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Japan announces \$30 billion investment into Africa and turns to Mauritius for safe passage

Blessed with an abundance of natural assets, Mauritius is an agile and open investment hotspot that is enticing major Japanese FDI

The high-profile inauguration of the first Japanese Embassy in Mauritius marks the latest milestone in the blossoming relationship between the pair and represents an exciting new chapter in the island's socio-economic development.

The decision to establish a permanent diplomatic presence in the capital Port Louis is a clear statement of intent by Japan and underlines the great confidence, high esteem and strong trust Japan places in its smaller partner as it looks to capitalize on the republic's excellent natural and human assets and enviable strategic location.

At the Sixth Tokyo International Conference on African Development (TICAD VI), which was held in Kenya in August, Japanese Prime Minister Shinzo Abe highlighted his desire to elevate the pair's bilateral relations to a new high.

His firm commitment to Mauritius includes the allocation of an undisclosed slice of the \$30 billion Japan has pledged to invest in Africa by 2020 on projects such as infrastructure development and better access to education and healthcare services for people of all ages.

Real competitive advantage

Indeed, it is easy to see why Japan is so interested in expanding its presence in this corner of the Indian Ocean as Mauritius enjoys an outstanding reputation as a safe and secure investment hotspot that boasts a thriving middle-income diversified economy and cohesive society.

A glance at other financial and investment benchmarks proves why Mauritius is so popular with investors in many industries.

The country of 1.2 million people is ranked first in Africa for ease of doing business, competitiveness, economic freedom



Anerood Jugnauth
Prime Minister



Pravind Kumar Jugnauth
Minister of Finance
and Economic Development

"Despite this success, the African continent still displays several frailties engendered from years of instability and governance issues, which may plant a seed of doubt in the mind of investors. Mauritius is the solution."

Hon. Anerood Jugnauth, Prime Minister of Mauritius

and human development.

Proud Prime Minister, the Honorable Sir Anerood Jugnauth, is delighted his country's bonds with Japan have been tightened and is looking forward to working closely with officials from the public and private sectors as they look to optimize its competitive advantages.

"Despite success, the African continent still displays several frailties engendered from years of instability and governance issues, which may plant a seed of doubt in the mind of investors, however, Mauritius is the solution," he stated.

"Japan has always been regarded as one of the prime seedbeds for innovation. Mauritius stands to gain a lot from that. We aim to be this innovation hub for Africa. The continent is burgeoning at a rapid pace, and investors from all over the world want to be a part of this rapid rise.

"Mauritius provides this

springboard. TICAD offers a formidable occasion for all parties to make the most of opportunities in Africa — the continent of the future and home to a lot of development. Africa is going to march forward, it's a very rich continent, it doesn't lack anything."

Jugnauth sees plenty of potential in Mauritius and the rest of the continent for Japan to share knowledge, technology and experience across a spectrum of economic sectors.

"Africa is not the same market it was 25 years ago. Africa has started progressing and changes are taking place. Development is growing fast, but now there is extra help from Japan.

"Japan has very good intentions and really wants to help. If Africa develops, it will be a new market for all other countries, including Japan. Africa and Japan have become more like partners so it will be a win-win

situation for everybody.

"Japan has committed right now about \$30 billion. Provided we all have the real intention and will to use that money with great care then it is going to profit both Japan and Africa.

"From poverty we have become a middle-income country today. In many ways in Africa, we are number one. With further help, we expect Japan to boost us further one step up, to new levels of technology, financial services and information and communications technology."

Quantum leap for Africa

Japan's Abe echoes this view and is eager to cement existing political, commercial and trade relations with Mauritius, as part of the wider regional drive.

"I am firmly convinced science and technology is bringing about a quantum leap in African development," he stated during TICAD VI in Nairobi.

"On this continent of possibilities, I don't have the slightest doubt that Japan's science and technology, and also its education, will certainly be useful in increasing people's well-being.

"Never before have the chairman of Keidanren (Japanese business federation) and such a large outpouring of the heads and top executives of Japan's representative companies visited Africa.

"This demonstrates the eagerness among the top executives of Japanese companies to grow together with Africa by identifying what needs to be done to enable Japanese and African companies to do more business together going forward.

"They will pinpoint issues from the vantage point of businesses and solve issues by bringing together the power of the public and private sectors.

"African nations are no longer Japan's aid recipients, they are Japan's partners for growth."

Like his father, the Honorable Pravind Kumar Jugnauth welcomes Japan's firm commitment to socioeconomic development



A melting pot of cultures and styles from different continents, Port Louis is the bustling capital of Mauritius.

and is eager to advance mutually beneficial partnerships in his role of minister of finance and economic development.

"We wish to work with countries like Japan to attract investors," he said. "The strategy, the philosophy behind this is for African countries to get together and create partnerships with countries that have the know-how, resources and capacity to set up economic activities in those places for the benefit of each one of us.

"Mauritius has many trade agreements with the region such as the Common Market for Eastern and Southern Africa and the Southern African Development Community.

"We are also able to export to the U.S. through the African Growth and Opportunity Act numerous products without any tax, so there is plenty of potential.

