

## Benefitting from the AfCFTA: The Case of Mauritius

John Stuart



### TRADE REPORT

tralac Trade Report  
No. IDRC22TR05/2022  
December 2022

Published by the Trade Law Centre (tralac)  
P.O. Box 224, Stellenbosch, South Africa, 7599

Copyright © tralac, 2022

*Readers are encouraged to quote and reproduce this material for educational, non-profit purposes, provided the source is acknowledged. All views and opinions expressed remain solely those of the authors and do not purport to reflect the views of tralac.*

### Citation

Stuart, J. 2022. *Benefitting from the AfCFTA: The Case of Mauritius*. tralac Trade Report No. IDRC22TR05 /2022. Stellenbosch: tralac.

### Acknowledgements

This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada. The views expressed herein do not necessarily represent those of IDRC or its Board of Governors.



---

# ABSTRACT

---

This trade report deals with the possible ways African countries can benefit from the AfCFTA as that preferential trade area becomes a reality, with Mauritius as a case study. It examines trade, market access, sectoral industrial, value chain and gendered data to provide insights into how best Mauritius could capitalise on its membership of a free trade area with 53 other countries. This approach will hopefully inform a 'template' as to how other members of the African Union could frame their approach to the AfCFTA.

## About the Author

JOHN STUART is an economist and policy analyst with special interests in trade, economic integration, technology & ICT and economic modelling. He has researched and written extensively for tralac and also consulted to various organisations including the UN Economic Commission for Africa and the OECD. He holds an M. Com degree in Economics from the University of Natal (Durban). He currently serves as a tralac Associate.

## Benefitting from the AfCFTA: The Case of Mauritius

By John Stuart<sup>1</sup>

### Introduction

The prospect of free trade between the State Parties of the AfCFTA will soon become a reality, when commercially meaningful trade begins under the African Continental Free Trade Area (AfCFTA). While many African countries already benefit from preferential access to each other's markets, there is a residual group of countries that can only access their fellow African country markets at non-preferential rates. In some cases, trade between African countries that do not have reciprocal trade agreements is negligible, but in other cases it is not. One example of the latter situation is the export flow of clothing and textiles (C&T) products from Mauritius to Côte d'Ivoire. Mauritius exports approximately USD185k of C&T products to Côte d'Ivoire, despite facing a punishing 20% *ad valorem* tariff<sup>2</sup>. Under the AfCFTA, this trade flow could increase, as could several others that are currently not under preferences.

Mauritius presents an interesting case in intra-African trade because, while it is not a continental African country, it does undertake a significant proportion of its trade with other African countries (including its island neighbour, Madagascar). This proportion has been increasing for several years and therefore the prospect exists that the AfCFTA could further drive this pattern. Rising transport costs – making trade with distant countries more expensive – and the shifting geopolitical landscape, could also feed into this.

This Trade Report deals with the possible ways African countries can benefit from the AfCFTA as that preferential trade area becomes a reality, with Mauritius as a case study. It examines trade, market access, sectoral industrial, value chain and gendered data to provide insights into how best Mauritius

---

<sup>1</sup> I am grateful to Trudi Hartzenberg for valuable feedback on an earlier draft. I would like to thank the Enterprise Analysis Unit of the Development Economics Global Indicators Department of the World Bank Group for making their data available.

<sup>2</sup> This tariff calculation is based on a weighted average of tariff lines. Trade data is for the year 2019, which is chosen over the more recent years 2020 and 2021 due to the latter not being representative on account of the impacts of the Covid-19 pandemic.

could capitalise on its membership of a free trade area with 53 other countries. This approach will hopefully inform a ‘template’ as to how other members of the African Union could frame their approach the AfCFTA and how best to unlock its benefits.

### Opportunities and challenges presented by the AfCFTA: some considerations

The objectives of the AfCFTA are to create a single market for goods and services among members, expand intra-African trade, enhance competitiveness and promote industrialisation. These prerogatives go far beyond the aspirations of a mere free trade area, but in fact the free trade area is but one part of the vision of the African Union for a more prosperous, integrated, modernised and industrialised Africa. The Protocol on Trade in Goods, which is the centre point of the AfCFTA, contains annexes that specify tariff concessions, rules of origin (ROO), customs cooperation, trade facilitation, non-tariff barriers (NTBs), technical barriers to trade (TBTs), sanitary and phyto-sanitary requirements (SPSs), provisions for transit as well as remedies (tralac 2022a). Until tariff schedules (with sensitive products and exclusions) and ROO are complete, it is not possible to trade under the AfCFTA regime. The AfCFTA seeks to liberalise 90% of tariff lines over five years (or ten years for LDCs). Seven percent of lines may be designated as sensitive and have delayed liberalisation over ten years (with 13 years applying to LDCs). The remaining three percent of lines may be excluded from liberalisation (not exceeding 10% of trade value). Motivations for exclusion include food security, national security, revenue purposes, livelihoods and industrialisation (tralac 2022b).

Still outstanding are ROO for the balance of the 87.7% tariff lines that have been approved, as well as ROO for certain clothing & textile (C&T) lines, sugar, automotive products (tralac 2022b).

The AfCFTA will bring both opportunities and challenges for State Parties. While new opportunities will open up in markets hitherto inaccessible due to both tariff and non-tariff barriers, from the perspective of an individual country, these markets will open up to competing State Parties as well. In addition, the reciprocity of a free trade area (FTA) includes the opening of any particular country’s markets to imports from FTA partners. This could have mixed effects due to the following considerations:

- From the perspective of domestic-focused industries, imports from FTA partners may be more competitive than domestically-produced alternatives.

- From the perspective of export-focused industries, cheaper imported inputs could raise the competitiveness of exported manufactured goods.

These considerations underscore that entry into free trade tends to have complex effects, and a complete understanding of them usually requires some kind of economy-wide modelling and simulation. The analysis here will not be a simulation but a discussion of Mauritius' trade patterns and potential opportunities to expand trade into Africa, following the liberalisation of the AfCFTA.

