



**Table 6: Mauritius's Top Import Products, 2006**

No.	HS	Product Description	Value US\$	% of Total
1	271019	Medium oils and preparations, of petroleum or bituminous material	485,500,802	15.9
2	852520	Transmission apparatus incorporating reception	272,750,236	8.9
3	030343	Frozen skipjack or stripe-bellied bonito	56,167,728	1.8
4	300490	Medicaments consisting of mixed or unmixed product	48,992,026	1.6
5	030379	Frozen freshwater and saltwater fish	44,869,931	1.5
6	030342	Frozen yellowfin tunas "Thunnus albacares"	38,869,099	1.3
7	847330	Parts and accessories of automatic data processing	35,975,939	1.2
8	520100	Cotton, neither carded nor combed	32,312,113	1.1
9	271113	Butanes, liquefied	31,798,881	1.0
10	710231	Non-industrial diamonds unworked or simply sawn	30,624,288	1.0
11		<b>Other Products</b>	<b>1,975,707,140</b>	<b>64.7</b>
		<b>Total Imports</b>	<b>3,053,568,184</b>	<b>100.0</b>

Source: COMSTAT Database

### Regional Commitments

- Mauritius is a member of the COMESA Free Trade Area (FTA), therefore, eligible goods originating in Mauritius attract Customs duty of 0% in the COMESAFTA.
- Mauritius has signed the following COMESA Legal Instruments and Protocols:
  - the Charter for the Establishment of a Metallurgical Technology Center (MTC);
  - the Protocol on the Gradual Relaxation and Eventual Elimination of visa, and
  - the COMESA Fund Protocol.
- Mauritius has signed and ratified the Charter Establishing the Federation of National Associations of Women in Business in Eastern and Southern Africa.
- Mauritius is a member of the Eastern and Southern Africa Trade and Development (PTA) Bank [www.ptabank.org](http://www.ptabank.org).
- In addition to COMESA, Mauritius is a member of the Southern African Development Community (SADC) and the Indian Ocean Community (IOC).

### Investment Environment

- Mauritius offers a skilled, young labour force. The labour force is qualified in areas such as IT, engineering, accounting, law, business as well as other professional areas of expertise. Investment opportunities exist in various sectors including emerging sectors such as aquaculture, pharmaceuticals, and duty free shopping.
- In the financial sector, legislation is to be amended to allow for the development of alternative financial services including Islamic Banking, which has export potential.
- Recent developments have seen the integration of EPZ and non-EPZ sectors and the subsequent removal of investment certificates with the exception of the Integrated Resort Scheme (IRS) and the Freeport. Domestic and foreign direct investment is likely to expand in the agro-industry, tourism and manufacturing sectors given their favorable rates of credit from commercial banks, compared to other sectors of the economy. Moreover enhanced investment incentives are likely to improve the attractiveness of the investment climate of Mauritius. Incentives include (i) the streamlining of trade licenses and (ii) the integration of EPZ and non-EPZ sectors.
- Mauritian EPZs account for 7.5% of the GDP. Export Processing Zones (EPZs) accounted for 3.8% total foreign direct investment in 2005, compared to 13.8% the previous year. To boost the flow of goods from EPZs, the Government has removed the bonded warehouse requirement.

- The "Ebene Cyber City" (an IT Free Trade Zone) became operational in 2004. Incentives include a 5-year tax holiday, among other benefits. Ebene is a cable landing point of the South Africa Far East (SAFE) high-speed submarine communications cable linking Melkbosstrand, South Africa and Penang, Malaysia. Ebene is the headquarters of AfriNIC, the Regional Internet Registry for Africa, which currently covers 55 African nations.