"We want to accelerate the growth in the ICT sector; it started just after the new millennium with the cyber tower and this government's vision is to make Mauritius a 'Cyber Island.'

"New sectors we want to develop include the Ocean Economy. Japan has a very keen interest in our maritime zone.

"Mauritius has the aquaculture that could be very attractive for both countries."

Set to celebrate its 50th anniversary this year, the Bank of Mauritius is the guardian of the nation's financial and economic well-being and is credited with creating the foundations for a sound and reliable system that adheres to strict international regulations and global best practices.

Shinzo Abe, Prime Minister of Japan

monetary policy toward supporting the local economy and a stable exchange rate to promote broad-based, sustainable growth.

"Mauritius has carved a strong image of a well-regulated banking sector living up to the

"African nations are no longer Japan's aid recipients, they are Japan's partners for growth."

expectations of best international practices," Roi said during a keynote speech in November.

"There are indications of a growing demand for Mauritius to position itself as a treasury center for multinationals operating in Africa.

"A few international banks are actually engaged in promoting this business. The Bank of Mauritius stands ready to support such initiatives."

Turning to trade financing gaps among some of the poorest African countries, the senior offi-

cial emphasized how the underdevelopment of the financial sector constitutes a significant barrier to trade.

"Closing the trade finance deficit in the small and medium-sized enterprise (SME) sector, especially in Africa, is a neglected area," he said.

"SMEs have increasingly become the most dynamic sector in terms of job creation, adding value and even innovation, but sadly it's also the sector facing major constraints in securing trade finance."



Rameswurlall Basant Roi
Governor, Bank of Mauritius

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MAURITIUS - The Leading Financial Hub in Africa

With a mandate to promote and maintain monetary and financial stability, the central bank of Mauritius fosters a sound and strong banking sector, efficient financial markets and payment systems, and a conducive macroeconomic environment. The ease of doing business combined with the wide range of financial services offered to international companies, position Mauritius as a leading financial hub for conducting business with Africa.

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Mauritius poised to become the world's latest international financial center

The banking and financial services sector continues to catch the eye of leading market players due to robust regulatory foundations, solid legislative frameworks, good governance and greater transparency

In recent years, Mauritius has also emerged as an international financial center (IFC), of excellence based on a solid, transparent and well regulated system coupled with an investor-friendly environment.

Incentives and advantages offered to investors include 100 percent foreign ownership, a low tax rate of 15 percent, tax-free dividends, no capital gains tax and free repatriation of capital, dividends and profits.

The republic boasts a robust, transparent and well-regulated financial services sector that means, unlike some other island nations, the country is crystal clear about the quality and integrity of financial services providers that are welcome to establish operations.

Such an approach is certainly paying dividends and has been endorsed by leading global fiscal institutions as the republic again climbed several more places in the coveted Corruption Perception Index (CPI) compiled each year by Transparency International.

Ranked just inside the top 50 in 2014, the CPI recognized further achievements toward good governance under the current administration and placed Mauritius in 45th place — well inside the table's top third.

This impressive progress is testament to the hard work of public and private sector officials to stamp out bad behavior and ensure individuals and companies are not tempted by instant rewards and respect the rules.

The Honorable Pravind Kumar Jugnauth, minister of finance and economic development, commented: "The financial sector has been doing very well with regular and consistent growth; we want to diversify it further by having new instruments and adding more substance.

"Our aim is to become more competitive and a more attractive, reliable financial center. We have a number of agreements with many countries, such as double taxation avoidance agreement (DTAA), investment promotion and protection agreements."

Spearheading the nationwide drive to comply with global best practices and the protection of a level playing field for investors of all sizes is the Honorable Roshi Bhadain, minister of financial

services, good governance and institutional reforms.

His department is dedicated to combating fraud, corruption and malpractice in the lucrative sector through good governance and strict adherence to international legislation, taxation agreements and money-monitoring systems.

"We want Mauritius to be the place where businesses can handle all their financial and administrative activity to facilitate investment on the African continent," he explained. "Why should companies come here? Because we have advantageous laws, no exchange control restrictions — you can take money in, take money out — and we also have great weather and an amazing culture.

Secure and safe environment

He highlighted how Mauritius offers full protection of foreign investments in key African nations through its network of investment promotion and protection agreements (IPPA).

"Mauritius has the opportunity to become the financial hub for the sub-Saharan Africa region, very similar to the one Singapore had 20 years ago with Southeast Asia."

Antony Withers, Former Chief Executive, MCB



The IPPAs guarantee Mauritian investment with respect to expropriation and social unrest in contracting states. In addition, they provide for arrangements for settlement of disputes between investors and the contracting states.

This proactive strategy has positioned Mauritius as a center for private placements, trading of bonds and other financial instruments by encouraging multinationals to establish regional headquarters and to benefit from the local jurisdiction for investment into, and out, of Africa.

"We have all the elements



Roshi Bhadain
Minister of Financial Services, Good Governance and Institutional Reforms

to become an IFC here in Mauritius," Bhadain continued. "We have both French and English aspects, whether in terms of language or the judicial system, and when you look toward investors we have a number of IPPAs for their protection, with around 23 IPPAs and 43 DTAs with Africa.

