



**europaean
community**

BACKGROUND INFORMATION

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MAURITIUS - NEW COMMON MARKET ASSOCIATE

The Indian Ocean island of Mauritius -- which speaks French, has a predominantly Indian population, pays allegiance to the British Queen, and is the home of the extinct dodo bird -- is to become the European Community's nineteenth associate under the Yaounde Convention.

An agreement by which Mauritius would accede to the Convention was signed May 12 in Port Louis, the island's capital. The accord is subject to national ratification, a process that should take about a year.

Through the Yaounde Convention, the Community assists the economic and social development of 18 African nations, mainly former colonies of the Six. The Convention, due to expire January 31, 1975, went into force on January 1, 1971. Relations between the Six and the Eighteen had previously been governed first by the Common Market Treaty and later, after the Eighteen had attained independence, by the first Yaounde Convention.

Aid to Create New Jobs

As the nineteenth member of the Convention, Mauritius would receive special allocations of financial and technical aid from the European

Development Fund and European Investment Bank. This aid would help develop the island's industrial and tourist potential and create new jobs for the nearly one million inhabitants -- Indian, African, and Creole -- many of whom are now unemployed.

Also, most of Mauritius' exports to the Community would be exempt from customs duties. In turn, Community exports to Mauritius would receive preferential tariff treatment. An annex to the association agreement, however, states that sugar, the island's main export, will still be subject to import duties; for Mauritius will continue to export sugar to the United Kingdom under the fixed-price quota of the Commonwealth Sugar Agreement.

In the past, Mauritius, which must import most of its primary foodstuffs, has had a slight trade deficit. The \$10 million worth of imports from the Community in 1969, for example, was five times greater than exports to the Community. But, as a member of the Yaounde Convention, the island's terms of trade should improve.

Mauritius, near Madagascar and 1,250 miles from the African coast, is a parliamentary democracy.###