International Economics
Strategic Analysis For Growth & Development

Trade in Mauritius: Impact of US Tariffs

Briefing Note

15th April 2025

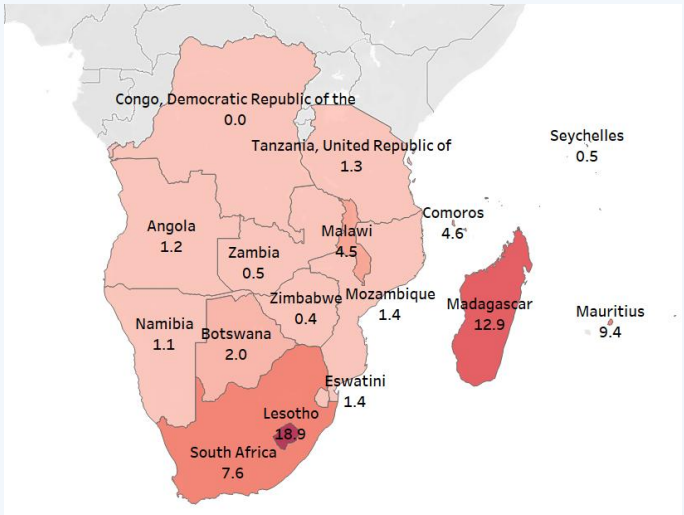
*On April 2nd, 2025, the United States (US) announced a new trade policy that introduces "reciprocal tariffs" of **40%** on Mauritius and **11% to 50%** on all imported goods from the SADC region as from 9th April. However, on that same day, the US declared a 90-day suspension on applying tariffs, for all countries except China, which faces a 125% tariff increase. The analysis presented in this brief utilises a Trade Simulation Model to explore the potential impact of "reciprocal" tariffs announced on SADC trade, with a focus on Mauritius.*

Mauritius' trade exposure to US tariffs

The **40% tariff** applied by the US on all imported goods from Mauritius, threaten a significant proportion of trade. Mauritius's trade relationship with the US is crucial, particularly for its exports of precioius stones, apparel and animal products.

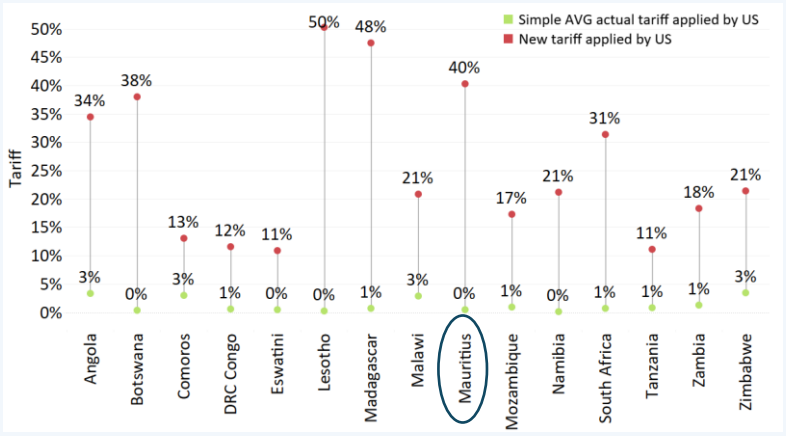
In terms of exposure, these tariffs imposed on Mauritius threaten almost **9.4% of exports**.

Exposure of SADC Exports to the US market, 2023



Note: Exposure is calculated as the share of the country's exports to the US market; Source: IEC Calculations; ITC TradeMap

Current vs projected average tariff rates (applied by the US on SADC exports)



Note: new tariff is calculated by adding the existing tariff and retaliatory tariff; Source: IEC Calculations; White House Executives Order, April 2, 2025; ITC MacMap

Other SADC members also face significant risks:

- **Lesotho**, with **18.9%** of exports to the US market,
- **Madagascar**, with **12.9%** of exports to the US,
- **South Africa,** with **7.6%** of exports to the US.
- Overall SADC exports exposure average at **4.4%.**

The simulation was conducted using applied tariffs and projected tariffs as of 9 April, using a partial equilibrium model in two-stages. The first stage calculates the impact of bilateral tariffs applied to all partners to estimate trade creation and diversion effects. The trade diversion effects were then allocated the tariffs that would be faced by those suppliers, to calculate the adjusted trade diversion values. Final flows are estimated using the total trade effects. See the Methodology. Access the Trade Simulation Tool.

