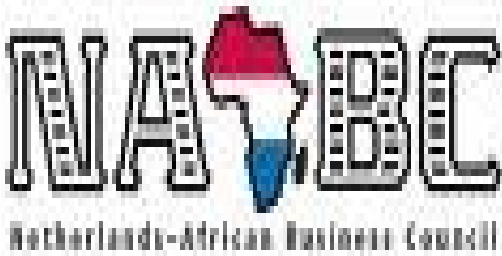


# Mauritius Business Mission Fact Sheets 2010-2011



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## **Business opportunities in Mauritius**

Mauritius offers excellent business opportunities in the following industry clusters.

- **ICT:** The Information and Communication technology (ICT) sector is very dynamic, and contributing to the Mauritius economy. ICT sector in Mauritius is the fifth pillar of the economy and is a rapid growing and high efficiency activity. Mauritius is focusing on the service sector of the ICT and providing off source facilities to western nations
- **Manufacturing:** The manufacturing sector, which accounts for 20% of GDP, has traditionally been dominated by textiles. However, today, a wide range of other activities are also being carried out: jewellery production, optical goods manufacture, furniture making, light engineering, electronic components manufacture and assembly, amongst others
- **Agribusiness:** For long sugar cane cultivation has been the main agricultural activity in Mauritius. As the era of guaranteed price and quota free access for Mauritian produced sugar on the EU market comes to an end, the traditional sugar industry is set to transform itself into a sugar cane cluster producing altogether several types of sugar, electricity and ethanol
- **Energy:** Electricity is currently produced from imported fossil fuel, coal and "bagasse", a by-product of sugar.
- **Hospitality and Property Development:** Over the last few years, the property development scene in Mauritius has been particularly buoyant, with the construction of many commercial malls, luxury villas and international flagship hotels

## **General introduction**

Despite the fact that Mauritius was known to Arabs and Malay sailors as early as the 10th century, Mauritius was first explored by the Portuguese in the 16th century and subsequently settled by the Dutch - who named it in honour of Prince Maurits van NASSAU - in the 17th century. The French assumed control in 1715, developing the island into an important naval base overseeing Indian Ocean trade, and establishing a plantation economy of sugar cane. The British captured the island in 1810, during the Napoleonic Wars. Mauritius remained a strategically important British naval base, and later an air station, playing an important role during World War II for anti-submarine and convoy operations, as well as the collection of signals intelligence. Independence from the UK was attained in 1968. A stable democracy with regular free elections and a positive human rights record, the country has attracted considerable foreign investment and has earned one of Africa's highest per capita incomes. Recent poor weather, declining sugar

prices, and declining textile and apparel production, have slowed economic growth, leading to some protests over standards of living in the Creole community.

Mauritius has a small open economy which is fully integrated into world markets, despite this, Mauritius is believed to be vulnerable to external shocks like in the case where in the recent past it has had to deal with a sharp reduction in the preferential price of its sugar exports to the European market, as well as high food and oil prices. In spite of those three shocks, the Mauritian economy has been very resilient. However, it is now facing another external shock, namely the global slowdown arising from the financial crisis. As a result, the Mauritian economy grew by 4.8 per cent in 2008, a lower rate than expected, something that can be attributed to the lackluster performance of the textile and tourism sectors, especially towards the end of the year.

The global economic recession is likely to continue to hold back the island's economic growth in 2009. It is expected that gross domestic product (GDP) will grow by 3 per cent in 2009 as the textile and tourism sectors are forecast to contract further. The government recently announced a countercyclical package to try to stimulate the economy. In the coming years, the main challenges will be to continue to diversify the economy from its traditional sources of growth, ensure effective public sector investment, and address growing labor and infrastructural bottlenecks. One principal objective should be to increase the resilience of the economy to shocks and improve competitiveness in world markets by promoting a shift towards a more service-oriented economy through the creation of a regional banking and services hub. To reduce its dependence on trade preferences for its sugar and textile exports, the government is expected to continue to pursue its supply-side and growth-promoting policies, characterized by low taxes, deregulation and fiscal prudence.

## Country facts

Area	Total:	2,040 sq km
	Land:	2,030 sq km
	Water:	10 sq km
Coastline		177 km
Terrain	small coastal plain rising to discontinuous mountains encircling central plateau	
Land use	Arable land:	49.02%
	permanent crops:	2.94%
	other:	48.04% (2005)
Irrigation		220 sq km (2003)
Population		1,284,264 (July 2009 est.)
Population growth		0.776% (2009 est.)

