



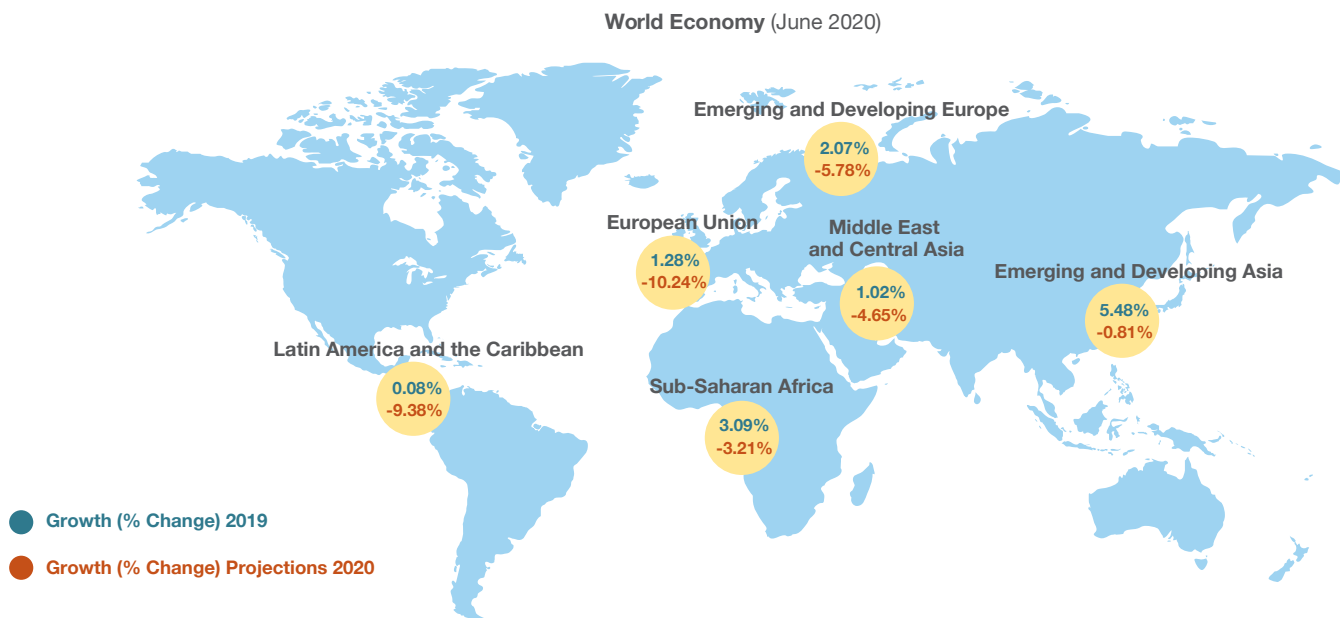
The Mauritius Chamber of Commerce and Industry

# **Economic & Trade Review**

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## The International Context

