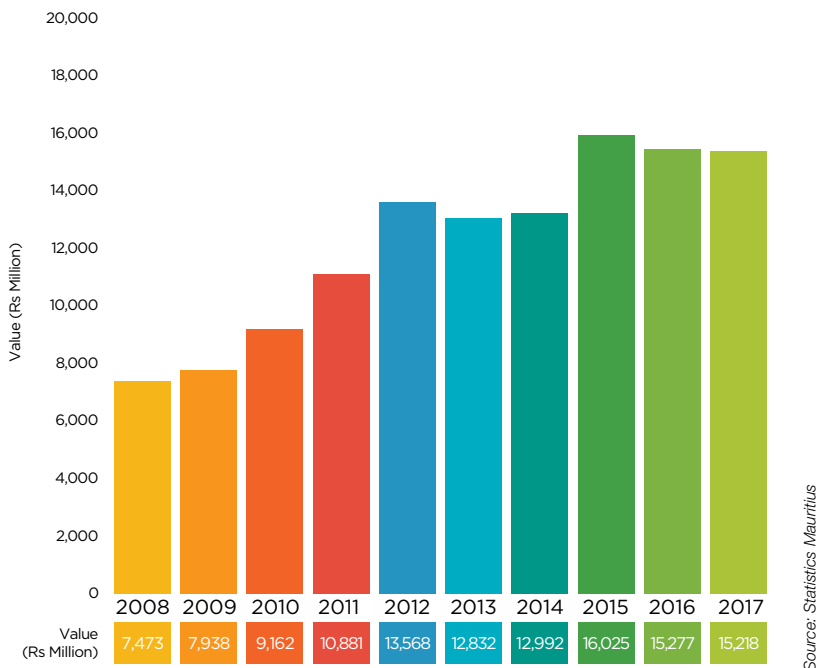
As a Member of the Common Market for Eastern and Southern Africa (COMESA) and Southern Africa Development Community (SADC) since the 1990s, Mauritius benefits from duty-free market access for goods exported to the markets in the region including South Africa, Kenya and Egypt.

In addition to the COMESA and SADC treaties, Mauritius is also party to two other main trade agreements on the African Continent. Firstly, the Tripartite Free Trade Agreement (TFTA), which is a free trade agreement regrouping all the twenty-six countries in COMESA, SADC and EAC (Eastern African Community); and secondly, the African Continental Free Trade Agreement (AfCFTA), which is the latest African integration initiative aiming to create a single continental market for goods and services amongst all Fifty-Five countries on the continent. It is to be noted that both trade agreements are not yet operational and that negotiations are still on-going on specific provisions relating to their implementation.

6.1 Export Trends

Over the last decade, the African market has taken a prominent place with our exports increasing from Rs. 7.4 billion in 2008 to reach Rs. 15.2 billion in 2017.

Figure 16: Total Exports to Africa (2008-2017)



The value of exports to the African continent has more than doubled over the ten-year period. It is to be noted that Mauritius' exports to Africa as a percentage of exports to the world also increased significantly from 13% in 2008 to 21% in 2017.

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Over the last decade, the African market has taken a prominent place with our exports to Africa increasing from Rs. 7.4 billion in 2008 to reach Rs. 15.2 billion in 2017.

”

6.2 Main Countries

Our main markets on the African continent were mainly countries with which Mauritius has signed trade agreements and benefits from duty-free market access namely SADC and COMESA countries.

The top markets for our exports to Africa have remained almost the same over last ten years, and, in 2017, our main markets were South Africa, Madagascar, Kenya, Seychelles and Swaziland accounting for 95% of our total exports to the African market.

Table 7: Top 10 Export Markets in Africa (2008-2017)

Rank	2008			2017		
	Countries	Value (Rs. Million)	Share of Exports in Africa	Countries	Value (Rs. Million)	Share of Exports in Africa
1	Madagascar	3,451	46%	South Africa	6,458	42%
2	South Africa	2,145	29%	Madagascar	4,789	31%
3	Seychelles	769	10%	Kenya	1,842	12%
4	Kenya	245	3%	Seychelles	999	7%
5	Comoros	167	2%	Swaziland	262	2%
6	Ghana	92	1%	Zimbabwe	143	1%
7	Ethiopia	84	1%	Comoros	133	1%
8	Mozambique	51	1%	Mozambique	117	1%
9	Uganda	49	1%	Cameroon	111	1%
10	Zambia	40	1%	Zambia	58	0%

Source: Statistics Mauritius

Exports to South Africa in 2017 increased to Rs. 6.4 billion representing an increase of more than 200% over the last ten years. In 2008, South Africa had a market share of 29% of our total exports to Africa and this increased to 42% in 2017. All exports to South Africa are duty-free under the SADC Trade Protocol.

