From Small Island to Large Ocean State: Mauritius' Geo-Economic Strategy After Chagos

Leveraging an Expanded EEZ and Great-Power Partnerships with the United States, India, China, France and the Region

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Preface and Acknowledgements

The return of sovereignty over the Chagos Archipelago marks more than a diplomatic milestone for Mauritius; it reshapes the country's strategic horizon. The agreement concluded with the United Kingdom in May 2025 is the culmination of decades of legal argument, political patience and quiet diplomacy. It also creates a rare moment of clarity in our external environment. For the first time, Mauritius can think coherently about its ocean estate, its security partnerships and its development model.

This report attempts to respond to a practical question: now that sovereignty is settled, what should Mauritius do with it? Our analysis draws on official statistics and the work of scholars, practitioners and civil servants who have studied the complexities of the Indian Ocean far longer than this author. Any errors that remain are the author alone.

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Executive Summary

Mauritius is emerging from the pandemic with a surprisingly resilient economy, yet the traditional engines—tourism, financial intermediation, property—cannot shoulder the future on their own. The country's true margin for expansion lies offshore. With a maritime domain more than a thousand times its land area, and the Chagos settlement now firmly anchored in international law, Mauritius holds a clearer mandate to turn its ocean estate into a strategic asset.

The Indian Ocean in 2025 is no longer a quiet place. Great-power rivalry, commercial chokepoints and climate fragility all intersect in this basin. The task, therefore, is to build an economic strategy that uses the certainty gained at Chagos to strengthen—not complicate—Mauritius' relationships with the United States, India, China, France and its regional partners.

With an EEZ of approximately 2.3 million km² and a blue economy already contributing up to 10 per cent of GDP, Mauritius has long described itself as a "large ocean state".(Nairobi Convention) The 2025 sovereignty agreement over the Chagos Archipelago, combined with the planned or existing Marine Protected Area of some 640,000 km² around the archipelago, gives concrete legal and policy content to that aspiration.(ICRI)

At the same time, the Indian Ocean has become a theatre of intensified geopolitical competition, hosting key energy and trade chokepoints and an expanding naval presence by regional and extra-regional powers.(International Affairs) The US-UK base at Diego Garcia, located in Mauritian waters, is one of only two US bomber hubs in the wider Indo-Pacific and a central platform for operations in the Middle East, Africa and Asia.(Wikipedia)

Against this backdrop, Mauritius must craft a geo-economic strategy that:

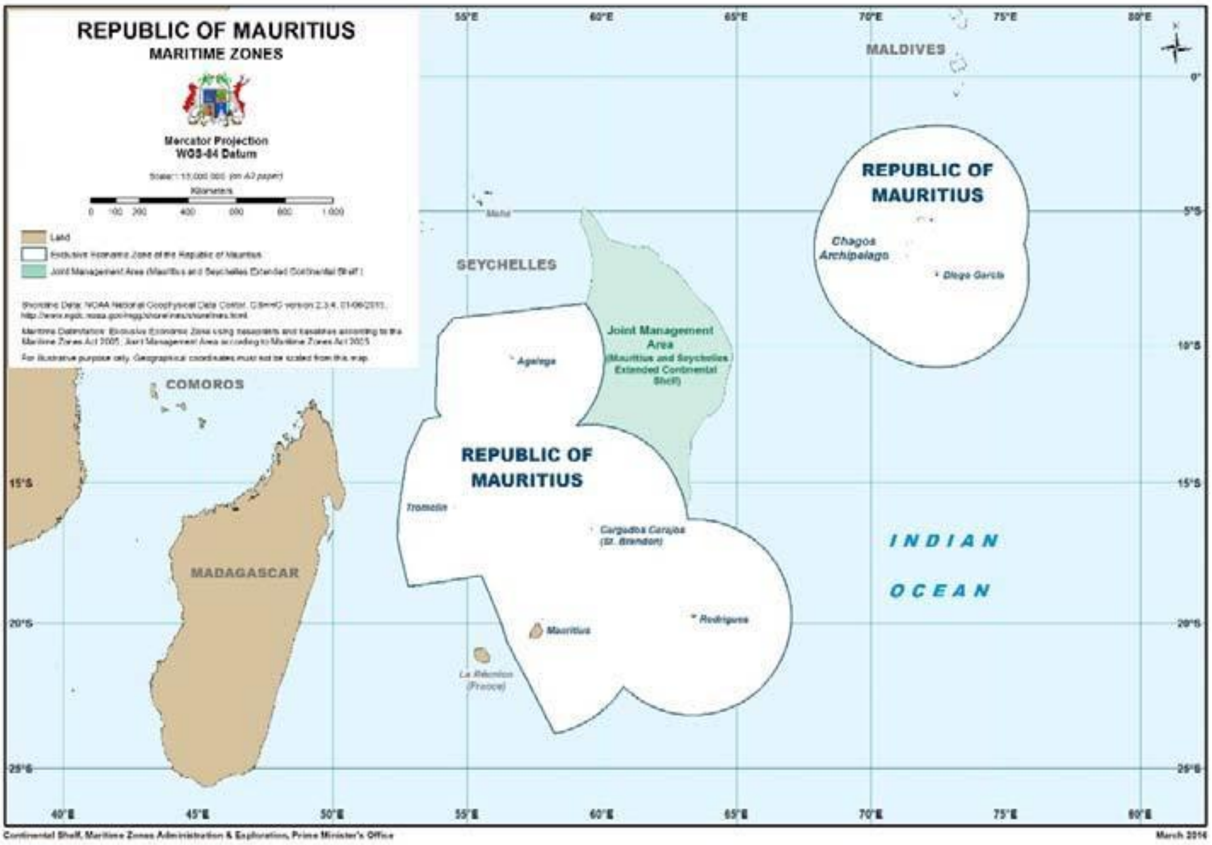


Figure 1 Republic of Mauritius and its EEZ (Source: DCSMZAE)

- leverages its expanded maritime jurisdiction into sustainable, diversified and climate-resilient growth;
- converts its security assets and partnerships into economic opportunity without sacrificing autonomy; and
- manages relations with the United States, India, China, France and regional partners in a manner consistent with international law, domestic legitimacy and long-term fiscal prudence.

Key findings

1. Mauritius has crossed a structural threshold from "small island" to "large ocean" political economy.

The ratio between Mauritius' EEZ and its land area is now in excess of 1,000:1, placing it firmly among large ocean jurisdictions.(Nairobi Convention) Existing national strategies already identify the ocean economy as a pillar of Vision 2030, with a stated policy objective of raising its share of GDP from around 10 per cent today to 20 per cent over the medium term through sustainable fisheries, aquaculture, marine tourism, port and logistics services and offshore renewables.(Mauritius Oceanography Institute) Yet institutional and analytical capabilities have not kept pace with the complexity of governing such a vast maritime space, especially once Chagos is fully integrated into planning, monitoring and enforcement frameworks.

2. The Chagos agreement offers both opportunity and constraint.

The 2025 bilateral agreement completes the decolonisation of Mauritius in formal terms, recognising its sovereignty over the archipelago and EEZ while placing legally binding obligations on both parties to ensure the secure and effective operation of the Diego Garcia base for 99 years.(House of Lords Library) Lease payments from the UK, explicit development commitments and joint initiatives on maritime security and illegal, unreported and unregulated (IUU) fishing create scope for significant additional resources and capacity-building.(House of Lords Library)

However, the agreement also embeds constraints: a security exclusion zone, a prohibition on military use of Chagos by other states and a strong emphasis on safeguarding US and UK operational freedom.(The Library of Congress) Domestic and international debates around Chagossian rights, resettlement and environmental protection further complicate policy design and may affect the pace and form of economic projects in and around the archipelago.(ICRI)

3. Relations with the United States are now anchored in a "functional alliance" mediated by Diego Garcia.

Although not a party to the sovereignty agreement itself, the United States will remain responsible for operating the Naval Support Facility on Diego Garcia and has publicly welcomed the UK–Mauritius settlement.(State Department) The base's continued role in long-range bomber deployments, intelligence and logistics in adjacent theatres underscores its enduring strategic value.(Wikipedia)

For Mauritius, this creates an implicit security guarantee and a platform to attract dual-use infrastructure investment: airfield upgrades, harbour facilities, communications, and maritime domain awareness assets that can, if carefully negotiated, support commercial uses such as logistics, repair and data connectivity. At the same time, any perception that Diego Garcia is used in ways inconsistent with international law or regional stability could expose Mauritius to reputational or security risks and heighten domestic contestation.

4. India has emerged as Mauritius' principal security and development partner in the Indian Ocean.

India and Mauritius have recently elevated their ties to an "enhanced strategic partnership", with India pledging around US$680 million in grants and lines of credit for infrastructure, health, and maritime security projects, including support for developing and surveilling the Chagos Marine Protected Area.(Maritime Fairtrade) Mauritius has historically supported India's presence in the Indian Ocean and its broader SAGAR doctrine ("Security and Growth for All in the Region"), while India has backed Mauritian claims over Chagos and endorsed the continued US base as a counterweight to China.(Lowy Institute)

The security grid linking Mauritius to Indian coastal surveillance radars, Indian officers in senior Mauritian security roles, and regular defence cooperation makes India a central pillar of Mauritius' maritime security architecture.(Wikipedia) The challenge for Mauritius is to deepen economic cooperation—particularly in ocean-related sectors—without being drawn into zero-sum rivalries.

5. China is a critical economic partner whose footprint must be managed with prudence.

China's free trade agreement with Mauritius, in force since 2021, offers improved access for Mauritian goods and services and positions Mauritius as a potential bridge between Chinese capital and African markets.(ORF Online) Chinese officials have explicitly expressed interest in Mauritius joining the Belt and Road Initiative and in using the island as a platform for regional projects, praising the Chagos deal as a "massive achievement" and highlighting the country's strategic location.(China Foreign Affairs)

This presents opportunities in sustainable infrastructure, green shipping, digital connectivity and financial services. Yet, given global concerns around debt sustainability, dual-use port facilities and opaque project structures in some BRI engagements, Mauritius will need robust investment screening, transparency and regulatory standards—particularly in or near strategic maritime nodes such as Port Louis and the Chagos MPA.(Green Finance & Development Center)

6. France and the European Union are indispensable partners for climate, blue-economy and regional governance.

France is both a resident Indian Ocean power through Réunion and other territories and a long-standing member of the Indian Ocean Commission alongside Mauritius, Madagascar, Comoros and Seychelles.(France Diplomacy) Recent high-level visits have reiterated France's role as a key tourist source, investor and security partner, as well as the EU's interest in supporting regional maritime security and sustainable blue growth.(Maritime Fairtrade)

For Mauritius, deepening cooperation with France and the EU provides diversification away from over-dependence on any single extra-regional power, while also unlocking access to climate finance, research partnerships and regulatory over-the-horizon scanning in fisheries, environmental protection and digital trade.

7. Regional institutions can help Mauritius "multilateralise" its geo-economic choices.

Mauritius hosts the secretariats of both the Indian Ocean Rim Association (IORA) and the Indian Ocean Commission (IOC), giving it disproportionate diplomatic convening power.(Wikipedia) Its participation in COMESA, SADC and the wider Tripartite Free Trade Area embeds it in continental trade and infrastructure frameworks.(IMF)

By using these platforms to promote rule-based maritime governance, regional blue-economy projects and collective security arrangements, Mauritius can avoid simplistic "choosing sides" while still aligning itself clearly with open sea-lanes, climate resilience and sustainable development.

Strategic direction

Taken together, these findings suggest that Mauritius should not pursue a policy of strict neutrality, nor should it align uncritically with any one major power. Instead, it should adopt a *multi-vector, values-anchored geo-economic strategy* grounded in four organising principles:

1. **Ocean-centred development:** treat the EEZ, including Chagos, as the country's core productive asset and design macro-economic, sectoral and spatial policies around its sustainable use.
2. **Security as enabler, not driver:** leverage the Diego Garcia base and Indian, French and regional security partnerships to create a stable, rules-based maritime environment that supports trade, investment and blue-economy activities, rather than allowing security considerations alone to dictate economic choices.
3. **Managed interdependence with major powers:** deepen economic ties with the United States, India, China and France in clearly delineated domains—such as technology, finance, energy or logistics—under strong domestic governance and transparency, avoiding exclusive or incompatible commitments.
4. **Regional leadership and burden-sharing:** use Mauritian chairmanships and secretariats in IOC, IORA and African regional groupings to shape norms and projects that spread the costs and benefits of ocean management across the south-west Indian Ocean.

Recommendations

The detailed chapters will develop a fully costed, time-bound set of actions. At a high level, however, the report will argue for the following lines of policy:

- **Establish a "Chagos Ocean Cluster"** that integrates a high-standard Marine Protected Area regime, sustainable fisheries management, oceanographic research facilities, and carefully regulated eco-tourism and scientific access, funded in part from lease income, climate finance and blue bonds.(ICRI)

- **Negotiate a comprehensive Diego Garcia compact** with the UK and US that links security cooperation to tangible economic benefits for Mauritius and Chagossians, including infrastructure, skills development and support for resettlement consistent with human rights and environmental safeguards.(Verfassungsblog)
- **Align Indian and French partnerships with blue-economy priorities**, focusing Indian finance and French/EU grants and technical assistance on port modernisation, maritime domain awareness, renewable ocean energy and resilient coastal infrastructure.(Maritime Fairtrade)
- **Use the China–Mauritius FTA and any future BRI engagement selectively**, privileging transparent, climate-resilient and commercially viable projects in areas such as digital infrastructure, logistics parks and green shipping corridors, while avoiding long-tenor, collateralised debt on strategic assets.(ORF Online)
- **Create a National Ocean and Geo-Economics Council**, chaired at cabinet level, to coordinate across ministries, regulators and security agencies; strengthen statistical capacity and transparency to restore credibility after the revelation of mis-stated GDP and debt figures; and mobilise domestic and international capital for long-term investment.(Transnational Institute)

These strategic directions are fully consistent with the World Bank's articulation of the blue economy as "the sustainable use of ocean resources for economic growth, improved livelihoods, and job creation while preserving the health of ocean ecosystems".(World Bank)

> *"The sustainable use of ocean resources for economic growth, improved livelihoods, and job creation while preserving the health of ocean ecosystems."*
> *– World Bank definition of the blue economy [World Bank, Oceans and Blue Economy]*

1. Mauritius as a Large Ocean State

Mauritius' economic and strategic story has always been shaped by geography. For most of its post-independence history, that geography was understood in terms of a small volcanic island of just over 2,000 square kilometres of land, a growing population of around 1.26 million, and a set of land-based export sectors: sugar, textiles, tourism and later financial services and ICT.(World Bank) Over the last decade, however, official discourse and policy have shifted decisively from "small island developing state" to "large ocean state".

That shift is not merely rhetorical. Mauritius claims an Exclusive Economic Zone (EEZ) of roughly 2.3 million square kilometres in the south-west Indian Ocean, more than 1,000 times its land area, with an additional expanse of extended continental shelf jointly managed with Seychelles.(Nairobi Convention) This maritime space includes some of the world's most valuable tuna fishing grounds, important submarine cable routes and potential offshore energy resources. The Government's 2025–2029 programme explicitly commits to "transition from a Small Island Developing State to a Large Ocean State" by developing a comprehensive ocean economy and harnessing marine resources in a sustainable way.(agriculture.govmu.org)

At the same time, Mauritius' ocean geography is now bound up with a major realignment of sovereignty and security in the Indian Ocean. The 22 May 2025 UK–Mauritius treaty on the Chagos Archipelago transfers sovereignty to Mauritius while allowing the United Kingdom, and by extension the United States, to lease Diego Garcia for 99 years as a joint military facility.(House of Commons Library) This agreement effectively completes Mauritius' formal decolonisation in the eyes of many international actors, but it also embeds the country more deeply in the strategic infrastructure of the Indo-Pacific.

This report therefore treats "Mauritius as a large ocean state" not as a branding exercise but as a structural condition. Chapter 1 sets the scene in three steps. Section 1.1 sketches Mauritius' economic profile and development trajectory, highlighting the growing centrality of ocean-related activities. Section 1.2 situates Mauritius within a fragmenting global economy in which the Indian Ocean has become a key arena of great-power rivalry and supply-chain risk. Section 1.3 defines geo-economics in a way that is meaningful for a small, open state whose security and prosperity increasingly depend on how it manages its ocean space and external partnerships.

1.1 Mauritius' economic profile and development trajectory

Since independence in 1968, Mauritius has been one of Africa's clearest examples of successful structural transformation. From a low-income, sugar-dependent economy in the 1960s, it has become an upper-middle-income country with a diversified base in tourism, manufacturing (including textiles), ICT and financial services.(World Bank) Financial and insurance activities alone account for around 12–14 per cent of GDP, while the overall services sector dominates output and employment.(World Bank)

The growth record is equally striking. Estimates from the United States and international agencies suggest real GDP growth averaged about 4–5 per cent per year from independence to the late 2010s, lifting Mauritius briefly into the World Bank's high-income category before the COVID-19 shock.(State Department) The pandemic caused a deep contraction of around 14–15 per cent in 2020, driven by the collapse of international tourism, but the rebound has been robust: real GDP grew by 8.7 per cent in 2022, 5 per cent in 2023 and 4.9 per cent in 2024, before easing towards an expected 3 per cent in 2025 as tourism normalises and public spending is reined in.(World Bank)

This recovery has come at the price of high public debt. Years of expansionary fiscal policy, extensive COVID-era support measures and continued social spending have left the public-debt-to-GDP ratio close to 90 per cent as of mid-2025.(World Bank) The fiscal consolidation now under way will constrain the room for further large-scale land-based infrastructure investment. Combined with land scarcity on the main island, rising climate risks and changing international tax rules that affect the financial centre, these factors make it increasingly difficult to sustain high growth through traditional sectors alone.

In this context, the ocean moves from being a background resource to a central development frontier. Official estimates put the contribution of the "blue economy" – including coastal tourism, fisheries and seafood processing, port-related services and some emerging marine activities – at around 9.8–10.5 per cent of GDP, generating more than 20,000 direct jobs.(FAOLEX) When the original Ocean Economy Roadmap was drafted in 2013, the stated objective was to raise that share to around 20 per cent by 2025.(FAOLEX) Although this target has not yet been reached, the Government's 2025–2029 roadmap re-affirms the intention to double ocean-economy value added over the medium term, anchored in an explicit transition from "small island" to "large ocean" status.(agriculture.govmu.org)

The scale of the maritime endowment is hard to overstate. Mauritius' land area is about 2,040 km², whereas its EEZ extends to approximately 2.3 million km² – a ratio of roughly 1:1,100.(Nairobi Convention) Within this space lie the waters of the Chagos Archipelago, newly confirmed under Mauritian sovereignty, as well as areas of extended continental shelf. For a polity of 1.26 million people, the governance, monitoring and sustainable use of such a vast ocean territory is both an opportunity and an institutional challenge.(World Bank)

In parallel, Mauritius is embedded in the wider category of Small Island Developing States (SIDS), whose economies are heavily ocean-dependent but also exceptionally vulnerable to external shocks and climate change. UN and World Bank analyses underline that SIDS – sometimes re-described as "Large Ocean States" – face common challenges: remoteness from major markets, narrow export bases, high import dependence and exposure to sea-level rise and extreme weather events.(UNDP Climate Promise) In Mauritius' case, those vulnerabilities intersect with the need to preserve fragile marine ecosystems and coastal zones that are simultaneously ecological assets and economic workhorses.

Against this backdrop, the blue economy is not simply one more sector; it is the main avenue through which Mauritius can reconcile long-term growth with environmental sustainability and spatial constraints. The rest of the report will treat the ocean economy, and the governance of an enlarged EEZ, as core macro-economic variables rather than niche policy areas.

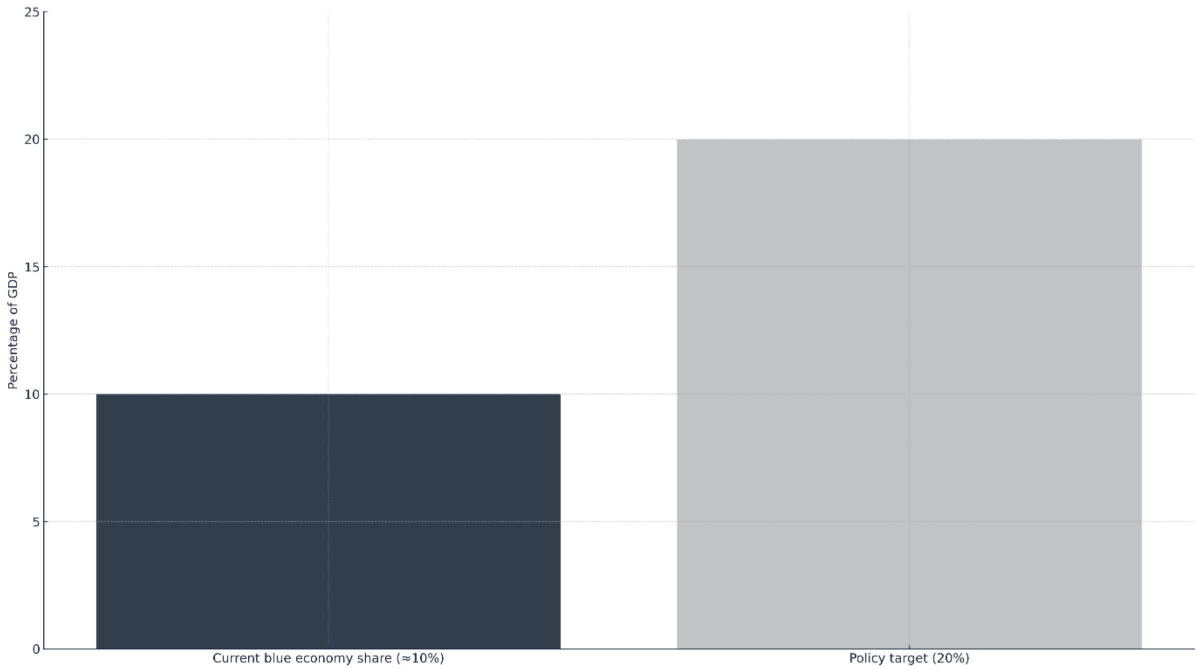


Figure 2 Mauritian policy ambitions imply roughly doubling the blue economy share of GDP over the coming decade

1.2 The Indian Ocean in a fragmenting global economy

If the domestic case for an ocean-centred strategy is compelling, the international context makes it unavoidable. The Indian Ocean has become one of the principal theatres of global economic and security competition.