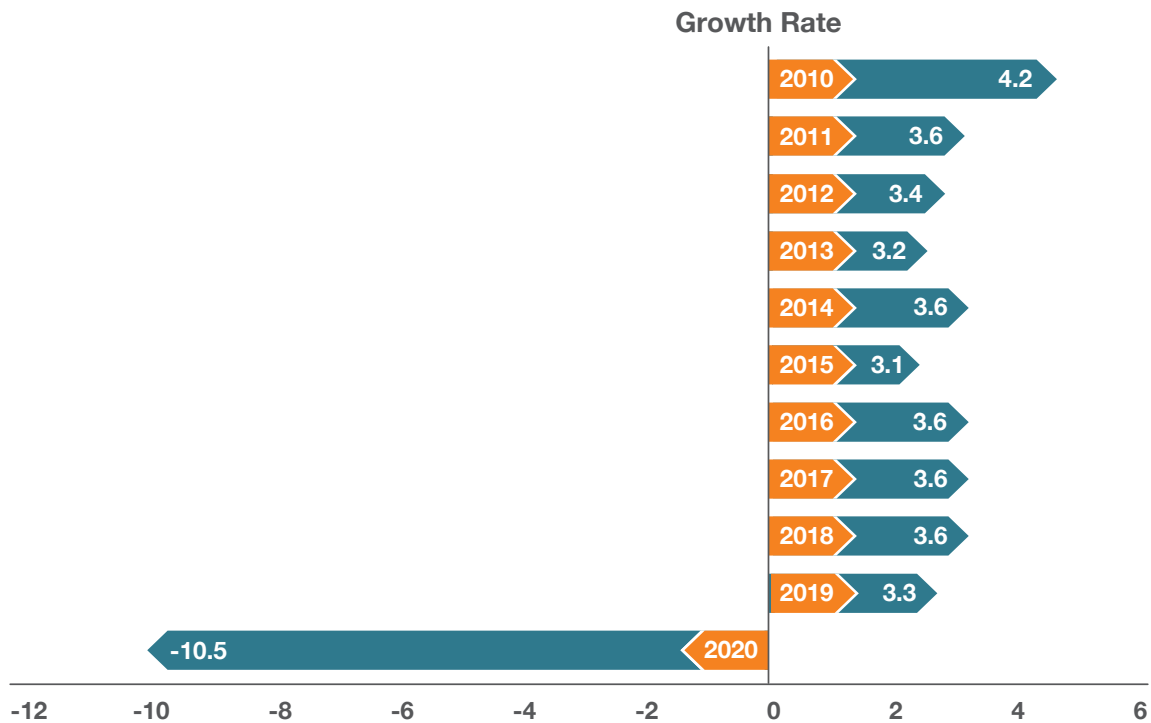
The Covid-19 pandemic is affecting the wellbeing and livelihoods of the world population in an unprecedented experience where countries had no choice rather than to isolate and close borders to slow the pace of this health crisis. The 2nd quarter of 2020 has been a global lockdown for many countries, resulting in deep economic contraction and loss of output. The unprecedented nature of the crisis makes it difficult to predict the severity, duration, nature of the downturn, and the trajectory of the subsequent recovery. It is unclear how deep and prolonged the downturn will be. In April 2020, the IMF forecasted a world economic contraction of **-3%** of global GDP and by end of June 2020, it has been reviewed further down to **-4.9%** while at the same time recovery is likely to be slower with a positive growth of **5.4%** in 2021.



The economic contraction remains uneven around the globe with the European Union taking the hardest hit of **-10.24%** followed by the Latin American and the Caribbean with a magnitude of **-9.38%**. Moreover, the Emerging and Developing Asia which include India, China and the Association of south-east Asian nations are likely to withstand the magnitude of the economic contraction to **-0.81%**. To boot, the economic meltdown has been influenced by a slew of factors such as the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply chain disruptions coupled with changes in human behaviours and expenditure patterns that have resulted in plummeting market conditions and commodity prices collapse.

## The Local Context of 2020

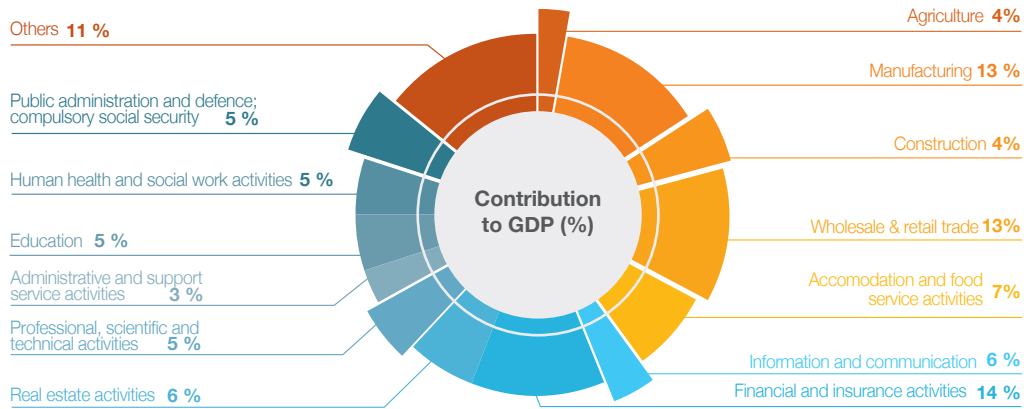
The Mauritian economy registered a commendable growth rate of **3.6%** for the year 2018-2019, the Mauritian economy was well poised to attain the **4%** growth target for the year 2019-2020. The outbreak of the Covid-19 has changed the economic outlook for Mauritius as well as for the global economy triggering lingering uncertainties across all sectors of the Mauritian economy. Economic growth in the aftermath of the Covid-19 has been drastically revised downward and projected to be **-11.5%** as at June 2020.



