

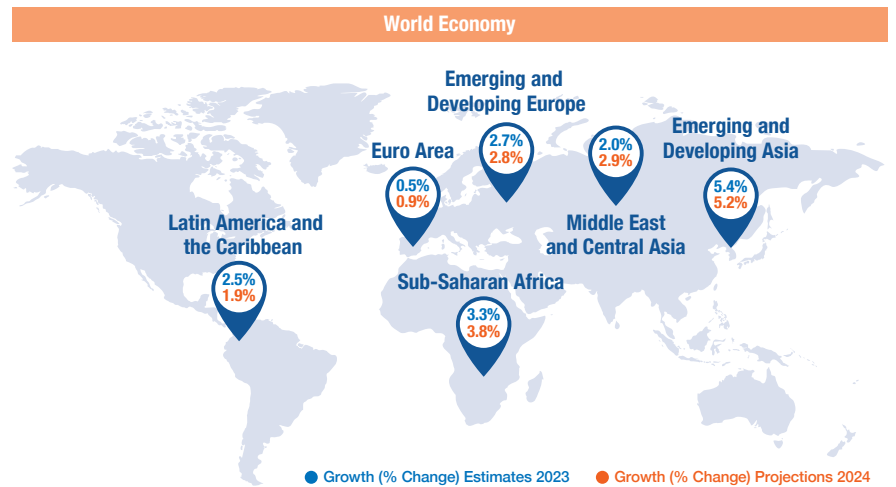


ECONOMIC & TRADE REVIEW

2023/24

THE INTERNATIONAL CONTEXT

Global growth remained resilient in 2023, buoyed by a resurgence of consumer spending in China and an acceleration of economic activity in the United States. These positive developments have counterbalanced a pronounced deceleration in Europe, which was precipitated by the regional energy crisis in 2022. Nonetheless, the complete effects of the stringent monetary policies have yet to fully manifest.



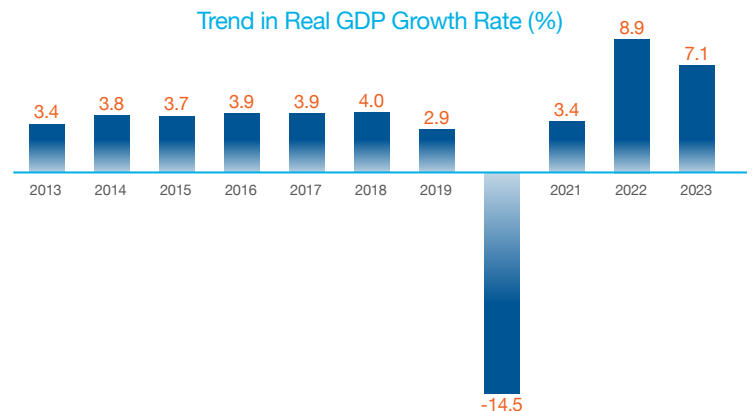
Source: World Economic Update, IMF (January 2024)

According to the International Monetary Fund, the global economy is expected to sustain its growth at a rate of 3.1% for both 2023 and 2024, indicating stability in the worldwide economic climate. The Euro Area shows a modest recovery, with growth estimates of 0.5% in 2023, to a projection of 0.9% in 2024. Emerging and Developing Asia, although experiencing a slight decrease from 5.4% in 2023 to 5.2% in 2024, remains a strong growth region. Emerging and Developing Europe is forecast to see a rise from 2.7% to 2.8%. In contrast, Latin America and the Caribbean are projected to witness a considerable decrease from 2.5% growth in 2023 to 1.9% in 2024. The Middle East and Central Asia are expected to see a significant increase from 2.0% to 2.9%, while Sub-Saharan Africa's growth is also projected to rise from 3.3% to 3.8% in 2024.

Potential growth could be spurred by quicker disinflation and looser fiscal policies, although this comes with risks of future economic adjustments. Challenges such as commodity price spikes due to geopolitical tensions and persistent inflation concerns could still pressure the global economy.