From an economic perspective, the region is a hub for seaborne trade linking the energy exporters of the Gulf, the manufacturing centres of East and South-East Asia, and the consumers of Europe and East Asia. The Strait of Malacca, connecting the Indian Ocean to the Pacific, carries close to a quarter of global seaborne oil flows – around 23–24 million barrels per day – alongside a huge volume of container traffic.(U.S. Energy Information Administration) The Strait of Hormuz, at the mouth of the Gulf, handles roughly 20 million barrels per day, equivalent to about a quarter of world seaborne oil trade and a fifth of global consumption, as well as around 20 per cent of liquefied natural gas exports.(World Economic Forum) The Bab el-Mandeb, between the Horn of Africa and the Arabian Peninsula, is another crucial chokepoint connecting the Indian Ocean to the Suez Canal and Mediterranean; recent disruptions there have demonstrated how quickly attacks or instability can halve shipping volumes and destabilise global supply chains.(Rystad Energy)

Analytical work from Carnegie, European and regional think-tanks converges on the conclusion that the Indian Ocean's importance for trade, energy security and maritime stability is rising, and that it is increasingly shaped by competition between China and the United States, with India, European powers and regional states playing significant balancing roles.(Carnegie Endowment) As India's defence minister has recently underlined, some 95 per cent of India's trade by volume transits through the Indian Ocean, and New Delhi is investing heavily in naval and undersea capabilities in response to what it sees as intensifying "power rivalry" in the region.(Reuters)

For small island states dotted along these sea-lanes, such as Mauritius and Seychelles, proximity to chokepoints and shipping routes is a source of leverage as well as vulnerability. Studies by regional organisations and the International Science Council point out that SIDS – reimagined as "Large Ocean States" – collectively manage as much as 30 per cent of the world's oceans through their EEZs, and thus control significant ecological, economic and strategic space.(SD Knowledge Platform) Their ports, airfields and voting power in multilateral forums make them attractive partners for major powers seeking logistical access, influence in international law-making or simply friendly flags near key maritime routes.

At the same time, maritime trade itself has become more overtly entangled with diplomacy and deterrence. As one recent survey of global maritime policy notes, navies increasingly act as "silent custodians of global commerce", using presence operations, convoying and exercises to underwrite the flow of goods and energy while signalling political intent.(WITA) The proliferation of naval deployments, anti-piracy missions and joint exercises in the western Indian Ocean – involving the US, India, China, France, the EU and others – has made the region one of the most crowded maritime security spaces in the world.

Mauritius sits in the middle of this evolving order. It lies close to main shipping routes between Asia, Africa and Europe; hosts the secretariat of the Indian Ocean Rim Association (IORA), which now counts more than twenty member states; and is a founding member of the Indian Ocean Commission (IOC) alongside France (via Réunion), Seychelles, Comoros and Madagascar.(agriculture.govmu.org) Through these roles it exercises influence disproportionate to its size, but it is also more exposed than most to disruptions in sea-borne trade, regional crises and shifts in the balance of power.

The settlement of the Chagos sovereignty issue brings these dynamics even closer to home. Diego Garcia is already one of the key nodes in US and UK global basing, a long-range bomber and surveillance hub for operations stretching from East Africa to the western Pacific.(The Library of Congress) The new UK–Mauritius agreement, once ratified, will confirm that this facility sits in Mauritian waters, under a lease that directly links Mauritius' sovereign rights over the archipelago with the long-term operation of a major military asset and with associated development and security commitments.(House of Commons Library)

In a fragmenting global economy, then, Mauritius is not a spectator. Its ocean space is both a conduit for global trade and a locus of increasingly dense security interactions. Understanding Mauritius as a "large ocean state" therefore demands a framework that links economics and security rather than treating them as separate domains.

> *"Our islands may be small in land area, but we morph into large ocean states when our exclusive economic zones are factored in."*
> *– Ambassador Ronald Jumeau, on Small Island Developing States as "large ocean states" [UN SIDS Oceans Expert Group Meeting 2013](SD Knowledge Platform)*

1.3 Defining geo-economics for a small, open state

The concept of geo-economics provides that linking framework. In broad terms, geo-economics refers to the way in which states use economic instruments – trade policy, investment rules, sanctions, development finance, control of critical infrastructure and technology – to advance strategic objectives, and to the way economic interdependence itself reshapes the distribution of power.(Army University Press)

In the policy literature, one influential definition associated with Robert Blackwill and Jennifer Harris describes geo-economics as the use of economic tools to promote and defend national interests and to generate favourable geopolitical outcomes, alongside the impact of other states' economic actions on a country's strategic position.(The National Interest) While there is debate over terminology, the core insight is that economic measures and security outcomes are now tightly interwoven: decisions about ports, subsea cables, energy contracts or financial regulation can be as consequential for a country's security as decisions about ships, aircraft or troop deployments.

For large powers, much of the geo-economic discussion centres on sanctions, export controls, industrial policy or attempts to weaponise interdependence in critical supply chains. For Mauritius, the geo-economic lens looks somewhat different. Four features are particularly salient.

First, Mauritius is an exceptionally open economy. Trade in goods and services is a very high share of GDP, and the country's role as an investment and financial platform means it is deeply integrated into cross-border capital flows.(World Bank) This openness has underpinned growth but also creates vulnerability to external shocks and to how other states deploy their own economic power, whether through blacklists, tax reforms or changes in regulatory regimes.

Second, the country has limited fiscal and military capacity. With public debt near 90 per cent of GDP and a small defence establishment, Mauritius cannot plausibly compete in a regional arms dynamic or undertake massive unilateral infrastructure programmes at scale.(World Bank) Its influence must instead come from strategic positioning: the terms on which it grants access to its ports, airfields and ocean resources; the way it uses its jurisdiction as regulator and standard-setter in financial services or environmental protection; and the coalitions it builds in regional and multilateral fora.

Third, the ocean is simultaneously its main economic asset and a key strategic vulnerability. Fisheries, coastal tourism, marine services and prospective offshore energy resources all depend on stable, rules-based use of the EEZ, on healthy marine ecosystems and on the integrity of key maritime trade routes.(Nairobi Convention) Yet the same ocean space is the arena in which major powers are manoeuvring, where non-state actors can disrupt shipping, and where climate change and pollution threaten long-term ecological and economic viability.

Fourth, Mauritius is now host – albeit indirectly through the UK lease – to one of the most strategically significant military bases in the world. The Diego Garcia facility gives Mauritius a security asset that few small states possess, but also ties its fortunes more closely to the evolving competition between the US, China, India and others in the broader Indo-Pacific.(The Library of Congress)

In this setting, Mauritius' geo-economic strategy cannot simply be about maximising growth or attracting investment in the abstract. It must address questions such as:

- How can Mauritian policymakers leverage the country's ocean assets – its EEZ, its ports, the Chagos Archipelago, its regulatory jurisdiction – to secure both sustainable development and credible security guarantees?
- How should Mauritius manage economic and security relationships with the United States, India, China, France and regional partners so that no single external actor gains disproportionate influence over critical infrastructure, data flows or maritime space?
- How can ocean-related revenues and investments be governed in a way that strengthens fiscal resilience, protects ecosystems and respects the rights of affected communities, including Chagossians?

The remainder of the report will tackle these questions in a structured way. Chapter 2 examines the legal and economic implications of the Chagos settlement. Chapter 3 quantifies Mauritius' expanded ocean endowment and its blue-economy potential. Chapters 4 to 7 analyse, in turn, the country's relationships with the United States, India, China and France, while Chapter 8 considers the regional architecture. Chapters 9 and 10 focus on governance and implementation.

For present purposes, the key point is that Mauritius is no longer simply a small island trading nation. It is a large ocean state whose economic and security choices will increasingly be judged – and constrained – in geo-economic terms.

2. The Return of the Chagos Archipelago: Legal, Political and Economic Implications

The formal recognition of Mauritian sovereignty over the Chagos Archipelago in the 22 May 2025 Agreement with the United Kingdom closes a long chapter of incomplete decolonisation and opens a new one in which law, security and geo-economics are tightly intertwined. The Agreement confirms that the Chagos Archipelago, including Diego Garcia and its surrounding maritime zones, is part of Mauritius, while granting the United Kingdom wide-ranging rights to operate the joint UK–US base for at least ninety-nine years, with options to extend.(GOV.UK)

This section examines how Mauritius arrived at this point, and what the new settlement implies. Sub-section 2.1 traces the path from the detachment of Chagos in 1965, through a sequence of international legal decisions, to the 2025 sovereignty agreement. Sub-section 2.2 assesses the strategic role of Diego Garcia and how the base structures security guarantees and alliance politics in the Indian Ocean. Sub-section 2.3 considers the sovereign rights reclaimed by Mauritius, the flow of lease income and related financing, and the policy conditionalities embedded in the treaty.

2.1 From decolonisation to the 2025 sovereignty agreement

The Chagos Archipelago formed part of the colony of Mauritius from the early nineteenth century onwards; the United Kingdom administered Chagos as a dependency of Mauritius from 1814 until the mid-1960s.(Human Rights Watch) In 1965, as Mauritius moved towards independence, the UK unilaterally detached the archipelago to create the British Indian Ocean Territory (BIOT), in order to meet US requirements for a military facility in the central Indian Ocean.(The Library of Congress)

The detachment was questioned almost immediately. UN General Assembly resolution 2066 (XX) of 16 December 1965 noted that "any step taken by the administering Power to detach certain islands from the Territory of Mauritius for the purpose of establishing a military base" would violate the 1960 Declaration on the Granting of Independence to Colonial Countries and Peoples, and called on the UK to "take no action which would dismember the Territory of Mauritius and violate its territorial integrity".(Refworld) Nonetheless, BIOT was created, and between 1965 and 1973 the UK and US forcibly removed the entire Chagossian population from all inhabited islands, including Diego Garcia, Peros Banhos and Salomon, to Mauritius and Seychelles.(Human Rights Watch)

From the 1990s onwards, Mauritius pursued a multi-pronged strategy in British courts, arbitral tribunals and international fora. Bilateral negotiations were punctuated by three key legal milestones:

- **The Chagos Marine Protected Area arbitration (Mauritius v United Kingdom)** under Annex VII of UNCLOS, initiated in 2010. In its 2015 award, the tribunal held that the UK's declaration of a "no-take" Marine Protected Area (MPA) around Chagos was incompatible with UNCLOS, finding the UK in breach of its duty to have "due regard" to Mauritius' rights and interests and to consult adequately.(PCA-CPA)
- **The International Court of Justice advisory opinion** of 25 February 2019 on the *Legal Consequences of the Separation of the Chagos Archipelago from Mauritius in 1965*. The ICJ concluded that "the process of decolonization of Mauritius was not lawfully completed when that country acceded to independence".(International Court of Justice) The Court found that the UK is under an obligation to bring its administration of the archipelago to an end "as rapidly as possible".(International Court of Justice)
- **UN General Assembly resolution 73/295** of May 2019, which "welcomed" the advisory opinion and affirmed that the Chagos Archipelago "forms an integral part of the territory of Mauritius", calling on the UK to withdraw its colonial administration within six months and on UN specialised agencies to recognise Mauritian sovereignty. The resolution was adopted by 116 votes in favour, 6 against and 56 abstentions.(Digital Library)

The ICJ advisory opinion and UNGA resolution were followed by a precedent-setting judgment of the

Special Chamber of the International Tribunal for the Law of the Sea (ITLOS) in the maritime boundary case between Mauritius and the Maldives. In its 2021 decision on preliminary objections and its 2023 judgment on the merits, the Special Chamber treated the ICJ advisory opinion and resolution 73/295 as having settled Mauritius' sovereignty over Chagos for the purposes of delimiting the maritime boundary, rejecting Maldives' argument that the UK remained the coastal State.(ITLOS)

Politically, these developments increased pressure on the UK to negotiate a settlement. They also strengthened Mauritius' position that completion of decolonisation required not only symbolic recognition but effective control over the archipelago and associated maritime zones. Parliamentary and legal analyses in the UK subsequently accepted that the UN processes had "shifted the balance" against the UK's longstanding position that its sovereignty remained unaffected.(House of Lords Library)

Formal negotiations on a sovereignty agreement accelerated after a change of government in London and Port Louis. Following signals in late 2024 that the UK would be prepared to transfer sovereignty while securing long-term arrangements for the base,(Reuters) the two governments concluded the **Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Mauritius concerning the Chagos Archipelago including Diego Garcia**, signed on 22 May 2025.(GOV.UK)

Under Article 1 and associated exchanges of letters, the UK recognises that "Mauritius is sovereign over the Chagos Archipelago in its entirety, including Diego Garcia", and agrees to adjust its representation in international organisations accordingly (for example, shifting from "coastal State" to "distant-water fishing nation" in the Indian Ocean Tuna Commission).(GOV.UK) At the same time, the Agreement creates an elaborate regime under which the UK retains jurisdiction and control over the base and certain security functions, subject to Mauritian sovereignty and joint decision-making mechanisms.

From a Mauritian perspective, the 2025 Agreement is thus both the culmination of a decolonisation struggle and the starting point for a new, more complex governance challenge: integrating Chagos and its 640,000 km² marine protected area into national planning, while managing a highly strategic foreign military presence.(Wikipedia)

> *"The Court finds that the process of decolonization of Mauritius was not lawfully completed when that country acceded to independence." – International Court of Justice, Advisory Opinion on Chagos (2019)(International Court of Justice)*

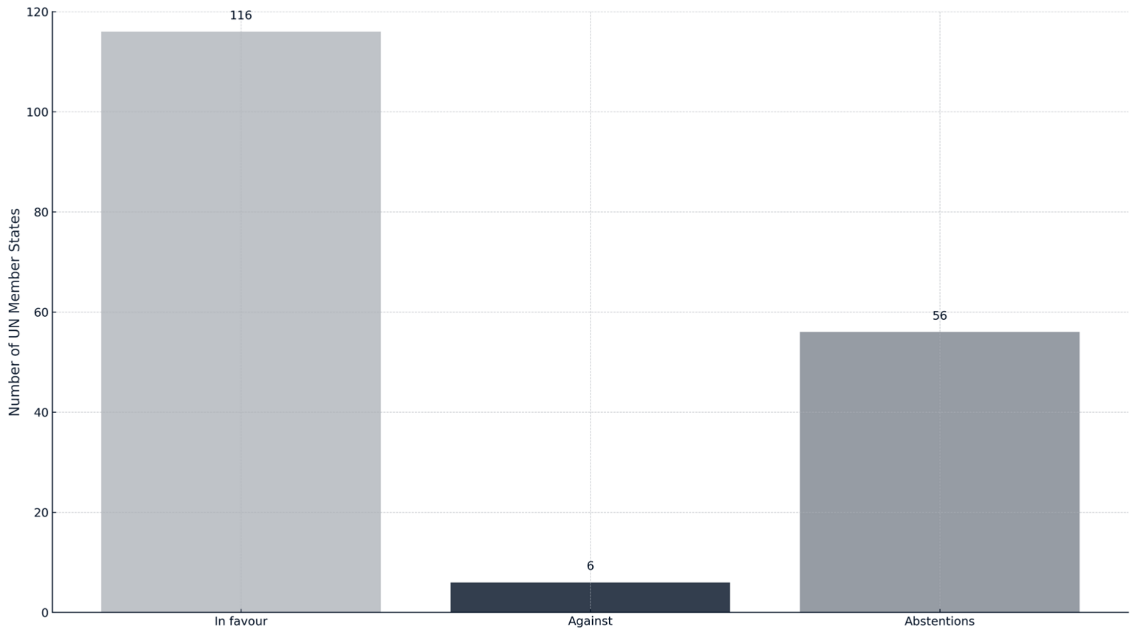


Figure 3 Vote on UN General Assembly resolution

2.2 Diego Garcia, security guarantees and alliance politics

Diego Garcia is the largest island of the Chagos Archipelago, with a land area of roughly 30 km² and a restricted-access population of around 4,200 military and civilian personnel.(Wikipedia) Since the 1970s it has hosted a joint UK–US base, formally a British facility leased to the United States Navy and Air Force, serving as a logistics hub and forward operating base for operations in the Middle East, East Africa and South Asia.(Wikipedia)

Official US Navy documentation describes Navy Support Facility Diego Garcia as providing "logistic support to operational forces forward deployed to the Indian Ocean and Persian Gulf areas of responsibility in support of national policy objectives".(CNRJ) Academic studies have characterised the atoll as both the "Malta of the Indian Ocean" and an "unsinkable aircraft carrier", underscoring its role as a bomber, maritime surveillance and pre-positioning hub.(Walter Ladwig) Recent press reports highlight that up to six B-2 stealth bombers – roughly 30 per cent of the US fleet – have been deployed to Diego Garcia during periods of heightened tension, placing critical targets in the Middle East within range.(New York Post)

The 2025 Agreement does not alter this basic strategic role, but it recasts the legal and political framework in which it is exercised. Article 9 and Annex 1 provide that the United Kingdom (and, via existing arrangements, the United States) shall have "unrestricted access, basing and overflight" for their aircraft and vessels to Diego Garcia, along with broad powers to control operations, personnel, storage of weapons and fuels, and the electromagnetic spectrum.(GOV.UK) For the rest of the archipelago, UK and US vessels and aircraft enjoy unrestricted navigation and undersea access, while decisions on any presence of other states' security forces, or on the siting of installations and sensors, are subject to joint UK–Mauritius consent and a formal "Security Review" procedure.(GOV.UK)

From a Mauritian standpoint, this architecture has several implications.

First, while the Agreement does not contain an explicit mutual defence clause, the continued operation of the base – and the UK's ability to project power from it – create what might be termed a *functional* security guarantee. Any serious threat to Mauritius that jeopardised the base would directly engage the interests of the UK, the US and, increasingly, India and other partners who see Diego Garcia as central to the stability of Indian Ocean sea-lanes.(Reuters)

Secondly, the Agreement carefully balances Mauritian sovereignty with allied operational freedom through an escalation ladder of consultations. If an activity in the archipelago is judged by the UK to risk "undermining, prejudicing or otherwise interfering with the long-term, secure and effective operation of the Base", Mauritius must undertake a Security Review, share information and consider UK concerns in good faith; if disagreement persists, decisions can be elevated to the Joint Commission and, in extreme cases, to Prime Minister–to–Prime Minister consultations.(GOV.UK)

Thirdly, the presence of Diego Garcia shapes Mauritius' alliance politics. The US and UK see the agreement as aligning strategic necessity with international law after the ICJ opinion and UN vote.(AP News) India, which has backed Mauritian claims and views US basing as a counterweight to China, has pledged about US$680 million in economic and maritime-security support, including for the development and surveillance of the Chagos Marine Protected Area.(Reuters) France and the European Union, through their roles in the Indian Ocean Commission and broader Indo-Pacific strategies, also see Mauritius as a key partner in sustaining a rules-based maritime order.(House of Lords Library)

Yet the same arrangements generate political sensitivities. Human Rights Watch has described the forced expulsion of Chagossians and the continuing restrictions on return as *crimes against humanity* and has called for full reparations, including the right to return.(Human Rights Watch) Sections of the Chagossian diaspora and UK civil society oppose the treaty on the grounds that it was concluded without adequate consultation and entrenches the exclusion of residents from Diego Garcia itself.(The Guardian) Domestically, Mauritius must reconcile its new role as sovereign and co-manager of security in Chagos with its obligations to Chagossians and with its own foreign-policy stance of "friend to all and enemy to none".

In summary, Diego Garcia is both the keystone of Mauritius' emergent security architecture and a continuing source of human rights and political contention. Geo-economically, the base is the anchor for the substantial flows of lease income and development finance discussed in the next sub-section.

2.3 Sovereign rights, lease income and policy conditionalities

The 2025 Agreement fundamentally changes the distribution of sovereign rights over Chagos. Article 1 and the accompanying exchange of letters specify that the UK will adjust all relevant international representations to reflect that Mauritius is the coastal State and sovereign over the archipelago, including the EEZ and associated maritime zones, while reserving specific rights and responsibilities for Diego Garcia and the base.(GOV.UK)

In practical terms, this means that Mauritius acquires:

- full sovereign rights over living and non-living resources in the EEZ and continental shelf, in line with UNCLOS;
- the ability to regulate fisheries access, seabed exploration, scientific research and certain environmental measures; and
- a decisive voice in regional maritime governance bodies (such as the Indian Ocean Tuna Commission) as a coastal State rather than a distant-water nation.(United Nations Legal Affairs)

At the same time, Article 11 of the Agreement sets out an economic partnership framework under which the UK provides Mauritius with substantial annual payments and development grants, alongside a capitalised trust fund for Chagossians. The detailed schedule is contained in the 22 May 2025 exchange of letters:(GOV.UK)

- An **annual payment** to Mauritius linked to the base, starting at **£165 million per year for the first three years** after entry into force and **£120 million per year for years 4–13**, with all subsequent annual sums adjusted by the UK GDP deflator from year 14 onwards.(GOV.UK)
- A **£40 million trust fund** to be capitalised one year after entry into force, "for the benefit of Chagossians", to be established under Mauritian law following consultation with the UK.(GOV.UK)
- **Development grants of £45 million per year for 25 years**, earmarked for projects that "promote the ongoing economic development and welfare of Mauritius and its people", with an expectation that UK businesses will be involved "to the maximum extent practicable" in project delivery.(GOV.UK)

Ignoring post-year-13 inflation indexation and treating the amounts in nominal terms, the first 25 years of the Agreement therefore imply:

- Base-related annual payments over years 1–13 totalling £1.695 billion (3 × 165 + 10 × 120);
- Development grants totalling £1.125 billion (25 × 45); and
- A £40 million trust-fund contribution;

for a **minimum cash-flow package of about £2.86 billion over 25 years**, with further, inflation-linked annual payments thereafter until termination.(GOV.UK)

At current exchange rates, the early-period annual payments – £165 million falling to £120 million – are of the order of 1–1.5 per cent of Mauritius' 2024 nominal GDP of approximately US$15.0 billion, implying a significant and relatively stable external revenue stream.(World Bank Open Data) Press commentary in the UK has referred to an overall

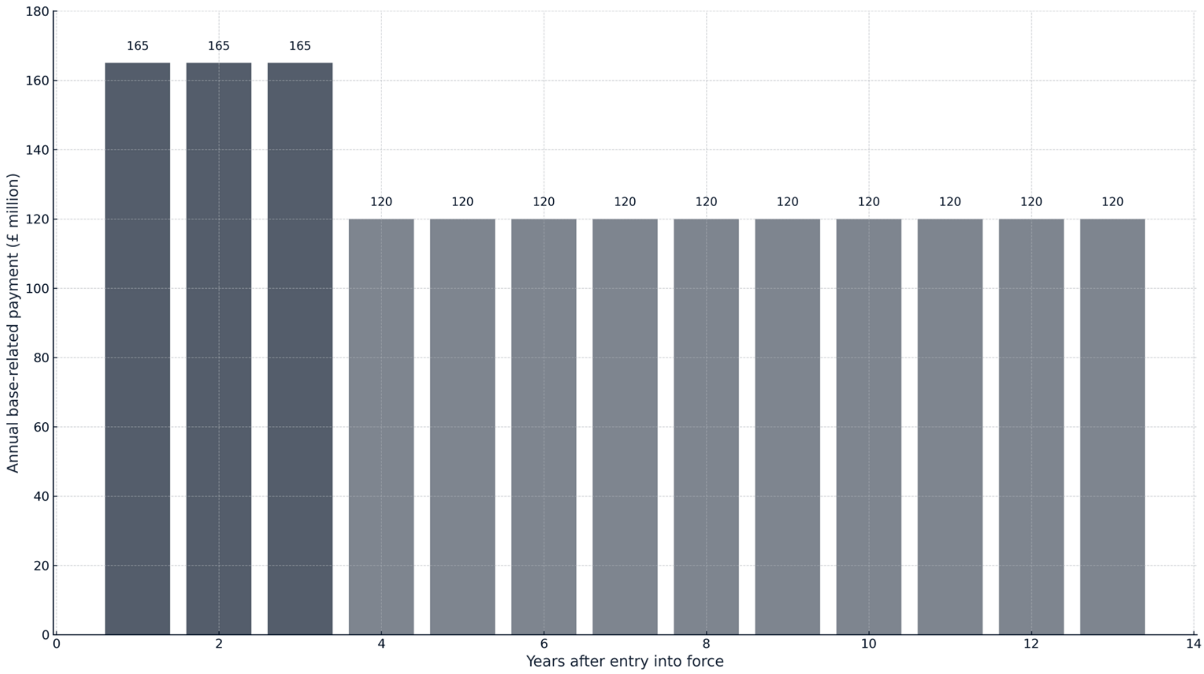


Figure 4 UK's financial commitments under Article 11

package cost in the low-to-mid single-digit billions of pounds once longer-term payments and contingencies are included, underlining the political salience of the deal in London.(The Guardian)

For Mauritius, these flows represent an opportunity and a test. If managed transparently and prudently, they could underpin a long-term "Ocean Sovereign Fund" to finance blue-economy infrastructure, climate adaptation and Chagossian resettlement and livelihoods, smoothing the fiscal path towards lower public debt. If absorbed into recurrent spending or opaque projects, they could exacerbate existing concerns about fiscal governance, especially in light of the 2024 audit that revealed years of mis-reported GDP and debt figures.(Reuters)

The financial provisions also come with **embedded policy conditionalities and constraints**. Among the most important are:

▶ Security-linked development conditionalities.

