

Exploring the potentialities of export processing free zones (EPZs) for economic development in Africa: lessons from Mauritius

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Abstract: This paper explores the potentiality of export processing zones (EPZs) as a development strategy for Sub-Saharan African countries using the Mauritian EPZ model as a case study. In the literature positive relationships between export expansion and economic growth and between EPZs and export growth have been found in developing countries. Export-oriented strategy is particularly important for developing countries given their dependency on foreign countries for most of their key inputs and technologies required in their production. Our findings suggest that EPZs can play a crucial role in the economic and social development of a country. Also that EPZs' success may be greater if they are implemented as part of an overall trade-oriented reform programme aimed at opening up the whole country rather than treating them as enclaves. Comprehensive incentives are required. The Mauritian EPZ experience thus provides good lessons to other Sub-Saharan African countries pursuing economic reforms.

Keywords: Export, Foreign investment, Developing countries, Mauritius