Exports to Madagascar increased by Rs. 1.3 billion over the period 2008-2017, representing an increase of nearly 40%. However, exports to Madagascar as a share of total exports to Africa went down from 46% in 2008 to 31% in 2017.

The most noticeable growth was registered in exports to Kenya which increased by Rs. 1.5 billion over the last ten years. In 2008, Kenya had a market share of 3% of total exports to Africa which went up to 12% in 2017, mainly due to a significant increase in the exports of sugar. It is to be noted that exports of sugar to Kenya are done duty-free under the COMESA Treaty but are currently subject to quantitative restrictions.

An increase was also noted in exports to Swaziland over the last ten years, which went up to Rs. 262 million in 2017, as a result of an increase in the exports of textile yarn.

6

EXPORTS TO AFRICA (Cont'd)

6.3 Main Products

Over the last ten years, there has been an evolution in the main products³ exported to the African market with our main export in 2008, which was 'T-shirts', being replaced by 'Cane Sugar' in 2017 (Table 8). Indeed, since 2017, sugar has now become our main product exported to the African market in terms of value followed closely by 'Men's trousers'. In addition, it is important to highlight the wider range of products being exported to the African region as compared to other markets.

Table 8: Top 15 Products Exported to Africa

HS Code	Description	2008		2017		% Change (2008-2017)
		Rank	Value (Rs. Million)	Rank	Value (Rs. Million)	
1701	Cane Sugar	-	-	1	1,500	-
6203	Men's or boys' trousers, woven	3	347	2	1,426	311%
6109	T-shirts, singlets, knitted	1	517	3	1,255	143%
3923	Plastic packing materials	8	196	4	690	252%
6001	Pile fabrics, knitted	5	251	5	624	149%
8528	Televisions	67	20	6	542	+1000%
2207	Undenatured ethyl alcohol	17	98	7	517	428%
6006	Other knitted fabrics	34	52	8	500	862%
5208	Woven fabrics of cotton	2	397	9	496	25%
5205	Cotton yarn	29	62	10	473	663%
6204	Women's or girls' trousers, woven	40	43	11	385	795%
1902	Pasta	10	185	12	363	96%
6105	Men's or boys' shirts, knitted	13	130	13	349	168%
6110	Jerseys, pullovers, cardigans, knitted	11	141	14	302	114%
2711	Petroleum gases	-	0.22	15	294	+1000%

Source: Statistics Mauritius

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... Sugar has now become our main export to the African Continent.

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³ At HS Code 4-digit level of the WCO Harmonized System

The main product categories exported from Mauritius to the regional market were as follows:

(i) Sugar

While Europe still remains our main market for sugar, a major increase has been noted in our exports to the African continent. Sugar is now our top export in terms of product (HS Code 4 digit) being exported to the African market. In 2017, sugar represented 10% of total exports to Africa with the major market being Kenya having 90% of market share for our total exports of sugar to Africa.

In 2017, 80,000 tons of sugar were exported to Africa, out of which 71,000 tons were destined to Kenya, representing 15% of our total exports of sugar to the world. It is to be noted that, in 2016, exports of sugar to Kenya amounted to Rs. 720 million and increased to Rs. 1.3 billion in 2017.

The other regional markets for exports of sugar were Madagascar (7%) and South Africa (3%).

(ii) Textiles and Apparel

The second largest exported product category to Africa in 2017 was 'Men's Trousers' which increased from Rs. 347 million in 2008 to reach Rs. 1.4 billion representing an increase of more than 300%. South Africa was the main market with nearly 100% of our exports destined to this market.

A significant increase was also registered in the exports of 'Knitted T-Shirts', which increased from Rs. 517 million in 2008 to reach Rs. 1.2 billion in 2017 representing an increase of more than 130% over the last ten years. In 2017, Mauritius was the second biggest exporter of T-Shirts on the South African market after Swaziland. It is to be noted that Mauritian T-shirts exports are exempted from the 45% customs duty under the SADC Trade Protocol.