THE LOCAL CONTEXT

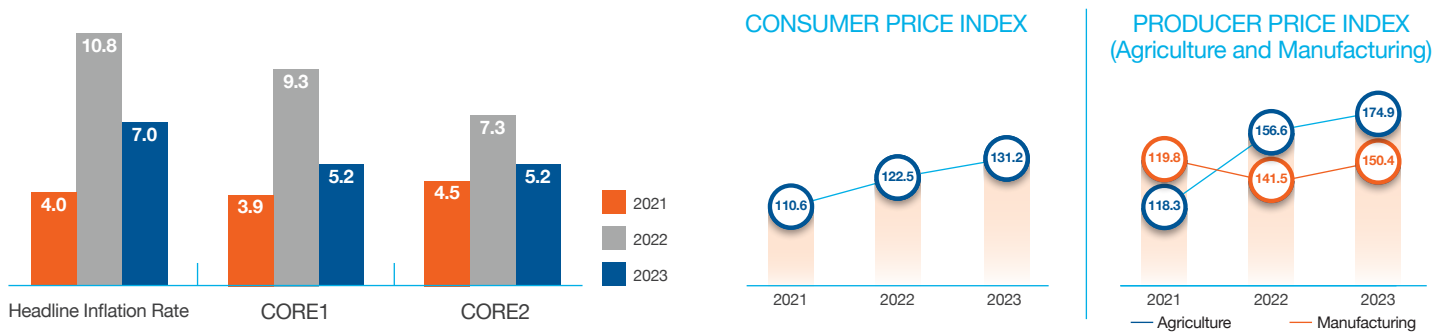
The economic vitality in Mauritius continues to be strong, with the country's GDP growth projected at 7.1% for 2023, following an 8.9% increase in 2022. This revision in growth estimate reflects a positive expectation for the economy, primarily supported by a significant rise in tourism and associated sectors. However, despite its lively economic activities, the country remains highly vulnerable to external forces, due to its dependency on imports.



Source: Statistics Mauritius

INFLATION

The Consumer Price Index (CPI) witnessed a significant increase, rising by 10.8% from 2021 to 2022 and then by a further 7% in 2023. This upward trend is indicative of growing inflationary pressures within the economy, affecting both consumers and producers alike.