### Understanding Mauritius' trade trends

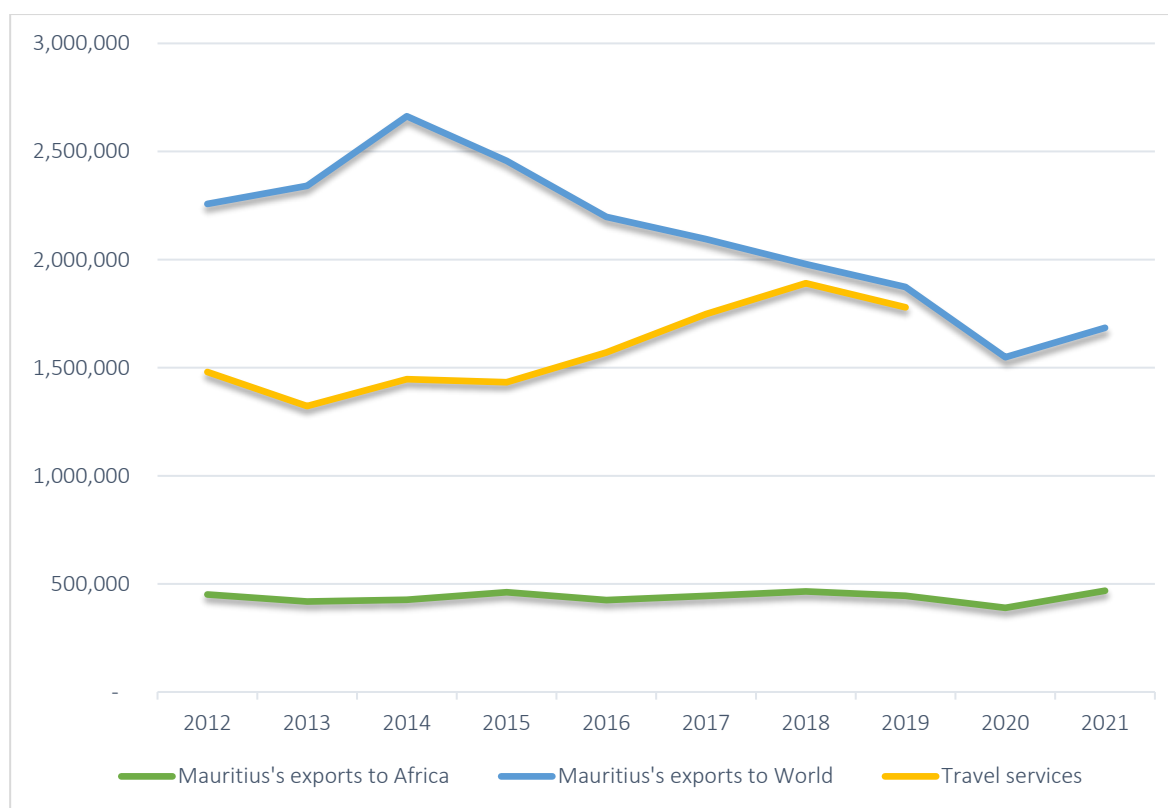
In order to appreciate the direction Mauritius' trade is going in, it is worthwhile to consider time series trade data for the past 10 years. Figure 1 presents this data in three series:

- Mauritius' total exports to the world
- Mauritius' total exports to African countries
- Mauritius' total exports of travel services (tourism, hotel etc.)

What is striking in this data is the long-term decline in Mauritius' total merchandise exports, beginning around 2014. This pattern of change is not consistent with cyclical or business cycle fluctuations since these changes take place over 1-3 years and are then reversed. A trend decline, such as observed in this data, reflects more of a structural change, which is of concern especially for a developing country such as Mauritius. Developing countries typically build their economies around manufacturing exports and this is their optimal path to industrialisation.



**Figure 1: Mauritius 10-year trade trends: total merchandise and services (USD 000)**

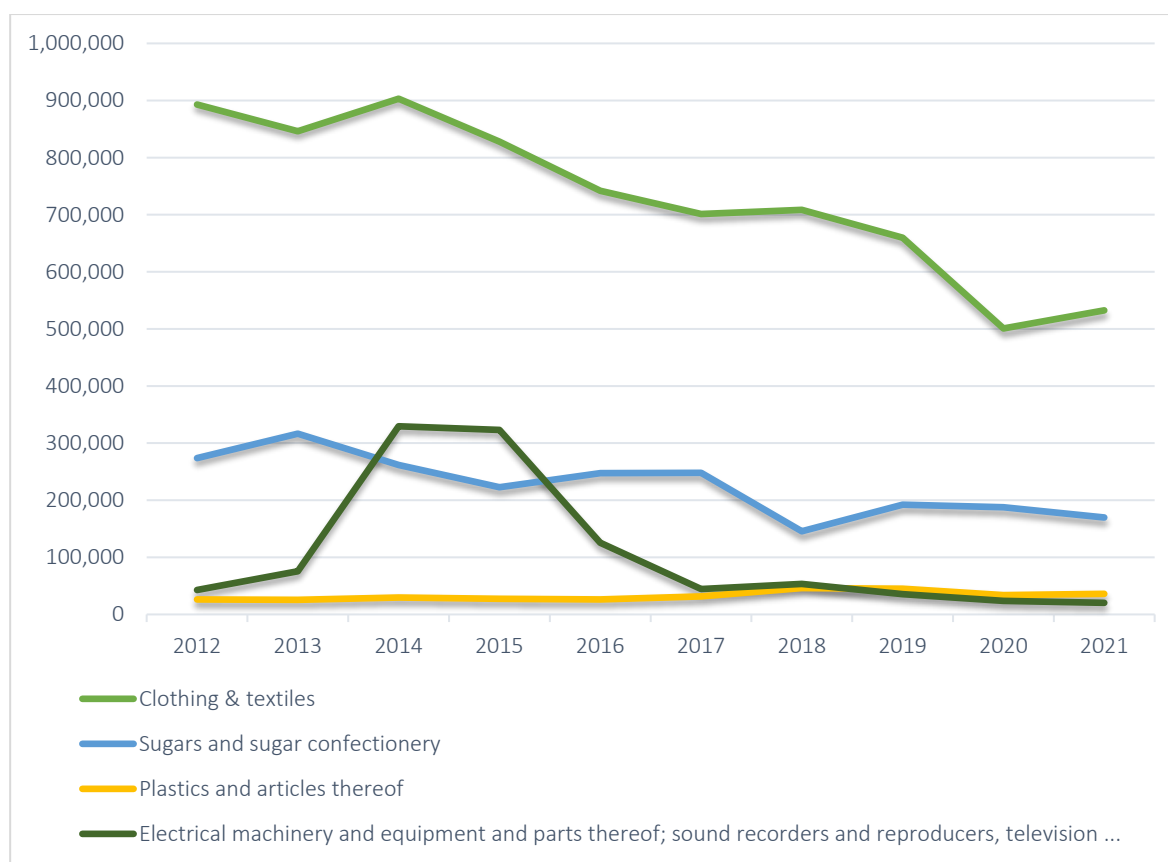


Source: ITC Trade Map (2022)

