

MAURITIUS

Business-friendly bridge between two continents

Boasting a top business environment in Africa, the tiny country is making a huge impact in international markets

Deservedly ranked the best Sub-Saharan economy for ease of doing business by the World Bank, Mauritius is a small country with a proud reputation on the world stage as an ambitious nation attracting investors from China and beyond.

A leading manufacturer and exporter of textiles, clothing and seafood, the beautiful country of 1.3 million people boasts a modern and business-friendly climate.

Ranked 17 out of the 183 global economies featured in the World Bank's highly respected Ease of Doing Business Index, Mauritius has remained a regional leader for the second consecutive year as judges recognized its latest wave of sustained legal and regulatory reforms.

With a robust economy and a strategic position between two continents, Mauritius not only benefits from social and political stability, but also a highly educated and bilingual labor force, as well as new and reliable infrastructure.

Combined with the core pillars of a modern regulatory climate and preferential access to lucrative international markets, the country's diversified economy is testament to the hard work by the government of President Anerood Jugnauth and Prime Minister Navinchandra Ramgoolam.

Their dynamic and forward-thinking approach has created a conducive business environment that has led to huge foreign direct investment (FDI) throughout the country's many sectors and industries.

Chinese investors are at the forefront of this investment race, with strong bilateral trade and

political relations between China and the Republic of Mauritius ensuring advantages over foreign investors.

During his visit to Mauritius in February 2009, Chinese President Hu Jintao highlighted the excellent relations and progress made in various fields, such as labor, project contracting, agriculture, investment and human resource training.

Trade between the two countries stands at a record high at \$325 million annually and the pair are building on this success by establishing closer economic and trade links.

Excellent incentives

Designed as a springboard for Chinese operations in the region, the massive state-of-the-art \$820 million JinFei Economic and Trade Cooperation Zone — funded and built by the Chinese — is seen as a key part of Mauritius' continued economic diversification and modernization.

Sited near the capital, Port Luis, the exciting development is expected to generate up to \$225 million worth of exports a year through its mix of manufacturing, distribution, commercial and logistics operations.

In one of the world's most generous tax regimes, investors enjoy low business and income taxes, tax-free dividends, free repatriation of profits, dividends and capital, absence of capital gains tax and exemption from customs duty on equipment.

Such incentives mean the country has flourished and while the global economic crisis has slowed fiscal growth, Mauritius is performing strongly and managed remarkably well considering the difficult

international environment. The Indian Ocean nation finished 2009 with positive growth of 3 percent, increased employment, inflation at 2.5 percent and FDI still at the level of 2008.

As former deputy prime minister Raman Sithanen observed at the time: "Our balance of trade is satisfactory, our reserves have increased to about 42 weeks of import cover and investment as a share of GDP has remained high."

"We have considerably improved the business climate: it now only takes three days to start most businesses. We have reduced taxation and want to give stability, security and predictability to investors. We have also opened up the country to the outside world and it is easy for people to work and stay in this country," said the former deputy prime minister.

A financial hub

The country's modern and transparent financial services industry makes it a banking and financial services hub for the region—and China has a vital role to play in the development of this sector and others.

The Asian giant remains a very important trade partner and the number one source of imports, which Mauritian government officials put down to good quality value for money. As a government spokesman said: "We have a strong bond with China and you can see their footprint in nearly all our infrastructure."

"Chinese companies built the first airport and are now modernizing roads, stadiums and hospitals. In addition, the JinFei Economic and



Mauritius — a multi-faceted haven offering world class water sport

Development Zone will be a trade, logistics and distribution zone for Africa. China will remain a key driver of FDI and a key driver of trade toward Mauritius."

Established in 1984, State Investment Corporation (SIC) has developed into a strong conglomerate with a diversified portfolio that covers the port, airport, restaurants, casinos, real estate development and manufacturing sectors.

As the government's investment arm, SIC enjoys a very solid reputation and has shown itself to be a valuable partner for local and foreign entrepreneurs and institutions. The firm is now seeking partners for three large ventures: the Mauritius Land-Based Oceanic Industry project; the capital's new ring road; and the country's cargo handling corporation.

"We are delighted with our collaborations with Chinese and very impressed by their quality, pricing, and lead-in time," said SIC managing director, Iqbal Mallam Hasham.

"They have proven themselves to be very reliable, professional and committed businessmen that fit our criteria and we invite them to invest in our country and our future projects."

As the government's official investment promotion agency, the Board of Investment (BOI) plays a key role in the country's emergence as a strategically located and competitive global business platform.

The BOI acts as a one-stop-shop for the international business community in Mauritius by providing a range of personalized

services that ensure investors can start their businesses quickly and easily.

As the interface between government departments and investors, the BOI ensures a competitive investment landscape free of bureaucracy and red tape and with high levels of transparency and legal protection.

"We want foreign enterprises to come to Mauritius and be export-oriented. It is a very safe base to operate from as there is an element of predictability and a well-structured and free-flowing business transaction and financial environment."

L AMÉDÉE DARGA
ENTERPRISE MAURITIUS
CHAIRMAN

"Our larger role is delivering social dividends to the people of the country, as well as jobs and enhanced quality of life through the successful delivery of investments," said BOI managing director, Raju Jadoo. "We want to put Mauritius on a path of creativity and innovation and become a well-known investment platform between Asia

and Africa."

With its enviable strategic location, Mauritius is a bridge between two worlds. The island nation has developed into a major manufacturing base and logistics hub for large foreign companies targeting markets in Africa, Asia and the Middle East.

Tasked with promoting exports, supporting enterprise development and providing competitive intelligence, Enterprise Mauritius provides a range of services to facilitate exports of Mauritian-made products.

A collaborative partnership between industry and government that aims to help local firms expand into regional and international markets, the organization empowers businesses in Mauritius and improves their competitiveness in global markets.

Business experts from Enterprise Mauritius attended more than a dozen international fairs in 2009, created business openings for nearly 100 enterprises and established nearly 2,000 business contacts across various sectors and industries.

"We want foreign enterprises to come to Mauritius and be export-oriented," stated Enterprise Mauritius chairman, L Amédée Darga.

"Mauritius is a very safe base to operate from as there is an element of predictability and a well-structured and free-flowing business transaction and financial environment."

Darga highlighted the success of the textile and cane industries as evidence of how the small country has capitalized on major growth opportunities. "We are adding value to all of our products such as fish, fine vegetables and flowers," he said. "There is huge growth potential in the agro-industrial sector and also in light engineering which produces a very wide range of goods."

The Mauritian government wholeheartedly echoed this view and said Chinese investors should view their proud and dynamic country as a bridge towards Africa.

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Contacts to Contracts

Mauritius has over the years established itself as a reliable sourcing base for high quality manufactured products issued from various sectors such as agro-industry, jewelry, textiles, plastics, and printing. Today, Mauritius has positioned itself as a platform between Asia and Africa. Its resilient economy, flexible and skilled labor force, coupled with an ease of communication in both English and French have also allowed Mauritius to become an excellent hub for the provision of Financial, ICT and Business Processing Outsourcing services.

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