



Mauritius

Geography

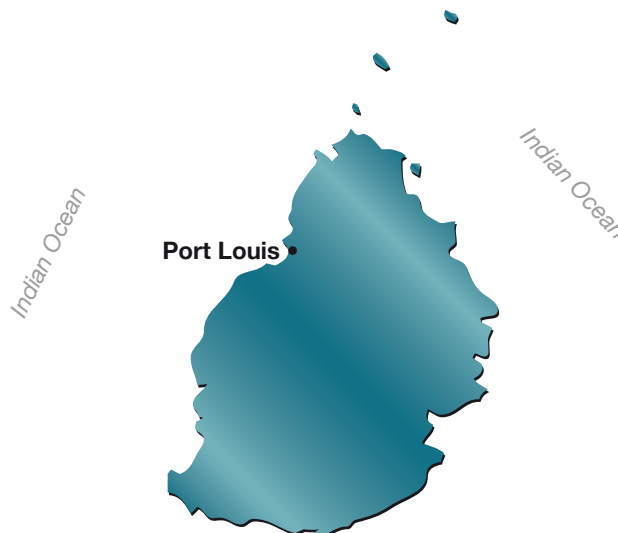
Area	2040km ²
Capital	Port Louis

Demography

Population	1.3m
Density	637 inhab./km ²
Urbanisation	42%
Official language	English

Economy

GNI per capita	US\$5260
Currency	Mauritian rupee (MUR)
Per capita cement consumption	523kg



Mauritius, reliant on cement imports, started 2007 with a stand-off between the government and the established local traders (Lafarge and Holcim). Forecasts of price spirals and cement shortages resounded, but no doubt the traditionally stable market will eventually return without unduly prolonged drama.

This Indian Ocean volcanic island, with lagoons and palm-fringed beaches, has a reputation for stability and racial harmony among its racially mixed population. It has sustained one of the developing world's most successful democracies and enjoyed years of constitutional order.

Mauritius is one of Africa's few social and economic success stories, as a sugar and clothing exporter and centre for upmarket tourism. Exports have been hit in recent years by strong competition from low-cost textile producers and the loss of European sugar subsidies, leading to some hiccups. Changing coalitions have been a feature of politics and Ravin Ramgoolam returned to power as Prime Minister in 2005, having previously held the post from 1995 to 2000. He promised to tackle rising inflation and unemployment by breaking barriers to investment and arranging trade agreements that give preference to Mauritian exports, including sugar and textiles.

Since independence in 1968, Mauritius has developed from a low-income, agricultural economy to a middle-income diversified economy with growing industrial, financial, and tourist sectors, generally with annual growth in the order of five to six per cent. This is reflected in more equitable income distribution, increased life expectancy, lowered infant mortality, and a much-improved infrastructure.

Sugarcane grows on about 90 per cent of cultivated land area and accounts for 25 per cent of exports.

The country's economic development strategy centres on expanding local financial institutions and building a domestic information telecommunications industry. Mauritius, with a service sector accounting for about 70 per cent of GDP, has attracted more than 9000 offshore entities, many aimed at commerce in India and South Africa, and including vehicles for Indian investment by several major global cement players.

Consumption

Several construction projects are in the pipeline to improve transport, involving both the main airport and major highways, as well as a tramline. Another vision looking for international finance is the construction of a complete new city in the central highlands near a new dam. The idea is to create business parks and academic and research institutions with an emphasis on the service sector as an 'Urban and Knowledge Industry Development Project'.

While registering a 4.5 per cent expansion in 2004, national demand since has declined. In 2005, consumption fell by 2.6 per cent to 0.68Mt, followed the year after by a 7.4 per cent drop, when only 0.63Mt of cement was sold on the domestic market.

Most cement sales are in 50kg bags, via numerous outlets.

Trade

All cement is imported, with a significant effort made by the State Trading Corporation (STC) to stabilise prices by purchasing much of the island's supply by an annual open tendering process. The Corporation started in 1984 by importing 50 per cent of the country's requirements (0.3Mta) with the other 50 per cent imported through the predecessor of Lafarge Mauritius Cement