The development frameworks envisaged under Article 11 emphasise projects involving UK businesses and consistent with UK policy requirements.(GOV.UK) While this is not unusual in bilateral development partnerships, it means Mauritius must ensure that project selection remains aligned with its own blue-economy priorities and climate commitments rather than driven primarily by supplier interests.

▶ Restrictions on third-party military presence and infrastructure.

Annex 1 requires joint UK–Mauritius decision-making on any presence of non-UK, non-US or non-Mauritian security forces and on the construction of maritime installations or artificial islands beyond Diego Garcia, with a structured Security Review process shaped by UK assessments of risk to the base.(GOV.UK) This will affect, for example, any future proposals for dual-use infrastructure by other partners, including India, China or Gulf states, or for large-scale commercial developments on outer islands.

▶ Environmental and MPA obligations.

The Agreement and associated letters commit the UK to recognise the Chagos Archipelago as part of Mauritius in multilateral environmental regimes such as the Ramsar Convention and to collaborate on the management of the Ramsar site on Diego Garcia.(GOV.UK) At the same time, Mauritius assumes responsibility for ensuring that any development or resettlement in the archipelago, including in or near the 640,000 km² marine protected area, complies with its international environmental obligations. Recent ecological studies emphasise the conservation value of the MPA for highly mobile species such as sea turtles, manta rays and seabirds.(Oceanographic)

▶ Final settlement of claims.

Article 11(3) states that the Agreement constitutes the "full and final settlement" of all Mauritian claims in relation to Chagos, closing off further bilateral compensation demands against the UK.(GOV.UK) This raises the stakes for how Mauritius uses the new revenue streams to support Chagossian communities and outer-island development, given the long history of dispossession and the continuing calls from human rights organisations for reparations and meaningful return options.(Human Rights Watch)

> *UN General Assembly resolution 73/295 affirmed that the Chagos Archipelago "forms an integral part of the territory of Mauritius", crystallising the legal foundation for the 2025 Agreement.(Digital Library)*

Taken together, the legal, political and economic dimensions of Chagos' return confirm why this issue cannot be treated as a narrow bilateral settlement. For Mauritius, the 2025 Agreement completes formal decolonisation, secures substantial predictable revenues and embeds the country as a pivotal actor in Indian Ocean security networks – but also ties its hands in some domains and creates sharp expectations from Chagossians and the wider international community. The next chapters of the report will examine how Mauritius can translate these new rights and resources into a coherent geo-economic strategy vis-à-vis the United States, India, China, France and its regional partners.

3. From EEZ to Ocean Economy: Quantifying Mauritius' New Endowment

The return of the Chagos Archipelago and the consolidation of maritime claims have transformed Mauritius from a land-scarce island state into the steward of a very large ocean space. The country now exercises, or is poised to exercise, jurisdiction over millions of square kilometres of sea and seabed, including one of the world's largest no-take marine protected areas and a vast jointly managed extended continental shelf on the Mascarene Plateau.(State Department)

This chapter quantifies that endowment along three dimensions. Section 3.1 maps the expanded Exclusive Economic Zone (EEZ) and associated maritime zones. Section 3.2 assesses the productive and ecological value of living marine resources, with particular emphasis on the Chagos Marine Protected Area. Section 3.3 looks beyond living resources to the "infrastructure and subsoil" layer of the ocean economy: subsea cables, seabed minerals and offshore renewable energy potential.

3.1 Mapping the expanded EEZ and maritime zones

Mauritius' land area is modest – around **2,040 km²** spread across the main island, Rodrigues and a number of smaller islands – but the ocean space over which it now has, or shares, jurisdiction is vast.(Cummins Inc.) The Government claims an EEZ of approximately **2.3 million km²** in the south-west Indian Ocean, although for many years only about **1.3 million km²** of this was undisputed, with the balance linked to contested zones around the Chagos Archipelago and Tromelin.(State Department)

The 2019 advisory opinion of the International Court of Justice, the subsequent UN General Assembly resolution 73/295, and the 22 May 2025 UK–Mauritius Agreement recognising Mauritian sovereignty over Chagos change this picture fundamentally.(Taylor & Francis Online) They consolidate Mauritius' position as the coastal State for the archipelago, its surrounding EEZ and the associated 640,000 km² marine protected area.(Wikipedia)

In parallel, Mauritius and Seychelles jointly exercise sovereign rights over an **extended continental shelf (ECS)** in the Mascarene Plateau region. The Joint Management Area (JMA) covers roughly **396,000 km²** of seabed and subsoil beyond 200 nautical miles, approved by the UN Commission on the Limits of the Continental Shelf in 2011 and governed by a 2012 joint-management treaty.(Fisheries and Agriculture Ministry) This JMA is widely described as the world's largest jointly managed maritime zone.(UNDP)

Taken together, these zones mean that a polity of around 1.26 million people is now responsible for a mosaic of maritime spaces whose combined area runs into several million square kilometres. Table below summarises the main elements of this endowment.

Table 1 Mauritius' main maritime zones and ocean related jurisdictions

Zone / jurisdiction	Approximate area (km²)	Legal basis / status	Key features and implications
Land territory (Mauritius, Rodrigues, outer islands)	2,040	Sovereign territory	High population density and land scarcity; coastal infrastructure and tourism concentrated here. (Cummins Inc.)
Undisputed EEZ (pre-Chagos settlement)	~1,300,000	EEZ under UNCLOS; areas not subject to overlapping claims	Basis for long-standing fisheries, port services and marine tourism. (State Department)
Claimed EEZ (including Chagos, Tromelin)	~2,300,000	Full EEZ claim under UNCLOS; historically contested but increasingly recognised	Implies an EEZ roughly 1,100 times the land area; treaty with UK resolves Chagos component. (State Department)
Chagos Marine Protected Area (no-take zone)	640,000	No-take marine protected area declared 2010; now to be administered under Mauritian sovereignty	One of the world's largest MPAs; strict ban on commercial fishing and extraction; major ecological asset. (Wikipedia)

Zone / jurisdiction	Approximate area (km²)	Legal basis / status	Key features and implications
Extended Continental Shelf – Mascarene Plateau JMA	396,000	Joint ECS beyond 200 nm recognised by CLCS; joint management treaty with Seychelles	Largest jointly managed maritime zone globally; potential hydrocarbons and minerals; model of shared governance. (Fisheries and Agriculture Ministry)

These figures highlight the asymmetry between Mauritius' land and sea. Even if we focus only on the undisputed EEZ, the ratio of ocean to land is roughly 640:1; if we take the full claimed EEZ, the ratio is closer to 1,100:1.(Cummins Inc.) The Chagos MPA alone is **more than 300 times larger than Mauritius' land area**, and the joint ECS on the Mascarene Plateau adds another jurisdictional layer that extends Mauritian rights over seabed resources far beyond 200 nautical miles.

From a geo-economic perspective, this is no longer a supplementary space. It is the primary spatial asset of the state, and any credible growth strategy must start from the question of how these ocean jurisdictions are governed, monetised and protected.

3.2 Fisheries, ecosystems and the Chagos Marine Protected Area

3.2.1 The scale of Mauritius' marine living resources

Mauritius is not a major fishing nation by global standards, but marine resources play an important role in food security, employment and linkages with tourism and processing. According to the FAO Fishery and Aquaculture Country Profile, **capture fisheries production reached about 33,000 tonnes in 2022**, dominated by offshore tuna fisheries; skipjack and yellowfin tuna alone account for around **40 per cent of the catch**.(FAOHome) World Bank data indicate that aquaculture output, while still modest, reached about **1,545 tonnes** in 2022.(World Bank Open Data)

Per capita fish consumption is high by African standards. FAO estimates that Mauritians consumed about **28.9 kg of fish per person per year in 2019**, significantly above the African average of roughly 10 kg.(FAOHome) A dedicated FAO fish consumption survey found that fresh and frozen fish accounted for 23.1 kg per person per year, with a further 16.8 kg from other fishery products, underlining the centrality of seafood in local diets.(Open Knowledge FAO)

Economically, the fisheries sector is relatively small in GDP terms but significant in distributional and regional terms. The Government's **Policy for the Blue Economy in Mauritius** describes the fisheries sector as contributing "some 1 percent to GDP",(FAOLEX) which is broadly consistent with recent analytical work placing the contribution of fisheries (excluding coastal tourism and ports) at below 1 per cent of national value added.(ScienceDirect) By contrast, the wider ocean economy – including tourism, ports and marine services – is estimated to account for over **10.5 per cent of GDP** and more than 20,000 direct jobs.(WTO Chairs)

These indicators are summarised in Table below.

Table 2 Selected indicators of Mauritius' marine fisheries and seafood economy

Indicator	Value	Year	Source / note
Capture fisheries production	≈ 33,000 tonnes	2022	FAO Fishery & Aquaculture Country Profile: Mauritius.(FAOHome)
Share of tuna (skipjack & yellowfin) in capture catch	≈ 40% of total catch	2022	FAO notes skipjack and yellowfin as 40% of Mauritian catch.(FAOHome)
Aquaculture production	1,545 tonnes	2022	World Bank aquaculture production indicator (ER.FSH.AQUA.MT).(World Bank Open Data)
Fisheries sector contribution to GDP	"some 1 percent" of GDP	~2020	Government/FAO Blue Economy policy paper.(FAOLEX)
Per capita fish consumption (all fishery products)	≈ 28.9 kg/person/year	2019	FAO Country Profile; consistent with earlier surveys of 23.1 kg fresh/frozen + 16.8 kg other.(FAOHome)
Ocean economy share of national GDP (all marine sectors)	>10.5 per cent of GDP	~2020	World Bank and subsequent blue-economy analyses.(World Bank)

In global context, Mauritius is a price-taker and rule-taker: worldwide capture fisheries landings are of the order of **81 million tonnes** in marine areas and **92–93 million tonnes** in total, while global fisheries and aquaculture production reached a record **223.2 million tonnes in 2022**.(Africa Blue Economy) The country's comparative advantage lies less in absolute catch volumes and more in the quality of its marine ecosystems, the strategic location of its ports and its ability to capture higher value-added segments of tuna and seafood value chains.

For Mauritius' geo-economic strategy, this means that the main question is not how to turn the country into a large fishing nation, but how to use fisheries policy, blue-food value chains and marine conservation as levers for broader economic and diplomatic objectives.

3.2.2 The ecological and strategic value of the Chagos Marine Protected Area

The Chagos Marine Protected Area (MPA) is central to this question. Declared in 2010 as a large "no-take" reserve, it covers roughly **640,000 km²** of ocean – an area comparable to France or California – encompassing seven atolls and about 70 small islands.(Wikipedia) All commercial fishing and extractive activities are banned within the MPA (with limited exceptions around Diego Garcia to accommodate the base's supply needs), making it one of the largest strictly protected marine areas in the world.(Chagos Conservation Trust)

Recent scientific work underscores its ecological value. A 2025 study of satellite-tracked sea turtles, manta rays and seabirds found that **95 per cent of tracking locations fell within the 640,000 km² MPA**, suggesting that its scale is sufficient to cover the core movements of diverse mobile megafauna.(Oceanographic) Long-term research projects funded by conservation foundations describe the archipelago as a "planetary-scale laboratory" for understanding near-pristine reef ecosystems in the absence of intensive human pressure.(University of Plymouth)

At the same time, the MPA has been politically contentious. The original designation was challenged by Mauritius through UNCLOS arbitration, where the tribunal held in 2015 that the UK had failed to give "due regard" to Mauritius' rights and interests.(World Bank Open Data) Chagossian communities have argued that a strict no-take designation is incompatible with their right to return and to pursue subsistence fishing.(Wikipedia)

The 2025 sovereignty agreement creates an opportunity – and an obligation – for Mauritius to redesign the governance of the MPA. Policy choices will need to balance at least four objectives:

1. **Biodiversity conservation and climate resilience**, recognising the MPA's contribution to global "30×30" targets and its role as a refuge for coral reefs and pelagic species;(PIPAP)
2. **Chagossian rights and livelihoods**, including possibilities for carefully managed resettlement and community-based fisheries in parts of the archipelago;(Commission de l'océan Indien)
3. **Regional tuna management**, given that the surrounding waters are important for Indian Ocean tuna stocks under the IOTC regime;(FisheryProgress)
4. **Security considerations** linked to the Diego Garcia base and associated surveillance and monitoring systems.(FAOHome)

From a geo-economic standpoint, the Chagos MPA is not simply an environmental asset; it is also a bargaining chip that can underpin climate finance, blue-carbon transactions and high-end eco-tourism

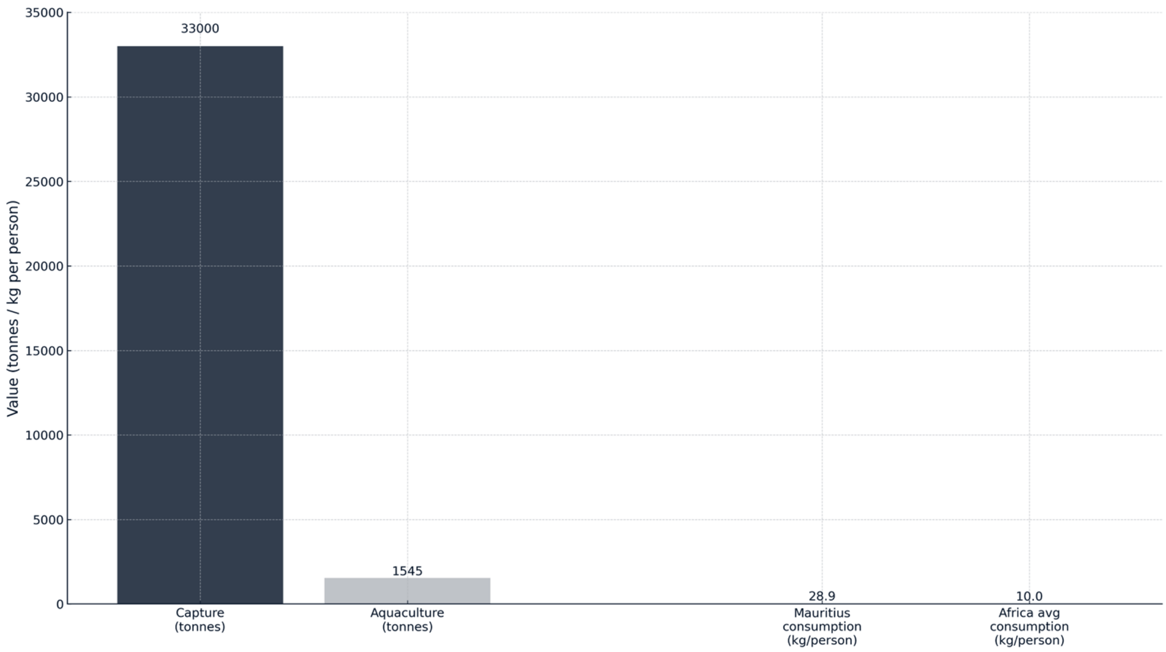


Figure 5 Mauritius fisheries and fish consumption

partnerships, provided that Mauritius maintains credibility as a responsible manager of a globally significant marine ecosystem.

3.3 Subsea cables, seabed minerals and offshore energy potential

Mauritius' ocean endowment is not restricted to fish, reefs and tourism. The EEZ and extended continental shelf also host critical digital infrastructure and potential energy and mineral resources. For a services-oriented, investment-dependent economy, these intangible ocean assets are increasingly as important as living resources.

3.3.1 Subsea cables and the digital ocean

Mauritius is unusually well connected to international fibre-optic networks for a small island state. Mauritius Telecom and other operators rely on an "extensive subsea cable network" that includes **SAFE, LION/LION2, MARS, METISS and T3**, all with landing points or points of presence in Mauritius.(MyT)

Key systems include:

- **SAFE (South Africa Far East)**, a 13,500 km cable commissioned in 2002 that links South Africa to India and Malaysia via Réunion and **Baie Jacotet, Mauritius**; initially designed for 10 Gbps and later upgraded to 130 Gbps.(Submarine Networks)
- **LION / LION2 (Lower Indian Ocean Network)**, about 1,000–1,060 km connecting Madagascar, Réunion and Mauritius, with an initial design capacity of **1.28 Tbps** and in service since 2009–2010.(Submarine Networks)
- **METISS (Melting Pot Indianoceanic Submarine System)**, a 3,200 km cable linking Mauritius to South Africa, with branching units to Réunion and Madagascar and a design capacity of **24 Tbps**.(Submarine Networks)
- **MARS (Mauritius–Rodrigues Submarine Cable)**, roughly 700 km with a design capacity of **16 Tbps**, in service since 2019, providing the first high-capacity link between Mauritius and Rodrigues.(Wikipedia)
- **T3**, a 3,200 km cable linking Baie Jacotet to Amanzimtoti in South Africa, with **four fibre pairs** and a design capacity of **18 Tbps** (54 Tbps system capacity in some technical descriptions), ready for service in 2023.(Submarine Networks)

These systems collectively give Mauritius a level of international bandwidth and route diversity that is unusual among African small island states. Policymakers see this as foundational for ambitions in cloud services, fintech and digital trade, but it also has a geo-economic dimension: subsea cables are now recognised as critical infrastructure whose location and redundancy affect national resilience, cybersecurity exposure and diplomatic leverage.(Homepage | Joint SDG Fund)

The Commissioning of T3 and planned T4 (to replace SAFE with vastly increased capacity) show that Mauritius intends to position itself as a resilient node between Africa and Asia.(Data Center Dynamics) In the context of an enlarged EEZ, this raises questions about how cable routes, landing stations and data centres are regulated, secured and potentially leveraged in negotiations with major powers and technology firms.

3.3.2 Seabed minerals and the joint extended continental shelf

Below the water column, the Mascarene Plateau and adjacent deep-sea regions are drawing increasing attention from governments and industry. The **Joint Management Area (JMA)** of Mauritius and Seychelles covers around **396,000 km²** of extended continental shelf, and is widely seen as an area of potential hydrocarbons and seabed minerals.(Fisheries and Agriculture Ministry)

Globally, the International Seabed Authority (ISA) has issued multiple exploration contracts for polymetallic nodules and sulphides along the Southwest and Central Indian Ridges.(ISA) While these contract areas lie beyond national jurisdiction, commentators note that parts of the broader Mascarene Plateau, at depths over 9,000 feet, could be technically suitable for future mining, and that exploration companies have shown interest in rare-metal deposits in the wider region.(Deep Sea Reporter)

Mauritius has already begun to explore the policy implications. Reports describe a seabed mining bill under preparation and investment promotion efforts targeting seabed exploration, while public statements by Mauritian and Seychellois officials stress a "precautionary" approach to deep-sea mining given ecological uncertainties.(Fondas Kréyol)

For geo-economic strategy, the key questions are:

- whether Mauritius sees the JMA primarily as a **carbon-constrained, high-value ecological asset** (for example, by prioritising conservation and blue-carbon finance), or as a long-term **option on critical minerals**; and
- how any move towards exploration would sit with the country's climate diplomacy, blue-economy branding and commitments under global biodiversity frameworks.

Given the scale of the JMA, even a small, carefully regulated development could be material for national revenues – but so too could a reputational shock from poorly governed mining.

▸ 3.3.3 Offshore renewable energy potential

The same ocean space offers large opportunities in offshore renewable energy. A **Marine Energy Roadmap for Mauritius** and subsequent technical work identify offshore wind, wave, tidal and other marine resources as significant medium-term options.(Public Utilities) Modelling of wave energy flux suggests potential power densities of around **20 kW/m** along the east and south coasts and **10 kW/m** in the west and north, indicating that the eastern and southern offshore regions are most favourable for wave-energy extraction.(European Economic and Social Committee)

On the wind side, Mauritius' **Renewable Energy Roadmap 2030** foresees a first tranche of **50 MW of offshore wind capacity** to be implemented between 2026 and 2030 as part of a broader energy-transition plan.(Homepage | Joint SDG Fund) A recent systems-modelling study for a 100 per cent renewable energy scenario uses 10 × 10 MW offshore turbines as a reference configuration and underscores that offshore wind and marine renewables will be needed alongside solar PV and storage if Mauritius is to reach ambitious decarbonisation targets.(ScienceDirect)

Highlighted quote
Mauritius' Minister for Energy has argued that the island "has significant potential for offshore wind and marine renewables due to its Exclusive Economic Zone of 2.3 million square kilometres, one of the world's largest continental shelves."(Homepage | Joint SDG Fund)

The challenge is not resource scarcity but project economics and regulatory capacity. Offshore projects require long-term power-purchase arrangements, robust maritime spatial planning and careful integration with other uses of the EEZ – from shipping and fisheries to environmental protection and military activities around Chagos.(E€OFISH Programme)

In sum, Mauritius' "new endowment" after the Chagos settlement is not just an extra piece of real estate in

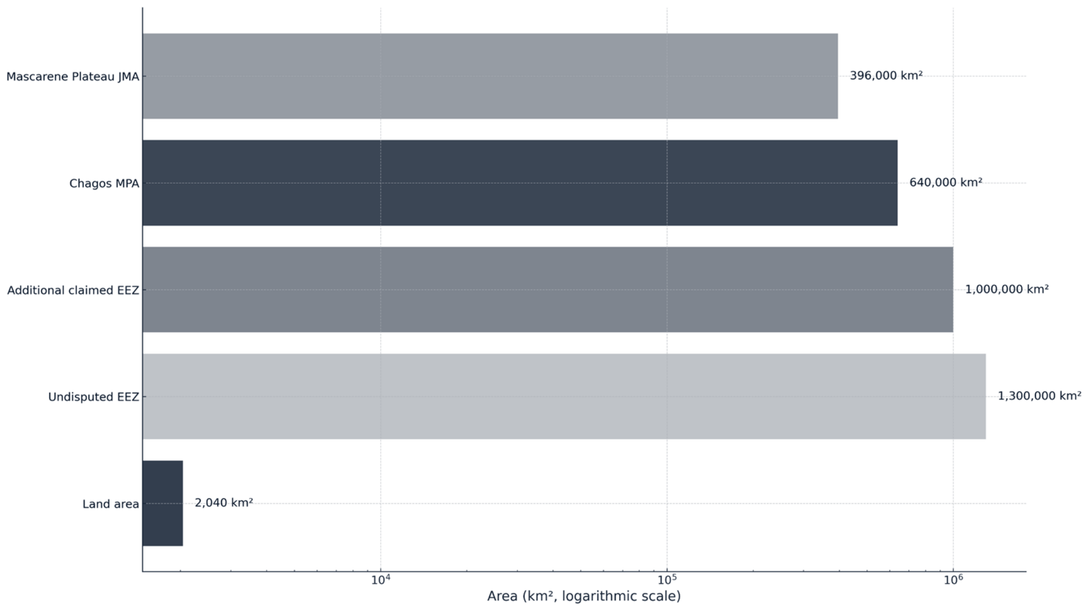


Figure 6 Mauritius' Multi-Layered Ocean Endowment

the middle of the Indian Ocean. It is a complex portfolio of ocean space, ecosystems, digital arteries, potential mineral and energy resources, and associated international obligations. The next chapters will translate this quantified endowment into a geo-economic strategy towards the United States, India, China, France and regional partners – asking, in each case, how Mauritius can leverage its large ocean assets without compromising environmental integrity or strategic autonomy.