"By linking the Ministry of Good Governance with the Financial Services Ministry, we have sent the message that we want to do business in the proper way, it is a real statement of intent.

"We are making significant efforts to break away from the perception of an offshore haven and working to show we have extensive opportunities here.

businesses are coming here and discovering for themselves what we are doing in terms of the financial services sector."

Banks act as money magnets

The financial services sector generates about 12 percent of GDP and investment in the banking sector has reached more than \$1 billion as companies take advantage of a well-capitalized financial services climate to serve a broad range of retail, corporate, institutional and private clients.

Services available include traditional retail and corporate banking operations, international remittance, online banking, mortgages and loans, investment banking, custodian and treasury services and e-commerce.

As the largest and oldest bank in the country with roots dating back almost 170 years, Mauritius Commercial Bank (MCB) has played a key role in the development of the economy and blends modern and adapted channel capabilities with high-quality service.

Leveraging its extensive network of correspondent banks, MCB has diversified its activities beyond domestic shores, most notably through participation in major cross-border deals and transactions and the promotion of its "Bank of Banks" initiative.

MCB former Chief Executive, Antony Withers, said: "We are seeing a great increase in investors' attention for Africa, but countries on the mainland don't have the same incentives and investment protection. As such, Mauritius is the best platform to invest into Africa.

"Mauritius has the opportunity to become the financial hub for the sub-Saharan Africa region, very similar to the one Singapore had 20 years ago with Southeast Asia. The opening of a Japanese Embassy will send another strong signal Mauritius has the credibility and standing to become the regional financial hub for Africa."

Established 20 years ago, Investec Bank (Mauritius) is a wholly owned subsidiary of the Investec Group and provides a range of treasury and deposit products in foreign currencies, including call and fixed-term deposit accounts, high-yield access accounts, base plus accounts, dual currency deposit, and zero coupon deposits, as well as foreign exchange and hedging services.

The group also offers aircraft finance, medium-to-long term structured finance, customized debt and equity products, commodity-based finance,

and cash-backed and general lending services in various foreign currencies.

Investec Bank (Mauritius) CEO, Craig McKenzie, is excited about the opportunities created by the country's solid fiscal growth and growing partnerships with advanced first-world economies such as Japan.

"The technology that Japanese companies have across many sectors will most definitely contribute to the development of Africa," he said. "African markets operate in a way that is very different to first-world markets so you have to go in knowing what you are doing.

"The main thing with Africa is you have to have investor partners who understand the continent as there is 52 different countries that all have unique issues. If you haven't worked in Africa before, you would do well to find a partner like Investec to help you invest there.

"What's nice about being in a small place like Mauritius is you have easy access to the ministers and the Central Bank. You can easily discuss issues that could be hampering efficient operations."

A leading performer in the fast-growing industry with a near double-digit percentage share of the lucrative market, MauBank Ltd. was created in early 2016 through the merger of National Commercial Bank Ltd. (NCB) and Mauritius Post and Cooperative Bank Ltd. (MPCB). The group operates retail and corporate banking services for individuals and businesses—the distribution network consists of 34 branches and 46 ATMs—and is renowned for its focus on small and medium-sized enterprises (SME).

"MauBank is not just a commercial bank; it is a development financial institution," explained CEO, Sridhar Nagarajan. "It's actually a commercial bank, but we are being asked by our shareholders to play the role of a development financial institution for SMEs. "Mauritius is exactly at the same place as Singapore 30 years ago. The country has a very bright future and can be the connector to Africa."

Diplomacy oils wheels of FDI

The executive is eager to explore fresh opportunities with foreign partners, particularly those from Japan. "Diplomats are trade facilitators and that's why I'm very happy to see the Japanese Embassy as an embassy always facilitates trade.

"Japan should very much invest in the port of Mauritius so Mauritius can again become



MauBank Ltd.

www.maubank.mu

the star of the Indian Ocean. Mauritius has a geopolitical gift, in today's world neutrality is very important and this is why it will become the next IFC; you have to be politically neutral.

"The African wavelength is slightly different to the Organisation for Economic Co-operation and Development wavelength, this is why Mauritius can play a major role in bridging this gap."

Headquartered in the gleaming new Mauritius International Financial Centre and with representative offices in South Africa, AfrAsia Bank Ltd. specializes in banking that brings continents closer.

The firm's entrepreneurial approach helps to develop flexible financing and investment solutions and provide tailor-

"The technology that Japanese companies have across many sectors will most definitely contribute to the development of Africa."

Craig McKenzie, CEO, Investec Bank (Mauritius)



made advice while combining expertise in four core divisions: treasury and financial markets, global business banking, corporate and investment banking, and private and personal banking.

Since its inception, the bank has expanded via a combination of substantial organic



Arnaud Lagesse
Group CEO, IBL Group

growth and a series of strategic acquisitions.

The group enjoys a high-profile presence and sponsored a professional golf tournament in early 2016.

As its name suggests, AfrAsia Bank is an experienced player in



Antony Withers
Former Chief Executive, MCB

lowing this trend," said AfrAsia Bank CEO, Sanjiv Bhasin.

"Japan has always been there at the top, but what is becoming apparent is that this investment is becoming more meaningful.

