

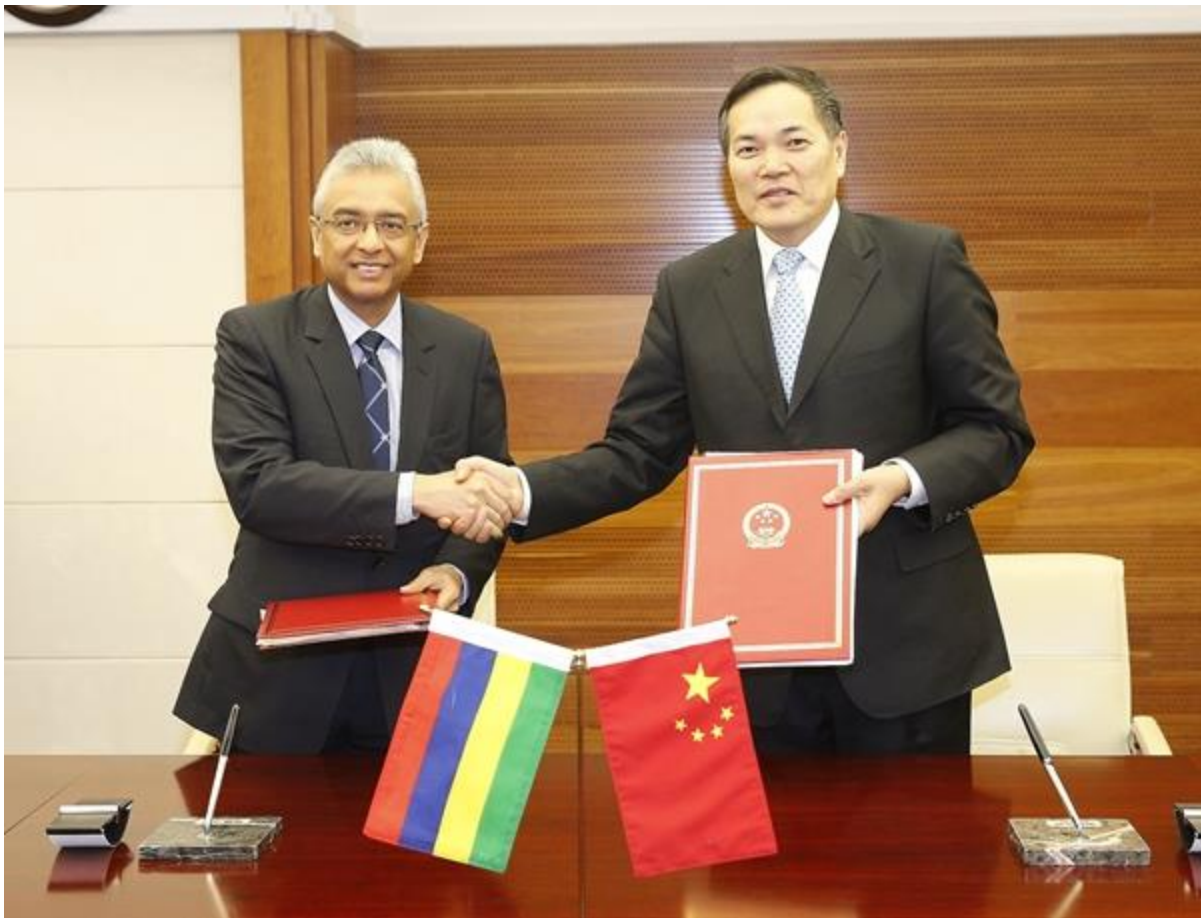


CHINA and MAURITIUS Sustainable ties since time immemorial

Mauritius share an arena of strong and enriching economic and cultural partnership with China. The bilateral economic and trade relations have been developing steadily since the establishment of diplomatic relations between China and Mauritius in 1972. From an evolved financial sector, a thriving infrastructural landscape, an enticing investment framework and wide-reaching air and sea connections, Mauritius offers to China the necessary ingredients to concoct a palatable cocktail for a profitably sound business partnership with the region.