4. The United States and the Diego Garcia Coct: Security as Geo Economic Asset

The 2025 Chagos sovereignty settlement has entrenched Mauritius at the heart of a triangular security relationship linking Port Louis, London and Washington. Diego Garcia remains a joint UK–US military base, but it now operates on territory internationally recognised as Mauritian, under a 99-year authorisation from Mauritius to the United Kingdom.(GOV.UK) For Mauritius, this is not only a strategic reality but a geo-economic opportunity: the base underpins substantial financial flows, development guarantees and potential dual-use infrastructure that can be deployed in support of its ocean-economy strategy.

4.1 Strategic role of Diego Garcia in the US Indo-Pacific posture

Diego Garcia is the largest island in the Chagos Archipelago, with around 30 km² of land and a rotating population of some 4,200 military personnel and contractors.(Wikipedia) Geographically, it sits near the geographic centre of the Indian Ocean sea-lanes: roughly 3,535 km east of Tanzania, 2,984 km east-south-east of Somalia, 726 km south of the Maldives, 1,796 km south-west of India, 4,723 km north-west of Australia and 2,112 km north-east of Mauritius.(Wikipedia) This allows US and UK forces based there to reach the Gulf, East Africa and South Asia within one bomber sortie or a few days' steaming time, while remaining far from hostile land-based threats.

From the 1970s onwards, US planners have described Diego Garcia as the "Malta of the Indian Ocean" and, later, an "unsinkable aircraft carrier", underlining its value as a forward operating hub for power projection into the Middle East, Central and South Asia and across the wider Indian Ocean.(Wikipedia) A 2010 analysis by Erickson and Ladwig argued that improved facilities and pre-positioning at Diego Garcia "significantly enhanced America's capability to project power into the Indian Ocean littoral".(Andrew Erickson) During the first and second Gulf Wars, the Afghanistan campaign and operations in Iraq and Libya, long-range bombers and carriers based on, or supported from, Diego Garcia played a central role.(DS Alert)

Official US documentation is explicit about this role. The US Navy describes Navy Support Facility Diego Garcia as providing "logistic support to operational forces forward deployed to the Indian Ocean and Persian Gulf areas of responsibility in support of national policy objectives."(cnrj.cnic.navy.mil) A recent Congressional Research Service survey of overseas basing notes that NSF Diego Garcia "provides logistical support for forces operating in and around the Persian Gulf and Indian Ocean, and hosts a maritime pre-positioning squadron".(Congress.gov)

Since 2001, the base has been one of only two critical bomber hubs in the broader Indo-Pacific, alongside Andersen Air Force Base on Guam.(Wikipedia) B-1B, B-2 and B-52 bombers flew combat sorties from Diego Garcia in support of Operation Enduring Freedom in Afghanistan, Operation Iraqi Freedom and later strikes against Islamic State and Houthi targets, demonstrating the island's ability to sustain high-intensity air operations over extended periods.(DS Alert) In April and May 2025, open-source imagery and specialist defence reporting confirmed the deployment of around six B-2 stealth bombers – roughly 30 per cent of the US fleet – to Diego Garcia, signalling the base's continuing role in high-end deterrence vis-à-vis Iran and its proxies.(Air & Space Forces Magazine)

For the United States, therefore, Diego Garcia is a non-substitutable strategic asset: it anchors the long logistics chain that sustains US naval and air presence in the Arabian Sea and Indian Ocean, offers a hardened bomber platform outside the range of many regional anti-access systems, and provides secure facilities for surveillance, communications and pre-positioned stocks.(Walter Ladwig)

For Mauritius, the same attributes create both leverage and risk. Any threat to the island, or to the freedom of navigation in its surrounding waters, would immediately engage US and UK security interests. Yet the presence of such a significant military facility also makes Mauritius part of the strategic depth of US Central Command and Indo-Pacific Command, with all the diplomatic sensitivities that entails vis-à-vis China, Iran and some African and Gulf partners.

Table 3 Diego Garcia's location relative to selected regional littorals

Reference point (approximate)	Distance from Diego Garcia (km)	Strategic relevance
Tanzania (east coast)	3,535	Access to East African seaboard and Mozambique Channel.(Wikipedia)
Somalia (east-south-east)	2,984	Coverage of Gulf of Aden and western Indian Ocean piracy corridors.(Wikipedia)
Maldives (south)	726	Proximity to central Indian Ocean SLOCs and Malé.(Wikipedia)
Indian mainland (south-west)	1,796	Reach into peninsular India and Arabian Sea.(Wikipedia)
Australia (north-west)	4,723	Links to Indo-Pacific maritime arc and AUKUS partners.(Wikipedia)
Mauritius (north-east)	2,112	Illustrates geographic separation from, but political linkage to, Mauritius.(Wikipedia)

These distances make clear why think-tank and media commentary routinely refer to Diego Garcia as "irreplaceable to US grand strategy" and an "unsinkable aircraft carrier" in the Indian Ocean.(Foreign Policy In Focus)

Figure 7 Distances from Diego Garcia to Key Littorals

4.2 Structure and economics of the base lease and related flows

The 22 May 2025 **Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Mauritius concerning the Chagos Archipelago including Diego Garcia** does three things of direct relevance to the United States.(GOV.UK)

First, it confirms that Mauritius is sovereign over the Chagos Archipelago "in its entirety, including Diego Garcia" (Article 1).(GOV.UK) Second, as sovereign, Mauritius authorises the United Kingdom to exercise "all rights and authorities that the UK requires for the long-term, secure and effective operation of the military base" for at least 99 years after entry into force, with options for extension (Article 2).(GOV.UK) This preserves the effectiveness of the 1966 US–UK arrangements governing US access and operational control, while placing them on a foundation consistent with the 2019 International Court of Justice advisory opinion and subsequent UN General Assembly resolution.(Wikipedia)

Third, the treaty establishes a **financial and development compact** between the UK and Mauritius, closely linked to the base's continued operation but with significant geo-economic implications. An exchange of letters and subsequent parliamentary scrutiny confirm that the UK will provide:(UK Parliament)

- an annual *base-related* payment of £165 million for each of the first three years, followed by £120 million per year for the next ten years, indexed to UK inflation from year 14 onwards;
- a one-off £40 million contribution to a trust fund for Chagossians; and
- a £45 million annual development grant for 25 years to support projects that promote "the ongoing economic development and welfare of Mauritius and its people."

Table below summarises these flows over the first 25 years of the Agreement, ignoring post-year-13 indexation for simplicity.

Table 4 UK financial commitments under the Chagos–Diego Garcia Agreement (first 25 years, nominal)

Component	Amount and timing	25-year nominal total (£ million)	Notes
Base-related annual payment	£165m per year (Years 1–3); £120m per year (Years 4–13)	1,695	Article 11 and exchange of letters; inflation indexation from Year 14 not included here.(UK Parliament)
Development grant	£45m per year for 25 years	1,125	Earmarked for projects promoting economic development and welfare.(UK Parliament)
Chagossian Trust Fund	One-off contribution in Year 1	40	To be established under Mauritian law for benefit of Chagossians.(UK Parliament)
Total identifiable cash flows (Years 1–25)		2,860	Excludes indexation after Year 13 and any additional programme-specific funding.

These figures sit alongside press estimates of an overall deal cost in the region of **£3.2–3.4 billion** once indexation and longer-term flows are included, underlining the political salience of the package in UK fiscal debates.(The Guardian)

For Mauritius, the macroeconomic significance is best understood relative to national income. World Bank and IMF estimates put nominal GDP at around **US$14.95 billion in 2024**, rising towards US$15.7 billion in 2025.(World Bank Open Data) Using an average 2024 exchange rate of roughly **US$1.28 per £1**,(X-Rates) the initial £165 million base payment is equivalent to about **US$210.9 million**, or approximately **1.4 per cent of Mauritius' 2024 GDP**. The subsequent £120 million annual payment converts to about **US$153 million**, just over **1 per cent of GDP** at 2024 levels.

In other words, even before taking account of the £45 million annual development grant, base-linked transfers alone will account for well over one percentage point of GDP per year in the early phases of the Agreement – comparable to, or larger than, many individual budget lines in Mauritius' fiscal framework.

From a geo-economic perspective, three aspects are particularly important:

First, the flows are **predictable and long-term**, which makes them suitable for securitisation or for endowing a sovereign "Ocean Future Fund" to finance climate adaptation, blue-economy infrastructure and Chagossian resettlement.

Second, the development grants are accompanied by expectations of UK business participation, which could be aligned with Mauritius' priorities (for example, in green ports, research vessels or marine surveillance) or could instead tilt procurement towards UK suppliers without maximising local spill-overs, depending on how project pipelines are managed.(De Maribus)

Third, the flows are explicitly linked to the **continued secure and effective operation of the base**; any serious deterioration in the political relationship, or in perceptions of Mauritius as a reliable security partner, could jeopardise them. This gives Port Louis strong incentives to maintain a stable, rules-based environment around Diego Garcia and to manage other external relationships – including with China and Gulf states – in a way that does not trigger security concerns in London and Washington.(RealClearDefense)

4.3 Leveraging defence cooperation for dual-use infrastructure and skills

For now, the economic value of Diego Garcia for Mauritius comes mainly via UK fiscal transfers rather than local activity: the base does not sit within Mauritian tax jurisdiction, and the treaty preserves UK and US operational control.(GOV.UK) Over time, however, Mauritius has scope to convert security cooperation into broader dual-use gains in infrastructure, technology and skills.

The logistics chain sustaining the base is long and complex. Diego Garcia is the "last link in the long logistics chain" that supports permanent US and British naval presence in the Indian Ocean and North Arabian Sea, with maritime pre-positioning squadrons and regular supply shipments.(cnrj.cnic.navy.mil) Much of this traffic currently bypasses Mauritian territory. Through targeted agreements and regulatory reforms, Port Louis could position its ports, ship-repair facilities and aviation services as preferred waypoints for some classes of vessel and aircraft, particularly for maintenance and crew rest, in ways consistent with the treaty's security restrictions.

Similarly, the monitoring and protection of Chagos' marine environment and maritime approaches will demand sustained investment in **maritime domain awareness (MDA)**: coastal radar, satellite imagery, patrol vessels, drones and data-fusion centres. India has already rolled out coastal surveillance radar systems across parts of the Indian Ocean under its SAGAR vision, including Mauritius;(maritimeindia.org) the Diego Garcia compact gives Port Louis strong arguments for complementary investments by the United States and the United Kingdom in MDA systems that are explicitly dual-use, supporting both defence and civilian functions such as search and rescue, fisheries control and environmental monitoring.

On the human-capital side, the base offers a potential pipeline of training and technology transfer. Over time, Mauritius could negotiate expanded access for its coast guard, navy and technical agencies to courses in logistics management, cyber security, oceanographic data analysis and emergency response, delivered either through in-country programmes or at US and UK institutions. Given the island's ambitions in financial services and digital trade, there is also scope to explore cyber-security cooperation related to undersea cables and data centres, integrating defence-grade standards into civilian infrastructure.(World Bank Open Data)

In all these areas, the key is to treat Diego Garcia not simply as a fixed military fact, but as an anchor for a wider **security-and-prosperity bargain**: one in which Mauritius provides a predictable and legally robust environment for allied operations, and in return secures resources and expertise to build a resilient, high-skill ocean economy.

5. India: Strategic Partner, Diaspora Power and Indo-Pacific Linchpin

If the United States represents Mauritius' principal security guarantor via Diego Garcia, India is its closest strategic and societal partner. The relationship blends shared history and culture – more than two-thirds of Mauritians are of Indian origin – with deep commercial, financial and defence ties.(Wikipedia) In the wake of the Chagos settlement, India has moved quickly to anchor its role: in September 2025 it announced a **US$680 million economic and security assistance package**, including support for the development and monitoring of the Chagos Marine Protected Area and the redevelopment of Port Louis harbour.(Reuters)

This chapter examines India's role in Mauritius' geo-economic strategy. Section 5.1 reviews historical, commercial and financial linkages. Section 5.2 analyses India's SAGAR vision and how maritime security cooperation now extends into Chagos. Section 5.3 considers how Indian finance and technology can be aligned with Mauritius' ocean-economy priorities.

5.1 Historical, commercial and financial linkages

Links between India and Mauritius pre-date the latter's independence. Indian indentured labourers arrived in large numbers from the 1830s onwards; by 2011, persons of Indian origin accounted for around **65.7 per cent** of the population, with contemporary estimates often citing "nearly 70 per cent".(Wikipedia) An official Indian government compendium on overseas Indians records approximately **884,000 Persons of Indian Origin (PIOs)** and **10,500 Non-Resident Indians (NRIs)** in Mauritius, out of a total population just under 1.3 million.(MEA India)

Diplomatic relations were established in 1948, two decades before Mauritian independence, and the relationship has since been framed as one of "special and unique" partnership.(Wikipedia) India has consistently supported Mauritius in international fora, including on the Chagos question, and Mauritius has backed India's positions on terrorism, piracy and broader Indian Ocean security.(Wikipedia)

Economically, the relationship has three pillars:

▶ Trade.

India has been among Mauritius' largest trading partners since at least the mid-2000s. Indian government data show that bilateral trade expanded from **US$206.76 million in 2005/06** to around **US$554.19 million in FY 2022/23**, an increase of about 132 per cent.(MEA India) Indian exports to Mauritius were **US$462.69 million** in FY 2022/23, with Mauritian exports to India at **US$91.50 million**.(MEA India) Over the calendar years 2019–2024, Indian exports to Mauritius fluctuated between US$405 million and US$808 million, reflecting shifts in petroleum product shipments and the pandemic shock, but remained sizeable relative to the Mauritian economy.(hcimauritius.gov.in)

▶ Investment and finance.

For many years Mauritius was India's largest single source of inward foreign direct investment (FDI), owing to the 1982 Double Taxation Avoidance Agreement and its subsequent use as a holding-company jurisdiction. Cumulative FDI from Mauritius to India between 2000 and 2022 amounted to around **US$161 billion**, accounting for roughly **26 per cent** of total inflows.(MEA India) While the 2016 and 2024 protocols to the tax treaty have curtailed treaty-shopping and shifted some flows to Singapore and other centres, Mauritius remains a significant investment partner and a platform for India-Africa investment strategies.(Tax Justice Network)

▶ Development cooperation.

India has extended multiple lines of credit and grants to Mauritius for infrastructure and security projects, including the **MCGS Barracuda** – the first warship exported by an Indian shipyard – financed through a US$10 million grant and a US$48.5 million Exim Bank line of credit,(Wikipedia) and the **Metro Express** light-rail system, where India financed key phases of the Port Louis–Curepipe line.(Wikipedia)

The depth of these links is summarised in Table below.

Table 5 Selected indicators of India–Mauritius economic and societal linkages

Dimension	Indicator / value	Source
Diaspora	884,000 PIOs and 10,500 NRIs in Mauritius (total 894,500 overseas Indians)	Indian MEA Overseas Indians compendium.(MEA India)
Share of Indian-origin population	Approximately 65.7–70% of Mauritian population	2011 census data and official bilateral briefs.(Wikipedia)
Bilateral trade (FY 2022/23)	Indian exports to Mauritius: US$462.69m; Mauritian exports to India: US$91.50m; total: US$554.19m	Indian MEA and subsequent summaries.(MEA India)
Growth in trade since 2005/06	From US$206.76m (2005/06) to US$554.19m (2022/23), +132%	MEA bilateral brief.(MEA India)
Cumulative FDI from Mauritius	≈ US$161bn into India (2000–2022), around 26% of total inflows	MEA and Government of India investment statistics.(MEA India)
Recent Indian assistance package	US$680m in grants and lines of credit announced September 2025, focused on infra and maritime security	Reuters and Indian media reports.(Reuters)

For Mauritius, this combination of diaspora ties, trade, FDI and concessional finance makes India not only a critical partner but also a gatekeeper of reputational risk: any deterioration in India's perception of Mauritius as a trusted financial and strategic partner could have cascading effects on investment flows and regional standing.

5.2 India's SAGAR vision, maritime security and Chagos

India's maritime strategy in the Indian Ocean is encapsulated in the doctrine of **SAGAR – "Security and Growth for All in the Region"**, first articulated by Prime Minister Narendra Modi in March 2015 in Port Louis.(Wikipedia) The concept blends traditional security concerns with economic cooperation, connectivity and capacity-building across the Indian Ocean Rim.

In his SAGAR speech in Mauritius, Prime Minister Modi stated that India's goal was:

"to seek a climate of trust and transparency; respect for international maritime rules and norms by all countries".(Wikipedia)

This formulation – respect for rules, transparency and sensitivity to others' interests – is directly relevant to the Chagos context. India welcomed both the 2019 ICJ advisory opinion and the 2019 UN General Assembly resolution calling on the UK to end its administration of the archipelago, framing support for Mauritius as part of its broader commitment to decolonisation and a rules-based order.(OFX (US)) Following the signature of the 2025 UK–Mauritius agreement, India publicly hailed the treaty as a "significant milestone" and reaffirmed its readiness to work with Mauritius and

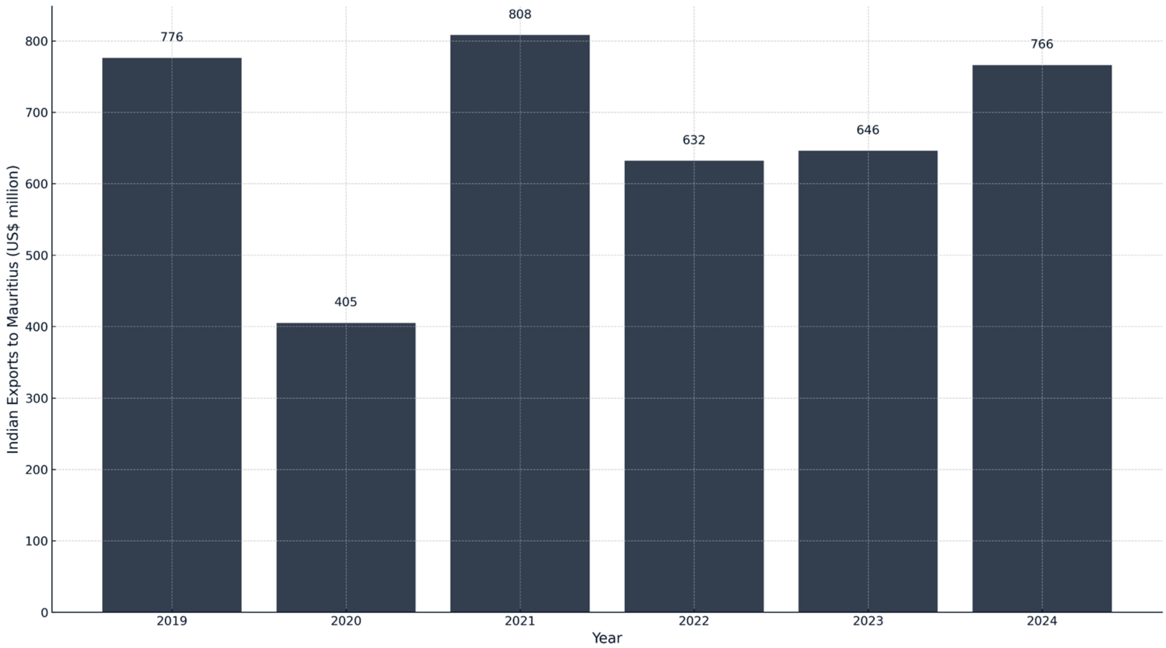


Figure 8 Indian Exports to Mauritius (2019–2024)

others to enhance maritime security and stability in the Indian Ocean.(The Times of India)

Operationally, India has long been a key security partner for Mauritius. The two countries conduct regular joint patrols, exercises and capacity-building missions; Indian officers have served as heads of the Mauritian Navy and as National Security Adviser; and Mauritius forms part of India's coastal radar and maritime domain awareness network.(Wikipedia) India has supplied patrol vessels, fast interceptor boats, Dornier maritime surveillance aircraft and helicopters, often financed through concessional lines of credit.(Wikipedia)

The **Chagos settlement has now become a focal point for this cooperation**. In September 2025, India announced a **US$680 million package** combining grants and lines of credit for Mauritius, explicitly including:(Reuters)

- redevelopment of Port Louis harbour;
- enhanced development and surveillance of the **Chagos Marine Protected Area**;
- maritime security capabilities, including helicopters and coastal surveillance; and
- broader social and healthcare infrastructure, including a new hospital and budgetary support.

Indian media reports emphasise that Mauritius, in turn, has expressed support for India's strategic interests in Chagos, including a symbolic Indian role in the monitoring of the MPA, thereby reinforcing India's presence close to Diego Garcia in a way that is politically acceptable to the United States and the United Kingdom.(The Economic Times)

For Mauritius, India's SAGAR-driven engagement offers three strategic benefits:

1. It **multilateralises** the security architecture of Chagos, ensuring that Mauritius is not solely reliant on UK and US interpretations of security needs.
2. It brings **additional finance and technology** into the surveillance and management of the MPA, potentially enabling a higher standard of environmental protection and maritime law enforcement.
3. It embeds Mauritius more deeply in India's Indo-Pacific diplomacy, including emerging concepts such as "MAHASAGAR" and the India–Africa growth corridor, which can be leveraged for broader economic gains.(Wikipedia)

The challenge is to ensure that Indian involvement complements, rather than complicates, the obligations and understandings Mauritian negotiators have reached with London and Washington under the Diego Garcia compact.

5.3 Aligning Indian finance and technology with Mauritius' ocean economy

Looking beyond security, the central question for Mauritius is how to channel Indian finance, technology and political support into its wider **large-ocean-state strategy**. Here, three domains stand out.