The export of cotton yarn, cotton fabrics and knitted fabrics, used as inputs for the regional textiles and clothing industry, has also increased significantly and is now amongst our major exports with the main importing countries being Madagascar and South Africa.

(iii) Pasta

An increase in the exports of pasta (instant noodles) can also be noted over the period 2008-2017. In 2008, exports of pasta amounted to Rs. 185 million and increased to Rs. 363 million in 2017 representing an increase of 96%. Madagascar remained the major market for our exports of pasta. Other regional markets for pasta included Zimbabwe, South Africa and Uganda.

(iv) Plastic Articles

The African market has been a growing market for exports of plastic packaging products including 'Polyethylene Terephthalate (PET) bottles' and 'plastic films for packing'. These two products accounted for Rs. 176 million in 2008 and Rs. 627 million worth of exports in 2017.

Madagascar was a major destination for exports of PET bottles with exports worth Rs. 161 million in 2017. The other export markets for PET bottles in 2017 included Cameroon with exports worth Rs. 100 million, South Africa (Rs. 84 million) and Mozambique (Rs. 58 million). As regards to exports of 'plastic films' for packing, the main markets in 2017 were also Madagascar accounting for Rs. 100 million and South Africa accounting for Rs. 53 million of exports.

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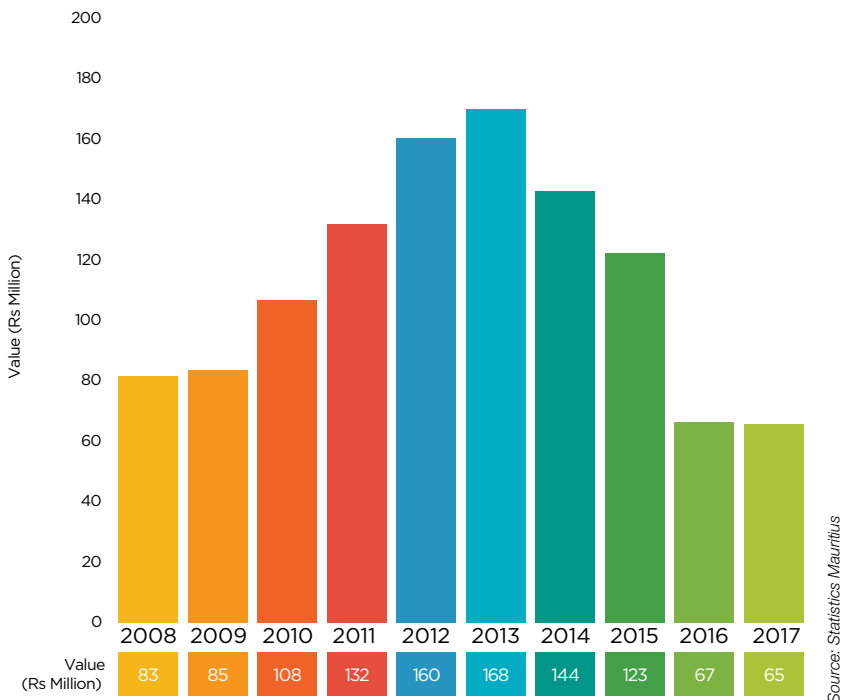
BILATERAL TRADE AGREEMENTS

Mauritius has signed and implemented two bilateral trade agreements namely the Free Trade Agreement (FTA) with Turkey and the Preferential Trade Agreement (PTA) with Pakistan.

7.1. FTA with Turkey

The trade agreement between Mauritius and Turkey was signed in 2011 and entered into force in 2013. Under the FTA, Mauritius benefits from duty-free access for all industrial products (Chapters 25 to 97) and preferential access for a limited list of products from the agro-industry.

Figure 17: Total Exports to Turkey (2008-2017)



Since the implementation of the FTA between both countries, there has not been any increase in trade. On the contrary, exports to Turkey have decreased from Rs. 83 million to Rs. 65 million representing a decline of 22% over the period 2008 to 2017. Exports to Turkey represented less than 1% of our total exports to the world.

7.1.1. Main Products

A breakdown of the main exports to Turkey showed that 'Woven fabrics' was the main product exported to Turkey over the last decade. In 2008, exports of woven fabrics constituted around 80% of our total exports to Turkey compared in 2017, it accounted for 54%.