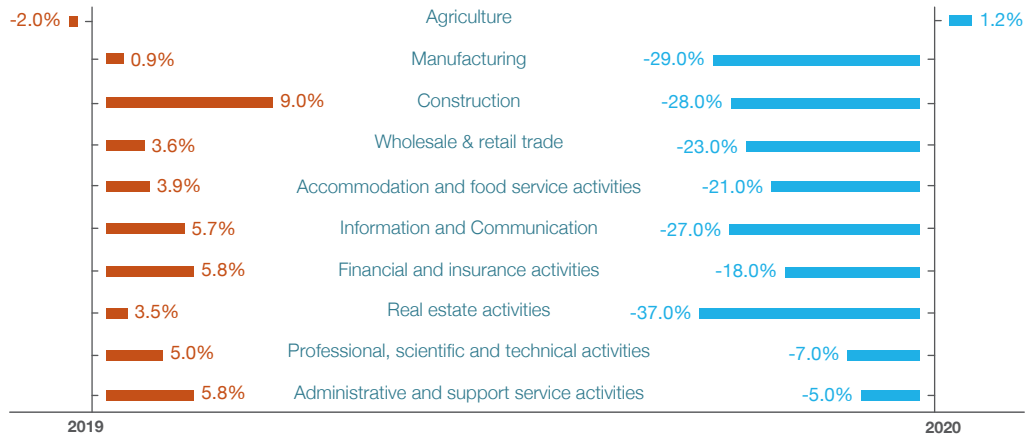
The Mauritian economy is also expected to register a plummeting foreign direct investment of **MUR 12.1 bn** compared to **MUR 18.5 bn** from the previous year resulting in a dip of **34.5%**. Inflation is expected to rise to **5.1%** while unemployment is feared to be on a significant hike currently estimated at **9%** due to resulting technical and cyclical unemployment risk.

## Covid-19 Sectoral Impact Assessment of the Mauritian Economy

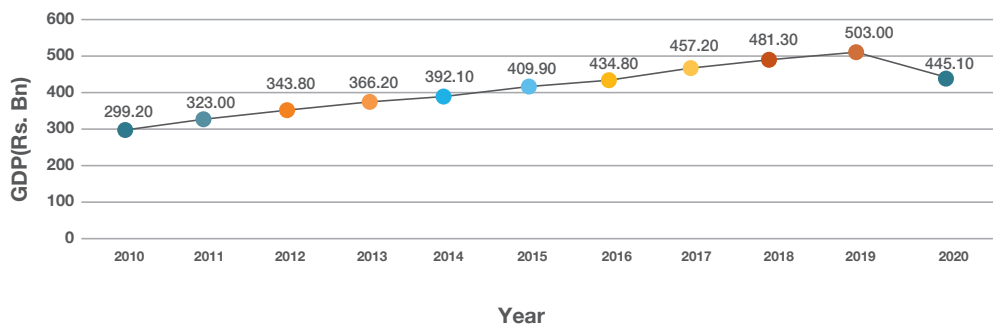
All sectors of our economy have been adversely impacted by the global pandemic resulting in contraction and loss in business growth for this year. The magnitude and depth of the contraction vary from sector to sector. The Tourism Sector has taken the worst hit with a projected sectoral contraction of **-70%** followed by the manufacturing sector with **29%**. Wholesale & Retail sector has also experienced a significant downfall with a projected contraction of **-23%**. The financial services sector, aftermath of the EU listing, is projected to contract by **-18%**. Furthermore, the shrivelling in ICT and Construction is projected to be **-13%** and **-11%** respectively. To boot, Agriculture and Food Services are the least affected with a single digit contraction of **-9%** and **-8%** respectively.