## Economic Facts

Economy of the country in a glance:

- GDP per capita (2008): \$12,000
- Real GDP growth rate (2008): 4.6%
- Inflation (2008): 9.7%
- Natural resources: arable land, fish
- Agriculture: *Products*-- sugarcane, tea, corn, potatoes, bananas, pulses; cattle, goats; fish
- Industry: *Types*-- food processing (largely sugar milling), textiles, clothing, mining, chemicals, metal products, transport equipment, nonelectrical machinery, tourism
- Trade (2008): *Exports*-- \$2.404 billion (2008 est.): clothing and textiles, sugar, cut flowers, molasses, fish
- *Imports*-- \$4.391 billion (2008 est.): manufactured goods, capital equipment, foodstuffs, petroleum products, chemicals
- *Major trading partners, exports*-- UK 29.9%, France 14.7%, US 8.3%, Madagascar 7%, Italy 6.4%, Belgium 5%, UAE 4.9% (2008)
- *Major trading partners, imports*-- India 21.3%, France 11.9%, China 9.4%, South Africa 7.6% (2008)

## Economic facts table:

Subject	Units	2004	2005	2006	2007	2008	2009	2010	2014
GDP, constant prices <sup>1</sup>	Annual percent change	4.3	3.4	3.5	4.2	6.6	2.1	2.0	4.2
GDP, current prices <sup>2</sup>	Billion, U.S. Dollars	6.06	6.278	6.317	6.927	8.738	9.096	8.948	-
GDP, per capita current prices <sup>3</sup>	U.S. Dollars	4,911.76	5,048.38	5,041.76	5,494.39	6,871.83	7,099.08	6,932.96	-
Inflation Rate, consumer price	Annual percent change	4.7	4.9	8.9	9.1	8.8	6.4	4.0	5.0
Current Account Balance <sup>4</sup>	Billion, U.S. Dollars	\$0.289	\$0.2841	(\$0.342)	(\$0.651)	(\$0.408.3)	(\$0.974.5)	-	-
Current Account Balance	Percent of GDP	0.8	-3.5	-5.3	-8.0	-8.7	-9.3	-10.6	-7.0

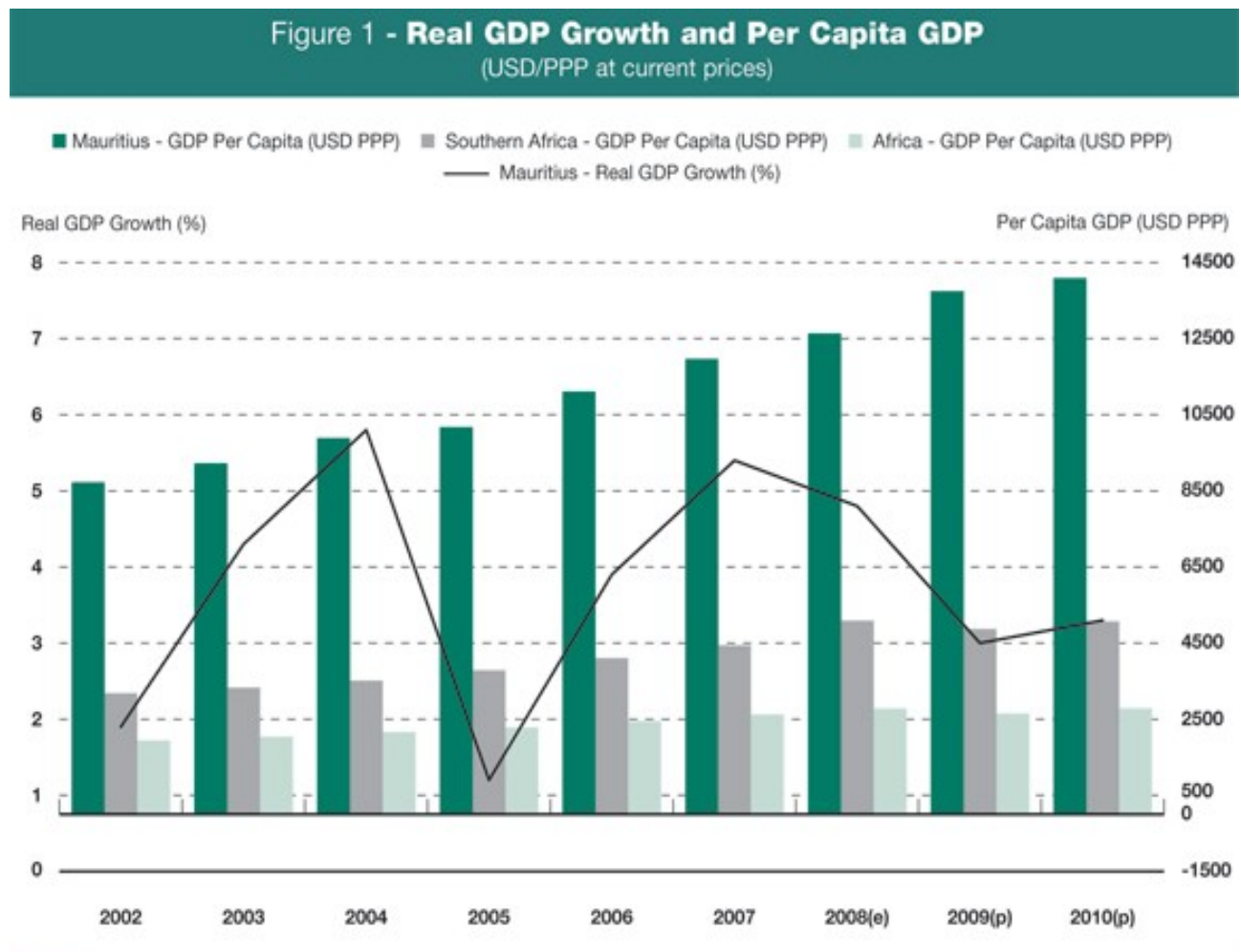
<sup>1</sup> <http://www.imf.org/external/pubs/ft/weo/2009/02/pdf/text.pdf>

