

**COUNTRY PROFILE:****Mayotte****DATED:****January 2012****CREDIT GUARANTEE:**

IES/02: ATTACHMENT A

<i>Export Department Comment/Opinion</i>	Rating: 1B. Cover considered on an open basis. Low exposure and low commitments. No claims experience (Euler Hermes: A ; Altradius:2/6 ; Coface: N/A ) Sanctions: None
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***Recent Political Highlights***

- Mayotte is a department of France and the head of State is French President Nicolas Sarkozy who is represented by prefect Thomas Degos. Mr. Degos was appointed prefect in July 2011 after previously working in various positions for the French government.
- Mayotte officially became France's 101st department in March this year and the implications are that it will use the same laws as France and possess the same benefits (social, tax, civil) as mainland France. Mayotte is 95% Sunni Muslim and has an estimated population of 209,530. Overseas territories are EU citizens in principle, but they are not part of the EU or subject to EU laws. On January 1, 2014, Mayotte will officially become a European external region; the implications are that Mayotte will be a fully integral part of the EU.
- The economy is recovering from protests that began on the 27th of September last year over the high prices of basic necessities, gas, construction materials and high corporate profit margins.

***Recent Economic Highlights***

- An agreement to end the conflict was recently signed by the state, employers and other interest groups. It was agreed to cut prices of certain foodstuffs, cooking gas and other commodities. The agreement is a commitment by the state to reduce the price of 11 basic necessities for the benefit of Mahoran people. Families earning less than €600 per month will be given monthly coupons.
- The restaurant industry has been unable to source food items because of the current economic crisis and store closures taking place. On Christmas Eve electricity was cut off because of a 6 day strike that was conducted by Electricité de Mayotte (EDM), the country's electricity provider. The electricity cut lasted about 24 hours but only 30 minutes in Petit Terre, one of the main islands.
- Government officials have convened to discuss plans for economic recovery after last year's strike; the plans focus on stabilising purchasing power, employment and overall development. Funding will be allocated to priority sectors which include construction and infrastructure, water supply, agriculture and local production; the funding will also contribute towards bail-out plans for distressed companies.
- The state will be providing support to companies that were affected by the strike in order to assist them in mitigating potential bankruptcy and unemployment risks. Government will grant small and medium sized businesses interest-free loans. This emergency fund will also have a facility that will provide guarantees on loans for struggling businesses. An estimated €50 million has been budgeted for the 2012 programme which was announced by the French overseas territories Minister Marie-Luce Penchard on the 22<sup>nd</sup> of November 2011.

***Latest Trade Developments***

- SA's exports to Mayotte in 2009 totaled R70.89m; in 2010 they were R38.8m and R32.87m year to November 2011.
- SA's import from Mayotte in 2009 totaled R13k; in 2010 they were R16k and R75k year to November 2011.

*Researched and compiled by Nthabiseng Ntuli, economic services – Credit Guarantee Insurance*