### Sectoral growth rates (%)



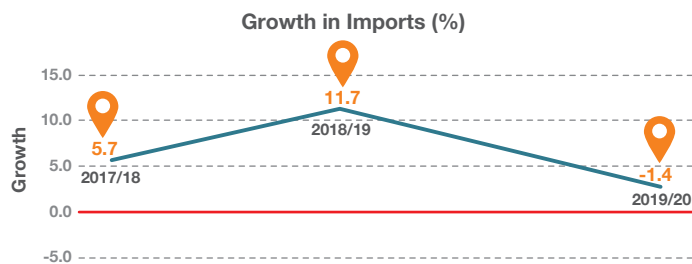
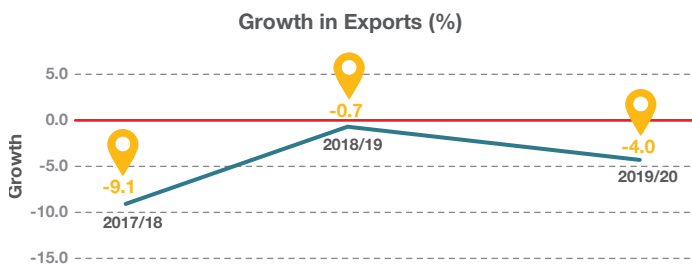
### Gross Domestic Product



## Impact of Covid-19 on Trade

Similarly, amongst its many undesirable shocks, the novel strain of Covid-19 has downright slackened the Mauritian trade. This is due to the fact that most flights have been grounded and ships have interrupted most operations owing to the introduction of travel restrictions to control the Covid-19 pandemic.

As such, the Mauritian imports registered a hefty decline of **-1.4%** for the year 2019-2020 compared to **11.7%** growth recorded in 2018-2019. Exports tumbled from **-0.7%** to **-4.0%** in 2019-2020 mainly due to the continuous decline in air and maritime traffics.

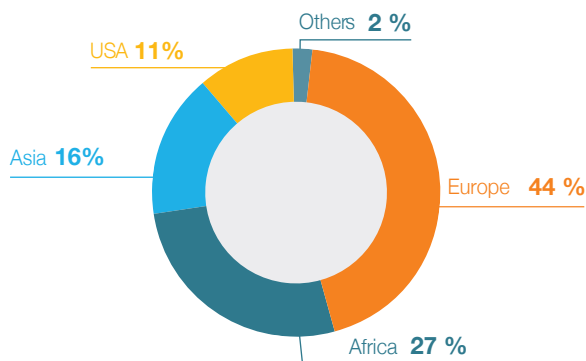


## Trends 2019: Markets and Products

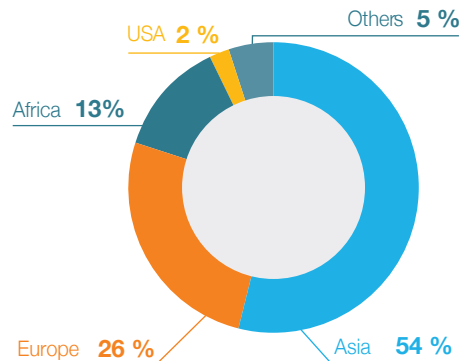
A breakdown of exports indicates that our main export markets were Europe and Africa representing **44%** and **27%** of total exports, respectively. In 2019, UK ranked first in terms of our export markets followed by USA and South Africa and the top ten markets represented **68%** of our total exports. Our main countries of exports in Europe were UK, France and Italy representing **58%** of the total exports to Europe and the main markets in Africa were South Africa, Madagascar and Kenya which accounted for **76%** of the total exports to Africa. In terms of products, the Top 15 main products exported accounted for **67%** of our total exports to the world with the main exports being preserved fish, sugar and woven t-shirts.