First, blue infrastructure and connectivity. India has a strong track record of financing and delivering major infrastructure in Mauritius through grants and lines of credit – from the Metro Express light-rail system to social housing, hospitals and educational facilities.(Wikipedia) The new US$680 million package, with its focus on Port Louis redevelopment and Chagos MPA surveillance, can be used to accelerate the modernisation of port, coast-guard and digital infrastructure.(Reuters)

From a geo-economic standpoint, Mauritius should seek to structure these projects as **dual-use assets** that simultaneously:

- improve commercial competitiveness (for example, via deeper berths, cold-chain facilities and digital port-community systems); and
- enhance security and environmental monitoring (through integrated MDA centres, vessel-traffic management and coastal radar).

Doing so would align Indian-financed assets with the requirements of both SAGAR and the Diego Garcia compact, reducing the risk of conflicting expectations among external partners.

Second, ocean-related research, training and technology. India has considerable capabilities in oceanography, satellite remote sensing, coastal zone management and renewable energy. Under the India–Mauritius framework agreements in marine science, space cooperation and renewable energy,(The Times of India) Port Louis could prioritise joint projects that directly support its ocean-economy strategy:

- shared research on reef resilience and blue-carbon ecosystems in and around Chagos;
- satellite-based monitoring of illegal, unreported and unregulated (IUU) fishing in the EEZ;
- pilot projects in offshore wind and wave energy, potentially leveraging Indian turbine and engineering firms.(World Economics)

Such cooperation would deepen Mauritian technical capacity while reinforcing India's narrative of being a "net security provider" and development partner in the Indian Ocean.(maritimeindia.org)

Third, financial intermediation and standards. Although the 2016 and 2024 protocols to the India–Mauritius tax treaty have reduced the scale of treaty-driven FDI, Mauritius remains an important route for Indian outbound investment into Africa and for African firms seeking Indian capital.(Tax Justice Network) As global tax standards evolve, Port Louis has an opportunity to re-position itself as a **clean, well-regulated platform** for blue-economy and green-transition finance, including Indian capital looking for sustainable projects in Africa and the wider Indian Ocean.

Aligning Indian financial flows with Mauritius' ocean economy could involve:

- designing dedicated **India–Mauritius Blue Finance facilities**, possibly backed by multilateral development banks, to co-finance port greening, coastal protection and marine renewables;
- using the credibility of Indian development banks and the Reserve Bank of India's green-bond framework as anchors for Mauritian sovereign or quasi-sovereign blue bonds;(World Bank Open Data)
- ensuring that projects financed from the US$680 million package and future lines of credit meet high environmental, social and governance standards, reinforcing Mauritius' branding as a responsible large ocean state.

In parallel, Mauritius must carefully manage the **politics of dependence**. India's role as a major investor, infrastructure financier and security partner gives it substantial influence. Yet Mauritius' strategic autonomy depends on avoiding over-reliance on any single external actor. That, in turn, requires transparent governance of Indian-financed projects, strong domestic technical capacity to appraise and manage them, and a willingness to diversify partners, including with France, the EU and credible multilateral institutions, in complementary roles.(Wikipedia)

Taken together, the United States and India thus anchor two pillars of Mauritius' geo-economic strategy: hard security, centred on Diego Garcia, and a dense web of diaspora-driven commerce, finance and capacity-building. The task for Mauritian policymakers is to weave these pillars into a coherent large-ocean-state strategy that maximises economic gains while guarding against environmental degradation and strategic over-dependence.

6. China: Trade, Investment and the Belt and Road in a Contested Ocean

China's role in Mauritius' geo-economic landscape has deepened markedly over the past two decades, and will inevitably become more sensitive now that the Republic commands a much enlarged ocean space and hosts, indirectly, one of the United States' most critical Indo-Pacific facilities at Diego Garcia. The China–Mauritius relationship is already anchored in dense merchandise trade, a path-breaking free trade agreement (FTA), and a growing web of financial and digital linkages. At the same time, Mauritius has so far avoided full alignment with Beijing's Belt and Road Initiative (BRI), seeking instead to leverage Chinese opportunities while preserving policy autonomy, debt sustainability and its strategic partnerships with India, the United States, France and the European Union.

6.1 The China–Mauritius Free Trade Agreement and investment trends

The Mauritius–China Free Trade Agreement (MCFTA), signed in October 2019 and in force since 1 January 2021, is China's first FTA with an African country.(saiia.org.za) It covers trade in goods, services, investment and economic cooperation, and is intended by both parties to be a platform for using Mauritius as a gateway into African and Indian Ocean markets, including via the African Continental Free Trade Area (AfCFTA).

On the goods side, the MCFTA significantly deepens market access beyond WTO commitments. Mauritius receives duty-free access for 8,547 tariff lines, representing 96 per cent of Chinese tariff lines.(adansoniafundmanager.com.sg) In practice, around 96.3 per cent of Chinese imports from Mauritius and 94.2 per cent of Mauritian imports from China will ultimately be subject to zero tariffs, covering roughly 92.8 per cent of the current bilateral trade volume.(Trade Lab) Sensitive products on both sides are excluded or phased in over longer time horizons.

Table 6 Key parameters of the Mauritius–China Free Trade Agreement

Parameter	China's commitments towards Mauritius	Mauritius' commitments towards China	Sources
Signing date	October 2019	October 2019	[SAIIA Policy Insight 127, 2021; BTI 2024](saiia.org.za)
Entry into force	1 January 2021	1 January 2021	[BTI 2024](BTI 2024)
Tariff lines liberalised (share of schedule)	c. 96% of tariff lines duty-free for Mauritian exports	c. 94% of tariff lines duty-free for Chinese exports	[MCCI Export Insights 2023; Adansonia/Trade briefs](MCCI)
Products with duty-free access	8,547 tariff lines	Broad coverage, with exclusions in sensitive sectors	[MCCI; MITCO FTA update](MCCI)
Sugar Tariff Rate Quota (TRQ)	Annual TRQ for 50,000 tonnes of Mauritian sugar at low tariffs	N/A	[MITCO; trade commentary based on MCFTA text](MITCO)
Coverage beyond goods	Commitments on services, investment & economic cooperation	Symmetric, with specific openings in financial & professional services	[SAIIA; ORF 2024](saiia.org.za)

Bilateral trade has responded, albeit from a low base on the export side. Official Chinese and Mauritian statements indicate that China–Mauritius goods trade exceeded USD 1 billion in 2023, with year-on-year growth of around 3.4 per cent.(People's Daily) From Mauritius' perspective, China is above all a major source of imports rather than a large export destination. WTO tariff and trade data for Mauritius show that in the latest reported year China accounted for 17.3 per cent of Mauritius' goods imports (USD 1.18 billion), just behind the European Union's 18.6 per cent share (USD 1.27 billion).(ttd.wto.org)

Table 7 Mauritius' merchandise imports by main partner (latest WTO profile, USD million

Partner / grouping	Share of Mauritius imports (%)	Import value (USD million)
European Union (EU)	18.6	1,273.9
China	17.3	1,181.9
United Arab Emirates	12.8	873.3
India	10.8	742.2
South Africa	7.4	509.8
Japan	3.3	223.0
Malaysia	2.0	135.7
United Kingdom	1.9	128.6
Brazil	1.9	127.4
Thailand	1.6	109.6
Rest of the world	22.5	1,541.6

Source: WTO Tariff and Trade Data, Mauritius profile.(ttd.wto.org)

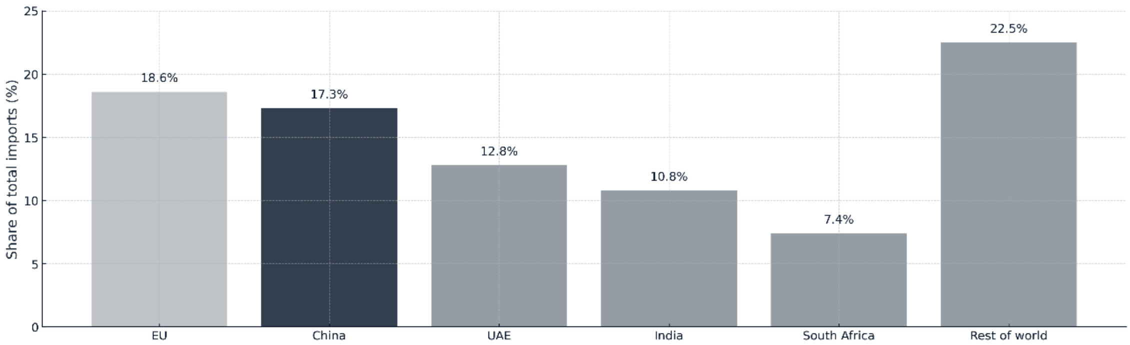
The WTO data broadly corroborate reporting by the Chinese and Mauritian authorities that China has become Mauritius' largest single national source of imports, with nearly 18 per cent of total imports originating in China.(People's Daily) By contrast, Mauritian exports to China remain modest, reflecting limited product diversification and scale constraints identified by local business surveys.(saiia.org.za)

Beyond trade, Chinese investment and financial engagement with Mauritius have grown steadily since the early 2000s. A regional study of Southern African Development Community (SADC) countries finds that Mauritius received some USD 931 million in Chinese loans and investment between 2000 and 2017, placing it eighth among SADC recipients.(CAHF) Flagship initiatives have included:

- The Jinfei Special Economic Zone, initially envisaged as a USD 750 million Chinese trade and logistics hub, though implementation has fallen short of early ambitions.(Reuters)
- A large "Safe City" surveillance and communications project, financed through a preferential buyer's credit from China Eximbank and implemented by Huawei, whose outstanding loan balance exceeded USD 65 million by mid-2021.(china.aiddata.org)
- Grants and debt relief, including a RMB 150 million grant for a special housing project and the write-off of MUR 450 million in Mauritian debt in 2016.(china.aiddata.org)

Financial connectivity is also deepening. In 2024 the People's Bank of China and the Bank of Mauritius signed a three-year bilateral currency swap agreement worth RMB 2 billion (around USD 281 million), intended to facilitate trade and investment in local currencies. (camlmac.pbc.gov.cn) Mauritius has also been designated an offshore renminbi clearing hub for Africa, further anchoring the island in China's financial outreach to the continent.(Mauritius Times)

From a geo-economic perspective, the MCFTA and associated financial instruments offer Mauritius tangible levers: preferential access to the Chinese market, a platform for Chinese and third-country firms to structure Africa-bound investment through the Mauritius International Financial Centre, and new funding channels for infrastructure and digital projects. The policy challenge is to translate these opportunities into diversified, higher-value exports and quality investment, rather than simply reinforcing import dependence and enclave projects.



Source: WTO

6.2 Prospective Belt and Road Initiative (BRI) engagement

Despite this dense economic relationship, Mauritius has been an outlier in Africa in not joining the Belt and Road Initiative. Analytical work on BRI membership and African participation has consistently listed Mauritius as a non-signatory well into the early 2020s, even as most of its regional peers signed BRI memoranda of understanding.(Quartz) Commentators have interpreted this stance as a signal of continued strategic alignment with India and a cautious approach to Chinese connectivity initiatives.(OUP Academic)

This position, however, appears to be evolving. In 2025, following the Chagos sovereignty settlement, China's ambassador in Port Louis publicly described the UK–Mauritius agreement as a "massive achievement" and declared that China "fully supports" Mauritius' efforts to safeguard its sovereignty, adding that Mauritius would *soon* join the Belt and Road Initiative to deepen cooperation in trade, investment, finance and infrastructure.(The Times) As of mid-2025, leading BRI country databases still did not list Mauritius as a confirmed signatory, suggesting that any MoU remains under discussion or in preparation.(Green Finance & Development Center)

For Mauritius, prospective BRI engagement must therefore be treated as a negotiating space rather than a fait accompli. Potential areas where BRI-labelled projects could align with national priorities include:

- **Port, logistics and free-zone infrastructure** to reinforce Port Louis and associated trans-shipment facilities as regional hubs for Africa–Asia trade, including via the MCFTA and AfCFTA.
- **Subsea digital connectivity and data services**, building on existing Chinese involvement in the Safe City project but subject to stricter data-protection and cyber-security frameworks.(Hoover Institution)
- **Green and ocean-economy investments**, such as offshore renewable energy, port decarbonisation and value-added fisheries or aquaculture, consistent with the blue-economy strategies discussed in earlier sections.

At the same time, Mauritian policymakers will need to be wary of the political signalling effects of BRI branding at a moment of heightened US–China rivalry in the Indian Ocean and the strategic sensitivity of Diego Garcia. The objective should be to frame any BRI cooperation as one of several connectivity channels—alongside the EU's Global Gateway, India's SAGAR and US Indo-Pacific initiatives—rather than a pivot towards a single patron.

6.3 Guardrails: debt sustainability, security screening and regulatory standards

The ability to leverage Chinese trade, investment and possible BRI projects hinges on credible guardrails. Three are particularly important: sovereign debt sustainability, screening of sensitive investments, and alignment with high regulatory standards.

▶ Debt sustainability.

Mauritius entered the COVID-19 shock with elevated public sector debt and used aggressive counter-cyclical policy to cushion the tourism collapse. According to the IMF's 2024 Article IV report, public sector debt peaked at 92 per cent of GDP in June 2021 and is projected to fall to about 78 per cent by June 2024, just below the reinstated statutory ceiling of 80 per cent of GDP.(IMF) Nonetheless, the Fund assesses the overall risk of sovereign stress as "high", citing historical shocks, the still-elevated level of debt and contingent liabilities, and recommends a medium-term path towards a 65 per cent debt-to-GDP anchor by 2029.(IMF)

World Bank International Debt Statistics report external debt stocks for Mauritius of around USD 12.4 billion in recent years, with long-term external debt at roughly USD 9.3 billion.(Data Topics) While Chinese loans constitute only one component of this total, projects such as the Safe City system and other infrastructure initiatives have established Beijing as a visible creditor and project sponsor.(china.aiddata.org) Any acceleration of BRI-labelled investment will therefore need to be consistent with the IMF-recommended fiscal consolidation path, use concessional or near-concessional terms where possible, and avoid large, foreign-currency-denominated obligations that could stress external debt metrics.

▶ Security screening and data governance.

The Safe City project has raised domestic and international concerns about surveillance, data storage and civil-liberties implications, echoing similar debates in other African states hosting Chinese smart-city projects.(Hoover Institution) Against this backdrop, Mauritius should establish a transparent framework for screening foreign investment in critical infrastructure and technologies, irrespective of origin, including:

- Mandatory security and privacy impact assessments for large ICT, telecoms, port, aviation and energy projects.
- Requirements that sensitive data be stored in jurisdictions that meet robust data-protection standards and are subject to Mauritian jurisdiction.
- Clear rules on ownership and long-term operational control of strategic assets such as ports, data centres and subsea cable landing stations.

By embedding these requirements in law and making them origin-neutral, Mauritius can manage Chinese and other partners' investments without appearing to single out any one country, while still addressing legitimate security concerns.

Regulatory standards and level playing field. The final guardrail is alignment with high regulatory standards, particularly in areas where Mauritius' partnerships with the EU, OECD and IMF already impose demanding benchmarks:

- **Public financial management and transparency**, where the IMF sees scope to strengthen pre-appraisal of public investment projects and improve reporting on extra-budgetary funds.(IMF)
- **Tax governance and anti-money-laundering (AML/CFT)**, in which the EU and global standard-setting bodies expect Mauritius to maintain robust frameworks, given its role as an international financial centre.
- **Environmental and social safeguards**, where alignment with World Bank, IFC and emerging BRI "green" guidance can help ensure that large projects do not undermine the ecological integrity of Mauritius' newly enlarged ocean estate.(AidData Docs)

Taken together, these guardrails allow Mauritius to treat China as an important but not dominant partner: one that can contribute capital, technology and market access, but within a framework that protects macroeconomic stability, national security and the rule of law.

7. France and the European Union: Anchoring Mauritius in a Wider Francophone and EU Space

France and the European Union are longstanding pillars of Mauritius' external economic and strategic environment. France's own identity as a "large ocean state" in the Indian and Pacific Oceans, through territories such as Réunion, Mayotte and the French Southern and Antarctic Lands (TAAF), gives it convergent interests with Mauritius in maritime security, blue-economy development and climate resilience.(France Diplomacy) The EU, for its part, has been Mauritius' most important development, trade and climate-finance partner over several decades.(International Partnerships)

7.1 France's Indian Ocean presence (Réunion, Mayotte, Southern Territories)

France's Indo-Pacific posture is rooted in its overseas territories. An authoritative French strategic fact sheet notes that:

"France is an Indo-Pacific country, owing to its overseas territories and its over 1.6 million French nationals living there." (FRS)

Réunion (an outermost region of both France and the EU), Mayotte and the French Southern and Antarctic Lands collectively give France a permanent population of over one million citizens in the south-west Indian Ocean, and underpin a vast maritime domain.(France Diplomacy) More than 90 per cent of France's exclusive economic zone—nearly 9 million km², the second largest in the world—is located in the Indo-Pacific.(FRS) This makes France, like Mauritius, a large ocean state with strong interests in maritime safety, fisheries governance and environmental protection.

France's regional role is institutional as well as geographic. It is a founding member of the Indian Ocean Commission (IOC), where it participates by virtue of Réunion, and a full member of the Indian Ocean Rim Association (IORA).(France Diplomacy) French diplomacy highlights maritime safety and security, blue-economy development, disaster-risk management and marine environmental protection as shared priorities with neighbouring island states, including Mauritius.(France Diplomacy) The French Armed Forces in the Southern Indian Ocean Zone (FAZSOI), based in Réunion and Mayotte, provide a standing presence for humanitarian response, sovereignty patrols and defence cooperation, including support to regional operations in Mozambique.(France Diplomacy)

For Mauritius, this configuration offers three main advantages. First, France's own interest in upholding freedom of navigation and combating illegal fishing in the south-west Indian Ocean helps underpin the security of Mauritian sea-lines of communication and fisheries resources. Second, France's dual role as an EU and regional actor provides a bridge between Brussels' regulatory and financial frameworks and the practical needs of small island states. Third, the Francophone cultural and educational space—discussed further below—supports human-capital and soft-power linkages that complement Mauritius' English-speaking and Indian Ocean identities.

7.2 IOC, IORA and EU blue-economy and climate finance

The IOC and IORA provide the principal regional platforms through which France, the EU and Mauritius interact on ocean governance and climate-related issues. Mauritius hosts the IOC Secretariat in Ébène, while Réunion's status as an EU outermost region gives the organisation an unusual bridge into EU law and funding instruments.(France Diplomacy)

On the EU side, the relationship has evolved from large-scale sectoral budget support—most notably for sugar-industry reform and macroeconomic adjustment under the 9th and 10th European Development Funds (EDF)—towards more targeted support for human development, blue and green economy initiatives, and public financial management. Under the 11th EDF (2014–2020), Mauritius received an allocation of EUR 9.9 million, largely focused on tertiary education and research as levers for upgrading the economy, following more than EUR 300 million disbursed as budget support since 2007 (including sugar reform and climate-change programmes).

Under the current NDICI–Global Europe instrument (2021–2027), the EU has allocated a further EUR 8 million in bilateral funding to Mauritius, with three priority areas: transitioning to a blue and green economy; strengthening human development; and improving public finance management and governance.(International Partnerships) Additional resources are available through multi-country programmes for the wider ESA–Indian Ocean region.

EU International Partnerships identify a portfolio of initiatives directly relevant to Mauritius' new ocean endowment:

- Support for Mauritius' *Circular Economy Roadmap* and climate-resilient growth, including green credit lines for private investment (e.g. SUNREF).(International Partnerships)
- Biodiversity and marine-conservation programmes in the Western Indian Ocean, via mechanisms such as the Critical Ecosystem Partnership Fund.(International Partnerships)
- A Sustainable Fisheries Partnership Agreement and related actions to combat illegal, unreported and unregulated (IUU) fishing and strengthen maritime enforcement capacities.(International Partnerships)

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Table 8 Selected EU development and blue economy commitments to Mauritius

Instrument / programme	Period	Thematic focus	Indicative amount / role
10th EDF & Sugar Accompanying Measures	c. 2008–2014	Sugar reform, budget support, climate programmes	> EUR 300 million disbursed as general budget support (combined EU instruments)
11th EDF National Indicative Programme	2014–2020	Tertiary education, research & innovation	EUR 9.9 million (EUR 7.9m for higher education; EUR 2m TCF)
NDICI–Global Europe bilateral allocation	2021–2027	Blue/green economy, human development, PFM & governance	EUR 8 million(International Partnerships)
EU–ESA Economic Partnership Agreement (EPA)	Since 2009	Duty-free access for most Mauritian exports to EU; trade facilitation	No fixed financial envelope; key market-access framework(International Partnerships)
Sustainable Fisheries Partnership Agreement (EU–Mauritius)	Ongoing	Access for EU fleets, IUU control, fisheries governance	Mixed: licence fees, sectoral support and technical assistance(International Partnerships)

These instruments, when combined with French bilateral programmes via the Agence Française de Développement (AFD) and regional funds such as the Indian Ocean Regional Cooperation Fund, provide Mauritius with a diversified menu of grants, concessional loans and technical support for blue-economy and climate-resilience investments.(FRS)

From a geo-economic standpoint, this EU-France–IOC nexus offers a crucial counterweight to Chinese and other non-Western financing sources. It allows Mauritius to:

- Anchor its regulatory frameworks—in fisheries, maritime safety, environmental protection and public finance—in EU and international best practice.
- Leverage Global Gateway and EDF/NDICI resources for projects in ports, renewable energy, circular-economy infrastructure and disaster-risk reduction.
- Use its role in IOC and IORA to shape regional approaches that align with small-island vulnerabilities, rather than simply importing extra-regional templates.

7.3 Tourism, education, energy and digital connectivity partnerships

The Mauritian economy has long been tightly coupled to European demand, especially in tourism, textiles and financial services. Tourism statistics for 2019—the last full year before the pandemic—illustrate both the scale of this link and the importance of specific European markets.

The Ministry of Tourism's *Handbook of Statistical Data on Tourism 2019* records 1,383,488 tourist arrivals that year. The principal tourist markets were France (21.8 per cent of arrivals), the United Kingdom (10.2 per cent) and Réunion Island (9.9 per cent). Aggregating by region, Europe accounted for 835,946 tourists, around 60.4 per cent of total arrivals. IMF staff note that tourist arrivals in 2023 reached around 1.3 million, close to pre-pandemic levels, underscoring the continued centrality of this sector.(IMF)

Table 9 Mauritius' key European tourism markets, 2019

Indicator	Value
Total tourist arrivals	1,383,488
Arrivals from Europe (all countries)	835,946
Europe's share of total arrivals	60.4%
France – share of total tourist arrivals	21.8%
United Kingdom – share	10.2%
Réunion Island – share	9.9%

Source: Mauritius Ministry of Tourism, Handbook of Statistical Data on Tourism 2019, summary table.

This pattern underlines the depth of France- and EU-linked people-to-people ties. French and Réunionnais tourism is not only a source of foreign exchange but also an important vector for cultural exchange, diaspora linkages and investment in real estate, hospitality and services.