Mauritius is looking forward to the **Free Trade Agreement (FTA)** with China. This was testified by the signature of protocol by **Honourable Pravind Kumar Jugnauth, Prime Minister of the Republic of Mauritius** during his visit in China last year. Keeping pace with the intensifying footprint of Chinese trade, investment and tourism in Africa, Mauritius is positioning itself as the bridge to connect the Asian sub-continent and Africa, especially within the SADC, COMESA and EAC blocs. China is high on the Government's agenda and bilateral relations are taking new heights, especially with Mauritian participation in the 21st Maritime Silk Road conference, Pekin in a move to reinforce trade and economic ties.





Mr. Pravind Jugnauth, Prime Minister of Mauritius and Mr. Qian Keming, Vice Minister of Commerce of the Republic of China

As a trusted partner for cooperation, China has offered to Mauritius several privileges in several cooperation areas. The recent incorporation of the subsidiary Bank of China, which is the most internationalised and diversified Chinese Bank, will for sure serve as a good platform to intensify economic and investment interests. Thus, the Bank of China in Mauritius may use the Mauritian jurisdiction as a clearing house of Renminbi transactions for the African continent.





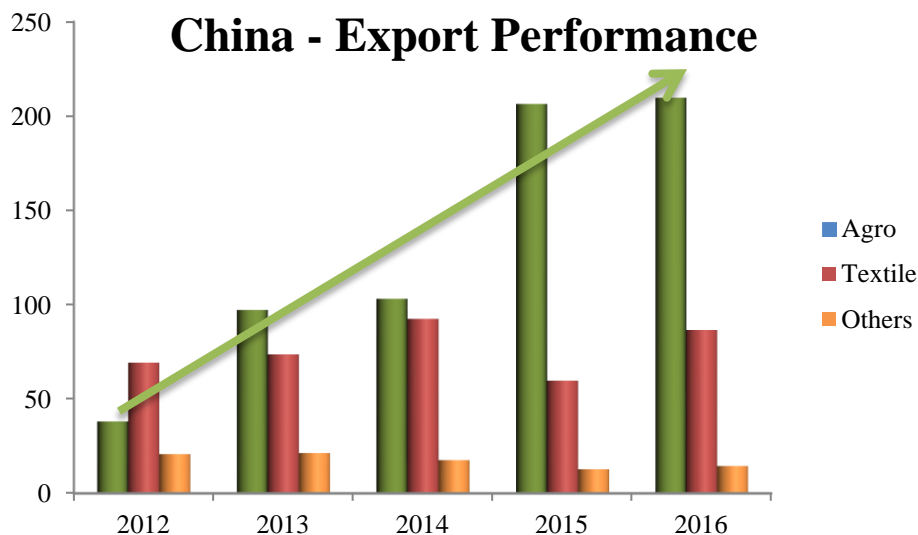
With a population of 1.3 billion, China has recently become the second largest economy and is increasingly playing an important and influential role in the global economy. According to the World Bank, China has been the largest contributor to world growth since the global financial crisis of 2008. In effect, China has remained the biggest import partner behind India and France. Imports from China knew a slight dip from Rs. 28.5 billion to Rs. 27.6 billion in 2015 and 2016 respectively.

The rapid economic development over the last two decades in China has resulted in raising disposable incomes in recent years and subsequently significant change in the consumption patterns. The reasons for this paradigm shift can be summarised into five key drivers, namely: (i) rising income, (ii) rapid urbanisation, (iii) changing lifestyle, (iv) changes in tastes and preferences, and (v) better organisation of food production and marketing.

Notwithstanding the language barrier, China remains a potential exports destination for Mauritius especially that Mauritian companies are already trading in this market. With the prevailing market opportunities, EM recently conducted a series of promotional initiatives in Hong Kong, Shanghai and Guangdong in view of identifying new growth poles and creating market opportunities for future business. Though difficult, business in China is burgeoning; needless to say that strenuous effort should be maintained.



Mauritian export to China has been favourable for the past years with significant export growth for agro products which represent around 70% of export basket for 2016.



According to Statistics Mauritius, domestic exports to China witnessed 11% increase from Rs. 279 Mn to Rs. 311 Mn in 2015 and 2016 respectively.

In the pursuit to further create the visibility of Mauritian agro products, EM is venturing into this emerging market through a first time participation of **SIAL China** to be held from 17 to 19 May 2017 at the Shanghai New International Expo Centre with a delegation of 8 agro producers. The forthcoming FTA will certainly be an add-on encouragement for local producers to tap further export avenues.