In terms of imports, Asia and Europe accounted for **54%** and **26%** of total imports in 2019. China ranked first in terms of countries of import with electrical and electronic goods being amongst the main imported products. Other main countries of import included India, South Africa, United Arab Emirates and France. In terms of products, petroleum, motor vehicles and frozen fish were amongst our top imported products.

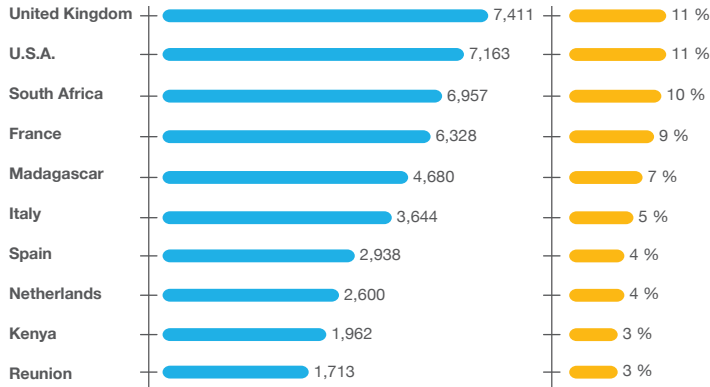
**Total Exports by Region-2019**



**Total Imports by Region-2019**

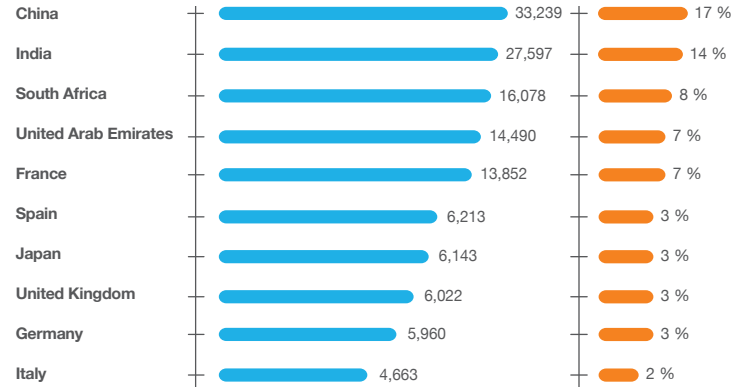


### Top 10 Export Markets - 2019



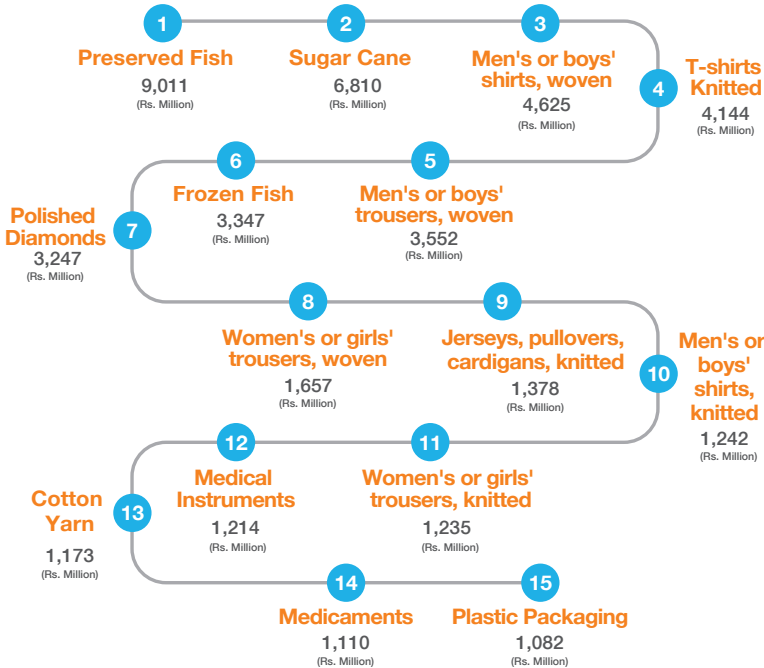
Value (Rs. Million) Share of Total Exports

### Top 10 Import Countries - 2019



Value (Rs. Million) Share of Total Imports

### Top 15 Products Exported - 2019



### Top 15 Products Imported - 2019