### Regional Interconnectivity

- Mauritius is strategically located in the Indian Ocean with close proximity to the African mainland, as well as strategic links with Asia. Mauritius has highly developed infrastructure and industrial facilities.
- Inter connectivity within the region exists via satellite telecommunications, road links, and the SSR International Airport at Plaisance. Expansion of the passenger terminal is set to commence at the end of 2007, and is to be completed by the end of 2009.
- Expansion of the air transport capacity of air has already started with a view to increasing the number of tourist arrivals to 2 million by 2015. An air access policy committee is to be established.
- Port Louis is the only port on the island, and is served by a number of international shipping lines.
- Improvements in the ICT investment climate are expected on account of:
  - the formulation of a National ICT Strategic Plan to develop the country's potential status as an ICT Hub
  - Participation in the development of the Pan-African E-Network
  - Participation in the EaSSy Project
  - Reduction of tariffs for international bandwidths
  - The installation of nationwide broadband wireless access through a Non Line of Sight (NLOS) WWAN network using "smart antennas" with a wide range of coverage. The expected potential client base is 1.2 million potential users covering an area of approximately 100 sq miles. Once completed, Mauritius will become the first country in the world to have complete nationwide broadband wireless access.

### Key points:

- Mauritius is a member of COMESA, SADC, and Indian Ocean Commission.
- Mauritius is moving towards a duty free island status by the year 2008. In this regard, integration of EPZ and non-EPZ is anticipated to change the investment landscape and is expected to give a new impetus to export from Mauritius. The elimination of customs duty on manufacturing inputs expected to boost productivity in this sector.
- The streamlining of trade licensing requirements and the introduction of tax reforms are anticipated to facilitate Trade.
- Mauritius is also branding itself as a Regional Multidisciplinary Centre of Excellence.
- Knowledge Hub to be based at a new city to be constructed in the Highlands.
- A National ICT Strategic Plan has been formulated to develop the country's potential status as an ICT Hub.
- Mauritius has experienced an improved ICT investment climate on account of new ICT strategy and participation in the development of the Pan-African E-Network.
- Development of Mauritius as a potential hub for company headquarters in the region.

### Overall Economic Prospects

- Mauritius is one of the most dynamic and stable economies in Eastern and Southern Africa. The GDP growth rate of around 4.9% in 2006/07 is expected to accelerate to approximately 5.5% in 2007/08, largely attributed to growth across most sectors with notable growth in the tourism, financial and construction sectors, as well as the fact that the traditional textile sector is no longer in a recession. Continued diversification into the seafood, ICT and construction sectors, are anticipated to become pillars of the Mauritian economy.
- The manufacturing sector exclusive of sugar, another traditional sector - grew by 3.9% and contributed 18.8% to GDP in 2006. The Manufacturing sector comprised growth of 4.6% in EPZs and (2.9) in the sugar sector. The performance of the sugar sector was attributed to lower sugar production in line with the restructuring of the sector. The manufacturing sector is currently the most labour intensive sector, employing a total of 92,600 people, 65,200 of whom work in EPZ companies (CSO, Government of Mauritius).
- The Tourism sector has remained the main foreign exchange earner. In 2006, tourist arrivals increased by 3.6% recording 788,276 arrivals compared to 761,063 in 2005. Tourist earnings are estimates at around USD 1,000,450.26 in 2006, compared to USD 758,165.18 in 2005. Presently, French nationals account for the largest share of tourist arrivals, followed by Reunion Island and the United Kingdom. The Government has sought to facilitate the branding of Mauritius as a unique tourist destination. Enhanced marketing of Mauritius through special events by "Events Mauritius Ltd", upgrading and rehabilitating tourist attractions and an annual Government contribution to the Mauritius Tourism Promotion Agency (MTPA) marketing budget, are anticipated to boost tourist arrivals. Further innovative ideas include setting up a tourist village at Belle Mare. A Tourism Strategy is to be developed by March 2008.
- Growth prospects in the IT sector are the most prominent on account of the development of the Ebene cyber city which is aimed at attracting FDI and technological transfer to Mauritius. Expected future developments in the IT sector indicate continued Government and private sector support for the development of Mauritius as a regional ICT hub.

### Trade Profile 2006-2007

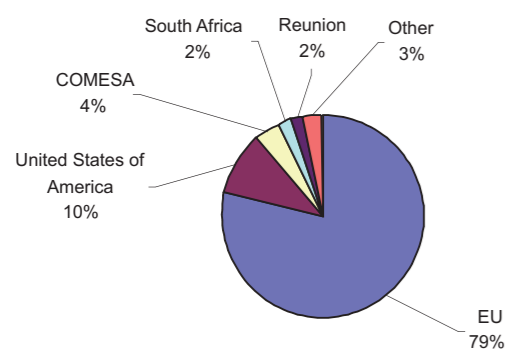
- Mauritius is a full participant and one of the first nine countries to sign the FTA. In 2006, Mauritian exports to the COMESA region accounted for 4% of the total exports, while intra-COMESA imports accounted for 3% of total exports.