"Asian countries have benefited from utilizing technology and embracing the objective of financial inclusion and alongside a stable democracy it appears the recipe for change and growth in Africa is likely to emanate from this Asian example.

"We want to expand our operations internationally and have identified a number of clients operating in the Asia-Africa Corridor where we could provide our capabilities, knowledge and services in order to partner and help them expand into Africa.

"Mauritius has a significant level of European influence partly through its colonization by England and France. It most definitely has Asian characteristics and geographically it's in Africa. Mauritius has the key ingredients and is well positioned to become the next IFC.

"There are many examples of economic success through improved connectivity. With the air corridor, Mauritius will become a transportation hub and fulfill its huge growth potential."

Mauritius International Financial Centre: A Sophisticated Hub for Japanese Companies Investing in Africa

The Mauritius International Financial Centre (IFC) is the ideal hub for companies and multinational corporations doing business and investing in Africa. The Mauritius IFC is well-regulated, white-listed and trusted, and boasts a track record of more than two decades of sterling work in cross-border investments, trade and finance.

The Mauritius IFC plays a strategic role in driving quality investments in Africa, notably with its pool of highly qualified professionals, modern infrastructure, state-of-the-art technologies and ideal time zone. It is also a natural gateway for companies

wishing to market and distribute their products and services to more than 600 million people in the African continent.

In addition to its extensive bilateral tax and investment treaties, Mauritius is party to a number of regional trading blocs, including the Southern African Development Community, Common Market for Eastern and Southern Africa, and the Indian Ocean Rim Association for Regional Cooperation.

Since this year, in line with the vision of graduating the offering of Mauritius to a new level of sophistication, a new suite of bespoke financial products have been introduced, including a new

Global Headquarters Administration (GHA) License.

Top-ranking country

The new GHA license caters for a holding entity of a well-established international group, reputed in its field of business and industry, and providing headquartering services to three or more foreign entities.

The income of the Mauritius-based entity is exempted from corporate taxes for eight years, and is eligible to avail of the provisions of our extensive tax treaties.

The headquartering services include administration and general management; business planning and development; economic or investment research and analysis;

and services related to international corporate headquarters.

Mauritius remains the top-ranking country in Africa in a number of international benchmarks and accolades, including the World Bank's Ease of Doing Business Index, the Global Innovation Index 2016, the World Economic Forum Global Competitiveness Report 2015-2016 and the Mo Ibrahim Index of African Governance 2016.

Security and integrity are the watch words for every investor, so they can rest assured Mauritius and the IFC will work to the highest international standards to make doing business a pleasure in this Indian Ocean paradise.



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National Insurance Company ensures a swift and smooth transition to consolidate one of the largest insurance client bases in Mauritius

More than 130,000 policyholders were concerned when one of the largest life insurance companies in Mauritius went into conservatorship in April 2015.

The authorities deployed swift and bold measures to ensure policyholders' interests were safeguarded through an expeditious change in the Insurance Act, enabling a smooth transfer and the continuity of business under the two newly established state-owned companies, the National Insurance Co. Ltd. and NIC General Insurance Co. Ltd., jointly referred to as NIC.

NIC made sure all long and short-term insurance clients were taken care of with no disruption

in service and insurance coverage thanks to strategies put forward by the authorities, boards and management of NIC. As well as protecting policyholders and the 1000-strong workforce, NIC ensured sound business foundations were laid that could sustain the life and general insurance businesses. This was possible through the unprecedented and commendable effort of concerned staff and salespersons, undertaking further cost-rationalization exercises while preserving staff expertise and robust client service standards, and the vast, well-established distribution channels and salesforce.

In a matter of weeks, a full transition and stability had been reached at all levels of the business. Then,

NIC's boards and management promptly set forward growth plans for the underlying businesses and embraced the broad mission of "Serving you, Serving the Nation." These businesses are now on their growth trajectories, characterized by new business trends, a growing client base nearing 150,000 and services now covering most classes of general insurance businesses, as well as the existing life and pension products. Since its launch, NIC has also serviced over \$35 million worth of policyholder benefits.

These efforts, coupled with a strong organizational culture of high performance and engagement, culminated with NIC being awarded

"Africa's Best Employer Brand Awards 2015" by the Employer Branding Institute. Innovative in its approach, NIC has embraced the idea of making life and general insurance more accessible to Mauritians across towns and villages through its partnership with Mauritius Post Ltd., reaching out soon to some 50 locations under the "Post Assurance" concept, and aiming to make micro insurance part of Mauritians' lives. It has also rolled out a nationwide healthy living community campaign.

NIC aims to capitalize on its expertise and capabilities to expand across the African continent and tap into new opportunities of micro insurance, captive insurance, health insurance and pensions administration.

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First class air links

Improved aviation links between the island and key cities in Asia have created countless business openings and ensured ambitious Mauritius is making its mark on the global investment map

Launched less than a year ago, the innovative Air Corridor stretching thousands of miles from Mauritius to Singapore has been a resounding success to date and helped facilitate and funnel trade, business and investment between two of the world's most important regions.