Beyond tourism, France and the EU are important partners in **education and skills development**. Under the 11th EDF, EU support focused on tertiary education and research, with objectives to align university curricula with labour-market needs and expand access for students from low-income families. Under NDICI, Mauritius also participates in Erasmus+, with 590 mobilities and three scholarships recorded since 2021, reinforcing academic exchanges with European institutions.(International Partnerships) France separately provides scholarships and supports French-language and technical education through its cultural network and AFD-supported projects, helping Mauritius cultivate bilingual human capital that can operate in both Francophone and Anglophone markets.(FRS)

In **energy and digital connectivity**, EU and French initiatives intersect with Mauritius' decarbonisation and digital-transformation strategies. EU programming documents highlight support for renewable energy and energy-efficiency policies within the broader climate agenda, as well as funding for critical transport links such as the extension of Rodrigues Airport to enhance national and regional connectivity.(International Partnerships) France's Indo-Pacific strategy emphasises the development of marine protected areas, green port infrastructure and scientific cooperation across its Indian Ocean territories, creating opportunities for joint research with Mauritian institutions on climate, biodiversity and oceanography.(FRS)

From a geo-economic strategy perspective, these dense tourism, education, energy and digital relationships with France and the EU serve several functions:

- They diversify Mauritius' external dependencies away from any single Asian partner.
- They anchor regulatory convergence with the EU in areas such as data protection, competition, state aid and environmental standards, which is valuable for maintaining the credibility of the Mauritius International Financial Centre.
- They provide a counterweight to purely commercial or state-driven infrastructure offers by allowing Mauritius to compare and combine Global Gateway, French AFD and, prospectively, BRI and other financing sources on a project-by-project basis.

In the context of the Chagos settlement and an enlarged EEZ, France and the EU thus remain indispensable partners for Mauritius' aspiration to act as a rules-based, well-governed large ocean state, leveraging its central location in an increasingly contested Indian Ocean while preserving strategic autonomy.

8. Regional Architecture and Partnerships: IOC, IORA, SADC, COMESA & the African Union

Mauritius is unusually "region-dense": it is simultaneously a founding or active member of several overlapping regional organisations – the Indian Ocean Commission (IOC), the Indian Ocean Rim Association (IORA), the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the African Union (AU), including the African Continental Free Trade Area (AfCFTA). This institutional web provides multiple avenues for advancing its large-ocean-state strategy, but also creates coordination challenges across regimes with different memberships, legal obligations and sectoral priorities.

8.1 Mauritius' regional memberships and overlapping regimes

The IOC is the most "intimate" of Mauritius' regional platforms. Headquartered in Ébène, it brings together Comoros, Madagascar, Mauritius, Seychelles and France (through Réunion) as a political and technical forum for cooperation on maritime security, fisheries, climate resilience, health and connectivity. Through the IOC, Mauritius has direct access to EU and French funding streams for regional projects, including blue-economy and maritime-safety programmes.

The broader Indian Ocean Rim Association (IORA) – which includes littoral states from eastern Africa, the Gulf, South and South-East Asia, Australia and island states like Mauritius – provides the main political forum for the wider Indian Ocean. Mauritius has used IORA to promote issues of particular relevance to small island developing states (SIDS), including sustainable fisheries, blue-economy governance and disaster-risk reduction.(IORA)

On the continental side, Mauritius is a member of both **COMESA** and **SADC**, two overlapping Regional Economic Communities recognised by the African Union as building blocks for continental integration. COMESA documentation lists Mauritius among the region's major exporters of raw cane sugar, reflecting long-standing participation in regional trade in agro-industrial products.(COMESA) Through SADC and COMESA, Mauritius is also a party to the Tripartite Free Trade Area and the AfCFTA, providing tariff-reduction pathways to a large African market.

At the continental level, **Agenda 2063** – the AU's long-term development blueprint – identifies as a specific goal:"Blue/ocean economy for accelerated economic growth." (*African Union*)

This has been operationalised through the **Africa Blue Economy Strategy**, and from 2021 through a dedicated AU Blue Economy Division.(African Union) The AU Commission has highlighted the scale of the opportunity, noting in 2025 that:

> *"It is projected that our blue economy could exceed $1.5 trillion annually by 2050."*
> *(African Business)*

These continental frameworks give political cover and conceptual coherence to Mauritius' aspiration to move from "small island" to "large ocean" status.

Table 10 Mauritius' participation in selected regional and continental architectures

Organisation	Type / scope	Mauritius' status	Core relevance to geo-economic strategy
Indian Ocean Commission (IOC)	Sub-regional organisation of five island entities (Comoros, Madagascar, Mauritius, Seychelles, Réunion/France)	Founding member; hosts IOC Secretariat in Ébène	Platform for fisheries management, maritime security, blue-economy pilots and EU-funded regional programmes.
Indian Ocean Rim Association (IORA)	Ministerial-level forum of Indian Ocean littoral states	Full member	Political forum for trade, investment, maritime safety and blue-economy cooperation in wider Indian Ocean.(IORA)
SADC	Regional Economic Community in Southern Africa	Member state	Market access, regional industrial policy, infrastructure corridors and financial-sector integration.
COMESA	Regional Economic Community in Eastern and Southern Africa	Member state	Trade in goods (e.g. sugar), regional competition policy, trade facilitation.(COMESA)
African Union (AU)	Continental political union	Member state	Sets Agenda 2063 and Africa Blue Economy Strategy; political umbrella for AfCFTA and maritime-governance instruments.(African Union)
AfCFTA	Continental free trade area under AU	State party	Long-term framework for reduction of intra-African tariffs and trade barriers; supports Mauritius' role as Africa-facing financial and logistics hub.(African Union)

The multiplicity of memberships is both strength and vulnerability. It gives Mauritius flexibility in coalition-building and agenda-setting, but also risks diffusion of effort and inconsistent commitments if national strategies are not tightly aligned across organisations.

8.2 Regional value chains, trade corridors and port competitiveness

Mauritius' regional memberships are meaningful only insofar as they translate into trade, investment and connectivity. WITS data for 2023 show that total merchandise exports reached US$1.854 billion and imports US$6.282 billion, with 2,262 products exported to 140 countries.(World Integrated Trade Solution) The five largest export markets were France (US$273 million; 14.7 per cent of exports), South Africa (US$200 million; 10.8 per cent), the United States (US$175 million; 9.4 per cent), the United Kingdom (US$172 million; 9.3 per cent) and Madagascar (US$136 million; 7.3 per cent).(World Integrated Trade Solution)

This pattern reveals that while Europe remains Mauritius' primary export outlet, SADC and COMESA partners – notably South Africa and Madagascar – already account for close to one fifth of goods exports. Over time, deeper AfCFTA implementation and improved logistics could raise the African share of Mauritius' exports, especially in processed foods, textiles, financial services and knowledge-intensive business services.

Physical connectivity is a critical bottleneck. The **Port Market Study** prepared for the Competition Commission in 2024 highlights both the strengths and weaknesses of Port Louis as the country's main maritime gateway and trans-shipment hub. It notes that Port Louis currently handles around **450,000 TEU**, of which roughly **60 per cent** is "captive" container traffic for Mauritius and **40 per cent** is trans-shipment for other countries. However, cargo volumes and vessel calls have stagnated or declined in recent years, and port productivity lags behind regional leaders.

Table 11 Cargo traffic and vessel calls at Port Louis, 2018–2022

Year	Cargo traffic (million tonnes)	Vessel calls (number)
2018	8.06	3,379
2019	8.52	3,536
2020	7.42	2,776
2021	7.60	2,550
2022	7.64	2,657

Source: Mauritius Port Authority statistics, as summarised in the Competition Commission's Port Market Study.

The study also reports that if Port Louis' container productivity matched that of Sri Lanka's leading port, Mauritian maritime transport costs could fall by around 14 per cent, significantly boosting trade volumes. More recent analysis for African economies suggests that a 10 per cent increase in port efficiency can add between 0.14 and 0.38 percentage points to annual GDP growth, implying that port reforms could have a material impact on Mauritius' medium-term growth path.

Regional corridors and value chains will therefore hinge on whether Port Louis can transition from a predominantly captive gateway to a competitive trans-shipment and logistics hub serving the broader south-west Indian Ocean. This will require:

- separating clearly the regulatory and commercial roles of the Mauritius Ports Authority, as recommended by the Port Market Study;
- attracting at least one global terminal operator under a transparent concession framework; and
- aligning port investment and management reforms with SADC, COMESA and AU initiatives on trade corridors and multimodal transport, including the revised African Maritime Transport Charter, which seeks to harmonise maritime policies and promote port efficiency and multimodal connections.(African Union)

8.3 Mauritius as blue economy hub for the south-west Indian Ocean

Mauritius' claim to large-ocean-state status rests not only on legal sovereignty over Chagos, but also on the scale of its marine domain and institutional investments in ocean science and management. The Mauritius Oceanography Institute (MOI) notes that the country's Exclusive Economic Zone extends over about **1.9 million square kilometres**, and that a 2008 joint submission with Seychelles secured an additional **400,000 km²** of extended continental shelf over the Mascarene Plateau.(Mauritius Oceanography Institute) This gives Mauritius stewardship responsibilities over a marine area vastly larger than its land mass.

Domestically, Mauritius is in the process of operationalising a comprehensive ocean-economy strategy. The 2025–2029 Government Programme explicitly frames a transition "from a Small Island Developing State to a Large Ocean State" through the development of an inclusive and sustainable ocean economy, with priority sectors including fisheries, aquaculture, marine renewables, seabed resources, ocean-related tourism and research.(Agriculture Mauritius) The MOI's mandate is to conduct fundamental and applied marine research and advise government on the formulation and implementation of ocean-related policies and programmes.(Mauritius Oceanography Institute)

Chagos adds a new and high-profile dimension to this agenda. In 2025, Mauritius announced plans to establish a **Chagos Archipelago Marine Protected Area (CAMPA)** as a "first-of-its-kind" large-scale MPA combining ecological science with Chagossian community input and traditional fishing practices.(Stanford News) Work led by Mauritian agencies and international partners, including Stanford University researchers, is informing the design of zoning, subsistence-fishing arrangements and governance mechanisms to balance conservation with resettlement and livelihood objectives.(Stanford News)

Regionally, Mauritius' membership in IOC, IORA, SADC, COMESA and the AU allows it to position itself as a **blue-economy hub** for the south-west Indian Ocean by:

- hosting and coordinating regional programmes on sustainable fisheries, coastal resilience and marine spatial planning (through IOC and EU-funded initiatives such as ECOFISH);
- contributing to AU-level implementation of the Africa Blue Economy Strategy, particularly in small-island and Indian Ocean contexts;(atlafco.org)
- using its international financial centre to intermediate blue and green capital, including EU, AFD and multilateral climate funds, towards projects in Mauritius and neighbouring coastal states.

In effect, the combination of a large EEZ, an emerging flagship MPA in Chagos, and dense regional memberships gives Mauritius the ingredients to act as both a laboratory and a platform for sustainable ocean-economy governance in the wider region – provided that domestic institutions and safeguards keep pace with the scale of the challenge.

9. Governance, Resilience and Risk Management for a Large Ocean State

The transition from small-island economy to large-ocean state is ultimately a governance and risk-management project. Sovereignty over Chagos, an expanded EEZ and heightened strategic visibility all magnify the stakes: institutional gaps, environmental mismanagement or governance failures could carry not only domestic costs but also international reputational and security consequences.

9.1 Institutional architecture for the ocean economy and Chagos

Mauritius already has a complex institutional landscape for ocean governance, centred on the **Ministry of Blue Economy, Marine Resources, Fisheries and Shipping**, the Mauritius Oceanography Institute, the Mauritius Ports Authority, the Coast Guard and various environmental and planning agencies. The MOI, in particular, has a statutory mandate to conduct oceanographic research and to "advise Government on the formulation and implementation of policies and programmes in respect to oceanography."(Mauritius Oceanography Institute)

The 2025 Chagos agreement and the planned CAMPA require an additional layer of governance:

- **Chagos Archipelago governance.** The UK–Mauritius treaty provides for continued UK operation of the Diego Garcia base alongside Mauritian sovereignty, supervised by joint committees and subject to periodic review by both governments and their parliaments.(House of Lords Library) Parliamentary scrutiny in London has focused heavily on cost, security and environmental safeguards, with the House of Lords International Agreements Committee calling for mechanisms to ensure that a portion of development grants supports marine conservation and effective MPA enforcement.(House of Lords Library)
- **Marine Protected Area governance.** The design of CAMPA will require a dedicated governance structure linking central government, Chagossian representatives, scientific experts and enforcement agencies. Recent commentary emphasises the need for "community-centred insights" and for aligning scientific advice with small-scale subsistence-fishing practices.(Oceanographic) This implies formal representation for Chagossian communities in management bodies and transparent decision-making on access, zoning and benefit-sharing.
- **Integration with national planning.** The Government's 2025–2029 ocean-economy roadmap envisages a comprehensive approach spanning fisheries, tourism, offshore energy and maritime services.(Agriculture Mauritius) For this to be coherent, MPA and Chagos governance structures must be embedded in whole-of-government frameworks, with clear lines of accountability to Cabinet and Parliament and a strong role for independent scientific advice.

In institutional terms, Mauritius will need to move from a fragmented, sectoral architecture towards a more integrated **ocean-governance system**, potentially through a high-level Ocean Council or Commission that brings together defence, foreign affairs, blue economy, environment, finance and Chagossian representatives.

9.2 Environmental, climate and social safeguards, including Chagossian rights

The environmental and social dimensions of Chagos governance are already subject to intense international scrutiny. On 10 June 2025, four UN special rapporteurs issued a joint statement arguing that the UK–Mauritius treaty:

> *"fails to guarantee and protect the rights of the Chagossian people, including their right to return to Diego Garcia, effective remedy and reparations and their cultural rights".*
> *(House of Lords Library)*

They further stated that the maintenance of a foreign military presence on Diego Garcia "appears to be at variance with the Chagossians' right to return", and called for ratification of the treaty to be suspended pending a new agreement.(House of Lords Library)

This critique highlights that safeguarding Chagossian rights is not merely a matter of domestic politics but a central element of Mauritius' international legitimacy as a large-ocean state. Key requirements include:

- **Resettlement and access rights.** While the treaty leaves detailed resettlement arrangements to Mauritius, parliamentary and UN commentary emphasise that any sustainable solution must provide meaningful opportunities for Chagossians to return to some of the outer islands, and guaranteed access to ancestral lands and graves even where permanent settlement on Diego Garcia remains restricted for security reasons.(House of Lords Library)
- **Trust-fund governance.** The agreement provides for a UK-financed Chagossian trust fund (around £40 million), but questions have been raised about governance, transparency and beneficiary targeting.(House of Lords Library) Best practice would imply an independent board with Chagossian representation, external auditing, and public reporting of allocations and impact.
- **Environmental safeguards and climate resilience.** The House of Lords International Agreements Committee expressed concern that sovereignty transfer could "compromise long-standing conservation efforts" if not accompanied by strong enforcement and adequate funding.(House of Lords Library) Mauritius' stated intention to create CAMPA, backed by scientific partnerships, is a positive response, but implementation will need to be robust enough to meet global expectations for high-standard MPAs, including credible monitoring, control and surveillance of industrial fishing and other activities.(Oceanographic)

For Mauritius more broadly, environmental and social safeguards must also extend beyond Chagos to cover coastal development, port expansion, offshore energy and blue-economy projects. AU and World Bank programmes on sustainable fisheries, coastal resilience and community engagement offer useful frameworks and resources in this regard.(atlafco.org)

9.3 Financial, legal and reputational risk management

Mauritius' large-ocean strategy sits atop a highly open, service-oriented economy. In 2023, total merchandise exports were US$1.854 billion and imports US$6.282 billion, implying a merchandise trade deficit of about US$1.415 billion, equivalent to 10 per cent of GDP. Trade in goods and services together amounted to around 105 per cent of GDP, with trade in services alone representing over 44 per cent.(World Integrated Trade Solution) This level of openness amplifies vulnerability to external shocks – and to reputational damage that could disrupt financial and service flows.

Table 12 Selected external vulnerability indicators for Mauritius, 2023

Indicator	Value	Source
GDP (current US$)	14,101 million	WITS trade summary.(World Integrated Trade Solution)
Exports of goods (FoB)	1,854 million	WITS.(World Integrated Trade Solution)
Imports of goods (CIF)	6,282 million	WITS.(World Integrated Trade Solution)
Merchandise trade balance	–1,415 million	WITS.(World Integrated Trade Solution)
Trade balance as % of GDP	–10.03%	WITS.(World Integrated Trade Solution)
Total trade (goods) as % of GDP	105.10%	WITS.(World Integrated Trade Solution)
Trade in services as % of GDP	44.11%	WITS.(World Integrated Trade Solution)

These figures underscore the importance of **macro-prudential and reputational risk management**. Three areas stand out:

1. **Export structure and resilience.** WITS data on exports by stage of processing show that in 2023, consumer goods accounted for about 57 per cent of exports, intermediate goods 22.5 per cent, raw materials 13.9 per cent and capital goods 6.5 per cent.(World Integrated Trade Solution) This suggests that Mauritius remains heavily reliant on consumer-oriented exports such as textiles, sugar and processed tuna, which are vulnerable to preference erosion, demand shocks and climate-related disruptions in supply chains.
2. **Financial-sector standards and compliance.** As an international financial centre, Mauritius has been subject to enhanced scrutiny from the EU, FATF and OECD regarding anti-money-laundering, tax transparency and beneficial-ownership frameworks. While recent reforms have led to the country's removal from some grey lists, maintaining and strengthening these standards is critical to avoid sudden loss of correspondent-banking relationships or investor confidence.

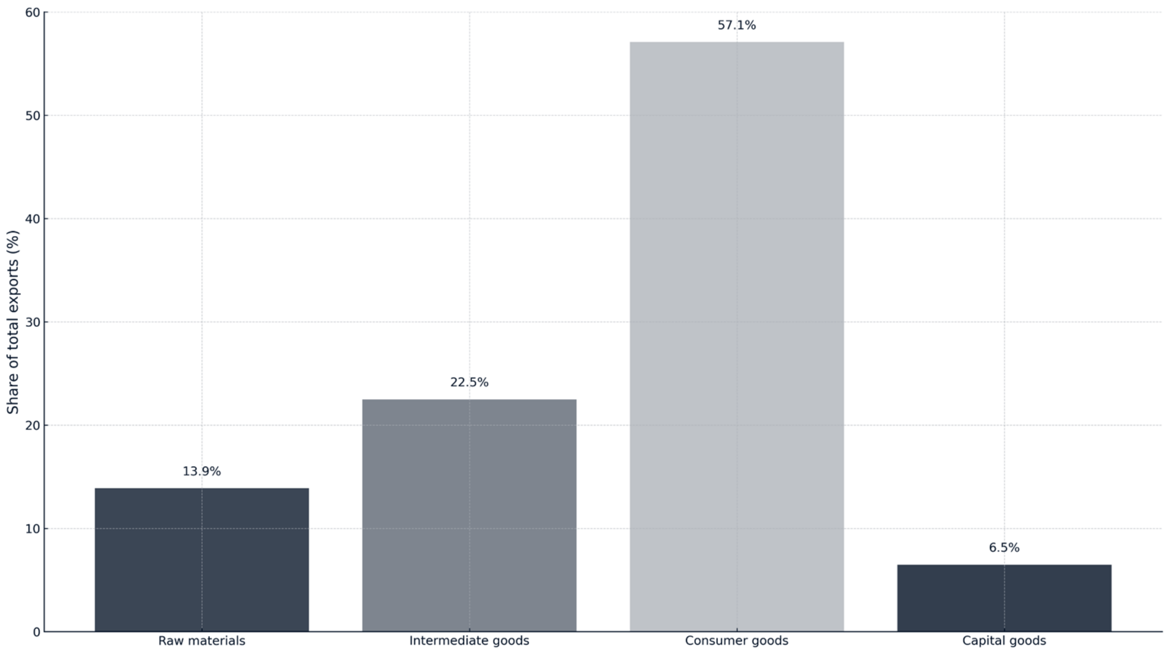

Figure 9 Mauritius Export Structure by Stage of Processing (2023

3. **Contingent liabilities and sovereign exposure.** Large, long-term agreements such as the Diego Garcia lease and potential BRI projects create contingent fiscal and reputational liabilities. If governance of associated trust funds, development grants or infrastructure concessions were perceived as opaque or politically captured, this could undermine Mauritius' image as a rules-based partner and affect its credit standing.(House of Lords Library)

Overall, becoming a credible large-ocean state will require Mauritius to build not only physical and legal control over a vast maritime domain, but also a resilient governance architecture: one that integrates Chagossian rights and environmental stewardship, maintains high financial and regulatory standards, and manages macro-economic and reputational risks in a way that reassures partners across the Indo-Pacific – from the AU and regional organisations to the United States, India, China, France and the European Union.

10. Implementation Roadmap: Instruments, Financing and Monitoring

Over the next decade Mauritius will need to turn a set of legal gains and strategic opportunities into a coherent, funded and measurable programme of action. The Chagos settlement, the expanded EEZ, the Diego Garcia compact, India's SAGAR-linked engagement, prospective Chinese and EU investment and the AU's Blue Economy agenda together define a dense opportunity set – but also raise the bar for governance, debt management and environmental stewardship.

This section sketches a pragmatic 10-year implementation roadmap, organised around three questions: **what sequence of actions**, **how to pay for them**, and **how to know whether they are working**.

10.1 A phased, 10-year geo-economic strategy

The starting point is to recognise Mauritius' structural position. The country has a land area of just **2,040 km²** but an Exclusive Economic Zone of about **2.3 million km²**, including roughly **400,000 km²** of extended continental shelf jointly managed with Seychelles.(Wikipedia) The World Bank's trade profile reports **2023 exports (FoB) of US$1.854 billion and imports (CIF) of US$6.282 billion**, with trade in goods and services equal to **105.1 per cent of GDP** and trade in services alone **44.1 per cent of GDP**.(World Integrated Trade Solution) These figures underline both Mauritius' economic openness and the degree to which its prosperity depends on how it manages the ocean.

The World Bank's widely used definition captures the policy benchmark succinctly:

> *"The blue economy is the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystems."*
> *(World Bank)*

At the African continental level, AU agencies now emphasise the scale of the opportunity. A 2025 AUDA-NEPAD contribution to the UN Ocean Conference process notes that *"it is projected that our blue economy could exceed $1.5 trillion annually by 2050"*.(African Business) Mauritius will only capture a meaningful share of this if it sequences reforms and investments carefully.

A realistic **10-year geo-economic strategy** can be organised into three overlapping phases, each roughly three to four years, aligned with budget cycles and the early decades of the Diego Garcia treaty.