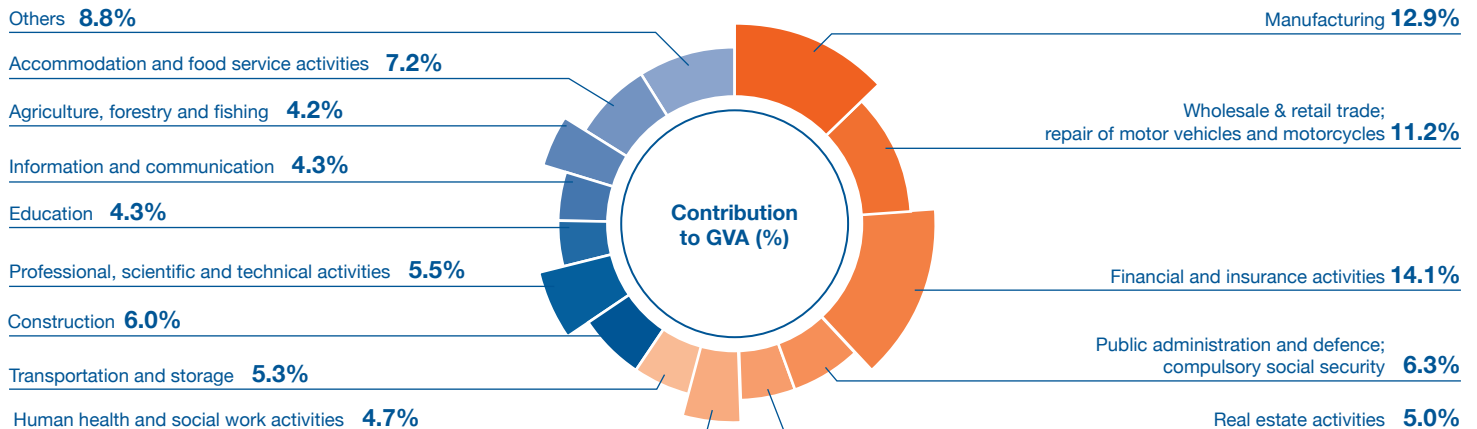


Source: Statistics Mauritius

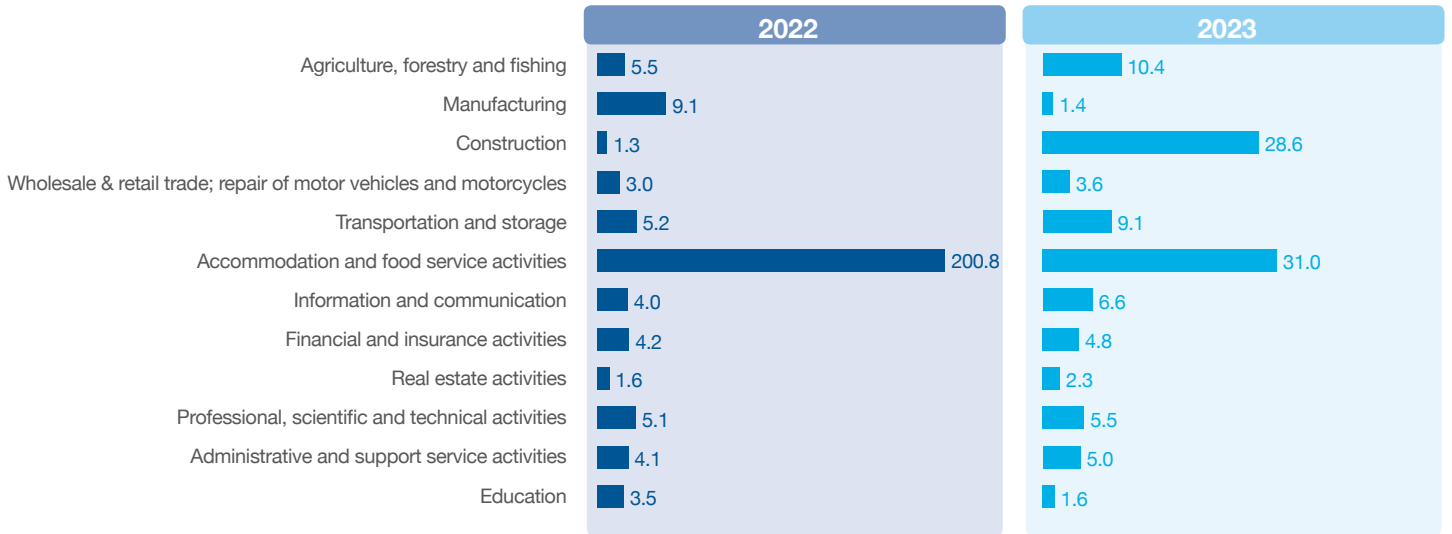
Similarly, the Producer Price Index (PPI), monitoring the average movement in selling prices received by domestic producers for their output, showed marked increases. In the Agriculture sector, the PPI surged by 32.4% from 2021 to 2022, and continued to climb, reaching an increase of 11.7% from 2022 to the third quarter of 2023.

The manufacturing sector saw a surge in its Producer Price Index (PPI), escalating by 18.1% from 2021 to 2022, followed by 6.3% increase from 2022 to the third quarter of 2023. These figures are reflective of significant inflationary trends, impacting the cost structures at both the consumer and producer levels.

