



## COMMUNIQUÉ

### **Moody's downgrades Government of Mauritius rating to Baa2**

*Friday 5 March 2021* : The Mauritius Bankers Association Limited (MBA) has taken cognizance of the decision by Moody's Investors Service (Moody's) to downgrade the Government of Mauritius rating from Baa1 to Baa2, on 4 March 2021. The "investment grade" of Mauritius has been maintained.

Mauritius has been adversely affected by the economic effects of the Covid-19 pandemic, like most countries in the world. As a result, ratings agencies have downgraded the ratings and outlook for several countries, in some instances by multiple notches. The main reasons contributing to the downgrades include fiscal pressures, increased indebtedness, and an outlook that is less easy to assess.

In spite of this change of rating, Mauritius remains the only investment-grade International Financial Centre in Sub-Saharan Africa. Banks operating in Mauritius are stable, highly liquid, with comfortable capitalisation levels and buffers.

We also note that Moody's report highlights the 'stable political and macroeconomic environment conducive to growth and attracting foreign investment', forecasts increased trade and investment in the context of the recently signed treaties with China and India, and notes the large stock of international reserves as a significant buffer to external shocks.

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#### **About the MBA:**

The Mauritius Bankers Association Limited (MBA) is the industry association for the Banking sector. The Association, which was set up in 1967, aims to nurture an innovative, competitive and trustworthy banking environment. It serves as a voice for the banking industry and represents its members as it works closely with stakeholders towards the development of the banking sector in Mauritius.