Comprised of several weekly direct flights operated by world-class airlines, the exciting initiative aims to boost both partners' reputation as bustling commercial hubs and so promote origin and destination traffic flows between Africa and Asia/Southeast Asia.

Georges Chung Tick Kan, senior economic advisor to the prime minister of Mauritius, explains the concept behind the innovative idea, saying it is not only tourism-oriented, but more about strengthening economic ties and building human relations between two vast regions.

"We haven't done much yet beyond promoting the Air Corridor in Mauritius and Singapore, but already more than 6,000 people have used the corridor in both directions," he stated proudly.

"Singapore Airlines and Air Mauritius have just signed a code-share agreement whereby Singapore Airlines will take passengers from cities in Asia to Singapore, from where Air Mauritius will take them to Mauritius and to Africa.

"I expect several Chinese Airlines to sign similar code-sharing agreements with Air Mauritius to take their passengers to Singapore then to Mauritius and Africa. It's the most efficient way to connect these two parts of the world." He continued: "Air Mauritius actually runs three flights a week from Singapore and before the operation of the Corridor, it was running at a 70 percent load factor. Now, all the flights are almost fully booked and the airline is introducing a fourth flight and will, eventually, launch a fifth flight.

"When foreign direct investment (FDI) flows from one place to another, a third party platform is normally required to structure and administer the vehicle to minimize risks and optimize costs, including for fiscal issues. The owners and the managers of the vehicle will choose the best



Ken Poonoosamy
MD, Board of Investment



Georges Chung Tick Kan
Senior Economic Advisor
to the Prime Minister

jurisdiction using criteria such as political stability, costs and friendliness in terms of doing business.

"Mauritius has most of these ingredients and is already a jurisdiction of choice for thousands of investment and fund vehicles from all over the world for investment in India, China and Africa."

"Africa is the last frontier of economic development and a lot of investors from all over the developed world are focusing on investing in infrastructure, transport, and communication.

"I expect Japanese investment funds being structured in Mauritius to finance the various projects of Africa.

"Mauritius can play a vital

"We need this Japanese Embassy, not only for trade and investment, but for cultural and social exchanges."

Ken Poonoosamy, Managing Director, Board of Investment

role in bringing together Africa and Asia. Our destiny is to be the 'Gateway to the Continent' — an excellent platform for bringing together Japanese investors and our African peers."

FDI roars ahead to new record
Capitalizing on the plethora of golden opportunities created by the Air Corridor and other initiatives is the Board of Investment (BOI), with the government agency delighted with a near 50 percent year-on-year surge in FDI for January-September 2016 to \$30 million.

As the national investment promotion agency of the government of Mauritius, the BOI is the first point of contact for investors exploring business opportunities

in Mauritius and the region. The BOI also assists investors in the growth, nurturing and diversification of their business.

Working around the clock to facilitate the implementation of investment projects and, more importantly, to continuously improve the investment and business climate, the BOI works in close collaboration with government bodies, institutions and private sector companies.

Continental crossroads
Mauritius is continually reinventing itself. And by leveraging its strategic position at the crossroads of Africa, Asia and Australia, the country is gradually transforming into a hub and

an international jurisdiction for investors in search of security, transparent regulation and high value-addition.

The economy has been successfully metamorphosed following a smart shift from a mono-agricultural model to a diversified, innovation-driven and knowledge-based economy, underpinned by a broad spectrum of business activities that welcome FDI with open arms.

BOI Managing Director, Ken Poonoosamy, describes the agency as a dedicated "interface" between the public and private sectors and is highly focussed on the next wave of development in all areas of the economy.

"Attracting skills, talents and know-how are key ingredients

to ensure we bring innovation to make Mauritius a center of development," he said.

"Our strong advantages are political and economic stability; we have managed to transform challenges into opportunities.

"What has happened over the years is we have built a certain resilience and the people of Mauritius can feel, even more the private sector, there is a synergy. We are a small country, but at the same time we react very fast to challenges.

"If you establish a factory in Mauritius you have access to 26 percent of the world's population with preferential access to the American market, the European market, Pakistan and Turkey. This counts for a lot."

Green light to growth

Hard data supports this viewpoint as FDI represented around 4 percent of annual GDP in 2015, but in 2016 that figure is expected to jump sharply on the back of a new economic strategy — Vision 2017-2020 — that has given the green light to yet more investment from the international business community.

"The Tokyo International Conference on African Development has opened the way for a greater collaboration and the message has been that our nations have to work together to ensure we all profit from the numerous opportunities available. Japan is ready to stand by Africa," Poonoosamy added.

"In terms of market access, we would like more of our products sold in Japan, more Japanese involvement in some strategic sectors such as industrialization, manufacturing, transformation, hi-tech, but also producing consumer goods for export.

"We would like to see more participation in fisheries and Ocean Economy.

"There is already cooperation on climate change and meteorological services, where Japan continues to provide us with significant support.

"We need this Japanese Embassy, not only for trade and investment, but for cultural and social exchanges.

"We would like more tourists and technology from Japan. This embassy will certainly open new doors for us."



