



5 October 2021

(21-7465)

Page: 1/116

---

**Trade Policy Review Body**

**TRADE POLICY REVIEW**

**REPORT BY THE SECRETARIAT**

**MAURITIUS**

This report, prepared for the fifth Trade Policy Review of Mauritius, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Mauritius on its trade policies and practices.

Any technical questions arising from this report may be addressed to Jacques Degbello (tel. 022 739 5583), Thomas Friedheim (tel. 022 739 5083), and Catherine Hennis-Pierre (tel. 022 739 5640).

Document WT/TPR/G/417 contains the policy statement submitted by Mauritius.

## CONTENTS

<b>SUMMARY .....</b>	<b>7</b>
<b>1 ECONOMIC ENVIRONMENT .....</b>	<b>11</b>
1.1 Main Features of the Economy .....	11
1.2 Recent Economic Developments.....	13
1.3 Foreign Investment.....	15
1.4 Trade Performance .....	16
1.4.1 Trade in goods .....	16
1.4.2 Trade in services .....	17
<b>2 GOVERNEMENT TRADE AND INVESTMENT REGIMES.....</b>	<b>21</b>
2.1 General Framework .....	21
2.2 Trade Policy Objectives .....	24
2.3 Trade Agreements and Arrangements .....	24
2.3.1 WTO .....	24
2.3.2 Regional and preferential agreements.....	26
2.4 Investment Regime .....	29
2.4.1 Overview .....	29
2.4.2 Movement of labour and residence .....	30
2.4.3 Tax provisions affecting foreign investments.....	31
2.4.4 Participation in international investment agreements .....	33
2.5 Participation in Arbitral and Dispute Settlement Conventions and Bodies.....	34
<b>3 TRADE POLICIES AND PRACTICES BY MEASURE.....</b>	<b>35</b>
3.1 Measures Directly Affecting Imports .....	35
3.1.1 Customs procedures and valuation .....	36
3.1.2 Rules of origin .....	37
3.1.3 Tariffs and other import taxes.....	38
3.1.3.1 General features .....	38
3.1.3.2 Applied MFN tariffs .....	39
3.1.3.3 Bound tariffs .....	41
3.1.3.4 Tariff preferences.....	41
3.1.3.5 Tariff exemptions and concessions.....	42
3.1.3.6 Value added tax (VAT).....	42
3.1.3.7 Excise and other duties .....	45
3.1.4 Import prohibitions, restrictions, and licensing .....	46
3.1.5 Anti-dumping, countervailing, and safeguard measures .....	49
3.2 Measures Directly Affecting Exports.....	49
3.2.1 Registration and documentation.....	49
3.2.2 Export taxes, charges, and levies .....	50
3.2.3 Export prohibitions, restrictions, and licensing.....	50
3.2.4 Export incentives .....	51

3.2.4.1	Tax incentives .....	51
3.2.4.2	Freeport Scheme .....	51
3.2.4.3	Duty drawback .....	52
3.2.4.4	Export finance and insurance .....	52
3.2.4.5	Other export subsidies .....	53
3.2.4.6	Export promotion and marketing schemes .....	53
3.3	Measures Affecting Production and Trade .....	54
3.3.1	Standards and other technical requirements .....	54
3.3.2	Sanitary and phytosanitary measures .....	55
3.3.3	Government procurement .....	57
3.3.4	Incentives .....	60
3.3.5	State trading, state-owned enterprises, and privatization .....	62
3.3.5.1	State trading .....	62
3.3.5.2	State-owned enterprises and privatization .....	63
3.3.6	Competition policy and price controls .....	64
3.3.6.1	Competition policy .....	64
3.3.6.2	Price controls .....	67
3.3.7	Intellectual property rights (IPRs) .....	69
3.3.7.1	Overview .....	69
3.3.7.2	Copyrights and related rights .....	71
3.3.7.3	Other intellectual property rights .....	71
3.3.7.4	Enforcement and border measures .....	72
<b>4</b>	<b>TRADE POLICIES BY SECTOR.....</b>	<b>73</b>
4.1	Agriculture and Fisheries .....	73
4.1.1	Main features .....	73
4.1.2	Agricultural policy .....	73
4.1.2.1	Overview .....	73
4.1.2.2	Market access .....	74
4.1.2.3	Agricultural state trading enterprises .....	75
4.1.2.4	Domestic support .....	76
4.1.2.5	Export measures .....	80
4.1.3	Sugar .....	80
4.1.4	Fisheries .....	83
4.2	Energy and Water .....	86
4.2.1	Electricity .....	86
4.2.2	Petroleum products .....	88
4.2.3	Water .....	89
4.3	Manufacturing .....	89
4.4	Services .....	91
4.4.1	Horizontal measures .....	92

4.4.2 Financial services.....	93
4.4.2.1 Overview .....	93
4.4.2.2 Banking and other financial services .....	95
4.4.2.3 Insurance .....	96
4.4.2.4 Securities and other financial services .....	98
4.4.3 Telecommunications.....	99
4.4.3.1 Overview .....	99
4.4.3.2 Regulation .....	100
4.4.3.3 Commitments under trade agreements .....	101
4.4.4 Transport .....	102
4.4.4.1 Port services .....	103
4.4.4.2 Maritime transport .....	104
4.4.4.3 Land transport.....	105
4.4.4.4 Airport services.....	105
4.4.4.5 Air transport services.....	105
4.4.5 Tourism.....	107
4.4.6 Professional and other business services .....	109
<b>5 APPENDIX TABLES .....</b>	<b>112</b>

## CHARTS

Chart 1.1 Product composition of merchandise trade, 2014 and 2020 .....	19
Chart 1.2 Direction of merchandise trade, 2014 and 2020.....	20
Chart 3.1 Importation under preferential tariff regimes in 2019 .....	38
Chart 3.2 Distribution of MFN tariff rates, 2021 .....	40
Chart 3.3 Subsidized Credit to MSMEs, 2021 .....	62
Chart 3.4 Exports and imports of fees for the use of intellectual property .....	70
Chart 4.1 Indicators of telecommunications, 2021 .....	99
Chart 4.2 Transport services trade, 2013-19 .....	102
Chart 4.3 Expansion of the Mauritian tourist sector, 2008-20 .....	108

## TABLES

Table 1.1. Selected macroeconomic indicators, 2014-20 <sup>a</sup> .....	11
Table 1.2 Balance of payments, 2014-20 <sup>a</sup> .....	15
Table 1.3 Trade in services, 2014-20 .....	17
Table 2.1 Main trade-related legislation, 2021 .....	23
Table 2.2 WTO notifications, 2014-April 2021.....	25
Table 2.3 Participation in RTAs, by date of notification, June 2021.....	27
Table 2.4 Foreign investment restrictions, 2021 .....	29
Table 3.1 Notification status of TFA measures, September 2021 .....	35

---

Table 3.2 Use of risk-management channels, 2014-20.....	36
Table 3.3 Assessment Review Committee caseload, 2013-20.....	37
Table 3.4 Revenues from customs duties, VAT, and excise taxes, FY 2007/08 to FY 2019/20 .....	38
Table 3.5 Structure of applied MFN tariffs, 2007-21 .....	39
Table 3.6 Applied MFN tariffs, 2021 .....	40
Table 3.7 Preferential tariffs, 2021 .....	42
Table 3.8 VAT-exempt supplies, 2021 .....	43
Table 3.9 VAT zero-rated items.....	44
Table 3.10 Import prohibitions, 2021 .....	46
Table 3.11 Import permit requirements for restricted goods, 2021 .....	47
Table 3.12 Export permit requirements, 2021 .....	50
Table 3.13 Activities eligible under the Freeport Scheme, 2021 and changes since 2014 .....	51
Table 3.14 Public procurement above MUR 100,000 (USD 2,500), 2016-20 .....	57
Table 3.15 Thresholds for Central Procurement Board (CPB) approval of procurements by public bodies, 2021 .....	58
Table 3.16 Independent Review Panel caseload, 2008-13 .....	59
Table 3.17 Incentives offered under selected support programmes, 2021.....	60
Table 3.18 Products imported by the State Trading Corporation.....	63
Table 3.19 Selected state shareholdings, 2021 .....	63
Table 3.20 Investigations by the Competition Commission, June 2014-June 2021.....	65
Table 3.21 Overview of imported products subject to price control, 2021 .....	68
Table 3.22 Membership in IPR Treaties.....	70
Table 4.1 Imports of potatoes and onions, 2016-20 .....	75
Table 4.2 Domestic support and export subsidies.....	77
Table 4.3 Agricultural incentive schemes, FY 2019/20 .....	77
Table 4.4 Producer prices for sugar, 2020 crop.....	82
Table 4.5 Sugar production, trade, and consumption.....	83
Table 4.6 Fish production and trade, 2014-20 .....	84
Table 4.7 Number of fishing licences issued to foreign vessels, July 2019-June 2020 .....	85
Table 4.8 Electricity mix, 2020.....	88
Table 4.9 Main services sectors covered by trade agreements, 2021 .....	92
Table 4.10 Conditions of work for foreign natural persons, China FTA and CECPA with India .....	93
Table 4.11 Structure of the banking sector, 2014 and 2021 .....	95
Table 4.12 Indicators of port traffic, 2013-20.....	103
Table 4.13 Air transport passenger statistics, 2013-20 .....	105
Table 4.14 Air Transport Agreements, 2021.....	106
Table 4.15 Provisions on foreign investment in the tourism sector, 2021.....	108
Table 4.16 Market access commitments in professional sectors, 2021 .....	110

**BOXES**

Box 2.1 Summary of legal and institutional framework .....	21
Box 3.1 Trade and competition policy issues in the pharmaceutical sector, 2020 .....	67

**APPENDIX TABLES**

Table A1.1 Merchandise exports by group of products, 2014-20.....	112
Table A1.2 Merchandise imports by group of products, 2014-20 .....	113
Table A1.3 Merchandise exports by destination, 2014-20.....	114
Table A1.4 Merchandise imports by origin, 2014-20 .....	115
Table A4.1 Production of main agricultural commodities, 2014-20 .	<b>Error! Bookmark not defined.</b>

---

## SUMMARY

1. Mauritius is a small island with a population of close to 1.3 million people. About two decades of liberalization reforms have transformed Mauritius into an almost duty-free economy. Its openness to trade has been one of the reasons behind its economic success, also supported by a long tradition of parliamentary democracy, good governance, and strong institutions. The country relies heavily on imports for its industrial inputs and for a large share of its food supplies, while maintaining the general openness of its services markets to foreign competition. Its trade in goods and services as a share of GDP declined from 105% in 2014 to 90% in 2019 and 76% in 2020. The fall in 2020 was mainly attributable to the COVID-19 pandemic, while the decline between 2014 and 2019 reflects, *inter alia*, the continuation of the downward trend in merchandise exports, a stagnation of services trade, while Mauritius was registering steady domestic growth. The EU remains Mauritius' main trading partner. South Africa and the United Kingdom are the other main destinations of merchandise exports, while the country imports many of its manufactured goods, including petroleum products, from China, the United Arab Emirates, and India.

2. Over the review period, the main drivers of growth were the services sector, particularly tourism, financial services, information and communications technology (ICT) services, and construction. The transformation of the Mauritian economy away from its main manufacturing industries, namely sugar and textiles and clothing, towards a service-oriented economy continued, particularly as an investment gateway to Africa. The reforms have resulted in further liberalization of its trade regime for goods with a generally low tariff protection and more policy emphasis on trade in services. However, the COVID-19 pandemic has reinforced the tendency towards greater state involvement in the economy, mainly in industries considered critical to the national interest.

3. As a result of steady economic growth (by about 3.6% per year on average over 2014-19), Mauritius' per capita income reached about USD 11,000 in 2019, and unemployment declined to 6.7%. However, pandemic-related measures, including the national lockdown with the closure of businesses and borders, resulted in a 15% drop in GDP and a decline in per capita income to USD 8,700 in 2020. The economy is expected to recover, conditional on, *inter alia*, good performance of the tourism industry with the resumption of foreign travel.

4. Indeed, tourism remains Mauritius' flagship industry (8% of GDP in 2019) and was, until the pandemic, one of its fastest-growing economic activities. The tourism expansion was supported by the island's natural beauty; its high and rising foreign direct investment, including under real estate schemes designed for foreigners; and the prioritization of the sector by the Government since the 1990s, underpinned by comprehensive GATS commitments. Tourist arrivals and revenue then plunged in 2020, with the contraction in the accommodation and food services subsector estimated at 66% in 2020.

5. Mauritius' open capital regime and growing importance as an international investment hub, supported by double tax avoidance treaties, have contributed to the development of its financial services, which account for about 13% of GDP. In December 2019, the total value of direct investment channelled abroad through the so-called Global Business sector stood at USD 39 billion, nearly three times the country's GDP. In 2018, following concerns expressed by trading partners, changes were brought to the way tax credits are granted to Global Business corporations that reside in Mauritius but conduct business mainly outside Mauritius.

6. Over 2014-19, the manufacturing sector posted modest growth, by 0.8% on average, owing to a decline in investment in the export-oriented enterprises, as well as productivity and competitiveness challenges particularly in the sugar and textiles industries. The sector was then hard-hit by the pandemic-related measures and contracted by 20% in 2020. Mauritius' new industrial policy has the ambitious objective to rebuild, diversify, and expand the sector towards 30% of GDP (up from 12% in 2020) through, *inter alia*, enhanced local content requirements in government procurement.

7. Agriculture contributes about 3.9% to GDP. Sugarcane production still plays an important, albeit declining, role in the economy. Mauritius has a dualistic agricultural sector with an export-oriented sugar industry and a self-sufficiency-oriented food crop and livestock subsector. Some tropical fruits and vegetables benefit from export subsidies under a Freight Rebate Scheme. The country imports most of its main staples, namely wheat and rice, through the State Trading

Corporation. There are various input subsidy schemes in place, and price support is provided for sugar, as well as for sensitive crops regulated by the Agricultural Marketing Board. The sugar import tariff was gradually raised from zero to 100%, which is still within Mauritius' binding of 122%. As a result, Mauritius now imports duty-free sugar from other Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) countries, including Egypt.

8. The fisheries sector remains relatively small (about 1.2% of GDP), but provides significant employment in fish processing, which relies significantly on catch imported from outside the vast Mauritian exclusive economic zone, for further processing and export. Support to the fishing sector includes tariff and value added tax (VAT) exemptions on certain inputs and equipment, as well as financial assistance to registered fishermen and cooperatives. Mauritius has been closely following the WTO fisheries subsidies negotiations.

9. Mauritius participates actively in the work of the WTO, with timely notifications adding transparency to its trade regime. Mauritius also continued to pursue active trade diplomacy, including through the East African Community (EAC)-COMESA-SADC tripartite agreement concluded in 2015, and the African Continental Free Trade Area Agreement in 2019, and it started negotiations on a comprehensive economic partnership agreement with the European Union also in 2019. Moreover, in 2021, Mauritius concluded two free trade agreements with China and India that contain new commitments on trade in services. In total, Mauritius participates in eight regional trade agreements, all of which were notified to the WTO.

10. Trade facilitation is an integral part of the reforms implemented by Mauritius as it enables access to essential inputs for sectors driving the economy, such as tourism, manufacturing, transport, and business services. Mauritius was thus prompt to ratify the WTO Trade Facilitation Agreement in 2015 and is already implementing it fully in all but four areas, and notified its technical assistance needs for full compliance. The Mauritius Trade Easy portal provides information on import and export procedures and applicable charges, including customs duties and local taxes, regulations, and required shipping documents by tariff line and by partner country. The Government's new Trade Obstacles Alert Mechanism platform allows operators to report exporting or importing obstacles.

11. Mauritius pursued its tariff liberalization launched about two decades ago, whereby the simple average applied MFN tariff rate declined from 6.6% in 2007 to 2.3% in 2014, and to 1.3% in 2021. Tariff protection for agricultural products increased from 1.8% to 3.2% over the review period, whereas tariff protection in the manufacturing sector declined to less than 1%, with duty-free lines representing 93.5% of the total tariff lines. The non-zero rates carried by the remaining 6.5% of tariff lines are quite high on, *inter alia*, sugar, tea and spices, and alcoholic beverages.

12. Over the review period, Mauritius increased tariffs on sugar. In contrast, all non-*ad valorem* (specific) tariffs, which in the case of suits, ranged up to 488% (an *ad valorem* equivalent), were reduced to zero. Tariff rates were also reduced on glassware and electrical machinery and equipment. Furthermore, Mauritius has also allocated preferential tariff quotas (on 101 tariff lines, mostly manufactured articles, spices and raw sugar) to India under their 2021 bilateral trade agreement. Overall, the reforms have contributed to widening gaps between Mauritius' generally low applied tariff rates and its WTO binding commitments at high rates and with limited scope.

13. Mauritius levies 15% VAT on all goods and services; and excise duties on 557 tariff lines. The Maurice Ile Durable (MID) levy is collected on fossil fuels as part of the country's strategy to reduce the demand for this product and, *inter alia*, increase the share of electricity generated from renewable sources from 24% in 2020 to 35% by 2025 and 60% by 2030. The VAT and excise regimes could advantageously be reviewed in light of the numerous exemptions or concessions granted to certain manufacturers, farmers, fishermen, and other persons or bodies. Both excise duties and the MID levy were lowered on fossil fuels, to combat price increases.

14. Non-automatic import licensing procedures were removed on many products. However, for some sensitive agricultural products, the import permit system is still used for self-sufficiency purposes. Also, Mauritius is in the process of revamping its Trade (Anti-dumping and Countervailing Measures) Act of 2010, under which no measure has been applied so far. Mauritius submitted several TBT and SPS notifications to the WTO during the review period, without any specific trade concerns raised by Members. An import ban on certain types of plastic bags and other products was introduced in 2021 to make Mauritius a plastic-free country.



15. Mauritius' State Trading Corporation (STC) increased its emphasis on improving governance and combating corruption, given its important role as a supplier of the country's essential commodities. The STC is the sole authorized importer of petroleum products; it also has exclusive privileges in the importation of wheat flour and rice for subsidized consumption. The Agricultural Marketing Board, also notified as a state trading enterprise, controls the imports of onions, potatoes, and garlic for self-sufficiency reasons. A widespread system of price controls aims to ensure the supply of essential commodities at reasonable prices.

16. Mauritius' location in the middle of the Indian Ocean helps it to develop the redistribution of goods arriving from the Middle East and Asia among the other African markets, as well as the re-exportation of African products to Asian markets. During the review period, the Government accordingly continued to simplify export registration procedures and controls. The Freeport Scheme continues to provide incentives to companies engaged in the light processing of imported goods before re-exportation, mainly to other African countries via Mauritius.

17. Several export support schemes remain in place. Since 2017, companies engaged in exports of goods have been taxed at 3% instead of the general corporate tax rate of 15%. The Trade Promotion and Marketing Scheme provides air freight export subsidies on all products except for machinery, live animals, and chemicals to most markets worldwide, while the Freight Rebate Scheme provides sea freight export subsidies for agricultural products. A new Export Credit Insurance Scheme was launched in 2015. The multiple-currency Exchange Rate Support Scheme, introduced in September 2017 to provide temporary support to exporters, was terminated in March 2018.

18. The Government's Africa Strategy also encourages Mauritian entrepreneurs to invest in other African countries; it participates as an equity partner in the capital invested by Mauritian investors and has signed agreements with several African countries on the establishment and management of special economic zones. Outflows of foreign investments through Mauritius into other African countries have thus expanded sizeably.

19. Mauritius maintains several investment-incentive schemes. These schemes intensified with the COVID-19 crisis and include reductions in corporate tax, exemptions of tax on dividends paid to shareholders, subsidized business loans, and direct investments in a wide panoply of Mauritian businesses through, *inter alia*, its investment arm, the State Investment Corporation. In May 2020, the Bank of Mauritius set up the Mauritius Investment Corporation (MIC) with a budget of USD 2 billion, equipped with a range of equity/quasi-equity instruments to invest in distressed large corporations, but also in joint ventures engaged in the fishing industry. The MIC's objectives are to support economic development, build self-sufficiency in key necessities, and enhance Mauritius as an innovation-driven economy. Recognizing that public companies may prove in the long run to be costly and inefficient, the Government has in parallel embarked on a divestment programme concerning a few of its assets.

20. Open international bidding is the main public procurement method, with a substantial share of Mauritius' public procurement being foreign sourced. However, several new and stringent "buy local" provisions were announced in 2020 as a response to the economic crisis induced by the COVID-19 pandemic. Mauritius is neither party nor observer to the WTO's plurilateral Agreement on Government Procurement.

21. A new Industrial Property Act was enacted in August 2019, consolidating existing provisions on the protection of patents, industrial designs, and trademarks, and providing for the protection of new rights such as utility models, layout designs of integrated circuits, plant varieties, and geographical indications. The Act establishes the Intellectual Property Council, comprising representatives from government authorities and the private sector involved in the generation, enforcement, and protection of intellectual property (IP) rights. Given the IP exhaustion regime adopted by Mauritius, owners of registered trademarks may withhold their consent for parallel imports of registered products, including pharmaceuticals. In 2008, Mauritius ratified the Protocol Amending the TRIPS Agreement, which facilitates access to medicines in countries with limited pharmaceuticals production capacity.

22. The small size of the economy and the relatively high involvement of the State in economic activities partly explain why the Mauritius Competition Commission has been actively studying the effectiveness of competition and potential restrictive business practices on several markets over the

period under review, including the food and retail distribution market, the market for petroleum products, the pharmaceutical market, and the financial services sector.

## 1 ECONOMIC ENVIRONMENT

### 1.1 Main Features of the Economy

1.1. Mauritius is a small, open, island economy with a population of close to 1.3 million people (Table 1.1), a land area of 2,040 km<sup>2</sup>, and one of the world's largest exclusive economic zones (EEZs) (Section 4.1.4). In 2020, the World Bank classified the country as a high-income country, before the impact of the COVID-19 pandemic.<sup>1</sup> Per capita income reached USD 11,095 in 2019 before dropping to USD 8,674 in 2020. Mauritius is among the "Very High Human Development" countries, ranked 66<sup>th</sup> of 189 countries in 2019.<sup>2</sup> The country has "a record of good governance and strong institutions, although there has been an increase in the perception of corruption", according to the IMF.<sup>3</sup>

**Table 1.1. Selected macroeconomic indicators, 2014-20<sup>a</sup>**

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
GDP (MUR billion)	392.1	409.9	434.8	457.2	481.3	498.3	429.7
GDP (USD billion)	12.8	11.7	12.2	13.3	14.2	14.0	10.9
GDP real growth rate (constant 2006 prices)	3.7	3.6	3.8	3.8	3.8	3.0	-14.9
Population ('000)	1,260.9	1,262.6	1,263.5	1,264.6	1,265.3	1,265.7	1,265.7
Per capita GDP at current market prices (USD)	10,151.7	9,258.4	9,679.5	10,482.6	11,205.9	11,095.2	8,674.0
Unemployment rate (%)	7.8	7.9	7.3	7.1	6.9	6.7	9.2
<b>Gross value added (GVA) at current prices (% of GVA)</b>							
Agriculture, forestry & fishing	3.7	3.6	3.6	3.5	3.2	3.3	3.9
Mining and quarrying	0.3	0.2	0.2	0.2	0.2	0.2	0.3
Manufacturing, of which:	15.3	14.7	14.0	13.4	12.9	12.5	12.1
- Food excl. sugar	5.4	5.1	4.9	4.8	4.6	4.5	4.8
- Textiles	4.6	4.6	4.1	3.9	3.6	3.4	2.9
- Electricity, gas, steam & air conditioning supply	1.6	1.9	2.2	1.7	1.7	1.6	1.6
- Water supply, sewerage, waste management	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Construction	4.8	4.4	4.2	4.3	4.7	5.0	4.4
Services	74.0	74.7	75.5	76.5	76.9	77.1	77.3
- Wholesale & retail trade; repair of motor vehicles & motorcycles	11.9	12.0	11.9	12.2	12.4	12.5	13.0
- Transportation and storage	6.1	6.2	6.3	6.4	6.4	6.5	5.6
- Accommodation and food service activities	6.2	6.5	6.9	7.2	7.3	6.9	2.9
- Information & communication	4.3	4.4	4.2	4.2	4.2	4.3	5.2
- Financial & insurance services	11.9	12.0	12.1	12.0	11.7	11.8	13.0
- Other service activities	33.6	33.7	34.0	34.5	34.9	35.0	37.7
<b>Sectoral GVA real growth rates (%)</b>							
Agriculture, forestry & fishing	3.7	0.3	3.7	-0.2	-1.3	4.1	-2.5
- Sugarcane	-3.5	-3.8	5.2	-7.9	-9.1	2.4	-18.1
- Other	6.5	1.6	3.2	2.3	0.4	4.4	-0.2
Mining and quarrying	-2.5	-3.4	1.0	1.6	2.1	3.3	-16.6
Manufacturing	1.8	0.1	0.3	1.5	0.7	0.5	-17.8
- Sugar	0.8	-5.1	6.6	2.4	-19.0	9.3	-17.2

<sup>1</sup> Bank of Mauritius, *World Bank Classifies Mauritius as High-Income Country*, 1 July 2020. Viewed at: <https://www.bom.mu/media/media-releases/world-bank-classifies-mauritius-high-income-country>.

<sup>2</sup> United Nations Development Programme, *Human Development Data Center*. Viewed at: <http://hdr.undp.org/en/data>.

<sup>3</sup> IMF (2019), *Mauritius: Staff Report for the 2019 Article IV Consultation*, IMF Country Report No. 19/108. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2019/04/29/Mauritius-Staff-Report-for-the-2019-Article-IV-Consultation-46830>.

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
- Food excl. sugar	2.4	3.0	1.4	0.5	3.4	1.3	-10.4
- Textiles	4.2	-2.8	-5.8	-0.7	-6.8	-5.9	-28.6
Electricity, gas, steam and air conditioning supply	4.0	3.8	4.2	3.3	2.7	4.5	-13.8
Water supply, sewerage, waste management	3.0	3.0	2.0	2.7	4.5	1.5	-3.8
Construction	-8.5	-4.9	0.0	7.5	9.5	8.5	-25.8
Wholesale and retail trade	2.9	2.7	3.0	2.9	3.5	3.4	-12.0
Transportation and storage	2.8	3.4	3.9	3.7	3.5	3.2	-27.7
Accommodation & food services	6.1	8.7	9.2	4.6	4.1	-1.1	-65.8
Information and communication	6.4	6.9	5.9	5.5	5.5	5.5	5.9
Financial & insurance services	5.5	5.3	5.7	5.5	5.4	5.2	1.0
<b>Public finances (in % of GDP)<sup>b</sup></b>							
Revenue, of which:	20.3	20.9	21.1	22.5	22.1	22.7	35.3
- Taxes	18.4	18.5	18.9	19.5	20.0	20.1	18.8
Total Expenditure	23.6	24.4	24.5	25.4	25.3	34.5	40.8
Budget deficit	-3.2	-3.5	-3.5	-2.9	-3.2	-11.8	-5.6
Total Public Sector Debt	60.6	64.8	64.5	63.4	65.3	83.4	95.0
- Domestic	44.6	49.2	51.3	51.2	54.5	69.3	69.9
- External	16.0	15.6	13.2	12.2	10.8	14.2	25.1
<b>Prices &amp; interest rates (%)</b>							
Inflation (CPI % change, period average)	3.2	1.3	1.0	3.7	3.2	0.5	2.5
Key repo rate (end period)	4.7	4.4	4.0	3.5	3.5	3.4	1.9
<b>External sector</b>							
Current account (USD million)	-693.5	-420.0	-490.9	-610.7	-559.7	-723.1	-1,382.6
Current account (% of GDP)	-5.4	-3.6	-4.0	-4.6	-3.9	-5.1	-12.7
Trade in goods & services (% of GDP)	105.2	102.3	95.3	94.6	92.5	89.7	76.1
MUR/USD (period average)	30.6	35.1	35.5	34.5	33.9	35.5	39.3
MUR/EURO (period average)	40.7	38.9	39.3	39.0	40.1	39.7	44.9
Nominal effective exchange rate (percentage change: minus = depreciation)	20.5	-29.6	19.7	21.3	2.8	-3.8	..
Real effective exchange rate (percentage change: minus = depreciation)	29.9	-31.6	11.8	35.9	14.7	-27.3	..
Gross Official International Reserves (end-December, USD billion)	3.9	4.3	5.0	6.0	6.4	7.4	7.3
- In months of imports (of goods and services)	6.5	8.0	9.3	9.7	10.2	12.4	16.8
FDI stock inward (USD million)	4,180	4,364	4,617	5,222	5,490	5,780	..
FDI stock outward (USD million)	986	733	758	748	682	697	..
Gross tourism earnings (USD million)	1,446.8	1,431.6	1,571.9	1,747.7	1,887.1	1,779.0	448.9

.. Not available.

a Preliminary.

b As from 2015, figures refer to financial year, from 1 July 2015 to 30 June 2016.

Source: Statistics Mauritius. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>; Bank of Mauritius, *Statistics*. Viewed at: <https://www.bom.mu/publications-and-statistics/statistic>; and [https://statsmauritius.govmu.org/Pages/Statistics/By\\_Subject/National\\_Accounts/SB\\_National\\_Accounts.aspx](https://statsmauritius.govmu.org/Pages/Statistics/By_Subject/National_Accounts/SB_National_Accounts.aspx).

1.2. Sugar, textiles and clothing, financial services, and tourism are the main pillars of the economy. The transformation of the Mauritian economy away from sugar and textiles towards a

service-oriented economy continued during the review period (2014-21). Services contributed 77.3% to GDP in 2020 (up from 74% in 2014, Table 1.1).

1.3. Mauritius' openness to trade has been one of the reasons for its economic success. The country relies heavily on imports for its industrial inputs and for a large share of its food supplies, while maintaining its services markets generally open to foreign suppliers. Thus, the fall of Mauritius' imports and exports as a share of its GDP, from 105.2% in 2014 to 89.7% in 2019<sup>4</sup> and 76.1% in 2020, is striking (Table 1.1 and Section 1.4).

## 1.2 Recent Economic Developments

1.4. Mauritius experienced steady economic growth before the COVID-19 pandemic (averaging 3.6% in 2014-19), and the unemployment rate declined to 6.7% in 2019. A national lockdown was imposed in March 2020, which resulted in the closure of businesses and borders. The impact of the COVID-19 pandemic on the Mauritian economy was unparalleled – a 14.9% drop in GDP in 2020.

1.5. The agriculture sector (about 3.9% of GDP) grew by 1.7% on average in 2014-19 and contracted by 2.5% in 2020 (Table 1.1). Sugarcane production still plays an important, albeit declining, role in the economy. Farmers continue to shift from sugarcane production towards food and livestock production for local consumption. The fisheries sector (marine catch and aquaculture) remains relatively small (about 1.2% of GDP), but provides significant employment in fish processing. The fish processing industry also relies significantly on catch imported from outside the Mauritian EEZ, for further processing and export.

1.6. The manufacturing sector posted modest growth before the pandemic (averaging 0.8% in 2014-19), owing to lack of investment in export-oriented enterprises, as well as productivity and competitiveness challenges particularly in the sugar and textiles industries. The sector was hard-hit by the confinement measures and subsequent economic downturn, with an 18% contraction in 2020.

1.7. During the review period, the main drivers of growth were the construction sector (see below) and the services sector, particularly tourism, information and communications technology (ICT), and financial services. Tourist arrivals and receipts grew significantly from 2014-18 (Section 4.4.5) before plunging in 2020. The contraction in the accommodation and food services sector is estimated at 66% in 2020 (Table 1.1).

1.8. Economic activity resumed around mid-May 2020 with a gradual phase out of the lockdown, and the re-opening of the economy in mid-June 2020. However, a second lockdown was imposed from 10 March 2021 until 30 April 2021, given a sudden rise in local infections. A wide range of measures were introduced by the Government, the Bank of Mauritius (BOM), and other public sector bodies to mitigate the impact of the pandemic on the economy and the population, including: (i) financial support to private sector employees through a Wage Assistance Scheme and Self-Employed Assistance Scheme; (ii) establishment of a COVID-19 Solidarity Fund to finance pandemic-related projects; (iii) free distribution of basic foodstuffs to vulnerable persons; (iv) support and equity injections to financially distressed companies through the Mauritius Investment Corporation Ltd (MIC); (v) concessional credit facilities by the Development Bank of Mauritius to rescue firms in financial difficulties; and (vi) loan moratoriums by the BOM to commercial banks in the form of deferred repayment of capital and interest. The moratoriums were aimed at alleviating the financial constraints of economic operators, small and medium-sized enterprises (SMEs), households, and individuals experiencing difficulties with the repayment of their loans due to the COVID-19 pandemic. This measure was extended until 30 June 2022.

1.9. For the medium term, the authorities adopted the *Plan de relance de l'investissement et de l'économie* within the framework of the FY 2020/21 budget appropriation. The debt-financed investment plan (MUR 100 billion, approximately USD 2.5 billion<sup>5</sup>) covers major infrastructure projects in the areas of social housing, water supply (Rivière des Anguilles dam), port infrastructure (construction of a new cruise ship terminal), and new roads and bridges. Beyond infrastructure, the authorities envisage support and "strategic" investment in the following targeted areas/sectors: (i) smart agriculture; (ii) state-sponsored investment through the MIC in the biomedical and pharmaceutical industry; (iii) the tourism industry; (iv) financial services, including fintech

<sup>4</sup> The value of exports of goods and services in 2019 was roughly same as in 2014.

<sup>5</sup> By comparison, government total revenues in FY 2019/20 amounted to MUR 101.7 billion.

start-ups; (v) development of a data economy; (vi) the blue economy; and (vii) entrepreneurship and protection of SMEs.

1.10. Mauritius remains an open economy with a low simple average applied MFN tariff (1.3% in 2021) and where 93.5% of the tariff lines are zero (Table 3.5). Nonetheless, economic policy since the last Review has shown a tendency towards greater state intervention and direction of resources to industries considered critical to the national interest – albeit partly owing to the COVID-19 pandemic.

1.11. Thus, a new industrial policy has the ambitious objective to rebuild, diversify, and expand Mauritius' manufacturing base to 30% of GDP (up from 12.1% at present, Section 4.3). Supporting instruments of this policy include enhanced local content requirements in government procurement (Section 3.3.3). Also, the Government announced that the MIC would invest in joint ventures engaged in fishing activities and its value chain to develop the fishing industry.<sup>6</sup> The investment objectives of the MIC are also geared towards supporting economic development, building self-sufficiency in key basic necessities, and enhancing Mauritius as an innovation-driven economy.

1.12. Agricultural policy is geared towards self-sufficiency in order to reduce the country's dependence on food imports. The tariff protection for domestic sugar production was significantly increased, a measure that has not worked as envisaged (Section 4.1.3).

1.13. Mauritius adopted several measures for opening up the economy by attracting foreigners and streamlining processes. A foreign investor is eligible to apply for an Investor Occupation Permit, where an initial investment of USD 50,000 is made. An Occupation Permit may be issued for a maximum period of 10 years, renewable thereafter. Moreover, in signing regional trade agreements (RTAs) with China and India, Mauritius opened a number of services activities in favour of suppliers from these countries.

1.14. Mauritius pursued an expansionary fiscal policy during the review period. Fiscal stimulus packages were implemented in FY 2019/20 and FY 2020/21. The budget deficit reached 11.8% in FY 2019/20 (Table 1.1) and 5.6% in FY 2020/21. In general, the authorities resort to domestic credit and concessional external sources to finance the deficit. The public sector debt increased from 60.6% of GDP in 2014 to 95% of GDP as at end-June 2021. According to the authorities, this increase in the public sector debt was mainly due to the Government's Wage Assistance and Self-Employed Assistance scheme to save formal and informal jobs and to support enterprises during the COVID-19 pandemic, in particular in the tourism industry.

1.15. Monetary policy remained accommodative due to modest inflationary pressures during the review period. The Monetary Policy Committee (MPC) formulates and determines the monetary policy to be conducted by the BOM. The MPC signals changes in its monetary policy stance through the key repo rate (KRR), which is the BOM's key policy interest rate, after reviewing economic and financial developments, while also assessing the risks to the growth and inflation outlook. The MPC decided to cut the KRR from 3.35% to 2.85% in March 2020 and further to 1.85% in April 2020.

1.16. Mauritius' financial sector is stable, according to the IMF.<sup>7</sup> However, the large financial sector and its linkages to the real sector constitute a vulnerability. In 2016, changes were made to the country's Double-Taxation Avoidance Agreement with India. In 2018, Mauritius changed its Global Business taxation policy, whereby foreign companies are encouraged to establish in Mauritius while operating abroad. In February 2020, Mauritius was included in the list of jurisdictions under increased monitoring by the Financial Action Task Force on global money laundering and terrorist financing (Section 4.4.2).

1.17. The Mauritian rupee (MUR) is the national currency, and Mauritius has a floating exchange rate regime, according to the authorities.<sup>8</sup> The nominal and real effective exchange rate (REER) appreciated significantly over the period 2016-18 (Table 1.1). The pace of appreciation slowed down in 2018 compared with that in 2017, partly because of foreign exchange interventions by the BOM.

<sup>6</sup> Ministry of Finance, *Economic Policy and Development, Budget Speech 2020-2021*, para. 131.

<sup>7</sup> IMF (2019), *Mauritius: Staff Report for the 2019 Article IV Consultation*, IMF Country Report No. 19/108. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2019/04/29/Mauritius-Staff-Report-for-the-2019-Article-IV-Consultation-46830>.

<sup>8</sup> See also IMF Country Report No. 19/108.

An Exchange Rate Support Scheme that was introduced in September 2017 to provide temporary support to exporters was removed in March 2018, which ended the multiple currency practice. The scheme was applicable to export-oriented enterprises (EOEs) exporting in US dollars but excluded the sugar sector. Exporters were eligible to claim the difference between the reference rate set at USD 1 = MUR 34.50 and the rate at which the EOE exchanged its export proceeds invoiced in US dollars into Mauritian rupees, subject to a maximum of MUR 2.50 per US dollar. In 2020, the rupee began to weaken against the US dollar and other key currencies.

1.18. The persistent current account deficit further widened in 2019 and 2020, mainly due to high merchandise trade deficits, compensated in part by a positive trade in services balance (except in 2020) and the net income surplus (Table 1.2). Nonetheless, the current account deficits were supported by continued inflows of foreign exchange through foreign direct investment (FDI), tourism, and a surplus in the income account. Gross official international reserves have improved significantly since the previous Review (Table 1.1). In US dollar terms, international reserves reached USD 7.3 billion by end-2020 (up from USD 3.9 billion by end-2014), providing an import cover of goods and services of approximately 16.8 months. Gross official international reserves were more than 2.5 times the stock of gross external debt<sup>9</sup>, providing a buffer against external shocks.

### 1.3 Foreign Investment

1.19. One of the particularities of Mauritius is its large international financial inflows and outflows, reflecting the country's open capital regime and importance as an international investment hub. Relative to its GDP of USD 10.9 billion in 2020, Mauritius recorded FDI inflows of USD 8.6 billion in the same year ("net incurrence of liabilities", Table 1.2). This was against inflows of USD 23 billion recorded in 2017 ahead of the expiry, in end-March 2019, of the (grandfathered) tax benefits as a result of the revised tax treaty with India (Section 2.4).

**Table 1.2 Balance of payments, 2014-20<sup>a</sup>**

(USD billion)

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
Current account	-0.7	-0.4	-0.5	-0.6	-0.6	-0.7	-1.4
Goods and services	-1.5	-1.2	-1.3	-1.8	-2.0	-2.1	-2.2
Credit	6.0	5.4	5.2	5.4	5.6	5.3	3.1
Debit	7.5	6.6	6.5	7.2	7.5	7.4	5.2
Goods	-2.3	-1.9	-2.0	-2.6	-3.0	-3.1	-2.1
Credit	3.1	2.7	2.4	2.3	2.4	2.2	1.8
Debit	5.4	4.5	4.4	5.0	5.4	5.3	3.9
Services	0.8	0.7	0.8	0.9	1.1	1.0	0.0
Credit	2.9	2.7	2.8	3.0	3.2	3.0	1.3
Debit	2.1	2.0	2.1	2.2	2.1	2.1	1.3
Primary income	1.1	1.1	1.1	1.4	1.8	1.8	1.1
Credit	8.4	7.7	8.8	11.9	8.7	10.2	6.9
Debit	7.3	6.6	7.7	10.4	6.9	8.4	5.8
Secondary income	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.3
Credit	0.4	0.3	0.3	0.3	0.3	0.4	0.4
Debit	0.7	0.6	0.6	0.6	0.7	0.8	0.7
Capital account	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-0.7	-0.5	-0.6	-0.5	-0.7	-0.8	-1.3
Direct investment	-20.4	-4.5	-8.1	-25.1	-1.5	-3.6	-2.8
Net acquisition of financial assets	6.6	10.5	-6.9	-2.1	11.9	-5.2	5.8
Net incurrence of liabilities	27.0	15.0	1.2	23.0	13.3	-1.6	8.6
Portfolio investment	13.5	-7.7	3.4	5.8	8.1	-3.6	5.0
Net acquisition of financial assets	12.4	-5.7	-2.7	12.6	5.7	-3.3	3.4
Net incurrence of liabilities	-1.0	2.0	-6.1	6.8	-2.5	0.3	-1.6

<sup>9</sup> Excluding debt stocks of "Other Deposit Taking Institutions" and "Global Business".

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
Financial derivatives (other than reserves) and employee stock options	-12.8	9.3	1.6	37.3	0.0	0.8	0.1
Net acquisition of financial assets	-9.8	3.8	-0.3	21.4	-4.1	0.6	-0.1
Net incurrence of liabilities	3.0	-5.6	-1.9	-15.9	-4.1	-0.2	-0.1
Other investment	18.2	1.7	1.8	-19.3	-7.8	4.6	-2.9
Net acquisition of financial assets	10.6	-1.3	4.2	-14.5	-4.0	7.2	-1.5
Net incurrence of liabilities	-7.6	-3.0	2.5	4.8	3.8	2.5	1.4
Reserve assets	0.8	0.6	0.7	0.8	0.5	0.9	-0.5
Net errors and omissions	0.0	-0.1	-0.1	0.1	-0.1	-0.1	0.1

a Preliminary estimate.

Note: According to the authorities, the balance of payments statistics are in line with the IMF's *Balance of Payments and International Investment Position Manual*, Sixth Edition (BPM6).

Source: Bank of Mauritius, *Balance of Payments*. Viewed at: <https://www.bom.mu/publications-and-statistics/statistics/external-sector-statistics/balance-of-payments>; and IMF data. Viewed at: <https://data.imf.org>.

1.20. Indeed, Mauritius's International Financial Centre (MIFC) forms part of the network of International Financial Centre locations hosting a relatively large number of financial services providers and facilities with a substantial amount of international activity.<sup>10</sup> More than 450 private equity funds are domiciled in the MIFC and investing on the African continent.<sup>11</sup> According to the authorities, in December 2019, the total value of direct investment through the so-called Global Business sector stood at USD 38.8 billion.

1.21. Mauritius collects detailed and up-to-date statistics on onshore FDI<sup>12</sup>, but this data does not include FDI flows (by country and sector) of the Global Business sector. According to the IMF, outflows of FDI into other African countries doubled during 2012-17, particularly to Kenya, Senegal, and Côte d'Ivoire, and a majority of the new Global Business licence applications in 2017 targeted Africa.<sup>13</sup> Net portfolio investment flows were nearly always positive and sizeable, as were flows of financial derivatives, illustrating the sophistication of the Mauritian financial sector but highlighting the potential vulnerability of the economy to financial flows of such magnitude.

## 1.4 Trade Performance

1.22. As noted above, Mauritius' trade in goods and services declined significantly as a share of GDP during the review period. While the fall in 2020 was mainly attributable to the lockdown imposed by the pandemic on the tourism industry, the decline between 2014 and 2019 reflects a number of factors, particularly a stagnation of services trade, when compared to the expansion of GDP that stemmed from the development of Mauritius as a financial hub, and the continuation of the downward trend in merchandise exports. The authorities note in this regard that Mauritius has been adversely affected by preference erosion in its traditional export markets, as well as increased competition from low-cost suppliers.

### 1.4.1 Trade in goods

1.23. Exports of merchandise were less affected by the lockdown in 2020 than were imports of merchandise or trade in services, because of the pandemic's particularly strong impact on tourism services and associated merchandise imports. Sugar exports (HS17) declined from

<sup>10</sup> FSC, *Innovating and Transforming the Mauritius IFC of 2030: A Blueprint for Success*, June 2018. Viewed at: <https://www.fscmauritius.org/media/67408/highlights-of-blueprint.pdf>.

<sup>11</sup> FSC, *Global Business*. Viewed at: <https://www.fscmauritius.org/en/statistics/statistics/global-business>.

<sup>12</sup> Onshore annual data on FDI flows are available by country and sector and are disseminated by the BOM in Tables 68 and 69 of its *Monthly Statistical Bulletin*. Viewed at: <https://www.bom.mu/publications-statistics/monthly-statistical-bulletin>.

<sup>13</sup> IMF Country Report No. 19/108.



USD 259.7 million in 2014 to USD 185.3 million in 2020, but their share in total merchandise exports increased from 9.5% in 2014 to 12% in 2020 (Table A1.1). In 2020, fish accounted for 20% of total merchandise exports, compared to 15% in 2014. Also, Mauritius remains an important textiles and clothing exporter (34% of exports, largely unchanged from 2014). The share of exports of manufactured products nevertheless continued to fall during the period, reflecting a major decline in re-exports of telecommunication equipment (Chart 1.1 below).

1.24. The main imports into Mauritius are food and petroleum products, amounting to about 40% of total imports (Chart 1.1 and Table A1.2). While food imports declined in absolute terms, their share of total imports increased during the pandemic, while the share of fuels declined from 19% to 15%. The lower import bill for fuel was due to the sharp decline in the price of petroleum products and also lower consumption in view of the lockdown.

1.25. The European Union (EU-27) is the main export market for Mauritius (43.3%), followed by Africa (28.5%) and Asia (15%). The share of merchandise exports to other African countries increased significantly, with clothing and fabrics accounting for a substantial share of these exports. The most striking feature of Mauritius' merchandise export pattern over the period is the fall of exports to the Middle East; apparently these exports consisted mostly of mobile phones.

1.26. Although the European Union remains the main source for merchandise imports (Chart 1.2 below) and (Table A1.4), Mauritius imports many of its manufactured goods, including petroleum products, cars, and pharmaceutical products, from China, India and South Africa. Following an international bidding process for petroleum products in 2019, there has been a fall in the share of merchandise imports from India and a concomitant rise in imports from the Middle East (United Arab Emirates in particular). Mauritius' imports from the United Arab Emirates increased from 1.9% of total imports in 2014 to 12.3% in 2020 (mainly petroleum products other than crude oil), and the United Arab Emirates became Mauritius' top supplier of petroleum products in 2019 (Section 4.2.2).

#### 1.4.2 Trade in services

1.27. Exports of services from Mauritius are of the same order of magnitude as its merchandise exports, in the range of USD 3 billion and generating a trade surplus in most years (Table 1.3). This two-way trade decreased considerably in 2020 as tourism-related travel and transport expenditures accounted for most of the export revenues and were most affected by the downturn due to the pandemic. Since 2017, the "technical, trade-related and other business services" category accounts for substantial export revenues, and substantial imports of services as well.

**Table 1.3 Trade in services, 2014-20**

(USD million)

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
<b>Trade balance</b>	<b>783.1</b>	<b>690.8</b>	<b>774.5</b>	<b>870.5</b>	<b>1,070.4</b>	<b>964.5</b>	<b>-22.4</b>
<b>Total exports</b>	<b>2,907.4</b>	<b>2,732.9</b>	<b>2,826.6</b>	<b>3,047.7</b>	<b>3,216.2</b>	<b>3,036.1</b>	<b>1,277.5</b>
Maintenance and repair services n.i.e.	2.7	2.8	2.8	2.0	2.1	2.3	1.9
Transport	365.1	338.5	357.6	379.8	415.9	396.2	128.6
Passenger	272.6	247.1	253.0	256.4	270.4	245.6	49.2
Freight	23.3	20.0	20.9	24.6	27.7	28.4	11.9
Other incl. postal/courier	69.3	71.4	83.6	98.7	117.8	122.1	67.5
Travel	1,446.8	1,431.6	1,571.9	1,747.7	1,887.1	1,779.0	448.9
Business travel	502.9	448.6	540.9	562.6	605.8	615.6	126.2
Personal travel	943.9	983.0	1,031.0	1,185.1	1,281.3	1,163.4	322.7
Other services, of which:	1,092.8	960.0	894.3	918.3	911.2	858.6	698.1
Construction services	42.8	17.9	18.2	14.5	14.9	6.9	0.5
Insurance and pension	46.3	33.7	24.4	9.2	13.3	11.3	7.4
Financial services	100.2	84.8	53.1	117.5	141.9	139.0	138.5
ICT services	190.5	136.5	149.6	127.2	130.3	140.1	124.7
Telecommunications	97.3	70.2	79.2	75.1	74.6	75.0	54.2

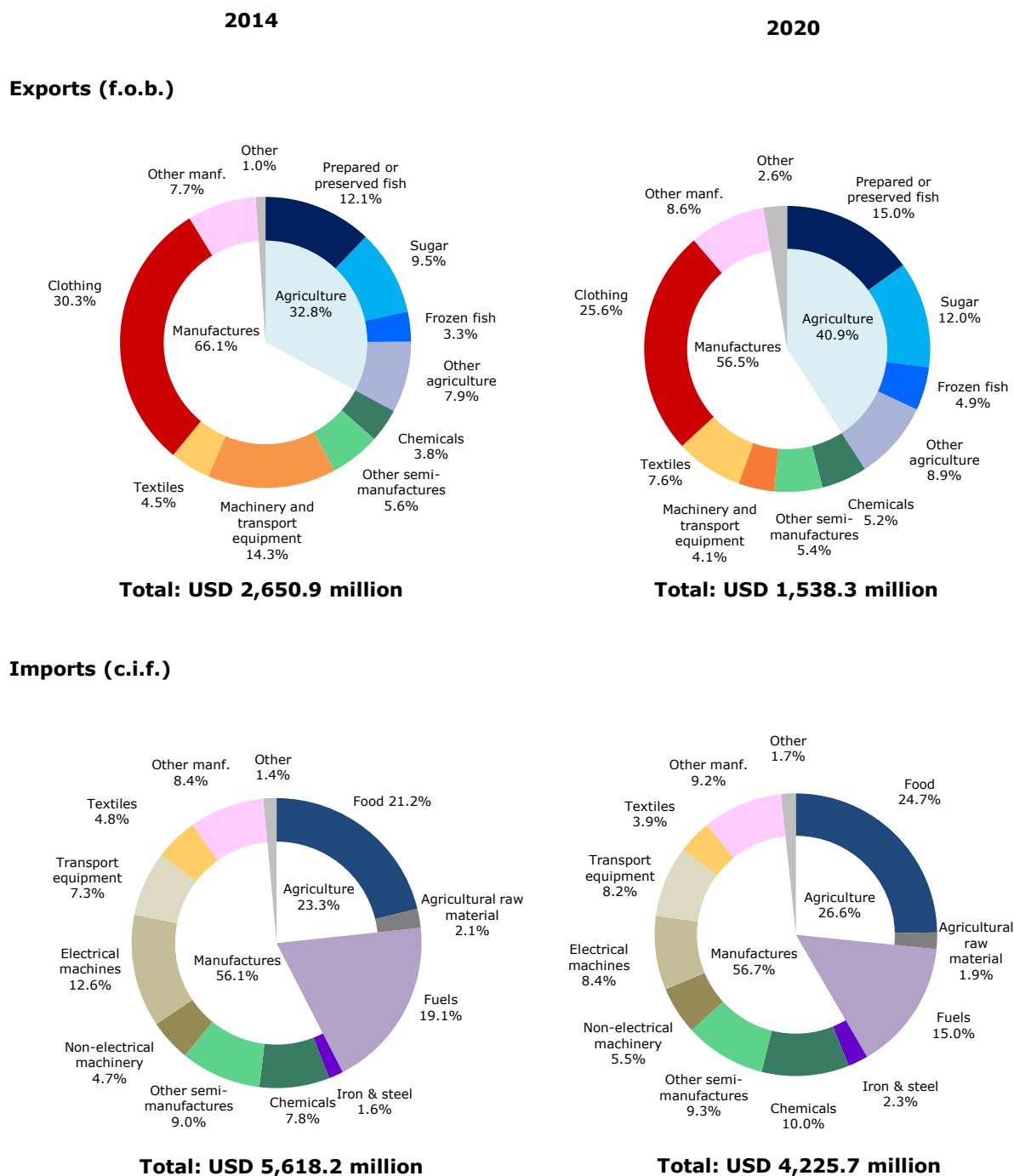
	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
Computer services		66.3	70.4	52.1	54.2	62.8	69.2
Other business services, of which:	623.6	635.2	592.5	595.7	584.9	534.3	413.3
Professional, management, consulting services	..	..	..	..	152.2	119.6	105.4
Technical, trade-related, and other business services	623.6	635.2	592.5	595.7	431.4	414.5	307.7
Personal, cultural, and recreational services	27.9	16.3	24.5	20.5	19.4	20.5	10.8
Government goods and services n.i.e.	58.5	34.5	29.8	32.9	5.5	5.7	2.0
<b>Total imports</b>	<b>2,124.3</b>	<b>2,042.1</b>	<b>2,052.0</b>	<b>2,177.2</b>	<b>2,145.8</b>	<b>2,071.6</b>	<b>1,299.9</b>
Maintenance and repair services n.i.e.	57.5	49.6	67.1	78.8	86.5	83.9	34.5
Transport	548.9	547.3	507.8	544.2	622.6	610.6	372.3
Passenger	22.3	68.8	67.4	68.7	74.9	78.3	18.0
Freight	322.8	294.8	267.2	284.4	316.5	319.5	283.3
Other (including postal and courier)	203.7	183.7	173.1	191.2	231.2	212.8	71.0
Travel	480.9	547.4	616.0	668.2	587.8	578.5	199.6
Business travel	44.2	38.4	26.0	41.0	46.7	45.0	8.2
Personal travel	436.7	509.1	590.0	627.2	541.0	533.6	191.4
Other services, of which:	1,037.1	897.7	861.1	885.9	849.0	798.6	693.5
Construction services	32.4	10.7	7.1	28.1	6.5	7.2	3.0
Insurance and pension	87.9	94.8	67.2	70.3	77.9	73.3	79.2
Financial services	73.2	41.0	18.9	47.3	40.0	45.4	37.4
ICT services	77.2	66.5	73.5	102.5	128.0	108.0	118.5
Telecommunications	42.1	45.4	56.0	51.6	50.9	35.9	33.2
Computer services	35.1	21.2	17.5	50.9	57.2	55.5	68.5
Other business services, of which:	634.3	564.3	588.8	540.3	512.1	495.5	392.1
Professional and management consulting services	..	..	..	..	154.1	131.7	122.6
Technical, trade-related, and other business services	634.3	564.3	588.8	540.3	357.9	363.6	269.3
Personal, cultural, and recreational services	53.9	63.9	60.5	68.9	68.0	54.6	49.1
Government goods and services n.i.e.	62.8	40.8	27.6	8.7	2.2	1.2	0.7

.. Not available.

a Preliminary estimate.