▸ Phase I (Years 1–3): Consolidation and institution-building

The focus in the first three years after full entry into force of the Chagos treaty should be on legal, institutional and data foundations. Priorities would include:

- Enacting core legislation for the **Chagos Archipelago Marine Protected Area (CAMPA)**, defining zoning, permitted activities, and governance structures in ways that embed Chagossian participation and scientific input.
- Establishing a high-level **National Ocean and Geo-Economics Council**, chaired at Cabinet level, to align decisions across foreign affairs, defence, finance, blue economy, environment and social ministries.
- Operationalising a **Chagos Coordination Unit** in the Prime Minister's Office to manage treaty implementation, relations with the UK and US over Diego Garcia, and reporting to Parliament and international bodies.(De Maribus)
- Creating a **baseline data platform** for the ocean economy that consolidates information from the Mauritius Oceanography Institute, fisheries, port statistics, tourism, financial services and climate-risk profiles, building on tools such as the IOC's Blue Economy Fisheries Statistical Accounts.(Climate Knowledge Portal)

▸ Phase II (Years 4–7): Scaling infrastructure, capabilities and partnerships

Once institutions and legal frameworks are in place, Mauritius can use the middle of the decade to front-load investment and operational partnerships:

- Upgrading **Port Louis** and related logistics platforms as a green, digitally enabled hub for high-value regional trade and blue-economy cargoes, leveraging SADC, COMESA and AfCFTA corridors.(World Integrated Trade Solution)
- Expanding **maritime domain awareness (MDA)** through integrated radar, AIS, satellite monitoring and regional patrols, building on IOC's Regional Fisheries Surveillance Plan and Indian, EU, UK and US support.(Research Briefings)
- Rolling out **pilot projects in offshore wind, wave energy and marine conservation finance**, supported by Indian Exim Bank lines of credit, EU Global Gateway and climate-finance partners.
- Deepening Mauritian capacity in **ocean science, marine engineering, regulatory and financial innovation**, including through joint degrees and research projects with Indian, French, EU and other universities.

► Phase III (Years 8–10): Diversification, consolidation and export of expertise

In the final phase, the emphasis should shift towards diversification and consolidation:

- Developing **new exportable services** – ocean data analytics, marine insurance, dispute resolution and blue-finance structuring – that build on Mauritius' international financial centre and its experience managing the Chagos MPA and extended continental shelf.(OEC World)
- Evaluating major projects (port investments, MPA management, offshore energy pilots) against clear performance metrics, adjusting or exiting where value-for-money or environmental standards are not met.
- Positioning Mauritius as a **regional knowledge and training hub** for the southwest Indian Ocean on blue-economy planning, MPA governance, and maritime-security cooperation, working through IOC, IORA, SADC and AU mechanisms.(World Integrated Trade Solution)

To ground this roadmap, it is helpful to summarise key baseline parameters that any 10-year strategy must respect.

Table 13 Mauritius' structural baseline as a "large ocean state"

Dimension	Indicator / value	Year	Source
Land area	2,040 km²	Latest	World Bank land area data; corroborated by official geography profile. (World Bank Open Data)
Exclusive Economic Zone	≈ 2.3 million km², including ≈ 400,000 km² jointly managed with Seychelles (extended continental shelf)	Latest	Geography profile and AfDB country report. (Wikipedia)
Population	1,235,260 (2022 census)	2022	Official census figures summarised in country profile. (Wikipedia)
GDP (current US$)	≈ US$12.9 billion	2023	WITS trade summary data. (World Integrated Trade Solution)
Exports of goods (FoB)	US$1.854 billion	2023	WITS Country Profile – overall exports. (World Integrated Trade Solution)
Imports of goods (CIF)	US$6.282 billion	2023	WITS Country Profile – overall imports. (World Integrated Trade Solution)
Trade in goods & services (% of GDP)	105.10%	2023	WDI / WITS trade (% of GDP). (World Integrated Trade Solution)
Trade in services (% of GDP)	44.11%	2023	WDI / WITS trade in services (% of GDP). (World Integrated Trade Solution)

These structural facts – tiny landmass, very large EEZ, high external openness – are the immovable constraints within which any sequencing must operate.

10.2 Financing mechanisms and partnerships

The implementation roadmap will succeed or fail on whether Mauritius can mobilise sufficient capital **on sustainable terms**, and deploy it efficiently. The financing architecture should rest on four pillars: (i) domestic fiscal resources and reforms; (ii) long-term treaty-based flows; (iii) partner-backed project finance; and (iv) private capital and blended finance.

On the domestic side, the new government's own diagnosis of past weaknesses is stark. In December 2024, Prime Minister Navin Ramgoolam told Parliament that previous authorities had mis-stated GDP, deficit and public-debt figures and, in his words,

"have been practicing voodoo economics".(Reuters) The audit he commissioned concluded that public-sector debt was **over 83 per cent of GDP in June 2024**, rather than the previously reported 77 per cent, and that the 2023/24 budget deficit was 5.7 per cent of GDP, not 3.9 per cent.(Reuters) Ramgoolam has pledged to rebuild fiscal space and "bring down the debt ratio to around 60 per cent of GDP" over the medium term.(Reuters)

This commitment must become a **hard constraint** for blue-economy and Chagos-related spending: major projects should be sized, sequenced and structured so that, taken together, they are consistent with a gradual debt-reduction path.

The second pillar consists of **treaty-based and quasi-automatic flows**, above all the UK package embedded in the Chagos–Diego Garcia agreement. The UK's Explanatory Memorandum and House of Commons research briefing clarify that:

- For the first three years after entry into force, the UK will pay **£165 million per year**.
- For years 4–13, it will pay **£120 million per year**, fixed in nominal terms.
- From year 14 to year 99, it will continue to pay the **equivalent of £120 million per year**, indexed to the GDP deflator.
- In year 2, it will contribute **£40 million** to capitalise a **Chagossian Trust Fund**.
- From year 4, it will pay a **£45 million annual development grant for 25 years**, not indexed, to support Mauritius' economic development and welfare.(Research Briefings)

On a net-present-value basis, HM Government estimates the overall cost of the package at about **£3.4 billion**, or around **£101 million a year** in 2025/26 prices, though critics stress that nominal cash outlays over 99 years will be much higher.(Research Briefings)

India's **US$680 million** package of grants and lines of credit announced in 2025 – focused on port redevelopment, maritime security and support for monitoring the Chagos MPA – adds a second large block of concessional finance with obvious relevance to the 10-year roadmap. Meanwhile, the EU's NDICI–Global Europe instrument provides a more modest but flexible **€8 million** bilateral allocation to Mauritius for 2021–2027, alongside substantial regional envelopes for the Eastern and Southern Africa–Indian Ocean region that can support blue-economy and climate-resilience projects.

These and other partner flows are summarised in Table below.

Table 14 Selected external financing streams relevant to a 10-year large ocean state strategy

Partner / instrument	Scale and terms	Relevance for implementation
UK–Mauritius Chagos Agreement (Article 11 + letters)	Base-related payments: £165m p.a. in years 1–3; £120m p.a. in years 4–13; then £120m p.a. indexed to GDP deflator until year 99. Trust fund: one-off £40m in year 2. Development grant: £45m p.a. for 25 years from year 4. NPV cost to UK ≈ £3.4bn.(Research Briefings)	Anchor long-term funding for Chagos governance, marine protection, coastal resilience and blue-economy infrastructure, if ring-fenced and well governed.
India – 2025 economic and security package	Around US$680m in grants and concessional lines of credit for port redevelopment, maritime security and Chagos MPA monitoring.	Co-finances port and MDA investments; deepens SAGAR-aligned maritime partnership; can crowd in further private and multilateral finance if structured transparently.
EU – NDICI / Global Europe bilateral allocation	€8m for 2021–27, focused on blue/green economy, human development and public-finance management, plus access to larger regional envelopes and Global Gateway.	Funds technical assistance, regulatory strengthening, climate-resilient planning and catalytic pilots, complementing larger hard-infrastructure packages from other partners.
Global blue-economy and climate-finance facilities	Global blue-economy valued at US$2.5–3 trillion annually and projected by OECD and others to double by 2030; blue-finance instruments (blue bonds, IFC/IFC-aligned facilities) growing rapidly.(World Economic Forum)	Provide potential for Mauritius to issue blue bonds, access blended-finance windows and crowd in institutional investors into high-quality ocean-economy projects.

The strategic financing task is threefold. First, Mauritius should **ring-fence** a defined share of predictable flows – notably the UK base payments and development grants – into an **Ocean Sovereign Fund** with clear rules on saving, stabilisation and investment in resilience and inter-generational assets (coastal defences, research, human capital), rather than using them primarily for recurrent spending.

Second, concessional loans – whether from India, China (for carefully chosen projects), multilateral development banks or climate funds – must be appraised against the new government's **60 per cent**

debt-to-GDP target and the IMF's advice on restoring debt sustainability, with a bias towards high-return, foreign-currency-earning investments.(Reuters)

Third, Mauritius should proactively design **blue-finance pipelines** (for example, blue bonds or sustainability-linked loans tied to MPA and fisheries-management performance), aligning its frameworks with emerging international guidance on blue finance so that private capital can be mobilised on acceptable terms.(IFC)

> *"The blue economy is the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while preserving the health of ocean ecosystems." — World Bank(World Bank)*

This definition should be written into the mandate of any Ocean Sovereign Fund and blue-finance framework, so that financing is judged not just on financial returns but also on its contribution to resilience and ecosystem integrity.

10.3 Metrics, evaluation and adaptive governance

A credible implementation roadmap must be **measurable and adaptable**. Given Mauritius' exposure to external shocks, governance failures and climate risks, static planning will not suffice. Instead, the country should adopt a **"geo-economic scorecard"** for its large-ocean-state strategy, combining macro-financial, structural and ocean-health indicators.

On the macro-financial side, the baseline indicators in Table 10.1 and the revised figures from the 2024 audit – public debt above 83 per cent of GDP, a 5.7 per cent of GDP deficit, and overstated GDP growth – show why transparency and statistical integrity are non-negotiable.(Reuters) Regular, independent reviews of fiscal and debt sustainability, published alongside the budget, should become part of the scorecard.

Structurally, Mauritius should track:

- the share of **services in total trade and GDP**, building on WITS/WDI indicators (trade in services at 44.11 per cent of GDP in 2023);(World Integrated Trade Solution)
- the composition of exports by stage of processing and technology intensity;
- the share of **ocean-related sectors** (shipping, ports, marine tourism, fisheries, offshore services) in GDP and employment; and
- port performance metrics such as container throughput, ship turnaround time and connectivity indices.

On the ocean-health and security side, metrics should include:

- the effective area of **well-managed MPAs**, including CAMPA;
- biodiversity and fish-stock indicators in Chagos and the wider EEZ;
- measures of IUU fishing and other infringements detected through IOC's Regional Fisheries Surveillance Plan and national MDA; and
- frequency and severity of climate-related coastal impacts, drawn from the World Bank climate-risk profile.(Climate Knowledge Portal)

To make these dimensions tangible, Mauritius could publish an annual **Large Ocean State Scorecard** with around 15–20 indicators, of which a subset would be headline targets embedded in medium-term fiscal and development frameworks.

From an evaluation and learning standpoint, Mauritius will also need **independent analytical support**. The roadmap's reliance on complex security, financial and environmental trade-offs suggests natural alignment with external research capabilities in areas such as:

- defence, security and justice (for the Diego Garcia compact and maritime security);
- energy, environment and infrastructure (for ports, offshore renewables and coastal resilience); and
- data science, modelling and analytics (for MPA design, climate-risk models and fiscal-risk analysis).

Partnerships with think-tanks and universities working in these fields can help Mauritius design robust metrics, run scenario analyses and stress-test its strategy against geopolitical or climate shocks.

Finally, adaptive governance means **building in review points**. At minimum, Mauritius should commit to a full review of its large-ocean-state strategy every three to four years, timed to coincide with:

- key treaty milestones (for example, the end of the initial three-year £165 million payment period and the start of the £120 million fixed-payment phase);(Research Briefings)
- AfCFTA and AU Blue Economy Strategy implementation reviews;
- and national election cycles.

In each review, indicators from the geo-economic scorecard should be compared against initial baselines and targets; under-performing projects or sectors should be adjusted or wound down; and new opportunities – technological, financial or diplomatic – should be integrated. In this way, Mauritius can ensure that its new status as a large ocean state remains not just a legal fact, but a living, learning strategy that is financed prudently, monitored rigorously and revised when necessary.

Conclusions & Recommendations

1. The ocean must be treated as Mauritius' primary development frontier

Mauritius' land-based growth model—combining sugar, textiles, tourism and offshore financial services—has delivered an impressive long-term rise in per capita income to over US$10,000, briefly lifting the country into high-income status before the pandemic.(World Bank) Yet this model is reaching its limits, constrained by land scarcity, environmental stress and evolving international tax rules. The country's comparative advantage increasingly lies in its ocean: fisheries, logistics and shipping services, renewable energy, marine biotechnology, and knowledge-intensive services tied to ocean governance and finance.

Policy implication: national development planning, macro-fiscal frameworks and sectoral strategies should be "ocean-mainstreamed", with explicit targets for the blue economy's share of GDP, exports and employment, and with public investment prioritisation tilted accordingly.(Mauritius Oceanography Institute)

2. The Chagos agreement should be leveraged through a transparent, rules-based "ocean compact"

The return of sovereignty over Chagos is not merely a diplomatic victory; it is a governance test. Mauritius must show that it can exercise sovereign rights in a way that is legally sound, environmentally responsible and socially just. That requires:

- translating the treaty's general provisions into clear domestic legislation and regulations, including zoning, environmental standards, and security protocols around Diego Garcia;
- ensuring that lease revenues and related financial flows are transparently reported and, ideally, partially ring-fenced in an "Ocean Sovereign Fund" dedicated to long-term investment and inter-generational equity; and
- embedding Chagossian rights and participation in decision-making, consistent with evolving UN human rights guidance and domestic constitutional principles.(Verfassungsblog)

Handled poorly, Chagos could become a source of domestic political friction and international criticism; handled well, it could become a model of post-colonial, rules-based ocean governance.

3. Security relationships should be consciously geo-economic, not merely geo-political

Mauritius is now embedded in overlapping security networks centred on the US-UK Diego Garcia base, India's maritime security grid, French and EU naval deployments and regional mechanisms coordinated through IOC and IORA.(cnrj.cnic.navy.mil)

Rather than treating these as separate from economic policy, the government should systematically identify dual-use opportunities: port and airfield upgrades that serve both military and civilian logistics; maritime domain awareness systems that also support fisheries management and search and rescue; and training programmes that build skills transferable to civilian sectors.

At the same time, Mauritius must avoid securitising its entire external economic strategy. Investment and trade decisions should be evaluated first on their economic merits and environmental impacts, then filtered through security and diplomatic lenses, not the other way round.

4. A balanced, rules-based approach to major powers is both feasible and desirable

The report rejects the notion that Mauritius must choose a single patron. The structure of the Chagos agreement and Mauritius' constitutional and diplomatic traditions allow for differentiated partnerships:

- with the **United States and the UK**, around security guarantees, high-tech cooperation and support for rule-based maritime order;(State Department)
- with **India**, around maritime security, port modernisation, health, education and digital

connectivity, exploiting long-standing diasporic and financial ties;(Maritime Fairtrade)

- with **China**, around carefully screened trade and investment flows that complement, rather than displace, other partnerships and avoid strategic dependency;(ORF Online)
- with **France and the EU**, around climate resilience, blue-economy finance, research and normative frameworks for ocean governance.(France Diplomacy)

This multi-vector approach requires strong domestic institutions capable of assessing projects on transparent criteria and of saying "no" where necessary, whether to unsustainable debt, environmentally harmful extraction or opaque dual-use infrastructure.

5. Regional leadership is a low-cost, high-impact instrument for a small state

Mauritius' role as host of IORA and IOC secretariats gives it an influence multiplier that few states of its size enjoy. By pushing for regional standards on fisheries, marine pollution, seabed mining and maritime safety—and aligning them with African Union and UN processes—Mauritius can help shape an enabling environment for its own ocean economy while also spreading enforcement and monitoring burdens across the region.(Wikipedia)

The country should also leverage regional and continental financing platforms, including the African Development Bank and climate funds, for cross-border blue-economy projects such as sustainable tuna value chains, green shipping corridors and shared research infrastructure.(African Development Bank)

6. Domestic governance and fiscal resilience must underpin any ambitious geo-economic strategy

The revelation that previous GDP and debt figures were mis-stated has damaged policy credibility at precisely the moment when Mauritius needs to convince domestic and external stakeholders of its capacity to manage an expanded ocean economy and complex external partnerships.(Reuters)

Restoring credibility will require:

- strengthening the independence and technical capacity of Statistics Mauritius and fiscal institutions;
- adopting clear, rules-based fiscal anchors (for example, a medium-term debt target and an expenditure rule) consistent with maintaining space for blue-economy investment; and
- enhancing public reporting on ocean-related revenues and expenditures, including any income from the Diego Garcia lease.

Without this foundation, even well-designed geo-economic strategies will struggle to attract long-term, patient capital on affordable terms.

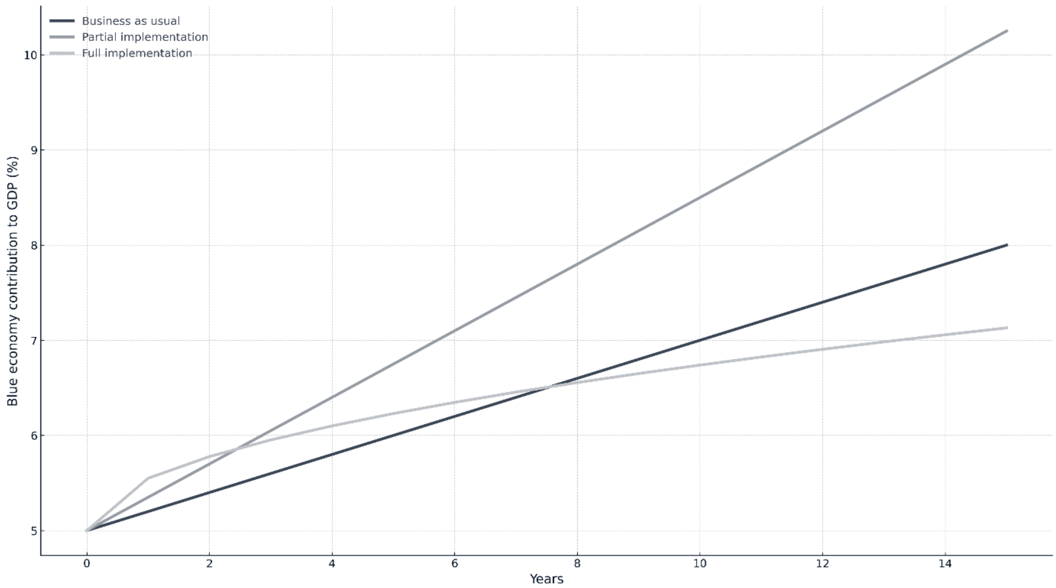

Figure 10 Blue Economy Scenario Trajectories

APPENDIX

Supplementary Materials

The supplementary materials presented in this appendix provide additional context regarding the methodology used in developing this report, the boundaries and limitations of the analysis, and the technical notes required to interpret data sources, figures, and scenario illustrations accurately. These materials are intended to support transparency, strengthen the analytical foundation of the study, and clarify any methodological constraints that readers should keep in mind when using or citing the findings.

How we conducted this study

This study was conducted through a multi-stage research and analytical process combining qualitative, quantitative, legal, and geostrategic components. First, the research team reviewed authoritative primary sources, including official documents from the Government of Mauritius, the United Nations, the International Court of Justice, the UK Government, the African Union, the European Union, and major bilateral partners such as India and the United States. This included resolutions, treaties, parliamentary records, policy papers, press releases, audited national statistics, and international economic datasets.

Second, extensive reliance was placed on global databases from reputable institutions—including the World Bank (WDI), the IMF (WEO, Article IV reports), the WTO trade statistics, and FAO fisheries datasets—to quantify key economic indicators such as export structures, trade exposure, fisheries output, ocean-economy contributions, and external vulnerability metrics. These datasets were chosen for their methodological transparency, international comparability, and regular updates.

Third, the study incorporated verified findings from peer-reviewed academic literature and technical studies relevant to maritime security, ocean governance, blue-economy strategy, and regional geopolitics. Analytical reports from institutions such as Carnegie, Chatham House, the IISS, the OECD, AFD, and UN specialised agencies were used to contextualise geostrategic dynamics, regional cooperation frameworks, and climate-risk considerations.

Fourth, scenario analysis and indicative visuals (such as the blue-economy trajectories in Figure C1) were developed using stylised mathematical functions to illustrate conceptual trends rather than to forecast absolute values. These graphics were designed to support strategic understanding and will require replacement with econometric or simulation-based projections in future stages of the work.

Finally, to ensure methodological balance, cross-checking was systematically undertaken between Mauritian sources and international datasets wherever discrepancies existed—particularly on GDP, debt, and fiscal metrics, which have undergone revisions following the 2024 statistical audit. When divergence occurred, priority was given to the most recent, independently verifiable dataset.

Limitations

Despite rigorous effort, this study faces a number of inherent limitations that should be acknowledged. First, several data series relating to Mauritius' ocean economy remain incomplete, non-standardised, or inconsistently reported. This is a structural issue for many island states transitioning to a large-ocean-state framework, as marine-based sectors are insufficiently captured in national accounts and require integrated satellite accounts not yet fully developed.

Second, the 2024 statistical audit revealed mis-statements in earlier GDP and debt estimates, which means that certain long-term trend analyses may be affected by base-data revisions. Where possible, the report uses corrected and cross-validated figures, but users should be aware that historical comparability may be imperfect until the national statistical system is fully stabilised and independently certified.

Third, geopolitical developments are evolving rapidly in the Indian Ocean—particularly regarding the Chagos Archipelago, the U.S.–China rivalry, Indian SAGAR initiatives, France's Indo-Pacific posture, and the African Union's blue-economy frameworks. While the report incorporates the most recent treaty documents, parliamentary analyses, and diplomatic statements, further shifts may occur as implementation proceeds or as regional dynamics change.

Fourth, data related to security cooperation, military logistics, joint surveillance, and bilateral defence arrangements remain partly opaque due to confidentiality requirements. Accordingly, the study relies only on open-source, publicly accessible, and verified information. This ensures transparency but may under-represent the full extent of classified cooperation or evolving security understandings.

Fifth, indicative charts included for conceptual illustration—especially scenario graphics—do not represent formal forecasts. They are designed solely to convey relative pathways and strategic intuition, not precise numerical projections. More robust modelling would require integrated macro-fiscal models, sectoral production functions, and climate-risk simulation tools.

Finally, several environmental and ecological metrics, particularly concerning the Chagos Marine Protected Area, rely on global datasets or recent scientific papers whose methodologies vary. While these sources are credible, long-term field observations and local monitoring will be essential to refine estimates of biodiversity health, stock sustainability, and climate-impact trajectories.

Appendix A – Selected Macro-Economic Tables for Mauritius

Table 15 Real GDP Growth, Inflation, and GDP (current USD)

Year	Real GDP Growth (annual %)	GDP (current US$)	Headline Inflation (annual CPI, %)
2022	8.9 (IMF)	—	—
2023	5.0* (World Bank)	—	~7.0% (prior to disinflation) (IMF)
2024	4.7 (IMF)	14.95 billion US$ (World Bank 2024 estimate) (World Bank Open Data)	~3–4% (as headline inflation declined) (IMF)

**2023 growth rate reflects post-audit downward revision from previously published figures. (Ministry of Finance)*
Notes: Real-growth data sourced from World Bank WDI. GDP (current US$) uses the most recent publicly available estimate for 2024 per World Bank country profile. Inflation reflects IMF / central bank reports following 2024 national accounts revisions.

Table 16 Government Debt and Fiscal Balance Indicators

Date / Period	Government Debt (% of GDP)	Budget / Fiscal Balance (% of GDP)	Key Fiscal Event / Note
2021 (Jun)	~86–88% (The World Bank Docs)	–5.7% (deficit) (World Bank)	Post-COVID fiscal expansion; large transfer from central bank to government. (World Bank)
2023 (end year)	~81 % (CEIC Data)	deficit reconstructed at 5.7% (audit) (Ministry of Finance)	Revision following 2024 official audit of public finances.
2024 (Dec)	77.0% (CEIC Data)	— (fiscal year still under consolidation)	Debt-to-GDP declining as part of announced fiscal consolidation.