The data in the figure also illustrates the importance of a non-merchandise ‘export’ – travel services – in protecting Mauritius’ balance of payments. Travel services exports begin rising at a similar point to when merchandise exports start to decline. Mauritius’ total exports to Africa, also plotted in the figure, maintain a roughly sideways movement over the period. However, due to the movements in the total, they the period at about 23% of total exports and end at about 30%, reflecting a relative increase in intra-African trade.

Breaking the data down by product group, Figure 2 presents the data for trade over the period for the four main product groupings (from the perspective of Africa). In order to scale the exports of importance to Africa, Figure 2 shows global exports of these products and Figure 3 shows the exports to other African countries.

**Figure 2: Mauritius 10-year trade trends: top merchandise export categories (USD 000)**



Source: ITC Trade Map (2022)

Clearly, the decline is seen in both of Mauritius' top two export aggregates – C&T and sugar & sugar confectionery. The other two product groupings are mostly re-exports from Asian sources, and not products produced in Mauritius. They have some importance therefore, since they generate some foreign exchange for Mauritius, but they would probably not qualify for preferential access under the AfCFTA due to falling short of rules of origin (ROO) requirements.

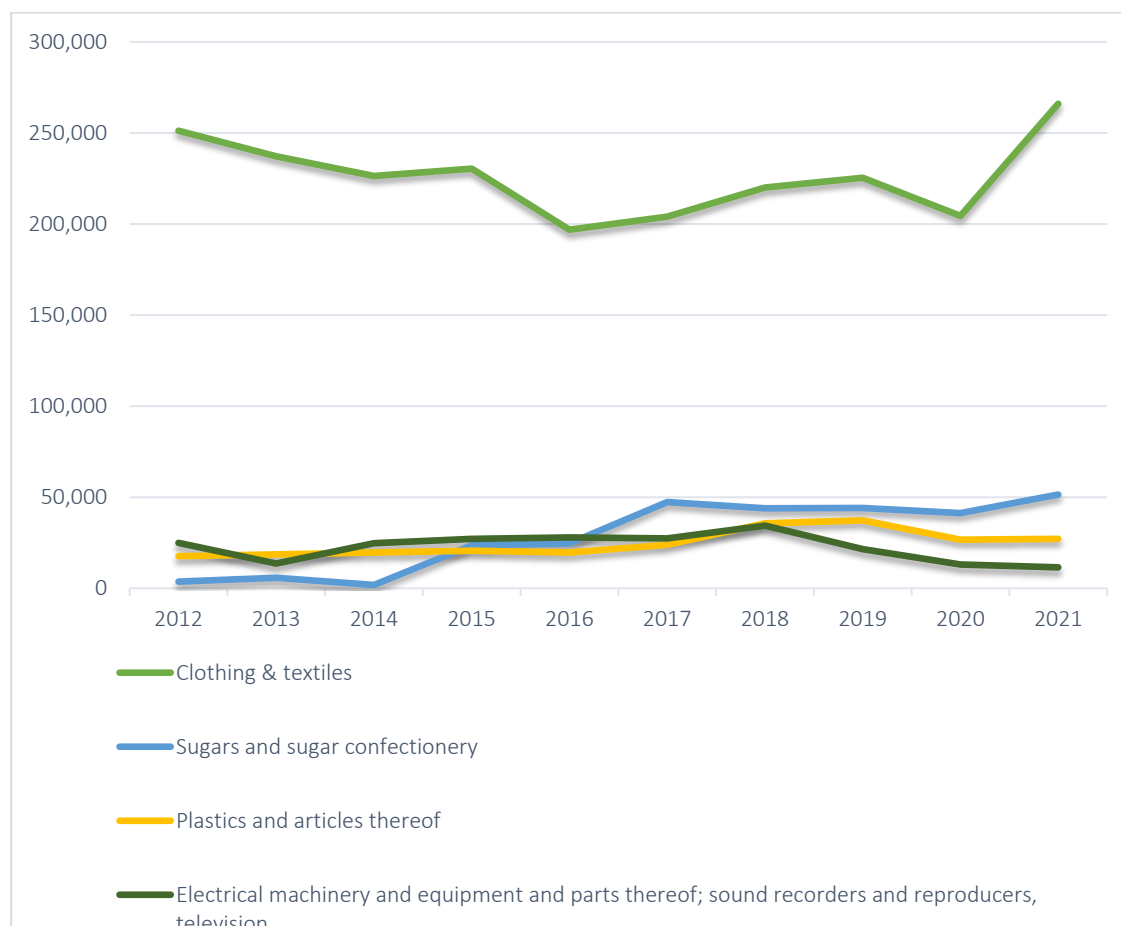
Although not shown, analysis of the 10-year trends for the remainder of the top 15 merchandise export categories also reveals a slow decline or 'sideways' movement in the data. In terms of global trade, then Mauritius was unable to make inroads over the last 10 years.

When plotting the same four export categories and time period, but for Africa, the patterns in Figure 3 reveal interesting insights. Unlike the slow declining trend for overall exports, 10-year trends for exports to African are far more positive. Both C&T and sugar products exports have shown growth over the past



few years, even including the pandemic years 2020 and 2021. Of these four, only the category ‘electrical machinery..’ shows a net negative trend for the full period. This suggest that Africa could be a future growth market for Mauritius’ exports, and the effect of new preferences under the AfCFTA could serve to enhance this further.

**Figure 3: Mauritius 10-year trade trends: top merchandise export categories to Africa (USD 000)**



Source: ITC Trade Map (2022)

The rising importance of Africa as an export destination for African countries is a pattern also seen in countries such as South Africa, a SADC partner of Mauritius. These patterns, while predating the AfCFTA, can only serve to bolster the regionalisation of trade envisioned by the AfCFTA.

