



BANK OF MAURITIUS

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COMMUNIQUÉ INTERNATIONAL MONETARY FUND CONCLUDES 2013 ARTICLE IV CONSULTATION WITH MAURITIUS

A mission from the International Monetary Fund (IMF) visited Mauritius from 16 to 30 January 2013 to conduct discussions on economic developments and policies in the context of the annual Article IV consultation.

The Executive Board of the IMF, on 03 April 2013, concluded the Article IV consultation with Mauritius and considered and endorsed the staff appraisal without a meeting.

The Executive Directors noted that *“the Mauritian economy performed reasonably well in a difficult external environment in 2012. Monetary policy was supportive of the overall policy mix. Over the past decade, wide-ranging structural reforms supported by prudent macroeconomic policies have established Mauritius as a top regional performer.”*

They observed that *“the (Mauritian) authorities have a good track record of prudent macroeconomic management and implementing structural reforms even though challenges remain. Macroeconomic management has delivered low inflation, declining debt-to-GDP ratios, and given the external environment, satisfactory growth.”*

They stated that *“the current accommodative monetary policy stance remains appropriate, but the authorities should stand ready to tighten monetary conditions if inflation accelerates beyond current expectations. The Mauritian banking system is well-capitalized and profitable. Stress testing indicates the sector to be resilient against a range of shocks. Increasing national savings and fostering competitiveness would reduce the large external current account deficit. Medium-term fiscal consolidation should facilitate external adjustment.”*

They pointed out that *“the floating exchange rate regime continues to serve the country well, in particular by allowing the exchange rate to act as a shock absorber and that the real exchange rate is broadly in line with fundamentals.”*

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