



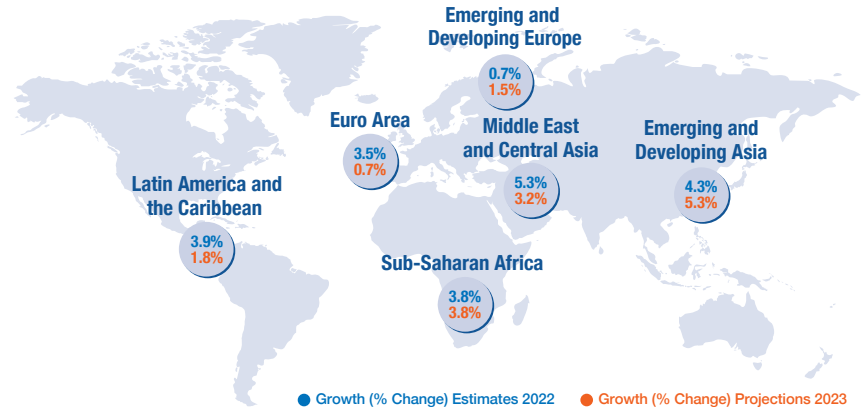
ECONOMIC & TRADE REVIEW

2022/23

THE INTERNATIONAL CONTEXT

The year 2022 saw the Russian invasion of Ukraine, which generated considerable challenges for the worldwide economic recuperation and heightened broader geopolitical vulnerabilities. This had a far-reaching impact on the economy, leading to a significant deterioration of global macro-financial conditions, particularly after certain countries imposed sanctions on the energy industry. The global economy experienced constrained labour markets, weakened purchasing power, and an unfavourable business atmosphere due to soaring inflation, and synchronous monetary tightening. However, synchronous monetary tightening and fiscal stimulus actions were implemented, resulting in a slight economic recovery in 2022.

World Economy (January 2023)

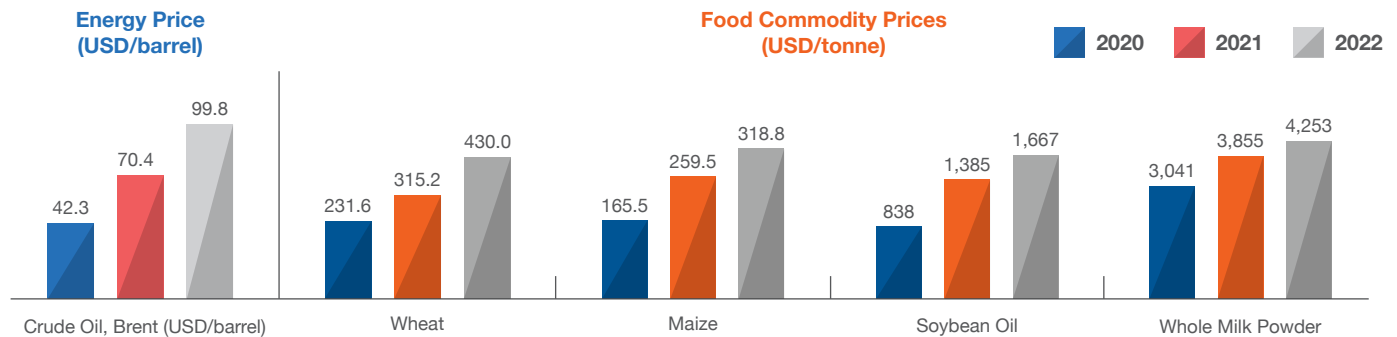


Source: World Economic Update, IMF (January 2023)

The IMF reports (January 2023) an estimated global growth rate of 3.4% for 2022 and projects 2.9% growth for 2023, thus indicating a tapering off of the global economy.

World Commodity and Energy Prices

Inflation has emerged as the pivotal economic narrative since the onset of 2021, characterised by an unprecedented upswing in living expenses. The media's discourse on inflation frequently alludes to the capricious nature of the food and energy domains, which are influenced by global commodity market fluctuations and hence exhibit a greater propensity for unpredictability relative to other inflationary components. The volatility of the world economy's commodity price trend can be seen through the price fluctuations dating back to 2020. Decelerating pace of global growth and growing apprehension about a possible economic recession have so prevailed over concerns about a shortage of oil supply. The price of crude oil per barrel increased from USD 42.3 in 2020 to USD 99.8 in 2022.

