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SUBJECT: MAURITIUS SCENESETTER FOR UN SIDS CONFERENCE

/// SUMMARY ///

1. (U) Over 2000 delegates, including about 25 heads of state and government and the UN SYG, will participate in the UN Conference on Small Island Developing States (SIDS) in Mauritius January 10-14. Key topics for negotiation include climate change and sea-level rise, nuclear transshipment, and trade liberalization. The implications of the Indian Ocean tsunami are expected to feature in the discussions. Mauritius boasts a vibrant and stable democracy, a strong economy, and a multicultural population drawn from India, Africa, and France. U.S.-Mauritius relations are very good and revolve largely around trade. There are occasional tensions over Mauritius' desire for sovereignty over the UK-held Chagos Archipelago where the U.S. has a major naval facility. Mauritius' democratic and economic credentials

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coupled with its current leadership of the Southern Africa Development Community and other organizations make Mauritius a useful partner for the U.S. on many regional issues. End summary.

### /// MAURITIUS HOSTS UN SIDS CONFERENCE ///

2. (U) Over 2000 delegates, including about 25 heads of state and government and United Nations Secretary General Kofi Annan, will participate in the UN Conference on the sustainable development of Small Island Developing States (SIDS), in Mauritius January 10-14. The meeting will review and update the Barbados Plan of Action agreed to ten years ago (BPOA+10). Key topics on which delegates will seek to reach agreement are climate change and sea-level rise, nuclear transshipment, and trade liberalization. The implications of the Indian Ocean tsunami will likely be added to the agenda. The SIDS will be held in the 17,800 sq. meter Swami Vivekananda Conference Center, a recently constructed arena funded entirely by the government of India. The SIDS conference will be the largest such event ever held in Mauritius. This scenesetter describes for the U.S. delegates key aspects of Mauritius and U.S.-Mauritius relations.

### /// HISTORY ///

3. (U) In 1638, the Dutch East India Company established a resupply station in present day Mauritius for its ships traveling between The Netherlands and what is today Indonesia. The Dutch abandoned the hitherto uninhabited island in 1710 after eating the dodo bird to extinction and felling most of the island's ebony trees. Five years later the French took control of Mauritius and renamed it "Ile de France." French colonists established sugar plantations for which they imported thousands of slaves from Africa. The British seized Mauritius from the French in 1815 to end attacks on commercial vessels by French corsairs and impair France's ability to attack British-controlled India. British administration on Mauritius left the French-dominated culture and economy largely intact. The most significant development was the outlawing of slavery in 1835 and the importation of over 400,000 indentured servants from India to work the sugar plantations. Mauritius gained independence from Britain in 1968 and became a republic in 1992.

### /// POPULATION ///

4. (U) The population is estimated at 1.2 million, including

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37,000 who live in Rodrigues and other outer islands. The ethnic breakdown is Indian Hindus 52%, Creoles (Black or mixed race) 26%, Indian Muslims 16%, Chinese 3%, and French 3%. Most Creoles, French, and many Chinese are Christian. Covering only 1,860 square kilometers, Mauritius has one of the highest population densities in the world at 605 people per square kilometer. The population growth rate of Mauritius is at 0.9%. Virtually all Mauritians speak a French-based Creole as their first language. French, Bhojpur, and Hindi are also widely spoken. English is the official language and the medium of instruction in public schools but it is the third or fourth language for most Mauritians. All of the country's newspapers are in French. The literacy rate is 84%; life expectancy at birth is 72.5 years.

### /// INTERNATIONAL RELATIONS ///

5. (SBU) Mauritius' history, culture, geography, and trade relations shape its international relations. Ties with France and India remain strong and active. Relations with Britain are less vibrant and fraught with tension over the fate of the Chagos Archipelago and the welfare of roughly two thousand former inhabitants of the islands who were relocated in the 1960s primarily to Mauritius. The U.S. subsequently established a naval support facility on Diego Garcia island in the Chagos Archipelago. Relations with the United States are considered good by both sides (see paras 13-17). China and South Africa also have a notable presence on the island, primarily in the commercial sphere.

6. (U) Mauritius is considered part of Africa due to its relative proximity to the continent. It is a member of the Southern African Development Community (SADC) of which it is the current chair. It also heads the East and Southern African Anti-Money Laundering Group. Mauritius also belongs to the Commonwealth and the Francophony and is home to the Indian Ocean Rim association.

7. (SBU) Mauritius' Minister of Foreign Affairs, Trade, and International Cooperation Jaya Krishna Cuttaree is a candidate for director general of the World Trade Organization. Pursuit of this position has become Cuttaree's near full-time job and neither he nor his government will miss an opportunity during the conference to promote his candidacy. At this time the USG is neither for nor against Cuttaree's candidacy.

### /// THE ECONOMY ///

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8. (U) Mauritius has one of the strongest economies in Africa, with a GDP estimated at \$6 billion (at market prices) in 2004 and per capita income of \$4,900. Over the past two decades, real GDP grew at almost 6% per year, leading to a more than doubling of per capita income and a marked improvement in social indicators. Economic growth was first driven by sugar, then textiles and tourism, and more recently by financial services (particularly offshore companies). The information and communications technology sector is now emerging as the fifth pillar of the economy, following government investment in infrastructure (i.e., the newly built Ebene Cyber City) and training. The government is also trying to develop Mauritius into a "seafood hub" using its vast ocean resources.