## Mauritius intra-African trade: identifying opportunities

### Current trade patterns and market access

The slow shifting in trade patterns experienced by Mauritius, and the apparent increasing importance of trade with Africa, bears further scrutiny. Table 1 and Table 2 present Mauritius exports data for the year 2019<sup>3</sup>, for its two main export product categories, for a selection of top trade partners (ranked). It is clear that Mauritius' African trade is concentrated not just across product groups but also across trade partners. Major trade partners include South Africa, Madagascar, Kenya, Seychelles and Eswatini.

**Table 1: Clothing and textiles: Mauritius top 17 African export destinations (ranked) (USD000), 2019**

Partner	Clothing & Textiles	Proportion	Equivalent AV Tariff	FTA
South Africa	161 413	71.5%	0%	SADC
Madagascar	46 595	20.6%	0%	SADC
Seychelles	9 437	4.2%	0%	SADC
Eswatini	6 404	2.8%	0%	SADC
Kenya	665	0.3%	0%	COMESA
Lesotho	245	0.1%	0%	SADC
Zimbabwe	234	0.1%	0%	SADC
Côte d'Ivoire	185	0.1%	20%	None
Senegal	118	0.1%	20%	None
Cameroon	102	0.0%	22%	None
Gabon	79	0.0%	28%	None
Morocco	55	0.0%	18%	None
Comoros	54	0.0%	0%	SADC
Congo	48	0.0%	20%	COMESA
Ethiopia	37	0.0%	31%	COMESA
Tunisia	20	0.0%	29%	None
Tanzania	10	0.0%	0%	SADC

Source: Author's calculations using ITC Trade Map (2022) and WITS (2022) data

<sup>3</sup> 2019 is chosen over the more recent years 2020 and 2021 due to the latter not being representative on account of the impacts of the Covid-19 pandemic.

**Table 2: Sugar and sugar confectionary: Mauritius top 10 African export destinations (ranked) (USD000), 2019**

Partner	Sugars and sugar confectionery	Proportion	Equivalent AV Tariff	FTA
Kenya	38 061	86.2%	0%	COMESA
Madagascar	2 608	5.9%	0%	SADC
South Africa	1 175	2.7%	40%	SADC
Tanzania	962	2.2%	0%	SADC
Namibia	915	2.1%	31%	SADC
Comoros	320	0.7%	0%	SADC
Egypt	87	0.2%	0%	COMESA
Seychelles	19	0.0%	0%	SADC
Ghana	10	0.0%	19%	None
Morocco	0	0.0%	38%	None

Source: ITC Author's calculations using Trade Map (2022) and WITS (2022) data

Both these product groups – C&T and sugars and sugar confectionary – are relatively disputed when it comes to market access, meaning they are not necessarily granted preferential access, even in free trade areas<sup>4</sup>. This is indeed observed in the above data, where it is seen that Mauritius' C&T products are tariffed by the Congo and Ethiopia, despite common membership of COMESA. Similarly, South Africa and Namibia tariff Mauritius' sugar imports at high rates, even though all three are partners in SADC.

There is a rough negative relationship in this data, between export volumes and market accessibility. This is understandable on the basis of the effect of the tariff on competitiveness in the foreign market. However, the export flow of clothing and textiles (C&T) products from Mauritius to Côte d'Ivoire presents an interesting case. Mauritius exports approximately USD185k of C&T products to Côte d'Ivoire, despite facing a punishing 20% ad valorem tariff<sup>5</sup>. Under the AfCFTA, this trade flow could increase, as could several others that are currently not under preferences.

<sup>4</sup> Both of these product groups (C&T and sugars/sugar confectionaries) may be designated sensitive or even excluded from AfCFTA preferences.

<sup>5</sup> This tariff calculation is based on a weighted average of tariff lines. Trade data is for the year 2019, which is chosen over the more recent years 2020 and 2021 due to the latter not being representative on account of the impacts of the Covid-19 pandemic.

## Opportunities based on existing trade strengths

Mauritius still exports a greater value of merchandise to the rest of the world than to Africa. Table 3 presents data on the ‘revealed comparative advantage’ (RCA) of Mauritius’ top export product groups. RCA is a calculated metric intended to identify a country’s most competitive exports in world markets.

The RCA index is a ratio of two ratios. The numerator is the ratio of a country’s exports of a certain product to its total exports; the denominator is the same ratio for the world as a whole. Therefore, the RCA measures the extent to which a certain country’s relative exports of a product, exceed the world aggregate. Any RCA number above one therefore indicates that the country has a ‘revealed’ comparative advantage in that product, relative to the rest of the world. The greater the RCA above one, the more intense the export advantage enjoyed by the country. A formal definition is provided in the appendix to a recent paper by the author: Stuart (2019).

This data (Table 3), is consistent with previous data on Mauritius’ main export product categories. However, the table tries to distinguish between successful product groups in general and those that are exported to Africa. Products that are shaded in the table are examples of Mauritius’ successful traded products to the rest of the world but not to Africa. For example, Mauritius exports the category fish, aquatic invertebrates preparations etc (SITC 037) to countries such as Spain, France, Taipei, India and Indonesia but only about 27% of these exports are to African countries (dominated by Seychelles, a close oceanic neighbour) (ITC Trade Map 2022).

However, South Africa imports these same products from as far afield as Norway, Morocco, Russia and New Zealand, and its total import bill is greater than Mauritius’ total annual output (ITC Trade Map 2022). While it is certain that the individual products within the aggregate are not exactly the same across import partners, there will be some overlap, suggesting there is untapped market potential for Mauritius’ exports of SITC 037 to South Africa and potentially other African countries too.

**Table 3: Mauritius top 18 export categories ranked by RCA (2019)**

SITC	Product Name	RCA
061	Sugar, molasses and honey	55.06691
037	Fish, aqua. invertebrates, prepared, preserved, n.e.s.	54.24152
841	Men's clothing of textile fabrics, not knitted	24.02572
075	Spices	15.3842
034	Fish, fresh (live or dead), chilled or frozen	14.26289
291	Crude animal materials, n.e.s.	13.68001
843	Men's or boy's clothing, of textile, knitted, crochet.	12.16715
411	Animals oils and fats	10.70303
651	Textile yarn	10.0926
845	Articles of apparel, of textile fabrics, n.e.s.	9.160348
655	Knitted or crocheted fabrics, n.e.s.	8.852138
001	Live animals other than animals of division 03	8.073106
046	Meal and flour of wheat and flour of meslin	7.24819
652	Cotton fabrics, woven	7.066398
844	Women's clothing, of textile, knitted or crocheted	6.487206
667	Pearls, precious & semi-precious stones	6.346681
842	Women's clothing, of textile fabrics	4.247226
885	Watches & clocks	3.709791

Source: UNCTAD Stat (2022)

The preceding was just one example, the point being that African countries could look closer to home to their AfCFTA neighbours to find markets and replace those that are currently located far further away, at higher transport costs<sup>6</sup> and possibly with more competitors.