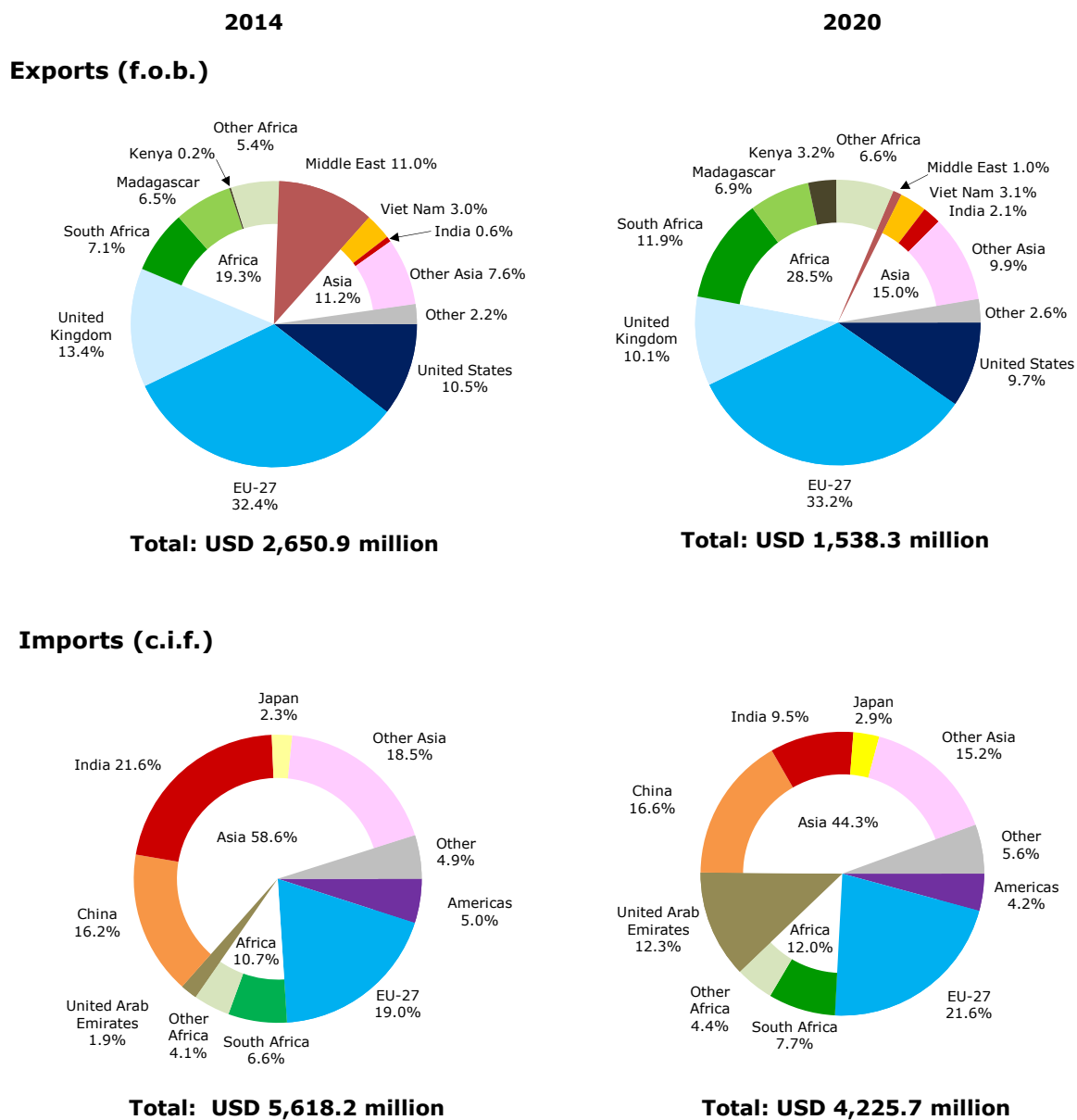
Note: According to the authorities, the balance of payments statistics are in line with the IMF's *Balance of Payments and International Investment Position Manual*, Sixth Edition (BPM6).

Source: Bank of Mauritius, *Balance of Payments*. Viewed at: <https://www.bom.mu/publications-and-statistics/statistics/external-sector-statistics/balance-of-payments>; and IMF Data. Viewed at: <https://data.imf.org>.

**Chart 1.1 Product composition of merchandise trade, 2014 and 2020**

Note: Based on SITC Rev. 3. Excluding ship's stores and bunkers. Provisional data for 2020.

Source: WTO Secretariat calculations, based on Statistics Mauritius, *External Trade*. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>.

**Chart 1.2 Direction of merchandise trade, 2014 and 2020**

Note: Excluding ship's stores and bunkers. Provisional data for 2020.

Source: WTO Secretariat calculations, based on Statistics Mauritius, *External Trade*. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>.

## 2 GOVERNMENT TRADE AND INVESTMENT REGIMES

### 2.1 General Framework

2.1. Mauritius' trade continued during the review period (2014-21) to be supported by a stable and largely unchanged executive, legislative, and judicial framework (Box 2.1). Indeed, its long tradition of parliamentary democracy has been a major factor in the country's overall socio-economic progress. Many observers concur and praise Mauritius' good governance and the extent of its democratic process and political freedom.<sup>1</sup> Mauritius also continues to perform relatively well, according to Transparency International's Corruption Perceptions Index.<sup>2</sup> The Constitution (as last amended in March 2016<sup>3</sup>) takes precedence over Acts of Parliament and subsidiary legislation, and over treaties and international agreements.

#### Box 2.1 Summary of legal and institutional framework

Executive branch	<p>President: Head of State. The President and the Vice-President are elected by the National Assembly for a five-year term, renewable without limitation.</p> <p>Prime Minister: Member of the National Assembly, who in the President's own deliberate judgment is best able to command the support of the majority of the Assembly.</p> <p>Ministers: Deputy Prime Minister and other ministers are appointed by the President on the advice of the Prime Minister. According to the Constitution, ministers must be appointed from among the members of National Assembly, except the Attorney-General who may or not be a National Assembly member.</p>
Legislative branch	<p>The National Assembly is the legislative organ of Government, composed of up to 70 members, 62 elected directly by universal adult suffrage at a National Assembly election and up to 8 appointed by the Electoral Supervisory Commission based on votes received at the National Assembly election and in a way as to ensure representation of each community in the National Assembly. Bills are submitted to the Cabinet for approval, and then introduced into the National Assembly for three readings. They are adopted by a simple majority (except those on human rights and democratic principles or those aimed at altering the Constitution, for which a qualified majority or referendum is required). Once adopted, a bill needs presidential assent to become law. The President may withhold assent (with some exceptions) and send a bill back to the National Assembly (only once) for reconsideration. All legislation must be published in the <i>Government Gazette of Mauritius</i>, which is the sole official publication of all enactments in Mauritius until superseded by the Revised Laws of Mauritius.</p>
Judiciary branch	<p>The Supreme Court is the highest judicial authority in terms of original jurisdiction. It has unlimited original jurisdiction in civil and criminal matters. The Intermediate, the District Courts, and the Court of Rodrigues have limited jurisdiction in civil and criminal matters.</p> <p>The Industrial Court has exclusive civil and criminal jurisdiction to hear industrial matters. The highest court of appeal is the Judicial Committee of the Privy Council (JCPC), which is the ultimate appellate body. Sittings of the JCPC are held either at the Supreme Court premises in London, physically in Mauritius, or by video link. The Commercial Division of the Supreme Court handles commercial disputes; it heard and disposed of more than 1,200 cases in 2019. The Mediation Division of the Supreme Court has also been actively involved in facilitating the settlement of ongoing civil and commercial disputes. Since 2012, around 1,600 cases have been referred to the Mediation Division, of which around 1,100 have been settled.</p>

Source: Information provided by the authorities.

2.2. Primary responsibility for the formulation of trade policies rests with the Ministry of Foreign Affairs, Regional Integration and International Trade (MFARIIT), through its International Trade Division.<sup>4</sup> The MFARIIT spearheads negotiations on trade agreements on behalf of Mauritius in close collaboration with other government departments and agencies and the private sector, which it regularly consults as a matter of practice, although not bound to do so in law. The consultations frequently take place in public-private sector committees established to brainstorm and take

<sup>1</sup> Economist Intelligence Unit, *Mauritius*. Viewed at: <http://country.eiu.com/mauritius>.

<sup>2</sup> The 56<sup>th</sup> place of 180 countries in 2019 compared to 52<sup>nd</sup> of fewer than 175 countries in 2013.

Transparency International, *Mauritius*. Viewed at: <https://www.transparency.org/en/countries/mauritius>.

<sup>3</sup> Constitution of the Republic of Mauritius. Viewed at:

<https://mauritiusassembly.govmu.org/Documents/Legislations/constitution.pdf>.

<sup>4</sup> MFARIIT, *International Trade Division*. Viewed at: <https://foreign.govmu.org/Pages/ITD/International-Trade-Division.aspx>.

positions on specific issues, or through seminars and workshops. The views of the private sector are sought in writing, especially on new laws or regulations. Online platforms such as the Trade Obstacles Alert (TOA) Mechanism<sup>5</sup> and the Mauritius Trade Easy website are also used to consult the private sector (Section 3.1.1).<sup>6</sup>

2.3. The Ministry of Commerce and Consumer Protection (MCCP) has as its declared mission to: (i) facilitate trade in goods and services; (ii) ensure regular supply of essential commodities and monitor prices of controlled goods; (iii) promote and safeguard the interests and rights of consumers through legal and institutional frameworks; and (iv) provide an interactive communication platform for the information, protection, and education of consumers. The MCCP is responsible for import and export licensing (Sections 3.1.4 and 3.2.3). The Mauritius Standards Bureau has within its mandate to provide for conformity assessment services and to support the MCCP for the enforcement of technical regulations (Section 3.3.1). The MCCP also regulates weights and measures used in trade.

2.4. The Ministry of Industrial Development, SMEs and Cooperatives has the mandate of acting as a facilitator and catalyst for the creation of employment and wealth in the manufacturing sector and SMEs through mentoring, coaching, and providing adequate business development, support, and incentives. In 2019, SMEs contributed 35.7% of gross value added (GVA) and accounted for 49% of total employment; the contribution of SMEs to total domestic exports increased from 7.2% in 2013 to 11.7% in 2019. There are some 900 active cooperatives engaged in around 35 different types of economic activities, mainly for the local market. The Industrial Policy and Strategic Plan for Mauritius 2020-2025 is aligned on the Mauritius National 2030 Vision, which aims at the graduation to high-income country status, thanks to a highly productive manufacturing sector. The industrial policy focuses on: (i) industry foundations; (ii) upgrading of value chains; (iii) increased domestic market supply; (iv) regional and global export support; and (v) advanced technology absorption.<sup>7</sup>

2.5. Two important trade policy-related functions – business registration and tax collection – are performed by the Corporate and Business Registration Department<sup>8</sup> and the Mauritius Revenue Authority (MRA)<sup>9</sup>, both under the responsibility of the Ministry of Finance, Economic Planning and Development (MFEPD). Tariff changes are generally carried out in the context of the annual budgets and the approval of Parliament is required. However, the MFEPD is also empowered under the Customs Tariff Act to make tariff adjustments by way of regulations (which do not require parliamentary approval).

2.6. A network of business associations provides the Government with advice and feedback on its policies. In October 2015, the Joint Economic Council merged with the Mauritius Employers Federation to form Business Mauritius, an independent association that represents over 1,200 local businesses.<sup>10</sup> Its membership includes the main business organizations of Mauritius, including the Mauritius Chamber of Commerce and Industry (MCCI)<sup>11</sup>, which is the main institution representing private sector interests on trade and industrial issues.

2.7. Since 2014, there have been no major changes to the process by which acts and subsidiary legislation are formulated.<sup>12</sup> New trade-related laws and regulations are listed in Table 2.1. A freely accessible comprehensive electronic repository of acts and regulations would add further transparency.

<sup>5</sup> The TOA platform was developed by the International Trade Centre (ITC) in collaboration with the MFARIIT and the MCCI: <https://www.tradeobstacles.org/mauritius/Home.aspx>.

<sup>6</sup> Mauritius Trade Easy, *Facilitating Imports and Exports*. Viewed at: <http://www.mauritiustrade.mu/en>.

<sup>7</sup> UNCTAD and Ministry of Industrial Development, SMEs and Cooperatives, *Industrial Policy and Strategic Plan for Mauritius 2020-2025*. Viewed at: [https://unctad.org/system/files/official-document/gdsinf2020d5\\_en.pdf](https://unctad.org/system/files/official-document/gdsinf2020d5_en.pdf).

<sup>8</sup> MFEPD, Corporate and Business Registration Department. Viewed at: <https://companies.govmu.org/Pages/default.aspx>.

<sup>9</sup> Mauritius Revenue Authority, *Mandate and Vision*. Viewed at: <https://www.mra.mu/index.php/about-us1/mandate-vision>.

<sup>10</sup> Business Mauritius, *About Us*. Viewed at: <https://www.businessmauritius.org/about-us/>.

<sup>11</sup> MCCI. Viewed at: <https://www.mcci.org/en/>.

<sup>12</sup> WTO document WT/TPR/S/198/Rev.1, 11 June 2008.

**Table 2.1 Main trade-related legislation, 2021**

Sector	Legislation	Latest modification	Section of TPR report
Business facilitation	Business Facilitation (Miscellaneous Provisions) Act 2019	2019	2.4
	Finance (Miscellaneous Provisions) Act 2020	2020	2.4
Foreign investment, residency of foreigners	Economic Development Board Act	2017	3.3.4
	Business Registration Act	2018	3.1
	Immigration Act	2010	4.4
	Non-Citizens (Employment Restriction) Act	2020	n.a.
	Investment (Property Development Scheme) Regulations 2015	n.a.	n.a.
	Non-Citizen (Property Restriction) Act	2016	n.a.
	Small and Medium Enterprises Development Authority Act	2016	n.a.
	Companies Act	2017	n.a.
	Protected Cell Companies Act	2013	n.a.
	Limited Partnerships Act	2016	n.a.
	International Arbitration (Miscellaneous Provisions) Act	2013	n.a.
Customs procedures and valuation	Customs Act	2020	3.1
	Customs Tariff Act	2021	3.1
	Excise Act	2021	3.1
Taxes and charges	Mauritius Revenue Authority Act	2020	3.1
	Income Tax Act	2020	2.4.3
	Value Added Tax Act	2020	4.4.4
	Income Tax Foreign Tax Credit Regulation 1996	2020	2.4
Import and export control	Consumer Protection (Control of Imports) Regulations 2017	2017	3.1.5
Export support	Freeport Act	2020	n.a.
Trade remedies	Trade (Anti-Dumping and Countervailing Measures) Act	2010	n.a.
Sanitary and phytosanitary (SPS) and technical barriers to trade (TBT)	Mauritius Standards Bureau Act	2017	3.3
	Food Act	2018	3.3
	Legal Metrology Act	2011	3.3
	Dangerous Chemicals Control Act	2005	n.a.
	Genetically Modified Organisms Act	2005	3.3
	Plant Protection Act	2006	3.3
	Animal Diseases Act	1991	3.3.2
	Mauritius Accreditation Service Act	2017	3.3.1
	Seeds Act	2013	3.3.7
	Environment Protection Act	2017	n.a.
	Use of Pesticides Bill 2018	2018	3.3.2
Government procurement	Public Procurement Act 2006	2020	3.3.3
	Public Procurement Regulations 2008	2020	3.3.3
	Public-Private Partnership (PPP) Act 2004	2020	3.3.3
	Build Operate Transfer Projects Act 2016	2020	3.3.3
Competition	Competition Act 2007	2019	3.3.6
Price control	Consumer Protection (Prices and Supplies Control) Act 1998	2020	3.3.5
Intellectual property	Copyright Act 2014	2017	3.3.4
	Industrial Property Act 2019	2019	3.3.5
	Protection Against Unfair Practices (Industrial Property Rights) Act 2002	n.a.	3.3.5
Agriculture	Sugar Industry Efficiency Act	2017	4.1.3
	Tea Industry Control Act	1997	4.1
	Mauritius Cane Industry Authority Act	2011	4.1.3
	Mauritius Agricultural Marketing Regulations 2013	2013	4.1
Fisheries	Fisheries and Marine Resources Act	2007	4.1.4
	Import of Fish and Fish Products Regulations 2012	n.a.	n.a.
Energy services	Energy Efficiency Act	2013	4.2
Manufacturing	Small and Medium Enterprises Act	2017	4.3
Financial services	Captive Insurance Act	2018	4.4
	Banking Act	2020	4.4
	Bank of Mauritius Act	2020	4.4.1
	Insurance Act	2020	4.4.1
	Financial Services Act	2020	4.4.1
	Securities Act	2020	4.4.1
	Private Pensions Schemes Act	2012	4.4.1
Telecommunications	Information Communications Technologies Act	2020	4.4.1
Postal services	Postal Services Act	2003	n.a.
Maritime transport	Merchant Shipping Act	2009	4.4.3
	Ports Act	n.a.	n.a.
Air transport	Civil Aviation Act	2016	4.4.3
Tourism	Tourism Authority Act	2015	4.4.4
	Mauritius Tourism Promotion Authority Act	1996	4.4.4
	Tourism Employees Welfare Fund Act 2002	n.a.	4.4.4



Sector	Legislation	Latest modification	Section of TPR report
Legal services	Law Practitioners Act	2017	4.4.6
	Law Practitioners (Registration of Law Firms, Foreign Law Firms, Joint Law Ventures and Foreign Lawyers) Regulations 2008	2017	4.4.6
	Mauritius Bar Association Act	2008	4.4.6
	Mauritius Law Society Act	2006	4.4.6
	Notaries Act	2020	4.4.6
	Law Officers Act	1992	4.4.6
Engineering	Registered Professional Engineers Council Act	1992	4.4.6
Accounting & auditing services	Financial Reporting Act	2013	4.4.6

n.a. Not applicable.

Source: WTO Secretariat, based on online information.

## 2.2 Trade Policy Objectives

2.8. Mauritius has continued to pursue an active market-opening strategy, as witnessed by the multiple new trade and investment agreements concluded or negotiated during the 2014-21 period.<sup>13</sup> Its general objective is to open up market access opportunities both for goods and services in emerging country markets, in particular the most prominent ones to improve export competitiveness. While traditional sectors, such as garments, sugar, and canned tuna, remain important, the focus is also to target products and sectors with high growth potential, such as medical devices and light electronic/engineering goods.

2.9. Trade policies are part of the overall national economic strategy, articulated in pluri-annual government programmes, and in the annual Government Budget. Government Programme 2020-2024 (Inclusiveness at the Heart of the Nation) sets out a road map for socio-economic policy on both the national and international fronts, including other policy priorities, such as innovation and environmental enhancement. In the context of the presentation of the National Budget 2020/21 in June 2020, the economic strategy focus was on the construction industry, investment in "smart agriculture", tourism, manufacturing (particularly the transformation of the textile industry), and the blue economy. Trade in services is a declared priority, with the financial services sector being set as a top priority, together with tourism, information and communications technology, distribution, and health and education services. The links between FDI and trade in goods and services are also of importance in the context of the negotiation with India (Section 2.5 below).

## 2.3 Trade Agreements and Arrangements

### 2.3.1 WTO

2.10. Mauritius is an original Member of the WTO and grants at least MFN treatment to all of its trading partners. It has never participated in a WTO dispute settlement case as a complainant or respondent but has been a third party in six cases, of which none were active during 2014-21.<sup>14</sup> In order to implement the various obligations under the WTO Agreements, including the Trade Facilitation Agreement (TFA), which it ratified on 5 March 2015, Mauritius has amended several laws and regulations since 2014, including the Customs Act, the Excise Act, the Customs Tariff Act, the Freeport Act, Customs Regulations, Excise Regulations, Freeport Regulations, Customs (Use of Computer) Regulations, the Customs (Cargo Community System) Regulations, and the Copyright Act 2014 (Table 2.1), and it revamped the Industrial Property Act 2019 (Section 3.3.7).

2.11. A WTO Standing Coordinating Committee chaired by the MFARIIT deals with implementation, follow-up, and coordination of trade policy issues covered by WTO Agreements or under negotiation; it brings together representatives from the public and private sectors. During the 2014-21 period, Mauritius' priorities in ongoing WTO negotiations focused on fisheries subsidies, investment facilitation, and e-commerce. In addition, the National Trade Facilitation Committee also serves as

<sup>13</sup> WTO RTA Database. Viewed at: <http://rtais.wto.org/UI/PublicSearchByMemberResult.aspx?MemberCode=480&lang=1&redirect=1>.

<sup>14</sup> World Trade Organization, *Dispute Settlement: The Disputes, Disputes by Members*. Viewed at: [https://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_by\\_country\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm).



a platform to improve public-private sector interaction before adopting new regulations. Mauritius' notifications to the WTO during the review period are listed in Table 2.2.

**Table 2.2 WTO notifications, 2014-April 2021**

Agreements-Topic	Requirement/content	Periodicity	WTO document and date (latest document if recurrent)
<b>Agreement on Agriculture</b>			
Articles 18.2 and 18.3	Domestic support	Annual and <i>ad hoc</i>	G/AG/N/MUS/15, 16 September 2020 <a href="#">G/AG/N/MUS/13</a> , 25 September 2019 G/AG/N/MUS/11, 05 November 2018 G/AG/N/MUS/7, 15 January 2018 G/AG/N/MUS/6, 28 October 2016 G/AG/N/MUS/5, 22 September 2015 G/AG/N/MUS/3, 04 December 2014
Articles 10 and 18.2	Export subsidies	Annual	G/AG/N/MUS/1, 04 September 2020 <a href="#">G/AG/N/MUS/12</a> , 29 August 2019 G/AG/N/MUS/10, 08 October 2018 G/AG/N/MUS/9, 23 May 2018 G/AG/N/MUS/8, 05 January 2018 G/AG/N/MUS/4, 04 December 2014
<b>Agreement on Implementation of Article VI of the GATT 1994 (Anti-dumping)</b>			
Article 18.5 and 32.6	Anti-dumping actions taken		<a href="#">G/ADP/N/1/MUS/3</a> ; <a href="#">G/SCM/N/1/MUS/3</a> , 25 March 2019
<b>Agreement on Import Licensing Procedures</b>			
Article 7.3	Import licensing procedures	<i>Ad hoc</i>	<a href="#">G/LIC/N/3/MUS/10</a> , 25 September 2020 <a href="#">G/LIC/N/3/MUS/9</a> , 20 February 2020 G/LIC/N/3/MUS/8, 12 October 2018 G/LIC/N/3/MUS/7, 22 September 2017 G/LIC/N/3/MUS/6, 08 August 2016 G/LIC/N/3/MUS/5, 08 October 2015 G/LIC/N/1/MUS/4, 26 September 2014 G/LIC/N/1/MUS/3, 09 November 2017
Article 1.4(a)	Rules and information concerning procedures		
<b>Agreement on Subsidies and Countervailing Measures</b>			
Article 25.1	Article XVI:1 of the GATT 1994 and Article 25 of the SCM Agreement	Full notification every three years; annual updating	<a href="#">G/SCM/N/343/MUS</a> , <a href="#">G/SCM/N/343/MUS/Corr.1</a> , 12 June 2019 and 17 July 2019 G/SCM/N/290/MUS, 24 November 2015 G/SCM/N/284/MUS, 24 November 2015
Article 27.4	Transition period for the elimination of export subsidies	..	<a href="#">G/SCM/N/299/MUS</a> , 29 November 2016, <a href="#">G/SCM/N/299/MUS/Add.1</a> , 14 December 2018
Article 25.11 and 25.12	No authority competent to conduct investigation within the meaning of Article 25.12	<i>Ad hoc</i>	<a href="#">G/SCM/N/275/MUS</a> , 30 September 2014 <a href="#">G/SCM/N/202/MUS</a> , 23 September 2014
<b>Agreement on Trade-Related Aspects of Intellectual Property Rights</b>			
Article 63.2	Laws and regulations	Once, then changes	<a href="#">IP/N/1/MUS/5</a> <a href="#">IP/N/1/MUS/C/3</a> , 25/09/2019 <a href="#">IP/N/1/MUS/5</a> <a href="#">IP/N/1/MUS/C/2</a> , 18 August 2015
Article 63.2	Checklist of issues on enforcement	..	<a href="#">IP/N/6/MUS/1</a> , 15 January 2018
<b>Regional Trade Agreement</b>			
Article 4(a)	Article XXIV:7(a) of GATT 1994 and Article V:7(a) of GATS	<i>Ad hoc</i>	WT/REG/442/N/1, 07 January 2021 WT/REG427/N/1, 7 January 2021 WT/REG445/N/1, 18 January 2021 <a href="#">WT/COMTD/N/47</a> , 02 October 2015
<b>General Agreement on Trade in Services</b>			
Article III:3	Non-bank financial services Regional Trade Agreements Amendments to the Immigration Act	..	<a href="#">S/C/N/772</a> , 13 October 2014 <a href="#">S/C/N/1037</a> , 7 January 2021 <a href="#">S/C/N/1022</a> , 09 October 2020

Agreements-Topic	Requirement/content	Periodicity	WTO document and date (latest document if recurrent)
State Trading			
Article XVII:4(A) of the GATT 1994 and paragraph 1 of the Article XVII	Agricultural marketing board State trading enterprises	..	G/STR/N/18/MUS, 16 June 2020 <a href="#">G/STR/N/17/MUS</a> , 10 January 2019
Trade Facilitation Agreement			
Article 22.3	Contact Information	..	G/TFA/N/MUS/2 Rev.1, 18 August 2020 G/TFA/N/MUS/3, 01 August 2019 G/TFA/N/MUS/2, 09 May 2019 <a href="#">G/TFA/N/MUS/3</a> , 01 August 2018 <a href="#">G/TFA/N/MUS/1</a> , 25 May 2018 <a href="#">WT/PCTF/N/MUS/2</a> , 13 April 2016
Article 1.4	Notification of Category B and C commitments	Ad hoc	<a href="#">WT/PCTF/N/MUS/2</a> , 13 April 2016
Article 16	Notification of Category A commitments		
Market Access			
Art. XI and XX of the GATT 1947	Quantitative restrictions	..	<a href="#">G/MA/QR/N/MUS/5</a> , 24 September 2020 <a href="#">G/MA/QR/N/MUS/4</a> , 14 September 2018 G/MA/QR/N/MUS/3, 15 March 2017 G/MA/QR/N/MUS/2, 03 February 2017 G/MA/QR/N/MUS/1, 01 May 2016
Sanitary and Phytosanitary Measures			
Article 7, Annex B, emergency measures	Live animals including fish	Ad hoc	G/SPS/N/MUS/18, Add.1; 4 March 2020 <a href="#">G/SPS/N/MUS/18</a> , 23 March 2020
	Use of pesticides	Ad hoc	<a href="#">G/SPS/N/MUS/17</a> , 31 July 2018
	Ready to eat meat products	Ad hoc	<a href="#">G/SPS/N/MUS/16</a> , 15 May 2018
	Caged live birds and poultry products	Ad hoc	<a href="#">G/SPS/N/MUS/15</a> , 09 November 2017
	Plant, plant products and other regulated products	Ad hoc	<a href="#">G/SPS/N/MUS/14</a> , 18 July 2017
	Fresh cherry tomatoes	Ad hoc	<a href="#">G/SPS/N/MUS/13</a> , 10 April 2017
Agreement on Technical Barriers to Trade			
Article 10.6	Single use plastic and biodegradable products	Ad hoc	<a href="#">G/TBT/N/MUS/12</a> , 5 November 2020 <a href="#">G/TBT/N/MUS/11</a> , 5 November 2020
Article 2.9 and 5.6 (1)	Life of imported food products	Ad hoc	<a href="#">G/TBT/N/MUS/10</a> , 19 December 2019
Article 2.10 and 5.7 (1)	Radiation sources and other controlled items	Ad hoc	<a href="#">G/TBT/N/MUS/9</a> , 17 December 2019
Article 2.9 (4)	Steel bars, wires and fabrics	Ad hoc	<a href="#">G/TBT/N/MUS/8</a> , 23 November 2018
Article 2.10 (2)	Banning of plastic bags	Ad hoc	<a href="#">G/TBT/N/MUS/5</a> , 21 January 2016
Article 2.10 (2)	Non-woven polypropylene bags	Ad hoc	<a href="#">G/TBT/N/MUS/6</a> , 21 January 2016
Article 2.9 (4)	Domestic and household appliances and equipment	Ad hoc	<a href="#">G/TBT/N/MUS/7</a> , 05 July 2016
Article 2.9 (4)	Household electrical appliances – Revision	Ad hoc	<a href="#">G/TBT/N/MUS/4/Rev.1</a> , 03 December 2015 G/TBT/N/MUS/3, 23 July 2012 G/TBT/N/MUS/2, 3 May 2005

.. Not available.

Source: WTO Secretariat.

### 2.3.2 Regional and preferential agreements

2.12. After Mauritius, as part of the group of Eastern and Southern African States, entered into an interim economic partnership agreement (IEPA) with the European Union in 2012, the authorities entered into negotiations on 13 new chapters of a comprehensive EPA in 2019. Meanwhile, an RTA between Mauritius and Turkey entered into force in 2013. Mauritius was also active in the finalization of the East African Community (EAC)-Common Market for Eastern and Southern Africa (COMESA)-Southern African Development Community (SADC) tripartite agreement in 2015 and participated in the creation of the African Continental Free Trade Area (AfCFTA). A trade agreement was reached with China in 2019. Meanwhile, the India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) entered into force on 1 April 2021. The main features of each of these agreements are set out in Table 2.3. In addition, Mauritius is part of the

Indian Ocean Commission (IOC), an intergovernmental organization with five members (Comoros, France/Reunion Island, Madagascar, Mauritius, and Seychelles).

**Table 2.3 Participation in RTAs, by date of notification, June 2021**

<b>RTAs</b>	
<b>Common Market for Eastern and Southern Africa (COMESA)</b>	
Entry into force: 08/12/1994. WTO notification: 1995, under the Enabling Clause	
Parties	Burundi; Comoros; Democratic Republic of the Congo; Djibouti; Egypt; Eritrea; Eswatini; Ethiopia; Kenya; Libyan Arab Jamahiriya, Madagascar; Malawi; Mauritius; Rwanda; Seychelles; Somalia; Sudan; Tanzania; Tunisia; Uganda; Zambia; Zimbabwe
Main provisions	Since 2000, Mauritius has offered 100% duty-free treatment to goods coming from parties to the COMESA Free Trade Agreement (FTA) (Group I). A 90% reduction on MFN rates is extended for member States that have not yet joined the FTA (Group II). Provisions on competition; investment; harmonization of standards, sanitary and phytosanitary (SPS) measures, and customs procedures; regional payment and settlement systems; intellectual property rights; and elimination of non-tariff barriers. Regulations on trade in services were adopted by the COMESA Council of Ministers in 2009, and market access liberalization negotiations are ongoing. A Protocol on the free movement of persons, movement of labour, services, and right of establishment and residence was adopted in 2001, and signed by Burundi, Kenya, Rwanda, and Zimbabwe.
Merchandise trade with COMESA	Imports: USD 181 million in 2013, USD 228 million in 2019 (4.1% of total imports) Exports: USD 205 million in 2013, USD 236 million in 2019 (12.6% of total exports)
<b>Southern African Development Community (SADC)</b>	
Entry into force: 01/09/2000. WTO notification: 2004, under GATT, Article XXIV	
Parties	Angola; Botswana; Eswatini; Lesotho; Madagascar; Malawi; Mauritius; Mozambique; Namibia; Seychelles; South Africa; Tanzania; Zambia; Zimbabwe
Main provisions	Mauritius has liberalized all tariff lines <i>vis-à-vis</i> SADC member States. Provisions on cross-border investment, competition policy, and trade facilitation. Trade in Services Protocol adopted in 2012.
Merchandise trade with SADC	Imports: USD 466 million in 2013, USD 609 million in 2019 (10.9% of total imports) Exports: USD 394 million in 2013, USD 382 million in 2019 (20.4% of total exports)
<b>Trade Agreement between the Republic of Mauritius and the Islamic Republic of Pakistan</b>	
Entry into force: 30/11/2007. WTO notification: 2015, under the Enabling Clause	
Parties	Mauritius and Pakistan
Main provisions	Mauritius has fully or partially liberalized 102 tariff lines (at the HS 6-digit tariff level)
Merchandise trade with Pakistan	Imports: USD 29 million in 2013, USD 18 million in 2019 (0.3% of total imports) Exports: USD 0.5 million in 2013, USD 0.4 million in 2019 (0.02% of total exports)
<b>European Union - Eastern and Southern African States Interim Economic Partnership Agreement</b>	
Entry into force: 14/05/2012. WTO notification: 2012, under GATT, Article XXIV	
Parties	EU member States; Madagascar; Mauritius; Seychelles; and Zimbabwe
Main provisions	By 2022, 97% of tariff lines will be duty-free; 193 tariff lines exempt from liberalization, (mainly biscuits, meat, pasta, soaps, and steel products), with tariffs ranging to 30%. Provisions on bilateral safeguards, fisheries, economic development cooperation, private sector development, infrastructure natural resources, and environment.
Merchandise trade with the European Union (28)	Imports: USD 1,196 million in 2013, USD 1,326 million in 2019 (23.7% of total imports) Exports: USD 1,271 million in 2013, USD 804 million in 2019 (43.0% of total exports)
<b>Free Trade Agreement between the Republic of Mauritius and the Republic of Turkey</b>	
Entry into force: 01/06/2013. WTO notification: 2013, under GATT, Article XXIV	
Parties	Mauritius and Turkey
Main provisions	Duty-free trade in goods. By 2022, only some 117 tariff lines will continue to attract duty, mainly covering, <i>inter alia</i> , biscuits, meat, pasta, soaps, and steel products. Provisions on taxation and goods trade regulation.
Merchandise trade with Turkey	Imports: USD 47 million in 2013, USD 89 million in 2019 (1.6% of total imports) Exports: USD 5 million in 2013, USD 2 million in 2019 (0.1% of total exports)
<b>African Continental Free Trade Area (AfCFTA)</b>	
Entry into force: 30/09/2019. <sup>d</sup> WTO notification: Not yet notified	
Parties	Signed by all African countries except Eritrea. Ratified by 35 African countries.

<b>RTAs</b>	
Main provisions	90% of tariff lines to be liberalized over a 10-year period starting 1 July 2020, with a 10-year transition period for LDCs, and a 5-year transition for other members. An additional 7% of lines that cover "sensitive products" must also be liberalized over a period of 10 years (13 years for LDCs). This agreement will be supported by a dedicated online portal where parties will upload their tariff reduction offers. Protocol on Trade in Services; Protocol on Rules and Procedures on the Settlement of Disputes. Five priority sectors – Business, Financial, Transport, Communication, and Travel and Tourism – will be negotiated.
Merchandise trade with Africa	Imports: USD 578 million in 2013, USD 714 million in 2019 (12.8% of total imports) Exports: USD 490 million in 2013, USD 505 million in 2019 (27.0% of total exports)
<b>China-Mauritius Free Trade Agreement</b>	
Signed: 17/10/2019. Entry into force: 01/01/2021. WTO notification: 2021, under GATT, Article XXIV and GATS, Article V	
Parties	Mauritius and China
Main provisions	Duty-free trade in goods, certain services, sanitary and phytosanitary measures, technical barriers to trade, competition, intellectual property, electronic commerce, investment, and economic cooperation. Annex on rules of origin.
Mauritius' merchandise trade with China	Imports: USD 792 million in 2013, USD 937 million in 2019 (16.7% of total imports) Exports: USD 13.5 million in 2013, USD 32 million in 2019 (1.7% of total exports)
<b>Eastern and Southern Africa (ESA) - United Kingdom Economic Partnership Agreement</b>	
Entry into force: 01/01/2021. WTO notification: January 2021	
Parties	United Kingdom; Mauritius; Seychelles; and Zimbabwe
Main provisions	Duty-free, quota-free access to goods exported from ESA States, except some domestically sensitive products in the ESA States. Provisions on tariff quotas and rules of origin.
Merchandise trade with the United Kingdom	Imports: USD 116 million in 2013, USD 170 million in 2019 (3.0% of total imports) Exports: USD 389 million in 2013, USD 207 million in 2019 (11.0% of total exports)
<b>India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)</b>	
Signed 22/02/2021. WTO notification: April 2021 under the Enabling Clause and GATS, Article V	
Parties	Mauritius and India
Main provisions	Duty-free trade in specified goods, certain services, rules of origin, sanitary and phytosanitary measures, technical barriers to trade, and dispute settlement.
Merchandise trade with India	Imports: USD 1,299 million in 2013, USD 777 million in 2019 (13.9% of total imports) Exports: USD 18 million in 2013, USD 24 million in 2019 (1.3% of total exports)

Source: WTO Secretariat, WTO RTAs Database. Viewed at: <http://rtais.wto.org>.

2.13. The United Kingdom's recent agreement with the ESA economies mirrors the IEPA, with a Rendezvous clause on areas such as trade in services, investment, trade facilitation, and competition policy. The ESA-UK EPA furthermore provides an automatic derogation of 6,200 tonnes of non-originating tuna that can be used in the production of canned tuna and 341 tonnes of tuna loins for export to the United Kingdom, to be shared among Mauritius, Seychelles, and Madagascar.

2.14. A free trade agreement (FTA) between Mauritius and China was signed in October 2019 and entered into force on 1 January 2021.<sup>15</sup> It gives Mauritius duty-free access to the Chinese market on some 8,547 products, representing 96% of Chinese tariff lines. The duties applicable on 88% of these tariff lines were eliminated on 1 January 2021. The remaining tariffs would be eliminated over a 5- to 7-year period (on key export items such as rum, frozen fish, noodles and pasta, wafers and biscuits, fresh fruits, juices, mineral water, linen, garments, watches, and articles of leather). With respect to sugar, China agreed to grant Mauritius a tariff quota for sugar, with an in-quota tariff rate of 15% to be phased out over a period of eight years, during which the annual tariff quota will increase from 15,000 to 50,000 tonnes. In 2019, exports to China amounted to about USD 32 million (Table 2.3), considerably less than imports, with seafood accounting for more than a third of the total. As regards trade in services, Mauritius and China obtained immediate access to more than 40 of each other's services sectors under the Agreement (Section 4.4). Mauritius would also be able to establish businesses in China as wholly owned entities or in partnership with Chinese operators. Investment in the services sector should be encouraged by the increased predictability and legal security the Agreement will provide to investors, including against discriminatory and unfair treatment, and expropriation.

<sup>15</sup> Mauritius Trade Easy, *Mauritius-China Free Trade Agreement (FTA)*. Viewed at: <http://www.mauritiustrade.mu/en/trade-agreements/china>.

2.15. The CECPA entered into force in April 2021 following the signing of the protocol amending the two countries' double-taxation avoidance agreement (DTAA) treaty (Section 2.4.3). It also covers trade in goods, services, rules of origin, technical barriers to trade, sanitary and phytosanitary measures, trade remedies, and dispute settlement.

## 2.4 Investment Regime

### 2.4.1 Overview

2.16. Mauritius ranks well in various international competitiveness and business facilitation indicators and is consistently one of the strongest performers in Africa. The World Bank advanced Mauritius from 20<sup>th</sup> of 189 countries in terms of the Doing Business index in 2014 to 13<sup>th</sup> of 190 countries in 2020, and first in Africa.<sup>16</sup> The World Economic Forum also ranked Mauritius favourably. In 2019, Mauritius came 52<sup>nd</sup> of 141 countries, highest in Africa, and "one of the most open countries in the world".<sup>17</sup> Standing out are strong and transparent public institutions (40<sup>th</sup>), with clear property rights, strong judicial independence, and an efficient government. Private institutions are rated as highly accountable (13<sup>th</sup>), with effective auditing and accounting standards, and private companies have access to strong investor protection. The country's infrastructure is well developed by regional standards, particularly its ports, air transport, and communication infrastructure. Further, its goods markets are efficient (27<sup>th</sup>). However, while its health standards are impressive compared with those of other sub-Saharan African countries, efforts are still required in education and in company spending on research and development (R&D) to enhance innovative capacity.<sup>18</sup> A new Business Facilitation Act was passed in 2019 (Table 2.1).

2.17. Few restrictions apply to foreign commercial presence (Table 2.4). Partly as a result, Mauritius has successfully positioned itself as an investment hub on the African continent, under tax treaties with many African countries.<sup>19</sup>

**Table 2.4 Foreign investment restrictions, 2021**

Sector (report section)	Restriction
Newspaper and magazine publishing	A foreign investor cannot hold more than 20% of a company that owns or controls any newspaper or magazine, or any printing press publishing them.
Banks holding immovable property (4.4.2)	Approvals are required from the Prime Minister and Minister of Home Affairs for investments in banks that hold immovable property in Mauritius.
Diving centres (4.4.5)	Maximum foreign equity participation of 30%.
Legal services (4.4.6)	Foreign lawyers may provide legal services only in relation to non-judicial proceedings (arbitration, mediation, conciliation, and other forms of consensual dispute resolution), or in relation to foreign law or international law.
Fisheries (4.1.3)	Licences to operate a Mauritian fishing vessel may be granted only to Mauritian nationals or to bodies incorporated and having a place of business in Mauritius.
Acquisition of property (4.4.5)	To acquire real estate property in Mauritius, or to acquire shares in a company that owns immovable property in Mauritius, non-citizens require prior authorization: Foreign investors investing in any real estate and property business should comply with the Non-Citizens (Property Restriction) Act. For acquisition of business property, authorization should be acquired from the Economic Development Board for direct acquisition and from the Prime Minister's Office for acquisition of shares. For acquisition of residential properties under pre-approved schemes, approval needs to be obtained from the Economic Development Board.

<sup>16</sup> World Bank (2020), *Doing Business 2020, Economy Profile: Mauritius*. Viewed at: <https://www.doingbusiness.org/content/dam/doingBusiness/country/m/mauritius/MUS.pdf>.

<sup>17</sup> World Economic Forum (2019), "The Global Competitiveness Report 2019", viewed at: [http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf).

<sup>18</sup> World Economic Forum, *The Global Competitiveness Report 2019*. Viewed at: [http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf).

<sup>19</sup> IMF, *The Cost and Benefits of Tax Treaties with Investment Hubs: Findings from Sub-Saharan Africa*, IMF Working Paper WP/18/227, October 2018. Viewed at: <https://www.imf.org/en/Publications/WP/Issues/2018/10/24/The-Cost-and-Benefits-of-Tax-Treaties-with-Investment-Hubs-Findings-from-Sub-Saharan-Africa-46264>.



Sector (report section)	Restriction
Broadcasting	In 2019, the Independent Broadcasting Authority (IBA) Act was amended to increase the allowable equity participation of a foreign company investing in broadcasting to 49.9% from 20%. Under the IBA, however, the IBA will not grant a licence where the applicant: -is not a citizen of Mauritius or is not ordinarily resident in Mauritius; or -is a company or body corporate, and is formed, registered, or incorporated in a foreign country; or 49.9% or more of the shares of which are owned or controlled, directly or indirectly, by a foreign national, company, or body corporate, where the Authority is satisfied that the control of the company or body corporate is not by virtue of any shareholder agreement or other instrument effectively vested in a foreign national, a foreign company, or a foreign body corporate; or 49.9% or more of the directors of which are foreign nationals; or 20% or more of the shares of which are owned or controlled, directly or indirectly, by an individual who, or by another company or body corporate which, owns or controls, directly or indirectly, any newspaper or magazine, or any printing press publishing such newspaper or magazine.
Sugar (4.1.2)	Under the Securities (Investment by Foreign Investors) Rules of 2013 whereby there is a cap of 15% for investment in a Mauritian sugar company, a foreign investor should have prior written consent of the Financial Services Commission to make any investment in securities where, as a result, 15% or more of the voting capital (including any capital having an element of equity) of a Mauritian sugar company would be held by foreign investors.
Tourism (4.4.5)	Foreign investment caps in pleasure craft and tourist accommodation.
Public transport (4.4.4)	Provision of taxi services is reserved for Mauritian nationals, as the licence is granted to individuals (and not a company).
Aviation (4.4.4)	An Air Operating Licence shall be granted, on application, only to qualified persons (Mauritian nationals who control and own a duly incorporated company in Mauritius – 51% of shares) to undertake commercial air transport services, between two or more destinations, provided that there exists a Bilateral Air Services Agreement between Mauritius and the countries in question.

Source: WTO Secretariat, based on information provided by the authorities.

2.18. Following the proclamation of the Economic Development Board Act 2017 (Table 2.1), the Board of Investment, Enterprise Mauritius, and the Financial Services Promotion Agency were merged into the Economic Development Board (EDB), which became the first point of contact for businesses wishing to establish operations in Mauritius and implement investment projects.<sup>20</sup> The EDB issues registration certificates to enterprises wishing to benefit from investment promotion schemes, in areas such as real estate development or the Freeport Scheme (Section 3.2.4).

#### 2.4.2 Movement of labour and residence

2.19. A foreigner can register with the EDB to acquire real property (land and buildings) under the Non-Citizens (Property Restriction) Act (NCPRA) (Table 2.1). Since 2015, following an amendment to the Act, foreigners can acquire residential properties under the new Property Development Scheme (PDS), which replaced the Integrated Resort Scheme and the Real Estate Scheme.<sup>21</sup> Under the PDS rules, foreigners can purchase certain types of properties over MUR 6 million (USD 172,000). A non-citizen is also eligible for a residence permit under the PDS if the purchase exceeds USD 375,000. Purchases must be financed with funds transferred from abroad through the banking system. The owner of a residential property under the Integrated Resort Scheme (IRS), Real Estate Scheme (RES), PDS, or Smart City Scheme who has been granted a residence permit may take up employment in Mauritius.

2.20. The Finance (Miscellaneous Provisions) Act 2020 introduced several changes to further encourage foreigners to take up residence and pursue business activities. Under the Permanent Resident Programme, the minimum capital investment in residential property acquired for personal use was reduced from USD 500,000 to USD 375,000 in 2020. The validity of an individual's "permanent" residence permit was extended from 10 to 20 years; the validity of an "occupation" permit (which covers both investors and self-employed individuals) was extended from 3 years

<sup>20</sup> Economic Development Board. Viewed at: <https://www.edbmauritius.org/>.

<sup>21</sup> Economic Development Board, *Property Development Scheme Guidelines*, July 2020. Viewed at: <https://www.edbmauritius.org/sites/default/files/2020-09/Guidelines%20for%20the%20Property%20Development%20Scheme.pdf>.

to 10. Furthermore, the parents of a holder of a residence permit or occupation permit will also be granted resident status. The regulations affecting retired non-citizens who are holders of an occupational permit or residence permit were relaxed to allow investment in any business, providing the individual who is investing is not employed in the business or manages the business and does not receive a salary or employment benefits from that business.

2.21. Once a property investment is launched, work permits for foreigners are generally granted rapidly, under the Non-Citizens Employment Restriction Act of 1970 (Table 2.1).<sup>22</sup> Since 2019 however, non-citizens who are spouses of a citizen of Mauritius are no longer exempted from the regulations and thus need to apply for work and occupation permits.<sup>23</sup>

#### 2.4.3 Tax provisions affecting foreign investments

2.22. One of the particularities of the Mauritian tax regime is the generally low level of taxes, under the Income Tax Act (ITA) as amended by annual finance laws and administered by the MRA.

2.23. As a brief résumé, a resident individual's income is subject to a tax rate of 10% if his or her annual net income is less than or equal to MUR 650,000 (USD 1,600), or 15% where the annual net income exceeds MUR 650,000, levied only on Mauritian source income and such foreign income that the individual remits to Mauritius. In addition, an individual is subject to a tax rate of 25% on the sum of taxable income and collected dividends in excess of MUR 3 million rupees (USD 75,000). An individual is not subject to tax on capital gains, inheritance, wealth, gift and real property, or withholding tax on dividends. An individual is resident for tax purposes during a given income year if he or she has a domicile in Mauritius (unless his or her permanent place of abode is outside Mauritius), or has been present in Mauritius for a minimum of 183 days, or has been present in Mauritius in that income year and 2 preceding income years for a minimum of 270 days.

2.24. Turning to companies, since July 2017, those companies engaged in exports of goods have paid a tax rate of 3% (Section 3.2.4) instead of the general 15% corporate tax rate.<sup>24</sup> Also, a new regime for the taxation of banks was introduced (Section 4.4.2.2).

2.25. For other companies, the ITA provides that resident companies are taxable on their world income while non-resident companies are taxable only on their Mauritian source income. In 2017, following Mauritius' commitment to the Organisation for Economic Co-operation and Development (OECD) Forum on Harmful Tax Practices, changes were brought to the way Global Business (GB) licence holders are taxed; GB corporations are "resident corporations conducting business principally outside Mauritius" and regulated under the Financial Services Act of 2007 (Section 4.4.2).<sup>25</sup> Until 2018, GB corporations were taxed at 15%, less a deemed foreign tax credit (DFTC) of 12% (i.e. an effective tax rate of 3% of income). In line with Mauritius' commitment to the OECD, the DFTC regime was abolished. Instead, GBs were made subject to a new Partial Exemption System (PES) on specified income. In contrast to the DFTC, which was available only to companies holding a GB licence and to banks as regards their foreign-source income, the PES is available to all companies regardless of whether they hold a GB licence. With these changes, the authorities announced that Mauritius has removed the "ring-fencing" that existed between local and GB companies, to ensure no special treatment exists for the latter.

<sup>22</sup> US Department of State, *2020 Investment Climate Statements: Mauritius*. Viewed at: <https://www.state.gov/reports/2020-investment-climate-statements/mauritius/>.

