



MEDIA RELEASE

MAURITIUS RETAINS ITS INVESTMENT GRADE STATUS FOLLOWING MOODY'S ASSESSMENT OF THE COUNTRY SOVEREIGN RATING

5 March 2021

Mauritius retains its investment grade status in the latest sovereign rating assessment conducted by Moody's which reviewed the rating from Baa1 to Baa2.

The main reason behind this assessment is the impact of the COVID-19 pandemic on the economy. A number of countries around the world, including both developed and frontier markets, have equally been subject to similar reviews by Moody's.

2020 has been an exceptional year due to the pandemic which hit the world on an unprecedented scale. The authorities responded proactively by providing assistance to the key stakeholders severely impacted by the pandemic. Policies and actions taken have helped preserve economic and social stability whilst preventing spillovers. Challenges to the balance of payment have been dampened by FDI inflows whilst financial markets have been supported through sustained interventions by the Bank of Mauritius (Bank).

As a result of the rolling out of the Bank's COVID-19 Support Programme and the creation of the Mauritius Investment Corporation Ltd, the banking sector has remained highly resilient. Capital and liquidity buffers of banks still remain above minimum regulatory requirements. Inflation has been contained and is expected to remain low. Gross official international reserves are at a very comfortable level by IMF standards. They stand at USD 7.3 billion, representing 13.4 months of imports of goods and services.

The Bank has adopted an accommodative stance as central banks globally have. It conducts monetary policy in line with international best practices. Moody's has stressed on the fact that Mauritius has a *'strong institutional framework which has supported historically high and stable growth rates'* and that *'past economic growth has supported an increase in income per capita, signaling a higher capacity to absorb shocks.'*

The Bank remains confident about the domestic economic outlook and is committed to maintaining the stability and soundness of the financial system of Mauritius and to preserving price stability at all times.