9. (U) However, the economy faces its biggest challenges in two decades. The main engines of economic growth, namely the sugar and textile industries, are threatened by imminent changes in preferential trade agreements as a result of the proposed reforms of the European Union sugar regime, the phasing out of the Multi Fiber Agreement, and the increasing trend towards the globalization of world trade.

### /// THE POLITICAL SCENE ///

10. (SBU) Mauritius' constitution, drawn up at the time of independence, established a multiparty democracy based on the British model. Politics are vibrant, characterized by alliance building, and rather devoid of ideology. Sir Anerood Jugnauth is the President of the Republic and head of state, a largely ceremonial position. Power lies with the Prime Minister, Paul Berenger, who heads a coalition government comprised of the Mauritian Militant Movement (MMM), which he leads, and the Socialist Militant Movement, headed by Pravind Jugnauth, the son of the president. Anerood Jugnauth resigned as prime minister and filled the vacant position of president in September 2003. This move was part of a power-sharing arrangement with the MMM which provided that Berenger would become prime minister after three years and Anerood's son would be promoted to deputy prime minister. The Labor Party, under the leadership of the former Prime Minister Navin Ramgoolam, moved into opposition after losing the last election in September 2000. The next general election is due between August and October 2005.

### /// NATURAL RESOURCES AND THE ENVIRONMENT ///

11. (U) Mauritius is of volcanic origin and has varying landscapes. The island rises to a plateau towards the

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center, which is surrounded by hills and mountains. The north of the island is flat and dry, while the south is hilly and wet. Mauritius is well known for its microclimates; significant temperature differences can be recorded within a few kilometers. With a subtropical climate overall, however, the island is lush and green throughout the year. The hottest months of the year are November-February. Peak cyclone season is December to April.

12. (U) The bulk of arable land (80 %) is under sugarcane cultivation and is harvested between June and November. Food crops and fruits are harvested throughout the year. Population growth, urbanization, and industrial, commercial and tourism development have exerted severe pressure on the land over the past decade. Unplanned development and industrialization pose a threat to the environment. However, large areas of land to the south have now been designated as a national park. Nevertheless, little remains of the island's original flora and fauna.

/// U.S.-MAURITIUS RELATIONS ///

13. (U) Relations between the United States and Mauritius are good, cordial, and revolve largely around trade. One notable indicator of the strengthening bilateral relationship was President Bush's willingness to welcome the current and previous Mauritian prime ministers to the White House within a year of each other. Minister Cuttaree is a reliable interlocutor for the USG on global trade matters. Mauritius' democratic and economic credentials coupled with its current leadership of the SADC and other organizations make Mauritius a useful partner for the U.S. on many regional issues.

14. (U) The United States is Mauritius' third-largest market but ranks 12th in terms of exports to Mauritius. This could change significantly if Air Mauritius opts in January 2005 to purchase 2-4 Boeing airplanes. Principal imports from the U.S. include aircraft parts, automatic data processing machines, and diamonds. Mauritian exports to the U.S. include apparel, sugar, non-industrial diamonds, jewelry articles, live animals (for medical research), sunglasses, and cut flowers. The United States is the number one market for Mauritian garments. In November 2004 the U.S. Congress exempted Mauritius for one year from the third country fabric provision under the African Growth and Opportunity Act. This exemption is expected to further boost Mauritian apparel exports to the United States.

15. (U) More than 200 U.S. companies are represented in

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Mauritius. About 35 have offices in Mauritius, serving the domestic and/or the regional market, mainly in the information technology, textile, fast food, express courier, and financial services sectors. U.S. brands are sold widely. Several U.S. franchises, notably Kentucky Fried Chicken, Pizza Hut, McDonald's, and Toys R Us, have opened in recent years.

16. (SBU) The United States and Mauritius have a shared interest in the British Indian Ocean Territory known as the Chagos Archipelago. Chagos includes the island of Diego Garcia, home to an important U.S. naval support facility leased from the UK. Chagos was a part of pre-independence Mauritius and the United Kingdom has promised Mauritius that HMG will turn the archipelago over to Mauritius when it is no longer needed for the security of the West. Environmental, refugee, or other aspects of this issue might be raised in international forums, though the Foreign Minister Cuttaree assured the Charge that Diego Garcia would not surface at SIDS. Subsequent to that assurance, Prime Minister Berenger expressed interest in Diego Garcia's potential as a regional resource for early warning of tsunamis and other natural disasters.

17. (U) Embassy Port Louis represents U.S. interests with the three island nations of Mauritius, Seychelles, and Comoros. The Embassy has ten American, 42 Mauritian, and one Seychelles staff. Ambassador John Price began his assignment in February 2002. During the SIDS conference Embassy Port Louis will be led by Charge d'affaires a.i. Stephen Schwartz.

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