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Prepared by the Strategic Planning and Research Unit,  
The Common Market for Eastern and Southern Africa (COMESA) Secretariat,  
Ben Bella Road, P.O. Box 30051, Lusaka, Zambia  
Tel: +260-21-1-229725/32, Fax: +260-21-1-225107  
Website: [www.comesa.int](http://www.comesa.int)

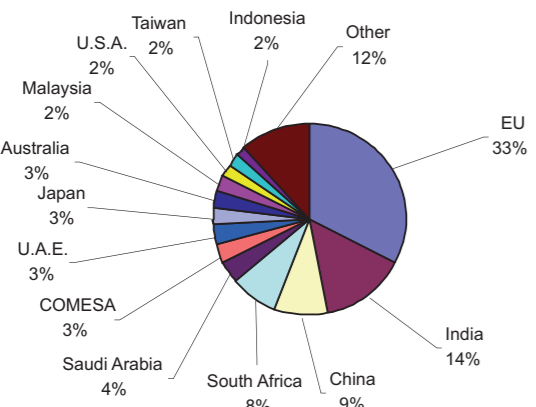
Contact: [rrandriamandrato@comesa.int](mailto:rrandriamandrato@comesa.int), [bmwenda@comesa.int](mailto:bmwenda@comesa.int)

**Chart 1: Mauritius's Export Partners, 2006**



Source: COMSTAT Database

**Chart 2: Mauritius's Import Partners, 2006**



Source: COMSTAT Database

**Table 1: Intra-COMESA Exports**

Partners	Value in US\$	%
Madagascar	43,710,626	76.58
Seychelles	5,953,901	10.43
Kenya	4,034,442	7.07
Zimbabwe	1,009,922	1.77
Comoros	1,002,993	1.76

Source: COMSTAT Database

**Table 2: Intra-COMESA Imports**

Partners	Value in US\$	%
Seychelles	28,822,877	29.10
Egypt	23,665,379	23.89
Madagascar	14,343,900	14.48
Zambia	10,944,246	11.05
Kenya	10,752,934	10.86
Swaziland	7,688,610	7.76
Zimbabwe	2,646,080	2.67

Source: COMSTAT Database

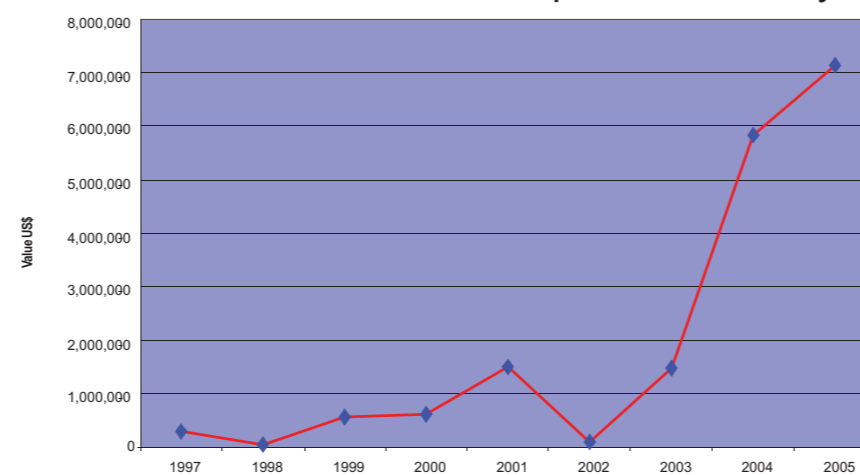
- The demand for Mauritius's international and intra-regional exports is likely to expand given continued commitment and efforts of Government and stakeholders in the private sector to augment the value added, and overall competitiveness of products. For example, developments in the production methods and output of the sugar industry, is anticipated to reduce production costs and improve value added in the sector.