Disclaimer: The views expressed in this brief are those of the International Economics Consulting only. Care has been taken in the preparation of this Brief, but all advice, analysis, calculations, information, forecasts and recommendations are supplied for the assistance of readers and are not a substitution for the exercise of judgement by readers. While every care has been made with trade flow analysis and modelling, any errors remaining are the sole responsibility of the author.

Impact of US tariff rate increase on Mauritius and SADC Member States

- Mauritius will witness a significant hit to its US exports, falling by **US$ 181 million.**
- Other SADC members also show substantial trade losses to the US: South Africa, where exports fall by **US$ 5.4 billion;** Angola's trade losses amount to **US$ 525 million** and Madagascar's by **US$ 431 million.**

Simulated trade loss by SADC countries to the US

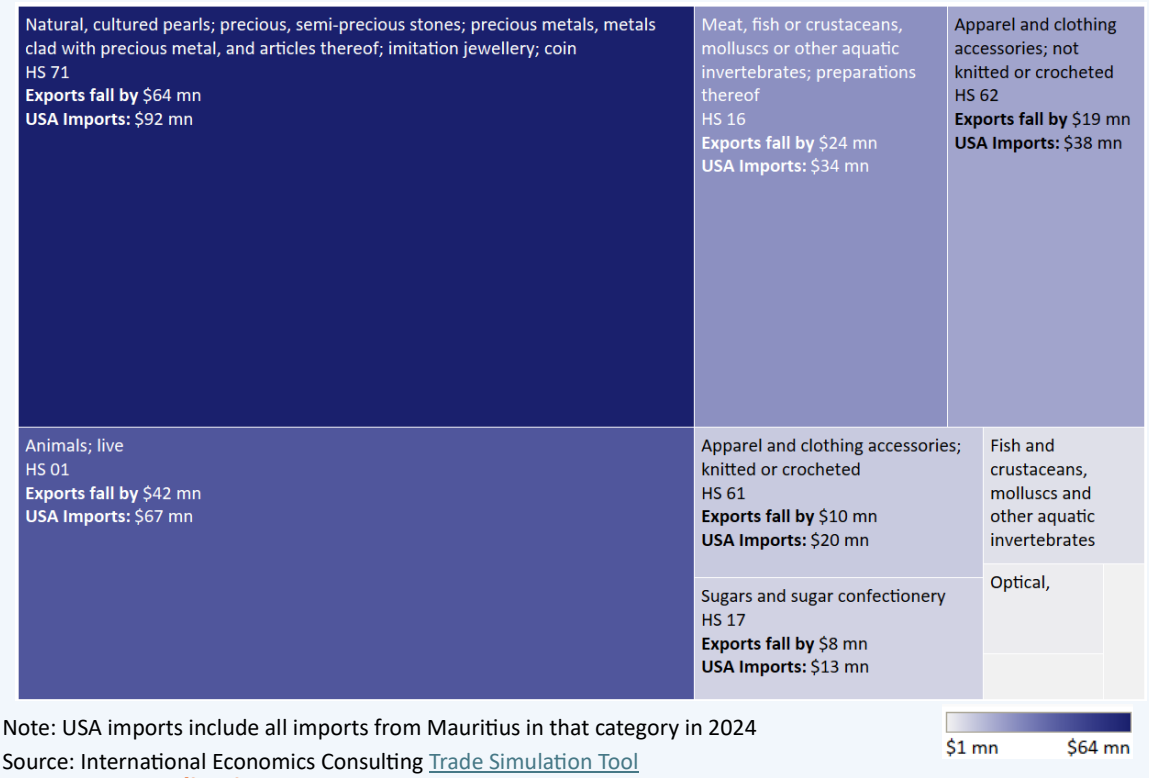


Note: Number in bracket is total country exports to US in 2024
Source: International Economics Consulting Trade Simulation Tool

Product level impacts

- **Pearls, diamonds and precious stones** witness the largest trade contractions to the US, of **US$ 64 million**.
- **Live animals** face losses of **US$ 42 million**.
- Other impacted products are: **Meat, fish & crustaceans, Knitted and Non-knitted apparel** and **Sugars.**

Simulated trade loss by product (HS2) from US tariff increase in Mauritius



Note: USA imports include all imports from Mauritius in that category in 2024
Source: International Economics Consulting Trade Simulation Tool

Implications

Export slowdown; Impact on key sectors like textiles, electronics; Foreign investment risks; Production shifts; Logistics bottlenecks; Trade diversion; Risk of job losses; Dollar volatility; Depressed global prices.

Way Forward

Diversify trade partners; Boost regional integration; Promote domestic value addition; Support exposed sectors and SMEs; Enhance trade facilitation; Leverage SADC policy dialogue instead of bilateral channels.

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