<sup>23</sup> MCCI, *Regulations under the Non-Citizens (Employment Restriction) Act – Foreign Spouse*, 3 April 2019. Viewed at: [https://www.mcci.org/en/media-news-events/business-updates/regulations-under-the-non-citizens-employment-restriction-act-foreign-spouse/#:~:text=An%20Employer%20of%20a%20non,Employment%20Restriction\)%20\(Work%20Permit\).](https://www.mcci.org/en/media-news-events/business-updates/regulations-under-the-non-citizens-employment-restriction-act-foreign-spouse/#:~:text=An%20Employer%20of%20a%20non,Employment%20Restriction)%20(Work%20Permit).)

<sup>24</sup> Mauritius Revenue Authority, *Corporate Taxation*. Viewed at: <https://www.mra.mu/index.php/business/corporate-tax#taxrates>.

<sup>25</sup> Mauritius Revenue Authority, *Income Tax (Foreign Tax Credit) Regulations 1996*. Viewed at: [https://www.mra.mu/download/Regulations\\_foreignTaxCredit\\_GN\\_55\\_2011.pdf](https://www.mra.mu/download/Regulations_foreignTaxCredit_GN_55_2011.pdf). A description of the changes in tax credits was viewed at: <https://www.mra.mu/index.php/taxes-duties/international-taxation?id=13>.

2.26. For resident companies, under the PES, an exemption of 80% of corporate tax is granted on the following categories of income:

- foreign-source dividends that have not been allowed as a deduction in the country of source;
- interest derived by a company other than a bank or a non-bank financial institution (Section 4.4.2);
- income derived by a collective investment scheme, closed-end fund, collective investment scheme (CIS) manager, CIS administrator, investment adviser, or asset manager;
- income from ship and aircraft leasing;
- income from reinsurance and reinsurance brokering activities;
- income from leasing and provision of international fibre capacity;
- income derived from the sale, financing arrangement, asset management of aircraft and their spare parts and aviation advisory services related thereto;
- interest derived by a person from money lent through a peer-to-peer lending platform; and
- profit attributable to a permanent establishment that a resident company has abroad.

2.27. Collective Investment Schemes and Closed-End Funds, which can also hold a GB licence, are business structures that invest funds in a portfolio of securities, or other financial assets, real property, or non-financial assets, thus giving investors in the fund the benefit of the results of the management of its funds. The law in Mauritius provides for two main categories of such funds: an open-ended fund, also known as a CIS; and a close-ended fund, commonly known as a private equity fund.

2.28. Turning to non-resident companies, the Finance (Miscellaneous Provisions) Act 2018 introduced the Authorized Company (AC), a new category of company incorporated in Mauritius and authorized by the Financial Services Commission (FSC) (Section 4.4.2). The AC must be held or controlled by a non-citizen and must conduct business principally outside Mauritius; its central management and control is outside Mauritius. The AC may operate in, *inter alia*, investment holdings, property holdings, international trade, management and consultancy, IT services, logistics, marketing, shipping and ship management, or one-off transactions using a special purpose vehicle.

2.29. As at 31 December 2020, 12,039 GB licences and 1,004 CIS or closed-end funds were active, and the FSC had delivered 1,375 AC licences. GB licence holders do not pay tax on royalties; interest and service fees payable to foreign affiliates are allowed as expenses if they are reasonable and correspond to actual expenses incurred. Customs duty concessions are granted for office equipment, furniture, and motor vehicles. GB licence holders are exempt from the 2% Corporate Social Responsibility levy.

2.30. Since June 2010, Mauritius has participated in the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, with peer reviews of its taxation system in February 2014 and August 2017, and was rated compliant.<sup>26</sup> In July 2017, Mauritius signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) that implements a series of tax treaty measures to update international tax rules and lessen the opportunity for tax avoidance by multinational enterprises. The MLI entered into force for Mauritius on 1 February 2020.<sup>27</sup> In September 2018, Mauritius joined the Common Reporting

<sup>26</sup> Mauritius Revenue Authority, *Mauritius Peer Review by Global Forum*. Viewed at: <https://www.mra.mu/index.php/taxes-duties/mauritius-peer-review>.

<sup>27</sup> OECD, *Signatories and Parties to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting*. Viewed at: <https://www.oecd.org/tax/treaties/beps-mli-signatories-and-parties.pdf>.



Standard approved by the OECD, which calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis.<sup>28</sup> In January 2018, the European Union placed Mauritius on a watch list, considering that its commitments towards tax governance were deemed sufficient, but their implementation required continued monitoring.<sup>29</sup> In October 2019, the European Union removed Mauritius from its watch list.<sup>30</sup>

2.31. Mauritius has concluded 43 DTAAAs.<sup>31</sup> New or amended DTAAAs since 2013 concern Barbados, Cabo Verde, Cyprus, Egypt, Ghana, Guernsey, India, Jersey, Luxembourg, Malta, Monaco, Rwanda, South Africa, and the United Kingdom. In addition, Mauritius also signed eight DTAAAs that are yet to be enforced with Comoros, Estonia, Eswatini, Gabon, Kenya, Morocco, Nigeria, and the Russian Federation. The DTAAAs with Senegal and Zambia were terminated, and new tax treaties are being negotiated. The DTAA in general provides that business profits and dividends are to be taxed in the country of source unless the company has a permanent establishment in the other State; in that latter case, however, the maximum withholding tax rate applied to dividends (in the country of source) varies between zero and 15% depending on the DTAA.

2.32. Under the 1982 Double Tax Avoidance Convention (DTAC) with India, Mauritius became a preferred fiscal residential base for individuals, foreign funds, and companies investing in India and seeking to reduce their tax expenditure.<sup>32</sup> The DTAC allowed them to make direct investments in India from Mauritius-based companies and enjoy the preferential tax treatment agreed to under the DTAC. On 10 May 2016, Mauritius and India signed a Protocol amending the DTAC<sup>33</sup>, giving India the right to tax capital gains on the sale or transfer of shares of an Indian resident company acquired before April 2017 (with a transitional 50% of the applicable tax rate for gains arising on shares acquired between April 2017 and March 2019).

2.33. Furthermore, India henceforth has the right to tax capital gains on immovable property and movable property forming part of the business and capital gains on ships and aircraft operated in international traffic. India will also tax interest income of Mauritian banks, and fees for technical services, with similar rights being given to Mauritius. However, investments made through instruments other than shares (such as debt-like instruments or derivative contracts) may still benefit from exclusive taxation in the country of residence. Interest paid from India on loans made after 31 March 2017 is subject to withholding tax at 7.5%.

#### 2.4.4 Participation in international investment agreements

2.34. Mauritius has signed 45 international investment promotion and protection agreements (IPPAs).<sup>34</sup> These generally provide for national and MFN treatment to investors of the parties, defined as natural persons, legal entities, and in some cases government-owned entities. New IPPAs since 2013 are with Cabo Verde (2017), The Gambia (2016), Sao Tomé and Príncipe (2016), Côte d'Ivoire (2016), the United Arab Emirates (2015)<sup>35</sup>, Zambia (2015), and Egypt (2014).<sup>36</sup>

<sup>28</sup> OECD, *Common Reporting Standard (CRS): Further Guidance*. Viewed at: <https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>.

<sup>29</sup> European Parliamentary Research Service, *Listing of Tax Havens by the EU*, May 2018. Viewed at: <https://www.europarl.europa.eu/cmsdata/147404/7%20-%2001%20EPRS-Briefing-621872-Listing-tax-havens-by-the-EU-FINAL.PDF>.

<sup>30</sup> European Commission, *Evolution of the EU List of Tax Havens*, February 2021. Viewed at: [https://ec.europa.eu/taxation\\_customs/system/files/2021-02/eu\\_list\\_update\\_22\\_02\\_2021\\_en.pdf](https://ec.europa.eu/taxation_customs/system/files/2021-02/eu_list_update_22_02_2021_en.pdf).

<sup>31</sup> A complete list of DTAAAs in force can be viewed at: <https://www.mra.mu/index.php/taxes-duties/international-taxation/double-taxation-agreements>.

<sup>32</sup> Adrienne Klasa, "Round-tripping: How Tiny Mauritius Became India's Main Investor", *Financial Times*, 30 October 2018. Viewed at: <https://www.ft.com/content/b2a35d1e-c597-11e8-86b4-bfd556565bb2>.

<sup>33</sup> Republic of Mauritius Protocol Amending the Convention between the Government of Mauritius and the Government of the Republic of India. Viewed at: <https://www.fscmauritius.org/media/2358/protocol-to-the-mauritius-india-dtac-signed-on-10-may-2016.pdf>.

<sup>34</sup> Economic Development Board, *Bilateral Agreements: IPPA*. Viewed at: <https://www.edbmauritius.org/info-centre/ippa>.

<sup>35</sup> UNCTAD, *Agreement between the Government of the United Arab Emirates and the Government of the Republic of Mauritius for the Promotion and Reciprocal Protection of Investments*. Viewed at: <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/5358/download>.

<sup>36</sup> UNCTAD, *Investment Policy Hub: Mauritius*. Viewed at: <https://investmentpolicy.unctad.org/international-investment-agreements/countries/134/mauritius>.

2.35. The Government's Africa Strategy encourages Mauritian entrepreneurs to invest in Africa<sup>37</sup>: the Government established the Mauritius Africa Fund, a public company to support Mauritian investment in Africa. Through the Fund, the Government participates as an equity partner up to 10% of Mauritian investments in projects targeted towards Africa. The Government signed agreements with Senegal, Madagascar, and Ghana establishing and managing special economic zones (SEZs) in these countries and invited local and international firms to set up operations in the SEZs. As per the 2018 Finance Act, Mauritian companies collaborating with the Africa Fund for development of infrastructure in the SEZs benefit from a five-year tax holiday.

## **2.5 Participation in Arbitral and Dispute Settlement Conventions and Bodies**

2.36. Mauritius is a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), and has been a member of the International Centre for Settlement of Investment Disputes (ICSID) since 1969. In addition, Mauritius is home to the LCIA-MIAC, a partnership between the London Court for International Arbitration and the Mauritius International Arbitration Centre, which opened in 2011. Since 2018, MIAC has operated as a new arbitration centre with the continuing financial support of the Government of Mauritius but under a principle of non-interference.<sup>38</sup> Mauritius also hosts the first Permanent Representative Office of the Permanent Court of Arbitration outside The Hague.<sup>39</sup>

---

<sup>37</sup> US Department of State, *2020 Investment Climate Statements: Mauritius*. Viewed at: <https://www.state.gov/reports/2020-investment-climate-statements/mauritius/>.

<sup>38</sup> MIAC, *MAIC Commences Operations*, 27 July 2018. Viewed at: <https://miac.mu/news/miac-commences-operations/>.

<sup>39</sup> Permanent Court of Arbitration, *Mauritius Office*. Viewed at: <https://pca-cpa.org/en/about/structure/pca-mauritius-office/>.

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures Directly Affecting Imports

3.1. The Government is committed to facilitating merchandise imports (as well as exports), as they feed into essential inputs driving the economy, such as tourism, manufacturing, transport, and business services. Mauritius thus was prompt to ratify the WTO Trade Facilitation Agreement (TFA) in 2015, and notified all of its TFA commitments, as well as its technical assistance needs, to the WTO (Table 3.1).

**Table 3.1 Notification status of TFA measures, September 2021**

Article	Notification	Measure/description
1.1	Category A	Publication
1.2	Category A	Information Available through the Internet
1.3	Category C	Enquiry Points
1.4	Category A	Notification
2.1	Category A	Opportunity to Comment and Information before Entry into Force
2.2	Category A	Consultations
3	Category A	Advance Rulings
4	Category A	Procedures for Appeal or Review
5.1	Category A	Notifications for Enhanced Controls or Inspections
5.2	Category A	Detention
5.3	Category C	Test Procedures
6.1	Category A	General Disciplines on Fees and Charges Imposed on Importation and Exportation
6.2	Category A	Specific Disciplines on Fees and Charges for Customs Processing
6.3	Category A	Penalty Disciplines
7.1	Category A	Pre-arrival Processing
7.2	Category A	Electronic Payment
7.3	Category A	Separation of Release from Final Determination of Customs Duties, Taxes, Fees
7.4	Category C	Risk-Management
7.5	Category A	Post-clearance Audit
7.6	Category A	Establishment and Publication of Average Release Times
7.7	Category B	Trade Facilitation Measures for Authorized Operators
7.8	Category B	Expedited Shipments
7.9	Category A	Perishable Goods
8	Category B	Border Agency Cooperation
9	Category A	Movement of Goods Intended for Import under Customs Control
10.1	Category A	Formalities and Documentation Requirements
10.2	Category A	Acceptance of Copies
10.3	Category B	Use of International Standards
10.4	Category C	Single Window
10.5	Category A	Pre-shipment Inspection
10.6	Category A	Use of Customs Brokers
10.7	Category A	Common Border Procedures and Uniform Documentation Requirements
10.8	Category A	Rejected Goods
10.9	Category A	Temporary Admission of Goods and Inward and Outward Processing
11	Category A	Freedom of Transit
12	Category B	Customs Cooperation

Source: WTO TFA Database, *Rate of Implementation Commitments*. Viewed at: <https://tfadatabase.org/members/mauritius>.

3.2. The online Mauritius Trade Easy portal sets the tone of Mauritius' policy on trade facilitation: it provides information regarding import and export procedures and applicable charges (including customs duties and local taxes, applicable regulations, and required shipping documents) by tariff line and by partner country.<sup>1</sup> The site also incorporates a landed-cost calculator, which estimates import charges and incorporates them into a duty-paid price. The Government also launched the

<sup>1</sup> Mauritius Trade Easy, *Import Regulations and Taxes*. Viewed at: <http://www.mauritiustrade.mu/en/import-procedures>.

Trade Obstacles Alert Mechanism platform with the help of the International Trade Centre.<sup>2</sup> With it, trade operators can report obstacles they face when exporting or importing their products.

### 3.1.1 Customs procedures and valuation

3.3. Importers must be registered with the Mauritius Revenue Authority (MRA) and with the Corporate and Business Registration Department, which provides them with a Tax Account Number that is used in Customs declarations<sup>3</sup> and a Business Registration Number, respectively.<sup>4</sup> This ensures coordination between border and domestic taxation agencies.

3.4. The use of licensed customs brokers in Mauritius is not compulsory; as set out in Article 119 of the Customs Act, customs agents and brokers must be licensed by the Director-General of Customs. Mauritian citizenship is not a requirement to apply for the licence.<sup>5</sup>

3.5. Electronic submission of all customs declarations is mandatory. TradeNet is an electronic data interchange system (in place since 1994) that allows for the submission of manifests, declarations, certificates of origin, import/export permits, and other trade documents online to Customs. Customs brokers, shipping agents, and freight forwarders are also connected, as are commercial banks, thus enabling electronic payment of duties and taxes. TradeNet also allows for the submission of applications for import (and export) permits regulated by various ministries. Since 2013, importers and brokers have been able to track the status of their declarations on their mobile phones, including the status of payment and consignment clearance. As at May 2021, of the 13 ministries/agencies that administer imports permits or authorizations for border clearance, only the Pharmacy Board and the Ministry of Environment, Solid Waste Management and Climate Change were submitting import permits or authorizations manually and were in the process of connecting to TradeNet.

3.6. In 2016, Mauritius started to implement its national single window, Mauritius Trade Link, which forms part of TradeNet and provides an online, web-based facility to submit applications for import and export licences and permits from government agencies.

3.7. Customs' risk-management system comprises four channels, assigned automatically by TradeNet according to criteria such as product type, value, and consistency of data (Table 3.2). The share of imports subject to detailed document inspection from different government departments through the yellow channel increased between 2013 and 2020, as have clearance times; according to Customs, this reflected new controls on products such as radiocommunication and telecommunications equipment; articles of plastic such as carrier bags, tableware, and kitchenware; and increased controls by the Mauritius Standards Bureau (MSB) (Section 3.3.1).

**Table 3.2 Use of risk-management channels, 2014-20**

Channel (share of total imports in 2020)	Average clearance time	2014	2018	2019	2020
Green (8.2%)	Sea (mins)	28.00	30.06	32.83	31.81
	Air (mins)	3.00	31.49	32.31	31.89
Yellow (82.9%)	Sea (hrs)	2.00	3.08	3.22	3.60
	Air (mins)	4.00	6.38	4.38	3.05
Red (7.63%)	Sea (hrs)	13.00	12.43	13.00	12.67
	Air (hrs)	4.00	5.42	5.15	7.19
Blue (1.41%)	Sea/Air	Immediate	Immediate	Immediate	Immediate

Source: Information provided by the authorities.

<sup>2</sup> Trade Obstacles Alert Mauritius, *The TOA Platform*. Viewed at: <https://www.tradeobstacles.org/mauritius/About/ThePortal.aspx>.

<sup>3</sup> Mauritius Revenue Authority, *Application for Tax Account Number (TAN)*. Viewed at: <https://eservices.mra.mu/apptan/feedpdfapptan>.

<sup>4</sup> MCCI, *Registration of Business – One Day*. Viewed at: <https://www.mcci.org/en/inside-mauritius/doing-business/start-a-business/registration-of-business/>.

<sup>5</sup> Mauritius Revenue Authority, *Customs Act*. Viewed at: <https://www.mra.mu/download/CustomsAct1988.pdf>.

3.8. The Authorized Economic Operators (AEO)<sup>6</sup> programme has been in place since 2008; as at June 2021, there were only two certified AEOs, despite the advantages of the programme, including expedited clearance of goods; electronic submission of customs declaration without documents; electronic payment of duties, excise duty, and taxes; and facilities for deferred payment. Furthermore, the consignment of an AEO if selected for examination may be examined at the premises of the AEO. According to the authorities, the low interest in the AEO programme can be explained by the availability of the above facilities to any economic operator; also all measures of Article 7 of the TFA have reportedly been implemented except for paragraph 7.3(f), whereby an AEO shall provide a single customs declaration for all imports and exports in a given period.

3.9. The Government has notified the existence of binding advance rulings on tariff classification and origin in compliance with Article 3 of the TFA.<sup>7</sup> Application for advance rulings on classification<sup>8</sup> and on origin<sup>9</sup> are available on the MRA website.

3.10. Customs valuation follows the WTO Customs Valuation Agreement, except for imports of used machinery and equipment and second-hand motor vehicles. Imported used machinery and equipment are valued based on their f.o.b. price when new, reduced by a maximum of 15% for each year of use, subject to a maximum reduction of 60%. For second-hand motor vehicles, the value is the f.o.b. value when new, reduced by 9% for the first month, and 1% for each subsequent month of use, up to a maximum of 50%.<sup>10</sup> The authorities note that their updated valuation database, incorporating reference values, is used exclusively as a risk-management tool.

3.11. Changes to the Customs Act in 2013 provided for recourse by importers to an independent appeal mechanism within the MRA to consider disputes relating to customs valuation, classification, and origin, prior to making representations to the Assessment Review Committee (ARC).<sup>11</sup> The decisions of the ARC may be appealed to the Supreme Court. During the review period, most ARC cases related to valuation (Table 3.3).

**Table 3.3 Assessment Review Committee caseload, 2013-20**

Subject	2013	2015	2016	2017	2018	2019	2020
Classification	5	5	12	6	17	3	22
Valuation	24	21	26	26	37	15	18
Origin	0	0	0	0	0	0	0

Source: Information provided by the authorities.

### 3.1.2 Rules of origin

3.12. While Mauritius does not maintain non-preferential rules of origin<sup>12</sup>, the web of preferential rules of origin has densified with the new trade agreements it has signed since 2014 (Section 2.3), with potential complications for Mauritian exporters (Section 3.2.1). According to Customs, the existence of multiple rules of origin related to bilateral or plurilateral trade agreements does not constitute a problem for importers, as most of them declare MFN origin (Chart 3.1).

<sup>6</sup> Mauritius Revenue Authority, *General Information on Authorised Economic Operator (AEO)*. Viewed at: <https://www.mra.mu/download/AEOGeneralInfo.pdf>.

<sup>7</sup> WTO document WT/PCTF/N/MUS/1, 8 July 2014. Viewed at: <https://tfadatabase.org/uploads/notification/NMUS1.pdf>.

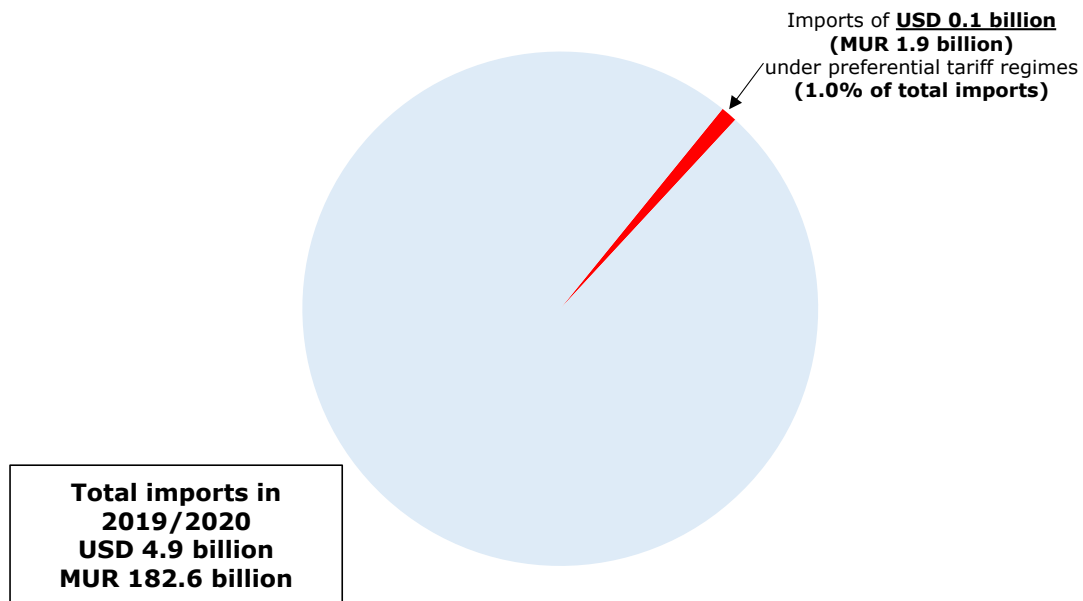
<sup>8</sup> Mauritius Revenue Authority, *Customs Department Request for Ruling on HS Classification of Goods*. Viewed at: <https://www.mra.mu/download/RequestforHSClassificationofGoods.pdf>.

<sup>9</sup> Mauritius Revenue Authority, *MRA-Customs Application for Advance Origin Ruling*. Viewed at: <https://www.mra.mu/download/AORForm.pdf>.

<sup>10</sup> Mauritius Revenue Authority, *The Excise Act*. Viewed at: <https://www.mra.mu/download/ExciseRegulations2003.pdf>.

<sup>11</sup> Mauritius Revenue Authority, *The Customs Act*, Section 24A. Viewed at: <https://www.mra.mu/download/CustomsAct1988.pdf>.

<sup>12</sup> WTO document G/RO/N/1, 9 May 1995. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/G/RO/N1.pdf&Open=True>.

**Chart 3.1 Importation under preferential tariff regimes in 2019**

Source: WTO Secretariat calculations, based on information provided by the authorities.

3.13. The Mauritius Trade Easy Portal lists rules of origin for each trade agreement.<sup>13</sup> For example, under COMESA, an imported product is deemed to originate in the country where it has been wholly produced, or, if not wholly produced where it has been sufficiently processed; this latter condition can take several forms: (i) when the c.i.f. value of foreign materials does not exceed 60% of the total cost; (ii) when the value-added from production processes accounts for at least 35% of the ex-factory costs of the good (or 25% in some cases); or (iii) there is a change in tariff heading at the HS six-digit level in the country claiming the origin. The SADC FTA, the China-Mauritius FTA, and the CECPA with India each have product-specific rules of origin. In January 2020, amended rules of origin under the IEPA aim at simplifying procedures for economic operators (Section 3.2.1).

### 3.1.3 Tariffs and other import taxes

#### 3.1.3.1 General features

3.14. The three main taxes collected at import are the customs tariff, the value added tax (VAT), and the excise duty. Excise duty and VAT are also applied to locally produced goods. Total taxes collected on imports have declined from 38% of total revenue in FY 2007/08 to 35% in 2013 and to 32% in FY 2019/20 (Table 3.4). Over the period, the share of VAT levied at the domestic level (rather than imports) increased. The share of excise duties levied on imports remained stable at 76% of total excise duty collected.

**Table 3.4 Revenues from customs duties, VAT, and excise taxes, FY 2007/08 to FY 2019/20**

(MUR million unless specified)

	FY 2007/08	2010 <sup>a</sup>	2013	FY 2017/18	FY 2018/19	FY 2019/20
Gross VAT, of which (%):	23,502	26,583	31,816	38,487	41,203	38,518
Domestic sales	51	51	52	54	53	55
Imports	49	49	48	46	47	45
Net VAT	18,508	21,088	26,016	33,000	34,910	32,680
(VAT repayments on capital goods)	4,994	5,495	-5,800	-6,187	-7,007	-6,403
Excise, of which (%):	7,900	9,331	13,577	20,111	20,869	18,925
Domestic sales	23	23	23	23	22	24
Imports	77	77	77	77	78	76

<sup>13</sup> Mauritius Trade Easy, *Mauritius Trade Agreements*. Viewed at: <http://www.mauritiustrade.mu/en/trade-agreements>.

	FY 2007/08	2010 <sup>a</sup>	2013	FY 2017/18	FY 2018/19	FY 2019/20
Customs duties	2,636	1,525	1,389	1,344	1,379	1,216
Total tax revenue	47,639	55,208	67,990	91,490	98,300	91,787
Total revenue	53,219	65,478	78,224	105,825	108,265	103,872

a Accounting period was financial year before 2010 and after 2016. It was calendar year between 2010 and 2016.

Source: Information provided by the authorities.

### 3.1.3.2 Applied MFN tariffs

3.15. Mauritius has pursued its tariff liberalization, which launched about two decades ago. Its tariff structure has been significantly simplified through reductions of rates (mostly to zero) and a decisive move away from non-*ad valorem* tariffs. As a result, its simple average applied MFN tariff rate declined from 6.6% in 2007 to 2.3% in 2014, and to 1.3% in 2021. Overall, tariff protection for agricultural products increased slightly during the review period (Table 3.5 and Section 4.1), whereas tariff protection in the manufacturing sector declined to less than 1%.

**Table 3.5 Structure of applied MFN tariffs, 2007-21**

(%)

	2007	2014	2021	Final bound <sup>a</sup>
1. Bound tariff lines (% of all tariff lines)	n.a.	n.a.	n.a.	20.5
2. Simple average tariff rate	6.6	2.3	1.3	85.5
- Agricultural products (WTO definition)	8.5	1.8	3.2	119.4
- Non-agricultural products (WTO definition)	6.3	2.3	0.9	16.6
- Agriculture, hunting, forestry, fishing (ISIC 1)	4.9	0.6	0.5	117.1
- Mining and quarrying (ISIC 2)	1.5	0.3	0.3	Unbound
- Manufacturing (ISIC 3)	6.8	2.4	1.3	74.8
3. Duty-free tariff lines (% of all tariff lines)	79.0	88.8	93.5	5.1 (25.0)
4. Simple average rate of dutiable lines only	32.2	20.6	19.3	114.0
5. Tariff quotas (% of all tariff lines)	0.0	0.0	0.0	0.0
6. Non- <i>ad valorem</i> tariffs (% of all tariff lines)	5.9	4.8	0.0	0.0
7. Non- <i>ad valorem</i> tariffs with no <i>ad valorem</i> equivalents (AVEs) (% of tariff lines)	0.7	0.2	0.0	0.0
8. Domestic tariff peaks (% of all tariff lines) <sup>b</sup>	11.4	10.0	6.5	0.0
9. International tariff peaks (% of all tariff lines) <sup>c</sup>	11.6	3.8	1.7	15.4 (75.0)
10. Overall standard deviation of applied rates	18.7	10.3	5.7	52.6
11. Nuisance applied rates (% of all tariff lines) <sup>d</sup>	0.0	0.1	0.0	0.0

n.a. Not applicable.

a Final bound rates are based on the Consolidated Tariff Schedule (CTS) in HS17 nomenclature.

Calculations are based on total tariff lines. Figures in brackets are based on only bound tariff lines.

b Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.

c International tariff peaks are defined as those exceeding 15%.

d Nuisance rates are those greater than zero, but less than or equal to 2%.

Note: The 2021 tariff is based on HS17 nomenclature consisting of 6,522 tariff lines (at the eight-digit tariff line level). The 2014 tariff is based on HS12 nomenclature consisting of 6,343 tariff lines (at the eight-digit tariff line level). The 2007 tariff was based on HS07 nomenclature consisting of 6,238 tariff lines (at the eight-digit level) with both *ad valorem* and non-*ad valorem* duties; *ad valorem* equivalents (AVEs) were estimated based on 2013 import data at the eight-digit level from Statistics Mauritius and, where AVEs were not available, the *ad valorem* parts were used for alternate rates.

Source: WTO Secretariat calculations, based on tariff information provided by the authorities and WTO CTS database.

3.16. The main changes during the review period were the elimination of specific duties and an increase in sugar tariffs. All non-*ad valorem* (specific and compound) tariffs, which applied to 4.8% of all tariff lines in 2014, were replaced by the zero rate during the review period. The elimination of specific duties concerned mainly clothing products; indeed, the highest levels of tariff protection in 2014 were afforded to the clothing industry, notably suits, where tariff rates (largely non-*ad valorem*) were as high as 488% before customs duty was removed from these articles in

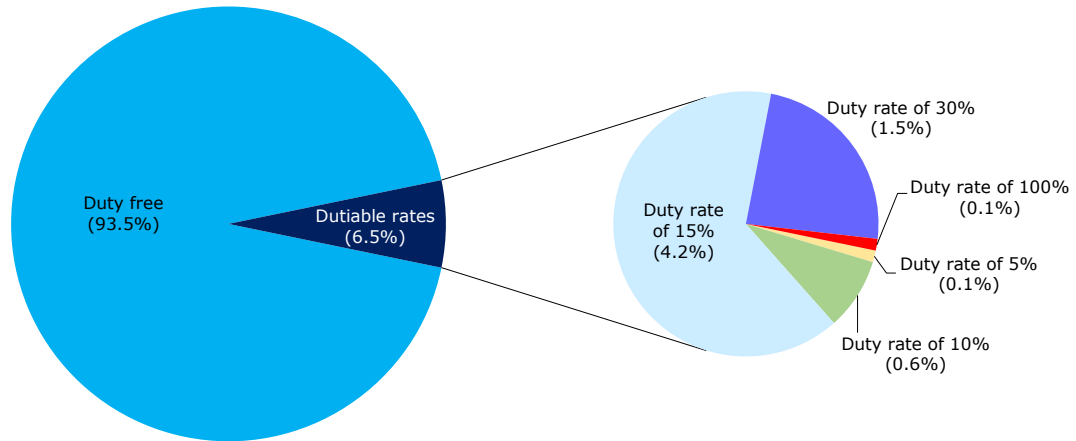


July 2016, leading to a 31% increase in the value of their imports between 2016 and 2019. Other products whose tariffs declined include glassware, and electrical machinery and equipment.

3.17. Mauritius' tariff in 2021 comprises six bands: zero (6,092 lines), 5% (6 tariff lines), 10% (37), 15% (272), 30% (100), and 100% (6) (Chart 3.2). Duty-free lines represent 93.5% of the total, i.e. the non-zero rates carried by the remaining 6.5% of total tariff lines are quite high. In fact, tariff rates on some six lines covering raw sugar increased to 100% (Section 4.1), while spirits, liqueurs, and other spirituous beverages record tariffs of 30% in 2021, up from 15% before 2017. Most lamps, including LED lamps, remain taxed at 30%, as are several types of furniture. Wine, beer, and soft drinks remain subject to a 15% tariff (Table 3.6).

**Chart 3.2 Distribution of MFN tariff rates, 2021**

(Share of total tariff lines)



Note: The 2021 tariff schedule consists of 6,522 tariff lines.

Source: WTO Secretariat calculations, based on data provided by the authorities.

**Table 3.6 Applied MFN tariffs, 2021**

	Number of lines	Simple average (%)	Tariff range (%)	Share of duty-free lines (%)	CV <sup>a</sup>
<b>Total</b>	6,522	1.3	0-100	93.5	4.5
<b>HS 01-24</b>	1,164	2.7	0-100	87.5	3.5
<b>HS 25-97</b>	5,358	0.9	0-30	94.8	4.6
<b>By WTO category</b>					
<b>WTO agricultural products</b>	967	3.2	0-100	84.9	3.2
Animals and products thereof	116	0.0	0	100.0	0.0
Dairy products	26	0.0	0	100.0	0.0
Fruit, vegetables, and plants	238	0.0	0	100.0	0.0
Coffee, tea, and cocoa and cocoa preparations	30	2.0	0-30	93.3	3.7
Cereals and preparations	136	0.3	0-15	97.8	6.7
Oils seeds, fats, oil and their products	86	1.5	0-15	86.0	2.5
Sugars and confectionery	29	20.7	0-100	79.3	2.0
Beverages, spirits and tobacco	148	14.1	0-30	29.7	0.8
Cotton	5	0.0	0	100.0	0.0
Other agricultural products, n.e.s.	153	1.3	0-15	87.6	2.7
<b>WTO non-agricultural products</b>	5,555	0.9	0-30	95.0	4.7
Fish and fishery products	266	0.0	0	100.0	0.0
Minerals and metals	1,019	0.7	0-30	95.3	4.6
Chemicals and photographic supplies	1,086	1.0	0-30	93.8	4.0



	Number of lines	Simple average (%)	Tariff range (%)	Share of duty-free lines (%)	CV <sup>a</sup>
Wood, pulp, paper and furniture	346	4.3	0-30	80.9	2.2
Textiles	617	1.0	0-30	93.8	4.1
Clothing	228	0.0	0	100.0	0.0
Leather, rubber, footwear and travel goods	168	0.8	0-30	97.0	5.9
Non-electric machinery	588	0.0	0	100.0	0.0
Electric machinery	294	1.3	0-30	95.6	4.6
Transport equipment	492	0.3	0-30	97.4	7.8
Non-agricultural products, n.e.s.	433	1.1	0-30	93.3	3.8
Petroleum	18	0.0	0	100.0	0.0
<b>By ISIC sector<sup>b</sup></b>					
ISIC 1 – Agriculture, hunting and fishing	406	0.5	0-15	95.3	4.6
ISIC 2 – Mining and quarrying	100	0.3	0-15	98.0	7.0
ISIC 3 – Manufacturing	6,016	1.3	0-100	93.3	4.4
<b>By stage of processing</b>					
First stage of processing	791	0.4	0-30	97.1	6.3
Semi-processed products	1,944	0.6	0-100	97.8	9.9
Fully processed products	3,787	1.8	0-30	90.5	3.3

a Coefficient of variation.

b International Standard Industrial Classification (Rev.2). Electricity, gas and water are excluded (one tariff line).

Note: Calculations for averages are based on the national tariff line level (eight-digit). Tariff schedule is based on HS17.

Source: WTO Secretariat calculations, based on data provided by the authorities.

### 3.1.3.3 Bound tariffs

3.18. Mauritius' open applied tariff regime contrasts with its limited binding coverage and high bound rates. Mauritius has bound only 20.5% of its tariff lines (Table 3.5), that is, all agricultural products and 7.9% of non-agricultural products.<sup>14</sup> The majority of agricultural products are bound at 122%. A lower bound rate of 37% applies to frozen boneless bovine and sheep meat, milk and cream, butter, processed cheese, potatoes, onions and shallots, peas, oranges, fresh grapes, wheat, maize, and rice. Bound duties of 82% apply to coconuts, almonds, bananas, tea, groundnuts, and tomatoes. Three quarters of those non-agricultural tariff lines that are bound are bound at zero; the remainder of non-agricultural tariff lines are bound at 65% and 122% for coral, products of fish and crustaceans, compounds of mercury, and concentrates of poppy straw.

3.19. "Other duties and charges" (ODC) were bound at 17% for all products subject to tariff binding commitments, except for frozen boneless bovine meat, milk and cream, processed cheese, potato seed, peas, maize, and printed matter, for which they were bound at zero.<sup>15</sup> In fact, clearance fees apply to tea and tobacco products (Section 4.1.2.2).

### 3.1.3.4 Tariff preferences

3.20. Given that 93.5% of Mauritius' MFN applied tariff is duty-free, the scope for tariff preferences is relatively limited, as indicated in Table 3.7, which contains tariff indicators for each trade agreement.

<sup>14</sup> Mauritius' list of tariff concessions was transposed successively into the 2007, 2012, and 2017 versions of the Harmonized System (HS). These lists were certified in 2013, 2018, and February 2021 within the transposition exercise fulfilled by the WTO Secretariat. The analysis is based on the list of tariff concessions in the 2017 version of the HS.

<sup>15</sup> Schedule CXVIII, 15 April 1994.

**Table 3.7 Preferential tariffs, 2021**

Simple average (%)

	Overall	WTO agriculture	WTO non-agriculture	Products	Max tariff
Applied MFN	1.3	3.2	0.9	19.3	100
AfCFTA	1.3	3.2	0.9	19.3	100
China	1.1	2.7	0.8	18.2	100
COMESA Group 1	0	0	0	0	0
COMESA Group 2	0.1	0.3	0.1	1.9	10
European Union	0.7	1.6	0.6	12.8	100
India	0.9	2.7	0.6	19.2	100
IOC (Madagascar)	0.0	0.0	0.0	0	0
Pakistan	1.2	3.2	0.9	19.2	100
SADC	0.0	0.0	0.0	13.0	13
Turkey	0.7	1.6	0.5	12.7	100
United Kingdom	0.7	1.6	0.6	12.8	100

Note: COMESA Group 1 includes Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia, and Zimbabwe. COMESA Group 2 includes the Democratic Republic of the Congo, Eritrea, Eswatini, and Ethiopia.

Source: WTO Secretariat calculations, based on data provided by the authorities.

3.21. Mauritius does not apply MFN tariff quotas. It has, however, granted preferential tariff quotas to India within the framework of the CECPA, their 2021 bilateral agreement. These apply to 101 tariff lines covering mostly manufactured articles, as well as spices and raw sugar. In most cases, imports within this preferential tariff quota are taxed at 90% of the MFN rate. For raw sugar, up to 5,000 tonnes may be imported at a rate of 50% (40% for specialty sugars), half the MFN rate of 100%.

### 3.1.3.5 Tariff exemptions and concessions

3.22. The MRA has the authority to grant *ad hoc* exemptions or concessions as specified in Part II of the First Schedule to the Customs Tariff Act. These could be reviewed for simplicity and transparency, and to reduce administrative costs as the revenue forgone because of these exemptions reached MUR 302 million (USD 7.5 million) in 2019 and has been increasing annually, while the duties collected are on a declining trend (Table 3.4).

- Some 54 categories of "unclassified" tariff exemptions apply to, *inter alia*: machinery equipment and parts, inputs for various manufacturing industries or in agriculture, fisheries, and aquaculture; equipment, fuels, and lubricants used by airlines and passenger handling companies; and construction equipment. Wheat flour imported by the State Trading Corporation (STC) is also exempt.
- A "reduced tariff" rate is granted only to various imports, classified under 11 groups, including parts and accessories for processing and assembly of machinery, components for building construction and renovation, riding boots, certain items used in horticulture and livestock breeding, training equipment, certain pharmaceuticals, and car gas kits.

### 3.1.3.6 Value added tax (VAT)

3.23. The fact that Mauritius' tariff schedule presents VAT and excise tax rates at the tariff-line level adds to transparency and predictability for importers. VAT is levied on the sales price (including excise duty) of all taxable supplies of goods and services produced in Mauritius, as well as on the duty-inclusive value of imports (the customs value plus border charges and excise duty). The standard VAT rate stands at 15%, unchanged since 2002.

3.24. The system provides for numerous VAT exemptions and zero-rated goods and services, which tend to decrease the price of these (mostly imported) goods. The main difference between zero rate and exempt supplies is that the suppliers of zero-rated goods or services can still reclaim all the VAT paid on their inputs, whereas the suppliers of exempt goods are either not registered for VAT or, if they are, they cannot reclaim their input VAT. During the review period, the number of exempt lines was reduced from 725 lines to 312 lines (Table 3.8), but the number of zero-rated goods and services (Table 3.9) was increased 685 to 1,227 lines. The reason for the switch was therefore to

bring a reduction in the price of those (mostly food) products to make them affordable and accessible to all consumers; indeed, with the exemption system the VAT on inputs cannot be deducted and tends to be incorporated into the final price. No estimate is calculated of the revenue forgone due to these exemptions.

**Table 3.8 VAT-exempt supplies, 2021**

(bold: items added to the list since 2014)

Item
Wheat; cereal flours (excluding wheat flour)
Animal or vegetable fats and oils other than ghee <b>produced in Mauritius</b> and edible oils
Food preparations for infant use put up for retail sale
<b>Breakfast cereals</b>
Common salt other than common salt produced in Mauritius
Invalid carriages; orthopaedic or other appliances
Educational and training services provided by Mauritius Qualification Authority-registered institutions
Journals and periodicals
Goods reimported in respect of which no refund was made on exportation
Goods imported under the transshipment procedure
Articles reimported after repairs
Bona fide passenger baggage, household and personal effects
Goods (excluding merchandise for sale, tobacco in any form, wines, spirits, arms and ammunition) imported by post of a value for duty purposes not exceeding MUR 1,000
Green house, shade screens, and irrigation systems imported for use in agriculture
Charges under a hire purchase agreement or under a finance lease agreement; postal services
Vegetable seeds, fruit and flower seeds, bulbs and plants, used for sowing or planting
Renting of fixed telephone lines; Internet services charges up to MUR 100 per billing period
Aircraft leasing, aircrafts of heading 88.02
Ships for the transport of persons or goods or both persons and goods falling under heading 89.01
Fishing vessels, factory ships and other vessels for processing or preserving fishery products
Works of art, collectors' pieces and antiques
Cargo handling services
Entrance fees to any sports event
The renting of accommodation for a continuous term exceeds 90 days
Grant, assignment or surrender of any interest in or right over land or of any licence to occupy land
Sale or transfer of immovable property by a VAT registered property developer to a VAT registered person
Burial and cremation services and coffins
<b>The following financial services: (i) banking services; (ii) services provided by foreign exchange dealers and money changers; (iii) the issue, transfer or receipt of, or dealing with any stocks, bonds, shares, debentures and other securities; (iv) the issue or transfer of ownership of a unit under any unit trust; (v) the management of investment funds and pension funds; (vi) the arrangement, provision or transfer of ownership of any contract of insurance or reinsurance under the Insurance Act; (vii) the making of loans between entities within the same group; and (viii) such other financial services as may be prescribed</b>
Buses and chassis used for the transportation of the general public
Gold unwrought or in semi-manufactured forms, chains and similar articles, clasps and parts of silver or other precious metal suitable for use in the manufacture of jewellery, minted gold bars imported, purchased or offered for sale by the Bank of Mauritius
Blood glucose strip of HS Code 3822.001
Lancets of heading 90.18 and glucometer of HS Code 9027.801
Equipment for medical, surgical and dental uses
Cotton of headings 52.01, 52.02 and 52.03
Pearls, diamonds, stones, silver and platinum including waste and scrap
Machinery and equipment for weaving and preparing textile materials
Emery, natural corundum, natural garnet and other natural abrasives of HS Code 2513.20
Preparations for the treatment of textile materials, leather, fur or other
Printed circuits of heading 85.34 and electronic integrated circuits and micro-assemblies of heading 85.42
Pigs', hogs' or boars' bristles and hair; badger hair and other brush-making hair;
Machinery to clean, fill and wrap bottles and parts
Watch movements of heading 91.08 and HS Codes 9110.11 to 9110.19 and watch or clock parts
Construction of a building relating to an Integrated Resort Scheme
Anti-smoking chewing gum and anti-smoking patches
Life jackets
Parts of footwear of HS Code 64.06
Buckles and shoe lasts
Shoe welt
<b>Colostomy bags and disposable urinary bags</b>
Entrance fees to cinemas, concerts and shows
Cinematographic films, including royalties

Item
<b>Bio-pesticides</b>
<b>Cocopeat and substrate used as a growing medium for plants</b>
<b>Plates, sheets and strip of cellular or non-cellular rubber</b>
<b>Briefs and napkins for incontinent persons</b>
<b>Commode chairs with toilet bowls</b>
<b>3D printers</b>
<b>Hospital beds with mechanical or electrical fittings</b>
<b>Sterile water used before, during and after operation, of HS Code 2201.90.20</b>
<b>Manual labour supplied by an individual to a VAT registered person for the purpose of making supplies in the agricultural sector or the construction sector</b>
<b>Payment of subscription fees to a trade union or such statutory or professional body</b>
<b>Linseed, mustard seeds, papadum, Sagoo (pearl seeds), sesamum seeds, basil seeds</b>
<b>Vermicelli</b>
<b>Graduated compression garments, hosiery, gloves and headgear</b>
<b>A maximum amount of MUR 100,000 (USD 2,500) per person on one motor car for use as taxi</b>

Source: Mauritius Revenue Authority, *Value Added Tax Act* (Consolidated Version up to Finance Act 2020), Fifth Schedule. Viewed at: <https://www.mra.mu/download/VATAAct.pdf>.

3.25. The value of goods imported by post that are VAT-exempt was increased from a value of MUR 1,000 to MUR 2,000 in December 2012, then to MUR 3,000 in June 2017, and then back to MUR 1,000 (USD 25) as at October 2020. As at 2021, any person importing goods through postal and courier services benefits from a VAT and customs duty exemption on the first MUR 1,000 of the value (excluding merchandise for sale, tobacco in any form, spirits, and ammunition).

**Table 3.9 VAT zero-rated items**

(bold: items added to the list since 2014)

Item
Goods exported from Mauritius under Customs control
<b>Rice, bread, wheat flour and wheat bran; edible oils; margarine and butter; milk and cream, buttermilk, whey, kefir and other fermented milk and cream; cheese and curd; sugar, sugar cane, molasses and bagasse; primary unprocessed agricultural and horticultural produce; live animals of a kind generally used as food for human consumption, other than live poultry; birds' eggs in the shell; edible meat and offal, fresh, chilled or frozen; soya bean cakes or chunks; meat-free vegetable burgers and vegetable sausages of HS Code 2106.90.40; tea; honey; spices; fertilizers; animal feeding stuffs other than prepared pet foods; printed books, and similar printed matter (except directories and reports) of heading 49.01 and atlases of HS Code 4905.91.10; children's picture, drawing or colouring books of heading 49.03; music, printed or in manuscript, whether or not bound or illustrated of heading 49.04; common salt produced in Mauritius; fish, fresh, chilled or frozen, ghee produced in Mauritius; kerosene including kerosene jet type fuel</b>
The transport of passengers and goods by sea or air
Any supply of goods made by and duty-free shop operator situated at the port or airport, or elsewhere provided that the goods are delivered, under Customs control, to the departing person at the port or airport
Goods or services supplied meant wholly and exclusively for Freeport activities in a freeport zone
<b>Supply of services to a foreign person who is outside Mauritius when the services are performed; and the supply of services: (i) by a holder of a management licence to corporations holding Global Business (GB) licence; or (ii) by a bank in respect of its banking transactions with non-residents and corporations holding a GB licence</b>
Electricity supplied by the Central Electricity Board and the renting out of a meter, the reconnecting of electricity supply and the carrying out of infrastructure works, by the Board; photovoltaic systems including photovoltaic generators, panels, batteries and inverters; water supplied by the Central Water Authority and infrastructure works by the Authority; water for irrigation; <b>chilled deep-sea water used for the provision of air conditioning services</b>
Goods and services supply by the Wastewater Management Authority
Aeronautical services provided within an area at the airport, including renting of spaces, hangarage and handling of aircraft by an operator holding an investment certificate under the Investment Promotion Act
Dyes, products and preparations, of headings 3809, 3204, and 3212
Raw hides and skins and leather of headings 41.01 to 41.15
Silk, silk yarn and woven fabrics of silk, of headings 50.02 to 50.07
Wool and other animal hair, yarn and woven fabrics made of wool or other animal hair, of HS 51.01-13
Cotton sewing thread, yarn and woven fabrics of cotton, of headings 52.04 to 52.12.
Vegetable fibres, yarn and woven fabrics of vegetable fibres, of headings 53.01 to 53.11
<b>Sewing thread, yarn, fabrics of synthetic, artificial or man-made filaments, of headings 54.01-08</b>
<b>Yarn and fabrics of synthetic, artificial or man-made staple fibres, of headings 55.01-16</b>
Wadding and nonwovens, of heading 56.03 and of HS Codes 5601.21.10, 5601.22.10, and 5601.29.10
Rubber thread and cord, yarn and strip and the like, of headings 56.04, 56.05, and 56.06
Fabrics of headings 58.01 to 58.04, 58.06, 58.09, 59.03, 59.06, 60.01, 60.06, and 5907.00.10

Item
Labels, embroidery in the piece and the like, of headings 58.07, 58.08, 58.10, and 58.11 and HS 6307.90.20
Buttons, press and snap-fasteners and press studs, button blanks, and other parts of these articles
Slide fasteners and parts thereof, of heading 96.07
Dyeing services
Potassium nitrate, mono potassium phosphate and magnesium sulphate
Antibiotics of heading 29.41
Pharmaceutical products of headings 30.01 to 30.06
Construction of semi-industrial fishing vessels during the period from 1 January to 31 December 2012
<b>Production of films for export</b>
<b>Entrance fee to a new world class aquarium</b>
<b>Up to 30 June 2020, fees payable for examination of vehicles under the Road Traffic Act</b>
<b>CCTV camera systems, including CCTV digital video recorders</b>
<b>Burglar alarm systems and sensors, including patrol and monitoring equipment; and their maintenance</b>
Sanitary towels, pads, tampons and cups
Watch straps, watch bands and watch bracelets of HS Codes 9113.20.00 and 9113.90.00 and parts thereof
Cooking gas in cylinders of up to 12 kg for domestic use
Transport of passengers by public service vehicles and by light rail
Protective masks against dust, odours and the like of HS Code 6307.90.30
Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters of HS Code 9020.00.00
Hand sanitizers of HS Code 3808.94.10
Medical, hospital and dental services, including clinical laboratory services

Source: Value Added Tax Act 1998 (Consolidated Version up to Finance Act 2020), Fifth Schedule. Viewed at: <https://www.mra.mu/download/VATAAct.pdf>.

### 3.1.3.7 Excise and other duties

3.26. Some 557 tariff lines are covered by excise taxes<sup>16</sup> that generally have a health or environmental rationale. Their effect, however, is likely to be reduced by a 60-page list of concessions exempting certain manufacturers, SMEs, farmers, fishermen, and numerous other persons or bodies from excise duty for certain goods, and which could be reviewed for administrative simplification.<sup>17</sup>

3.27. Excise taxes range over 100% for motor vehicles and tobacco. Added new excise duties since 2014 concern certain dairy products and fruit juices containing sugar; insecticides, rodenticides, fungicides, and herbicides; various energy-inefficient household appliances (refrigerators, dishwashing machines, ovens, household room air conditioners, tumble dryers, and electric lamps); household or laundry-type washing machines (based on energy efficiency); and electric filament lamps, including "LED" lamps (also based on energy efficiency).

3.28. In June 2020, the Government doubled the rate of excise duty to 6 cents per gram on sugar-sweetened beverages on 13 tariff lines.

3.29. In contrast, excise duties have been reduced for hybrid or electric vehicles to promote sales of vehicles emitting less CO<sub>2</sub> but continue to be a function of cylinder capacity. Since 2011, a rebate on the excise duty payable on an imported car is granted if its CO<sub>2</sub> emission falls below the threshold of 150 grams per kilometre. The threshold is revised yearly. Another rebate of 30% on applicable excise duty has been in force since 5 April 2021 to promote sales of vehicles; according to the authorities, this rebate was granted following the increase in freight rate charges (the excise duty is applicable to the c.i.f. price) and following the rupee's depreciation.

3.30. The Maurice Ile Durable levy (MID) is a tax on fossil fuels established in July 2008 to finance clean energy projects (e.g. subsidies for compact fluorescent lamps and solar water heaters). The MID is levied on coal and liquefied petroleum gas at MUR 0.30 per kg, and on fuel oil 180, fuel 380, and Jet A1 aviation fuel (at MUR 0.30 per litre). In 2015, the MID of MUR 0.30 was removed from marine gas oil 2,500 ppm used for bunkering, and in 2019 the MID of MUR 0.30 per litre was removed on motor gasoline and gas oils. According to the authorities, this was done to combat price

<sup>16</sup> Excise duties are levied under the Excise Act on the tariff inclusive c.i.f. value of imports and the ex-factory price of domestic goods. Viewed at: <https://www.mra.mu/download/ExciseAct.pdf>. Excise regulations were viewed at: <https://www.mra.mu/download/ExciseRegulations1994.pdf>.

