

Mauritius and the challenges of the aftermath of BREXIT

The United Kingdom is scheduled to leave the European Union on Friday, 29th March 2019. Sufficient progress has been made on the settlement of the Divorce Bill, which is around 50 billion pounds. The UK and EU have now agreed on the three "divorce" issues of how much the UK owes the EU, what happens to the Northern Ireland border and what happens to UK citizens living elsewhere in the EU and EU citizens living in the UK.

Based on the forthcoming negotiations, it will become clearer on how countries like Mauritius will be affected by BREXIT. Since BREXIT is a journey into unknown territory, as no state has ever left the EU, it is too early to assess the consequences for Mauritius. However, the UK has agreed that the interests of Commonwealth states will not be affected by whatever outcome BREXIT negotiations take shape. The current Prime Minister is in a favour of a trade deal with Commonwealth Member states.

The UK still remains the most important market for Mauritian exports with the main products exported being textile & apparel, sugar, seafood

among others. The UK has remained the top export destination for Mauritius, accounting for 26% of total exports in 2010. However, the export share of Mauritius to UK dropped to 16% in 2016. This is primarily due to the depreciation of the British Pound caused by the advent of BREXIT. Imported products from overseas are costing British retailers more, which puts enormous pressure on exporters like Mauritius.

Enterprise Mauritius has initiated a series of actions in the UK market following the advent of BREXIT. In July 2016, Enterprise Mauritius organised a **Buyers Sellers Meeting (BSM)** at Hilton Olympia with the participation of over 20 apparel exporters to celebrate "100 Years of Trade Partnership". During this event, renowned buyers such as **Supergroup, Barbour, TM Lewin**, (who were not working with Mauritius) visited the show. This delegation was led by the **Honourable Minister, Ashit Kumar Gungah, Minister of Industry, Commerce and Consumer Protection**. Further, in November 2016, Enterprise Mauritius participated for the first time at Fashion SVP, London. Fashion SVP is an apparel fair that targets medium sized



buyers, which are good match for Mauritian SMEs. Following participation in this event, buyers such as **Dickieswear** have started to consider working with Mauritius. In June 2017, Enterprise Mauritius renewed participation at Fashion SVP, and also met with key stakeholders such as the **Commonwealth Enterprise and Investment Council (CWEIC), Africa Business Council, Africa Fashion Week, Greater Manchester Chamber of Commerce, Textile Institute Manchester, Greater Birmingham Chamber of Commerce** and others. These actions are in line to connect with new buyers from outside London and to promote the “Speed to Market Scheme”.

doubt that the island nation can overcome the challenges of BREXIT.

With no natural resources, Mauritius has transformed its economy from a monocrop economy to a fully diversified economy. Only a few months away from the 50th Independence anniversary, Mauritius has every reason to celebrate its landmark achievement. However, the world is changing rapidly. As Charles Darwin rightly said; *“it is not the strongest species that survive, nor the most intelligent, but the one most responsive to change”*. Mauritius has a track record of responding well to major changes in its history, the end of Multi-fibre Agreement, end of sugar quota among others and there is no