**Table 3: Mauritius's Top Intra Export Key Products, 2006**

No.	HS	Product Description	Value US\$	% of Total
1	510610	Carded wool yarn	7,396,359	13.0
2	230990	Preparations of a kind used in animal feeding	6,740,319	11.8
3	490199	Printed books, brochures and similar printed matter	5,667,994	9.9
4	110100	Wheat or meslin flour	4,489,606	7.9
5	600121	Looped pile fabrics of cotton, knitted or crocheted	3,237,429	5.7
6		Other Products	29,549,859	51.8
		<b>Total Exports</b>	<b>57,081,566</b>	<b>100.0</b>

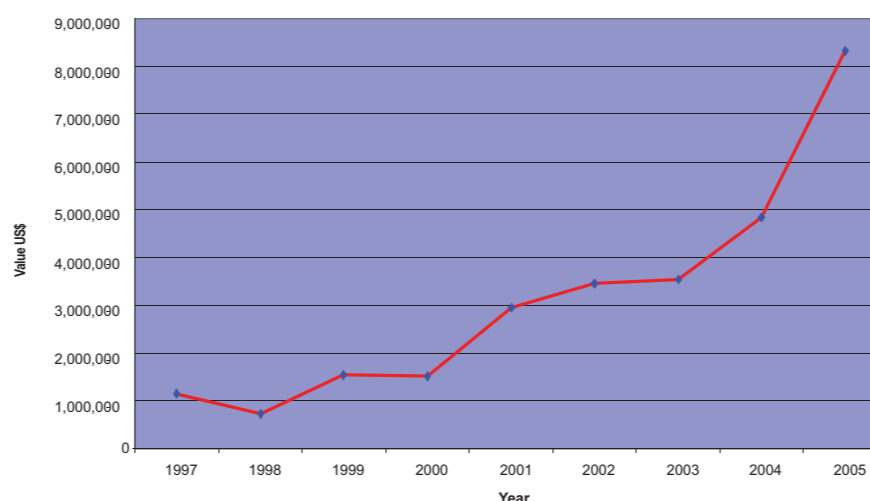
Source: COMSTAT Database

**Chart 4: Mauritius's Intra-COMESA Exports of Carded wool yarn**



Source: COMSTAT Database

**Chart 5: Mauritius's Intra-COMESA Exports of Animal Feed**



Source: COMSTAT Database

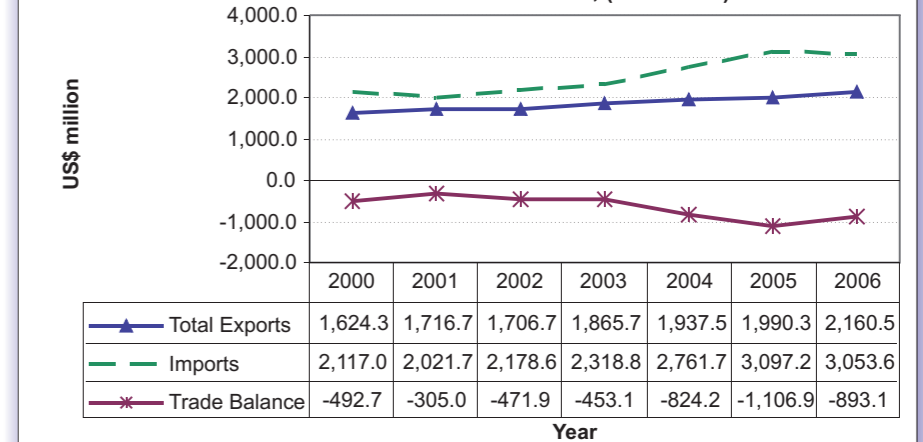
**Table 4: Mauritius's Top Intra Import Key Products, 2006**

No.	HS	Product Description	Value US\$	% of Total
1	030342	Frozen yellowfin tunas "Thunnus albacares"	17,103,418	17.3
2	030343	Frozen skipjack or stripe-bellied bonito "Euthynnu"	11,344,752	11.5
3	520100	Cotton, neither carded nor combed	11,297,045	11.4
4	210690	Food preparations, n.e.s.	7,234,916	7.3
5	010290	Live bovine animals (excl. pure-bred for breeding)	5,079,344	5.1
6		Other Products	46,995,185	47.4
		<b>Total Imports</b>	<b>99,054,660</b>	<b>100.0</b>