<sup>17</sup> Excise Act, Part IA, p. 145. Viewed at: <https://www.mra.mu/download/ExciseAct.pdf>.

increases of these products; however, it runs counter to the Government's environmental protection policy.

### 3.1.4 Import prohibitions, restrictions, and licensing

3.31. Mauritius has provided regular annual responses to the WTO's questionnaire on import licensing procedures since 2014.<sup>18</sup> Its import licensing system continues to apply to both a list of prohibited goods and to a list of restricted or controlled goods subject to import permits. Procedures are administered by the Trade Division of the Ministry of Commerce and Consumer Protection (MCCP), and most goods subject to import prohibitions or controls and restrictions are listed in the Consumer Protection (Control of Imports) Regulations 2017.<sup>19</sup>

3.32. Products concerned by import prohibitions are listed in Table 3.10. Changes since the previous Review are in bold. Since 2014, second-hand motor vehicles above a specified age have been added to the list of outright import prohibitions for security reasons, whereas these products were previously subject to import permits.

**Table 3.10 Import prohibitions, 2021**

(bold: additions since 2014)

Product	Rationale for prohibition
Aerosol spray containing benzene	Protection of life
All round logs and timber products from Liberia	UN General Assembly Resolution
Jelly confectionery containing E425	Health
Jelly confectionery containing food additives E400 (alginic acid), E401 (sodium alginate), E402 (potassium alginate), E403 (ammonium alginate), E404 (calcium alginate), E405 (propane-1, 2-diol alginate), E406 (agar), E407 (carrageenan), E407a (processed eucheuma seaweed), E410 (locust bean gum), E412 (guar gum), E413 (tragacanth), E414 (acacia gum), E415 (xanthan gum), E417 (tara gum), and E418 (gellan gum)	Health
Ball valve bottles	Safety
Batteries containing mercury	Environmental protection
Bull bars pertaining to motor vehicles	Security
<b>Non-pharmaceutical aerosols using chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs)</b>	<b>Health/environmental protection</b>
Cosmetic products containing vitamin K1 (phytonadione)	Health
Crocidolite (blue asbestos) and its products	Safety
Electric water heaters with bare element and parts and accessories thereof	Safety
Toy pistols and guns with projectiles	Safety
Firecrackers of a type commonly known as "pétards rapés"	Safety
Small fishing hooks, other than those meant for re-exportation only after processing	Protection of marine fauna
<b>Incandescent lamps of 75 watts and above</b>	Environmental protection
White phosphorous matches	Safety

<sup>18</sup> WTO document G/LIC/N/3/MUS/4, 26 September 2014. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS4.pdf&Open=True>.

WTO document G/LIC/N/3/MUS/5, 8 October 2015. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS5.pdf&Open=True>.

WTO document G/LIC/N/3/MUS/6, 8 August 2016. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS6.pdf&Open=True>.

WTO document G/LIC/N/3/MUS/7, 22 September 2017. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS7.pdf&Open=True>.

WTO document G/LIC/N/3/MUS/8, 12 October 2018. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS8.pdf&Open=True>.

WTO document G/LIC/N/3/MUS/9, 20 February 2020. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS9.pdf&Open=True>.

WTO document G/LIC/N/3/MUS/10, 25 September 2020. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/LIC/N3MUS10.pdf&Open=True>.

<sup>19</sup> MCCP, Trade Division. Viewed at: <https://commerce.govmu.org/Pages/Departments/Trade-Division.aspx>; and MCCI, Government Notice No. 160 of 2017, Consumer Protection (Price and Supplies Control) Act. Viewed at: <https://www.mcci.org/media/165408/the-consumer-protection-control-of-imports-regulations-2017-1.pdf>.



Product	Rationale for prohibition
Items containing CFCs and HCFCs	Environmental protection
Motor vehicle rubber tyres which have been remoulded, recapped or regrooved	Safety and prevention of deceptive practices
Kerosene stoves of a type commonly known as "lampes vertes" and parts thereof	Safety
PVC teething rings	Health
Ivory and tortoise shell	Conservation of endangered species
Underwater fishing guns	Environmental protection
Marine/sea turtle	Environmental protection
<b>Motorcyclist's full-face protective helmets (crash helmets) with tinted plastic shield</b>	<b>Safety</b>
Sugar and chocolate confectionery and gum in the form of cigarettes	Protection of children
<b>Second-hand motor vehicles, except for the first vehicle imported by an individual importer: (i) motorcars below 18 months and above 4 years from the date of first registration; (ii) dual purpose vehicles below 18 months and above 3 years from the date of first registration; (iii) goods vehicles (lorries, etc.) above 6 years from the date of first registration; (iv) vans, other than motor buses, above 4 years from the date of first registration; and (v) motor buses above 3 years from date of first registration</b>	<b>Safety</b>
Spare parts and accessories of second-hand motor vehicle	Safety and prevention of deceptive practices
Toy motorcyclists' helmets	Safety and prevention of deceptive practices
<b>"Roll your own cigarettes" papers imported under HS Code 48.13</b>	<b>Health</b>
Portable laser penlights/torches of 1 MW (milliwatt) or more	Safety
Polybrominated or polychlorinated biphenyls and terphenyls and trisphosphate	Safety
Rolling machines (other than industrial types) used to manufacture cigarettes	Safety
Asbestos fibres	Health
Toy known as "Yoyo water ball"	Health

Source: Mauritius Chamber of Commerce and Industry, *Government Notice No. 160 of 2017, Consumer Protection (Price and Supplies Control) Act*, Third Schedule. Viewed at: <https://www.mcci.org/media/165408/the-consumer-protection-control-of-imports-regulations-2017-1.pdf>.

3.33. For those restricted or controlled goods, an import permit is required (Table 3.11). Since 2014, several products have been removed from the list of controlled items, including milk and canned food products, certain plastic and rubber articles, agricultural products, chemicals, cement, certain equipment, food and bakery additives in general, iron sheets, and life-saving jackets.

**Table 3.11 Import permit requirements for restricted goods, 2021**

HS code	Items	Entity	Rationale
01.01-01.06	Live animals and animal products	Veterinary Division of the Ministry of Agro Industry and Food Security (MAIFS)	SPS
06.01-06.04, 07.01-07.14, 08.01-08.14	Plants and plant products	National Plant Protection Office, MAIFS	SPS
	Novel food; baby feed bottle, teat, nipple and baby feed mug; bottled water; canned food for infant and child; edible fat and oil, including shortening, margarine, vanaspati, ghee	Food Import Unit, Ministry of Health and Wellness (MOHW)	SPS
03.01-03.08, 16.03-16.05, 95.07	Fish and fish products, hooks of small size	Ministry of Blue Economy, Marine Resources, Fisheries and Shipping	Conservation
01.01-01.06, 06.01-06.04	Endangered species of plants and animals	MAIFS	Conservation
07.01, 07.03	Potatoes, onions, garlic, and seeds thereof; by-catch fish	Agricultural Marketing Board	Self-sufficiency

HS code	Items	Entity	Rationale
10.06	Rice, broken, semi- or wholly milled basmati or other rice in the husk	Ministry of Commerce and Consumer Protection (MCCP)	Food security
11.01	Wheat or meslin flour	MCCP	Food security
27.09, 27.10	Petroleum and bituminous minerals oils	MCCP	Safety/self-sufficiency
29.03, 38.25, 39.23	Plastic bags, refrigerants, etc.	Ministry of Environment, Solid Waste Management and Climate Change	Environmental protection
3604.10, 90	Fireworks, firecrackers	MCCP	Safety
24.03, 30.01-30.06, 85.43	Pharmaceuticals, e-cigarettes, flavoured tobacco for water pipe	MOHW	Health
Ex 28, Ex 29, 31, Ex 38	Dangerous chemicals, pesticides	Dangerous Chemicals Control Board, MOHW	Health, environmental protection
85.17, 85.25	Telecommunications interception equipment	ICTA	Security
7102.10, 7102.21, 7102.31	Rough diamonds	MCCP	Kimberley Process
71.08	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder	MCCP	Prevent illegal trade/money laundering
7112.91.00	Waste and scrap of gold including metal clad with gold but excluding sweepings containing other precious metals	MCCP	Prevent illegal trade/money laundering
15.15, 34.01, 36.02, 93.01-93.07	Weapons, firearms, ammunitions and explosives, torch emitting electrical discharge, sex toys, hemp oil, etc.	Mauritius Police Force, Prime Minister's Office	..
65.05, 95.03	Toys, helmets	Mauritius Standards Bureau	Security
89.02	Fishing vessels	MCCP	Safety
84.23	Weighing machinery and instruments	Legal Metrology Services	Compliance with standards
90.16	Balances	Legal Metrology Services	Metrology
9504.3011, 19	Games operated by coins, banknotes, bank cards, tokens or other means of payment, other than bowling alley equipment, in completely and not completely knocked down condition falling under the HS Code 9504.39	MCCP	..
26.12, 28.44, 28.45, 84.01, 90.22	Radioactive material, radioactive substances, radioactive waste, X-ray equipment and other sources capable of emitting ionizing, etc.	Radiation Safety and Nuclear Security Authority	Security, health
37.06, 97.05	National Heritage, archival material, films, etc.	Ministry of Arts and Cultural Heritage	Cultural heritage
3002.15.10, 3822.00.20	COVID-19 Home Self-Testing Kit	MCCP	Health/security

.. Not available.

Source: Mauritius Chamber of Commerce and Industry, *Government Notice No. 160 of 2017, Consumer Protection (Price and Supplies Control) Act*. Viewed at: <https://www.mcci.org/media/165408/the-consumer-protection-control-of-imports-regulations-2017-1.pdf>; and information provided by the authorities.

3.34. In the absence of an import permit, imported goods are deemed to be prohibited goods and liable to seizure (Section 66 of the Customs Act). However, such goods may be allowed to be re-exported or imported, provided this is authorized by the concerned ministry or agency.



3.35. In 2019, to reduce approval time for the granting of import permits, the MCCP issued regulations stipulating that the approval of an import permit shall be done within two working days.<sup>20</sup>

### 3.1.5 Anti-dumping, countervailing, and safeguard measures

3.36. The Trade (Anti-Dumping and Countervailing Measures) Act, enacted in July 2010, is designed to protect the domestic industry against unfair trade practices such as dumping and subsidies.<sup>21</sup> Until that date, there was no formal application from the local industry under this Act for a trade remedy investigation. Consolidated Trade Remedies legislation, also including safeguards under one single enactment, is expected to be introduced in 2021.

## 3.2 Measures Directly Affecting Exports

3.37. Mauritius' location in the middle of the Indian Ocean is a blessing for carrying out redistribution of goods arriving from the Middle East and Asia among the other African markets, as well as re-exports of African products to Asian markets. But it comes with obvious limitations as a manufacturing base, given the small size and isolation of the island. The Government has tried to maximize efficiency to overcome this structural handicap, including during the review period, with regular efforts towards simplification of export registration and controls, and a largely duty-free import regime in order to reduce input costs.

3.38. Meanwhile, export subsidy schemes in FY 2019/20 amounted to around USD 3.9 million (0.23% of Mauritius' recurrent budget). They include the Trade Promotion and Marketing Scheme, the Agricultural Freight Rebate Scheme, the Export Credit Insurance Scheme, and the SME Refund Scheme. These programmes were rationalized during the period to focus increasingly on freight costs. In addition, the Freeport Scheme continues to provide generous benefits to companies engaging in the light processing of imported goods before re-exports: these re-exports have declined strongly in value terms (to USD 1.5 billion in 2020) but still account for over a fifth of total exports.

### 3.2.1 Registration and documentation

3.39. To use the TradeNet system, exporters must be registered with the MRA, the Registrar of Business, and Customs. Export declarations, together with any other required documents, must be submitted to Customs online through TradeNet. An electronic mechanism verifies documents and issues authorizations.

3.40. Certificates of origin that Mauritian exporters require to obtain preferences under Mauritius' preferential agreements with the European Union, the SADC, the IOC, Pakistan, Turkey, China, India, and the AfCFTA (Section 2.3.2) are delivered by Customs; whereas the MCCP issues COMESA, Generalized System of Preferences, and African Growth and Opportunity Act (AGOA) visas. In 2005 a document was published to help exporters meet the different rules of origin under COMESA and the SADC; the document has yet to be updated to reflect the recent developments.<sup>22</sup> According to the authorities, the SADC rule of origin for textiles is stringent as compared to the EU rule, as it requires double transformation, and sourcing of raw materials in the SADC region is challenging.

3.41. In March 2020, amended rules of origin under the IEPA with the European Union entered into force.<sup>23</sup> They included the transcription to the HS17 nomenclature of the product-specific rules of origin, and elimination of the issuance of the EUR1 Certificate of origin as from September 2020. A registered exporter system for invoice declaration now enables importers to declare preferential imports on the basis of an invoice declaration that is self-certified by the exporter as proof of origin, which is trade facilitative. Also, comingling of sugar was introduced, providing flexibility to ship sugar

<sup>20</sup> MCCP, *Government Notice No. 140 of 2019, Consumer Protection (Price and Supplies Control) Act*. Viewed at: [https://commerce.govmu.org/Documents/Legislations/GN%20140%20of%202019%20-Consumer%20Protection%20\(Control%20of%20Imports\)%20\(Amendment%20No.%204\)%20Regulations%202019.pdf](https://commerce.govmu.org/Documents/Legislations/GN%20140%20of%202019%20-Consumer%20Protection%20(Control%20of%20Imports)%20(Amendment%20No.%204)%20Regulations%202019.pdf).

<sup>21</sup> Trade (Anti-Dumping and Countervailing Measures) Act 2010. Viewed at: <https://www.mcci.org/media/35841/trade-anti-dumping-and-countervailing-measures-act-2010.pdf>.

<sup>22</sup> Enterprise Mauritius (2005), *Exporting to COMESA/SADC Countries*.

<sup>23</sup> Official Journal of the European Union, *Decision No. 1/2020 of the EPA Committee of 14 January 2020*. Viewed at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2020.093.01.0001.01.ENG&toc=OJ:L:2020:093:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.093.01.0001.01.ENG&toc=OJ:L:2020:093:TOC); and.

of different origins without keeping the sugar in separate stores with no change in origin. In addition, the evidence to be supplied to customs authorities of the importing country was simplified in cases when transshipment or customs warehousing of originating goods takes place in a third country.

### 3.2.2 Export taxes, charges, and levies

3.42. Mauritius does not apply export taxes, charges, or levies. However, the Government levies a cess on sugar exports (Section 4.1.2).

### 3.2.3 Export prohibitions, restrictions, and licensing

3.43. Since 2013, as described below, Mauritius has simplified and reduced the number of its export control regulations. Permit requirements that remain are for two main purposes: (i) to control exports of products considered "strategic" or "sensitive" to the economy; and (ii) to track goods claiming preferential treatment in certain importing countries. Applications for export permits to the MCCP online via TradeNet are being phased out; instead, the Mauritius TradeLink (Single Window) is to become the only channel for permit application and processing.<sup>24</sup> Permits are valid for up to six months and are to be issued no later than two working days upon receipt of an application.<sup>25</sup>

3.44. The number of goods subject to export permit requirements was considerably reduced during the review period (Table 3.12). A ban on exports of waste and scrap metals was lifted in 2019, and companies may now export all scrap metals provided that they are licensed to do so by the MCCP.<sup>26</sup> According to the authorities, Mauritius is in the process of domesticating the Basel Convention.

**Table 3.12 Export permit requirements, 2021**

HS Code	Description of goods	Controlling agencies/documents required	Rationale/change since 2014
01.01-06	Live animals (all species, including birds)	(1) Approval from the Ministry of Agro Industry and Food Security (MAIFS); (2) Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for monkey and for other endangered species	Protection of live animals and CITES obligation
03.01-07	Fish and fish products	Ministry of Blue Economy, Marine Resources, Fisheries and Shipping (MBEMRFS)	SPS
05.08	Corals and shells	MBEMRFS	Conservation
02.01-10	Meat and offal (fresh, chilled, frozen)	Authorization from the MAIFS	Removed
07.01-12	Vegetables (fresh and dried)	Approval from the Ministry of Commerce and Consumer Protection (MCCP) based on authorization from the MAIFS	Removed
09.10	Spices	Analytical report to certify absence of Sudan dyes	Removed
10.06	Rice	MCCP	Food security
11.01	Wheat or meslin flour	MCCP	Food security
16.01-05	Meat and fish preparations	Authorization from the MAIFS	Removed
17.01	Sugar	Authorization for sugar and sugar contents from the Mauritius Sugar Syndicate	Export monitoring
17.04	Sugar confectioneries and products with sugar content	..	Removed
20.09	Fruit juices	..	Removed
22.02	Non-alcoholic beverages	..	Removed
25.05	Sand	MCCP	Environmental protection
25.21	Limestone	MCCP	Security reasons

<sup>24</sup> MCCI, *Application for Export Permit through Mauritius Trade Link*, 25 April 2017. Viewed at: <https://www.mcci.org/en/media-news-events/business-updates/application-for-export-permit-through-mauritius-trade-link/>.

<sup>25</sup> MCCP, *Government Notice No. 141 of 2019, Consumer Protection (Price and Supplies Control) Act*. Viewed at: [https://commerce.govmu.org/Documents/Legislations/GN%20141%20of%202019%20-%20Consumer%20Protection%20\(Export%20Control\)%20\(Amendment\)%20Regulations%202019.pdf](https://commerce.govmu.org/Documents/Legislations/GN%20141%20of%202019%20-%20Consumer%20Protection%20(Export%20Control)%20(Amendment)%20Regulations%202019.pdf).

<sup>26</sup> Mauritius Trade Easy, *Consumer Protection Scrap Metal GN 151 of 2019*. Viewed at: [http://www.mauritiustrade.mu/en/import-procedures/select-your-product/customs-and-compliances/regulation?id=821&code\\_produit=&pays\\_procedure=&mode=&code\\_client=](http://www.mauritiustrade.mu/en/import-procedures/select-your-product/customs-and-compliances/regulation?id=821&code_produit=&pays_procedure=&mode=&code_client=).

HS Code	Description of goods	Controlling agencies/documents required	Rationale/change since 2014
25.23	Portland cement	MCCP	Security reasons
50.01-63.10	Textile and textile articles for export to United States, Canada	MCCP	Compliance with trade protocols and agreements
67.01	Birds' feathers	Authorization from the MAIFS	Removed
7102.10, 21, 31	Rough diamonds	KPC certificate	Kimberly Process Certification
..	Waste and scrap metals	Approval of MCCP	Combating theft
96.01	Decorative seashells	MBEMRFS	Conservation

.. Not available.

Source: Mauritius Trade Easy, *Export Regulations and Taxes*. Viewed at: <http://www.mauritiustrade.mu/en/export-procedures>; and MCCP, *Consumer Protection (Export Control) (Amendment No. 3) Regulations 2017*, GN No. 158 of 2017. Viewed at: [https://commerce.govmu.org/Documents/Legislations/GN%20158%20of%202017%20-Consumer%20Protection%20\(Export%20Control\)%20\(Amendment%20No.%203\)%20Regulations%202017.pdf](https://commerce.govmu.org/Documents/Legislations/GN%20158%20of%202017%20-Consumer%20Protection%20(Export%20Control)%20(Amendment%20No.%203)%20Regulations%202017.pdf).

### 3.2.4 Export incentives

3.45. Export incentives and promotion activities have been rationalized and, since January 2018, mostly carried out by the Economic Development Board (EDB), a new statutory body under the aegis of the Ministry of Finance, Economic Planning and Development (MFEPD), following the merger of the Board of Investment, Enterprise Mauritius, and the Financial Services Promotion Agency.

#### 3.2.4.1 Tax incentives

3.46. Exporters are taxed at a lower corporate tax rate than are domestic producers: while corporate tax is levied at a general rate of 15% (unchanged since 2014), companies engaged in exports of goods from Mauritius have been taxed at 3% since 2017.<sup>27</sup> The authorities have explained that the tax reduction was granted in response to a continued fall in exports from Mauritius over the last few years and the need to sustain exports and preserve jobs. These measures were to be reviewed when the COVID-19 pandemic occurred, which caused a further fall in export earnings.

#### 3.2.4.2 Freeport Scheme

3.47. The Mauritius Freeport was set up in 1992 with total entrepôt space of 5,000 m<sup>2</sup>, to promote Mauritius as a regional trading and logistics hub. In 2020, lands with Freeport status reached 350,000 m<sup>2</sup> of warehouses, processing units, open air storage, and office facilities. One of the two freeports is next to the Port Louis Harbour, and the other is located at the international airport.

3.48. In consultation with MRA and Customs, the EDB assesses Freeport Development projects; the Government may, on the recommendation of the EDB, provide for any area to be added to, or to be removed from, a freeport zone. Eligible activities are presented in Table 3.13. As at June 2020, there were 185 active freeport certificate holders, down from 259 in 2014 and 205 in 2019.

**Table 3.13 Activities eligible under the Freeport Scheme, 2021 and changes since 2014**

Activity	Eligible activities
Third-party freeport developer	Building, developing, and managing infrastructural facilities, warehouses, cold storage, offices, exhibition centres, processing units, and open storage, for rental to a freeport developer or freeport operator to carry out logistics services, marketing activities, and holding of exhibitions, trade fairs, and other events and authorized activities
Private freeport developer	Building, developing, and managing by the enterprise of its own infrastructural facilities, warehouses, cold storage, offices, exhibition centres, processing units, open storage, the carrying out of its own logistics services, marketing activities and holding of exhibitions, trade fairs and other events, and its own authorized freeport activities.
Freeport operator	(i) warehousing and storage; (ii) breaking bulk; (iii) sorting, grading, cleaning, and mixing; (iv) labelling, packing, repacking, and repackaging; (v) light assembly; (vi) minor processing; (vii) building, repairs, and maintenance of ships, aircrafts, and heavy-duty equipment; (viii) storage, maintenance, and repairs of empty containers; (ix) freight forwarding (repealed)

<sup>27</sup> Mauritius Revenue Authority, *Corporate Taxation*. Viewed at: <https://www.mra.mu/index.php/business/corporate-tax#taxrates>.

Activity	Eligible activities
	in 2018); (x) quality control and inspection services; (xi) export and re-export-oriented airport- and seaport-based activities; (xii) manufacturing (repealed in 2018); (xiii) global trading (repealed in 2018); (xiv) vault for keeping gold, silver, platinum, precious and semi-precious stones, precious metals, pearls, works of art, and collectors' pieces or antiques; and (xv) security, courier, assaying, or exhibition area, used wholly and exclusively for the vault referred to in sub-item xiv

Source: Information provided by the Freeport authorities.

3.49. The rules governing the freeport scheme are the Freeport Act No. 43 of 2004, as amended<sup>28</sup> and the Freeport Regulations (2005).<sup>29</sup> In the budget for FY2018/19, the Government reaffirmed its determination to reinforce the Mauritius Freeport and harmonize its regime to those international best practices and compliance standards set by the Organisation for Economic Co-operation and Development (OECD), the WTO, and the European Union, and accordingly amended the Freeport Act through the Finance (Miscellaneous Provisions) Act 2018:

- The total corporate tax exemption was removed in June 2018; henceforth any new operator or developer is subject to a minimum tax rate of 3% instead of the indefinite 0%. The zero tax regime applied until June 2021 to operators registered before June 2018.
- Also in June 2018, the limit on the share of sales of goods onto the domestic market was removed; previously not more than 50% of total sales could be sold domestically.
- Before 2018, 95% of operators' annual enterprise turnover must consist of export of manufactured goods; of this, at least 80% must be exported to other African countries. Since then, these restrictions have been removed, and manufacturing is no longer an authorized activity under the Freeport regime; however, 10 existing manufacturing companies have been allowed to continue.
- Provision of the following services is no longer allowed: (i) global trading and freight forwarding; and (ii) freeport-related services outside Mauritius for advisory, marketing, engineering, project management, technical support, and related services through a company incorporated in Mauritius.

3.50. Meanwhile, the freeport licensees enjoy an exemption from customs duties on all goods imported into the freeport; they pay reduced port handling charges (around 50% of normal rates) for all goods imported into and re-exported from a freeport zone. Supplies purchased from within Mauritius by a licensee operating within a freeport zone are zero-rated for VAT refund purposes.

### 3.2.4.3 Duty drawback

3.51. Under the export drawback scheme, available outside of freeport zones, exporters are entitled to duty drawback on goods imported for the purpose of processing, manufacture, or repair prior to exportation, as well as on goods imported and re-exported in the same state.<sup>30</sup> The value of drawback in FY 2019/20 was MUR 619,282 (USD 15,500).

### 3.2.4.4 Export finance and insurance

3.52. Until 2015, export finance, and to a large extent export insurance, was available only through private-sector institutions. Since 2015, the Export Credit Insurance Scheme has provided a subsidy on the cost of the premium to eligible companies subscribing for credit insurance cover for their direct exports worldwide, in order to encourage them to take an insurance cover to secure trading and, hence, boost exports from Mauritius.<sup>31</sup> The scheme is open to companies manufacturing goods

<sup>28</sup> Mauritius Revenue Authority, *The Freeport Act 2004*. Viewed at: <https://www.mra.mu/download/FreeportAct2004.pdf>.

<sup>29</sup> Mauritius Revenue Authority, *Freeport Regulations 2005*. Viewed at: <https://www.mra.mu/download/FreeportRegulations2005.pdf>.

<sup>30</sup> Customs Act, Part 11 (Sections 106-109); and Customs Regulations 1999.

<sup>31</sup> MFEFD, *Export Credit Guarantee Insurance Scheme*. Viewed at: <https://mof.govmu.org/Documents/Documents/Guichet%20Unique/EDB/Export%20Credit%20Guarantee%20Scheme.pdf>.

locally (including grandfathered Freeport manufacturing, see above) that have been in operation for at least one year. The EDB, who has run the scheme since 2018, pays 50% of the premium directly to the insurers, up to a maximum of 0.2% of the insurable declared turnover. The scheme in 2021 covers all export products and markets. The amount disbursed in FY2020/21 was MUR 2.5 million (approx. USD 62,500).

### 3.2.4.5 Other export subsidies

3.53. Since 2017, the EDB has implemented the Trade Promotion and Marketing Scheme (TPMS), which is extended annually.<sup>32</sup> It refunds 60% of exporters' basic air freight costs, up to a maximum of MUR 30 million (USD 750,000) per company per annum. All agricultural products and non-agricultural products manufactured in Mauritius are eligible for the TPMS except for machinery, live animals, and chemicals. The TPMS is available for exports to Africa, Australia, Canada, Europe, Japan, the Middle East, the United States, and Viet Nam. The Sea-Air Option (Mauritius-Reunion Island-CDG Paris) was also available for exports from 1 November 2020 to 30 June 2021, following reduced connectivity between Mauritius and Europe. A budget of MUR 200 million (about USD 5 million) was allocated for the TPMS in FY 2020/21. The TPMS is used mostly for exports of vegetables, chilled fish, leather, and textile products.

3.54. In addition to the TPMS (air freight export subsidies), Mauritius has a Freight Rebate Scheme in place that provides sea freight export subsidies for agricultural products (Section 4.1.2.5).

3.55. A new government scheme introduced in 2020 aims to finance the administrative costs for a "Made in Mauritius" warehouse in Tanzania and Mozambique. The scheme subsidizes the rental and administrative costs of warehouses in selected African countries, to support access and increase competitiveness of Mauritius' manufactured products in these markets, including products from the Freeport. The Government supports 60% of the costs of the warehouse during the first two years of operations, on a cost-sharing basis with the private sector (40%).<sup>33</sup> The budget for this programme is MUR 50 million (USD 1.25 million) for the two-year period FY2020/22.

### 3.2.4.6 Export promotion and marketing schemes

3.56. Export promotion activities have been rationalized and, since January 2018, have been carried out by the EDB, which provides grants or loans to companies seeking to develop their exports. Eligible projects include market entry and distribution research, identification and development of channels or partners that enhance access to regional and international markets, and trade show participation. The EDB grants 50% of qualifying expenditure incurred on activities such as participation in overseas trade fairs, exhibitions, and business missions, up to MUR 100,000 (USD 2,500) per annum.

3.57. In particular, the Small and Medium Enterprises Development Authority was replaced by SME Mauritius Ltd in 2017.<sup>34</sup> The SME Marketing Support Scheme helps SMEs send samples to potential clients abroad; the maximum grant support was 50% of the costs of air freight for sending such samples, subject to a maximum of MUR 25,000 (USD 625) per annum.<sup>35</sup> Activities and costs also refundable under the Scheme include testing for compliance on a specific market by a certified body; development of an e-catalogue; export market prospection costs; cost related to conferences, seminars, networking, or training related to export; and design, marketing tools, and administrative costs relating to export consignments or export documentation.

<sup>32</sup> EDB, *Schemes*. Viewed at: <https://www.edbmauritius.org/schemes?scheme=9>.

<sup>33</sup> MCCI, *Call for Expression of Interest for Warehousing Facilities in Mozambique*. Viewed at: <https://www.mcci.org/en/media-news-events/business-updates/call-for-expression-of-interest-for-warehousing-facilities-in-mozambique/>.

<sup>34</sup> Ministry of Industrial Development, SMEs and Cooperatives, *The Small and Medium Enterprises Act 2017*. Viewed at: <https://enterbusiness.govmu.org/Documents/Archives%20New/The%20Small%20and%20Medium%20Enterprises%20Act%202017.pdf>.

<sup>35</sup> SME Mauritius, *SME Marketing Support Scheme (MSS) – Apply*. Viewed at: <https://smemu.org/sme-marketing-support-scheme-mss/>.



### 3.3 Measures Affecting Production and Trade

#### 3.3.1 Standards and other technical requirements

3.58. The institutional and legal framework governing standards development in Mauritius has remained unchanged since the previous Review. The MSB operates under the oversight of the Ministry of Industrial Development, SMEs and Cooperatives. The MSB is a corporate body that has been set up under the Mauritius Standards Bureau Act 1993 (last amended in 1999) with decision-making authority vested upon the Board (the Standards Council), which provides the policy and strategic direction of the MSB. The MSB is the national standards body and is responsible for providing conformity assessment services including metrology, testing, and certification of management systems and products. The MSB is also the government's TBT Enquiry Point, while the International Trade Division of the MFARIIT is the TBT National Notification Authority. During the review period (2014-21), Mauritius submitted 11 notifications to the WTO.<sup>36</sup> No specific trade concerns were raised in the WTO TBT Committee about Mauritius' technical regulations.

3.59. The MSB is a member of the International Organization for Standardization (ISO) and the African Organization for Standardization (ARSO), and is beneficiary under the Affiliate Country Programme of the International Electrotechnical Commission (IEC). As a member of ISO, the MSB collaborates for the development of ISO standards and strategy by participating and voting in ISO technical and policy meetings.<sup>37</sup> The MSB is also actively involved in regional standardization with ARSO for the development and harmonization of standards.

3.60. As at April 2021, Mauritius had 875 standards in place, of which 20% were Mauritian standards, 67% were international standards, and 13% were European standards; 89 of the 875 Mauritian Standards are adoptions of African Regional Standards (ARS) harmonized by ARSO. The subject matter of these standards is set out in the 2021 Standards Catalogue. The MSB is responsible for the formulation of voluntary national standards. Standards development is carried out by technical committees composed of experts from industrial, technical, and business sectors (industries), as well as representatives of the Government, consumer organizations, NGOs, academia, and conformity assessment organizations. There are presently 16 standards committees covering a wide range of technical fields and about 20 subcommittees. The MSB publishes a work programme twice a year with its standards development activities. The main focus areas of standards development since 2014 have been good agricultural practice (MAURIGAP), food safety, tourism, energy efficiency of electrical appliances, safety and security, environmental management, sustainable cities and communities, road traffic and railway management, information and communications technology, personal protective equipment, and circular economy.

3.61. Technical regulations are developed, prepared, and issued by ministries, government departments, and regulators within their respective areas of responsibility. Ministers may, by public notice, declare a standard to be a mandatory standard through regulations after consideration of any written objection filed with the MSB. Announcements of technical regulations are published in the Government Gazette.<sup>38</sup> According to the authorities, the entities most active in this area are those responsible for commerce, industry, health, agro-industry, energy, and the environment.

3.62. Mauritius does not maintain a consolidated list of technical regulations in force. Some 100 technical regulations (mandatory standards) are referred to in legislation. Information on regulatory requirements affecting imports of all products may be found on the Mauritius Trade Portal.<sup>39</sup>

3.63. In line with one objective of Government Programme 2020-2024 to make Mauritius a plastic-free country, the Ministry of Environment, Solid Waste Management and Climate Change adopted specific measures to ban certain types of plastic products and plastic bags:

- According to the Environment Protection (Control of Single Use Plastic Products) Regulations 2020, single-use plastic products will be banned in stages, depending on the

<sup>36</sup> WTO document G/TBT/N/MUS/13, 23 July 2012.

<sup>37</sup> The MSB is a participating member in 21 ISO technical committees and 3 policy development committees and is an observing member in 57 other ISO technical committees.

<sup>38</sup> WTO document G/TBT/2/Add.40, 17 September 1997.

<sup>39</sup> Mauritius Trade Easy, *Facilitating Imports and Exports*. Viewed at: [www.mauritiustrade.mu](http://www.mauritiustrade.mu).

product, starting from 15 January 2021.<sup>40</sup> Only those biodegradable single-use plastic products specified in the regulations may be imported or manufactured. Importers and manufacturers of biodegradable single-use products must be registered with the Ministry of Environment, Solid Waste Management and Climate Change (MUR 10,000 registration fee), and imports require a permit (clearance).

- Non-biodegradable plastic bags have been banned since 1 January 2016 under the Environment Protection (Banning of Plastic Bags) Regulations 2015. These regulations were repealed, and new Environment Protection (Banning of Plastic Bags) Regulations 2020 entered into force on 1 March 2021.<sup>41</sup> Accordingly, the use, manufacture, sale, and imports and exports of plastic bags are banned, subject to certain exemptions (e.g. plastic bags designed to be used for the disposal of waste, including quarantine and clinical waste). Importers and manufacturers of exempt or biodegradable plastic bags are subject to registration with the Ministry of Environment, Solid Waste Management and Climate Change, and imports require a permit.

3.64. Imports of products subject to technical regulations are subject to clearance from the Ministry of Commerce and Consumer Protection, on their arrival at the border. The MSB is responsible for verifying conformity certificates accompanying these imports. If a product has been certified by a recognized body (i.e. an accredited body), no local certification is needed; if not, testing is carried out by the MSB. Testing fees levied by the MSB vary between MUR 800 and MUR 10,000. Import inspections are generally done by the MSB, but are also carried out by the MAIFS (Division of Veterinary Services), the Ministry of Health and Wellness (Health Inspectorate), and the Ministry of Commerce and Consumer Protection.

3.65. The accreditation body MAURITAS is responsible for providing accreditation to conformity assessment bodies, such as certification bodies, inspection bodies, and testing and calibration laboratories.<sup>42</sup> Since October 2018, MAURITAS has been a member of the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) and the International Accreditation Forum Multilateral Recognition Arrangement (IAF MLA). It is a member of the Mutual Recognition Arrangements of the Southern African Development Community Cooperation in Accreditation (SADCA) and of the African Accreditation Cooperation (AFRAC).

3.66. The MSB operates a third-party certification mark scheme (MAURICERT). Businesses (including foreign companies) whose products and processes meet the requirements of the relevant Mauritian standard may apply for a licence to use the MSB Certification Mark.<sup>43</sup> Prior to awarding a licence, the MSB conducts a preliminary visit to ensure the adequacy of the company's quality plan and of its implementation, and to test samples. Testing is undertaken by MSB laboratories or other accredited private sector laboratories. Licences are awarded for two years (renewable), and the Bureau conducts regular surveillance visits (around four to six visits a year).

3.67. Labelling requirements apply to pre-packed goods (under the Legal Metrology (Pre-packed Commodities) Regulations 2006).

### 3.3.2 Sanitary and phytosanitary measures

3.68. The WTO SPS Enquiry Point operates at the National Plant Protection Office (NPPO) of the Ministry of Agro Industry and Food Security (MAIFS), while the International Trade Division of the Ministry of Foreign Affairs, Regional Integration and International Trade (MFARIIT) functions as the SPS notification authority. Mauritius has submitted seven SPS notifications since 2014. No specific concerns regarding Mauritius' SPS measures were raised in the WTO SPS Committee.

<sup>40</sup> WTO document G/TBT/N/MUS/11, 5 November 2020. Viewed at: <https://docs.wto.org/imrd/directdoc.asp?DDFDocuments/t/G/TBTN20/MUS11.DOCX>. Part of the regulations became effective as from 15 January 2021, while other parts enter into force as from 15 April 2021 and 15 January 2022.

<sup>41</sup> WTO document G/TBTN20/MUS12, 5 November 2020. Viewed at: <https://docs.wto.org/imrd/directdoc.asp?DDFDocuments/t/G/TBTN20/MUS12.DOCX>.

<sup>42</sup> Mauritius Accreditation Service, *List of Accredited Entities*. Viewed at: <http://mauritas.org/entities.php>.

<sup>43</sup> The legal provisions governing the Certification Mark scheme are Section 21 of the Mauritius Standards Bureau Act 1993 (as amended) and the Mauritius Standards Bureau (Certification Mark) Regulations 2012.

COVID-19-related restrictions on imports of live animals and fish from certain countries were lifted on 22 May 2020.<sup>44</sup>

3.69. Mauritius is a member of the FAO/WHO Codex Alimentarius Commission, the International Plant Protection Convention (IPPC), and the World Organization for Animal Health (OIE). At the regional level, Mauritius is cooperating with other members of COMESA, the SADC, and the African Union to arrive at a common policy on SPS measures and for taking action on a regional level.

3.70. The Ministry of Health and Wellness controls the importation, manufacture, processing, storage, and sale of food, drinks, and certain chemicals. Generally, no SPS import permit is required by the Ministry on the importation of food and drinks. However, for six products/product groups listed in the third schedule of Food Regulation 1999 (as amended in 2017), a pre-market approval permit is required from the Ministry's Food Import Unit (Table 3.11).

3.71. The Food Act 1998 and Food Regulations 1999 are under review. According to the authorities, a new regulatory framework for food safety is under development.

3.72. The Animal Diseases Act 1925 governs, *inter alia*, procedures for the importation of animals (including verification, control, and quarantine).<sup>45</sup> The Animal Diseases Act is to be reviewed with a view to replacing it with an Animal Health Bill. The new Bill is still in the drafting stage.

3.73. Import permits are required from the Veterinary Division of the MAIFS for imports of live animals, animal foodstuffs, and meat. The Import Permit Committee of the MAIFS, which had the final authority to issue permits, was abolished in August 2019. However, import permits are issued by the Veterinary Division for processed poultry products.

3.74. Imports of fish and fish products are regulated by the Fish and Fish Products Regulations 2012; import permits are issued by the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping.

3.75. To date, Mauritius has not achieved freedom from foot-and-mouth disease (FMD). It had an outbreak of FMD in 2016 on Rodrigues Island.

3.76. The phytosanitary requirements for imports (and exports) of plants and plant products are governed by the Plant Protection Act. The Act and the Plant Regulations were amended several times to facilitate trade. A plant import permit is now required to remove an article from a freeport zone. Other amendments were made regarding inspections, duty of notification on arrival, export phytosanitary certificates, and re-export phytosanitary certificates.

3.77. Plant import permits issued by the NPPO are required for plants and plant parts and various other regulated items.<sup>46</sup> In total, they apply to 426 tariff lines. A permit is required for each consignment; it is valid for four months and subject to a fee of MUR 100 (USD 2.5).<sup>47</sup> In some cases, a permit will only be granted for imports of a certain commodity during a specified time of the year: for example, under a phytosanitary import protocol concluded between Pakistan and Mauritius, imports of Pakistani mangoes into Mauritius are permitted only during the off-season. For some sensitive products, such as certain vegetables where there is nascent domestic production, import volumes may be specified in import permits. However, there is no limitation on the number of import permits that may be applied for. Permits are issued within three to five working days for commodities that are regularly imported. The process takes longer for applications to import moderate- to

<sup>44</sup> WTO document G/SPS/N/MUS/18/Add.1, 4 June 2020. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=t:/G/SPS/NMUS18A1.docx&Open=True>.

<sup>45</sup> WTO Import Licensing Procedures database, *Animal Diseases Act*. Viewed at: [https://importlicensing.wto.org/sites/default/files/Animal%20Disease%20Act%201925\\_15.04.1925.pdf](https://importlicensing.wto.org/sites/default/files/Animal%20Disease%20Act%201925_15.04.1925.pdf).

<sup>46</sup> These regulated items are fruits (fresh and dry); planting media and rooting compost; coconut and copra; used agricultural machinery; dried flowers and potpourri; pulses and spices; animal feeds; timber; wooden products (furniture and handicrafts); some vegetables for hotel use only (fresh and frozen); certain fresh cut flowers; and organic fertilizer and microorganisms, beneficial organisms, and biological control agents.

<sup>47</sup> Ministry of Agro Industry and Food Security, *Services Provided by NPPO – Procedures to Follow for Service Users*. Viewed at: <https://agriculture.govmu.org/Pages/Departments/Departments/National%20Plant%20Protection%20Office/Is-sue-of-Plant-Import-Permit-for-importation-of-plant-and-plant-products.aspx>.



high-risk commodities for the first time, as the NPPO needs to undertake a pest-risk analysis. The NPPO has removed import permit requirements for some low-risk commodities, such as processed and frozen products.

3.78. Imported plants, plant products, and other regulated articles are subject to phytosanitary clearance by the NPPO Plant Quarantine Service, either at the point of entry or at the final destination. Importation of high-risk planting materials may be subject to post-entry quarantine. Selected agricultural commodities may be subject to phytosanitary treatment (heat and fumigation) prior to shipment to Mauritius.

3.79. Mauritius introduced new legislation regulating the use of pesticides, based on Codex standards for food additives and contaminants (Use of Pesticides Bill, 2018), which entered into force in September 2018. The main objective of the law is to regulate, control, and monitor imports and the use of pesticides in or on certain fresh fruits, plants, seeds, or vegetables with a view to, *inter alia*, minimizing risks to human health and the environment.<sup>48</sup>

3.80. Mauritius enacted the Genetically Modified Organism (GMO) Act in 2004, which entered into force partially in 2005 (Parts I-V).<sup>49</sup> A National Biosafety Committee was set up to develop regulations on imports, exports, and transit of GMOs. The GMO Act 2004 is currently subject to review by the National Biosafety Committee, which is seeking the legal vetting of the State Law Office. According to the authorities, any proposed changes to the GMO regime will be notified to the WTO.

### 3.3.3 Government procurement

3.81. Mauritius is not a member of, nor an observer to, the plurilateral WTO Agreement on Government Procurement. According to the authorities, Mauritius has no plans to seek membership. The total value of public procurement amounts to approximately USD 400 million annually, and a substantial share of this procurement is foreign sourced through open international bidding (Table 3.14). The main procuring entities are the water and electricity utilities, the health sector, and the transport infrastructure sector.

**Table 3.14 Public procurement above MUR 100,000 (USD 2,500), 2016-20**

(USD million)

	FY2016/17	FY2017/18	FY2018/19	FY2019/20
<b>Total</b>	413	435	377	388
<b>Breakdown by tendering method:</b>				
Open advertised bidding (national)	251	139	141	63
Open advertised bidding (international)	71	164	95	140
Share of total from abroad (%)	17	38	25	36
Request for sealed quotation	28	41	49	34
Restricted bidding	37	47	45	49
Direct procurement	17	26	32	25
Electronic procurement	3	10	7	22
Emergency procurement	1	1	3	22
Request for proposal	2	4	3	2
Informal quotation	1	3	2	2
Framework agreement <sup>a</sup>	2	0	0	29

a A bidding process is used for procurement of goods, works, and services that arise on a repetitive or urgent basis over a period of time. Public Procurement (Framework Agreement) Regulations 2013. Viewed at: <https://ppo.govmu.org/Documents/Regulations/Public%20Procurement%20%28Framework%20Agreement%29%20Regulations%202008.pdf>.

Source: Information provided by the Procurement Policy Office.

<sup>48</sup> WTO document G/SPS/N/MUS/17, 31 July 2018. Viewed at: [https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S006.aspx?FullTextHash=1&MetaCollection=WTO&SymbolList="G/SPS/N/MUS/17"+OR+"G/SPS/N/MUS/17/\\*"](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?FullTextHash=1&MetaCollection=WTO&SymbolList=).

<sup>49</sup> Food and Agriculture Organization of the United Nations, *FAO GM Foods Platform*. Viewed at: <http://www.fao.org/food/food-safety-quality/gm-foods-platform/browse-information-by/country/country-page/en/?cty=MUS>.

3.82. The Public Procurement Act (PPA) 2006, which entered into force in 2008 and was last amended in 2020, sets out the basic principles and procedures for the public procurement of goods, works, consultancy services, and other services.<sup>50</sup> The PPA 2006 and Procurement Regulations 2008 are updated and amended annually to facilitate the implementation of budgetary measures.

3.83. The website of the Procurement Policy Office (PPO) contains information regarding the legislative and regulatory framework for government procurement, whereas the Government's E-Procurement Portal provides for government agencies to upload annual procurement plans, procurement notices, summaries of bid evaluation reports, and notices of procurement awards.<sup>51</sup> The Electronic Procurement system was first introduced in September 2015; its use is mandatory for public bodies to carry out procurement activities.

3.84. Each government agency is in charge of calling, receiving, and assessing tenders at the different administrative levels. As per the First Schedule of the PPA 2006, however, beyond a threshold prescribed for each public body operating under the PPA (Table 3.15), a contract is considered as major and the bidding process is undertaken by the Central Procurement Board.

**Table 3.15 Thresholds for Central Procurement Board (CPB) approval of procurements by public bodies, 2021**

Public body	Threshold value	
	USD million	MUR million
Mauritius Qualifications Authority; other parastatal bodies not specified below	(0.351)	15
Local authorities; Rodrigues Regional Assembly	(0.585)	25
Ministries/government departments; Beach Authority; Farmer's Service Corporation; Financial Services Commission; Gambling Regulatory Authority; Irrigation Authority; Knowledge Parks; Mahatma Gandhi Institute; Mauritius Education Development Company; Mauritius Film Development Corporation; Mauritius Institute of Health; Mauritius Institute of Training and Development; Mauritius Meat Authority; Mauritius Oceanography Institute; Mauritius Standards Bureau; Mauritius Tourism Promotion Authority; National Computer Board; Open University of Mauritius; Private Secondary Schools Authority; Polytechnics Mauritius; Public Officers' Welfare Council; Rodrigues Education Development Company; Sir Seewoosagur Ramgoolam Botanical Garden Trust; Small Enterprises and Handicraft Development Authority; Sugar Industry Labour Welfare Fund; Sugar Planters Mechanical Pool Corporation; Tea Board; Tertiary Education Commission; Tourism Authority; University of Mauritius; University of Technology, Mauritius; Agricultural Marketing Board; Mauritius Examinations Syndicate; and Outer Islands Development Corporation	(1.170)	50
Airports of Mauritius; Cargo Handling Corporation; Central Water Authority; Development Bank of Mauritius; Enterprise Mauritius; Information and Communication Technologies Authority; Mauritius Housing Company; Mauritius Ports Authority; Mauritius Revenue Authority; Mauritius Shipping Corporation; Mauritius Sugar Authority; National Housing Development Company; National Transport Corporation; Road Development Authority; State Informatics; State Investment Corporation; State Property Development Company; Waste Water Management Authority; Central Electricity Board; Mauritius Broadcasting Corporation; State Trading Corporation	(2.339)	100

Note: Exchange rate of MUR 42.75 per USD.

Source: MFEPD, *A Consolidated Version of the Public Procurement Act*, 25 July 2019. Viewed at: <https://mof.govmu.org/Documents/Legislations/Other%20acts/Public%20Procurement%20Act%202006.pdf>.

3.85. The Central Procurement Board (CPB) is responsible for approving the award of all major contracts above specified thresholds (Table 3.15), as well as public-private partnership (PPP) projects that are subject to public procurement rules under the Public-Private Partnership Act 2004

<sup>50</sup> MFEPD, *A Consolidated Version of the Public Procurement Act*, 25 July 2019. Viewed at: <https://mof.govmu.org/Documents/Legislations/Other%20acts/Public%20Procurement%20Act%202006.pdf>

<sup>51</sup> Government of the Republic of Mauritius, *e-Procurement*. Viewed at: <https://govmu.org/EN/Pages/eprocurement.aspx>.

and the Build Operate Transfer (BOT) Projects Act 2016. The BOT Project Guidance Manual, circulars, and a template for recruitment of transaction advisers complement the BOT Projects Act.<sup>52</sup>

3.86. The PPO oversees policymaking and monitoring. In carrying out procurement audits, the PPO has the authority to request information and records from the CPB and other public bodies; in the event of non-compliance with requests for information, the matter may be referred to the Head of the Civil Service, and thereafter to the police, for enquiry.

3.87. Procurement methods are set out in the PPA 2006 and Public Procurement Regulations.<sup>53</sup> Open advertised bidding (open tendering) must be used for purchases of goods, works, and services, unless it is deemed by the procuring public body that it would not be efficient or practical or would be too costly given the value of the procurement. The grounds for using other procurement methods must be justified on record.

3.88. Tenders for open advertised bidding must be published in a national newspaper with wide circulation (for national tenders) and international media with wide circulation for international tenders. Open international bidding is to be used where: (i) the estimated value of the procurement exceeds the threshold of MUR 200 million (USD 50 million); (ii) the goods, works, or other services are not available under competitive price and other conditions from more than one supplier in Mauritius; or (iii) there is no response to open national bidding, and the goods, services, or works must be obtained from international bidders.

3.89. For works contracts, margins of preference in favour of Mauritian citizens or companies incorporated in Mauritius for employment of local labour have been applicable since 2012; however, since FY 2018/19, and until 31 July 2022, the PPO has suspended the application of this measure.

3.90. Also, for works up to MUR 300 million (USD 7.5 million) where no prequalification is required, contracts are to be reserved for locally registered contractors.

3.91. For the procurement of goods, several new "buy local" provisions were announced in the budget FY 2020/21 as a response to the economic crisis induced by the coronavirus pandemic:

- A 30% margin of preference is granted to SMEs, which may reach up to of 40% for SMEs producing locally manufactured goods bearing the "Made in Moris" certification issued by the Association of Mauritian Manufacturers; and
- A 20% margin is available for non-SMEs for their locally manufactured goods.

3.92. In addition, it has been announced in the Budget Speech for 2020-21 that ministries and government bodies will be required to have minimum domestic content of 30% in their purchases of goods, under Directive 50 (Ensuring Minimum Domestic Content of 30% in Purchases of Goods).

3.93. In October 2019, the PPO allowed the STC (Section 3.3.5) to apply a margin of preference of 15% at the evaluation stage to bids submitted by local companies for the supply of wheat flour and "ration" rice (long grain white rice) produced and processed locally.<sup>54</sup>

3.94. Procedures for challenging or appealing procurement procedures or decisions are set out in Part VI of the PPA. As a first step, a bidder or potential bidder may make representations to the CEO of the public body concerned. Cases are reviewed by an Independent Review Panel (Table 3.16).

**Table 3.16 Independent Review Panel caseload, 2008-13**

	2013	2014	2015	FY2016/17	FY2017/18	FY2018/19
IRP cases lodged	35	44	38	32	25	16
IRP cases with a decision	20	20	15	12	11	8

Source: Information provided by the authorities.

<sup>52</sup> These reference documents were viewed on the BOT Unit website: <http://bot.govmu.org/>.

<sup>53</sup> Public Procurement (Regulations 2008). Viewed at: <https://ppo.govmu.org/Documents/Regulations/Public%20Procurement%20%28Regulations%202008%29.pdf>.

<sup>54</sup> Public Procurement Office, *Directive No. 43*. Viewed at: <https://ppo.govmu.org/Documents/Directives/Directive%20No%20%2043.pdf>.