The above analysis is relatively rudimentary in that it approaches the question from the perspective only of the supply and demand sides. More complex approaches, which utilise market contestability algorithms are used in tools such as ITC's Export Potential Map (ITC Export Potential Map 2022) or the

<sup>6</sup> Any reduction in transport costs will also of course be in favour of atmospheric carbon reduction and beneficial to the environment.

forthcoming African Trade Observatory (ATO 2022), will offer traders, trade authorities and export promotion agencies valuable insights and market intelligence on potential markets.

### Expanding value chain involvement through value chain trade

Value chain (VC) trade is a subset of total trade – it represents the trade flows in primary and intermediate goods and excludes the final export flow of finished goods. It therefore represents the extent of production integration between countries and is split between value flows within multinational corporations (MNCs) and those between enterprises at arm's length.

Mauritius' cross-border value chain flows in the C&T sector are visualised in Figure 4<sup>7</sup>. In this figure, each arrow represents a trade flow and its weight, or thickness represents the value of that flow. The size of a country's node is proportional to that country's total export values. Finally, the colour of the arrow relates to the REC membership of the trading partners; in this case the only REC represented is SADC and the VC flows between SADC countries are coloured in black. The balance of these VC flows take place outside of African RECs.

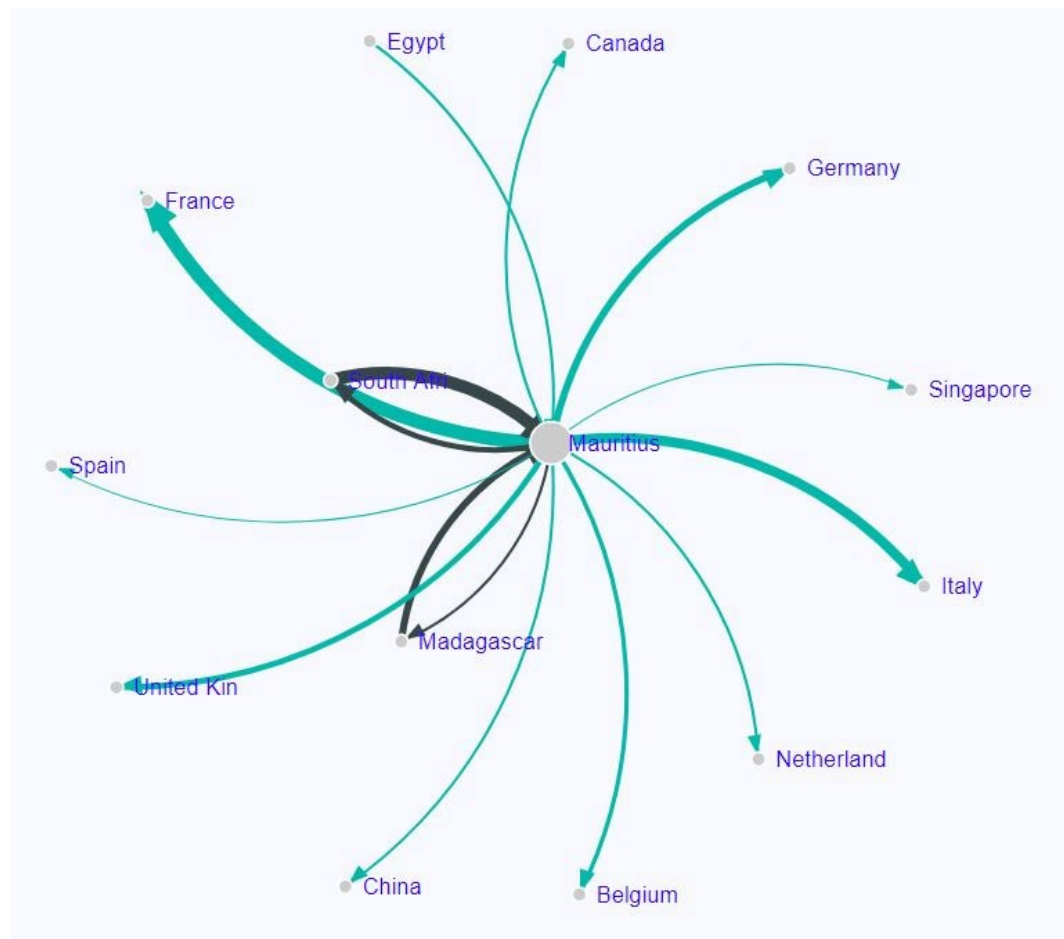
As is evident, Mauritius exports intermediate C&T products to multiple countries, most of them in Europe, the most important of which are France, Italy, Germany, Belgium and the United Kingdom. No significant VC flows<sup>8</sup> take place in the reverse direction – that is, from those European countries to Mauritius. Therefore, Mauritius is more forward-linked to those countries and occupies a 'lower' position in the value chain relative to these countries; meaning it adds relatively lower value to its basic inputs than the countries that purchase its beneficiated products.

---

<sup>7</sup> The most recent publicly-available sectoral value chain data is that given here, which is for 2017. Given the trend data presented earlier, it is likely that the magnitudes have declined slightly from what is shown here, but the country relationships are unlikely to have shifted much.

<sup>8</sup> Note that this VC data has been filtered in magnitude so that only flows in excess of USD100k per annum are represented.