Another main export to the Turkish market in 2017 was 'Cake decorations' used in bakery and classified under HS Code 190590. In 2008, 'Cake decorations' accounted for 22% of our total exports to Turkey.

Table 9: Top 5 Products Exported to Turkey

Rank	2008			2017		
	HS Code	Description	Value (Rs. Million)	HS Code	Description	Value (Rs. Million)
1	5209	Woven Fabrics, +200g/m ²	37	5209	Woven Fabrics, +200g/m ²	35
2	5208	Woven Fabrics, <200g/m ²	29	1905	Cake decorations	14
3	9018	Medical Instruments	4	8544	Electric Conductors	3
4	3919	Self-adhesive Plastics films	3	9018	Medical Instruments	2
5	1905	Cake decorations	2	6109	T-Shirts, Knitted	2

Source: Statistics Mauritius

Other exports to Turkey in 2017 included garments, electric cables and medical instruments. It is to be noted that, in 2017, medical devices and electric cables consisted mainly of products re-exported to Turkey.

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A breakdown of the main exports to Turkey showed that 'Woven fabrics' was the main product exported to Turkey over the last decade.

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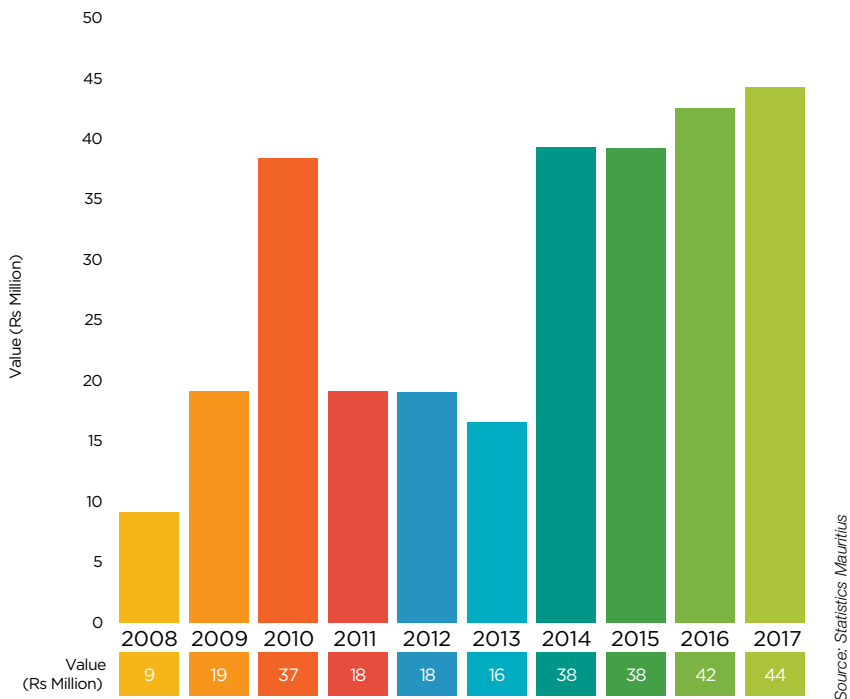
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BILATERAL TRADE AGREEMENTS (Cont'd)

7.2. PTA with Pakistan

Signed in 2007, the PTA with Pakistan offers tariff concessions on a list of products of export interest to both countries. Mauritius benefits from preferential market access on a number of products including both textile and non-textile products. The tariff preferences vary depending on the different product categories.

Figure 18: Total Exports to Pakistan (2008-2017)



Although, exports to Pakistan have increased over the last decade moving from Rs. 9 million in 2008 to reach Rs. 44 million in 2017, it represented less than 1% of our total exports to the world.

7.2.1. Main Products

A breakdown of exports to Pakistan indicated that our main exported items included soap, scrap metal and scrap paper, amongst others.

Table 10: Top 5 Products Exported to Pakistan

Rank	2008			2017		
	HS Code	Description	Value (Rs. Million)	HS Code	Description	Value (Rs. Million)
1	7204	Scrap Metal	5	3401	Soaps	27
2	4823	Paperboard	1	7201	Alloy iron	4
3	4707	Scrap Paper	1	7204	Scrap Metal	3
4	1202	Ground-nuts	0.6	9031	Measuring instruments and appliances	3
5	5205	Cotton Yarn	0.2	4707	Scrap Paper	2

Source: Statistics Mauritius

Soap ranked first in our Top exports to Pakistan, with an export value of Rs. 27 million, constituting more than 50% of our total exports to Pakistan in 2017. It was also the only new product being exported under trade preferences available under the Mauritius-Pakistan PTA since its implementation. It is to be noted that since October 2017, Pakistan started imposing safeguard duties on several products including our main export ‘Soap’. This measure has had a negative impact on our export industry with no preferential exports being carried out for this product to Pakistan since then.