Source: COMSTAT Database

- Mauritian exports have preferential access to EU markets and the US under the Cotonou Agreement and the AGOA respectively. Mauritius is presently strengthening non-sugar agro industries in order fully exploit the benefits of AGOA. Moreover, Double Taxation Avoidance Treaties (DTAs) exist with 32 countries.
- The agro-industry is largely reliant on sugar exports. Approximately 500,000 tonnes of sugar are produced each year. Annual sugar exports destinations comprise the EU (approximately 96%), the US (approximately 2%) while the remaining 2% is exported to the rest of the world. Other exports include textiles and garments, which are primarily exported to the EU market.
- Mauritius is member of Eastern and Southern Africa group in the negotiations for the EPA with the European Union.

**Chart 6: Mauritius's Global Trade, (2000-2006)**



Source: COMSTAT Database

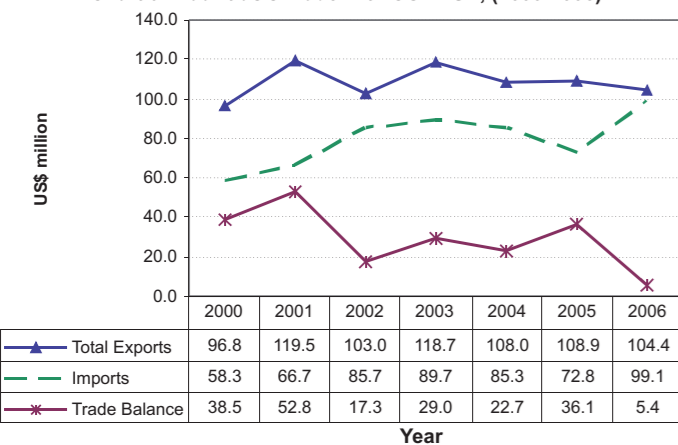
**Table 5: Mauritius's Top Export Products, 2006**

No.	HS	Product Description	Value US\$	% of Total
1	170111	Raw cane sugar	344,454,412	23.2
2	610910	T-shirts, singlets and other vests of cotton, knit	289,930,372	19.5
3	160414	Prepared or preserved tunas, skipjack and Atlantic	154,312,104	10.4
4	620520	Men's or boys' shirts of cotton	111,503,140	7.5
5	620342	Men's or boys' trousers, bib and brace overalls	50,147,511	3.4
6	610990	T-shirts, singlets and other vests of textile mate	46,604,998	3.1
7	710239	Diamonds, worked, but not mounted or set	40,041,107	2.7
8	610510	Men's or boys' shirts	28,833,096	1.9
9	611020	Jerseys, pullovers, cardigans, waistcoats	27,515,239	1.9
10	010611	Live primates	25,245,510	1.7
11		Other Products	368,332,683	24.8
		<b>Total Exports</b>	<b>1,486,920,172</b>	<b>100.0</b>

Source: COMSTAT Database

- As Mauritius moves towards a duty free status to be attained by the year 2008, tariff bands have been reduced to 0%, 10%, 15% and 30%. Mauritius has adopted these tariff bands in an effort to more closely align tariff rates with the COMESA Common External Tariff (CET). Presently, the country's weighted tariff average amounts to 6%. Consequently, the present duty exemption schemes are eliminated.

**Chart 3: Mauritius's Trade with COMESA, (2000-2006)**



Source: COMSTAT Database

- Mauritian exports to the COMESA region amounted to US\$ 104.4 million in 2006.
- Mauritius's top exports to the COMESA region in 2006 comprised carded wool yarn, animal feed preparations and printed materials. Fluctuations in exports to the COMESA region are likely to be mitigated given strengthened linkages and systems of trade.
- Mauritius's imports from the COMESA region increased by approximately 36.1% to US\$ 99.1 in 2006 from US\$ 72.8 Million in 2005.