### 3.3.4 Incentives

3.95. The Government continued during the review period to provide a large variety of incentive schemes to its companies and potential investors. This intensified with the COVID-19 crisis. Selected schemes are presented in Table 3.17. The main instruments include reductions or exemptions of corporate tax (or tax on dividends paid to shareholders), subsidized loans, loan guarantees, and state investments in a wide variety of Mauritian businesses, including through the State Investment Corporation (SIC). For example, since March 2020, the SIC has implemented the COVID-19 Equity/Quasi-Equity Participation Scheme set up by the MFEPD. In 2020, MUR 37 million (USD 925,000) was disbursed as equity in COVID-19-impacted companies, which have up to five years to buy back the SIC shares.

3.96. In May 2020, the Bank of Mauritius (BOM) set up the Mauritius Investment Corporation (MIC) with a budget of USD 2 billion in 2020. The objective of the MIC is to mitigate contagion of the ongoing COVID-19-related economic downturn to the banking sector, thus limiting macro-financial risks. The MIC will provide support through a range of equity/quasi-equity instruments with a view to ensuring that large, important, and viable corporations or companies incorporated in Mauritius and having a minimum annual turnover of MUR 100 million (USD 2.5 million) and that are financially distressed as a result of the COVID-19 pandemic are kept afloat. The Government has, *inter alia*, directed MIC to invest in joint ventures in fishing activities.

3.97. Mauritius does not have a specific overarching legislation governing incentives and subsidies, but the Economic Development Board Act 2017 provides the MFEPD with the authority to make regulations for the administration of schemes, including any package of fiscal and other incentives to persons registered under a particular scheme.

**Table 3.17 Incentives offered under selected support programmes, 2021**

Incentives offered	Description of Scheme
<b>Partial exemption scheme – Provider: MRA</b>	
Partial tax exemption	Companies established in Mauritius that derive most of their income from specific activities, mostly abroad, are granted an 80% corporate tax rebate. This income may consist of foreign dividends; interest on intellectual property assets; income from ship/aircraft leasing, sale, financing, aircraft spare parts and aviation advisory services; or leasing and provision of international fibre capacity. The tax incentive is described in Section 2.4.3.
<b>Investment tax credit – Provider: MRA – Cost in FY 2019/20: MUR 44 million (USD 1 million)</b>	
Investment tax credit	Investment tax credit of 15% granted to all manufacturing companies over three years, where during the period 1 July 2016 to 30 June 2020 a manufacturing company producing goods specified in the Ninth Schedule of the Act and that has incurred capital expenditure on new plant and machinery used in that activity; or a company that has invested in the share capital of a subsidiary company engaged primarily in the setting up and management of an accredited business incubator, may deduct from its income tax of the year of acquisition or investment, and for each of the two subsequent income years, a tax credit of 15% of the investment or in the business incubator subject to a maximum of MUR 3 million (USD 75,000).
<b>Mauritius Business Growth Scheme (MBGS) – Provider: Development Bank of Mauritius (DBM) – Scheme phased out</b>	
Subsidized loans	All Mauritian private firms (except financial services and pure trading activities) were eligible for a loan to hire outside technical assistance to grow their businesses. MBGS paid 90% of the cost of eligible activities up to a maximum of MUR 3 million (USD 75,000) over the life of the scheme; moratorium on loan repayment for first three years; loan repayments based on a "royalty-on-incremental-sales" basis from the fourth year.
Grants	All private firms operating for profit (except financial services and pure trading activities) and all size categories. Monthly funding of MUR 20,000 (USD 500) for a maximum of one year.
<b>Investment Support Programme</b>	
Subsidized loans, loan guarantees	<b>Leasing Equipment Modernization Scheme</b> – A line of credit (including in foreign exchange) is offered by the Government to leasing companies provided majority shareholding by Mauritians. As at 30 April 2021, MUR 247 million (USD 6.2 million) has been disbursed and MUR 700 million were available for financing of schemes

Incentives offered	Description of Scheme
	<p><b>SME Factoring Schemes, Export Factoring Schemes</b> – Provide cash flow to entrepreneurs via the factoring of their credit sales invoices, or export credit sales invoices through Non-Bank Financial Institutions providing factoring services.</p> <p><b>Micro Entity Financing Scheme, SME Financing Scheme, Mid-Market Enterprise Financing Scheme</b> – Access to finance at subsidized rates.</p> <p><b>Corporate Guarantee Commercial Banks</b> – Complement banking facilities in favour of economic operators having inadequate collateral.</p>
<b>Business Development Scheme (No budgetary provision)</b>	
Subsidized loans	Financing of projects including in the manufacturing sector, trade and services, health, transport, printing and publication, tourism, information and communications technology (ICT), art, participation in trade fairs and surveys, and setting up of market fair and craft villages. Applicants are expected to provide different forms of security/collateral. Loans for up to 75% of project costs, up to MUR 5 million; interest rate is 8.5% per annum, with a repayment period up to seven years.
<b>Mauritius Investment Corporation – Provider: Bank of Mauritius (BOM) – Cost in 2020: MUR 80 billion (USD 2 billion)</b>	
Equity and quasi-equity investments	Investment in systemically large, important, and viable corporations or companies incorporated in Mauritius and having a minimum annual turnover of MUR 100 million (USD 2.5 million) and that are financially distressed as a result of the COVID-19 pandemic.
<b>National Equity Fund (NEF) – Provider: State Investment Corporation (SIC) and DBM – Total equity: MUR 150 million (USD 3.75 million) – Inactive since 2016</b>	
Equity investments	The objective of this 10-year closed-end fund was to invest in, and enhance the performance of, companies with meaningful growth potential. The Fund purchased equity capital of existing and new ventures in sectors considered strategic, including biotechnology, cotton spinning, information and communications technology, textiles, and tourism. SIC Fund Management managed the NEF's investments. It has been replaced by the SME Equity Fund.
<b>SME Equity Fund – Provider: SME Equity Fund – Total budgetary amount disbursed: MUR 250 million (USD 6.25 million)</b>	
Equity investments	Investment through redeemable preference shares or ordinary shares. Maximum financing of MUR 25 million (USD 625,000) in companies with turnover not exceeding MUR 250 million (USD 6.25 million). Promoters must have at least 51% equity stake in the company. Redemption of preference shares is at a cumulative dividend of 3% annually until 2020, and thereafter 6% or net asset value, whichever is higher.
<b>Film Rebate Scheme – Provider: EDB – Total disbursed as at November 2020: MUR 371 million (USD 9.3 million)</b>	
Grants	Film production companies incorporated or registered in Mauritius under the Companies Act (including ones with 100% foreign ownership) that have a successful track record of at least 5 years in film production benefit of up to 40% rebate on all the qualifying expenditures incurred in Mauritius. Film production must be carried out in Mauritius; production expenditure thresholds apply.
<b>Human Resource Development Council (HRDC) Training Scheme – Provider: HRDC – Total budgetary cost in FY2019/20: MUR 510 million (approx. USD 12.75 million)</b>	
Grants and tax deductions	Mauritian residents benefit from graduate training and employment skills development assistance.

Source: Government of Mauritius.

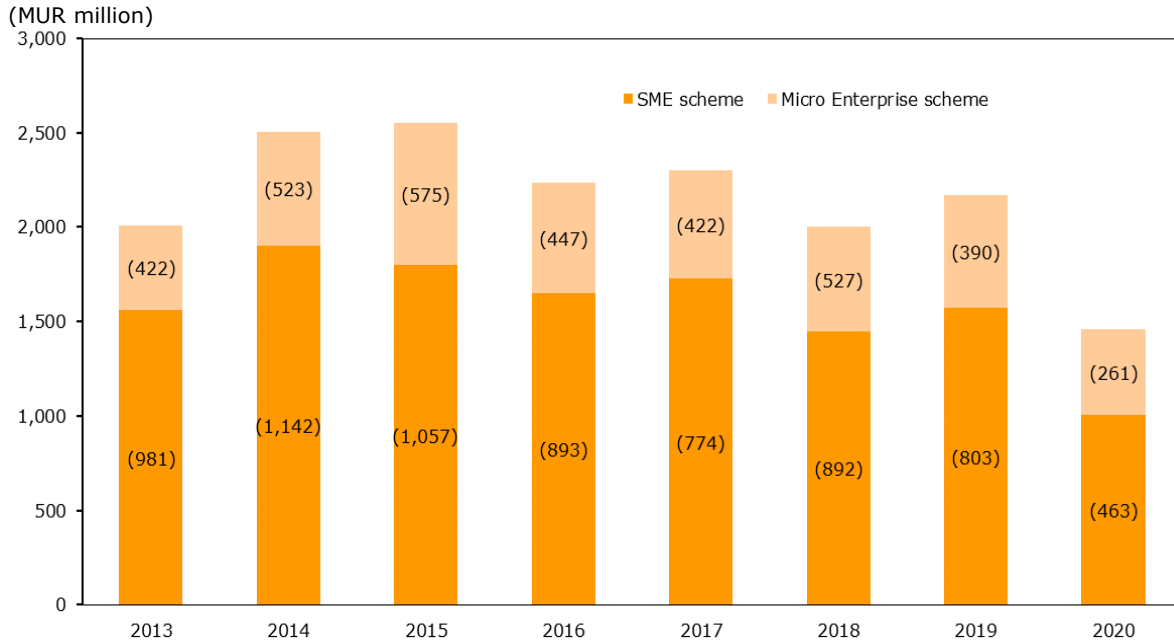
3.98. As indicated in Table 3.17, the Investment Support Programme (ISP) of July 2019 provides for subsidized loans and loan guarantees under several schemes for leasing equipment modernization, factoring, export factoring, and company financing.<sup>55</sup> It provides micro, small, and medium-sized enterprises (MSMEs) with subsidized bank loans and other assistance, as described in a Handbook on Schemes and Incentives for MSMEs and Entrepreneurs published in September 2020.<sup>56</sup> The scheme has been successful in terms both of the number of applicants and of the amounts disbursed (Chart 3.3). Under the scheme, domestic banks agree to lend to MSMEs

<sup>55</sup> Investment Support Programme. Viewed at: <https://ispltd.mu/sites/default/files/tender/TenderISPLtd.14.08.2020.pdf>.

<sup>56</sup> MFEPD, *Handbook on Schemes & Incentives for MSMEs & Entrepreneurs*, September 2020. Viewed at: [https://mof.govmu.org/Documents/Handbook\\_Website\\_Final%20\(1\).pdf](https://mof.govmu.org/Documents/Handbook_Website_Final%20(1).pdf).

and micro and small enterprises at 3 percentage points above the key repo rate. The BOM sets targets in accordance with the banks' respective shares of total credit to the private sector in Mauritius. Banks failing to meet these targets must either contribute the difference between actual and targeted lending to a development fund for SMEs<sup>57</sup> or obtain BOM authorization in order to on-lend this amount to another bank that has met its agreed lending targets. The bank receiving the loan must then lend it to MSMEs. In 2019, each of the 803 applying SMEs borrowed on average USD 45,000, whereas the 390 micro enterprises borrowed on average USD 40,600.

**Chart 3.3 Subsidized Credit to MSMEs, 2021**



Note: Figures in parentheses denote the number of applications received.

Source: Bank of Mauritius.

3.99. Mauritius' latest full subsidies notification to the WTO was made in 2019, covering support for fisheries, agriculture, manufacturing, and industry.<sup>58</sup> Most of these incentives take the form of loans, grants, and tax incentives.

### 3.3.5 State trading, state-owned enterprises, and privatization

#### 3.3.5.1 State trading

3.100. Mauritius has made regular notifications to the WTO on two state trading enterprises: the Agricultural Marketing Board (AMB) and the State Trading Corporation (STC). The latest notification was in 2020<sup>59</sup>, following two notifications in 2016<sup>60</sup> and 2019.<sup>61</sup> According to the authorities, neither state trading enterprise has export monopoly privileges. The activities of the AMB and the STC are described in Table 3.18 and Sections 4.1.2.3 and 4.2.2.

<sup>57</sup> The amendments to the BOM Act require banks that do not meet their SME financing targets to deposit with the BOM, at no interest, the difference between their actual lending and the agreed target. The BOM, through the development fund, may relend this amount to a commercial bank that has met its target.

<sup>58</sup> WTO document G/SCM/N/343/MUS, 12 June 2019. Viewed at: <https://docs.wto.org/dol2fe/Staff/Pages/SS/directdoc.aspx?filename=q:/G/SCM/N343MUS.pdf&Open=True>.

<sup>59</sup> WTO document G/STR/N/18/MUS, 16 June 2020. Viewed at: <https://docs.wto.org/dol2fe/Staff/Pages/SS/directdoc.aspx?filename=q:/G/STR/N18MUS.pdf&Open=True>.

<sup>60</sup> WTO document G/STR/N/16/MUS, 21 June 2016. Viewed at: <https://docs.wto.org/dol2fe/Staff/Pages/SS/directdoc.aspx?filename=q:/G/STR/N16MUS.pdf&Open=True>.

<sup>61</sup> WTO document G/STR/N/17/MUS, 10 January 2019. Viewed at: <https://docs.wto.org/dol2fe/Staff/Pages/SS/directdoc.aspx?filename=q:/G/STR/N17MUS.pdf&Open=True>.



**Table 3.18 Products imported by the State Trading Corporation**

Products (imports 2020)	HS Code	Nature of exclusivity, special rights, or privileges Market situation
Long grain white rice (23,000 metric tonnes (mt))	10064000	The STC is the sole importer of long grain white rice termed as "ration rice", which is sold at a subsidized price fixed by the Government. Subsidizing the sale of ration rice on the local market indirectly regulates the market price of rice imported by private companies.
Basmati rice (485 mt)	10063010	The STC is one of at least 50 importers. Imports of basmati rice have been liberalized since 2013.
Wheat flour (98,000 mt)	11010000	Sole importer of (subsidized) wheat flour. Wholesale and retail prices of wheat flour supplied by the STC are regulated by the Government. Other types of flour may be imported by private companies holding an import permit, for resale on the local market, mainly to bakers and wholesalers.
Motor gasoline (183,000 mt) Gasoiil 50 ppm (222,058 mt) Liquefied petroleum gas (LPG) (78,413 mt)	27101919 27101950 27111310	Sole importer and monopoly supplier. The STC procures 100% of the country's demand for petroleum products in bulk for domestic usage. The STC and the local petroleum companies jointly determine the quantity of petroleum products and LPG to be imported on a yearly basis. The seven grades of petroleum products are imported and sold to four privately owned local oil companies, which own storage and handling infrastructure and ensure distribution. The resale prices for motor gasoline and gasoiil used on the domestic market are determined by the Petroleum Pricing Committee. The retail price for LPG for domestic usage is determined by the Government through the M CCP.
Jet A1S (71,631 mt)	27101931 27101939	Sole importer. Prices determined by the STC.
Gasoiil 2,500 ppm (21,364 MT) HSFO 180 Catalytic Crack (33,575 mt) HSFO 180 Straight Run (97,535 mt) HSFO 380 Straight Run (118,789 mt)	27101950 27101969 27101969 27101969	Sole importer (except for products imported for marine bunker trade). Prices are determined by the STC.

Source: Information provided by the authorities.

### 3.3.5.2 State-owned enterprises and privatization

3.101. The State has an equity stake in a variety of Mauritian businesses, including in telecommunications, transport, and financial services (Table 3.19). Some of these equity holdings are through its investment arm, the SIC.

**Table 3.19 Selected state shareholdings, 2021**

Company	Shares held (%)	Activity sector
Agricultural Marketing Board	100	Trade
Air Mauritius Holding Co	18	Transport
Airports of Mauritius	..	Transport
Airports of Rodrigues	..	Transport
Beach Casinos	100	Gaming
Capital Asset Management	100	Financial services
Cargo Handling Corporation	54	Maritime transport
Casino de Maurice	100	Gaming
Casino Equipment	4.76	Gaming
Development Bank of Mauritius	..	Financial services
Ebene car park	100	ICT
EREIT Management	100	Real estate
Grand Baie Casino	100	Gaming
Lafarge Cement	7.93	Cement
Lakepoint	100	Entertainment and tourism
Le Caudan Waterfront Casino	51	Gaming
Le Grand Casino du Domaine	62.36	Gaming
Le Val Development	70	Entertainment and tourism
Lottotech	18.75	Gaming
Marina Village Hotel	11.25	Entertainment and tourism
Maurinet Investment	12.50	Communications
Mauritius Cargo Community Services (A)	19.29	Transport
Mauritius Cargo Community Services (B)	100	Transport
Mauritius Commercial Bank	3.4	Financial services
Mauritius Duty-Free Paradise	20	Distribution
Mauritius Freeport	..	..

Company	Shares held (%)	Activity sector
Mauritius Housing Company	13.33	Financial services
Mauritius Investment Corporation	100	All sectors
Mauritius Network Services	..	Maritime transport
Mauritius Oil Refineries	1.15	Oil refining
Mauritius Printing Specialists	..	Printing
Mauritius Shipping Corporation	..	Transport
Mauritius Shopping Paradise Co Ltd	43.35	Distribution
Mauritius Technologies Holdings Ltd	100	ICT
Mauritius Telecom	33.5	Telecommunications
Mauritius Chemical and Fertilizer Industry	..	Fertilizer production
MJTI Properties	91.37	Real estate
National Commercial Bank	100	Financial services
National Equity Fund	25	Financial services
Pointe Coton Resort Hotel	28.54	Entertainment and tourism
Port Louis Fund	39.28	Financial services
Prime Partners	100	Other services
Prime Real Estate	80	Real estate
Princes Tuna	5.31	..
Rodrigues Educational Development Co	20	Other services
SBM (Mauritius) Infrastructure Development Company	100	Financial services
SIC Capital Support Ltd	100	Financial services
SIC Development Co.	100	Financial services
SIC Fund Management	100	Financial services
SIC Management Services	100	Other services
Sky Jeans	..	..
Splendid Property Holdings	25	Real estate
SBM Bank	40.8	Financial services
State Trading Corporation	100	Trade
State Informatics	20	ICT
State Insurance Company of Mauritius	12.50	Financial services
State Investment Finance Corporation	80	Financial services
Sun Casinos	100	Gaming
Terragen	8%	..
Yihai Investment Ltd	48.96	Real estate

.. Not available.

Source: WTO Secretariat, based on information from the State Investment Corporation. Viewed at: <http://www.stateinvestment.com/>.

3.102. The Government has embarked on a divestment programme concerning a number of these assets; in June 2021, the National Equity Fund (NEF), SIC Fund Management, and Mauritius Shopping Paradise Co were reportedly in the process of winding up. A Steering Committee was set up in 2020 to oversee and monitor the exercise.

### 3.3.6 Competition policy and price controls

#### 3.3.6.1 Competition policy

3.103. Mauritius' Competition Act 2007 has been in force since 2009; it was described in detail in the previous Trade Policy Review report in 2014.<sup>62</sup> The Competition Act was amended in 2012 and 2019.<sup>63</sup> The 2012 amendments to the Act empower the Competition Commission (CC) to provide leniency and immunity under certain conditions, to encourage participants in cartels to expose cartel infringements and afford protection to informers. The 2019 amendment concerns protection from liability for staff of the CC.

3.104. The Competition Act does not apply to petroleum products or LPG; the CC regards these exclusions as applying to the restrictive practices listed in Part III of the Act. In case of uncertainty about whether or not an agreement, practice, or product fall within the exempted list, the CC may

<sup>62</sup> WTO document WT/TPR/S/304/Rev.1, 30 January 2015. Viewed at: <https://docs.wto.org/dol2festaff/Pages/SS/directdoc.aspx?filename=q:/WT/TPR/S304R1.pdf&Open=True>.

<sup>63</sup> Competition Commission, *Competition Act 2007*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2020/01/Competition-Act-2007-Amended-2019.pdf>.



carry out an investigation under Part IV of the Act, but will set out in its final report why it believes the matter is not excluded, if it takes action.<sup>64</sup>

3.105. The Competition Act does not apply to any agreement insofar as it contains provisions relating to the use, licence, or assignment of rights under or existing by virtue of laws relating to copyright, industrial design, patents, trademarks, or service marks, as these rights are based on the WTO TRIPS Agreement (Section 3.3.7). However, holders of intellectual property rights (IPRs) may not be permitted to "leverage" the legitimate monopoly power they enjoy from their IPRs to restrict or prevent competition in other markets. For example, the holder of an IPR for an imported food product will not be prevented by the CC from raising the price of that product. However, such an importer might be considered to be abusing a monopoly situation if he or she threatens not to supply that product to force customers to take other products from his or her line, or to agree to exclude the products of his or her competitors. "Bundling" of IPR-protected products with other products, whether formally through a restrictive agreement or for example through a retailer exclusively selling some brand and also thereby capturing customers for his non-branded products, could be an abuse of monopoly.

3.106. The CC has the powers to, *inter alia*, investigate restrictive business practices, undertake market studies, and advise the Government on matters relating to competition. Anti-competitive practices include collusive agreements (cartels), abuse of dominant positions, and anti-competitive mergers.<sup>65</sup> The Competition Act provides for several mechanisms for the CC to monitor the operation of markets and detect anti-competitive practices. These mainly consist of complaints, a leniency programme, merger notification, market studies, and monitoring of the conditions of competition in markets.

3.107. Various guidelines govern analysis applied in investigations and define the principles followed by the CC to determine penalties or remedies to be imposed under the Act. These guidelines relate to collusive agreements (for cartels), monopoly situations and non-collusive agreements, mergers, remedies and penalties, and general provisions<sup>66</sup>, as well as procedural rules.<sup>67</sup> Since 2009, the CC has undertaken 270 pre-investigations, 55 investigations, and 4 market studies, and it advised the Government on several competition matters (Table 3.20).

**Table 3.20 Investigations by the Competition Commission, June 2014-June 2021**

Title	Sector	Nature & Issues
Acquisition of a majority stake in Medine Distillery by New Goodwill	Food/beverages	Merger
Fixture lists (football data rights)	Entertainment	Abuse of monopoly
Online real estate listing	Real estate services	Abuse of monopoly
Resale price maintenance amongst supermarkets	Retail distribution	Collusive agreement
Bid rigging for the security system for the Moka Detention Centre	Security systems	Collusive agreement
'Komité Van Lekol' supply of student conveyance service	Transport services	Collusive agreement
Potential fixing of card service fee by Petrol Retailers Association	Petrol distribution	Collusive agreement
Agreements by members of the Customs House Brokers Association	Financial services	Collusive agreement
Agreements by members of the Association of Freight Forwarders	Freight transport	Collusive agreement
Proposed acquisition of the General Construction Company by IBL	Financial services	Merger
Fly Ash construction materials	Construction	Abuse of monopoly
Acquisition of 30% shares in Medscheme by Eagle Insurance	Insurance services	Merger
Proposed takeover of activities of Shoprite by Pick and Buy	Retail services	Merger
Pricing of mobile telephony services	Telecom services	Abuse of monopoly
Investigation into cross-border money transfer services	Financial services	Abuse of monopoly
Acquisition of the issued shares of Medscheme by Swan General	Insurance services	Merger
Possible restrictive business practices in the chicken industry	Food	Collusive agreement
Hire purchase	Financial services	Abuse of monopoly
Potential resale price maintenance in relation to Chantecler chickens	Food	Collusive agreement
Proposed merger of Holcim and Lafarge	Cement	Merger
Image-based clearing solutions provided to commercial banks	Financial services	Abuse of monopoly
Payment cards	Financial services	Abuse of monopoly
Private health insurance schemes	Insurance services	Undefined
Professional architect's council rules	Architecture services	Collusive agreement

<sup>64</sup> Competition Commission (2009), *Competition Guidelines*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2019/09/CC7-Guidelines-General-Provisions.pdf>.

<sup>65</sup> Competition Commission. Viewed at: <https://competitioncommission.mu/>.

<sup>66</sup> Competition Commission, *Guidelines*. Viewed at: <https://competitioncommission.mu/guidelines/>.

<sup>67</sup> Competition Commission, *Rules of Procedure 2009*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2021/03/CC1-Rules-of-Procedure1.pdf>.

Title	Sector	Nature & Issues
Potential collusive agreement in manufacture and supply of beer	Beverages	Collusive agreement
Merger review of TTC and CFAO	Car distribution	Merger
Supply of coolers to retailers by Phoenix and Quality Beverages	Beverages	Abuse of monopoly
Alleged abuse of monopoly power in secondary school books	School supplies	Abuse of monopoly
Supply of electronic ignition keys and services by car distributors	Cars	Abuse of monopoly
Proposed merger of the insurance businesses of Swan and Rogers	Insurance services	Merger
Market for telecommunications manhole covers	Telecommunications	Abuse of monopoly
Commingling of Pools Automatic Systems Ltd & Global Sports Ltd	Entertainment	Collusive agreement
MyT and bundled Internet access	Telecom services	Abuse of monopoly
Merger Review – Event Strategy Ltd & LC Events Co Ltd	Events organization	Merger
Bundling of insurance products and credit in the banking sector	Financial services	Abuse of monopoly
Alleged collusion in market for secondary school books	Educational material	Collusive agreement
Travel agent service fees	Travel agents	Collusive agreement
Importation of slaughter cattle in Mauritius	Livestock	Collusive agreement
Kraft and general rebates	Retail distribution	Abuse of monopoly

Source: Competition Commission, *Investigations*. Viewed at: <https://competitioncommission.mu/investigation/>.

3.108. The CC has also studied the effectiveness of competition in individual sectors of the economy. Ongoing studies during the review period concerned the cement market, the construction industry, and the pharmaceutical sector.<sup>68</sup> For several decades, the cement market had been highly regulated, through the application of retail price controls and the importation of 50% of the country's cement by the STC (Section 3.3.3). Government intervention was found to have hampered growth and competition in the industry. The CC's intervention in the cement market led to liberalization of the importation and pricing of bagged cement in July 2011.<sup>69</sup> An ongoing market study in the pharmaceutical market analyses the regulatory framework governing trade in pharmaceutical products and assesses market entry of generic alternatives (Box 3.1).<sup>70</sup>

<sup>68</sup> Competition Commission, *Market Studies*. Viewed at: <https://competitioncommission.mu/market-studies/>.

<sup>69</sup> Competition Commission (2018), *Market Study of the Construction Industry in Mauritius*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2019/08/MS005-Final-Report.pdf>.

<sup>70</sup> Competition Commission (2020), *Market Study: Pharmaceutical Industry in Mauritius, Report for Consultation*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2020/09/MS004-Report-for-consultation.pdf>.

**Box 3.1 Trade and competition policy issues in the pharmaceutical sector, 2020**

The bulk of pharmaceutical products available in both public and private channels of distribution are imported and supplied by some 40 registered wholesale pharmacies (July 2020). Of these, four have a combined share of supply exceeding 60% and are representatives and/or appointed distributors of 14 top international pharmaceutical companies.

The market for pharmaceutical products in Mauritius is highly regulated, with a formal process for the registration and commercialization of pharmaceutical products, licensing of operators across the supply chain, and pricing of pharmaceutical products.

Concerns have been raised by several stakeholders about the lack of transparency and predictability of the registration process for pharmaceutical products. The guidelines of the Pharmacy Board on the registration process are not publicly available, which could result in an information asymmetry and create uncertainties on applicable criteria for approval to register products, and somehow undermine the competition process.

The concern arising from the current pricing mechanism is that a fixed percentage mark-up is applied irrespective of the value of the products. As such, the higher the cost price of medicines, the higher the quantum of mark-up and consequently price of medicines to buyers. The price comparison of selected pharmaceutical products compared to their international reference prices tends to indicate that local medicine prices are high. However, the result of price comparison based on international reference prices as a benchmark should be interpreted with caution because of various factors, including the small size of the Mauritian market; the significant add-on costs such as insurance and freight, local charges, and distribution costs; and the mark-up system.

Given the intellectual property (IP) exhaustion regime adopted in Mauritius, it is at the discretion of owners of registered trademarks to withhold their consent for parallel import of registered pharmaceutical products. Restriction on parallel imports may in and of itself limit competition and could lead to dual pricing to the detriment of customers. In other words, restriction on parallel imports can potentially reduce intra-brand competition and foreclose potential competitors from the market. Thus, another potential reason for higher prices of pharmaceuticals in Mauritius compared to their international reference prices could be attributed to Mauritius' IP exhaustion regime, which somehow confers market power to the IPR holders. In this regard, parallel importation of pharmaceutical products may be considered as a potential avenue, provided the right institutional and legal framework is assessed so as to guard against the various health and safety risks in relation to the supply chain, liability issues ensuing from such health and safety risks, increased risk of counterfeit products on the market, and money laundering risks.

Source: Competition Commission (2021), *Market Study: Pharmaceutical Sector in Mauritius, Report of the Executive Director*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2021/06/MS004-FullReport-080621.pdf>.

3.109. The CC has signed memoranda of understanding (MOUs) with regulators, setting out its approach in dealing with competition matters, in the following regulated sectors: telecommunications, banking and non-banking financial services, public procurement, and public utilities.<sup>71</sup> Additionally, to establish a framework for cooperation, the CC has signed MOUs with the Mauritius Revenue Authority and the Independent Commission against Corruption. The CC also contributes to formulating regional competition policy. Since 2014, new MOUs have been signed with the Competition Commission of South Africa in 2016<sup>72</sup>, with the States of the SADC in 2016<sup>73</sup>, and with the COMESA Competition Commission in 2017.<sup>74</sup>

**3.3.6.2 Price controls**

3.110. Price controls are in place with the aim to protect consumers by ensuring the supply of certain essential commodities at reasonable prices and to prevent traders from profiteering (Table 3.21). The main law governing price controls is the Consumer Protection (Price and Supplies

<sup>71</sup> Competition Commission. Viewed at: <https://competitioncommission.mu/>.

<sup>72</sup> Competition Commission, *Memorandum of Understanding between Competition Commission South Africa and Competition Commission of Mauritius*. Viewed at: [https://competitioncommission.mu/wp-content/uploads/2019/06/10-MOU\\_CCSA\\_CCM.pdf](https://competitioncommission.mu/wp-content/uploads/2019/06/10-MOU_CCSA_CCM.pdf).

<sup>73</sup> Competition Commission, *Memorandum of Understanding Amongst Competition Authorities of the Member States of the Southern African Development Community on Cooperation in the Field of Competition Policy, Law and Enforcement*. Viewed at: [https://competitioncommission.mu/wp-content/uploads/2019/06/11-MOU\\_SADC.pdf](https://competitioncommission.mu/wp-content/uploads/2019/06/11-MOU_SADC.pdf).

<sup>74</sup> Competition Commission, *Memorandum of Understanding between the COMESA Competition Commission and the Competition Commission of Mauritius*. Viewed at: <https://competitioncommission.mu/wp-content/uploads/2019/06/12-MOU-COMESA.pdf>.

Control) Act of 1998 as amended, and its implementing regulations.<sup>75</sup> Three different mechanisms are in place; they have not changed since the previous Review in 2014:

- The Minister may fix a maximum price of certain controlled goods;
- A maximum (percentage) mark-up applies to certain imported goods<sup>76</sup> and;
- The Minister may determine a maximum retail price for goods other than those controlled.

**Table 3.21 Overview of imported products subject to price control, 2021**

Products subject to maximum price (First Schedule of the Act)	Imported products subject to maximum mark-up (Second Schedule of the Act):
Bread	Canned fish (pilchards)
Butter and margarine	Corned beef
Canned meat (corned beef & corned mutton)	Corned mutton (imported)
Cement	Corned mutton (locally manufactured)
Cheese	Electric and gas cookers and ovens
Coconut oil	Exercise books
Coffee	Imported fresh fruits
Cooking gas	Imported live cattle
Cornflakes	Infant food
Fertilizers	Infant milk powder
Flour	Paints
Frozen fish	Pharmaceutical products
Frozen chicken	Pressure cookers
Frozen meat	Soap, detergents and scouring powder
Fruit juices	Soap powder for washing machines
Ghee	Tea
Imported live goat	Television receivers
Imported live sheep	Timber
Onions (since 2020)	Toasters
Petroleum products (including kerosene)	Tyres and tubes
Potatoes (since 2020)	Vacuum cleaners
Pulses	Water heaters
Rice (excluding luxury rice)	
Sugar	Diapers (since 2020)
Concrete blocks	Basmati and long grain rice (since 2020)
Potassium-based additives	Breakfast cereals (since 2020)
Face masks (since 2020)	Butter and spreads, margarine
Hand sanitizers (since 2020)	Pasta
Applicable only to Rodrigues Island:	Processed cheese
Animal feed, bread, butter and margarine	Pulses (e.g. lentils)
	Sanitary products

Source: Information provided by the authorities.

3.111. In March 2017, a new Price Fixing Information System was introduced for importers under the maximum mark-up, which were until then being done manually. Transmission of data necessary to control prices has been computerized, which enables the online submission, processing, approval, and communication of prices by the Price Fixing Unit (PFU) to importers.<sup>77</sup> The system is used by importers to carry out the following functions:

- Registering an importer's account (compulsory);

<sup>75</sup> MCCI, Consumer Protection (Price and Supplies Control) Act. Viewed at: <https://www.mcci.org/media/165411/the-consumer-protection-price-and-supplies-control-act-1998-updated.pdf>.

<sup>76</sup> Ministry of Commerce and Consumer Protection, Government Notice No. 150 of 1998, *Consumer Protection (Price and Supplies Control) Act 1998*. Viewed at: [https://commerce.govmu.org/Documents/Legislations/GN%20150%20of%201998%20-%20The%20Consumer%20Protection\(Consumer%20Goods\)\(Maximum%20Mark-Up\)Regulations%201998.pdf](https://commerce.govmu.org/Documents/Legislations/GN%20150%20of%201998%20-%20The%20Consumer%20Protection(Consumer%20Goods)(Maximum%20Mark-Up)Regulations%201998.pdf).

<sup>77</sup> Ministry of Commerce and Consumer Protection, *Price Fixing Information System (PFIS), User Manual*, Version 1.02, April 2017. Viewed at: [https://commerce.govmu.org/Documents/Departments/Price%20Fixing%20Unit/Manual/PFIS\\_Importer\\_Manual.pdf](https://commerce.govmu.org/Documents/Departments/Price%20Fixing%20Unit/Manual/PFIS_Importer_Manual.pdf).

- Entering the data relating to importation of price-controlled commodities<sup>78</sup>;
- Calculating and recalculating the unit price of each imported item;
- Submitting data (the PFU is then notified and the approval process is initiated); and
- Requesting a review of the price approved by the PFU when the importer is not satisfied.

3.112. In the context of the COVID-19 crisis, regulations were amended in March 2020 to fix the retail price of face masks and hand sanitizers at a mark-up of 15% on c.i.f. value, and a large number of imported basic foods and sanitary products were placed under maximum mark-up in a bid to prevent profiteering and hoarding (Table 3.21).<sup>79</sup> In May 2020, maximum mark-ups were modified for adult diapers, basmati rice, butter spreads, long grain rice, margarine, and processed cheese.<sup>80</sup>

3.113. The maximum recommended retail price (MRRP) has in the past been applied mostly to milk powder: importers are charged with determining an MRRP for each consignment of milk powder, to be submitted to the MCCP for approval. The MRRP should consider the c.i.f. value of the imported goods, operating expenses and overheads, the quantity and value of existing stock, and the wholesaler's and retailer's profit margins.

3.114. Officers of the Consumer Affairs Unit, together with health inspectors from local government and police officers, are tracking potential illegal trades and malpractices, such as prices not affixed on shelves, prices higher than prescribed, and trading without business registration. Trading permits can be suspended in case of contravention. A "Hotline 185" is available in case of illegal practice.

3.115. The prices of petroleum products (including kerosene) are subject to the maximum price system (Table 3.21). Separately, prices of motor gasoline (mogas) and automotive gas oil are determined through the Petroleum Pricing Mechanism (PPM); prices of fuel oil, marine gas oil, and aviation jet fuel are not fixed under the PPM.

### 3.3.7 Intellectual property rights (IPRs)

#### 3.3.7.1 Overview

3.116. The Government recognizes the role of IPRs in economic and cultural development and in promoting innovation and creativity. In order to achieve this objective, an Intellectual Property Development Plan was developed with the assistance of the World Intellectual Property Organization (WIPO) and finalized in January 2017; it seeks to ensure that the government agencies involved in IP protection and enforcement, as well as the potential users and generators of IP, have the technical capacity and know-how to use IP as a tool to promote research, innovation, investment, and economic growth.<sup>81</sup>

3.117. The Mauritius Research and Innovation Council (MRIC) has the mission of promoting research for sustainable development in order to enhance quality of life.<sup>82</sup> In April 2020, a special

<sup>78</sup> Under the Act, every manufacturer of consumer goods shall, before selling or supplying the consumer goods, submit to the Minister: (i) certified copies of audited final accounts for the preceding financial year, and, where the accounts of the preceding financial year have not yet been audited, a return of the cost of production duly certified by an auditor pending the submission of audited final accounts; and (ii) such other information as the Minister may require.

<sup>79</sup> Ministry of Commerce and Consumer Protection, *Legal Supplement to the Government Gazette of Mauritius No. 45 of 25 April 2020, Government Notice No. 79 of 2020*. Viewed at: <https://commerce.govmu.org/Documents/Legislations/GN%2079%20of%202020.PDF>.

<sup>80</sup> Ministry of Commerce and Consumer Protection, *Legal Supplement to the Government Gazette of Mauritius No. 63 of 23 May 2020, Government Notice No. 95 of 2020*. Viewed at: <https://commerce.govmu.org/Documents/Legislations/GN%2095%20of%202020.pdf>.

<sup>81</sup> Government of the Republic of Mauritius and WIPO (2017), *National Intellectual Property Development Plan for the Republic of Mauritius*. Viewed at: <https://www.mauritiustrade.mu/ressources/pdf/IPDP-FINAL-REPORT-2.pdf>.

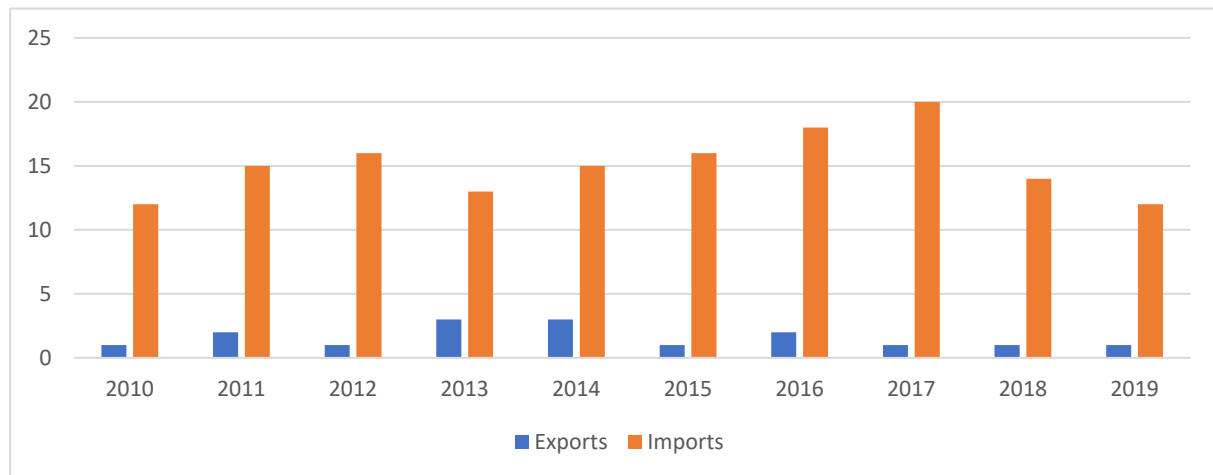
<sup>82</sup> Mauritius Research and Innovation Council, *Special Call for Proposals – Fast-Track Innovative Projects to Counter the Impacts of COVID-19*. Viewed at: <http://www.mric.mu/English/Pages/Special-Call-for-Proposals---Fast-track-innovative-projects-to-counter-the-impacts-of-COVID-19.aspx>.

call for proposals was launched by the MRIC to encourage entrepreneurs, academics, researchers, enterprises, and start-ups to submit proposals for projects on both technology-based products and services and for policy measures that aim at improving and accelerating the Government's response to the challenges posed by COVID-19 and eventually contributing to counter its impacts. The MRIC received 252 applications. Following evaluation of the proposals, the MRIC approved the funding of 26 projects for a total of MUR 28.6 million (USD 715,000).

3.118. Mauritius' participation in trade in IP has fluctuated over the period 2010-19 (Chart 3.4).

**Chart 3.4 Exports and imports of fees for the use of intellectual property**

(USD million)



Source: WTO Data Portal.

3.119. Mauritius is a member of WIPO and participates in several international conventions and treaties (Table 3.22). In April 2021, the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled entered into force in Mauritius. On 25 September 2020, Mauritius deposited its Instrument of Accession to the Lusaka Agreement, becoming a full member of the African Regional Intellectual Property Organization (ARIPO). Mauritius has yet to accede to the ARIPO protocols.

**Table 3.22 Membership in IPR Treaties**

Treaty	Signature	Entry into Force
Beijing Treaty on Audiovisual Performances	June 2012	
Berne Convention		10 May 1989
Marrakesh Treaty	June 2013	11 April 2021
Paris Convention		24 September 1976
WIPO Convention		21 September 1976

Source: WIPO, *WIPO-Administered Treaties, Contracting Parties: Mauritius*. Viewed at: [https://wipolex.wipo.int/en/treaties/ShowResults?country\\_id=120C](https://wipolex.wipo.int/en/treaties/ShowResults?country_id=120C).

3.120. The Industrial Property Office (IPO), part of the MFARIIT, is responsible for registering patents, trademarks, and industrial designs. Administrative proceedings regarding registration and applications must be brought first to the Industrial Property Tribunal, and, if necessary, appealed to the Supreme Court.

3.121. The Mauritius Society of Authors (MASA) is responsible for registering copyrights and collecting royalties for authors of artistic, literary, or scientific works, or derivative works, and administering economic rights of its members and members of sister-societies. Approximately 5,650 copyright owners are registered with MASA. MASA was replaced by the Rights Management Society in the Act of 2014, and thereafter renamed MASA as per Section 21 of the Copyright (Amendment) Act 2017.



### 3.3.7.2 Copyrights and related rights

3.122. The legal framework for the protection of copyrights and related rights is provided in the Copyright Law, passed in April 2014<sup>83</sup>, which was amended in 2017.<sup>84</sup> The amendments, *inter alia*, extended the protection of copyrights from 50 to 70 years after the death of the author, and included the protection of phonograms. The amendments also updated and streamlined protection and enforcement of copyrights and related rights, bringing the regime into compliance with the WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT).

3.123. The Copyright Act provides for enforcement and civil and criminal liabilities. The copyright owner or the "exclusive licensee" might start action, and the Supreme Court may award damages; grant an injunction; order the forfeit of any infringing copy and apparatus, article, or thing used for the making of the infringing copy or otherwise; and grant such remedies as it sees fit. Regarding criminal liability, the penalty for a first conviction ranges up to MUR 300,000 and up to two years' imprisonment. In the event of a second conviction, the fine may reach MUR 500,000 (USD 12,500) and eight years in prison.

### 3.3.7.3 Other intellectual property rights

3.124. Several laws enacted since the early 2000s protect IPRs in Mauritius: the Patent, Industrial Designs and Trademarks Act 2002; the Protection Against Unfair Practices, Industrial Property Rights Act 2002; the Layout Designs (Topographies) of Integrated Circuits Act 2002; and the Geographical Indications Act 2002. Of these, only the first two entered into force.

3.125. A new Industrial Property Act (IPA) was enacted in August 2019; it consolidates provisions on the protection of existing IPRs, namely patents, industrial designs, and trademarks, and provides for the protection of new IPRs, namely utility models, layout designs of integrated circuits, the protection of plant varieties, and geographical indications (GIs). The IPA also provides for the establishment of the Intellectual Property Council, an independent overarching institution comprising representatives from government authorities and the private sector involved in the generation, enforcement, and protection of IPRs. In August 2021, the Act had not yet been proclaimed.

3.126. The registration of trademarks remained relatively stable during the period, with 2,328 applications in 2016 and 2,147 applications in 2020. Most applications were submitted by non-residents. The trademark regime also applies to collective marks. All distinctive words, letters, numerals, drawings, colours, pictures, labels, or any combination of the mentioned signs used to distinguish between the goods and services can be registered as trademarks. Trademark applications are filed at the IPO. Foreign applicants need to be represented by a legal practitioner admitted in Mauritius. Prior to registration, the trademark is published for opposition for two months in the Government Gazette. The rights conferred by the registration of a mark shall not extend to acts in respect of articles that have been put on the market in Mauritius by the registered owner or with his or her consent. Registered trademarks are protected for 10 years from the date of filing. Renewal is possible for periods of 10 years.

3.127. The Geographical Indications Act 2002 was never proclaimed, but GIs are now covered by the IPA. Procedures for the registration of GIs were being elaborated in June 2021; the authorities state that the national regime of exhaustion will apply to GIs.

3.128. Patent applications are to be submitted at the IPO, which after due examination issues a patent certificate. The period of protection is of 20 years from the date of filing. The international exhaustion of rights applies for patents. In 2016, patent applications reached a peak of 38, including 26 by non-residents. In 2020, 6 applications were submitted by residents and 19 by non-residents. Regarding infringements to the Act, civil liability entitles the owners of patents, industrial designs, and trademarks to claim damages before the Supreme Court. The penalties for criminal liability are a fine of a maximum MUR 250,000 (USD 62,500) and imprisonment up to five years.

---

<sup>83</sup> Mauritius Trade, *Copyright Act 2014*. Viewed at: [http://www.mauritiustrade.mu/ressources/pdf/Copyright\\_Act\\_2014-1.pdf](http://www.mauritiustrade.mu/ressources/pdf/Copyright_Act_2014-1.pdf).

<sup>84</sup> Mauritius Assembly, *Legal Supplement to the Government Gazette of Mauritius No. 110 of 23 November 2017*. Viewed at: <https://mauritiusassembly.govmu.org/Documents/Acts/2017/act1317.pdf>.

3.129. The regime for the protection of industrial designs is set by the Patent, Industrial Designs and Trade Marks Act 2002, which entered into force in January 2003. The exclusive right to an industrial design is acquired after registration at the IPO; the protection period conferred is for an initial period of five years from the filing date of the application, renewable for a maximum of three consecutive periods of five years. The international regime of exhaustion applies to layout designs.

3.130. Although the protection of plant varieties was envisaged in the Seeds Act of 2013, it does not provide for the protection of new plant varieties, which should fall under the IPA. Mauritius is not yet a Member of the International Union for the Protection of the New Varieties of Plant (UPOV), but the IPA is, according to the authorities, in compliance with the UPOV regime.

#### **3.3.7.4 Enforcement and border measures**

3.131. The Anti-Piracy Unit attends to requests from copyright owners, and to the IPO on matters regarding complaints in breach of legislation regarding unfair practices, patents, industrial designs, and trademarks. It also acts on grounds of suspicion on any case of breach of the Act.

3.132. Customs require IPR holders or authorized users to apply in writing to the Director-General in order to suspend clearance of any suspicious goods. Once such an application is approved, it remains valid for two years. The authorities will normally only act in cases where the IPR owner has an official representative in Mauritius who can testify that the products seized are counterfeit or otherwise legally problematic. IPR holders must also provide a security of MUR 20,000 (USD 500) to protect the MRA from any claim for damages following the suspension of clearance. Additional security may be required where legal proceedings are initiated for goods valued more than MUR 20,000. The value of infringing goods at the border was MUR 5.2 million (USD 130,000) in 2020.



## 4 TRADE POLICIES BY SECTOR

### 4.1 Agriculture and Fisheries

#### 4.1.1 Main features

4.1. Agriculture including forestry and fisheries accounted for 3.9% of GDP in 2020 and 6.9% of total employment in 2019 (40,300 people). Close to half of the land area is used for agriculture (some 53,000 ha). The main trends in agricultural production during the review period were: (i) a continued decline in sugar cane production, although sugar cane remains the main crop (43,700 hectares in 2020); and (ii) a conversion of land to food crops, which has been driving the growth of the agricultural sector (Table 1.1). Mauritius is prone to natural disasters, particularly cyclones, causing serious damage through flooding and wind.<sup>1</sup>

4.2. Mauritius has a dualistic agricultural sector with a dominant, export-oriented sugar subsector on the one hand, and a self-sufficiency-oriented food crop and livestock subsector on the other hand. Mauritius also exports some tropical fruit and vegetables, supported by an export subsidy scheme (Section 4.1.2.5).

4.3. The non-sugar crop sector covers around 8,200 hectares of food crops, including fruits, vegetables, and flowers, grown mainly by some 8,000 smallholders and 400 hydroponic producers. The main crops are potatoes, tomatoes, pumpkins, and tropical fruits (Table A4.1). Close to 100% self-sufficiency in fresh vegetables and tropical fruits has been achieved, with off-season imports of certain vegetables, such as potatoes, onions, and garlic (Section 4.1.4).

4.4. In the livestock subsector, Mauritius is roughly self-sufficient in poultry meat production. Production of milk and red meat has made little progress in recent years, mainly because of the high costs of production, import competition, limited access to land and breeding animals, lack of an organized market structure, and difficulties in complying with environmental regulations.

4.5. Mauritius is a net food importer (Tables A1.1 and A1.2), and the trend shows an increasing dependency on imported food (except in the pandemic year of 2020, when the food trade deficit declined). The country imports virtually all requirements of the main staples, namely wheat (some 154,000 tonnes in 2019) and rice (some 58,000 tonnes). Vegetable oil, meat (except poultry), milk, and dairy products are also mainly imported.

4.6. The value of agricultural imports (WTO definition) was USD 851 million in 2020 (down from USD 956 million in 2019). Exports were USD 289 million in 2020 (down from USD 298 million in 2019), dominated by sugar exports (USD 184.8 million in 2020). Mauritius' main export markets in 2020 were the European Union (USD 131.6 million), followed by Kenya (USD 40.5 million), the United States (USD 30.5 million), and the United Kingdom (USD 24.9 million).

#### 4.1.2 Agricultural policy

##### 4.1.2.1 Overview

4.7. Mauritius' agricultural policy during the review period was guided by the Food Security Strategic Plans of 2013-15 and 2016-20. The key goals of the 2013-15 Plan were to achieve certain levels of self-sufficiency in key commodities (33% self-sufficiency in food, with 10% in milk and 15% in meat). The 2016-20 Plan built on the earlier efforts and maintained Mauritius' self-sufficiency strategy. The Plan had the objective to enhance food security by generating a significant increase in local production in food products towards self-sufficiency, thereby reducing the agricultural trade deficit. This was to be achieved through a shift to sustainable agricultural practices and eco-friendly methods of production and protection conducive to safer and better human nutrition. Also, the establishment of an Agricultural Risk-Management Framework was planned to increase the resilience of farmers to address their vulnerability to climate change. The budget for implementation of the

<sup>1</sup> The last major cyclones that caused serious damages were Cyclone Dina on 20-22 January 2002 and Cyclone Gamede on 22-25 February 2007.

Framework was MUR 1,103.24 million for the crop sector, MUR 1,507.8 million for livestock, and MUR 218.8 million for forestry.

4.8. Mauritius is in the process of developing a National Agri-Food Development Programme, to ensure food security and reduce Mauritius' dependence on food imports. The Government intends to, *inter alia*, increase the area under cultivation (i.e. reactivate abandoned sugar land and other agricultural land). There are plans to launch a Centralized Digital Land Bank covering public and private agricultural land. Landscape (Mauritius) Ltd has a new mandate to acquire, with the support of the State Investment Corporation (SIC), more agricultural land for the Centralized Digital Land Bank through three options: (i) lease of uncommitted agricultural state land from the Ministry of Agro Industry and Food Security (MAIFS) for a period of at least 10 years; (ii) lease of agricultural land from private owners for a period of at least 10 years; and (iii) purchase of agricultural land from private owners.

4.9. The MAIFS has the overall responsibility for the agriculture sector, and oversees 12 parastatal bodies.<sup>2</sup>

4.10. The National Agricultural Products Regulatory Office (NAPRO) is a division within the MAIFS that integrates the functions of the former Tea Board, and the regulatory functions of the ex-Tobacco Board, and the ex-Mauritius Meat Authority. It is empowered to: (i) control and regulate the import, export, production, and sale of regulated products (i.e. tea and tea products, tobacco<sup>3</sup> and tobacco products, and meat and meat products); (ii) control and regulate the preparation, processing, packing, and manufacturing of regulated products; (iii) regulate the activities and premises in connection with the slaughter of animals; and (iv) determine the producer prices for green tea leaves and leaf tobacco. According to the authorities, NAPRO is not involved in import and export activities.