Aquaculture in Mauritius

Ocean's treasures

The turquoise and tranquil waters of this quiet corner of the Indian Ocean teem with countless species of fish and marine life, offering investors a myriad of ways to tap into its underwater riches

Blessed with extremely rich fishing waters that include an exclusive economic zone of more than 2.3 million square kilometers, Mauritius' marine industry and aquaculture sector — often shorthand to the "Blue Economy" or "Ocean Economy" — boasts huge potential for local and foreign investors.

As a maritime superpower, Japan has been invited to help shape the sustainable expansion of the sector through the development of value-added fisheries and seafood.

In addition, help is sought for related sectors, including fishing, transshipment and ancillary services.

Investors set to make a splash

The Board of Investment has highlighted several areas of potential interest for foreign investors throughout the Blue Economy. The fisheries and seafood processing sector currently represents around 19 percent of the island nation's total annual exports.

New fishing vessels can take advantage of the healthy tuna stock in the southwest Indian Ocean and opportunities also exist in the increasing transshipment activities at the ports for value-addition such as cutting, filleting, loining and packaging.

Aquaculture openings include offshore lagoon cage cultures with production ranges of 300-2,000 tons per unit; inland aquaculture farms; tuna ranching and fattening in cages; hi-tech production techniques such as aqua pods.

In-lagoon aquaculture has also emerged recently and out of the 20 sites proclaimed, 15 sites are available for marine aquaculture. Farming of high-value and niche products such as seaweed, oyster and oyster pearls, crabs, sea urchins and other shellfish are actively encouraged.

The Blue Economy is a core component of the government's second economic miracle and Vision 2030 program, launched in 2015 by Prime Minister Sir Anerood Jugnauth, who recognized what magnificent marine assets his country possesses during a speech to mark the launch of the strategy.

"Our fishing industry is being given its due and importance and extensive opportunities exist," he told a large audience.

"We have been negotiating with major international fishing companies for the setting up of fishing and seafood processing facilities locally and held discussions with fishing companies and port authorities for the development of fishing ports to



Premdutt Koonjoo
Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands

transform Mauritius into a major regional fishing center.

"Moreover, a National Ocean Council has been set up to drive and implement projects as regards to the Ocean Economy. Mauritius actually has the potential to develop as a major port for the region.

"As our manufacturing industry grows through our market access to the Common Market for Eastern and Southern Africa and the South African Development Community coun-

"We have been successfully working together with Japan through Mitsubishi Corp. for the past century. We see a lot more room for future partnerships and collaborations."

Arnaud Lagesse, Group CEO, IBL Group



tries, our port will have to handle much higher cargo traffic.

"About 30,000 ships pass Mauritius annually, out of which about 3,000 call at Port Louis. We are actively working to attract a substantial number of these vessels for bunkering and other related services in order to transform Port Louis into a leading regional petroleum hub.

"We have already announced our plans to more than double the size of our port. Taking cognizance of the Port Master Plan, I see Port Louis being developed as a modern port with state-of-the-art facilities.

"This will also allow us to benefit from a number of multiplier benefits and help generate many more jobs."

Jugnauth continued: "With a buoyant port, comes the need for a whole range of support services, including freight companies and logistic service

providers.

"Potential investors and collaborators from Dubai, China and Singapore have already shown serious interest in the sector.

"If Port Louis is to become a major port in this part of the world, we inevitably need to be well connected with increased sea connectivity, especially with other Indian Ocean islands and the eastern and southern African ports.

"We also need to improve our port performance and related services in line with international benchmarks. My government is giving special attention to the development of cruise traffic and cruise related activities in Mauritius.

"The benefits that our economy will reap from a fully dedicated cruise terminal are significant, especially to our tourism and port industries, with enormous multiplier effects such as job creation."

On the crest of a wave

At the forefront of the drive for sustainable commerce among

"Our relationship with Japan dates back more than 50 years. They have done many things here and we are waiting for them to assist in the research center. My message to the Japanese community, especially the investor, is: 'You are welcome in Mauritius.' We have had a long-standing friendship with Japan and we believe we can work together."

A textbook example of such international collaboration between firms from Mauritius and Japan is IBL Ltd., a leading performer in the tuna industry where it works hand in hand with Tokyo-based Mitsubishi Corporation.

"We have had a very long lasting relationship with Mitsubishi Corp., together we are the largest tuna canning operation in the region," commented IBL Group CEO, Arnaud Lagesse.

"We have worked incredibly well as partners; our relationship has been very strong since merging our seafood operations with their canning production.

"We see a lot more room for future partnerships and collaboration."

Patrice Robert, COO of subsidiary IBL Seafood Operations, added: "We provide a European service, but in Africa. This perfectly reflects the quality of our service.

"There is a great deal of sustainability work going on in the Indian Ocean. Mauritius has been very proactive in proposing resolutions that will enhance the sustainability of tuna here.

"Mauritius has been particularly dynamic in this regard. Japan is a world leader when it comes to expertise in the Ocean Economy and such guidance and support is crucial for Mauritius."

Meanwhile, a revolutionary and environmentally friendly project in the Ocean Economy is making a splash and taking shape: the Deep Ocean Water Application project.

The state-of-the-art initiative involves the construction and operation of a ground-breaking system that pumps cold water from the Indian Ocean along sleek pipelines for use in air conditioning in buildings in the heart of Port Louis and surrounding areas.