The export value of the other exports to Pakistan were minimal and included products such as scrap metal accounting for 9% of our exports to Pakistan in 2017.

“ In 2017, soap ranked first in our Top exports to Pakistan, with an export value of Rs. 27 million... ”



8

NEW EXPORT MARKETS

As part of its market diversification strategy, Mauritius has embarked on trade negotiations with two of its major trading partners namely India and China. The objective is to set comprehensive trade agreements covering both the goods and services sectors with preferential market access for goods being included on the 'trade in goods' discussions.

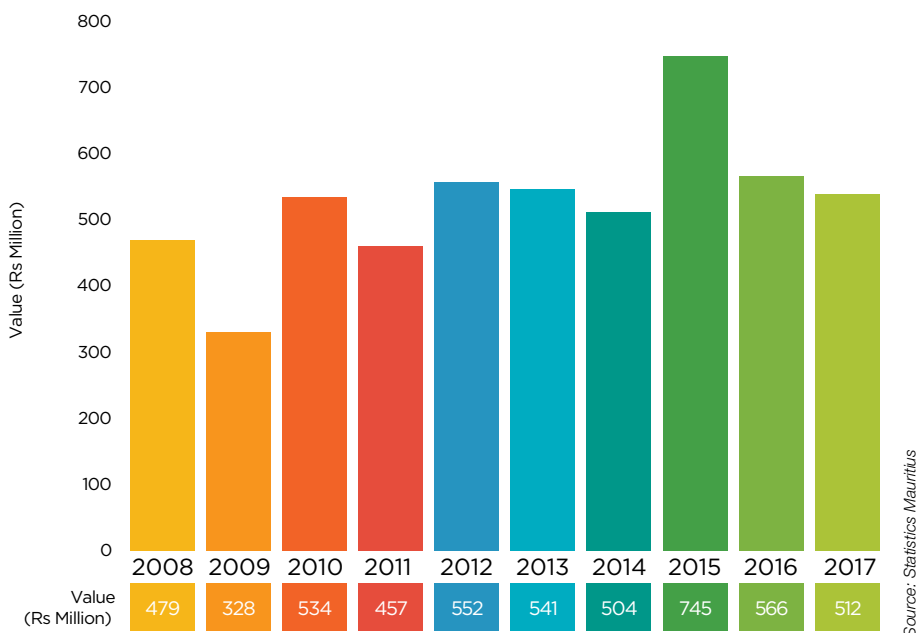
8.1. Trade with India

The Comprehensive Economic and Cooperation Partnership Agreement (CECPA) being negotiated between India and Mauritius started in 2017 and aims to establish an agreement covering, inter alia, trade in goods, trade in services and economic cooperation. As part of the trade in goods negotiations, both countries have been discussing the setting up of a preferential trade area between both countries that will include preferential market access for products of export interest to both countries.

8.1.1. Total Exports to India

Exports of Mauritius to India have been minimal and represented less than 1% of total exports to the world. Over the last ten years, exports to India have been around Rs. 500 million per year with a peak of Rs. 745 million noted in 2015 (Figure 19).

Figure 19: Total Exports to India (2008-2017)



8.1.2. Main Products

Over the last ten years, medical instruments have become the main export to India. Medical instruments constituted 31% of our total exports to India in 2017 compared to only 10% in 2008. It is interesting to note that vanilla was amongst the main products re-exported to India, representing 7% of our total exports in 2017.

Table 11: Top 10 Products Exported to India

Rank	2008			2017		
	HS Code	Description	Value (Rs. Million)	HS Code	Description	Value (Rs. Million)
1	7204	Scrap Metal - Iron	252	9018	Medical Instruments	160
2	9018	Medical Instruments	50	7403	Copper	48
3	8430	Industrial machinery	25	0905	Vanilla	38
4	7404	Scrap metal - copper	20	7606	Aluminium plate	34
5	3004	Medicaments	16	4707	Paper and paperboard	31
6	3809	Finishing and dyeing agents	10	8548	Waste and Scrap	24
7	8517	Telephones	9	7601	Unwrought Aluminium	21
8	8438	Brewery machinery	8	6205	Men's or boys' shirts, woven	15
9	4707	Scrap Paper	7	7311	Containers for liquified gas	14
10	6205	Men's or boys' shirts, woven	7	8431	Parts of Machinery	13

Source: Statistics Mauritius

Besides medical instruments and vanilla, other items exported included scrap metal and paper waste used for recycling purposes. Exports of some garments namely 'Men's Shirt' were also noted in 2017.

