



Bank of Mauritius

PRESS COMMUNIQUE

Meeting between the Bank of Mauritius and Representatives of the Joint Economic Council

As part of an on-going dialogue with real sector stakeholders, a meeting was held today at the Bank of Mauritius with the President and the Director of the Joint Economic Council (JEC) under the chairmanship of the Governor.

The representatives of the JEC welcomed the regular dialogue with the central bank. They expressed concerns about the deep structural problems in the Euro zone and underlined the euro-centricity of Mauritian exports and the need for diversifying markets and re-engineering business. Views were exchanged on recent exchange rate developments stemming from the Euro crisis and their adverse impact on export-oriented sectors.

The Governor reassured the representatives of the JEC that the Bank is closely monitoring the situation on the international and domestic foreign exchange markets. He underlined that, against the background of the global financial crisis, the Bank has been successful in maintaining conditions of monetary and financial stability. The monetary and exchange rate framework used by the Bank has been recognized by the IMF as being well suited to the needs of the Mauritian economy. He also mentioned that there was no case for Mauritius to follow the downward slide of the Euro and highlighted that there was no need to import external instability in our market.

The Bank remains committed to its mandate of maintaining price stability as well as to promoting orderly and balanced economic development. In the conduct of its exchange rate policy, the Bank has to take into account the national interest of the country. The Bank, however, stands ready to accompany the adjustment of certain sectors through tailor-made measures.

26 May 2010

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