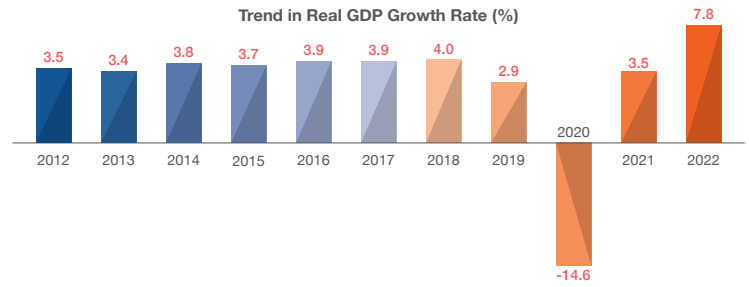


Source: Commodity Prices, World Bank (March 2023)

After a roller-coaster ride for energy markets in 2022, countries are now concentrating on the emerging world energy map of post-war Ukraine. With a focus on the potential beneficial impacts the energy crisis will have in furthering the environmental transition to a greening of the economy by adopting circularity, countries endeavoured to outline the implications of the energy crisis in economic, industrial and societal perspectives.

THE LOCAL CONTEXT

Mauritius has been confronted by a range of impediments in late 2021 to 2022 owing to the prevailing geo-economic conditions. Primarily, these stumbling blocks stem from breakdowns in the global as well as local economic value chains, hikes in the key rates, energy crisis, inflationary pressures, elevated freight costs and a depreciating Mauritian rupee. Nevertheless, the Statistics Mauritius estimates a GDP growth rate of 7.8% for 2022, underpinned by recovery in tourism sector.

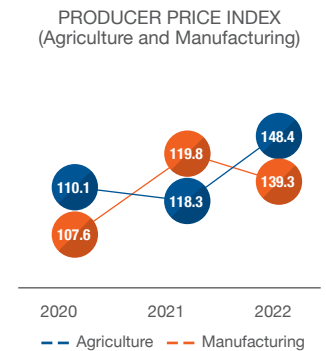
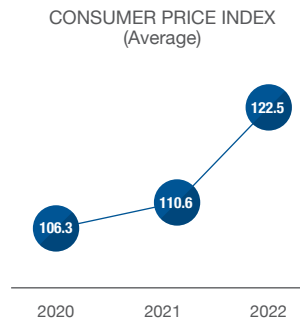
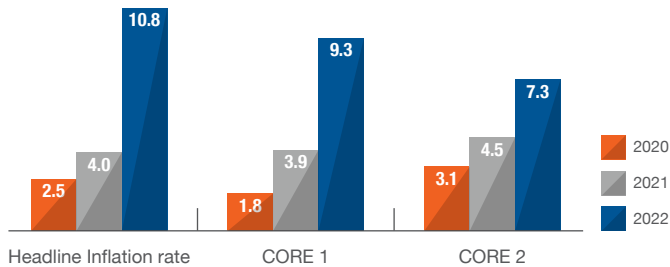


Source: Statistics Mauritius

INFLATION

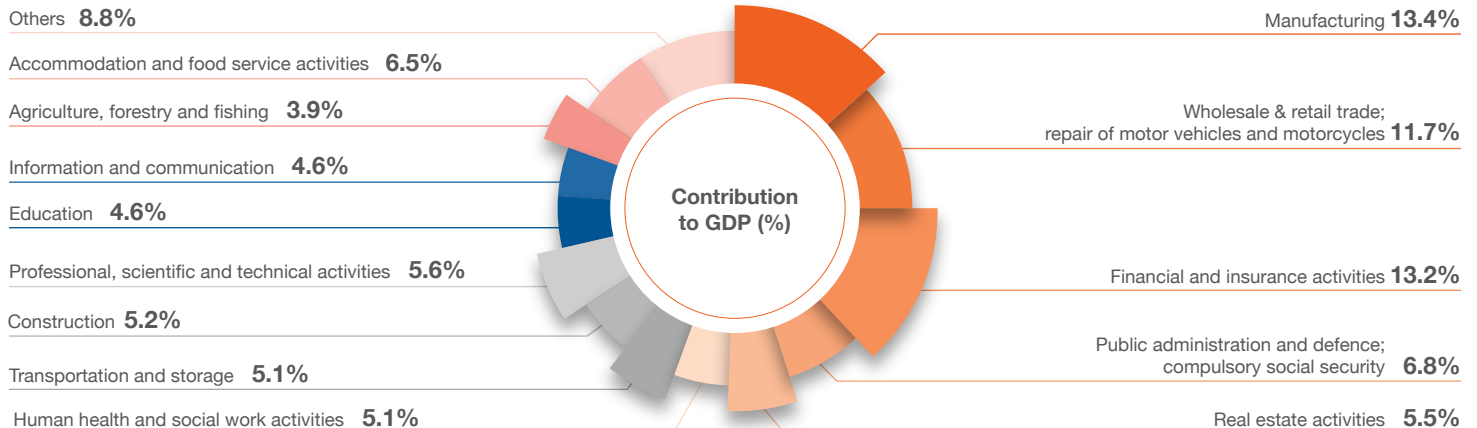
The Consumer Price Index (CPI) saw a 12.2% uptick from 2021 to 2022, which was predominantly attributable to the escalation in both energy and food prices mostly contributed to the recent upward movement in the CPI from 113.3 to 127.1.