Figure 4: Visualising Mauritian clothing and textiles cross-border value chain flows: main value chain flows (2017)



Source: Author's construction based on UNCTAD (2022) data

By contrast, Mauritius' value chain relationships with two SADC trade partners – South Africa and Madagascar – are reciprocal. This means that these two countries both purchase intermediate products for beneficiation and export, as well as supply intermediate products to Mauritius for beneficiation. Although the quantum of VC trade with these two African countries is less than the trade with the rest of the world, these value chain reciprocal relationships represent a basis on which to build deeper manufacturing integration in future. The AfCFTA will aid industrialisation if it can, through lowering tariff and non-tariff barriers (NTBs), encourage trade in intermediate products for further manufacturing beneficiation on the continent. Geographic proximity, resource abundance and a mutual desire to work together will contribute to expanding value chain relationships on the continent and potentially build them to enable upgrading of African manufacturers.



## Potential cross-border value chain involvement

Along with the potential for expanded trade ties with other AfCFTA State Parties, there is likewise increased potential for value chain trade between African countries. The potential that exists due to the phasing in of the AfCFTA is known but not as yet quantifiable. However, it is possible to quantify the potential for increased cross-border value chain involvement using data drawn from enterprise surveys (World Bank Enterprise Surveys 2022), where the respondents indicate the extent to which their enterprise adds value to raw and intermediate inputs, as well as the extent to which they export their products (whether final or intermediate) cross border. We name this metric the ‘potential cross-border value chain involvement’ (PCBVCI) score. The metric gives a higher score to countries or sectors whose manufacturing industries add more value to inputs and simultaneously have greater export orientation. The metric is evaluated at the individual enterprise level and is therefore essentially microeconomic in nature.

On its own at the country level, PCBVCI may not be truly representative, since it is drawn from a sample of enterprises and not the entire country population. The researchers who collected the data (World Bank Enterprise Surveys 2022) would have followed best practice in obtaining as representative samples as possible, but nevertheless the metric does not have the same aggregate meaning as say county trade or macroeconomic data. For this reason, the PCVBCI scores have the most meaning when evaluated in dimensional analysis that includes dimensions such as industrial sector, female ownership and enterprise size.

When evaluating PCBVCI scores for Mauritius’ main manufacturing sectors, it is clear that Mauritius mostly scores below the Africa aggregate scores<sup>9</sup> (Table 4, which is ranked from the top as for Mauritius scores). The exceptions are for paper and paper products (ISIC 21) and the aggregate for clothing and textiles. The former is not an important sector in Mauritius, but the clothing and textiles sector is.

---

<sup>9</sup> It is very important to understand that these scores do not reflect overall export performance in the sectors. The scores strictly relate to value-addition and exports, which means that export sectors such as sugar, which involve the export of raw or unprocessed material, may not feature at all.

**Table 4: Manufacturing sector PCBVCI scores: Mauritius vs Africa (ranked) (2009-2020)**

ISIC	ISIC Sector/Aggregate	Mauritius PCBVCI	Africa Average PCBVCI
21	Manufacture of paper and paper products	50%	32%
NA	Clothing and textiles (aggregate)	43%	38%
26	Manufacture of other non-metallic mineral products	30%	40%
28	Manufacture of fabricated metal products except machinery and equipment	25%	32%
15	Manufacture of food products and beverages	23%	40%
24	Manufacture of chemicals and chemical products	14%	28%
36	Manufacture of furniture; manufacturing n.e.c.	14%	38%
20	Manufacture of wood and of products of wood and cork except furniture; manufacture of articles of straw...	11%	43%
25	Manufacture of rubber and plastics products	9%	28%
27	Manufacture of basic metals	4%	33%
34	Manufacture of motor vehicles trailers and semi-trailers	3%	31%
	Manufacturing sector averages	22%	35%

Source: Author's calculations using World Bank Enterprise Surveys (2022) data

Clearly the C&T sector is important for Mauritius in that it represents, among other things, a sector that is poised for greater value chain trade within Africa, as we move towards the AfCFTA. The size of the paper and paper products sector is only about 5% of the size of the entire C&T sector, but given its potential for value chain involvement, it could warrant more attention from policy makers.

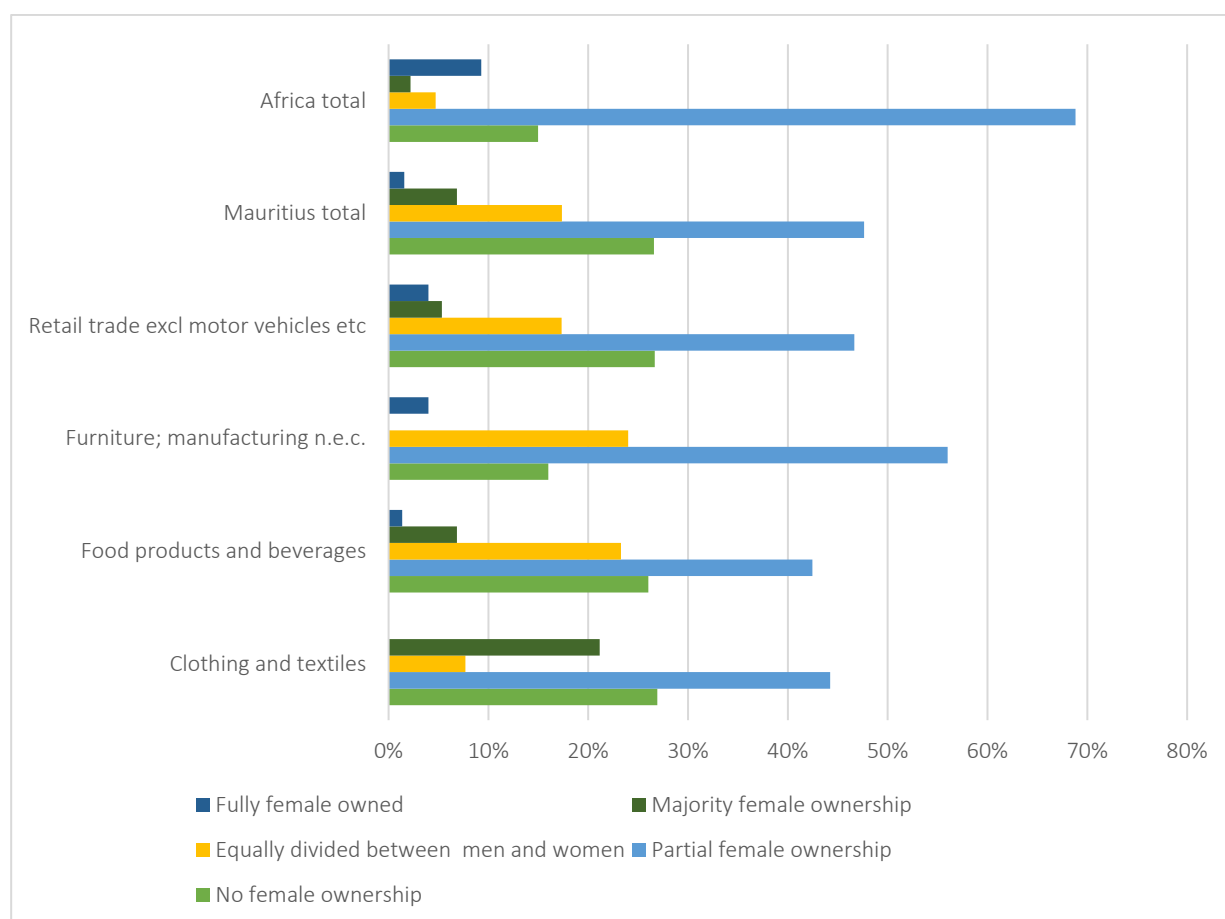
PCBVCI scores will also be used together with gender involvement scores in the following section.