<sup>2</sup> [http://www.economywatch.com/economic-statistics/Mauritius/GDP\\_Current\\_Prices\\_US\\_Dollars/](http://www.economywatch.com/economic-statistics/Mauritius/GDP_Current_Prices_US_Dollars/)

<sup>3</sup> [http://www.economywatch.com/economic-statistics/mauritius/GDP\\_Per\\_Capita\\_Current\\_Prices\\_US\\_Dollars/](http://www.economywatch.com/economic-statistics/mauritius/GDP_Per_Capita_Current_Prices_US_Dollars/)

<sup>4</sup> [http://www.indexmundi.com/mauritius/current\\_account\\_balance.html](http://www.indexmundi.com/mauritius/current_account_balance.html)

## GDP Growth, annual percentage change (IMF)



Source: IMF and Central Statistical Office data; estimates (e) and projections (p) based on authors' calculations.

## Economic Situation

The Mauritian economy got off to a strong start in 2008 in spite of facing challenges on the external side due to high oil and food prices. However, as the global financial crisis began to affect European countries and the United States, two of the traditional engines of Mauritian growth, tourism and textiles, started to sputter and this proven by the fact that Mauritius is ranked 57<sup>th</sup> on the global competitive ranking.

The Mauritian economy is mainly driven by the tertiary sector which generates close to 70 per cent of GDP. That sector grew by 6 per cent in 2008, slightly lower than the 6.7 per cent rate for 2007. Tourism has been an important engine of the country's sustained economic growth. Critical slowdowns in the tourism sector were offset by the high growth rates of financial

intermediation activities and public social spending. Financial intermediation activities grew by 10.1 per cent in 2008 compared with 7.5 per cent in 2007. The strong growth in this sector is mainly attributable to the performance of the banks; the banking industry grew by 12.9 per cent in 2008. Also, in recent years, construction has been an important contributor to growth. After growing by 15.2 per cent in 2007, construction grew by an additional 11 per cent in 2008. The double-digit growth rates are mainly attributable to the construction of commercial and office buildings, hotels and projects under the IRS.