The Producer Price Index (PPI) inched up from 119.8 to 139.3, an 16% rise from 2021 to 2022 for manufacturing and the PPI for agriculture surged from 118.3 to 148.4 (25%).

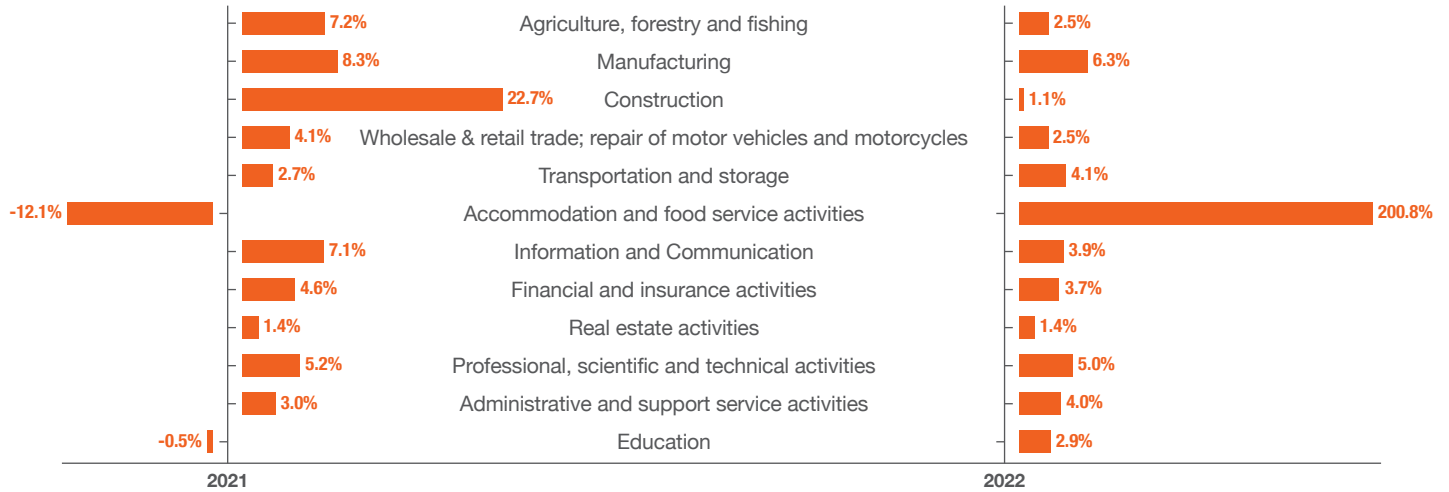


Source: Statistics Mauritius

Contribution to GDP by Sector (%) - 2022

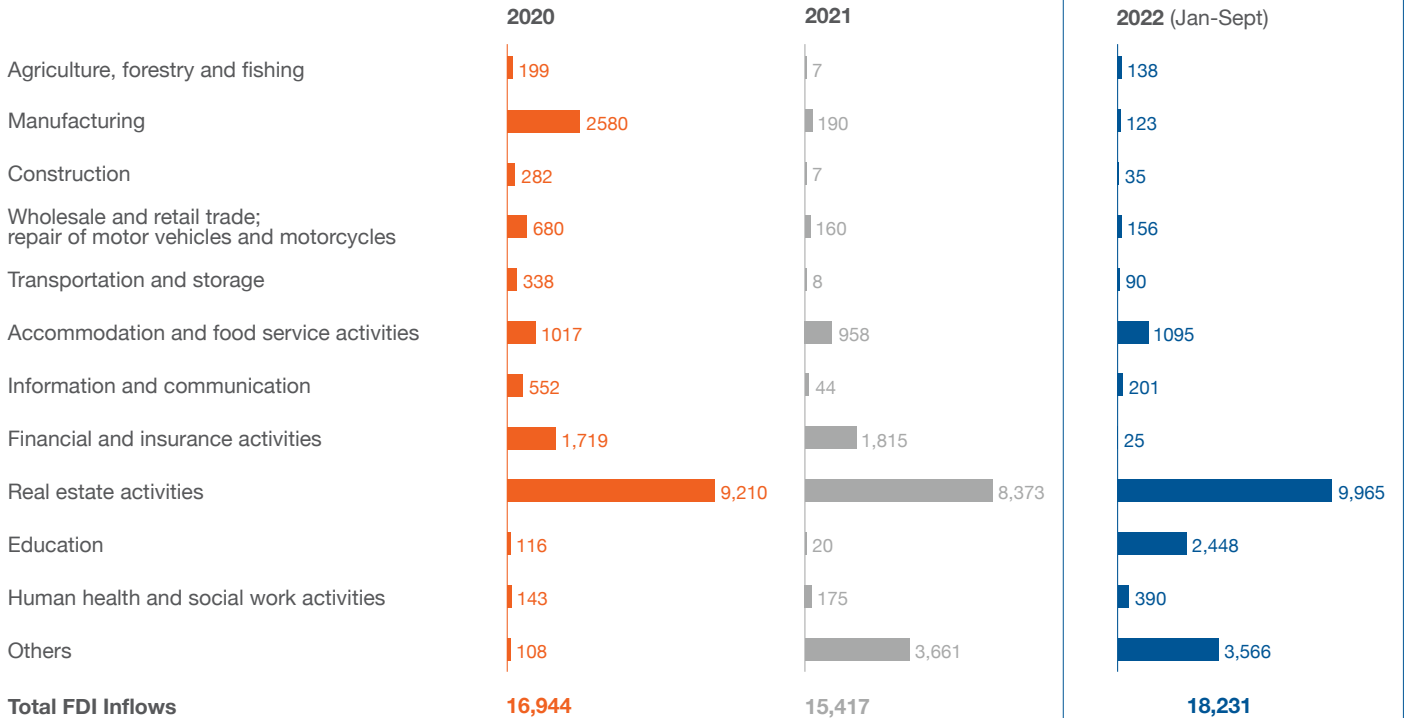


SECTORAL GROWTH RATE (%)



Source: Statistics Mauritius

GROSS DIRECT INVESTMENT FLOWS (MUR MILLION)

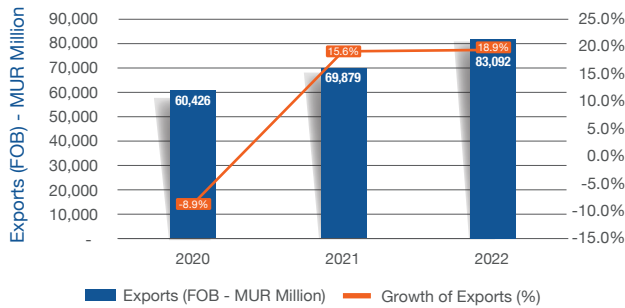


Source: Monthly Statistical Bulletin, Bank of Mauritius (January 2023)

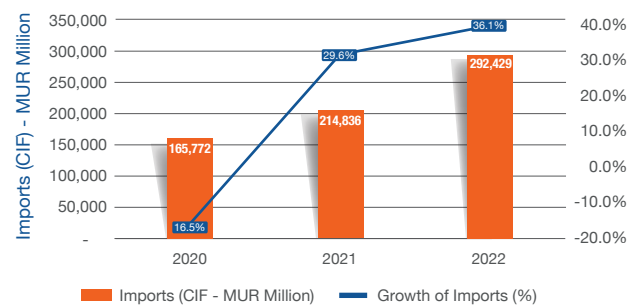
EXTERNAL TRADE

In 2022, trade activities further improved where both exports and imports of goods increased by 18.9% and 36.1%, respectively. The main export market in 2022 was South Africa, with 13% of total exports, trailed by Madagascar and France, each with a share of 9% of total exports. The main countries of imports were China and India, representing 16% and 10% respectively, of total imports. The top 10 products of exports represented 53% of our total exports to the world in 2022. These included frozen tuna (14%) and cane sugar (10%). Main products of import, on the other hand, included petroleum oils (19%) and motor vehicles (4%).