Contribution to GVA by Sector (%) - 2023

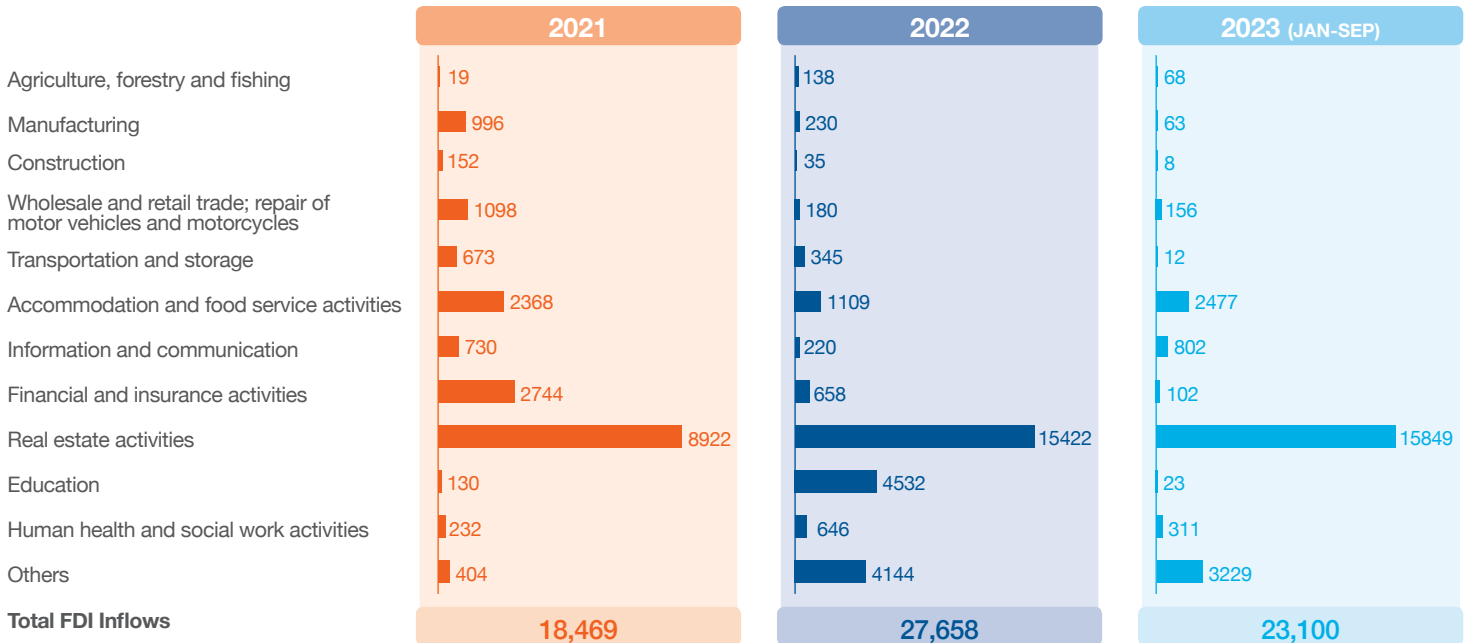


SECTORAL GROWTH RATE (%)



Source: Statistics Mauritius

GROSS DIRECT INVESTMENT FLOWS (MUR MILLION)



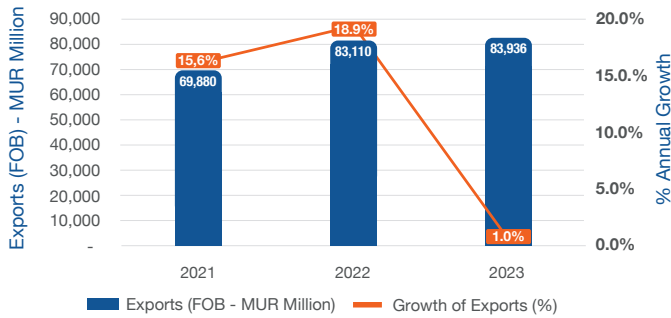
Source: Monthly Statistical Bulletin, Bank of Mauritius (January 2024)

EXTERNAL TRADE

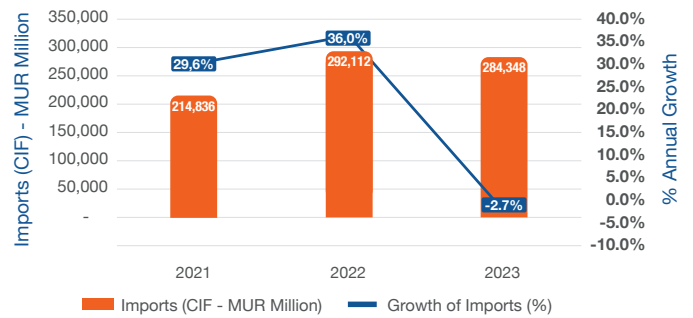
In 2023, exports increased by 1.0%, reaching MUR 84 billion. The main export markets were South Africa, with 11% of total exports, followed by France and United States, each with a share of 10% and 9%, respectively. The top 10 product categories (HS at 4-digits) represented 56% of total exports and included mainly frozen tuna (MUR 12 billion), cane sugar (MUR 11 billion), and woven men's or boy's trousers (MUR 4.5 billion).