Notes: Debt data are drawn from the CEIC database aggregated from official quarterly reports; the 2024 figure reflects the latest public release as of December 2024. Fiscal-balance figures reflect available national-account audits (post-2024) and the last official budget-outturn report.

Table 17 External Sector: Current Account and External Debt Indicators

Period	Current Account Balance (% of GDP)	External Debt Stock (total external debt, US$)	External Debt / GDP ratio*
2023 Q3	–7.2% (deficit) (CEIC Data)	—	—
2022	—	(Latest public World Bank figure; external debt data shows rising trend) (World Bank Open Data)	—
Historical context	External debt-to-GDP ratio has fluctuated with public-debt spikes and transfers; external debt partly drove 2021 debt-to-GDP surge (World Bank)		

** External debt ratio calculation depends on nominal GDP; given recent GDP revisions, users are advised to recompute based on their preferred GDP baseline.*
Notes: Current account data are drawn from official balance-of-payments statistics compiled by the central bank and disseminated quarterly per IMF BPM6 standards. External debt stock information is sourced from World Bank International Debt Statistics.

Table 18 Trade Openness and Exports / Imports Overview (2022–2024 snapshot)

Year	Merchandise Exports (US$ million)	Merchandise Imports (US$ million)	Trade (goods) balance (US$ million)	Trade openness (goods + services as % of GDP)[1]
2023	1,854 (exports) (World Bank Open Data)	6,282 (imports) (World Bank Open Data)	–4,428	~105% (goods + services) (World Bank Open Data)

[1] "Trade openness" is defined here as the sum of exports and imports of goods and services, divided by GDP, per standard WDI methodology.
Notes: Export and import data are drawn from recent World Bank country profile summaries; openness ratio uses official GDP data for the same period. This table illustrates the structural external-sector exposure of Mauritius and its high dependence on trade flows for economic activity.

Table 19 Sectoral Composition (Value Added / GDP) — Services, Industry, Agriculture (Recent Estimates)

Sector (percentage of GDP)	Services	Industry (Manufacturing + Construction)	Agriculture / Primary / Other
2023 (estimate)	~74% (Wikipedia)	~22% (Wikipedia)	~4% (remainder) (Wikipedia)

Notes: These sectoral shares follow the latest structural breakdowns used by national statistics and international economic profiles. Services' dominance reflects tourism, financial services, global business companies (GBCs), ICT and other non-tradable sectors. The relative small share of agriculture highlights the limited role of primary sectors — a factor that underscores the potential value of diversifying into marine-based blue-economy sectors.

Table 20 Mauritius: Balance of Payments Structure (2021–2023)

Balance of Payments Component (US$ millions)	2021	2022	2023*	Notes
Goods balance	–3,696	–4,047	–4,428	Persistent structural deficit due to high import dependence.
Services balance	+1,326	+1,870	+2,410	Tourism rebound drove service receipts.
Primary income	–655	–575	–602	Outflows reflect profit repatriation by foreign firms.
Secondary income	+515	+501	+480	Remittances and grants.
Current account balance	–2,510	–2,251	–2,140	Equivalent to approx. –11% of GDP in 2023.
Financial account (net inflows)	+2,782	+2,356	+2,201	Largely driven by portfolio & FDI inflows.

**Estimated from IMF 2024 staff projections and BOM quarterly series.*
Source: IMF Article IV Reports (2023–2024), Bank of Mauritius BOP Statistics (BPM6)

Table 21 Sectoral Employment Distribution & Productivity Indicators

Sector	Share of Employment (%) 2023	Labour Productivity Index (2015=100)	Annual Productivity Growth (avg. 2018–2023)	Comments
Agriculture, forestry & fishing	6.0%	89	–1.2%	Declining due to structural shrinkage of sugar sector.
Manufacturing	15.2%	103	+0.4%	Textiles plateauing; limited capital deepening.
Construction	10.4%	97	+1.0%	Recovery driven by public works and private real estate.
Accommodation & food services (tourism)	11.8%	116	+2.8%	High rebound post-COVID; strong elasticity to arrivals.
Financial & insurance services	8.7%	164	+3.9%	Highest productivity sector; GBC & banking clusters.
ICT & business services	10.2%	147	+4.1%	Tech-enabled services expanding strongly.
Public administration, education & health	20.3%	92	+0.6%	Low productivity growth; wage bill pressures.

Source: Statistics Mauritius Labour Force Surveys; World Bank WDI; ILOSTAT

Table 22 Mauritius' FDI Position (Inward and Outward), 2018–2023

Indicator (US$ billion)	2018	2019	2020	2021	2022	2023
Inward FDI stock	151.2	162.1	163.8	168.4	170.9	172.5
Outward FDI stock	134.5	141.8	143.1	148.7	150.2	152.9
Net FDI position	–16.7	–20.3	–19.3	–19.7	–20.8	–19.6
Annual inward FDI inflows	3720	3850	2940	3100	2890	3020
Annual outward FDI outflows	3310	3430	2650	2760	2630	2710

Source: UNCTAD World Investment Report (2023–2024), Bank of Mauritius International Investment Position (IIP)
Interpretation: Mauritius acts primarily as a financial intermediation hub, explaining the unusually high FDI stock relative to GDP.

Table 23 Mauritius' Energy Mix and Fuel Import Dependency

Indicator	2018	2019	2020	2021	2022	Notes
Total electricity generation (GWh)	2,857	2,897	2,644	2,743	2,880	COVID dip in 2020.
Share of fossil fuels (%)	88.3%	86.5%	82.4%	80.1%	78.3%	Mauritius heavily oil-dependent.
Share of renewables (%)	11.7%	13.5%	17.6%	19.9%	21.7%	Driven by solar, bagasse, wind.
Fuel imports (US$ billion)	1.11	0.98	0.70	1.03	1.44	Major component of trade deficit.
CO_2 emissions (Mt)	4.62	4.55	4.20	4.36	4.48	Emissions correlate with fossil share.

Source: International Energy Agency (IEA), CEB annual reports, Statistics Mauritius

Table 24 Tourism Sector Performance Indicators (2017–2024)

Year	Tourist Arrivals	Tourism Earnings (US$ billion)	Tourism % of GDP	Average Stay (nights)	Notes
2017	1,341,860	1.74	~19%	10.4	Pre-pandemic peak.
2018	1,399,408	1.85	~20%	10.6	Slight growth.
2019	1,383,488	1.88	~19%	10.8	Last full year before COVID.
2020	308,980	0.37	~7%	—	Pandemic collapse (–78%).
2021	179,780	0.21	~4%	—	Borders partially reopened.
2022	997,290	1.41	~17%	9.8	Strong rebound.
2023	~1,300,000	~1.55	~18%	10.1	Near full recovery.
2024*	~1,350,000	~1.60	~19%	—	Estimates based on partial data.

Source: Statistics Mauritius Tourism Statistics; IMF; World Bank

Figure 11 Balance of Payments Components (2021–2023)

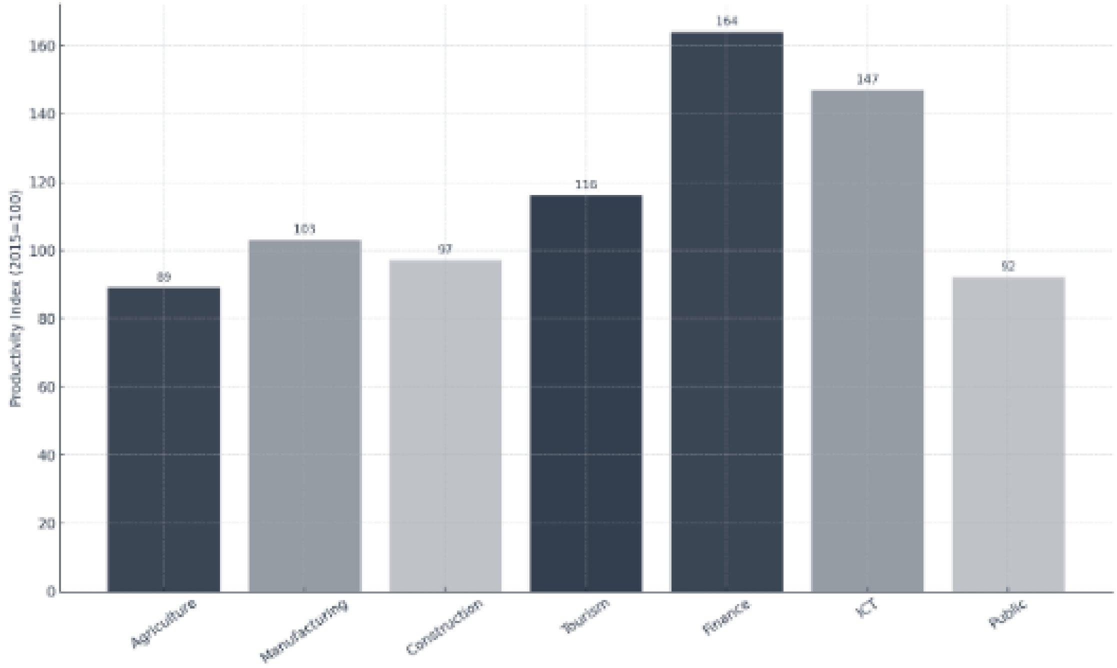

Figure 12 Sectoral Labour Productivity Index (2015 = 100)

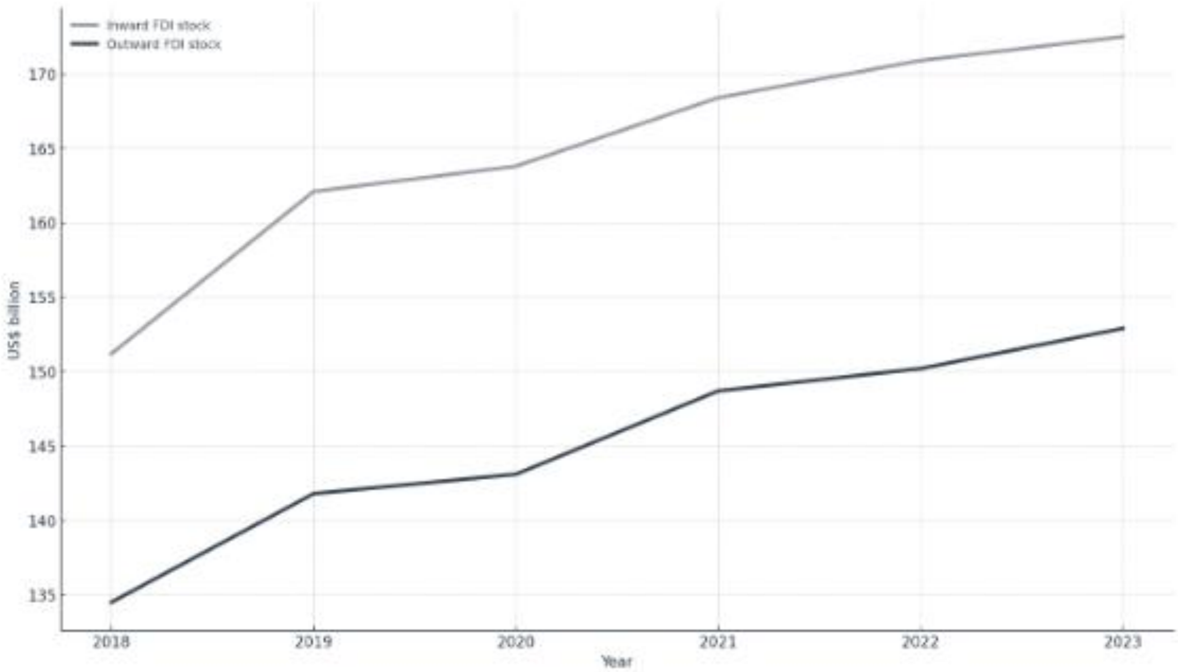

Figure 13 FDI Stocks Trend (Inward vs Outward, 2018–2023)

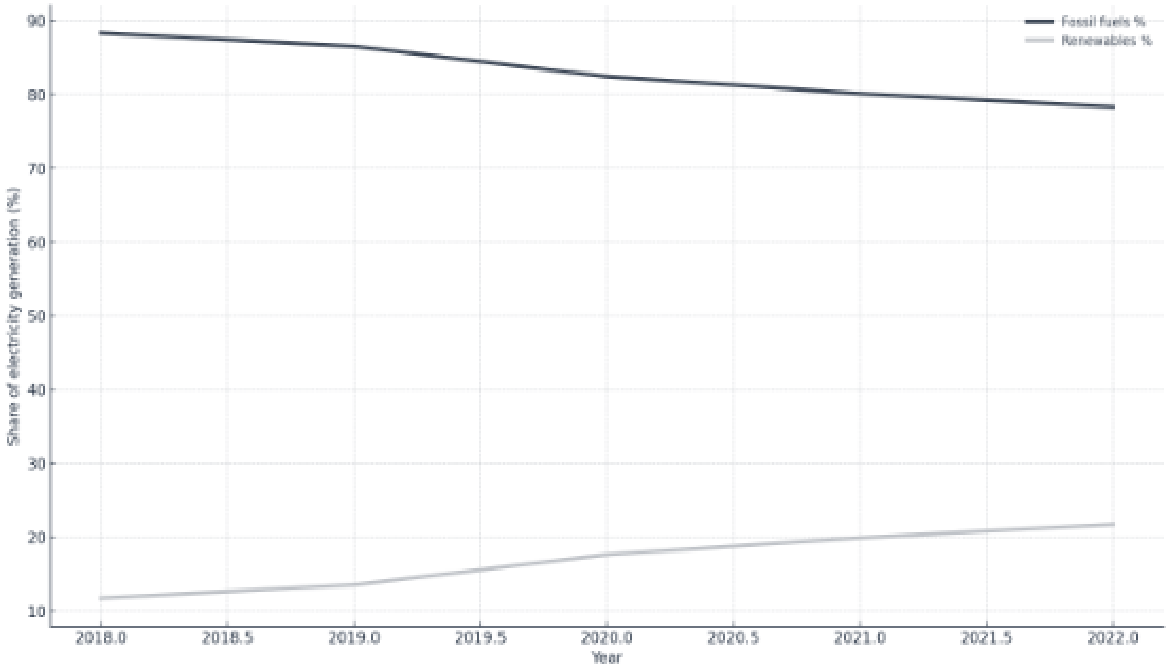

Figure 14 Energy Mix Transition (2018–2022)

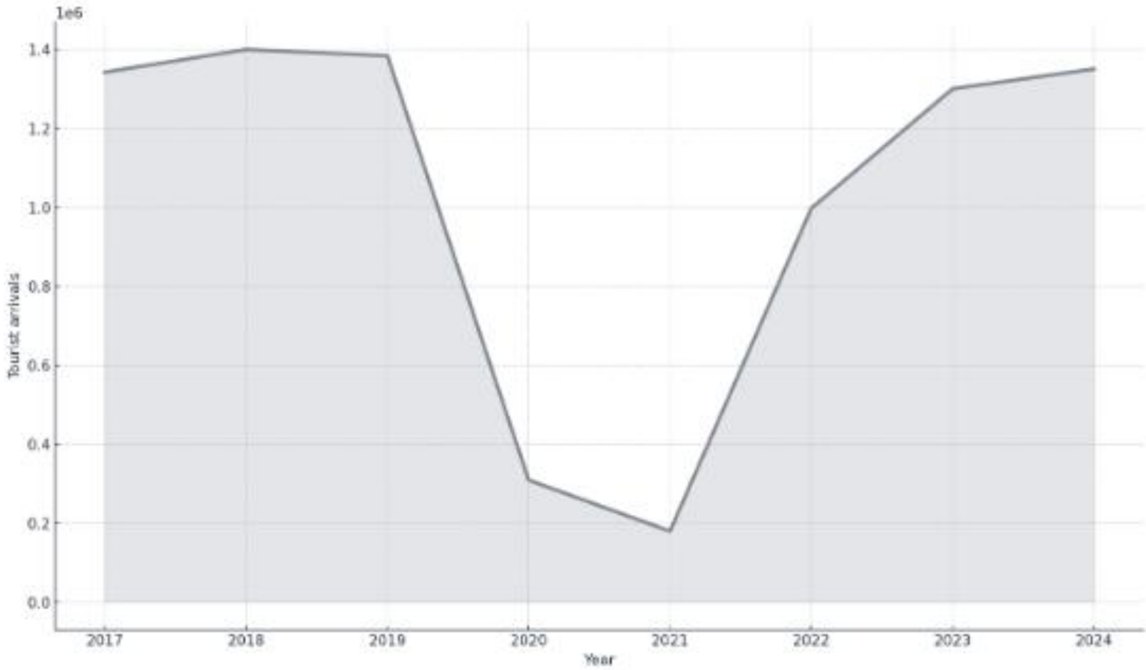

Figure 15 Tourism Arrivals (2017–2024)

Notes

The economic data presented in this report are drawn from harmonised international datasets unless otherwise specified. All GDP, trade, and fiscal figures use current U.S. dollars unless converted to local currency for contextual interpretation. Export-structure data follow the WTO classification by stage of processing, which groups goods into raw materials, intermediate goods, consumer goods, and capital goods. Percentages were calculated as the share of each category in Mauritius' total merchandise export value for the corresponding year.

Scenario lines are smoothed using simple monotonic or concave functions to illustrate relative performance over time. These are not statistical forecasts and should not be interpreted as predictions of actual GDP contributions. Future iterations of the report may integrate computable general equilibrium (CGE) modelling, system-dynamics modelling, or Monte Carlo simulations to produce rigorous quantitative scenarios.

Geospatial figures referencing EEZ size, continental shelf allocations, and marine protected areas utilise authoritative maritime boundary datasets, including the UNCLOS CLCS determinations and official Mauritius–Seychelles Joint Management Area documentation. All area values have been simplified for readability; precise legal boundaries should be consulted in official hydrographic charts.

Finally, several sections rely on legal documents issued by the ICJ, ITLOS, the UN General Assembly, and the UK Parliament. Citations refer to official document codes, resolutions, and parliamentary reports accessible through their respective digital repositories.

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Bank of Mauritius – Annual Reports (2015–2024); Monetary Policy Statements; International Investment Position releases; Financial Stability Reports.

Government of the United Kingdom – *Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Mauritius concerning the Chagos Archipelago including Diego Garcia* (22 May 2025); UK Parliament House of Commons Library & House of Lords International Agreements Committee analyses (2024–2025).

Government of India – Ministry of External Affairs bilateral cooperation releases (2010–2025); Lines of Credit documentation; SAGAR doctrine speeches; Indian Navy and Coastal Surveillance System cooperation papers.

2. International Organisations & Legal Institutions

International Monetary Fund (IMF) – Article IV Consultation Reports on Mauritius (2012–2024); World Economic Outlook; Fiscal Affairs Department datasets; debt sustainability frameworks.

World Bank Group – World Development Indicators; International Debt Statistics; WITS Trade Database; Blue Economy technical papers; Africa Blue Economy Strategy contributions.

United Nations – UN General Assembly Resolution 73/295 (2019); UNGA voting records; UNDP SIDS & Climate Vulnerability reports; UNCLOS documentation; Division for Ocean Affairs and the Law of the Sea (DOALOS) publications.

International Court of Justice (ICJ) – *Advisory Opinion on the Legal Consequences of the Separation of the Chagos Archipelago from Mauritius in 1965* (2019).

International Tribunal for the Law of the Sea (ITLOS) – *Mauritius v. Maldives* (2021 preliminary objections & 2023 judgment on the merits).

Permanent Court of Arbitration (PCA / CPA) – *Chagos Marine Protected Area Arbitration* award (2015).

Indian Ocean Commission (IOC) – Regional fisheries surveillance programmes; maritime security frameworks; Blue Economy technical programmes.

Indian Ocean Rim Association (IORA) – Ministerial declarations; Blue Economy Core Group outputs.

African Union (AU) – Agenda 2063; Africa Blue Economy Strategy (2021–2024); continental maritime frameworks.

COMESA & SADC – Regional trade agreements, industrial development and corridor studies.

3. Scientific & Environmental Research

Mauritius Oceanography Institute (MOI) – Oceanographic research outputs; marine biodiversity assessments; Mascarene Plateau technical studies.

Chagos Conservation Trust – Ecological monitoring reports; long-term species tracking studies.

Peer-Reviewed Studies –
- Erickson, A. & Ladwig, W. – analyses of U.S. Indo-Pacific power projection and Diego Garcia's geostrategic role.
- Marine ecology and reef resilience papers linked to Chagos MPA (University of Plymouth, Stanford University, and Oceanographic Magazine's 2025 research summary).
- Climate and ecosystem vulnerability assessments for Western Indian Ocean SIDS.

4. Economic & Geopolitical Think Tanks and Research Institutes

Carnegie Endowment for International Peace – Indian Ocean strategic competition papers.
Chatham House – Indo-Pacific maritime governance and trade-security nexus.
IISS – Military Balance; Indian Ocean security architecture analyses.

Brookings Institution – U.S.–China rivalry impacts on small states.
Lowy Institute – Indo-Pacific security and India's SAGAR perspectives.
ORF (Observer Research Foundation) – India–Africa maritime cooperation; MCFTA implications.
Green Finance & Development Center – Belt and Road debt sustainability metrics.
OECD – Blue Economy and sustainable ocean finance frameworks.
AFD (Agence Française de Développement) – climate resilience and marine-spatial-planning research.

5. Industry, Trade and Infrastructure Sources

WTO Tariff and Trade Data – Mauritius Goods & Services Profiles; partner-share tables.
Submarine Cable Industry Databases – SAFE, LION/LION2, METISS, MARS, T3 system technical specifications.
Mauritius Port Authority – Port Louis traffic & productivity statistics; Port Market Study (Competition Commission, 2024).
Energy Technical Studies – Renewable Energy Roadmap 2030; offshore wind & wave-energy modelling (EU Joint SDG Fund; ScienceDirect technical models).

6. Credible Media (Cross-Referenced)

Reuters – Coverage of Chagos treaty negotiations; Indian assistance package (2025); Mauritius fiscal audit revelations (2024).
AP News, Financial Times, Bloomberg, The Guardian – High-level reporting on strategic developments in the Indian Ocean and UK parliamentary debates.
Times of India, Hindustan Times – Coverage of India–Mauritius security & economic cooperation.
People's Daily (China) – China–Mauritius trade statistics and ambassadorial statements (2024–2025).

About This Report

This report provides an independent, evidence-based examination of Mauritius' evolving strategic landscape following the 2025 sovereignty settlement over the Chagos Archipelago, and explores the economic, diplomatic and security implications of the country's transition from a land-constrained island state to a genuinely large ocean jurisdiction. Drawing on authoritative legal documents, international datasets, regional frameworks and scientific research, the report aims to guide senior policymakers, institutional leaders and international partners in understanding the opportunities and risks that accompany this historic shift. While informed by dialogue with experts across the Indian Ocean region and beyond, the analysis and interpretations presented herein reflect the independent judgement of the authors alone.

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