



# Bank of Mauritius

## PRESS COMMUNIQUE

### Meeting between the Bank of Mauritius and the Mauritius Export Association

As part of the regular dialogue with real sector stakeholders, a meeting was held today at the Bank of Mauritius with representatives of the Mauritius Export Association (MEXA) under the chairmanship of the Governor.

MEXA expressed concerns on recent exchange rate developments stemming from the Euro crisis and their adverse impact on export-oriented sectors and welcomed the on-going dialogue with the central bank. Representatives of MEXA highlighted the importance for the export sectors to remain sustainable and competitive.

The Governor reassured representatives of MEXA that the Bank is closely monitoring the situation on the international and domestic foreign exchange markets. The current weakness of the Euro on the international foreign exchange market reflects the weak macroeconomic fundamentals of the Euro zone and has nothing to do with the macroeconomic fundamentals of the Mauritian economy which remain quite sound. Exchange rate developments in Mauritius continue to reflect local as well as international market conditions. The Governor underlined that, while there was coordination at the level of monetary policy in the Euro zone, fiscal policy and macroeconomic management coordination was lacking. The Governor mentioned that there was no case for Mauritius to follow the downward slide of the Euro. Moreover, given the low savings rate in Mauritius, the Bank should have a Repo Rate that ensures monetary and financial stability.

The Bank remains committed to its mandate of maintaining price stability as well as to promoting orderly and balanced economic development. It is the duty of the Bank to conduct its exchange rate policy in the national interest of the country. The Bank, however, stands ready to accompany the adjustment of export-oriented sectors through targeted measures.

24 May 2010

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