4.11. The Small Farmers Welfare Fund (SFWF) is responsible for the economic and social welfare of small farmers. It administers the following input subsidy schemes: the Agricultural Calamities Solidarity Scheme (ACASS); subsidies to agri-processing SMEs (pre-market tests); subsidies to crop producers (compost); and the calf Productivity Scheme. The SFWF also administers a fertilizer subsidy scheme for tea (Table 4.3)

4.12. Against the background of Mauritius' self-sufficiency strategy for sensitive products, the country's agricultural regime is characterized by a high level of government intervention. While the tariffs are relatively low on average, tariff protection for some agricultural products is accompanied by a control (via non-automatic licensing) of imports and exports. Sensitive food products are subject to price control at the consumer level.

4.13. Mauritius' support to the agriculture sector is made transparent thanks to, *inter alia*, detailed and up-to-date notifications on domestic support and export subsidies, state trading enterprises, and subsidies.

#### 4.1.2.2 Market access

4.14. Mauritius' market access regime for agricultural products comprises MFN and preferential tariffs, non-automatic import licensing, and state trading. Mauritius has no MFN tariff quotas, but implements several tariff quotas under the CECTA with India (Section 3.1.3.4).

4.15. Overall, tariff protection for agricultural products increased slightly during the review period (Section 3.1.3). In 2021, Mauritius' simple average applied MFN tariff on agricultural products (WTO definition) was 3.2% (up from 1.8% in 2014). Some 84.9% of the 967 agricultural tariff lines were duty-free. In addition, Mauritius applied four other tariff bands: 10% (26 tariff lines), 15% (77 lines), 30% (37 lines), and the maximum rate of 100% on sugar (6 lines under HS 1701).

<sup>2</sup> The Agricultural Marketing Board, Food and Agricultural Research and Extension Institute (FAREI), Irrigation Authority (IA), Mauritius Meat Authority (MMA), Mauritius Cane Industry Authority (MCIA), Mauritius Society for Animal Welfare (MSAW), Sir Seewoosagur Ramgoolam Botanical Garden Trust (SSRBG), Small Farmers Welfare Fund, Vallee D'Osterlog Endemic Garden Foundation, Rose Belle Sugar Estate Board, Sugar Investment Trust (SIT), and Sugar Insurance Fund Board (SIFB).

<sup>3</sup> Tobacco cultivation ceased in 2013.

4.16. Import permits may be required for agricultural products for SPS reasons (Section 3.3.2). For certain agricultural products, imports are controlled through non-automatic licensing (i.e. import permit requirements and quotas) in order to, *inter alia*, protect domestic production, for example, products regulated by the Agricultural Marketing Board (Table 3.11).

4.17. Imports of products regulated by the NAPRO (see above) are subject to post-entry clearance by the agency.<sup>4</sup> The clearance system for tea and tobacco products is for statistical purposes and to ensure conformity with technical regulations; there are no quantitative restrictions.<sup>5</sup>

#### 4.1.2.3 Agricultural state trading enterprises

4.18. The Agricultural Marketing Board (AMB) is a self-financing parastatal institution under the MAIFS, which was notified in terms of an STE (Table 2.2).<sup>6</sup> According to the Mauritius Agricultural Marketing (Controlled Products) Regulations 2013, the following products are controlled by the AMB at the level of importation, exportation, and sale: dry whole onions, fresh whole garlic, potatoes, and the seeds of these three products; and by-catch fish.<sup>7</sup> The rationale of the STE is to ensure self-sufficiency in these products, as much as economically feasible. Imports are controlled to ensure food security and stable prices. Private entities may be permitted to import these products in the off-season. The AMB does not have exclusive export privileges, according to the authorities.

4.19. In carrying out its mandate, the AMB: (i) is the sole importer of garlic; (ii) imports onions, potatoes, turmeric, and cardamom (although it is no longer an import monopoly for these items), as well as other items as necessary; (iii) controls the quantity and timing of imports of onions and potatoes by private importers outside of the domestic production period; (iv) maintains strategic reserve stocks (of at least 2.5 weeks of consumption) for onions, potatoes, and garlic, financed by fees levied on importers; and holds a buffer stock of onion seeds (of at least one year's supply); (v) regulates the import and export of controlled products; (vi) buys locally produced onions, potatoes, garlic, and garlic seeds at guaranteed prices from producers (Section 4.1.2.4); and (vii) implements a pricing policy based on cross-subsidization of local and imported products for the benefit of producers and consumers.

4.20. Licensed dealers (importers) are normally allowed to import potatoes and onions in the off-season (Table 4.1). However, for 2021, the Government took the decision that the AMB is the sole importer of onions and potatoes, due to the impact of COVID-19 on imports.

4.21. Depending on the local harvest, the AMB decides on the volume and timing of imports. Import quotas are allocated to private importers using a formula determined by the AMB Board's Quota Committee, which is based on the past year's purchases from the AMB, and the country's requirements. Imports of potatoes and onions are subject to clearances from the AMB in the form of a quota award or no objection letter (potato seeds, onion seeds). Customs duties for products concerned are zero. Importers holding import quotas contribute to the AMB's buffer stock through payment of a buffer stock fee of MUR 2.20/kg.

**Table 4.1 Imports of potatoes and onions, 2016-20**

(Tonnes)

	2016		2017		2018		2019		2020	
	AMB	Private	AMB	Private	AMB	Private	AMB	Private	AMB	Private
Potatoes	5,875	4,732	4,312	3,192	6,048	3,640	3,908	3,052	7,213	2,493
Onions	7,092	4,480	7,686	4,536	9,318	5,096	9,687	5,040	10,282	3,333

Source: Information provided by the authorities.

4.22. In addition to carrying out its original role, the AMB's responsibilities include wholesaling and retailing activities, as well as managing various seed purchase schemes, which are considered pivotal to achieving the Government's self-sufficiency targets (see below). The AMB also implements the

<sup>4</sup> WTO document G/LIC/N/3/MUS/10, 25 September 2020.

<sup>5</sup> The clearance fees are listed in WTO document G/LIC/N/3/MUS/10, 25 September 2020.

<sup>6</sup> WTO document G/STR/N/18/MUS, 16 June 2020.

<sup>7</sup> Products controlled by the AMB are set out in the Mauritius Agricultural Marketing (Controlled Products) Regulations 2013, GN No. 281 of 2013. By-catch fish is fish caught by fishing vessels other than those mentioned in the fishing licence.

freight rebate scheme for fruits, vegetables, and flowers (Section 4.1.2.5), and the Seed Purchase Scheme for potatoes, onions, and garlic (Table 4.3).

4.23. The State Trading Corporation (STC) has been entrusted by the Government with the importation of Mauritius' requirements of long grain white rice (5% broken, also called ration rice) and wheat flour.

4.24. The total annual requirement of long grain white rice is around 22,000 metric tonnes, which represents around 35% of the total rice market and is generally consumed by low-income households. According to the authorities, the Government has an important role in subsidizing the price of long grain rice because of its social commitment towards the vulnerable segments of the population, in particular during the COVID-19 pandemic. The Government intends to ensure regularity of supply and maintaining the quality of the product. Imports of long grain rice are carried out following periodic, open international tenders on a cost & freight basis. The price of the is regulated under the maximum wholesale and retail price scheme. The STC has appointed packers/distributors to ensure distribution around the island. There are also private sector imports of some 6,000 tonnes of semi-luxury rice, for which the market was liberalized.

4.25. The STC started to import basmati rice in 2013, to stimulate competition in terms of price and quality, but it does not have an import monopoly. Currently, there are about 78 importers of basmati. The STC sells its basmati rice mainly to wholesalers/distributors. All consignments of basmati rice are analysed prior to shipment in the country of origin and also by the Mauritius Standard Bureau (MSB) in Mauritius. Importers of basmati must apply for an import permit from the Ministry of Commerce and Consumer Protection. When the consignment arrives, importers require clearance from the Food Import Unit and the National Plant Protection Office to clear the goods from Customs. The STC usually has the testing done by the MSB (on a voluntary basis).

4.26. The STC is the sole importer of wheat flour, designated as an essential commodity, but excluding whole wheat flour, imports of which are liberalized. Procurement of wheat flour is done through open international bids in which Les Moulins de la Concorde, a private company (sole miller in Mauritius) also participates. The STC sells the flour to private wholesalers and bakers at subsidized prices. The prices of basic bread and flour are controlled under the maximum wholesale and retail price scheme. The STC has appointed packers/distributors to ensure distribution of these products around the island.<sup>8</sup>

4.27. Imports of long grain white rice, basmati rice, and wheat flour are duty-free.

#### **4.1.2.4 Domestic support**

4.28. Mauritius' most recent domestic support notification covers FY 2019/20.<sup>9</sup> Mauritius also provided, as part of its regular subsidies' notifications to the Committee on Subsidies and Countervailing Measures, detailed information regarding its agricultural incentive schemes (Table 4.2).<sup>10</sup>

4.29. Most support, by far, is provided in the form of Green Box measures. The notified Green Box expenditures by the MAIFS amounted to MUR 1.16 billion in FY 2019/20, for pest and disease control, research, infrastructural services, and extension services.

<sup>8</sup> STC, *Milestones*. Viewed at: [www.stcmu.com/about-us/milestones](http://www.stcmu.com/about-us/milestones).

<sup>9</sup> WTO document G/AG/N/MUS/15, 16 September 2020.

<sup>10</sup> WTO document G/SCM/343/MUS, 12 June 2019.

**Table 4.2 Domestic support and export subsidies**

(MUR million)

	FY 2018/19	FY 2019/20
Green Box	1,155.6	1,161.6
S & D	10	10
Non-product-specific AMS	107.5	71.1
Product-specific AMS	33.1	41.1
Export subsidies	5	2

Source: WTO notifications to the Committee on Agriculture.

4.30. Price support via controlled or guaranteed prices is provided for various agricultural products. None of the price support was notified to the WTO Committee on Agriculture. According to the authorities, price support will henceforth be notified.

- Products regulated by the AMB benefit from guaranteed producer prices. Based on the cost of producing onions, garlic, and potatoes locally, the National Potato Committee and the National Onion and Garlic Committee decide on guaranteed floor prices for each campaign. The floor prices vary from year to year. The commodities are stored and sold to dealers at prices fixed or recommended by the AMB or the Government. Growers are encouraged to sell their own produce directly to the market.
- The NAPRO sets the prices for green tea leaves paid to growers.
- Sugar producers benefited from price support for the first 60 tonnes of the 2019 and 2020 crops (Section 4.1.3). The authorities note that the price support for sugar was provided due to an exceptional situation (low world market prices) and is not a recurrent policy.

4.31. Mauritius has various input subsidy schemes in place, as listed in Table 4.3. The schemes were notified for FY 2018/19 and FY 2019/20 in terms of: (i) non-product-specific support; (ii) product-specific support (tea, fruit, and livestock) within *de minimis* levels; and (iii) under the S&D provisions (Supporting Table DS:2) of the Agreement on Agriculture (animal feed). Most schemes are implemented by parastatals such as the Food and Agricultural Research and Extension Institute (FAREI) and the SFWF. The main ongoing schemes are the Sheltered Farming Scheme and the Bat Net Scheme, to prevent fruit damage by bats and birds. The Cattle Breeders Scheme and the Goat/Sheep Breeding scheme are still in place, although disbursements were zero in FY 2019/20.

4.32. The Development Bank of Mauritius (DBM) operates loan programmes with below market interest rates to support farming, fishing, and agri-processing projects. The maximum loan amount is 90% of the project cost up to a ceiling of MUR 5 million with an interest rate of the repo rate +2% per annum. In 2017, outstanding debt by pig farmers was forgiven by the DBM under a Pig Sector Restructuring Programme.

4.33. Customs duty and VAT concessions are also in place to support agriculture (Sections 3.1.3.5 and 3.1.3.6).

**Table 4.3 Agricultural incentive schemes, FY 2019/20**

Scheme	Description	Expenditures (MUR)	Notified in terms of
<b>CROP SECTOR</b>			
Freight rebate scheme	25% rebate on export freight costs for selected fruits, flowers, and vegetables to approved countries. In addition, the COVID-19 related Economic Recovery Programme provides for a 60% refund on air freight costs (1 November 2020 to 30 June 2021).	527,074 (July 2019–June 2020)	Export subsidies Art. 9(d) and (e)
Bat net scheme for fruit growers	To combat pests in orchards, the MAIFS subsidizes 75% of the purchase price of bat nets.	11,999,314	Product-specific AMS

Scheme	Description	Expenditures (MUR)	Notified in terms of
Tea sector support scheme	Fertilizer is provided free of charge to registered tea growers (175 kg per arpent).	6,911,582	Product-specific AMS
Subsidies to agri-processing SMEs (pre-market tests)	A grant of MUR 400,000 for small agricultural enterprises with a turnover less than MUR 10 million for product testing (maximum 10) and certification by the Government Analysts Division.	0	
Subsidies to crop producers (compost)	A 30% subsidy for small planters for locally produced compost to promote use of organic inputs.	0	Non-product-specific AMS
Agricultural Calamities Solidarity Scheme (ACASS)	The ACASS is a national solidarity fund comprising of contributions received from the Government and small planters. Assistance is provided in the form of fertilizers and fungicides to small planters who incurred crop damages of 50% or more per crop cycle in a year. Maximum assistance of MUR 2,000 per arpent.	5,000,000	Non-product-specific AMS
Seed purchase scheme	Support to small growers of potatoes, onions, and garlic, as the cost of seeds represents a significant proportion of the cost of production; in the form of an advance of up to 90%, interest free, on the price of seeds purchased from the AMB (to be refunded at harvest time) to boost local production and meet self-sufficiency targets. Since the 2020 campaign, growers benefit from a 50% subsidy on the wholesale selling price of seeds, along with the Seed Purchase Scheme.	4,427,073	Non-product-specific AMS
Rainwater harvest scheme	50% grant on the investment cost, to encourage farmers to capture and store rainwater to ease the pressure on drinking water used by agriculture and industry.	0	Non-product-specific AMS
Scheme for purchase of equipment	50% grant on the cost (maximum MUR 350,000) to farmers for purchase of equipment / farm equipment or processing equipment to improve efficiency and productivity.	0	Non-product-specific AMS
Sheltered farming scheme	50% grant on the cost of investment to encourage farmers to shift from traditional labour-intensive production systems in open fields to sheltered cultivation.	43,059,989	Non-product-specific AMS
Technology introduction and diffusion scheme	75% grant on the costs of investment. To facilitate the introduction of new animal breeds/crops, as well as access to expert/consultancy services, high-performing equipment/technology to foster innovative production systems and boost production in the non-sugar agricultural subsector including agri-processing activities.	250,000	Non-product-specific AMS
Scheme for certification of bio foods	Grant of MUR 100,000. To facilitate access of small-scale food crop producers to internationally recognized organic certification systems. Scheme terminated in FY 2020/21.	0	
Scheme to encourage use of bio fertilizers	Grant of 60% of the cost of bio-inputs. To enable farmers to have access to bio-inputs in line with government policy to promote bio-farming.	0	Non-product-specific AMS



Scheme	Description	Expenditures (MUR)	Notified in terms of
Fruit fly suppression with environment-friendly techniques	Purchase of pheromones for fruit fly trapping.	213,084	Non-product-specific AMS
Development of household micro gardens	Beneficiaries are eligible for a cash grant representing 75% on cost of farming structures/systems to be purchased up to a maximum of MUR 15,000 per household.	5,000,000	Non-product-specific AMS
Land preparation and fencing and agricultural infrastructure development project/drains	Provision of equipment and fencing for farming communities.	7,090,415	Non-product-specific AMS
Project assistance micro projects	The scheme was terminated.	0	Non-product-specific AMS
Crop nursery/supply of tea plantlets	Partial funding in the form of grants for the construction of nursery-cum-curing units, aimed at assisting vegetable growers to improve capacity for production of planting materials and to enhance the quality of harvested produce.	4,743,245	Non-product-specific AMS
<b>LIVESTOCK SECTOR</b>			
Cattle breeders scheme	Grant of 50% up to a maximum of MUR 50,000 per head on the cost of the animal up to a maximum of 10 head.	0	
Incentives for milk production	Grant of MUR 5,000 provided to registered small dairy cow breeders for each heifer reared up to lactation (maximum of 40 cows per breeder).	2,000,000	
Calf productivity scheme	Grant of MUR 2,500 to dairy cow breeders for calves reaching three months.	786,180	
Scheme for acquisition of CCTV cameras	Grant of 50% on the cost of investment up to a maximum of MUR 50,000 for the purchase of CCTV camera surveillance system. For farmers engaged in vegetables, ornamentals, fruits, and livestock production.	4,742,573	Non-product-specific AMS
Upgrading of livestock farms/poultry scheme	Grant of 50% up to a maximum of MUR 200,000 on the cost of the building project. Priority given production of small ruminants, rabbits, geese, and turkeys.	100,000	Non-product-specific AMS
Goat/sheep breeding scheme	Grant of 50% of up to MUR 15,000 for a maximum of 25 head.	0	
Scheme for purchase of equipment	Grant of 50% up to a maximum of MUR 350,000 on the cost of equipment for the purchase of equipment for processing and/or mechanization of agricultural operations.	0	
Pasture development scheme	Grant of 50% up to MUR 20,000 per arpent of fodder planted (up to a maximum of 25 arpents).	20,000	Non-product-specific AMS
Subsidy for animal feed	A subsidy of MUR 4 per kg of feed for up to 20 head. For a maximum of 150 kg per head of cattle, 50 kg per heifer, and 40 kg/tonnes per head of pig/goat.	9,843,160	S & D (development programmes)
Beekeeping scheme	Training in bee-keeping, complemented with the provision of starter kits including queen bees.	2,691,226	

Source: Information provided by the authorities.



#### 4.1.2.5 Export measures

4.34. Mauritius provided annual export subsidy notifications up to FY 2019/20.<sup>11</sup> It notified a freight rebate scheme pursuant to the exception available for developing countries under Articles 9:1(d) and/or (e) of the Agreement on Agriculture. Mauritius is listed as a WTO Net Food-Importing Developing Country (WTO document G/AG/5/Rev.10, 23 March 2012), which is referred to in the Nairobi Ministerial Decision of 15 December 2015 concerning export competition.<sup>12</sup>

4.35. The Freight Rebate Scheme administered by the AMB provides for a 25% rebate on export sea freight costs, shared equally between exporters and producers of the produce exported. All vegetables, fruits, and flowers are eligible, subject to certain minimum export quantity. In addition, the COVID-19-related Economic Recovery Programme provides for a 60% refund on air freight costs for exports from 1 November 2020 to 30 June 2021 under the TPMS (Section 3.2.4.5).

4.36. Budgetary outlays and subsidized exports under the freight rebate scheme declined significantly during the review period, from MUR 40 million benefitting 3,539 tonnes in FY 2015/16<sup>13</sup> to MUR 2 million benefitting 71 tonnes in FY 2019/20. The decline is due to a shortfall in local production (see also Section 3.2.4.4).

#### 4.1.3 Sugar

4.37. The sugar sector still plays an important, albeit declining, role in the economy as an employer and (net) foreign exchange earner. Sugar production declined from 377,000 tonnes in 2014 to 271,000 tonnes in 2020, owing to abandonment or conversion of land cultivated with sugarcane but also due to adverse climatic conditions especially in 2020 when production declined by 18%. Sugar exports amounted to USD 184.8 million in 2020 – the European Union remains by far the main destination (USD 100.7 million), followed by the United Kingdom (USD 21.6 million).

4.38. Until 2009, Mauritius' exports of sugar benefited from guaranteed access for fixed quantities at above-market prices to the EU market under the African, Caribbean and Pacific (ACP)/EU Sugar Protocol. Mauritius was the biggest quota holder among the ACP countries, with a 37% share. The Sugar Protocol was dismantled in September 2009 and guaranteed prices were abolished. The liberalization of production quotas by the European Union in September 2017 increased competition and contributed to the lowering of sugar prices in its market. As a result, the sugar industry in Mauritius, with the support of the Mauritius Cane Industry Authority (MCIA) and other stakeholders, initiated a series of measures to adapt to the change in market conditions, including:

- *Special sugars*: Having doubled exports of special sugars (high value-added unrefined cane sugars for direct consumption) after the abolition of the Sugar Protocol in 2009, attaining 120,000 tonnes by 2011, the Mauritius Sugar Syndicate (MSS), the commercial arm of the industry, pursued its strategy of market diversification. Exports to the regional markets in Africa increased in 2016 (in anticipation of the reduction in EU market prices) and total sales attained almost 90,000 tonnes for the 2020 crop. In addition to the European Union and Eastern Africa (where preferential access is secured under COMESA), the MSS presently exports special sugars to over 30 destinations worldwide. A target has been set to increase sales of special sugars to 180,000 tonnes over the next four to five years.
- *Electricity generation from bagasse and ethanol production from molasses*: About 13% of the electricity generated in Mauritius comes from bagasse.<sup>14</sup> A national biomass framework is under development, and the remuneration at MUR 3.50 kWh for all planters was announced in the Budget Speech 2020/21. The Sugar Industry Efficiency Act 2011 was amended in 2016 to allow the mandatory blending of ethanol from molasses and motor gas. The MCIA is to develop and monitor an Ethanol and Molasses Framework. The percentage of hydrous or anhydrous ethanol, as the case may be, added to motor gas

<sup>11</sup> WTO document G/AG/N/MUS/14, 4 September 2020.

<sup>12</sup> WTO, *Tenth WTO Ministerial Conference, Export Competition*. Viewed at: [https://www.wto.org/english/thewto\\_e/minist\\_e/mc10\\_e/1980\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc10_e/1980_e.htm).

<sup>13</sup> WTO document G/AG/N/MUS/9, 23 May 2018.

<sup>14</sup> Substituting imports of approximately 200,000 tonnes of coal or 80,000 tonnes of high sulphur heavy fuel oil.

shall be determined pursuant to regulations made under the Consumer Protection (Price and Supplies Control) Act and shall not be less than 2.5%. Some 18 million litres of hydrous ethanol is produced annually, and is mostly exported.

- *Rationalization and closure of sugar mills:* According to the authorities, the cost of cane sugar production in Mauritius is among the highest due to a low milling capacity (6,700 tonnes cane crushed per day by the existing mills), a short milling season (an average of only 132 days per year), and a high ratio of labour to total production costs. To adapt to declining production, the industry launched a process of rationalization over the past years, with the number of sugar mills having been reduced from 11 to 3.

4.39. In addition to price support (see below), various tax and non-tax incentives are provided to sugar farmers, including:

- A Sugarcane Sustainability Fund (SCSF) was established in FY 2015/16 to stimulate the production of sugarcane and bagasse. Funds have been used for the payment of MUR 1,100 per tonne of sugar to planters producing up to 60 tonnes of sugar and MUR 300 per tonne of sugar in excess of 60 tonnes. From the 2018 crop, funds under the SCSF have been allocated by the Government in the national budget.
- The Cane Replantation Scheme seeks to encourage planters to bring back abandoned land under sugarcane cultivation (approximately MUR 30 million in FY 2020/21).
- Waiving of the Sugar Insurance Premium for small-scale planters (approximately MUR 23 million).
- Grant for the purchase of fertilizers by small-scale planters (approximately MUR 54 million). The authorities state that this product-specific support scheme will henceforth be notified to the Committee on Agriculture.
- Support for the setting up of cane nurseries and the purchase of cane planting material by small-scale planters (approximately MUR 5 million).
- Duty-free purchase of irrigation equipment and parts, in line with the policy whereby capital goods are not taxed, since Mauritius has to import all its requirements.
- VAT exemptions on agricultural inputs for VAT registered planters.
- Income tax exemption and loans to cooperative credit society members.
- Exemption from income tax for small-scale sugar cane farmers (not available for corporations).<sup>15</sup>

4.40. Sugar prices at farmgate are determined by a price pooling mechanism that comprises the following components (Table 4.4):

- For the 2019 and 2020 crops, the Government provided a guaranteed price of MUR 25,000 per tonne for the first 60 tonnes of sugar produced by sugar cane planters.<sup>16</sup> The government support was provided as a top-up to MSS producer payments. For the 2019 and 2020 crops, total estimated amounts of MUR 570 million and MUR 362 million, respectively, were disbursed.
- The MCIA has been financed mainly by a cess levied on sugar export proceeds, at a rate not exceeding 4% of the ex-MSS price, as may be prescribed and after consultation with

<sup>15</sup> Conditions under Section 112(2) of the Income Tax Act are that: (i) the farmer must cultivate sugar cane on less than 15 hectares of land; (ii) the sugar cane accruing to the farmer from sugar cane cultivation must not exceed 60 tonnes; and (iii) the farmer's net income (other than basic retirement pension) should be derived solely from sugar cane cultivation.

<sup>16</sup> Producers are paid on a raw cane sugar basis. In the absence of the enhanced price of sugar, the sugar proceeds of planters would have been the ex-MSS price of sugar, which was around MUR 11,400 per tonne of sugar for the 2019 crop.

the Board. As from the 2017 crop, cess contribution by the producers was suspended, and the Government partly financed the operational cost of the MCIA.

- The insurance premium payable to the Sugar Insurance Fund (SIF) by planters producing up to 60 tonnes of sugar was waived as from crop 2017.
- The pooled revenues accruing to planters for molasses are derived from a basket of prices as determined by the MCIA.

**Table 4.4 Producer prices for sugar, 2020 crop**

(per tonne raw cane sugar)

	Small planters (up to 60 tonnes)	Other individual planters (greater than 60 tonnes)	Corporate planters (excluding miller planters)	Corporate planters (including miller planters)
Ex-MSS price of sugar	14,062	14,062	14,062	14,062
Cess waiver	562	562	562	562
Waiving SIF Premium (planters producing 60 tonnes sugar)	591	0	0	0
Proceeds from molasses including bottler's contribution	1,746	1,746	1,746	1,746
Bagasse Transfer Price Fund	137	137	137	62
Sugar Cane Sustainability Fund	7,901	0	0	0
Total	25,000	16,507	16,507	16,432

Note: The other categories of planters with a production over 60 tonnes of sugar are also eligible to receive the guaranteed price of MUR 25,000 per tonne of sugar for the first 60 tonnes of sugar.

Source: Information provided by the authorities.

4.41. The MFN tariff on sugar was raised on 30 July 2016 from zero to 15%. As world market prices declined further as from early 2017, the customs duty was increased to 80% in June 2018 and 100% in June 2020 (6 lines under HS 1701), which is within Mauritius' tariff binding of 122%.

4.42. According to the authorities, the enhanced tariff protection for sugar had the objective of countering unfair import competition at distorted world market prices. As a consequence of the raised MFN tariff, the margin of preference increased for (preferential) duty-free sugar imports originating in SADC and COMESA countries. Mauritius also provided a tariff exemption for industrial sugar users. Thus, in spite of the enhanced tariff protection, sugar imports continued to increase from preferential origins, including Egypt (a net sugar importer), and sugar producers lost market share on the domestic market. Mauritius' domestic consumption of sugar is estimated at about 35,000 tonnes.

4.43. Importers and domestic producers of sugar are required to register with the MCIA for domestic sales and meet the specifications of the MSB. As a prerequisite for customs clearance, importers of sugar are required to submit to the Customs Department and the MCIA a certificate of analysis issued by an accredited independent body from the country of origin confirming that the sugar meets the requirements/specifications of the SIE Act.

4.44. The MSS is the sole organization responsible for the exporting and local sales of sugar produced in Mauritius. It is a producer-driven organization, and all sugar producers are members of the Syndicate (10,500 planters for the 2020 crop). The Syndicate's primary objective is to maximize producers' sugar revenue on a sustainable basis. According to the authorities, the MSS is not an STE but is an authorized body (for sales of locally produced sugars) under Article 7(2) of the MCIA Act. A producer may leave the MSS after providing a three-year notice.

4.45. Sugar exports exceeded the total production of sugar from cane grown locally (Table 4.5). One of the reasons is that Mauritius makes use of the 15% tolerance level (by value) for mixing of non-originating sugars prior to refining operations for its deliveries to the European Union, which is a provision of the IEPA concluded with the European Union. It also mixes such non-originating sugar feedstock prior to refining operations for export to the COMESA, where a minimum of 35% of local value addition is required to confer originating status. The reason is that the rules of origin for sugar

in several FTAs signed by Mauritius, including at the regional level, are quite flexible both in terms of the value tolerance and the percentage of value addition criteria.

4.46. Under the FTA between China and Mauritius, in force since 1 January 2021, Mauritius benefits from a tariff quota of 50,000 tonnes of sugar, which will be implemented on a progressive basis over a period of eight years with an initial quantity of 15,000 tonnes. As from 1 January 2021, Mauritius is trading with the United Kingdom under the UK-Eastern and Southern Africa (ESA) economic partnership agreement (EPA). It is a "continuity" agreement that replicates the current trade arrangement with the European Union and consequently maintains preferential access on the UK market for Mauritian products, including sugar.

**Table 4.5 Sugar production, trade, and consumption**

(Tonnes)

	Production	Imports	Exports	Net trade	Consumption
2014	377,075	69,557	420,531	350,974	30,638
2015	357,114	92,340	425,139	332,799	23,871
2016	386,278	45,734	427,627	381,893	34,615
2017	355,214	8,673	430,551	421,878	34,276
2018	323,406	24,344	282,063	257,719	36,171
2019	331,105	103,309	410,506	307,197	36,680

Source: International Sugar Organization.

#### 4.1.4 Fisheries

4.47. The fisheries and aquaculture sector contributed about 1% to GDP in 2019 and employed about 9,000 people, with the majority working in the fish processing industry. The most important fisheries are tuna, followed by emperor, marlin, sailfish, octopus, and snapper. Fish production increased significantly during the review period, reaching a peak of 35,100 tonnes in 2019 (Table 4.6). The number of Mauritian-flagged purse seiners targeting tuna species increased from one to three in 2019, the main reason for the increase in fish production. The decrease in 2020 may be attributed to the catch limit imposed on yellow fin tuna and the corresponding decrease in the fishing effort of the Mauritian-flagged purse seiners.

4.48. Mauritius has an exclusive economic zone (EEZ) of 1.9 million km<sup>2</sup> and a jointly managed continental shelf of 396,000 km<sup>2</sup> with the Seychelles and is located close to some major non-EEZ tuna fishing zones. The catch levels (Table 4.6) include catches within and outside the EEZ. Most of the sector's catches come from outside the EEZ for re-export after further processing. Net exports were small in comparison with the total export value and remained in the range of USD 100 million USD 150 million between 2014 and 2020. The main export markets in 2020 were the European Union (52.2%) and the United Kingdom (14.5%). Prepared and preserved tuna are the main export products.

4.49. According to the authorities, Mauritius needs some 140,000-150,000 tonnes of tuna annually to keep its tuna industry running. Originating fish is not always available, and third country tuna is the only viable option. About 100,000 tonnes of purse seine catches in the waters controlled by the Indian Ocean Commission (IOC) are brought to Mauritius for processing.<sup>17</sup> A small share of albacore caught by long liners is transhipped in Mauritius. Small portions of pole and line skipjack caught by artisanal and semi-industrial fishers from the Maldives are canned in Mauritius.

4.50. The major challenges facing the Mauritian fishing industry, according to the authorities, include the sourcing of raw materials for the tuna processing industry (i.e. the tuna fish itself); stringent rules of origin imposed on exports, and the erosion of EU preferential market access; the protection and conservation of fish stocks, including combating illegal, unreported and unregulated (IUU) fishing; sustainability issues; and piracy in the Indian Ocean.

<sup>17</sup> The IOC is an intergovernmental organization with five members (Comoros, France/Reunion Island, Madagascar, Mauritius, and Seychelles).

**Table 4.6 Fish production and trade, 2014-20**

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
<b>Production</b> (‘000 tonnes wet weight equivalent)	<b>12.6</b>	<b>14.2</b>	<b>16.7</b>	<b>22.7</b>	<b>29.1</b>	<b>35.1</b>	<b>22.9</b>
High seas	10.2	11.7	13.9	19.9	25.3	30.1	19.5
Coastal fishing	1.6	1.8	1.8	1.8	1.7	1.7	1.1
Ponds and barachois	0.8	0.8	1.0	1.1	2.1	3.2	2.3
<b>Export quantity (‘000 tonnes)</b>	<b>149.9</b>	<b>157.6</b>	<b>159.9</b>	<b>144.8</b>	<b>141.2</b>	<b>130.3</b>	<b>116.3</b>
Fish (fresh, chilled or frozen)	58.1	70.7	72.8	59.4	60.4	48.4	43.7
Crustaceans, molluscs	0.0	0.0	0.1	0.1	0.2	0.1	0.0
Fish and fishery products	81.4	75.9	77.0	74.3	70.8	69.9	62.5
Other	10.4	11.0	10.1	11.0	9.9	11.9	10.1
<b>Export value (USD million)</b>	<b>487.3</b>	<b>418.4</b>	<b>429.7</b>	<b>449.2</b>	<b>473.8</b>	<b>417.4</b>	<b>354.2</b>
Fish (fresh, chilled or frozen)	134.4	128.1	132.8	118.0	150.5	123.1	88.6
Crustaceans, molluscs	0.3	0.0	0.2	0.2	1.2	0.2	0.1
Fish and fishery products	336.3	272.4	278.1	309.4	301.7	268.7	243.9
Other	16.4	17.9	18.6	21.6	20.4	25.3	21.6
<b>Import value (USD million)</b>	<b>354.8</b>	<b>301.7</b>	<b>329.4</b>	<b>385.7</b>	<b>324.4</b>	<b>299.0</b>	<b>252.9</b>
Fish (fresh, chilled or frozen)	296.8	246.2	273.3	319.1	264.5	238.5	202.0
Crustaceans, molluscs	18.7	16.7	20.1	20.5	23.3	21.3	15.1
Fish and fishery products	22.2	21.3	18.9	22.4	20.9	20.2	20.4
Other	17.1	17.6	17.2	23.7	15.7	19.1	15.4

a Provisional.

Note: Trade data are based on WTO definition of fish and fish products: Chapter 03, and headings 0508, 051191, 150410, 150420, 1603-05, and 230120.

Source: Statistics Mauritius, *Statistics by Subject: Agriculture and External Trade*. Viewed at: <https://statsmauritius.govmu.org/Pages/Statistics/statsbysubj.aspx>.

4.51. A new Ministry of Blue Economy, Marine Resources, Fisheries and Shipping was created in 2019. The main fisheries legislation is the Fisheries and Marine Resources Act. A new Fisheries Bill is being finalized. Its objective is to provide a modern legislative framework that contributes to the development of the fisheries sector in a sustainable manner based on conservation and management principles in accordance with international agreements and conventions.

4.52. In Mauritius' Ocean Economy Road Map of 2013, the fisheries industry was targeted as one of seven priority sectors, where a growth potential was seen particularly in transshipment, seaport-related activities, aquaculture, and fish processing. The sector has attracted investment, particularly in areas such as fishing, fish processing, and aquaculture, namely oyster farming and cage culture of high-value fish species.<sup>18</sup> The Government has directed the MIC to invest in joint ventures engaged in fishing activities.

4.53. The Government announced in FY 2018/19 a new policy direction that focuses on import substitution in the fisheries sector.<sup>19</sup> It plans to increase the availability of fish on the domestic market and will allow foreign industrial fishing companies to fish in shallow water banks, provided the entire catch is sold on the local market. The plan has not yet been implemented.

4.54. To promote the fishing industry, Mauritius developed the Seafood Hub scheme, the Aquaculture Master Plan 2007, the Fisheries Master Plan 2011, and the Mauritius National Export Strategy Fisheries and Aquaculture Sector 2017-21.

- The Seafood Hub scheme, a joint public-private sector initiative launched in 2005, seeks to attract investment in seafood and aquaculture through, *inter alia*, an efficient customs clearance system, the provision of tax incentives, allowing 100% foreign ownership and free repatriation of profits, and offering low port handling charges and access to offshore

<sup>18</sup> For example, European seabass (*Dicentrarchus labrax*), red drum (*Sciaenops ocellatus*), and dusky kob (*Argyrosomus japonicus*).

<sup>19</sup> Minister of Finance, Economic Development, Budget Speech 2018-2019.

banking facilities. In 2020, there were 171 registered importers and 28 registered exporters.

- Under the Aquaculture Master Plan of 2007, 31 fish farming zones were proclaimed by 2021. In addition, six new fish farming zones (four offshore zones and two in lagoon) are to be prescribed through regulations to the Fisheries and Marine Resources Act in 2021.
- The Fisheries Master Plan sets out a strategic plan for 2011-20, which includes eco-labelling, an aquaculture development and management policy, development of national fleet capacity, assessment of additional fish supplies for processing, a levy on marine users to support sustainable fisheries, and the establishment of a sustainable fisheries development fund. Closed seasons for fishing of octopus and oysters and use of specific gear (namely the large net, pocket net, gill net, and canard net) are enforced under the Fisheries and Marine Resources Act.

4.55. Most of the catch in Mauritius' waters is taken by licensed foreign vessels. In FY 2019/20, 232 licences were issued to foreign fishing vessels and 32 to local fishing vessels (Table 4.7).<sup>20</sup> Licence fees are structured according to whether vessels are under a fisheries agreement, not under an agreement, or local. Licence fees for vessels not under an agreement (for 90 days) are USD 18,000 to USD 24,000 for long liners, and USD 15,000 for purse seiners.

**Table 4.7 Number of fishing licences issued to foreign vessels, July 2019-June 2020**

Flag	Licences issued	Revenue
Seychelles	16	USD 319,500
European Union	52	EUR 2,908,550
Non-EU	164	USD 1,483,000
Local vessels	32	MUR 32,000
<b>Total</b>	<b>264</b>	

Source: Information provided by the authorities.

4.56. Mauritius has fisheries agreements with Seychelles, Japan, and the European Union, allowing to fish in Mauritius' EEZ. In addition, with respect to migratory tuna fishing, licences to fish in Mauritius' EEZ are issued to members of the Indian Ocean Tuna Commission (IOTC). All licences are subject to the payment of licence fees and are of a limited duration, and licensed vessels must be listed on the IOTC positive record of vessels authorized to fish in the areas of competence of the IOTC.

4.57. To combat IUU fishing, Mauritius put in place a National Plan of Action, a National Plan for sharks, and port control. According to the authorities, the Port State Control Unit monitors landings and departures of all fishing vessels, and there is 100% coverage of all foreign vessels (licensed and non-licensed) calling into Mauritius Port for unloading, transshipment, and bunkering. The Competent Authority and the Port State Control Unit strictly adhere to EU-IUU regulations, as well as to Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) regulations. The Port State Control Unit also ensures compliance with IOTC management measures, and with regional fisheries management organizations, including the FAO. A Vessel Monitoring System (VMS) for the monitoring and control of all local and foreign licensed fishing vessels in Mauritius' EEZ and outside the EEZ is in place; Mauritius is party to the IOC regional VMS.

<sup>20</sup> The domestic fishing fleet includes three purse seine operators in the IOC area.

4.58. Support to the fisheries sector includes tariff exemptions on certain inputs (Section 3.1.3.5). Fishing vessels, factory ships, and other vessels for processing or preserving fishery products are VAT-exempt (Table 3.8). VAT zero-rated items include fish (Table 3.9). The fishing industry does not (unlike agriculture) benefit from preferential electricity tariffs. Financial assistance includes the following:

- Under the Canotte Scheme, registered fishermen may benefit from grants of 50% of the value of the "canotte" of up to MUR 200,000 for the purchase of fibre-glass fishing boats of length of 8 to 12 metres for fishing in the off-lagoon areas.<sup>21</sup>
- Under the Semi-Industrial Fishing Scheme, fishermen cooperatives may apply for grants of 50% of up to MUR 4 million for the purchase of fully equipped semi-industrial fishing boats less than 24 metres in length to fish around the banks.
- The Government also provides grants of 80% of the purchase price of outboard engines and fishing nets, by small-scale fishermen cooperatives, up to a maximum of MUR 80,000.
- A bad weather allowance (MUR 475 per day) is granted.
- An inland aquaculture scheme was introduced in 2020, providing incentives of an eight-year tax holiday, and a duty and VAT exemption on equipment.
- Cooperative societies may benefit from a grant of MUR 25,000 for ornamental fish breeding.

4.59. Imports of fish and fishery products (WTO definition) are duty-free (Table 3.6). As set out in the Import (of Fish and Fish Products) Regulations, 2012, importers of fish products must be registered with the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping. Registered importers are subject to an annual import fee of MUR 25,000 paid to MRA-Customs. To be eligible for a registration certificate, which is valid for one year, importers must, *inter alia*, have appropriate storage and transport facilities, and seek the approval from the Ministry prior to the import of any fish or fish products. Import authorizations are based on species requested (i.e. whether they are toxic, banned, or controlled) and the country of origin (whether export establishments are approved).

4.60. Export permits are obtained from the Ministry. The Competent Authority Seafood (CASF) is a unit of the Ministry and is responsible for the verification and certification of fish and fish products for export. A fee of MUR 500 is charged per export health certificate.

## 4.2 Energy and Water

### 4.2.1 Electricity

4.61. The energy sector (electricity, gas, steam, and air conditioning supply) contributed 1.6% to GDP in 2020 (Table 1.1). Mauritius has no oil, natural gas, or coal deposits, and around 87% of its primary energy requirements are imported (petroleum products and coal). Its fuel import bill in 2020 (USD 635.5 million, HS 27) represented 15% of the total value of Mauritius' imports (compared with 18.4% or USD 1,029.1 million in 2019).

4.62. The country's dependence on imported fuels, and its vulnerability to fluctuations in oil prices prompted the Government to encourage greater use of renewable energy and to utilize energy resources in a more efficient manner. This policy change was first declared in the Maurice Ile Durable Vision of 2008, to achieve energy self-sufficiency and improve energy security. Energy policy was subsequently elaborated in the Government's Long-term Energy Strategy 2009-2025<sup>22</sup> and the

<sup>21</sup> See also WTO document G/SCM/N/343/MUS, 12 June 2019. Viewed at: <https://docs.wto.org/dol2feetaff/Pages/SS/directdoc.aspx?filename=q:/G/SCM/N343MUS.pdf&Open=True>.

<sup>22</sup> Ministry of Renewable Energy and Public Utilities, *Republic of Mauritius: Long-Term Energy Strategy, 2009-2025*, 20 October 2009. Viewed at: <https://sustainabledevelopment.un.org/content/documents/1245mauritiusEnergy%20Strategy.pdf>.



Renewable Energy Roadmap for 2030 for the Electricity Sector, issued by the Ministry of Energy and Public Utilities.<sup>23</sup>

4.63. The law establishing the Utility Regulatory Authority (URA) was passed in 2004, but the URA became operational only in 2016 as an independent multi-sectoral regulator for the electricity and water sectors. The Electricity Act 2005 was drafted to empower the URA with its regulatory powers. The proclamation of the Electricity Act is pending, and amendments have been incorporated in an Electricity (Amendment) Bill enacted by the National Assembly on 15 December 2020 to harmonize some clauses with provisions in other legislation.

4.64. Energy savings are a key element in Mauritius' strategy. In 2011, the Energy Efficiency Act was passed to reduce energy use and costs, protect the environment, improve productivity, and help to mitigate the effects of climate change. The law also provides for mandatory energy audits for businesses.<sup>24</sup> An Energy Efficiency Management Office was established in 2011 to, *inter alia*, manage energy efficiency programmes and monitor energy usage.<sup>25</sup> The national target is to achieve a 10% efficiency gain by 2025.

4.65. The main thrust of Mauritius' energy strategy lies in the development of renewables. The target for renewables is to contribute 35% by 2025, and 60% by 2030, to the electricity generated, with the elimination of power generation from coal by 2030. To this end, the Government established the Mauritius Renewable Energy Agency (MARENA) through its enabling laws in 2015, to explore financing sources and renewable energy incentive schemes, as well as research and development in the area of renewables. MARENA has the responsibility for assessing the feasibility and competitiveness of renewable energy projects, especially with regard to technologies yet to be explored in Mauritius (e.g. offshore wind parks).

4.66. In 2020, 76.1% of the total electricity was generated from non-renewable sources, principally petroleum products and coal, and 23.9% from renewable sources, mainly bagasse, hydro, wind, solar, and landfill gas (Table 4.8). The share of solar energy in the electricity mix reached about 5.1% in 2020, up from 4.0% in 2014. The target of 35% renewables is to be achieved with an additional of 396 GWh of renewable energy over the period 2020-25 (up from 774.7 GWh in 2020). The main contribution would come from solar energy, with 11 photovoltaic (PV) farms expected to become operational.<sup>26</sup>

4.67. The Central Electricity Board (CEB) is engaged in electricity generation and is the sole organization responsible for the transmission and distribution of electricity in accordance to government policy of adopting a single buyer model. The Integrated Electricity Plan of 2002 (amended in 2013) of the CEB provides for its reorganization, including the removal of the regulatory role, while creating business units (generation, transmission, system operation, distribution, and procurement of electricity) within the CEB. The modernization of the electricity grid is under way: Battery Energy Storage Systems totalling 18 MW are being integrated into the power system.

4.68. The CEB generates around 41% of total electricity from thermal power stations and hydroelectric plants. The remainder is provided by independent power producers (IPPs) that mainly produce electricity from coal and bagasse. The IPPs are selected through a competitive call for proposals by the CEB, followed by a 20-year Energy Supply and Purchase Agreement with the CEB.

4.69. As part of the Government Programme for FY 2016/17, the CEB introduced a Medium-Scale Distributed Generation (MSDG) Scheme, for a maximum of 10 MW, to enable beneficiaries to

<sup>23</sup> Ministry of Energy and Public Utilities, *Republic of Mauritius: Renewable Energy Roadmap 2030 for the Electricity Sector*, 5 August 2019. Viewed at:

[https://www.google.mu/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewjE9ayalsPtAhVx7eAKHUY\\_C4wQFjAAeqQIAxAC&url=https%3A%2F%2Fwww.storageplus.io%2Fpublic%2Fdownload-document%2Fcodevigor%2Fgovernment-mauritius-ministry-of-energy-and-public-utilities%2Fministry-of-energy-re-roadmap-2030-final-proof%2Fdocument%2Fdownload&usq=AOvVaw3qohx47h0UJUOASWIq3XJH](https://www.google.mu/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewjE9ayalsPtAhVx7eAKHUY_C4wQFjAAeqQIAxAC&url=https%3A%2F%2Fwww.storageplus.io%2Fpublic%2Fdownload-document%2Fcodevigor%2Fgovernment-mauritius-ministry-of-energy-and-public-utilities%2Fministry-of-energy-re-roadmap-2030-final-proof%2Fdocument%2Fdownload&usq=AOvVaw3qohx47h0UJUOASWIq3XJH).

<sup>24</sup> Energy Efficiency (Registration of Energy Auditors) Regulations 2016, as amended in 2019.

<sup>25</sup> Energy Efficiency (Registration of Energy Auditors) Regulations 2016, as amended in 2018. Ministry of Energy and Public Utilities, Energy Efficiency (Energy Consumer and Energy Audit) Regulations 2017. To promote efficient use of energy, the importation of incandescent lamps of 50W and 75W is banned as from 1 January 2020, and standards for LED lights are enforced.

<sup>26</sup> A solar farm is to be set up near the airport to allow the new airport city to be fully autonomous and run by renewable energy.

produce electricity for their own consumption and sell the excess to CEB.<sup>27</sup> The Government also plans to install 25 MW of rooftop solar PV to cater for public and residential buildings.<sup>28</sup>

4.70. Electricity tariffs are high in Mauritius (USD 0.15 per kWh) at an exchange rate of USD 1 to MUR 40. They are set on a cost recovery basis, for three categories of consumers (domestic users, commercial users, and industry). Lower tariffs apply to industrial and agricultural users. The electricity tariffs were last revised in 2010.

**Table 4.8 Electricity mix, 2020**

		Installed capacity (MW)	Total electricity (GWh)	Share in electricity mix (%)
Renewables	Bagasse	230.4	383.6	13.3
	Hydro	60.5	115.8	4.0
	Landfill gas	3.4	24.8	0.9
	Wind	10.6	18.1	0.6
	Solar	106.3	145.7	5.1
	<b>Subtotal</b>	<b>411.3</b>	<b>688.0</b>	<b>23.9</b>
Non-renewables	Fuel oil	450.3	1,056.3	36.6
	Coal		1,137.6	39.5
	<b>Subtotal</b>			<b>76.1</b>
<b>Total</b>		<b>861.6</b>	<b>2,881.9</b>	<b>100</b>

Source: Ministry of Energy and Public Utilities.

#### 4.2.2 Petroleum products

4.71. The STC is the sole authorized importer of petroleum products including LPG (Table 3.18).<sup>29</sup> Petroleum products are considered as a strategic product, given that Mauritius has to import its entire requirements and to ensure reliability of supply and quality. Imports of petroleum products reached 945,000 tonnes in FY 2019/20. The STC procures through an annual open tender process.<sup>30</sup> Petroleum products are sold to four local oil companies that distribute to the domestic market<sup>31</sup>, international markets (for aviation and bunker fuels), and to the CEB. The STC pays normal (non-concessionary) dues to the Mauritius Ports Authority.

4.72. Prices for petroleum products for aviation and bunkering purposes are based on the cost plus a margin intended to cover the STC's administrative expenses. The prices of petroleum products for the local market are set through the Petroleum Pricing Mechanism, in accordance with the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011.<sup>32</sup> Prices for products sold for the international markets are determined by the STC.

4.73. The entire requirements for LPG (around 80,000 tonnes) are procured by the STC through international tender. The supply to the domestic market is in the form of 5-6 kg and 12 kg bottles destined for residential use; LPG is sold at subsidized rates to wholesalers and end-users (LPG is the main source of cooking and water-heating for almost all households in Mauritius). LPG (in bulk and in cylinders above 12 kg) is sold to the petroleum companies at a price based on cost plus a margin to cover the STC's administrative expenses.

4.74. The Government plans to introduce an Offshore Petroleum Bill. The objective of the Bill is to repeal the Petroleum Act of 1970 and replace it with an up-to-date regulatory regime for petroleum activities in the seabed and subsoil areas of the maritime zones of Mauritius, notably through the

<sup>27</sup> The detailed terms and conditions of MSDG Scheme are published on the Central Electricity Board (CEB) website. Viewed at: <https://ceb.mu/projects/ceb-msdg-renewable-energy-re-scheme>.

<sup>28</sup> MFEPP, Budget Speech 2020-2021.

<sup>29</sup> Except Gasoil 2,500 ppm S, HSFO 180 CC and HSFO 380 SR, which have been liberalized for marine bunker trade since 2014. See G/STR/N/18/MUS of 16 June 2020.

<sup>30</sup> From 2006 until 2019, STC procured on the basis of a Government-to-Government agreement the total annual requirements for petroleum products from Mangalore Refinery and Petrochemicals Limited (MRPL) in India. In 2019, the STC carried out a competitive international bidding process and entered into supply agreements with two private suppliers based in Bahrain and Singapore for the total requirement for petroleum products, which were sourced from the Middle East, South Asian and South East Asia countries.

<sup>31</sup> Total, VIVO, Engen, and Indian Oil.

<sup>32</sup> STC, *Summary: Brief on the Petroleum Pricing Mechanism*. Viewed at: <https://www.stcmu.com/ppm/summary>.

prospecting, exploration, retention, and production of petroleum. Furthermore, a Seabed Mineral Bill and a Seabed Mineral Beyond National Jurisdiction Bill are being elaborated. With their licensing regime and application process, the Bills provide for a more streamlined institutional arrangement. The Bills would be supplemented by a number of codes, such as the Fiscal and Taxation Code, the Environment Code of Practice, and the Offshore Petroleum Safety Code to ensure financial transparency, preservation of the environment, and occupational safety.

#### 4.2.3 Water

4.75. The Ministry of Energy and Public Utilities (MEPU) is responsible for the water sector. It formulates policies and strategies for the mobilization and conservation of water resources, and the management of supply and distribution of water. The ownership of water is vested in the State.

4.76. There are two subsidiary parastatals responsible falling under the aegis of the MEPU for managing water: the Central Water Authority (potable water distribution and water supply infrastructure), and the Wastewater Management Authority. Mauritius has a National Water Policy (2014) in place, and it adopted a National Integrated Water Resources Management Plan in 2017. A roadmap for 2021-24 for improving the water supply service, particularly in water-stressed regions during the dry season, was adopted in May 2021, and Budget 2021/22 has made provisions for the implementation of priority projects.

4.77. Mauritius has an average annual rainfall of about 2,010 mm. About two thirds of the annual replenishment of water resources comes from tropical cyclones. The water supply is about 56% groundwater, and the rest is taken from surface sources, such as reservoirs and Mauritius' dense system of rivers. Close to 100% of the population has access to piped water supply; the daily consumption is about 220 litres.