### Exploring the gender dimension

The 'gender dimension' in this context refers to the extent of involvement of women as owners and managers/workers in enterprises. By explicitly drawing out the gender dimension it is possible to gauge the extent to which sectors of the economy and different types of activities contribute to female economic empowerment, and so to better design policy.

Figure 5 presents data on the extent of female enterprise ownership across Mauritius' four major manufacturing sectors as well as for the Mauritius and Africa aggregates. There are five categories of female ownership as presented in the table legend, from no female ownership to full female ownership.

**Figure 5: Female enterprise ownership: sectors and Mauritius & Africa aggregates (ranked) (2009-2020)**



Source: Author's calculations using World Bank Enterprise Surveys (2022) data

When looking at aggregates, Mauritius falls below the Africa aggregate in terms of female enterprise ownership when it comes to 'full female ownership' and 'partial female ownership' but exceeds the Africa aggregate in 'majority female ownership' and 'equal ownership'. However, while 15% of enterprises in Africa have no female ownership, the corresponding metric for Mauritius is 27%.

However, when looking at the same data for Mauritius' top four industrial sectors (by size)<sup>10</sup>, by virtue of its proportion of 'majority female owned' enterprises, Mauritius' C&T sector outscores the other two

<sup>10</sup> Total sectoral output figures were drawn from UNIDO (2022) data.

manufacturing sectors – food & beverages and furniture (the other sector – retail trade – is not a manufacturing sector but is a service sector).

When drilling into the C&T sector, it is seen that the sub-sectors show above country average participation of women in enterprise ownership and especially in female staff composition (Table 5).

**Table 5: Mauritius clothing and textile sector: female enterprise ownership, staff composition and PCBVCI (2009-2020)**

Clothing and textiles sub-sector	Female ownership %	Female fulltime staff %	PCBVCI
Manufacture of textiles	32.1%	51.4%	36.6%
Manufacture of wearing apparel; dressing and dyeing of fur	28.1%	86.4%	42.4%
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	25.0%	80.0%	50.0%
Food	28.9%	43.0%	23.4%
<b>Average of C&amp;T</b>	<b>30.8%</b>	<b>59.4%</b>	<b>38.6%</b>
<b>Average of all manufacturing industries</b>	<b>27.3%</b>	<b>33.6%</b>	<b>22.5%</b>

Source: Author's calculations using World Bank Enterprise Surveys (2022) data

The final column in the table gives the corresponding PCBVCI metric for the C&T three sub-sectors. The aggregate for C&T and all three sub-sectors score well above the Mauritius manufacturing industry aggregate scores. The conclusion is that the C&T sector presents opportunities for Mauritius *not just for enhanced value chain involvement under the AfCFTA but also for female empowerment in industry.*

Mauritius' other important export sector, sugars/sugar confectionary, is unfortunately lacking data at the same level as the C&T sector. It is possible to get a rough idea of the above indicators for the sugar sector by examining the data for the sugar sector heading, which is *food products*. Mauritius' sugar exports are about 40% of total food product exports, meaning the overall indicators have some relevance for the sector. The above indicators for the food sector are given in the table and show that female ownership for the sector is not significantly different from the average for industry. On the other hand, the proportion of female staff is around 33% greater than the industry average, though not close to the higher levels of female staff predominance in the C&T sector.

## Summary of main findings and conclusions

The trend decline in Mauritius' total merchandise exports reflects a structural change, which is of concern especially for a developing country such as Mauritius. Developing countries typically build their economies around manufacturing exports and this is their optimal path to industrialisation. Mauritius' trade with Africa has not declined as it has in the aggregate and this does suggest there is opportunity to build trade relations with Africa. Equally however, Mauritius' African trade is very concentrated - basically focused on two product groups and a small group of major partners including South Africa, Madagascar, Kenya, Seychelles and Eswatini.

Under the AfCFTA, certain of Mauritius' trade flows to African countries that are currently not under preferences could increase, given that Mauritius can compete to some extent even facing tariffs on their goods. This same factor could be a driver of increased trade more generally in Africa and will assist countries in identifying which product groups to promote for intra African trade.

There are a variety of ways to analyse export potential – using RCA data is helpful but is supply-side focused and ideally the demand-side needs to be taken into account as well. Tools such as ITC Export Potential Map can be very useful in this regard, since they take the contestability of foreign markets into account. The African Trade Observatory is currently under development and not fully functional, but is intended to provide these insights to African countries and could be a valuable tool for exploring new intra-African trade opportunities in the near future

Mauritius is involved in global value chains in its main export of clothing and textiles, however its role in relationship to its non-African VC trade partners is as a supplier of less beneficiated products, which are further beneficiated by those countries. By contrast, it has reciprocal value chain flows with two SADC co-members – South Africa and Madagascar – meaning it is more integrated with African trade partners than with those in the rest of the world. Furthermore, the microeconomic enterprise data shows that the C&T sector presents opportunities for Mauritius not just for enhanced value chain involvement under the AfCFTA but also for female empowerment in industry.