Imports, on the other hand fell by 2.7% in 2023, reaching MUR 284 billion. The main import markets were China, UAE and India. Main products of import included petroleum oils, motor vehicles and frozen fish.

Trend in Exports of Goods (2021-2023)

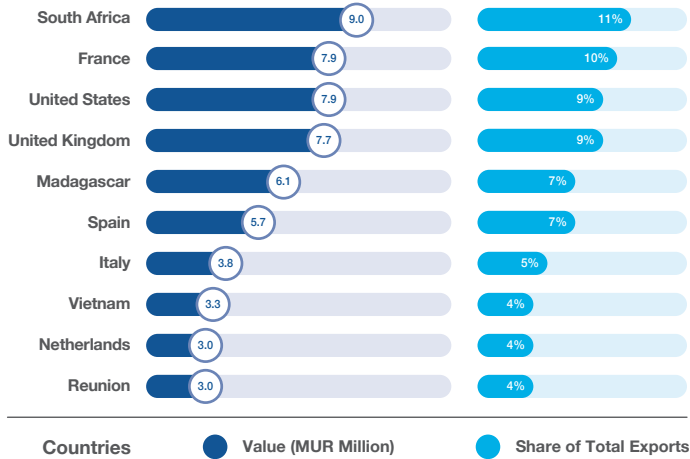


Trend in Imports of Goods (2021-2023)

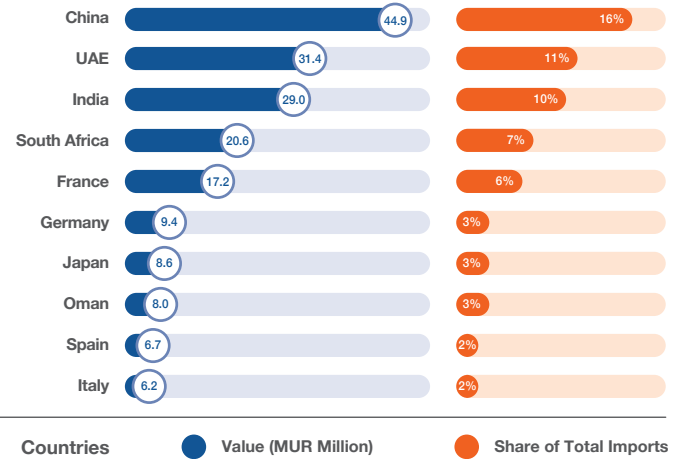


Source: Statistics Mauritius

Top 10 Export Markets 2023



Top 10 Countries of Import 2023



MAURITIUS TOP 10 PRODUCTS OF EXPORTS AND IMPORTS IN 2023

EXPORTS

Rank	HS Codes (4 digits)	Description	FOB (MUR Million)	Share of Total Exports
1	1604	Frozen tuna	11,921	14%
2	1701	Cane sugar	10,506	13%
3	6203	Men's or boys' trousers, woven	4,497	5%
4	0106	Live Animals	4,016	5%
5	7102	Polished diamonds	3,675	4%
6	0303	Frozen fish	3,440	4%
7	6109	T-shirts, knitted	3,060	4%
8	6006	Other knitted or crocheted fabrics	2,554	3%
9	9018	Medical devices	2,143	3%
10	3923	Plastic articles for packaging of goods	1,526	2%

IMPORTS

Rank	HS Codes (4 digits)	Description	CIF (MUR Million)	Share of Total Imports
1	2710	Petroleum oils	50,975	18%
2	8703	Motor vehicles for the transport of persons	18,052	6%
3	0303	Frozen fish	10,163	4%
4	3004	Medicaments	7,809	3%
5	8517	Cellular phones	7,042	2%
6	2701	Coal	4,274	2%
7	8704	Motor vehicles for the transport of goods	3,984	1%
8	2402	Cigarettes	3,609	1%
9	7102	Diamonds, unworked	3,426	1%
10	1701	Cane sugar	3,411	1%

Source: Statistics Mauritius