Spearheaded by Sotravic Limitée, CEO Emmanuel André, said: "We are committed to the reduction of 668,000 tons of carbon dioxide emissions throughout the first five years of the facility's operation.

"The project is contributing to the energy independence of the country through production of electricity using a renewable source and subsequently reducing imports of fossil fuel to generate the equivalent amount of energy."

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Explore a culture based on diversity

Widely recognized as one of the most beautiful countries in the world, Mauritius remains a powerful magnet for tourists

Golden shores lapped by sparkling crystal waters under a welcoming sun have for decades attracted swooning honeymooners to Mauritius.

The sun-soaked republic has earned an enviable reputation as a world-class vacation destination for holidays anchored at the various luxury hotels and resorts dotted around the gorgeous island.

Indeed, the country is now so popular that it attracts almost as many travelers each year as it has residents.

Around 1.2 million people are expected to enjoy its fantastic climate, spectacular scenery, tasty cuisine, rich culture, historic charm, vibrant nightlife and retail scene.

Often referred to as "Paradise on Earth," Mauritius' natural attractions and marine-related activities are endless, but include beaches and bays where people of all ages can swim, sail, dive, snorkel, fish or simply lounge on white sandy beaches under cloudless skies.

Direct flights bring thousands of people daily to the tropical island and the tourism industry is a major source of revenue and employment.

The government has placed the sector at the heart of its comprehensive socioeconomic devel-



www.tourism-mauritius.mu

opment strategy and is eager to advance and expand the sector.

"We are not only a great beach destination, but a place with so many things to do and so many attractions," said Charles Gaëtan Xavier-Luc Duval, deputy prime minister and minister of tourism and external communications.

"People mainly come now because there are great beaches, fantastic hotels and a lagoon, but we want visitors to enjoy all our other attractions too.

"We are very keen for Mauritius to remain a high quality destination and were very happy to welcome the first AirAsia X

flights as the airline has connectivity to Japan."

Tourism takes off in 2016

With security concerns in many tourist destinations — particularly in countries in North Africa — the high level of safety and hospitality helped tourism numbers jump 11 percent year-on-year in 2015 — nearly four times the rate of total GDP.

A similar double-digit percentage rise is forecast for 2016 and for the following few years.

Such statistics are music to the ears of Mauritius Tourism Promotion Authority (MTPA)

Director Kevin Ramkaloan who explained how his welcoming country has cultivated an outstanding reputation as a premium vacation destination.

"At the ministry level there has been a four-prong strategy," he said "Firstly, to look at the product to make us the most desirable island destination in the region.

"Secondly to look at the accessibility, thirdly the feasibility and fourthly the sustainability.

"We are not in the mass markets of this world; we are small and focused on the upmarket tourism sector.

Now that the shift from the West to the East is happening, one of our mandates is diversification of the markets and a focus on catering for tourists from the East.

"We are working with Air Mauritius to develop a program around these new markets that we need to capture again and Japan is on our radar.

"Mauritius is a great all-year destination and an especially beautiful place to visit in June and July when it's 20 degrees Celsius, there are a lot of activities and you can witness the cultural side of the country.



LUX* Belle Mare

www.luxresorts.com



Charles Gaëtan Xavier-Luc Duval
Deputy PM, Minister of Tourism and External Communications

"Amazing trail treks and marathons happen during those two months and as the Japanese are very sport-oriented, this will certainly be of great interest to them."

Pampered in paradise

For guests at any of the three five-star LUX* Resorts & Hotels on the island, the most testing task of the day is simply deciding how to relax in their tropical sanctuary tucked in among swaying coconut trees and lush green gardens. The hotel chain's world-class reputation is only matched by an attention to detail that

caters to the individual needs of every guest, whether it involves cuisine, beauty treatments, marine activities or more challenging excursions.

"We have been focusing on the Asian market for a while now and with such a huge growing middle class we believe the final piece to the puzzle is connectivity to capitalize on their interest in Mauritius," commented LUX* Resorts & Hotels CEO, Paul T. Jones.

"My experience of the Japanese market is they love to travel, the young people, the honeymooners; they are looking for

great places just like Mauritius.

"The arrival of AirAsia X means the Japanese market can get a flight with the same airline directly to Mauritius with a seamless transition. However, I'd still like to see an airline arrange direct flights from Japan."

Japanese expertise to make Mauritius a technology hub

By embracing state-of-the-art technology, Mauritius has developed a successful ICT sector that employs tens of thousands of people and is the ideal platform to develop exciting new partnerships with Japan

Connectivity is a vital cog in the wheel of any island's economic prospects and Mauritius has worked very hard to overcome any challenges it faced to establish modern and reliable telecommunications systems and networks.

The country has invested substantial sums in state-of-the-art public telecommunications infrastructure that provides a strong spine for fixed, mobile, international long distance, internet and other value added services that have transformed the nation into a "Cyber Island."

Such trustworthy services are an essential platform and facilitate the development of international trade and commerce, as well as civil and social services such as greater access to learning and better health care.

The government is working hard to enhance internet development by devising appropriate policies and providing a favorable market environment and a sound legal framework.