8

NEW EXPORT MARKETS (Cont'd)

8.1.3. Export Potential

With CECPA, India is expected to be a potential preferential market for many of our locally manufactured products. An export potential analysis conducted under the Trade Map tool of the International Trade Centre (ITC) is shown below. It is to be noted that the products identified in the chart include products re-exported.

Figure 20: Export Potential to India



The main products, which have been identified as having the highest export potential to India included sugar, jewellery, garments, medical instruments, fertilizers and animal feed.

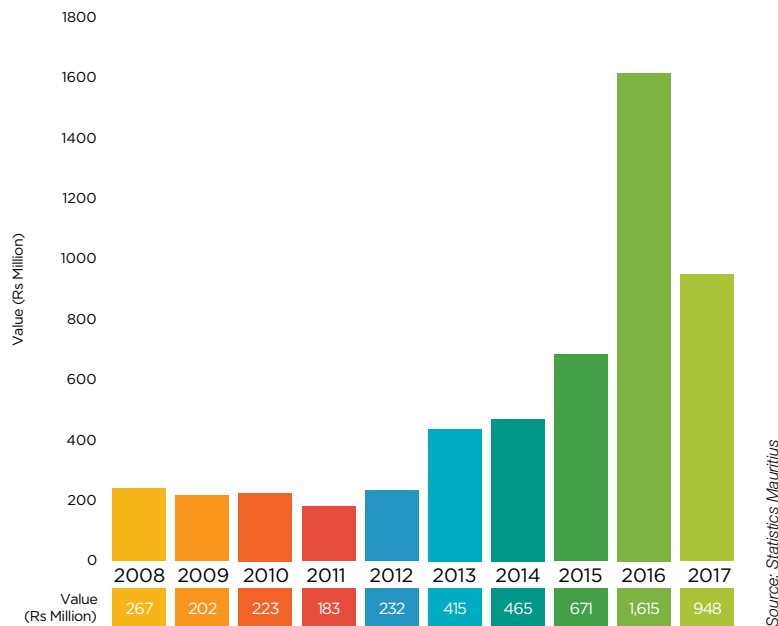
8.2. Trade with China

In 2017, Mauritius and China have concluded negotiations for the setting-up of a free trade agreement between both countries. This FTA with Mauritius is the first FTA signed by China with an African Country

8.2.1. Total Exports to China

Over the last ten years, exports from Mauritius to China have significantly increased moving from Rs. 267 million in 2008 to reach Rs. 948 million in 2017. The highest value was in the year 2016 when total exports to China reached nearly Rs. 1.6 billion.

Figure 21: Total Exports to China (2008-2017)



8.2.2 Main Products

In 2008, the exports consisted mainly of re-exported products. However, over the last few years, a number of new products have been exported to China as shown in Table 12.

8

NEW EXPORT MARKETS (Cont'd)

Table 12: Top 10 Products Exported to China

Rank	2008			2017		
	HS Code	Description	Value (Rs. Million)	HS Code	Description	Value (Rs. Million)
1	8517	Telephone Sets	104	0303	Frozen Fish, excluding fish fillets	353
2	7404	Copper waste and Scrap	46	2301	Flour etc of meat, meat offal, fish, crust etc unfit for human consumption	196
3	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.	35	0511	Animal products, unfit for human consumption	71
4	0303	Frozen Fish, excluding fish fillets	27	1701	Cane or beet sugar and chemically pure sucrose, in solid form	50
5	5205	Cotton Yarn	7	6205	Men's or boys' shirts.	43
6	8451	Washing and dyeing machines	7	6203	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)	35
7	4707	Scrap Paper	3	8517	Telephone Sets	34
8	9004	Spectacles	2	7403	Refined copper and copper alloys, unwrought	26
9	8528	Television	2	5205	Cotton Yarn	19
10	6109	T-shirts, singlets and other vests, knitted	2	8443	Printing machinery	17

Source: Statistics Mauritius

In 2017, frozen fish was the main exported item to China, which accounted for 37% of our total exports to China. Other main products exported included animal feed, sugar and garments.