4.78. Some of the economic issues in Mauritius' water management include the following:

- Water allocation: The National Water Policy accords the following user priority – domestic, industrial, tourism, irrigation, hydro power, and other users. Irrigation is currently the largest water user, mainly for sugar cane. Over the past decades, water allocation was driven mainly by precedence (of ownership by the sugar sector) rather than national economic or social priorities. A review of existing water rights and the legal framework is being undertaken to rationalize the use of water in the country, while promoting efficiency.
- Water pricing: Mauritius' water tariffs are low by international comparison. There is no water pricing framework that ensures full cost recovery, as per policy objective.<sup>33</sup>
- Water use efficiency: With a view to addressing challenges and constraints in the water sector and to cope with water losses and also to have a sustainable approach towards water management, water efficiency is one of the Government's priorities. Budget 2021/22 made provisions for water conservation and water recycling.<sup>34</sup> Moreover, water released from hydro power stations will be treated and distributed for domestic purposes.
- Sewerage system: Only part of the industrial wastewater, including from sugar plants, is treated. The amended Wastewater (Licences for Discharge of Industrial Effluent into a Wastewater System) Regulations entered into force on 1 January 2020 and require industrial users to obtain a licence for discharges into the public wastewater system.

#### 4.3 Manufacturing

4.79. The manufacturing sector contributed 12.1% to GDP in 2020 and employed about 96,300 people. Manufacturing growth averaged 1% during 2014-19, before the sector contracted by 20% in 2020 (Table 1.1). The clothing industry was particularly affected by the contraction. Manufacturing exports declined from USD 1,753 million in 2014 to USD 1,128 million in 2019 and

<sup>33</sup> The prevailing water tariffs are published on the Central Water Authority website. Viewed at: <http://cwa.govmu.org/Pages/Services/Charges%20fees%20tariff/watertariff.aspx>.

<sup>34</sup> Including concessional financing of up to MUR 1 million for car washers to invest in water-recycling and rainwater-harvesting systems.

dropped to USD 869 million in 2020. Productivity growth in manufacturing slowed, due to a continued decline in investment. Manufacturing investment (USD 201 million in 2014) reached lows of USD 113 million in 2016 and USD 117 million in 2017, although it recovered to USD 142 million in 2018.

4.80. In the 1970s, Mauritius moved from an import substitution policy towards an export-led strategy based on an Export Processing Zones scheme until the Industrial Expansion Act was repealed in 2006. The export manufacturing enterprises have since been captured as export-oriented enterprises (EOEs).

4.81. Mauritius' industrial development has been based on a two-tier strategy of export-led development driven by EOE, and production for the local market by domestic-oriented enterprises (DOEs). The EOE and DOE sectors contribute, respectively, about one third and two thirds of the manufacturing value-added. In 2019, there were 239 manufacturing EOEs, employing around 44,000 people. However, the EOE sector has posted negative growth since 2014. The main EOE industries are textiles and clothing, followed by fish and fish preparations, precious and semi-precious stones including diamond cutting and polishing; jewellery; medical devices, pharmaceuticals; and watches and clocks. The DOE sector contributed 8.2% to GDP in 2019. The sector comprised 336 companies (of 10 employees or more) in 2019, employing about 20,000 people. The largest industries are involved in food processing, manufacture of beverages, and chemical products such as soaps and detergents.

4.82. The competitiveness of the manufacturing sector was in the past underpinned mainly by trade preferences and the availability of low-cost labour. Mauritius thus managed to diversify away from sugarcane production and transformed itself into an upper middle-income economy with the textiles and clothing sector as an engine of economic growth. However, the textiles and clothing industry has lost in competitiveness in recent years and continues to shrink. There were 148 EOEs in the textiles and clothing industry in 2019 (down from 203 in 2014), as some larger textile and clothing enterprises either moved part of their production to Madagascar, India, China, or Bangladesh or closed down.

4.83. In December 2020, the Ministry of Industrial Development, SMEs and Cooperatives launched the Industrial Policy and Strategic Plan for Mauritius 2020-2025 (developed in cooperation with UNCTAD).<sup>35</sup> The plan aims to support the National Vision for 2030 to achieve high-income status. It has the ambitious objective to stimulate industrial development, with a target of reaching 25% of GDP by 2030.

4.84. The Government has announced a renewed focus on industrial policy. The Government Programme 2020-2024 states that "in order to usher in a paradigm shift in the development of the manufacturing sector, Government is devising a strategic plan. It will focus on the promotion of innovation-led and technology-intensive production on building export competitiveness and on import-substituting activities".<sup>36</sup> Action plans have been developed for various sub-sectors, including textile and clothing, food processing, fish preparations, medical devices, pharmaceuticals, jewellery and related items, and SMEs.

4.85. The State, through the SIC, has an equity stake in the following manufacturing companies: Terragen Ltd., Lafarge (Mauritius) Cement Ltd., Mauritius Chemical and Fertilizer Refineries Ltd., Mauritius Oil Refineries Ltd., and Princes Tuna (Mauritius) Ltd (Table 3.19). Shares in Sky Jeans are held on behalf of Investment Support Programme Ltd.

4.86. The Government plans to expand the industrial infrastructure and logistics facilities by setting up three new business parks (a high-tech park at Côte D'Or extending over 150 acres, a logistics park at Riche Terre, and a pharmaceutical and life sciences park at Rose Belle). Incentives include reimbursement of VAT on building and capital goods; reimbursement of VAT on raw upon exportation; no import duties on equipment and raw materials for infrastructure and buildings,

<sup>35</sup> Ministry of Industrial Development, SMEs and Cooperatives. Viewed at: <https://industry.govmu.org/Pages/default.aspx>.

<sup>36</sup> Government of Mauritius, *Government Programme 2020-2024: Towards an Inclusive, High-income and Green Mauritius – Forging Ahead Together*.

except furniture; and 50% accelerated depreciation allowance on energy-efficient equipment and capital expenditures incurred on R&D.

4.87. During the review period, average tariff protection on manufactured products declined, continuing a trend that was observed in Mauritius' two previous Reviews. In 2021, the average applied MFN tariff on manufactured goods (ISIC definition) was 1.3% (down from 2.4% in 2014 and 6.8% in 2007); 93.3% of the 6,009 tariff lines were duty-free in 2021, with tariffs ranging from zero to 100%. The decline in 2021 mainly resulted from increased competition following trade liberalization reforms, including elimination of *ad valorem* tariffs on clothing; in 2014, clothing tariffs averaged 15.7% with a maximum of 488%.

4.88. Import and export controls apply to certain manufactured products (Section 3.1.4), and some are subject to price controls (Table 3.21).

4.89. Incentives for the industrial sector are largely tax based. In addition to the Investment Support Programme (Section 3.3.4), the main schemes include the following:<sup>37</sup>

- Investment tax credit: a 15% tax credit is granted to manufacturing companies over three years (i.e. 45% in total) in respect of expenditures for new plant and machinery (excluding motor cars) during 1 July 2020 to 30 June 2023.
- Income tax holiday: the exemption covers designated activities for a period of four to eight years, including fishing, food processing, certain farming schemes, and activities by small companies qualifying under schemes by the Small and Medium Enterprises Development Authority (SMEDA).
- Double deduction of expenditure: expenditures related to R&D and on the acquisition cost of patents and franchises, including costs incurred to comply with international quality standards; available to all companies and time bound.
- Transfer of unrelieved tax losses on the acquisition of an ailing company: the objective is to facilitate takeovers by manufacturing companies to safeguard employment and the continuity of the business, and to facilitate a loss transfer to encourage mergers.
- Exemption from registration duty and land transfer tax: the incentive is available to all manufacturing companies registered in Mauritius on the acquisition or transfer of the shares or property.

4.90. In addition, various customs duty and VAT relief schemes are in place to support manufacturing enterprises (Section 3.1.3), as are certain cross-sectoral incentive schemes (Section 3.3.4). The sector may also benefit from the Buy Mauritian programme (Section 3.3.3). This includes the imposition of a minimum shelf space of 10% for locally manufactured goods in supermarkets. The Government introduced additional support measures, including measures to promote local manufacturing SMEs. This includes a grant of MUR 5,000 for certification under the "Made in Moris" label.

4.91. Mauritius' exports benefit from preferential access to export markets under the US-African Growth and Opportunity Act (AGOA) scheme and under the IEPA with the European Union (Section 2).

#### 4.4 Services

4.92. Trade in services is a declared priority of the Government, which has accordingly included services in its recent trade negotiations (Section 2.3). In the WTO services negotiations, Mauritius made various submissions over the 2002-04 period (including on small economies and logistics services) and put forward an initial offer in the context of the Doha services round.<sup>38</sup> Having joined

<sup>37</sup> WTO document G/SCM/N/343/MUS, 12 June 2019. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/G/SCM/N343MUS.pdf&Open=True>.

<sup>38</sup> WTO documents TN/S/W/34, 18 February 2005. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/TN/S/W34.pdf>; TN/S/W/20, 25 June 2004. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/TN/S/W20.pdf>; TN/S/W/8,



in 2015, Mauritius participated in the ongoing plurilateral Trade in Services Agreement negotiations with a view to creating the necessary conditions for the further development of the services sector in the country, and to open up market access opportunities for local service providers. Its key priorities are the movement of professionals for specific categories of professional service providers; streamlining of procedures relating to domestic regulations; and opening up of opportunities in distribution, construction, financial, and telecommunication services.<sup>39</sup>

4.93. Budget programmes since 2014 have contained ambitious plans to develop several services sectors. These in turn should constitute trade and investment opportunities for foreign services suppliers, given Mauritius' relatively open market access regime for services. The MFARIIT has dedicated a website to Mauritius' services trade regulations that provides information on international agreements covering services, and on the value of services trade by sector.<sup>40</sup> Table 4.9 depicts the services sectors in which trade liberalizing commitments have been undertaken.

**Table 4.9 Main services sectors covered by trade agreements, 2021**

Agreement	Sector
GATS	Information and communications technology (ICT) services, financial services, tourism services
China	ICT services, financial services, professional services, construction, health services
India	ICT services, financial services, tourism services, education, construction, environmental, distribution, business services, professional services, audiovisual services, transport services

Source: WTO Secretariat, based on information provided by the authorities.

4.94. The two trade agreements that entered into force in 2021 (one with China and one with India) provide an insight of the degree of current openness of the Mauritian services market. The FTA with China liberalizes access to more than 100 service sub-sectors, in which Mauritian and Chinese companies will be allowed to establish businesses in each other's markets as wholly owned entities or in partnership with local operators.<sup>41</sup> The CECPA with India lists access in around 115 sub-sectors.<sup>42</sup>

#### 4.4.1 Horizontal measures

4.95. Mauritius, in its GATS horizontal<sup>43</sup> commitments, listed its main laws on immigration and economic activities by foreigners, covering Modes 3 and 4.<sup>44</sup> The conditions for foreign natural or corporate services suppliers to establish a commercial presence in Mauritius (Mode 3) are detailed in Section 2.4 of this report, as they fall under the regime on foreign investment; essentially, foreign companies wishing to establish a commercial presence in Mauritius must be incorporated or/and registered in Mauritius and, as provided under the Companies Act, one director must be resident in Mauritius. The authorities state in the context of this review that the Mode 4 measures scheduled by Mauritius in its two FTAs with China and India, which follow the same format as the GATS, constitute the current access conditions for service suppliers from all WTO Members, (Table 4.10).

28 October 2002. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/TN/S/W8.pdf>; and TN/S/O/MUS, 24 June 2004. Viewed at:

<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/TN/S/OMUS.pdf>.

<sup>39</sup> Currently 23 Members are party to the agreement: Australia; Canada; Chile; Chinese Taipei; Colombia; Costa Rica; the European Union; Hong Kong, China; Iceland; Israel; Japan; Liechtenstein; Mauritius; New Zealand; Norway; Mexico; Pakistan; Panama; Peru; Republic of Korea; Switzerland; Turkey; and the United States.

<sup>40</sup> Mauritius Trade Easy, *International Trade in Services*. Viewed at: <http://www.mauritiustrade.mu/en/trade-in-services>.

<sup>41</sup> Mauritius Trade Easy, *Mauritius-China Free Trade Agreement (FTA)*. Viewed at: <http://www.mauritiustrade.mu/en/trade-agreements/china>.

<sup>42</sup> WTO, RTA Database. Viewed at: <http://rtais.wto.org/UI/PublicShowMemberRTAIDCard.aspx?rtaid=517>.

<sup>43</sup> Horizontal commitments are those measures that apply to all foreign services suppliers.

<sup>44</sup> WTO and World Bank, I-TIP Database. Viewed at: <http://i-tip.wto.org/services/SearchResultGats.aspx>.

**Table 4.10 Conditions of work for foreign natural persons, China FTA and CECPA with India**

Categories of workers
<p><b>1. Intra-Corporate Transferees:</b> Following specific categories of employees who are hired temporarily to provide a service in Mauritius, if hired by a service supplier with a commercial presence in Mauritius are eligible to stay and work in Mauritius: (i) Managers, who direct a branch office or one or more departments as their head, or supervise or control the work of other supervisory, professional or managerial personnel and have the authority to appoint or remove the personnel and powers to exercise discretionary authority over day-to-day operations; (ii) Executives, who are in senior positions within a juridical person or a branch, and who primarily direct the management, have wide decision-making powers and are either members of the board of directors or receive directions from the board or the general body of shareholders; or (iii) Specialists, who possess high qualifications and knowledge at an advanced level relevant to the organization's activities or of the organization's research, equipment, techniques or management and may include persons who are members of accredited professional bodies. The CECPA with India specifies in addition that short-term occupation permits are granted for an initial period of up to nine months or the period of the contract, whichever is less, and which may be extended for a period not exceeding three months. Long-term occupation permits can be granted for three years renewable for further periods of three years.</p>
<p><b>2. Contractual/Short-Term Service Suppliers:</b> Natural persons employed by juridical persons, who: (i) travel to Mauritius temporarily for short periods of stay in order to perform a service pursuant to a contract between their employer and a client(s) located in Mauritius, where the employer does not have an affiliate office and where remuneration must be paid solely to the employer; or (ii) travel to Mauritius temporarily for short periods to fulfil qualification and licensing requirements where presence in Mauritius is an essential condition for the fulfilment of these requirements. Access shall be available under this category only in the specific services sector in which contract has been entered into, and employees should have appropriate educational and professional qualifications relevant to the services to be provided. The CECPA with India in addition specifies a list of service sectors in which Contractual Service Suppliers and Independent Professionals will have access; it defines in addition that Short-Term Service Suppliers are granted an initial period of 90 days, with possibility of extension for a period of up to 30 days, but that the total stay should not exceed 120 days in one calendar year. Contractual services suppliers receive a multiple entry visa for the duration of the contract (maximum two years).</p>
<p><b>3. Independent Professionals:</b> Natural persons who travel to Mauritius temporarily for short periods of stay to perform a service pursuant to a contract(s) between them and a client(s) located in Mauritius for which they possess the necessary academic credentials and qualifications and have obtained, wherever necessary, registration with the professional body, and remuneration is to be paid solely to the natural person. Access shall be available under this category only in the specific services sector in which the contract has been entered into. The CECPA specifies in addition that independent services suppliers receive a multiple entry visa for the duration of the contract (maximum two years).</p>
<p><b>4. Dependents</b> wishing to work in Mauritius need to apply either for a work or occupation permit. This is subject to meeting eligibility criteria in accordance with the laws and policies prevailing in Mauritius.</p>
<p><b>5. Business Visitors:</b> Persons who visit Mauritius temporarily: (i) for the sale of services or entering into agreements for such sales for that services supplier (Service Seller); (ii) employees of a juridical person for the purpose of setting up a commercial presence of that juridical person in Mauritius; (iii) persons participating in business meetings; and (iv) persons engaged in installing machinery or providing after-sale services of machinery under the conditions of the purchase of the machinery. Access is subject to the condition that representatives of such services suppliers or employees of such juridical persons will not be engaged in making direct sales to the general public or in supplying services themselves and will not receive any remuneration from a source located within Mauritius. Business visitors will be granted a multiple entry Business Visa valid for a period up to 2 years with a maximum of 120 days per year, provided that each trip does not exceed 90 days consecutively.</p>

Source: Mauritius Made Easy, *Mauritius-China Free Trade Agreement (FTA)*. Viewed at: <http://www.mauritiustrade.mu/en/trade-agreements/china>; and *Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between the Republic of Mauritius and the Republic of India*. Viewed at: <http://www.mauritiustrade.mu/ressources/pdf/cecpa-trade-agreement.pdf>.

#### 4.4.2 Financial services

##### 4.4.2.1 Overview

4.96. The financial services sector contributed some 13% of gross value added in 2020 (Table 1.1). Mauritius participated in the WTO financial services negotiations and undertook commitments under the Fifth Protocol to the GATS.<sup>45</sup> An economic need test is specified in these commitments, as in the

<sup>45</sup> WTO, *Fifth Protocol to the General Agreement on Trade in Services*, 3 December 1997. Viewed at: [https://www.wto.org/english/tratop\\_e/serv\\_e/5prote\\_e.htm](https://www.wto.org/english/tratop_e/serv_e/5prote_e.htm).



domestic legislation, but has not been used so far according to the authorities. Also, Mauritius scheduled MFN exemptions on cross-border supply and commercial presence for a period of 10 years (i.e. until 2008) in financial services under Article II of the GATS, which were never applied.<sup>46</sup>

4.97. Mauritius' banking sector is regulated mainly by the Banking Act and by the Bank of Mauritius (BOM) Act. The BOM is responsible for licensing, regulating, and supervising banks, non-bank deposit-taking institutions, and cash dealers. The Financial Services Commission (FSC) regulates, *inter alia*, the non-bank financial services sector, including the insurance sector, private pensions, leasing, peer-to-peer lending, capital markets, and wealth and asset management. The two institutions are jointly in charge of ensuring the soundness and stability of the financial system.<sup>47</sup>

4.98. All activities regulated by the FSC can be carried out by both domestic companies, as well as Global Business (GB) corporations. In contrast with a domestic company, also known as a local company, which is incorporated under the laws of Mauritius by the Registrar of Companies and governed by, *inter alia*, the Companies Act 2001, the Business Registration Act 2002, the Income Tax Act 1995, and the Value Added Tax Act, the GB legislative framework is provided mainly by the Financial Services Act (FSA) of 2007.<sup>48</sup> An applicant for a GB licence must be a "resident corporation conducting business outside Mauritius". This application to the FSC must be channelled through a management company, which is a service provider acting as an intermediary between its clients and the FSC; there is no nationality or residence requirement for the management company.

4.99. Mauritius has signed double-taxation avoidance agreements with several countries; in May 2016, India and Mauritius signed a protocol to amend the India-Mauritius Double Tax Avoidance Convention (Section 2.4.3). During the review period, Mauritius also undertook reforms of its financial sector activities to meet international standards, in particular the FSA, the Securities Act, the Banking Act, and the Financial Intelligence and Anti-Money Laundering Act. The FSC also reviewed the insurance legal framework, the private pensions legal framework, and the captive insurance framework.

4.100. In particular, Mauritius has since 2002 endorsed the standards of the Financial Action Task Force (FATF) against money laundering and terrorist financing; it is also a founding member of the Eastern and Southern Africa Anti-Money Laundering Group. In February 2020, the FATF named Mauritius as a "jurisdiction under increased monitoring". In response, Mauritius made a high-level political commitment to work with the FATF and the Eastern and Southern Africa Anti-Money Laundering Group to strengthen the effectiveness of its Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime. As at October 2020, the European Commission identified Mauritius as a high-risk country with "strategic deficiencies in its AML/CFT regime". In February 2021, Mauritius was still on the FATF list of 22 jurisdictions under increased monitoring, namely countries that are actively working with the FATF to strengthen their regimes against money laundering, terrorist financing, and proliferation financing.<sup>49</sup> At its June 2021 plenary, the FATF made the initial determination that Mauritius had substantially completed its action plan and warranted an on-site assessment to verify that the implementation of Mauritius's AML/CFT reforms had begun and is being sustained, and that the necessary political commitment remains in place to sustain implementation in the future.<sup>50</sup>

4.101. The State holds shares in several financial services institutions and increased its participations during the review period. In April 2015, the licence of Bramer Banking Corporation Ltd (BBCL) was revoked. BBCL had been experiencing large withdrawals of deposits, placing it in a precarious liquidity situation. That was further worsened by its difficulty in raising funds on the interbank market. BBCL had relied heavily and continuously, daily since 6 March 2015, on an overnight facility from the Central Bank. The capital of BBCL was seriously impaired, which had a substantial impact on the insurance business of the BAI Group (see Section 4.4.2.3). To prevent

<sup>46</sup> WTO document GATS/EL/55/Suppl.1, 26 February 1998. Viewed at: <https://docs.wto.org/dol2festaff/Pages/SS/directdoc.aspx?filename=Q:/SCHD/GATS-EL/EL55S1.pdf&Open=True>.

<sup>47</sup> Financial Services Commission. Viewed at: <http://www.fscmauritius.org>; and Bank of Mauritius. Viewed at: <https://www.bom.mu>.

<sup>48</sup> Financial Services Commission, *Financial Services Act*. Viewed at: <https://www.fscmauritius.org/media/84940/financial-services-act-2007.pdf>.

<sup>49</sup> Viewed at: <http://www.fatf-gafi.org/countries/#Mauritius>.

<sup>50</sup> FATF, *Countries: Mauritius*. Viewed at: [https://www.fatf-gafi.org/fr/publications/juridictions-haut-risques-et-sous-surveillance/documents/increased-monitoring-june-2021.html?hf=10&b=0&s=desc\(fatf\\_releasedate\)](https://www.fatf-gafi.org/fr/publications/juridictions-haut-risques-et-sous-surveillance/documents/increased-monitoring-june-2021.html?hf=10&b=0&s=desc(fatf_releasedate)).

systemic shock in the financial system, the operations of BBCL were transferred to a newly set-up bank, the National Commercial Bank (NCB), a government-owned entity. The business of the NCB was subsequently amalgamated with that of Mauritius Post and Cooperatives Bank to form a new entity known as MauBank Ltd (in which the Government is a majority shareholder). Likewise, following the appointment of Special Administrators, the insurance business of BAI was transferred to two government-owned entities – National Insurance Co. Ltd and NIC General Insurance Co.

4.102. During the review period (2014-20), several domestic competition policy investigations were conducted in such financial services areas as brokerage services, cross-border money transfers, image-based clearing solutions provided to commercial banks, payment cards, and bundling of insurance products and credit in the banking sector (Table 3.20), partly reflecting the high degree of concentration in these sectors.<sup>51</sup>

#### 4.4.2.2 Banking and other financial services

4.103. Mauritius is home to 16 locally incorporated banking institutions and several branches of foreign banks, with about USD 44.5 billion in assets (Table 4.11), more than four times the country's GDP of USD 10 billion. At the end of April 2021, total assets of the GB banking sector stood at about USD 22 billion and represented half of total assets; deposits from this GB sector accounted for over 33% of total bank deposits.

**Table 4.11 Structure of the banking sector, 2014 and 2021**

Bank	Legal form	Equity ownership 2021	Total assets (USD) billion	
			2014	2021
Mauritius Commercial Bank	LI	38.3% foreign; 58.3% domestic; 3.4% GOM	7.9	15.2
SBM Bank (former State Bank of Mauritius)	LI	2.6% foreign; 97.4 domestic; 40.8% GOM	3.6	6.2
The Hong Kong, China and Shanghai Banking Corp.	BFB	100% foreign	0.7	0.8
Absa Bank (previously Barclays Bank Mauritius)	LISFB	100% foreign	3.4	3.8
Bank of Baroda	BFB	100% foreign	0.8	0.7
Habib Bank	BFB	100% foreign	0.1	0.0
Bank One Limited	LI	50% foreign; 50% domestic	0.6	1.3
Mauritius Post and Cooperative Bank	LI	100% domestic; 99% GOM	0.6	n.a.
BCP Bank (ex. Banque des Mascareignes)	LISFB	100% foreign	0.7	0.7
Investec Bank (Mauritius)	LISFB	100% foreign	1.6	1.7
SBI (Mauritius)	LISFB	96.4% foreign; 3.6% domestic	1.0	0.9
Standard Bank (Mauritius)	LISFB	100% foreign	3.3	2.2
Standard Chartered Bank (Mauritius)	LISFB	100% foreign	3.6	1.9
HSBC Bank (Mauritius)	LISFB	100% foreign	4.4	2.9
AfrAsia Bank	LI	30.6% foreign; 69.4% domestic	1.7	4.5
ABC Banking Corporation	LI	100% domestic	0.3	0.6
MauBank (National Commercial Bank)	LI	100% domestic, 100% GOM	n.a.	0.8
Bank of China	LISFB	100% foreign	n.a.	0.2
Warwick Private Bank	LI	100% foreign	0.1	0.1
Banyan Tree Bank Ltd	LI	Under conservatorship since April 2020	0.1	n.a.

n.a. Not applicable.

Note: LI: locally incorporated; LISFB: locally incorporated subsidiary of foreign bank; BFB: branch of foreign bank; GOM: shareholding by the Government of Mauritius.

Source: WTO Secretariat.

4.104. Since 2020, the COVID-19 crisis and the ensuing defaults and delayed loan repayments have impacted banks' profitability. Nevertheless, the Mauritian banking sector has been able to maintain its capital adequacy ratio at 18.7% as at end-March 2021, above the regulatory minimum of 11.875%. Its non-performing loan ratio improved from 5.4% at end-September 2020 to 5% at end-March 2021. The liquidity coverage ratio stood at 251% at end-March 2021 (above the required

<sup>51</sup> Competition Commission. Viewed at: <https://competitioncommission.mu>.

level of 100%). As part of its Support Programme (March 2020-June 2022) response, the BOM made USD 125 million available through commercial banks as special relief funds to help meet cash flow and working capital requirements of economic operators, including SMEs and small entrepreneurs; the funds were made available to banks at a rate of 1% per annum for on-lending to customers at the fixed rate of 1.5% per annum. In addition, the cash reserve ratio applicable to commercial banks was reduced from 9 to 8%.

4.105. The minimum capital requirement to set up a bank is MUR 400 million (USD 10 million). A foreign bank must have operated for at least five years in the jurisdiction of its head office for it to obtain a licence as a branch or subsidiary in Mauritius. For the banking sector, the grant of a licence may depend on the "convenience and needs of the Community or market to be served" as per Section 7(2)(c) of the Banking Act 2004.

4.106. Until September 2018, banking business was divided into domestic activities ("segment A"); and "foreign-source income" ("segment B"). Income from Segment B activities was previously entitled to a deemed foreign tax credit (DFTC) (Section 2.4.3), now abolished. Since FY, there is one single tax regime for all banks, which are no longer required to split their expenses according to these segments; instead, they are taxed in the following way:

- at a rate of 5% on their overall taxable income for the first MUR 1.5 billion (USD 375 million);
- at a rate of 15% on the amount exceeding MUR 1.5 billion and up to the amount equivalent to the chargeable income for the FY 2017/18; and
- at a rate of 5% on the chargeable income of the actual year of assessment in excess of the chargeable income of the FY 2017/18. For this additional income (over the FY 2017/18) to be taxed at the lower rate of 5%, the bank must grant at least 5% of its new credit facilities to SMEs in Mauritius; enterprises engaged in agriculture, manufacturing, or production of renewable energy in Mauritius; or operators in African or Asian countries.

4.107. Banking services are exempt from VAT, except for services provided to merchants accepting a credit card or debit card as payment (merchant's discount), the issue and renewal of credit and debit cards, safe deposit lockers services, and services for maintaining customers' accounts.

4.108. Mauritius made wide-ranging commitments under the GATS regarding banking and other financial services.<sup>52</sup> In 2021, further market access and national treatment commitments on financial services were made in Mauritius' trade agreements with China and India. Banking and other financial services (excluding insurance) are defined in a more detailed and specific way in these agreements than they have been defined under the GATS; two new services sub-sectors – financial leasing (CPC 8112) and trading in derivative products (CPC 81339) – were added to the list of commitments, without limitations in Modes 1 to 3.

4.109. However, the requirement indicated in Mauritius' GATS Schedule that trading in listed securities can be carried out only by FSC-licensed investment dealers continues to apply to all entities, including from China or India. Trading in shares for own account by commercial banks remains subject to BOM approval; services supplied in the exercise of governmental authority, such as social security, are excluded from bilateral commitments. The CECPA, in addition, stipulates that for the banking sector, granting a licence may also depend on the "convenience and needs of the community or market to be served", a provision also present in Mauritius' GATS Schedule.

#### 4.4.2.3 Insurance

4.110. The insurance and reinsurance sector contributed 2.5% of GVA in 2019, down from 3.1% in 2013.<sup>53</sup> Its structure has not changed much since 2014: Some 12 providers of general insurance services insure mostly motor vehicle (73% of the 563,000 policies in force) and account together for premiums of MUR 10.3 billion (USD 286 million), after reinsurance of MUR 3.6 billion

<sup>52</sup> WTO and World Bank, I-TIP Database. Viewed at: <http://i-tip.wto.org/services/SearchResultGats.aspx>.

<sup>53</sup> FSC, Overview. Viewed at: <https://www.fscmauritius.org/en/statistics/overview>.

(USD 99.8 million). The two main insurance companies (Mauritius Union Assurance and Swan) continued to account for over 50% of the market in terms of gross premiums in 2019. General insurance also includes accident and (generally short-term) health insurance, guarantee, liability, motor, property, and transport insurance. The long-term insurance market consists mostly of life insurance, pensions, and permanent health insurance. The industry had net premiums of MUR 10.24 billion (USD 284 million) in 2019, with Swan Life having the largest share, at 29%. The market leader reported in the previous Review (BAI Co Mauritius Ltd) was placed under special administration in 2015 to prevent systemic shock and protect stakeholders' interests.

4.111. The FSC licenses insurance and reinsurance companies, as well as insurance brokers, company or individual insurance agents, insurance managers, and insurance salespersons. Licensing fees are contained in the Financial Services (Consolidated Licensing and Fees) Rules.<sup>54</sup> The minimum stated capital for an insurance or reinsurance company is MUR 25 million (USD 6.3 million). Insurance premiums are unregulated, and market driven. Motor-third-party liability insurance, pleasure craft third-party liability insurance, passenger liability insurance for pleasure craft owners, professional indemnity insurance cover for brokers, and marine insurance are compulsory.

4.112. In terms of market access, Insurance Regulations 2007<sup>55</sup> prohibit the insurance of assets located in Mauritius by insurance companies based in a foreign country (cross-border supply, or Mode 1 under the GATS), except where the Commission is satisfied that, given the circumstances and nature of the relevant risks, it would be appropriate to do so. Also, according to Regulation 3(3) of the Regulations, the above restrictions do not apply to reinsurance contracts and insurance contracts providing for export credit insurance. The Commission has granted three such authorizations since 2013, two for credit risk and one for "Asset All Risk" cover.

4.113. There is no cap on foreign participation in the insurance sector. In 2021, the State fully owned both the State Insurance Company of Mauritius (SICOM) and the newly created National Insurance Company (NIC, see above). The arrangement, provision, or transfer of ownership of any contract of insurance or reinsurance under the Insurance Act is exempt from VAT.

4.114. Under the GATS, Mauritius bound without limitations the supply through commercial presence (Mode 3) of direct life and non-life insurance services. Foreign insurance companies may, like domestic ones, provide either long-term or general insurance but not both.

4.115. Mauritius also bound without limitations the cross-border supply, consumption abroad, and commercial presence for the supply of services auxiliary to insurance (e.g. consultancy, actuarial, risk assessment, and claim settlement services), reflecting the absence of any market access limitation or nationality or residence requirements to supply these activities in Mauritius.

4.116. Mauritius has undertaken additional market access commitments in its 2021 RTA with China (Chapter 7 and Annex A).<sup>56</sup> For example, for both direct life and non-life insurance, Mauritius has in 2020 bound Mode 1 (unbound under the GATS), with the requirement that companies be incorporated and licensed in Mauritius. However, the FTA with China states that insurances that are compulsory in Mauritius (see above) must be placed in Mauritius.

4.117. Mauritius has also bound reinsurance and retrocession under the 2021 trade agreement with China, as under its GATS commitments. The only limitation specified for Modes 1 and 3 is that at least 5% of reinsurance must be placed with the African Reinsurance Corporation.

4.118. As at end-December 2020, there were 8 reinsurance businesses domiciled in Mauritius (down from 11 in 2014), 6 of which were foreign-owned. Reinsurance companies domiciled in Mauritius

<sup>54</sup> FSC, *Financial Services (Consolidated Licensing and Fees) Rules 2008*. Viewed at: [https://www.fscmauritius.org/media/1024/financial\\_services\\_consolidated\\_licensing\\_and\\_fees\\_rules\\_2008.pdf](https://www.fscmauritius.org/media/1024/financial_services_consolidated_licensing_and_fees_rules_2008.pdf).

<sup>55</sup> EDB, *Insurance Regulations 2007*. Viewed at: <https://www.edbmauritius.org/sites/default/files/inline-files/Insurance%20Act.pdf>.

<sup>56</sup> Mauritius Trade, *Free Trade Agreement between the Government of the Republic of Mauritius and the Government of the People's Republic of China*. Viewed at: <http://www.mauritiustrade.mu/ressources/pdf/doc-1-Mauritius-China-FTA-Text.pdf>.

(including Chinese or Indian reinsurers) must be licensed by the FSC, as professional reinsurers and may conduct only reinsurance business.

4.119. Wider commitments made under the 2021 CECPA cover the full spectrum of life and non-life direct insurance (including co-insurance), reinsurance and retrocession, insurance intermediation, (such as brokerage and agency), and services auxiliary to insurance (such as consultancy, actuarial, risk assessment, and claim settlement services).<sup>57</sup> Companies must be licensed in Mauritius and registered under the Companies Act, and have a satisfactory record of operation of at least three years in handling the category and class of insurance business for which a licence is sought.

4.120. In January 2016, the Captive Insurance Act entered into force.<sup>58</sup> A captive insurer must always have a captive insurance agent in Mauritius, and at least one of its three directors must reside in Mauritius.

#### 4.4.2.4 Securities and other financial services

4.121. The main legislation governing securities trade is the Securities Act (2005), which, *inter alia*, caters for market infrastructure regulation, market intermediaries, offers and issues of securities, and disclosure requirements.<sup>59</sup> The Act provides for the licensing of securities exchanges, clearing, and settlement facilities. As at July 2021, the FSC had licensed two securities exchanges and two clearing and settlement facilities. In addition, commercial banks participating in any kind of share issue must be approved by the BOM.

4.122. Recent developments affecting trade include the following:

- The Securities (Recognition of Remote Custodians) Rules 2013 allow an entity incorporated or registered in a foreign jurisdiction that is recognized by the FSC to hold the custody of clients' securities and to provide custodial services, and to participate in the clearing and settlement of trades on behalf of its clients in a facility licensed by the FSC.
- In 2021, the different Brokerage Fees Rules were amended to allow investment dealers and market participants to set their own brokerage fees to be more competitive.
- The Securities (Authorization of Foreign Investment Dealers) Rules authorized foreign investment dealers who are already licensed in another jurisdiction to trade on an exchange in Mauritius. Amendments in 2021 enabled the streamlining of the authorization process.<sup>60</sup>

4.123. In 1998, Mauritius made wide-ranging GATS commitments regarding trade in securities. New commitments for services related to securities markets under the FTA with China and the CECPA with India differentiate between bank transactions in securities and securities broking services. The FTA with China contains commitments in the following new sectors not covered by the GATS: (i) brokerage and other services related to securities markets (CPC81321), with the limitation that an applicant must constitute a subsidiary; (ii) money broking (CPC 81339); (iii) asset management (CPC 81323); and (iv) advisory services such as loan broking and financial consultation services (CPC 81331-81332). Only the latter advisory services have been bound in favour of suppliers from India.

4.124. Finally, for the provision and transfer of financial information and financial data processing software, the GATS limitations on Modes 1 and 3 have been removed in both FTAs, thus opening

<sup>57</sup> Mauritius Trade, *Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between the Republic of Mauritius and the Republic of India*. Viewed at: <http://www.mauritiustrade.mu/ressources/pdf/cecpa-trade-agreement.pdf>.

<sup>58</sup> FSC, the Captive Insurance Act, viewed at: <https://www.fscmauritius.org/media/1152/annex-2-captive-insurance-act-2015-amended-2021.pdf>.

<sup>59</sup> FSC, *Securities Act 2005*, Government Notice No. 42 of 2016. Viewed at: <https://www.fscmauritius.org/media/2147/securities-brokerage-fees-for-exchange-traded-funds-on-foreign-underlyings-amendment-rules-2016.pdf>.

<sup>60</sup> FSC, *Securities Act 2005*, Government Notice No. 250 of 2019. Viewed at: <https://www.fscmauritius.org/media/82175/5-securities-authorisation-of-foreign-investment-dealers-amendment.pdf>.

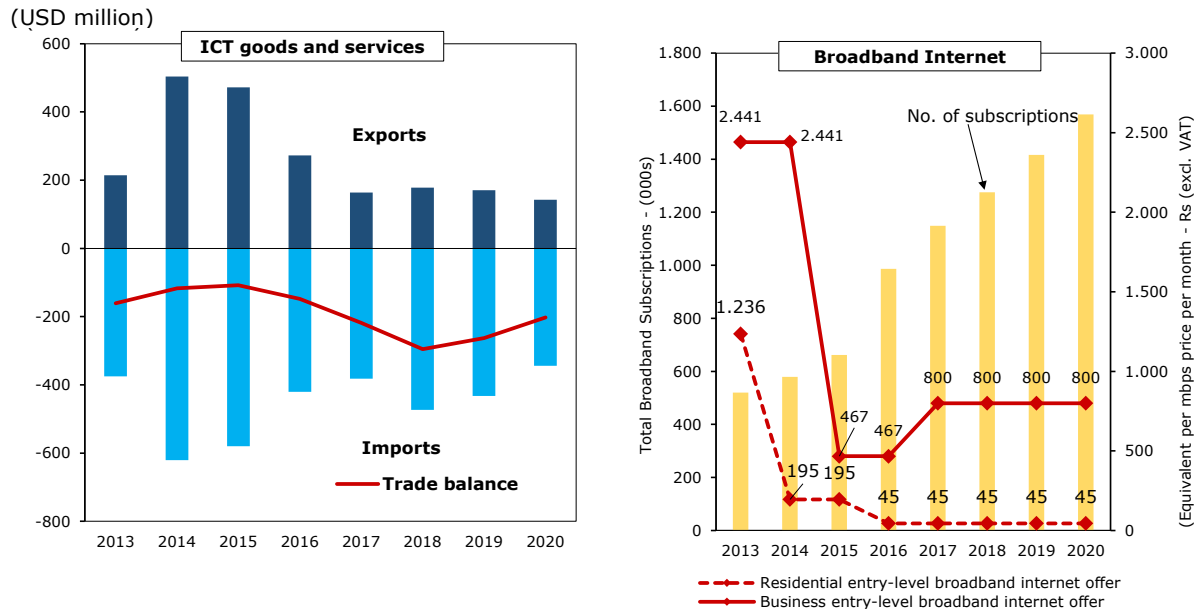
services provided in Mauritius to Chinese and Indian computer software firms. However, with respect to the settlement and clearing services for securities, both trade agreements specify that cross-border supply of securities must be done exclusively through a licensed clearing system; a similar entry in the GATS schedule applies to commercial presence.

#### 4.4.3 Telecommunications

##### 4.4.3.1 Overview

4.125. The information and communications technology (ICT) sector, which comprises telecommunications services, wholesale and retail trade in ICT products, and other activities such as call centres, software development, website development and hosting, multimedia, IT consulting, and disaster recovery, has become the third largest sector of the economy after tourism and financial services, contributing 5.2% of the country's GDP in 2020. Around 23,000 people are employed in the ICT sector with a value-added contribution of MUR 22 billion (USD 550 million). Close to USD 200 million are exports of ICT goods and services in 2020 (Chart 4.1), but Mauritius is a net importer of ICT services. The sector has been growing at the rate of 4.4% annually over 2014-20. During the review period, a massive increase occurred in the number of Internet subscriptions and in international bandwidth capacity.

**Chart 4.1 Indicators of telecommunications, 2021**



Note: Broadband Internet refers to connection to the Internet at a speed equal to or greater than 256 kbps, as the sum of capacity in both directions. Tariff information is sourced from the ICTA, based on tariffs commercialized by licensed ISPs.

Source: Statistics Mauritius, *Information & Communications Technology*. Viewed at: [https://statsmauritius.govmu.org/Pages/Statistics/By\\_Subject/ICT/SB\\_ICT.aspx; and information provided by the authorities.](https://statsmauritius.govmu.org/Pages/Statistics/By_Subject/ICT/SB_ICT.aspx; and information provided by the authorities.)

4.126. Telecommunications tariffs and the cost of broadband Internet connections have fallen substantially for business and residential users (Chart 4.1), and the variety of services offered and their quality have increased substantially since the last Review, according to the authorities.

4.127. At December 2020, the same two licensed providers of fixed telephone services were active as in 2014 at the time of the previous Review: the former incumbent, Mauritius Telecom (MT), with a 86% market share (97% in 2014), and Emtel Ltd. The number of fixed lines increased from 372,600 in 2014 to 488,000 in 2019, spurred by the introduction of bundled offers of both fixed voice and Internet services, together with TV-related content.



4.128. The Government maintains a 33.5% equity stake in MT; Rincom (formerly France Telecom) has a 40% ownership in MT; the National Pension Fund holds 6.55% of its shares; SBM Holdings has 19%; and employees of Mauritius Telecom hold 0.96% of its shares.

4.129. The same three public land mobile network (PLMN) licensees are in the market as in 2014: EMTEL, with a 35% market share at end-December 2020 (down from 39% in 2014), Cellplus Mobile Communications, a subsidiary of MT (50%, unchanged market share), and Mahanagar Telephone (MTML) (16% market share, up from 11% in 2014). MTML is a 100% foreign-owned subsidiary of MTNL, based in India. Emtel is 75% locally owned by Currimjee Jeewanjee, and 25% foreign-owned by Bharti Airtel. Cellplus is a 100% subsidiary of MT. These PLMN licensees offer mobile telephony services, including international mobile roaming (IMR) services.<sup>61</sup> Additionally, there are international long-distance network licensees that offer international voice and international bandwidth services. The IMR is not yet regulated in Mauritius, given the bilateral and multilateral relationships that need to be negotiated and the need for reciprocity by mobile network operators from other countries, despite recent attempts such as the SADC Roam Like At Home Initiative.

#### 4.4.3.2 Regulation

4.130. The telecommunications sector has been liberalized since 2001 as a consequence of the ICT Act<sup>62</sup> and the creation of the ICT Authority (ICTA)<sup>63</sup>, then under the responsibility of the Ministry of Information and Communication Technology (MICT).<sup>64</sup> The ICTA is responsible for, *inter alia*, licensing telecommunications service providers, regulating the tariffs for information and communication services supplied by licensed operators, prescribing charging principles for the determination of interconnection rates, and managing the Universal Service Fund, which is designed to promote access to ICT services in unserved or under-served areas (see below). All licensed public operators are required to submit their proposed tariffs, or alterations thereto, for determination by the ICTA prior to commercializing.

4.131. Interconnection among licensed operators is mandatory; operators negotiate its terms, but the ICTA can legally step in to arbitrate in case of disputes, based on ICTA charging principles for interconnection rates. Indeed, determining cost-based interconnection charges is in line with the ICTA's philosophy of intervening at the wholesale level in order to allow licensed service providers to compete more effectively at the retail level. In August 2008, the ICTA issued a Directive to determine the tariffs of interconnection for fixed and mobile access networks, which were MUR 0.38/min for calls originated from or terminated onto a fixed network and MUR 0.90/min for calls originated from or terminated onto a mobile network. In July 2011, these charges were reduced by 33% from MUR 0.90/min to MUR 0.60/min. They have remained unchanged since 2011.

4.132. The ICTA has aimed to reduce wholesale tariffs for national bandwidth and international bandwidth services, to reduce the cost of both retail international long-distance calls and Internet services, and to enable the provision of their final retail services. According to the authorities, the formulation of wholesale tariffs for bandwidth-based services has had knock-on effects on the pricing of most telecom services to final end-users. But this positive effect on international voice telephony services has been attenuated by corresponding increases in foreign termination rates on various calling destinations, and that furthermore, the fibre moratorium that has been in effective since 2013 may also have mitigated the downward impact on prices of fixed Internet and voice services.

4.133. The Telecom Directive of 2010 regulates termination rates for incoming international long-distance (ILD) voice calls onto a fixed or mobile access network in Mauritius.<sup>65</sup> In 2010, the ICTA increased the rate applicable to all ILDs from USD 0.0855 to USD 0.125 per minute, an increase

<sup>61</sup> For a full list of licensed providers, see ICTA, *License Holders*. Viewed at: <https://www.icta.mu/com/licences.html>.

<sup>62</sup> ICTA, *Information and Communication Technologies Act 2001*. Viewed at: [https://www.icta.mu/docs/laws/ict\\_act.pdf](https://www.icta.mu/docs/laws/ict_act.pdf).

<sup>63</sup> ICTA. Viewed at: <https://www.icta.mu/>.

<sup>64</sup> Ministry of Information Technology, Communication and Innovation. Viewed at: <https://mitci.govmu.org/SitePages/Index.aspx>.

<sup>65</sup> ICTA, *Telecom Directive 3 of 2010*. Viewed at: <https://www.icta.mu/docs/tel2010/Telecom%20Directive%203%20of%202010.pdf>.



of about 46%. However, further to ongoing court proceedings in relation to this Telecom Directive, the termination rates for international incoming ILD calls were not applied in July 2021.

4.134. Mauritius aims to maintain a competitive regulatory environment for its ICT sector that fosters competition and tackles competition concerns (Table 3.20). An MOU between the ICTA and the Competition Commission (Section 3.3.6) clarifies the role of each institution in dealing with competition issues. The ICT Act 2001 also empowers the sector regulator to identify relevant markets and determine operators with significant market power. The National Strategic Plan 2030 also focuses on the Government's digital transformation, cybersecurity, the fight against cybercrime and corruption, and artificial intelligence.<sup>66</sup>

4.135. From 2009 to 2019, telecommunication companies have been subject to a Solidarity Levy set at 5% of the book profit and 1.5% of the turnover of the operator. Since 1 July 2020, the levy has been calculated at the rate of 5% of the accounting profit and 1.5% of the turnover of the operator.<sup>67</sup>

4.136. In 2020, amendments were brought to the ICT Act to include a new definition of the "universal service", which means an information and communications service including a telecommunications service, determined by the ICTA, as being a service of a defined nature and quality, of which the availability, accessibility, or affordability to the end-users is not adequate and has to be improved through a designated public operator.<sup>68</sup> A Universal Service Fund was established in 2008 under the provisions of the ICT Act.

4.137. The ICTA requires that all ICT equipment imported for commercialization and use in Mauritius obtains clearance through the ICTA Online Portal in accordance with the Information and Communication Technologies (Clearance to Import ICT Equipment) Regulations 2019.<sup>69</sup>

4.138. Regarding the implementation of 5G and other new technologies, the ICTA's stated philosophy is to promote technology neutrality and equitable access to spectrum. Mobile operators are currently commercializing 2G, 3G, and 4G services. Following consultations, all mobile operators unanimously rejected auctioning as an option for Mauritius to award spectrum, while showing interest in acquiring spectrum for the commercial deployment of 5G services. The ICTA invited mobile operators to apply for a block of spectrum by 6 May 2021.

4.139. Regarding the regulation of the submarine cable infrastructure, the Government introduced an Open Access Policy at Cable Landing Stations (CLSs) in Mauritius in October 2010. An Explanatory Memorandum on cross-connection at the CLS explains the process by which the CLS owner would extend cross-connection services to eligible licensed operators requesting such connectivity.<sup>70</sup> In terms of ownership, MT owns two CLSs on mainland Mauritius at Baie Jacotet (SAFE Cable, MARS Cable) and at Terre Rouge (LION Cable), together with one CLS on Rodrigues Island at Grand Baie (MARS Cable). Emtel Ltd owns one CLS at Arsenal (METISS Cable) on the mainland of Mauritius.

#### 4.4.3.3 Commitments under trade agreements

4.140. Mauritius participated in the WTO basic telecommunications services negotiations in 1994 and undertook commitments under the Fourth Protocol to the GATS. While Mauritius had not until 2021 negotiated any other trade liberalizing agreement in telecommunications services, the 2021 trade agreements with China and India (Section 2.3.2) list the following additional services that were not specified under the GATS: electronic mail, voice mail, online information and database retrieval, electronic data interchange, and enhanced/value-added facsimile services (all part of CPC 7523); code and protocol conversion; online information and/or data processing (including transaction

<sup>66</sup> Ministry of Technology, Communication and Innovation. *Digital Mauritius 2030 Strategic Plan*. Viewed at: <https://ncb.govmu.org/portal/sites/ncb/strategicplans/DigitalMauritius2030.pdf>.

<sup>67</sup> Income Tax Act, Section 50.

<sup>68</sup> ICTA, *Information and Communication Technologies (Universal Service Fund) Regulations 2008*. Viewed at: <https://www.icta.mu/docs/laws/usf.pdf>.

<sup>69</sup> ICTA, *Clearance to Import ICT Equipment Guidelines*. Viewed at: [https://www.icta.mu/docs/clearance/Guidelines\\_clearance.pdf](https://www.icta.mu/docs/clearance/Guidelines_clearance.pdf).

<sup>70</sup> ICTA, *Explanatory Memorandum to Cross-Connection at Submarine Cable Landing Station*. Viewed at: [https://www.icta.mu/documents/publications/cross-connection\\_final.pdf](https://www.icta.mu/documents/publications/cross-connection_final.pdf).

processing (part of CPC 843); paging; private mobile radio equipment rental services; equipment sales services; equipment maintenance services; and mobile satellite-based services.

4.141. For these and other telecommunications services, Mauritius has made full market access and national treatment commitments for Modes 1 to 3. The only exception is commercial presence for voice telephony services, where licences for new mobile (including satellite based) and fixed-line services are conditional on an economic needs test: "New suppliers should demonstrate qualitatively and quantitatively the innovations brought to the mobile landscape in Mauritius, value-added activities, new business models, unique branding, significant transfer of technology, foreign direct investment inflows and significant job creation in the sector".<sup>71</sup>

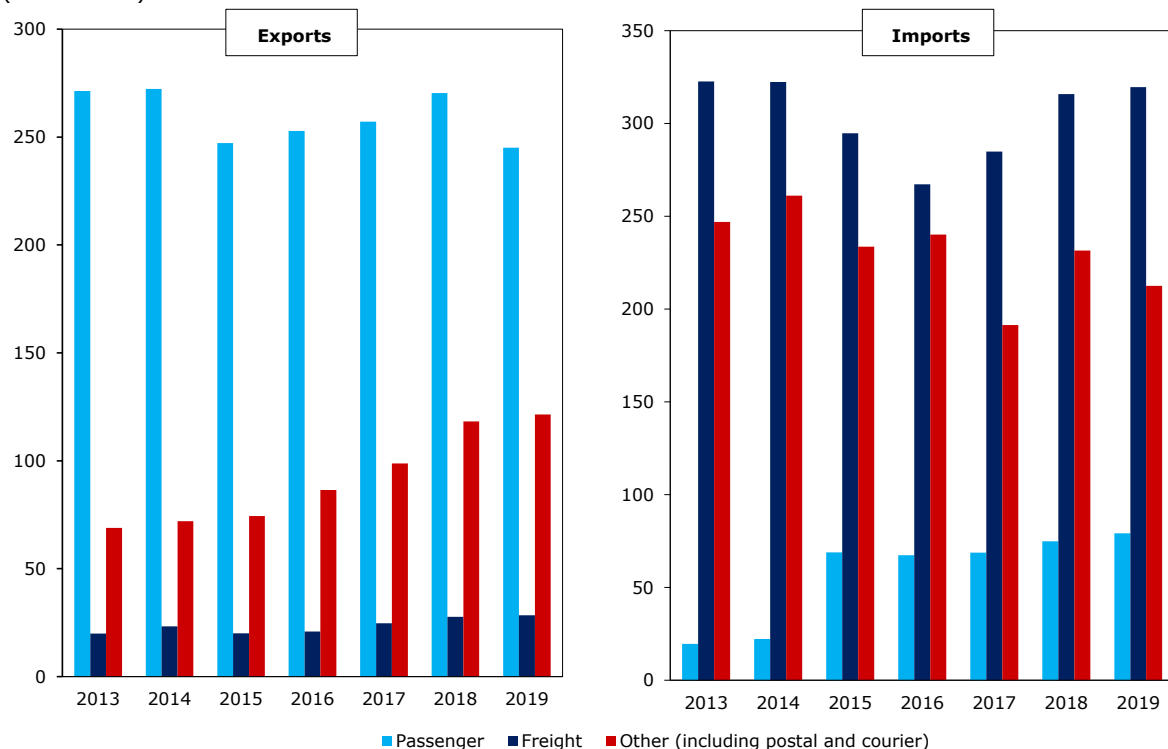
4.142. The trade agreement with India specifies in addition that each party shall endeavour to ensure that suppliers of public telecommunications networks or services in its area provide number portability for mobile services designated by that party on a timely basis and on reasonable terms and conditions (number portability has not yet been implemented in Mauritius).