Finally, caveats that should be borne in mind relate to:

- The fact that Mauritius' two main export sectors – C&T and sugar products – may yet be designated as 'sensitive' or even 'excluded' from AfCFTA liberalisation. This is not unlikely given that these product groups are excluded from other African preferential trade areas.
- The AfCFTA will not only open up new markets for Mauritius, it will open up Mauritius' current markets to other African competitors, some of whom may be geographically closer to the target market. Therefore, liberalisation should be analysed in a more general equilibrium fashion in order to assess the net benefits, or costs; that may accrue.

- - -

## References

ATO, 2022. African trade observatory <https://ato.africa/en>

ITC Export Potential Map, 2022. Export potential map <https://exportpotential.intracen.org/en/>

ITC Trade Map, 2022. Trade Map data portal <https://trademap.org/>

Stuart, J. 2016. *Patterns of premature deindustrialisation in Africa*. tralac Working Paper No. S17 WP03/2017. Stellenbosch: tralac.

tralac 2022a. *The African Continental Free Trade Area: A tralac guide, 9th edition*.

<https://www.tralac.org/publications/article/13997-african-continental-free-trade-area-a-tralac-guide.html>

tralac 2022b. *The AfCFTA: questions and answers* <https://www.tralac.org/publications/article/13784-afcfta-questions-and-answers.html>

UNCTAD Stat, 2022. Statistical data portal <http://unctadstat.unctad.org>

UNCTAD 2022. UNCTAD-Eora GVC database <https://worldmrio.com/unctadgvc/>

UNIDO 2022, Statistics database <https://stat.unido.org/database>

UN Statistics 2022. Classifications on economic statistics

<https://unstats.un.org/unsd/classifications/Econ>

Volza, 2022. Transactions level trade data portal <http://www.volza.com>

WITS, 2022. World integrated trade solution data portal <http://www.wits.worldbank.org>

World Bank Enterprise Surveys, 2022. Enterprise surveys data portal <http://www.enterprisesurveys.org>

World Bank, 2020. *World development report 2020: trading for development in the age of global value chains*. The World Bank, Washington, D.C.,

<https://openknowledge.worldbank.org/handle/10986/32437>



## Appendix

Table 6: Enterprise surveys: responses by ISIC sector, Mauritius vs all

ISIC	ISIC Description	All	Mauritius	Proportion
67	Activities auxiliary to financial intermediation	1		
62	Air transport	48	1	2.8%
41	Collection purification and distribution of water	1		
72	Computer and related activities	341	14	4.2%
45	Construction	1188	30	2.5%
40	Electricity gas steam and hot water supply	2		
65	Financial intermediation except insurance and pension funding	1		
85	Health and social work	1		
55	Hotels and restaurants	2221	10	0.5%
60	Land transport; transport via pipelines	533		
27	Manufacture of basic metals	192	3	1.6%
24	Manufacture of chemicals and chemical products	427	6	1.5%
23	Manufacture of coke refined petroleum products and nuclear fuel	42		
31	Manufacture of electrical machinery and apparatus n.e.c.	119		
28	Manufacture of fabricated metal products except machinery and equipment	682	6	0.9%
15	Manufacture of food products and beverages	2046	73	3.6%
36	Manufacture of furniture; manufacturing n.e.c.	902	25	2.8%
29	Manufacture of machinery and equipment n.e.c.	170		
33	Manufacture of medical precision and optical instruments watches and clocks	15		
34	Manufacture of motor vehicles trailers and semi-trailers	59	2	3.4%
30	Manufacture of office accounting and computing machinery	1		
26	Manufacture of other non-metallic mineral products	499	1	0.2%
35	Manufacture of other transport equipment	32		
21	Manufacture of paper and paper products	96	1	1.4%
32	Manufacture of radio television and communication equipment and apparatus	13		

ISIC	ISIC Description	All	Mauritius	Proportion
25	Manufacture of rubber and plastics products	311	9	2.9%
17	Manufacture of textiles	383	35	9.1%
16	Manufacture of tobacco products	29		
18	Manufacture of wearing apparel; dressing and dyeing of fur	812	16	2.0%
20	Manufacture of wood and of products of wood and cork except furniture; manufacture of articles of straw and plaiting materials	406	6	1.5%
10	Mining of coal and lignite; extraction of peat	1		
74	Other business activities	14		
93	Other service activities	4		
64	Post and telecommunications	102		
22	Publishing printing and reproduction of recorded media	687	12	1.7%
70	Real estate activities	4		
37	Recycling	22	5	22.7%
73	Research and development	1		
52	Retail trade except of motor vehicles and motorcycles; repair of personal and household goods	4062	75	1.8%
50	Sale maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	1265	14	1.2%
63	Supporting and auxiliary transport activities; activities of travel agencies	389	5	1.3%
19	Tanning and dressing of leather; manufacture of luggage handbags saddlery harness and footwear	131	1	0.8%
61	Water transport	51		
51	Wholesale trade and commission trade except of motor vehicles and motorcycles	1930	8	0.4%
	(blank)	654	22	3.4%
	<b>Grand Total</b>	<b>20890</b>	<b>380</b>	<b>1.8%</b>

Source: Author's calculations on World Bank Enterprise Surveys (2022) data

Table 7: Mauritius clothing and textile value chain flows (2017)

Originator	Exporter	Value	Africa Region	Exporter Region	Same REC?
South Africa	Mauritius	1 594.64	East Africa	Africa	SADC
Madagascar	Mauritius	801.81	East Africa	Africa	SADC
Egypt	Mauritius	241.31	East Africa	Africa	No
Mauritius	France	1 809.81	ROW	Europe	No
Mauritius	Italy	1 330.60	ROW	Europe	No
Mauritius	Germany	777.14	ROW	Europe	No
Mauritius	United Kingdom	697.91	ROW	Europe	No
Mauritius	South Africa	626.81	Southern Africa	Africa	SADC
Mauritius	Belgium	440.37	ROW	Europe	No
Mauritius	Madagascar	277.76	East Africa	Africa	SADC
Mauritius	China	243.11	ROW	East Asia and Pacific	No
Mauritius	Netherlands	237.26	ROW	Europe	No
Mauritius	Canada	229.32	ROW	North America	No
Mauritius	Singapore	119.81	ROW	East Asia and Pacific	No
Mauritius	Spain	114.42	ROW	Europe	No

Source: Author's calculations based on UNCTAD (2022) data