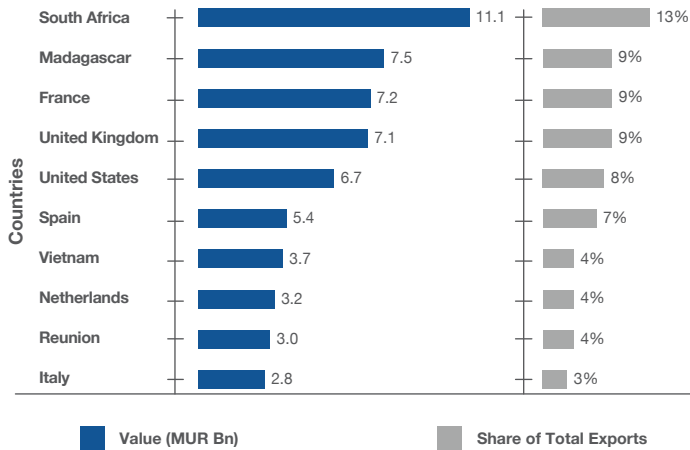
Trend in Exports of Goods (2020-2022)



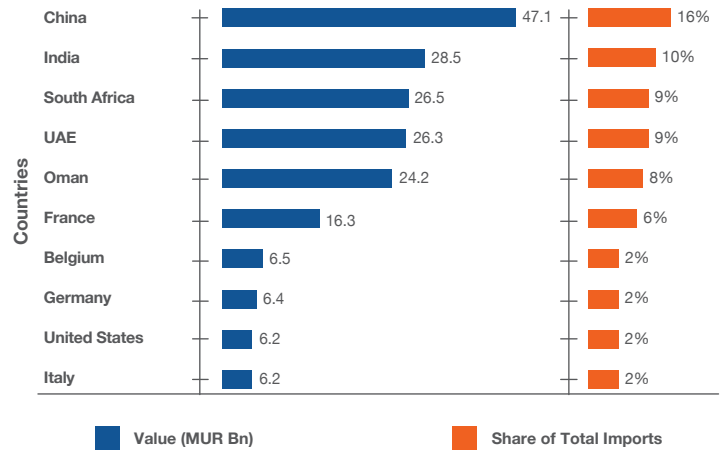
Trend in Imports of Goods (2020-2022)



Top 10 Export Markets



Top 10 Countries of Import



MAURITIUS TOP 10 PRODUCTS OF EXPORTS AND IMPORTS IN 2022

EXPORTS

Rank	HS Codes (4 digits)	Description	FOB (Mur Million)	Share of Total Exports
1	1604	Frozen tuna	11,333	14%
2	1701	Cane sugar	8,689	10%
3	6203	Men's or boys' trousers, woven	5,125	6%
4	7102	Polished diamonds	4,236	5%
5	6109	T-shirts, knitted	3,733	4%
6	0303	Frozen fish	2,656	3%
7	6006	Other knitted or crocheted fabrics	2,502	3%
8	0106	Live primates	2,157	3%
9	9018	Medical devices	1,870	2%
10	6204	Women's or girls' trousers, knitted	1,779	2%

IMPORTS

Rank	HS Codes (4 digits)	Description	CIF (Mur Million)	Share of Total Imports
1	2710	Petroleum oils	55,727	19%
2	8703	Motor vehicles	11,760	4%
3	0303	Frozen fish	9,205	3%
4	2701	Coal	7,546	3%
5	8517	Cellular phones	7,451	3%
6	3004	Medicaments	6,906	2%
7	7102	Diamonds, unworked	4,712	2%
8	0402	Milk powder	3,389	1%
9	2402	Cigarettes	3,123	1%
10	5201	Cotton	3,069	1%

Source: Statistics Mauritius