#### 4.4.4 Transport

4.143. Mauritius has a large two-way trade in transport services (Chart 4.2). In 2019, exports of transport services consisted mostly of passenger services such as tourists flying to Mauritius with Air Mauritius and "other transport services".<sup>72</sup> On the import side, expenditure consisted mostly of freight costs and other transport services.

**Chart 4.2 Transport services trade, 2013-19**

(USD million)



Source: IMF Data. Viewed at: <https://data.imf.org>.

4.144. Trade in transport services contracted sharply in 2020, impacted by the closure of borders and travel restrictions taken to counter the COVID-19 pandemic. Exports of transport services

<sup>71</sup> FTA, *Annex III: Schedules of Specific Commitments on Trade in Services*. Viewed at: [http://fta.mofcom.gov.cn/mauritius/annex/mlqs\\_fj3-2\\_en.pdf](http://fta.mofcom.gov.cn/mauritius/annex/mlqs_fj3-2_en.pdf).

<sup>72</sup> Imports of transport services are compiled according to the guidelines of the IMF's *Balance of Payments and International Investment Position Manual*, Sixth Edition (BPM6). They include services that are auxiliary to transport, including short-term leasing of foreign aircrafts with crew, codeshare agreements with foreign airlines, handling charges, navigational, landing and parking fees, and crew cost expenses.

amounted to MUR 5 billion in 2020, representing a drop of MUR 9 billion compared to 2019. Imports of transport services stood at MUR 15 billion in 2020, which declined by MUR 7 billion compared to the previous year. The bulk of Mauritius' trade is handled by sea transport, while higher-value items are transported by air (some 16% of the value of merchandise trade in 2020). Transshipment has become a sizeable business, thanks to the existence of freeport zones, both near the port and at the airport where warehousing, merchandizing space, and other infrastructural services are available, for re-export to other destinations, mainly other African countries.

#### 4.4.4.1 Port services

4.145. Mauritius is endowed with two ports – Port Louis Harbour and Port Mathurin (Rodrigues). The former is the sole maritime gateway of the country, governed by the Port Acts 1998. The Mauritius Ports Authority (MPA) is responsible for the provision of the main port infrastructure, superstructure, and other related facilities and is bestowed with controlling and regulatory powers. Port Louis Harbour achieved remarkable performance in 2018-19 (Table 4.12), with growth in volume throughput by over 10%. Total container traffic increased by 20%; this double-digit growth was mainly attributed to the impressive growth of around 43% in transshipment container traffic. Traffic of cruise vessels increased by 22% to 45 calls, with nearly 62,000 passengers on arrival. UNCTAD continues to classify Port Louis as Africa's most connected port<sup>73</sup>, providing transshipment services to other Eastern and Southern African ports.<sup>74</sup>

**Table 4.12 Indicators of port traffic, 2013-20**

Port	2014	2015	2016	2017	2018	2019	2020
Total vessel calls	3,329	2,947	2,934	3,184	3,379	3,536	2,776
Total throughput (million tonnes)	8.2	7.9	8.5	8.8	9.8	10.3	9.1
Container traffic (TEUs)	403,001	361,109	388,514	372,651	451,446	469,011	438,078
Transshipment container traffic (TEUs)	151,203	105,225	122,587	118,707	190,970	192,864	192,342

Source: MPA, *Port Trade Statistics (CY 2018)*. Viewed at: [http://www.mauport.com/sites/default/files/public/port\\_trade\\_statistics\\_cy2018.pdf](http://www.mauport.com/sites/default/files/public/port_trade_statistics_cy2018.pdf).

4.146. The Mauritius container terminal (MCT) at Port Louis, which came into operation in 1999, has an annual throughput capacity of around 750,000 TEUs. However, with continuous improvement in container handling mode, the capacity could reach around 1 million TEUs, according to the authorities. The navigational channel at Port Louis Harbour has a dredged depth of 16.5 metres and can accommodate container vessels with a capacity of 12,000 TEUs. Port Louis is currently one of the deepest ports in the southwest Indian Ocean.

4.147. The MPA, a parastatal body operating under the purview of the Ports Act 1998, is responsible for the regulation, control, administration, development, and operation of seaports and port services (including marine services, such as pilotage, which is compulsory for all vessels over 100 gross tonnage (GT)).<sup>75</sup> Port fees and handling charges are regularly benchmarked on other ports so as to ensure competitiveness. Since the 1990s, the MPA has disengaged itself from operations to play fully its regulatory and supervisory role. The only operations remaining with the MPA are the marine operations for servicing vessels calling at the Port.

4.148. The state-owned Cargo Handling Corporation Ltd (CHCL), operating under a concession contract, is the sole operator for container handling activities in Port Louis. It also provides general cargo and certain dry bulk handling services. However, cement, wheat, petroleum products, molasses, and bitumen are handled by private operators.

4.149. Preferential port handling charges are granted by the MPA and the CHCL to encourage freeport and transshipment trade. The MPA waived fully its quay fees of USD 50/TEU on export laden containers for the period 23 March-31 December 2020; from January 2021 to 30 June 2023, only 50% of the quay fees are applicable, i.e. USD 25/TEU instead of USD 50/TEU. As regards the CHCL, a total waiver of stevedoring and shore handling charges amounting to USD 97.75/TEU and

<sup>73</sup> UNCTAD, *Review of Maritime Transport*, 2019. Viewed at: [https://unctad.org/en/PublicationsLibrary/rmt2019\\_en.pdf](https://unctad.org/en/PublicationsLibrary/rmt2019_en.pdf).

<sup>74</sup> UNCTAD Stat, *Liner Shipping Connectivity Index, Quarterly*. Viewed at: <https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=92>.

<sup>75</sup> MPA. Viewed at: <http://www.mauport.com/>.

MUR 2,773/TEU, respectively, on export laden containers was granted for the period 23 March-31 December 2020, and 50% of the above charges thereafter until 30 June 2023.

4.150. With a view to encourage bunkering activities at Port Louis Harbour, vessels calling at outer anchorage solely for bunkering services will be granted a 75% reduction in anchorage dues for the first 24 hours and 50% reduction for the next 48 hours. Moreover, the cap on GT for computing vessel fees calling at anchorage will be reduced from 100,000 tonnes to 35,000 tonnes.

4.151. The authorities have declared that Port Louis Harbour applies the International Ship and Port Facility Security Code (ISPS Code). A Port Licensing Committee was set in 2018 to formulate procedures relating to the granting of port licences, and to regularly review and update the policy for the granting and renewal of port licences.<sup>76</sup> Port licences are issued to local companies and local citizens; foreigners should incorporate a local company to be eligible for a port licence.

4.152. The MPA has embarked on the construction of a cruise passenger terminal facility of 7,500 m<sup>2</sup> at a cost of MUR 831 million (USD 21 million), which is expected to be completed by the end of 2021. Cruise tourism has also grown dynamically, as the largest cruise companies such as MSC, Costa, and Aida Cruises, have mobilized bigger ships to call at Port Louis. A fishing port at Fort William is also under project, expected to be completed in 2023, to construct a breakwater to provide a tranquil basin for the berthing of idle fishing vessels for safety and security reasons and would also provide a safe haven for mooring of those vessels during adverse weather. The 900-metre-long breakwater will be constructed in varying water depths of up to 14 metres. The project will also comprise dredging and land reclamation works over about 10 hectares, as well as a service quay of about 50 metres long and equipped with marine furniture, as well as associated landside facilities, to enable ocean-going vessels to be serviced.

#### 4.4.4.2 Maritime transport

4.153. Maritime transport is under the responsibility of the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping.<sup>77</sup> Most shipping services, including liner trade, are under the control of foreign shipping companies, although a state-owned shipping company with exclusive rights caters for freight and passenger traffic to and from Rodrigues and the outer islands; it is also engaged in regional feeder services. A total of 166 vessels were registered under the Mauritian flag as at end-May 2014, and they together accounted for a total of GT 192,302. As at 17 May 2021, 133 vessels were registered for a total of 167,305 GT.

4.154. The Merchant Shipping Act promulgated in 2009<sup>78</sup> defines requirements for Mauritian ship registration. Only a Mauritian citizen or company (with its directors' meetings held regularly in Mauritius), or a maritime entity, can register a ship under the Mauritian flag. Vessels registered locally are granted a 50% discount on pilotage, tug services, and anchorage; and they may benefit from, *inter alia*, a 20% discount on quay fees and seaman welfare dues. A tax exemption on freight earnings is also granted to locally registered vessels; a waiver is also available from the requirement for a work permit for foreigners working on board a Mauritian flagship. Also, locally registered vessels are exempt from paying customs and excise duties on ships' stores, consumables, spare parts, and bunkers.<sup>79</sup> No capital gains tax is payable upon the sale or transfer of a Mauritian flagship or of the shares in a shipping company, and no estate duty is payable on inheritance of its shares. Mauritius operates an international registry as per the Merchant Shipping (Registration of Ships) Regulations 2009.

<sup>76</sup> MPA, *Port Louis Harbour, Annual Report 2019*. Viewed at: <http://www.mauport.com/sites/default/files/public/Annual-Report-2019.pdf>.

<sup>77</sup> A list of acts and regulations concerning maritime transport was viewed on the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping website: <https://blueeconomy.govmu.org/SitePages/Index.aspx>.

<sup>78</sup> Ministry of Blue Economy, Marine Resources, Fisheries and Shipping, *Merchant Shipping Act 2007*. Viewed at: <https://blueeconomy.govmu.org/Documents/Marine%20Legislations/0.1%20Merchant%20Shipping%20Act%202007.pdf>.

<sup>79</sup> Ministry of Blue Economy, Marine Resources, Fisheries and Shipping, *Registration of Ships under the Mauritian Flag*. Viewed at: <https://blueeconomy.govmu.org/Pages/Departments/Shipping%20Division/Registration.aspx>.

4.155. There are several other publicly owned bodies and companies operating in the Mauritian maritime transport sector; those involved in international trade are Mauritius Cargo Community Services, Mauritius Network Services, and Mauritius Shipping Corporation.<sup>80</sup>

#### 4.4.4.3 Land transport

4.156. The road network is some 2,000 km long, of which 1,045 km are motorways or major roads. The development of the first Light Rail Transit System has been under way since 2017, with the support of a USD 260 million grant from the Government of India. Three new laws, namely the National Land Transport Authority Act 2019, the Light Rail Act 2019, and the Road Traffic (Amendments No. 2) Act 2019, were enacted in Parliament in August 2019.

#### 4.4.4.4 Airport services

4.157. Air transport grew strongly (Table 4.13), largely driven by tourism, only to collapse in 2020 as a result of the COVID-19 crisis.

**Table 4.13 Air transport passenger statistics, 2013-20**

Type of transport	2013	2015	2019	2020
<b>Passengers</b>				
Domestic	125,989	159,265	197,432	118,950
International	2,657,803	3,038,043	3,686,624	860,839
<b>Total</b>	<b>2,783,792</b>	<b>3,197,308</b>	<b>3,884,056</b>	<b>979,789</b>
<b>Cargo</b>	<b>48,988</b>	<b>53,586</b>	<b>62,716</b>	<b>25,361</b>

Source: Airports of Mauritius, *Airport Facts & Figures*. Viewed at: <https://aml.mru.aero/index.php/ssr-international/facts-figures>.

4.158. Mauritius has one international airport at Port Louis (the Sir Seewoosagar Ramgoolam (SSR) International Airport) and one domestic airport, the Plaine Corail Airport, located on Rodrigues Island. The SSR International Airport is owned and operated by Airports of Mauritius Ltd (AML), a public company in which the Government is the major shareholder. The Plaine Corail Airport is managed by Airport of Rodrigues, a fully owned subsidiary company of AML.

4.159. Ground handling services at the SSR International Airport are provided by two private companies, Air Mauritius and Ground2Air.<sup>81</sup> Ground2Air is part of IBL Ltd, the largest private business group in Mauritius. And on Rodrigues, these services are provided by Air Mauritius.

#### 4.4.4.5 Air transport services

4.160. Mauritius' airline industry, like that in many other countries, could not resist the coronavirus pandemic in 2020, the ensuing closure of borders in almost all markets, and the cessation of all international and domestic flights. An amount of MUR 9 billion (USD 225 million) was earmarked in the Budget Estimates 2020/2021, as support to the national carrier Air Mauritius has around 40% capacity share for international passenger traffic; prior to the pandemic, it served 20 destinations directly, as well as codeshare destinations in Australia, Asia, Africa, islands in the Indian Ocean, and Europe. Some 22 other airlines provided scheduled, as well as seasonal, passenger transport services to around 17 countries.

4.161. Air Mauritius filed for bankruptcy protection in April 2020, after flapping wings during several difficult years before the COVID-related crisis. In 2020, a Transformation Steering Committee was set up to address the financial difficulties of the airline and review its business model.<sup>82</sup> The Government directly owns 44% of the Air Mauritius Holding Company; in addition, the State

<sup>80</sup> MPA, *Port Louis Harbour, Annual Report 2019*. Viewed at: <http://www.mauport.com/sites/default/files/public/Annual-Report-2019.pdf>.

<sup>81</sup> Ground2Air. Viewed at: <https://www.ground2air.mu/>.

<sup>82</sup> Air Mauritius, *Statement from the Joint Administrators*. Viewed at: [https://www.airmauritius.com/docs/default-source/airmauritius\\_news/statement-from-the-joint-administrators.pdf?sfvrsn=c0dece2d\\_2](https://www.airmauritius.com/docs/default-source/airmauritius_news/statement-from-the-joint-administrators.pdf?sfvrsn=c0dece2d_2).

Investment Corporation holds 18.03% of Air Mauritius Holding Company, plus 4.54% in Air Mauritius Ltd. The Government has no plans to divest itself of these shares.

4.162. Market access for air transport services is governed by the Civil Aviation Act 1974 and its associated regulations, which are in line with the provisions of the 1944 Convention on International Civil Aviation. The Department of Civil Aviation regulates air transport services.<sup>83</sup>

4.163. Mauritius' market access policy consists of gradual liberalization through bilateral air service agreements (BASAs) (Table 4.14). Traffic rights are allocated on a bilateral basis that reflects the current and estimated future point-to-point traffic, as well as connecting traffic. BASAs govern the allocation of traffic rights, designation, and frequency entitlements. Tariffs are set freely by airlines in accordance with the relevant article of the BASAs.

**Table 4.14 Air Transport Agreements, 2021**

Partner	Entry into force	5th	7th	Coop	Designation	Withholding	Pricing	Capacity	ALI
Australia	1995 2016	Y	N	Y	M	SOEC	FP	PD	9.0
Belgium	1993	N	N	Y	S	SOEC	FP	PD	6.0
Brazil	2015	N	N	Y	M	SOEC	FP	PD	..
China	1995	Y	N	Y	M	SOEC	FP	PD	1.0
Congo	2015	N	N	Y	M	SOEC	FP	PD	..
Czech Republic	2015	N	N	Y	M	SOEC	FP	PD	..
Finland	2016	N	N	Y	M	SOEC	FP	PD	..
France	1979	Y	N	N	D	SOEC	FP	PD	6.0
Germany	1974 2016	Y	N	N	M	SOEC	FP	PD	10.0
India	1972	Y	N	Y	M	SOEC	FP	PD	6.0
Kenya	1979	Y	N	Y	M	SOEC	FP	PD	6.0
Maldives	2013	Y	N	Y	M	SOEC	FP	PD	..
Netherlands	1973	Y	N	Y	M	SOEC	FP	PD	8.0
New Zealand	2016	N	N	Y	S	SOEC	FP	PD	..
Nigeria	2015	N	N	Y	M	SOEC	FP	PD	..
Pakistan	1979	N	N	Y	M	SOEC	FP	PD	6.0
Portugal	2017	N	N	Y	M	SOEC	FP	PD	..
Russian Federation	1973	N	N	N	M	SOEC	FP	PD	0.0
Rwanda	2015	N	N	Y	M	SOEC	FP	PD	..
Seychelles	1995	N	N	Y	M	SOEC	FP	PD	1.0
Singapore	1989	Y	N	N	M	SOEC	FP	PD	6.0
Switzerland	1979	Y	N	N	S	SOEC	FP	PD	6.0
United Kingdom	1973 2009	Y	N	Y	S	SOEC	FP	PD	28.0
Viet Nam	2015	N	N	Y	M	SOEC	FP	PD	..
Zambia	1993	Y	N	N	S	SOEC	FP	PD	6.0
Zimbabwe	1990 2015	N	N	Y	M	SOEC	FP	PD	..

.. Not available.

Note: Coop: Clause allowing cooperation among airlines (i.e. code sharing) S: single designation; M: multiple designation; SOEC: substantial ownership and effective control; FP: free pricing; PD: predetermined capacity; ALI: Air Liberalization Index.

Source: WTO Secretariat, Quasar database; and information provided by the authorities.

4.164. Cabotage by foreign companies is not allowed. The Port Louis–Rodrigues route is currently served exclusively by Air Mauritius. Air Austral, based in Reunion, has traffic rights to operate between Reunion and Rodrigues. Finally, foreign ownership of national carriers is restricted to 49%

<sup>83</sup> Department of Civil Aviation. *Mission*. Viewed at: <https://civil-aviation.govmu.org/Pages/About%20us/Mission-%26-Vision.aspx>.



of shares (Table 2.4). Indeed, only a "qualified" company duly incorporated in Mauritius, with at least 51% shares controlled by Mauritian nationals, may be granted an air operator certificate. Also, Mauritius allows some charter and special flights, on a case-by-case basis, on routes that are not served by airlines operating scheduled air services. However, in some specific and exceptional cases, charter operations are also allowed on routes served by airlines operating scheduled services.

#### 4.4.5 Tourism

4.165. Between 2014 and 2019, tourism was one of Mauritius' fastest-growing sectors, accounting for well over 8% of GDP and expanding by over 4% annually in real terms, thanks to a significant increase in international tourist arrivals (Chart 4.3).<sup>84</sup> Net exports of travel services amounted to over USD 200 million, consisting of both business and personal travel. The country ranked 54<sup>th</sup> of 140 countries in the World Economic Forum's *2019 Travel and Tourism Competitiveness Report*, and the best performer in Africa. In addition to the island's natural beauty, this performance reflects an efficient prioritization of the travel and tourism sector by the Government since the 1990s, as witnessed by exhaustive GATS commitments.<sup>85</sup> This has been supported by a good overall transport network, simple visa requirements, and a favourable business environment, thanks to relatively low corporate taxes and an effective legal and administrative system.<sup>86</sup> However, the WEF report calls for an expansion of the amount of protected areas (where Mauritius ranks 140<sup>th</sup>), and for better protection of the country's threatened wildlife. In addition, the country ranks unfavourably on price competitiveness (123<sup>rd</sup>).

4.166. As can be seen from the Chart 4.3, the expansion until 2019 was supported by high and rising FDI flowing into the tourism sector, particularly in those real estate schemes designed for foreign investors that are described below. The tourism sector has a strong impact on the rest of the economy, as Mauritius maintains a strong domestic supply chain involving the use and promotion of local products. Also, tourism services rely on environmental policy to market Mauritius as a zero-carbon footprint destination.

4.167. Following the COVID-19 pandemic, however, the number of tourist arrivals for the first semester of 2020 decreased by 53% according to estimates by Statistics Mauritius. Tourism was then hit by an environmental disaster due to an oil spill in July 2020.<sup>87</sup>

4.168. The Ministry of Tourism is responsible for tourism policy in Mauritius. The Tourism Authority<sup>88</sup> and the Mauritius Tourism Promotion Authority<sup>89</sup>, both under the overall responsibility of the Ministry of Tourism, are responsible for promoting the sustainable development of the tourism industry and for promoting Mauritius abroad.

<sup>84</sup> Statistics Mauritius, *International Travel and Tourism – Year 2019*. Viewed at: [https://statsmauritius.govmu.org/Pages/Statistics/ESI/Tourism/Tourism\\_Yr19.aspx](https://statsmauritius.govmu.org/Pages/Statistics/ESI/Tourism/Tourism_Yr19.aspx).

<sup>85</sup> A summary of Mauritius' GATS commitments on tourism services is provided in WTO document GATS/SC/55, 15 April 1994. Viewed at: <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/SCHD/GATS-SC/SC55.pdf>.

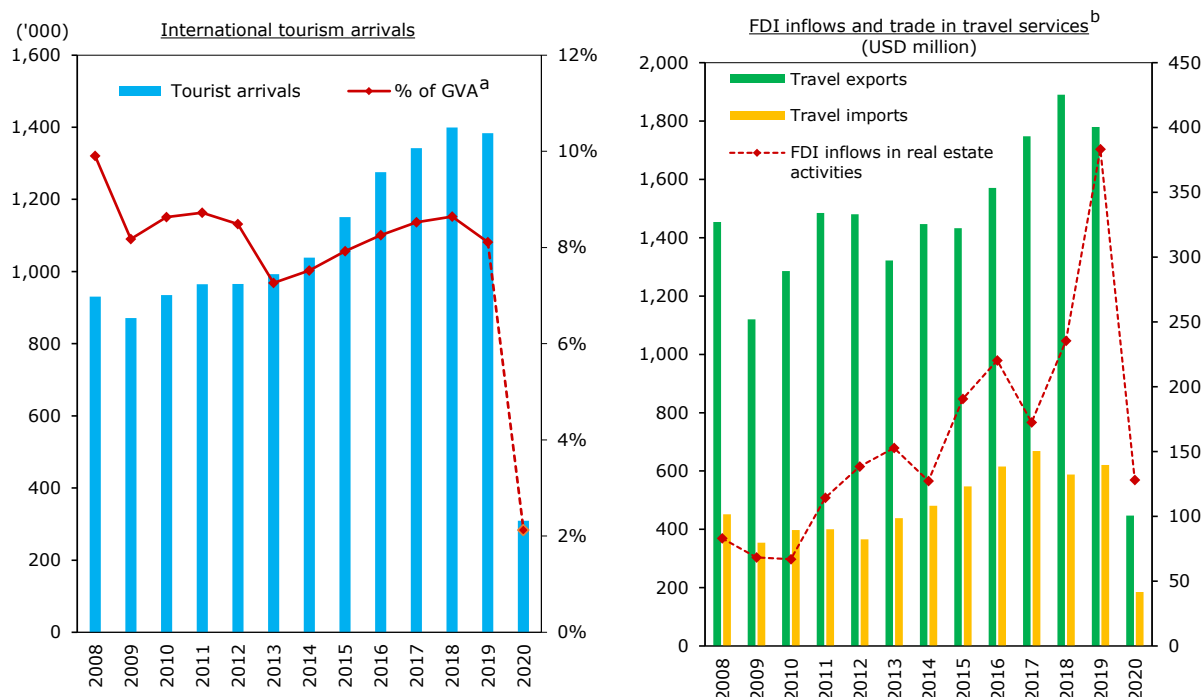
<sup>86</sup> WEF, *Travel & Tourism Competitiveness Report 2019*. Viewed at: [http://www3.weforum.org/docs/WEF\\_TTCR\\_2019.pdf](http://www3.weforum.org/docs/WEF_TTCR_2019.pdf).

<sup>87</sup> The MV *Wakashio*, a Japanese-owned bulk carrier operating under the Panamanian flag and travelling from China to Brazil, ran aground off the coast of Mauritius, releasing 1,000 tonnes of oil into lagoons.

<sup>88</sup> Tourism Authority. Viewed at: <http://www.tourismauthority.mu/en/>.

<sup>89</sup> Mauritius Travel. Viewed at: <https://www.tourism-mauritius.mu/>.



**Chart 4.3 Expansion of the Mauritian tourist sector, 2008-20**

- a Covering the components of "accommodation and food service activities", "transport (including air travel)", "recreational and leisure", and "manufacturing", attributable to inbound tourism. The data for 2020 are provisional.
- b Real estate activities refer to the Integrated Resort Scheme, Real Estate Scheme, Invest Hotel Scheme, Property Development Scheme, and Smart City Scheme.

Source Statistics Mauritius, *International Travel & Tourism*. Viewed at: [https://statsmauritius.govmu.org/Pages/Statistics/By\\_Subject/Tourism/SB\\_Tourism.aspx](https://statsmauritius.govmu.org/Pages/Statistics/By_Subject/Tourism/SB_Tourism.aspx); Bank of Mauritius (2020), *Monthly Statistical Bulletin*, December. Viewed at: <https://www.bom.mu/publications-statistics/monthly-statistical-bulletin>; and IMF Data. Viewed at: <https://data.imf.org>.

4.169. Mauritius has 112 licensed hotels in operation and total capacity of 13,489 rooms (2019). The Government has an equity stake in several hotels through the SIC (Table 3.19). FDI in the tourism sector is subject to certain conditions, which have slightly changed during the review period (Table 4.15). In 2016, the Property Development Scheme replaced both the Integrated Resort Scheme of 2002 and the Real Estate Scheme of 2007 as the only way for foreigners to acquire land or real estate in Mauritius, subject to approval (Table 4.15).<sup>90</sup> Purchases must be financed with funds transferred from abroad through the banking system.<sup>91</sup>

**Table 4.15 Provisions on foreign investment in the tourism sector, 2021**

Sector/activity	Investment provision
Acquisition of hotels, restaurants, and other property	To acquire business property or residential properties under pre-approved schemes or to acquire shares in a company that owns immoveable property in Mauritius, non-citizens require prior authorization from the Economic Development Board under the Non-Citizens (Property Restriction) Act. Acquisition of shares requires authorization from the Prime Minister's Office. The project proposal must bring added value and meet "quality tourism" objectives. Proposals for new restaurants are approved if, <i>inter alia</i> , the project presents potential added value in terms of innovation, new types of food, filling-in of gaps in the tourism product portfolio, investment, and quality standards. FDI in existing restaurants is authorized only if the existing establishment is upgraded by major renovation or refurbishment.

<sup>90</sup> Economic Development Board, *Property Development Scheme (PDS) Guidelines*, July 2020. Viewed at: <https://www.edbmauritius.org/sites/default/files/2020-09/Guidelines%20for%20the%20Property%20Development%20Scheme.pdf>.

<sup>91</sup> Economic Development Bank, *Invest, Work and Reside: Live in Mauritius*. Viewed at: <https://www.edbmauritius.org/info-centre/live-mauritius>.

Sector/activity	Investment provision
Tourist residences and guesthouses	Non-citizens may manage residential property only under the Property Development Scheme (PDS), which replaced the Integrated Resort Scheme (IRS) and the Real Estate Scheme (RES). It allows the development of a mix of residences for sale to non-citizens, citizens, and members of the Mauritian Diaspora. For investments of at least USD 375,000, in 2021, a non-citizen was eligible for a 10-year residence permit; for investments greater than USD 500,000, the residency permit lasts as long as the property ownership. The PDS is also a demarcation from the IRS and the RES as it does not differentiate between small and big landowners and harmonizes the registration duty to a single rate of 5%, instead of USD 70,000 on registration of a deed under the IRS and USD 25,000 under the RES.
Boat houses	Foreign investment in boathouses may be approved in cases where the promoter: (i) holds a permanent residence permit; or (ii) is the spouse of a Mauritian citizen.
Commercial pleasure craft licence	Foreign investment in the pleasure craft sector is at least MUR 20 million (USD 5 million). Any innovative project from foreign investors is examined on its own merit, irrespective of the quantum of investment, and foreign investment in any existing pleasure craft project is limited to 30%.
Diving centres	Maximum foreign shareholding of up to 30% is authorized in diving centres.
Tour operator and travel agency services, car rental	None, except the project proposal must meet the licensing requirements.

Source: WTO Secretariat, based on information provided by the authorities.

4.170. All hotels and other tourist accommodations are subject to the 15% general corporate tax on profits, and the standard VAT of 15% on sales. Cosmetic surgery was VAT zero-rated in October 2020 to boost medical tourism (Table 3.9). The Invest Hotel Scheme allows developers to finance the development of a hotel project by allowing them to sell villas, rooms, or other components that form part of the hotel to individual buyers who lease the property back to the hotel and may stay in it for up to 45 days annually.

4.171. An Environment Protection Fee of 0.85% is levied on the turnover of hotels, guesthouses, or tourist residences of more than four bedrooms, as well as on hotel management companies and tour operators. This fee was suspended from March 2020 until 31 December 2020.

4.172. A Passenger Fee (PF) and a Passenger Solidarity Fee (PSF) are provided for by the Civil Aviation Act. The PF of MUR 1,400 (USD 35) is levied on every passenger aged 12 and above leaving Mauritius by air (MUR 700 for children under 12). The current PSF is MUR 40 (USD 1) on every passenger travelling economy class and MUR 80 on other classes.

#### 4.4.6 Professional and other business services

4.173. Mauritius has no professional or other business services in its 1994 GATS Schedule of Specific Commitments. The specificity of many of these services is that their supply is often conditional on the degree to which natural persons can move physically (Mode 4) from one country to another to access a given market. A summary of market access conditions for foreign suppliers in certain regulated professional services is presented in Table 4.16. The information is coupled with sectoral provisions listed in the recent FTAs with China and India, which are similar between the two agreements and provide the current access conditions granted to service suppliers from these two countries for professional services. In addition, in 2021 Mauritius made market access and national treatment commitments to China and India in computer services, R&D services, rental and leasing services, and several other business services.<sup>92</sup>

<sup>92</sup> Mauritius Trade Easy, *Mauritius-China Free Trade Agreement (FTA)*. Viewed at: <https://www.mauritiustrade.mu/en/trade-agreements/china>; and *Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between the Republic of Mauritius and the Republic of India*. Viewed at: <http://www.mauritiustrade.mu/ressources/pdf/cecpa-trade-agreement.pdf>.

**Table 4.16 Market access commitments in professional sectors, 2021**

Sector, number of professionals or enterprises, law, national association	Market access	Provisions contained in the FTAs with China and India
Accountants and chartered accountants (3,301 professional accountants, 317 public accountants, 179 companies) Financial Reporting Act Mauritius Institute of Professional Accountants	Registration with the Mauritius Institute of Professional Accountants is compulsory. The recognized overseas accountancy institutes for professional accountancy education include: (i) Association of Chartered Certified Accountants; (ii) Chartered Institute of Management Accountants; (iii) Institute of Chartered Accountants in England and Wales; (iv) Institute of Chartered Accountants of Scotland; (v) Institute of Chartered Accountants of Ireland; (vi) Institute of Chartered Accountants of India; and (vii) South African Institute of Chartered Accountants. Individuals who are members of other professional accountancy bodies, with the required qualification in accountancy and at least three years' practical experience may also apply to register as a professional accountant.	Mode 3 only in the form of joint ventures, with foreign majority ownership permitted. Mode 1 suppliers must be registered under the FTA with India.
Auditors Financial Reporting Act Financial Reporting Council Number of licensed auditors: 221 Number of audit firms: 114	Auditors are required to obtain a practicing licence from the Financial Reporting Council. The Financial Reporting Act 2004 stipulates that no foreign auditor shall be, or shall act as, the auditor of a company holding a Global Business Licence under the Financial Services Act, unless authorized or licensed by the regulatory body of the foreign jurisdiction and approved by the Financial Reporting Council.	Mode 3 only in the form of joint ventures, with foreign majority ownership permitted. Mode 1 suppliers must be registered under the FTA with India.
Engineers Registered Professional Engineers (RPE) Council Act Council of RPEs in Mauritius Number of professional engineers: 1,300	Market access is not directly limited; however, engineers must be registered with the Council of RPEs in Mauritius and meet the necessary stipulations, including having qualifications that are recognized by the Council.	Mode 4: Engineers from China or India not possessing a UK Chartered Status require 10 years' experience in their respective field and should be registered with the relevant institute of engineers of China or India. Foreign engineering firms must obtain a provisional registration with Construction Industry Development Board to bid for a project in Mauritius. Domestic law: Modes 1, 2, and 3: No restriction, except for Mauritius citizenship requirement. Foreign or international law: Modes 1, 2 and 3: No restriction.
Lawyers (225 professional attorneys, 900 barristers as at 2019) Law Practitioners Act 2008 (Mauritius Law Society, Mauritius Bar Association)	Only Mauritian citizens can practice law in Mauritius; market access for foreigners is limited to providing legal services within a domestic law firm, foreign law firm, or a joint law venture. Provision of legal services is limited to international law and dispute resolution and on the possible impact of Mauritian law on foreign or international law. In addition, the FSC also requires that: (i) the foreign law firm is qualified, licensed, or regulated as such in its home jurisdiction; (ii) two foreign lawyers qualified in the foreign jurisdiction are employed by or are part of the entity; and (iii) the applicant has a physical establishment in Mauritius.	Domestic law: Modes 1, 2, and 3: No restriction, except for Mauritius citizenship requirement. Foreign or international law: Modes 1, 2 and 3: No restriction.
Notaries (65) Notary Act of 208 (Association of Notaries)	Access to the market is restricted to citizens of Mauritius of at least 25 years of age with an overall limit of 100 notaries, subject to the approval and authorization of the Prime Minister in consultation with the Attorney-General.	

Sector, number of professionals or enterprises, law, national association	Market access	Provisions contained in the FTAs with China and India
<p>Medical services and Pharmacists (3,290 doctors in 2019, 536 pharmacists in 2019)</p> <p>Medical Council Act</p> <p>Medical Council of Mauritius</p> <p>Pharmacy Council Act</p> <p>Veterinary Council of Mauritius (100 veterinary surgeons)</p>	<p>Medical practitioners are required to be registered with the Medical Council of Mauritius. Although non-citizens can be permitted to practice, they can only be registered as medical practitioners/specialists on a temporary basis, subject to Prime Minister Office's approval. The conditions enabling eligibility for registration as a pharmacist in Mauritius fall in four categories: Mauritian citizenship, disciplinary and health records, academic qualifications, and professional qualifications. According to the Pharmacy Council Act 2015, applicants of a licence must be citizens or residents of Mauritius. Foreign and visiting pharmacists registered under Sections 24 and 25 of the Act, respectively, are exempted from that obligation.</p>	<p>For veterinary surgeons:</p> <p>Mode 1: Unbound. Modes 2 and 3: No restriction.</p> <p>Mode 4: The number of surgeons registered each year may be limited depending on their total number.</p> <p>For mid-wives, nurses, physiotherapists, and para-medical personnel:</p> <p>Modes 2 and 3: No restriction. Mode 4: Their number may be limited depending on the total number of professionals.</p>

Source: WTO Secretariat, based on information provided by the authorities.

## 5 APPENDIX TABLES

Table A1.1 Merchandise exports by group of products, 2014-20

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
<b>Total exports (USD million)</b>	<b>2,650.9</b>	<b>2,450.0</b>	<b>2,197.6</b>	<b>2,078.3</b>	<b>1,982.2</b>	<b>1,870.4</b>	<b>1,538.3</b>
	(% of total)						
<b>Total primary products</b>	<b>33.4</b>	<b>31.9</b>	<b>39.5</b>	<b>42.0</b>	<b>39.1</b>	<b>39.6</b>	<b>43.3</b>
Agriculture	32.8	31.2	37.5	40.0	37.3	37.7	40.9
Food	31.9	30.2	36.4	38.8	36.3	36.4	39.6
0371 – Fish, prepared or preserved, n.e.s.; caviar and caviar substitutes prepared from fish eggs	12.1	10.5	12.0	14.2	14.5	13.6	15.0
0612 – Other beet or cane sugar and chemically pure sucrose, in solid form	6.8	6.1	7.6	7.6	3.7	5.7	6.2
0611 – Sugars, beet or cane, raw, in solid form	2.7	2.8	3.3	4.0	3.7	4.6	5.8
0342 – Fish, frozen	3.3	3.9	4.5	4.1	6.0	5.0	4.9
0019 – Live animals, n.e.s.	0.9	0.8	0.9	1.0	1.0	1.2	2.1
Agricultural raw material	0.9	1.0	1.1	1.2	1.1	1.3	1.3
Mining	0.6	0.7	2.0	1.9	1.8	1.9	2.4
Ores and other minerals	0.4	0.4	0.4	0.1	0.0	0.3	1.0
Non-ferrous metals	0.1	0.0	0.1	0.3	0.6	0.7	1.1
Fuels	0.1	0.3	1.5	1.6	1.1	0.9	0.3
<b>Manufactures</b>	<b>66.1</b>	<b>67.8</b>	<b>60.0</b>	<b>56.9</b>	<b>60.5</b>	<b>60.3</b>	<b>56.5</b>
Iron and steel	0.3	0.3	0.1	0.2	0.1	0.0	0.1
Chemicals	3.8	3.8	4.3	4.5	4.8	4.6	5.2
Other semi-manufactures	5.6	5.8	4.3	4.9	5.6	6.7	5.4
6672 – Diamonds (other than sorted industrial diamonds)	4.2	4.7	3.2	3.0	4.0	4.9	3.3
Machinery and transport equipment	14.3	15.5	7.9	5.0	4.1	3.8	4.1
Power generating machines	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Other non-electrical machinery	0.6	1.3	0.6	1.1	0.5	0.7	1.3
Office machines & telecommunication equipment	11.8	13.0	5.4	1.9	2.5	1.7	1.2
Other electrical machines	0.8	0.7	0.7	0.5	0.4	0.5	0.6
Automotive products	0.2	0.1	0.2	0.1	0.1	0.1	0.2
Other transport equipment	0.7	0.3	0.9	1.3	0.5	0.7	0.6
Textiles	4.5	4.4	4.6	5.3	5.6	7.0	7.6
Clothing	30.3	29.9	30.0	29.0	31.1	29.1	25.6
Other consumer goods	7.4	8.0	8.8	8.1	9.2	9.1	8.5
<b>Other</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>1.1</b>	<b>0.4</b>	<b>0.1</b>	<b>0.2</b>

a Provisional.

Note: Based on SITC Rev. 3. Excluding ships and shores and bunkers.

Source: WTO Secretariat calculations, based on Statistics Mauritius, *External Trade*. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>.

**Table A1.2 Merchandise imports by group of products, 2014-20**

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
<b>Total imports (USD million)</b>	<b>5,618.2</b>	<b>4,792.9</b>	<b>4,654.3</b>	<b>5,245.3</b>	<b>5,670.9</b>	<b>5,599.6</b>	<b>4,225.7</b>
	(% of total)						
<b>Total primary products</b>	<b>43.5</b>	<b>40.8</b>	<b>40.9</b>	<b>44.1</b>	<b>44.1</b>	<b>42.4</b>	<b>42.9</b>
Agriculture	23.3	24.7	26.4	26.4	23.1	23.0	26.6
Food	21.2	22.3	24.2	24.0	21.0	20.8	24.7
0342 – Fish, frozen	5.1	4.6	5.5	5.6	4.5	4.1	4.7
222 – Milk and cream, concentrated or sweetened	1.5	1.2	1.3	1.1	1.1	1.1	1.5
0423 – Rice, semi-milled or wholly milled	1.0	1.0	0.8	0.8	0.9	0.9	1.3
1222 – Cigarettes containing tobacco	1.2	1.3	1.3	1.3	1.1	1.1	1.2
0989 – Food preparations, n.e.s.	0.8	0.9	1.0	0.9	0.9	0.9	1.2
0484 – Bread, pastry, cakes, biscuits and other bakers' wares	0.5	0.6	0.7	0.7	0.7	0.7	1.0
Agricultural raw material	2.1	2.4	2.2	2.4	2.1	2.2	1.9
Mining	20.2	16.1	14.6	17.8	21.0	19.4	16.3
Ores and other minerals	0.2	0.2	0.2	0.1	0.2	0.3	0.4
Non-ferrous metals	0.8	0.8	0.7	0.8	0.8	0.8	0.9
Fuels	19.1	15.1	13.6	16.9	20.0	18.3	15.0
<b>Manufactures</b>	<b>56.1</b>	<b>58.8</b>	<b>58.4</b>	<b>55.1</b>	<b>55.4</b>	<b>57.3</b>	<b>56.7</b>
Iron and steel	1.6	2.2	1.6	1.7	2.0	2.1	2.3
Chemicals	7.8	8.5	8.9	8.3	8.5	8.7	10.0
5429 – Medicaments, n.e.s.	1.8	2.1	2.2	2.0	2.2	2.4	3.3
Other semi-manufactures	9.0	9.9	8.7	8.3	8.6	9.5	9.3
6672 – Diamonds (other than sorted industrial diamonds)	2.0	2.2	1.4	1.2	1.6	1.5	1.0
6612 – Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements	0.8	1.0	0.8	0.6	0.7	0.9	1.0
Machinery and transport equipment	24.5	24.5	25.0	23.3	23.0	23.8	22.1
Power generating machines	0.3	0.4	0.5	0.6	0.9	0.4	0.3
Other non-electrical machinery	4.3	4.4	5.3	5.1	4.9	5.4	5.2
Agricultural machinery and tractors	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Office machines & telecommunication equipment	9.7	10.4	7.5	5.5	6.4	5.9	5.4
7643 – Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television	5.8	6.5	3.2	2.2	2.4	2.6	2.2
Other electrical machines	2.8	3.0	3.3	3.4	3.3	3.2	3.0
Automotive products	5.0	5.4	6.4	6.6	6.6	7.0	6.3
7812 – Motor vehicles for the transport of persons, n.e.s.	3.2	3.8	4.1	4.5	4.4	4.4	4.1
7821 – Motor vehicles for the transport of goods	0.8	0.8	1.0	0.9	1.1	1.3	1.2
Other transport equipment	2.3	0.9	2.1	2.1	0.9	1.9	1.9
7916 – Railway or tramway coaches, vans and trucks, self-propelled	0.0	0.0	0.0	0.0	0.0	0.7	0.9
Textiles	4.8	5.1	4.9	4.5	4.2	3.8	3.9
6513 – Cotton yarn, other than sewing thread	0.8	0.8	0.8	1.0	0.8	0.8	0.8
Clothing	1.6	1.5	1.6	1.7	1.6	1.9	1.8
Other consumer goods	6.8	7.0	7.7	7.3	7.5	7.5	7.3
<b>Other</b>	<b>0.4</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>

a Provisional.

Note: Based on SITC Rev. 3.

Source: WTO Secretariat calculations, based on Statistics Mauritius, *External Trade*. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>.

**Table A1.3 Merchandise exports by destination, 2014-20**

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
<b>Total exports (USD million)</b>	<b>2,650.9</b>	<b>2,450.0</b>	<b>2,197.6</b>	<b>2,078.3</b>	<b>1,982.2</b>	<b>1,870.4</b>	<b>1,538.3</b>
	(% of total)						
<b>Americas</b>	<b>11.3</b>	<b>11.6</b>	<b>12.1</b>	<b>11.9</b>	<b>12.7</b>	<b>11.4</b>	<b>10.4</b>
United States	10.5	10.6	11.2	11.2	11.9	10.7	9.7
Other America	0.9	1.0	0.9	0.7	0.7	0.7	0.7
<b>Europe</b>	<b>47.1</b>	<b>42.0</b>	<b>47.6</b>	<b>49.0</b>	<b>44.4</b>	<b>44.5</b>	<b>44.9</b>
EU-27	32.4	28.1	33.5	35.6	31.7	32.0	33.2
France	11.3	9.4	11.5	11.8	10.4	9.5	8.0
Italy	6.5	5.5	7.1	6.8	4.6	5.5	6.5
Spain	5.2	4.5	4.5	5.4	5.2	4.4	5.6
Netherlands	2.5	2.7	3.2	3.4	4.2	3.9	4.4
Belgium	2.8	1.9	1.5	1.2	1.5	1.5	2.0
Germany	0.9	1.1	1.7	2.0	2.3	2.1	1.9
EFTA	1.1	1.3	1.9	1.3	1.5	1.4	1.5
Other Europe	13.6	12.6	12.1	12.0	11.3	11.2	10.2
United Kingdom	13.4	12.5	12.0	11.8	11.2	11.0	10.1
<b>CIS<sup>b</sup></b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>
<b>Africa</b>	<b>19.3</b>	<b>21.1</b>	<b>22.7</b>	<b>25.3</b>	<b>27.1</b>	<b>27.0</b>	<b>28.5</b>
South Africa	7.1	8.7	8.1	9.0	11.0	10.5	11.9
Madagascar	6.5	6.5	7.3	6.6	6.2	7.1	6.9
Kenya	0.2	0.8	1.5	2.5	2.9	3.0	3.2
Reunion	2.5	2.1	2.3	3.0	3.1	2.6	2.8
Seychelles	1.1	1.1	1.3	1.4	1.5	1.5	1.5
<b>Middle East</b>	<b>11.0</b>	<b>13.1</b>	<b>3.1</b>	<b>1.8</b>	<b>1.1</b>	<b>0.5</b>	<b>1.0</b>
<b>Asia</b>	<b>11.2</b>	<b>12.0</b>	<b>14.4</b>	<b>11.9</b>	<b>14.6</b>	<b>16.4</b>	<b>15.0</b>
China	0.6	0.8	2.1	1.3	1.7	1.7	1.5
Japan	1.4	1.1	1.3	1.2	1.1	1.8	1.3
Other Asia	9.2	10.1	11.0	9.3	11.7	12.9	12.2
Viet Nam	3.0	3.7	3.7	2.7	3.8	4.0	3.1
India	0.6	0.9	0.7	0.7	1.3	1.3	2.1
Chinese Taipei	1.3	1.3	1.3	1.0	1.2	1.3	1.6
Memo:	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-28	45.8	40.5	45.6	47.5	42.9	43.0	43.3
COMESA	8.6	9.4	10.6	11.5	11.8	12.6	12.6
SADC	15.4	17.3	17.4	18.2	20.1	20.4	21.7

a Provisional.

b Commonwealth of Independent States, including certain associate and former member States.

Note: Excluding ships and shores and bunkers.

Source: WTO Secretariat calculations, based on Statistics Mauritius, *External Trade*. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>.



**Table A1.4 Merchandise imports by origin, 2014-20**

	2014	2015	2016	2017	2018	2019	2020 <sup>a</sup>
<b>Total imports (USD million)</b>	<b>5,618.2</b>	<b>4,792.9</b>	<b>4,654.3</b>	<b>5,245.3</b>	<b>5,670.9</b>	<b>5,599.6</b>	<b>4,225.7</b>
	( % of total)						
<b>Americas</b>	<b>5.0</b>	<b>5.5</b>	<b>5.1</b>	<b>5.5</b>	<b>4.6</b>	<b>4.4</b>	<b>4.2</b>
United States	1.6	1.6	2.1	2.4	2.4	2.1	1.7
Other America	3.4	3.9	2.9	3.1	2.2	2.3	2.6
<b>Europe</b>	<b>22.9</b>	<b>22.4</b>	<b>24.5</b>	<b>25.4</b>	<b>24.8</b>	<b>26.2</b>	<b>26.4</b>
EU-27	19.0	18.3	20.5	21.4	20.3	20.7	21.6
France	7.6	7.1	7.8	7.9	8.1	7.0	7.2
Spain	3.5	3.1	3.0	3.2	2.0	3.1	3.5
Germany	2.5	2.4	3.1	2.7	2.8	3.0	3.2
Italy	2.0	2.2	2.3	2.2	2.3	2.3	2.4
Belgium	0.7	0.7	0.9	1.5	2.2	2.0	1.7
EFTA	1.1	0.9	0.9	0.7	0.8	0.8	0.7
Other Europe	2.8	3.3	3.1	3.2	3.6	4.7	4.1
United Kingdom	1.8	2.2	2.2	2.1	2.2	3.0	2.0
Turkey	0.8	0.9	0.9	1.1	1.4	1.6	1.9
<b>CIS<sup>b</sup></b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Africa</b>	<b>10.7</b>	<b>12.0</b>	<b>13.5</b>	<b>14.2</b>	<b>13.6</b>	<b>12.8</b>	<b>12.0</b>
South Africa	6.6	6.6	7.5	8.5	9.2	8.1	7.7
<b>Middle East</b>	<b>2.5</b>	<b>2.2</b>	<b>3.2</b>	<b>4.2</b>	<b>4.9</b>	<b>8.3</b>	<b>13.0</b>
United Arab Emirates	1.9	1.6	1.9	2.1	3.4	7.1	12.3
<b>Asia</b>	<b>58.6</b>	<b>57.4</b>	<b>53.5</b>	<b>50.5</b>	<b>52.1</b>	<b>48.2</b>	<b>44.3</b>
China	16.2	18.0	17.7	16.4	16.5	16.7	16.6
Japan	2.3	2.5	3.1	3.3	3.1	3.1	2.9
Other Asia	40.1	36.9	32.7	30.7	32.4	28.4	24.8
India	21.6	17.7	16.5	16.4	18.3	13.9	9.5
Malaysia	1.8	1.9	2.0	1.8	1.8	2.1	2.6
Indonesia	1.4	1.5	1.6	1.3	1.9	2.0	2.2
Thailand	2.2	2.1	2.0	1.7	2.0	2.0	1.7
Australia	2.5	2.6	2.0	2.1	1.8	1.4	1.6
Chinese Taipei	1.7	2.3	1.9	1.6	1.2	1.5	1.6
MEMO:							
EU-28	20.8	20.5	22.7	23.5	22.5	23.7	23.6
COMESA	3.0	3.8	4.5	4.9	3.7	4.1	3.6
SADC	8.7	9.9	11.4	12.2	11.8	10.9	9.8

a Provisional.

b Commonwealth of Independent States, including certain associate and former member States.

Note: Excluding ships and shores and bunkers.

Source: WTO Secretariat calculations, based on Statistics Mauritius, *External Trade*. Viewed at: <https://statsmauritius.govmu.org/SitePages/Index.aspx>.

**Table A4. 1 Production of main agricultural commodities, 2014-20**

	2014		2015		2016		2017		2018		2019		2020 <sup>a</sup>	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
Sugar cane ('000 tonnes)	50,694	4,044	52,387	4,009	51,476	3,798	49,974	3,713	47,678	3,155	45,054	3,405	43,711	2,621
Manufactured sugar ('000 tonnes)	..	400	..	366	..	386	..	355	..	323	..	331	..	271
Manufactured tea	..	1,504	..	1,295	..	1,353	..	1,379	..	1,470	..	1,583	..	1,083
Beans	301	1,430	264	1,232	260	1,428	299	1,792	259	1,442	251	1,456	..	..
Brinjal	288	3,549	270	2,504	288	2,738	273	3,099	255	2,495	276	3,385	290	3,496
Cabbage	229	4,279	240	3,870	253	4,659	256	4,779	235	3,642	238	3,477	286	4,008
Calabash	397	5,957	394	5,153	388	5,105	392	5,353	385	4,628	378	5,500	..	..
Carrot	319	4,430	309	4,184	298	5,135	317	4,625	357	4,863	354	5,260	..	..
Cucumber	494	6,652	439	5,251	390	4,587	395	5,197	409	4,165	379	4,264	..	..
Onions	282	5,912	283	6,898	278	6,388	247	5,134	275	3,440	244	3,219	95	1,535
Potato	821	19,404	707	16,427	765	16,326	710	14,124	719	17,033	714	14,822	834	15,828
Pumpkin	477	6,980	423	5,713	526	7,002	535	7,948	543	6,805	556	7,413	..	..
Tomato	857	10,997	740	8,525	730	10,136	722	10,651	683	9,190	643	8,684	622	8,298
Banana	464	8,833	470	7,965	459	7,731	507	8,644	492	7,33	508	7,266	521	8,512
Pineapple	450	10,788	523	11,693	417	9,707	401	8,760	502	10,043	407	8,459	443	9,592
Milk ('000 litres)	..	5,000	..	4,500	..	4,000	..	3,600	..	2,500	..	2,500	..	1,800
Beef	..	1,956	..	2,013	..	1,956	..	2,078	..	2,053	..	2,051	..	1,826
Poultry	..	47,500	..	46,400	..	45,800	..	47,500	..	49,000	..	51,000	..	47,500
Pork	..	557	..	560	..	632	..	606	..	543	..	596	..	598

.. Not available.

Source: Information provided by the authorities.