8.2.3. Export Potential to China

An analysis done under the Trade Map tool of ITC indicated that the main products with export potential on the Chinese market (Figure 22). It is to be noted that the products identified in the chart include products re-exported.

Figure 22: Export Potential to China



The products identified as having the greatest export potential to China as per the ITC Trade Map tool were frozen fish, sugar, worked diamonds, garments, fertilizers and watch straps.

9

SUMMARY AND RECOMMENDATIONS

Since its independence, Mauritius has developed its export industry based on a successful combination of trade, investment and industrialization strategies so as to take advantage of preferences obtained under various trade agreements.

An analysis of the export trends over the period 2008 to 2017 indicates that exports for Mauritius are still highly dependent on trade preferences with a high concentration of exports on a few markets and a limited number of product categories.

The main findings are as follows:

- i. Trade preferences are still crucial for Mauritian exporters since 80% of exports are destined to markets with trade preferences. Our exports are still highly dependent on tariff preferences obtained under the main trade agreements, namely the EPA, AGOA, SADC and COMESA.
- ii. There has been an evolution in terms of main export markets over the last ten years. The share of exports to the EU dropped from 66% to 48% whereas exports to the African Continent increased from 13 to 21% and to the United States from 6% to 11%.
- iii. The European Union remains the main export market for Mauritius with the United Kingdom, France and Italy being our top markets. Regarding the main export sectors, garments, sugar and fish products have remained amongst our top exports over the last decade. New products entering amongst the top exports include medical instruments.
- iv. The United Kingdom has remained the first market for Mauritian exports with the main products being preserved fish and garments. However, a sharp decrease was noted in the exports to United Kingdom with the value dropping from Rs 20 billion to Rs. 8.5 billion over the last ten years. It is to be noted that, as part of the preparations for Brexit, Mauritius and ESA (Eastern and Southern African) countries have completed negotiations for the setting-up of new Economic Partnership

Agreement to ensure that there is no disruption of preferential trade with the United Kingdom.

- v. The US continues to be a main market for Mauritius with preferential market access obtained under AGOA and the share of exports to the US has increased from 6% to 11% over the last ten years. In terms of products, the main exported product was garments representing over 50% of total exports to the US. There were also significant re-exports of 'vanilla beans' amounting to Rs. 1.4 billion exported in 2017.
- vi. The growing importance of the regional market must be highlighted with the increasing share of exports to the regional markets under the SADC and COMESA treaties. Our main export markets in the region were South Africa, Madagascar, and Kenya. In terms of products, our top exports to the African continent were sugar and garments exported to Kenya and South Africa, respectively. For the first time in 2017, sugar ranked first in terms of value of exports to the region.
- vii. With the ongoing negotiations for the setting-up of new regional FTAs, namely the Tripartite and African Continental FTA, the share of exports to the region can only be expected to grow significantly with Mauritius gaining preferential access to new markets in Northern and Western Africa.
- viii. Trade under existing bilateral trade agreements, namely Pakistan and Turkey, has not been very successful with no significant increase noted in exports as a result of preferential access obtained in these markets.
- ix. With the negotiations of new trade agreements with India and China, Mauritius is expected to have market access to two major markets. Analysis undertaken under the ITC Trade Map tool highlights the significant potential for exports to increase.

The analysis of the export data over last ten years highlights the challenges and the opportunities for the export sector. It also helps identify some of key areas of intervention in our export strategy so as to increase exports:

- **Maximize benefits under existing trade agreements**

There is a need to address the issue of underutilization of preferences under existing trade agreements with exports limited to a few product categories and concentrated only on a few markets.

- **Adopt a targeted strategy to increase regional exports**

The growing importance of the regional market is now clear. Given the specificities of the African market, it is crucial that a targeted export strategy be devised for increasing regional exports and a formal mechanism be set up at national level for addressing specific trade issues and trade barriers faced by manufacturers when exporting to the region.

- **Formulate new investment and export strategies for the new FTAs**

With the new FTAs being negotiated with China and India, which together represent over one-third of the world population, it is crucial that Mauritius adopts the appropriate investment and industrial policies to attract investment so as to be able to export to these new markets.







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