The internet is seen as a "major driving force that is helping to transform our development pattern and adjust our economic structure."

Greater access to the internet has played a significant role in the island's reform and opening up efforts and helped to build and strengthen the connections between Mauritius and the rest of the world.

Mauritius has emerged as an international and competitive information and communications technology (ICT) destination and is positioning itself as a regional ICT hub.

The sector has experienced rapid and sustained growth in recent years and as evidenced by the increasing number of foreign



Etienne Sinatambou
Minister of ICT

companies establishing bases in Mauritius.

They will add to the 700 existing ICT companies which between them employ around 20,000 people.

Such companies conduct ICT activities such as software development, call center operations, business process outsourcing, IT-enabled services, web-enabled services, training, hardware assembly and sales, security, networking, consultancy, multimedia development, disaster recovery and other support services.

Industry giants at home

Respected industry players, including Oracle, Microsoft, IBM, HP, CISCO, Orange Business Services, Accenture, Infosys and Ceridian, have already set up their operation and development centers, helping Mauritius become the best performing ICT country in Africa, and 73rd worldwide.

Mauritius is ranked first in Africa in cybersecurity and second in Africa — behind Tunisia — in e-government. With the concerted efforts of everyone in the ICT sector, the government is determined to steer Mauritius'

next phase of development towards an advanced economy and an inclusive society.

The Ministry of Technology, Communication and Innovation is responsible for telecommunications policy and administering related programs, while the Information and Communication Technologies Authority (ICTA) is the industry regulator.

The authority's main role is to implement and promote the government's national policy objectives for a fast-moving sector that is constantly evolving as new cutting-edge technologies are released by major electronics manufacturers from Japan and other leading hi-tech nations.

The ICTA aims to acknowledge the proven capacity of ICT to become an even more powerful tool to accelerate both social cohesion and economic development, while increasing efficiency productivity across all sectors and enable a high standard of living.

"ICT is the third pillar of the economy," Etienne Sinatambou minister of technology, communication and innovation, explained. "The first is financial services with about 10.3 percent of GDP; the second is tourism which generates 7.5 percent, just ahead of ICT with 6 to 6.5 percent, meaning there is immense potential for growth.

"When you look at the general rate of economic growth for 2016 the national average was about 3.5 percent, whereas the growth for the IT sector is 7 percent, so we had double the national average."

Powerful platform for growth

In August, Sinatambou held high-level talks with Japanese

officials on economic cooperation in the ICT sector, with a view to establishing the country as platform for technological development and BPO, also known as outsourcing.

"Japan is interested in outsourcing some of its activities related to software development," he revealed. "Japan plans to work even in emerging sectors in our part of the world, such as artificial intelligence and robotics. Mauritius could use artificial intelligence in the practice of outsourcing core activities, as is the case in Japan."

"We believe that Mauritius has the ability to aim higher up on to implement and promote the government's national policy objectives and not just focus on call centers. We don't need billions of dollars, just a small share that would help boost the economy.

"The annual global turnover of the BPO sector is \$304 billion and India controls 47 percent of that market, but the one thing Indians don't do very well is speak French, and this is where Mauritius has an advantage."

The minister added: "I believe we could partner with Indian companies in a way that would not tap their market, but utilize their expertise to help them penetrate other markets which they presently can't access.

He underlined how Mauritius only needs to secure a thin slice of the multibillion dollar global BPO industry to significantly boost GDP. "I'm convinced the IT and BPO sectors are potentially the medium through which we can achieve the second economic miracle," he said.

According to cabinet colleague and Minister of Finance and Economic Development, Pravind Kumar Jugnauth, huge investment in the ICT sector has materialized from public and private sector bodies on the island and wider region.

"We are going to connect Mauritius with a third submarine cable and the Indian Ocean

Commission has also come up with a new initiative to connect another undersea cable," Jugnauth said.

"Things are looking very promising in the ICT sector, although there are challenges such as needing to invest more in terms of training, in human resources so that we have an adequate labor force to be able to supply the new enterprises that are setting up.

"Then we need to grow in terms of the complexity of the activities that will be carried out by the ICT sector, for example we are ready to develop our BPO

business, but we need to produce engineers and develop software applications.

"In this context, we are setting up a school of technology at the level of the University of Mauritius, but we have to review our program, we have to adapt to these changes in terms of data and technology. All of this in is the pipeline."

Crackdown on cybercrime

Mauritius is well aware of the downside of the internet such as the risk of criminals utilizing modern technology for ill-gotten gains. The government is com-

mitted to protecting the rights of individuals and businesses and to the prevention of cybercrime in any shape or form.

"While development is the ultimate goal, security is the guarantee of achieving that goal," Sinatambou added, "so this is why the government has always placed great emphasis on cybersecurity."

"Without a secure environment, development will be poor and transient. We need to ensure that Mauritius remains prepared

for the challenges that will come our way.

"By adopting a collaborative approach across the public, private and people sectors, the National Cyber Security Strategy will enhance the security of the island's critical information infrastructure and address the security of businesses and individuals.

"This will create a truly robust information and communication ecosystem and improve our quality of lives."

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