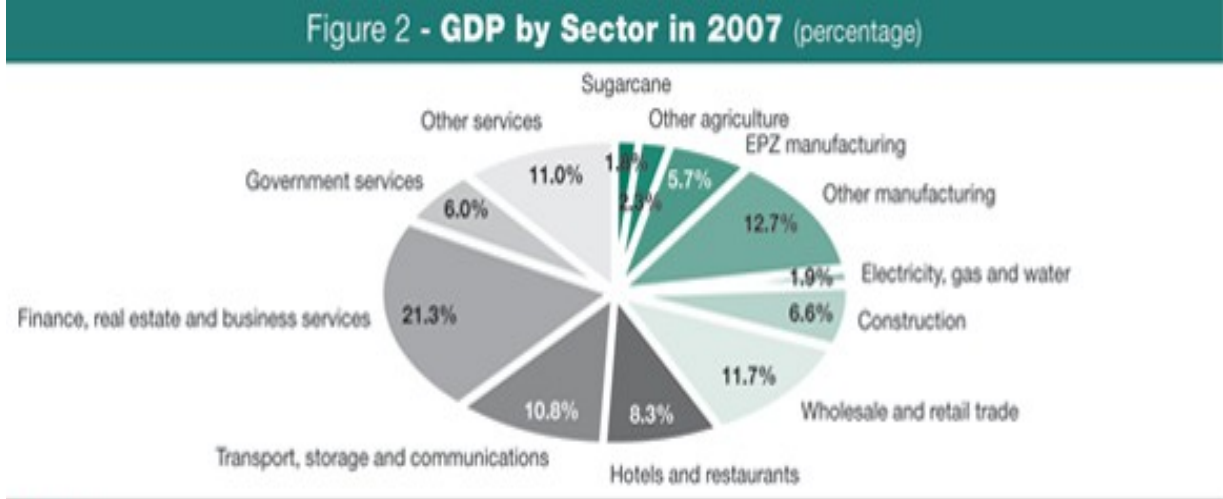
Good weather in 2008 contributed to a strong 5.2 per cent increase in agricultural output in 2008 compared with a decline of 7.5 per cent in 2007. The output of the sugarcane/sugar milling sector grew by 5.5 per cent in 2008, after declining by 13.4 per cent in 2007. In addition, the effects of the EU decision to phase out its guaranteed sugar price should be mitigated by historically high world prices for sugar in 2009/10 because of increasing demand for biofuels.

Source: world Bank, IMF

**Political situation**

Politically, Mauritius benefits from a calm internal political situation. One of the major political upheavals is the dispute Mauritius is having with Britain over the Chagos Archipelago (UK-administered British Indian Ocean Territory). Mauritius claims this territory of which many of its inhabitants reside in Mauritius. Also, she claims the French administered Tromelin Island.

**Recent Economic Developments**



Source: Authors' calculations based on Central Statistical Office data.

## **Foreign aid:**

Mauritius recently received a Rs. 456 million around (\$60.2 million) grant from the European Union, which views this disbursement as “the final stage of intervention.” The allocation of these funds is consistent with the financial support programmes set up by the European Union. The EC office in Mauritius reports that “the funds are being channeled into the State budget”. The various disbursements made by the Commission are thus being injected into annual budgets and assigned to various reform programmes.

## **Foreign Investments**

Investment growth slowed to 3 per cent in 2008, compared with 4.2 per cent in 2007. The investment slowdown is mostly due to the large and continued downward trend in public sector investment. Growth in private investment also slowed in 2008 and has mainly been concentrated in commercial and office buildings, hotels and IRS projects. Looking ahead, the expected contraction of public investment was said to be offset by the stimulus package announced by the government. The package is worth about 3 per cent of GDP. It includes fast-tracking already earmarked public expenditure projects, beginning new infrastructure programmes, accelerating private sector investment and cutting prices for flour, bread and gas. However, given the challenges that the government faced in meeting its capital expenditure targets for 2008, accelerating the disbursement rate will require significant efforts to streamline the process.

The United Kingdom and France are Mauritius largest trading partners, with Britain being the third largest tourist market for Mauritius, and the fifth largest investor, behind France, South Africa, China and India, in the country.

The EEC is the largest market for Mauritian goods and a free market economy is operated with very active participation by the private sector. Importers are no longer required to take a license under the licenses ordinance and certain imports require permits from the Ministry of Trade and Shipping, while certain goods are either controlled or prohibited for health, security and environmental purposes and national interest.

Foreign Direct Investment (FDI) has played an important role in the development of Mauritius and will again be significant when the country embarks on high value-added, capital intensive and knowledge-based activities.

The government plays the role of a facilitator and has endeavored at all times to create the most conducive investment environment by enacting appropriate legislations, building state-of-the-art infrastructure, investing in human capital and introducing packages of investment incentives for the manufacturing, financial services and ICT sectors so as to enhance the image of Mauritius.

## Doing business table:

Ease of...	Doing Business 2010 rank	Doing Business 2009 rank	Change in rank
Doing Business	17	24	+7
Starting a Business	10	8	-2
Dealing with Construction Permits	42	35	-7
Employing Workers	36	65	+29
Registering Property	66	131	+65
Getting Credit	87	84	-3
Protecting Investors	12	11	-1
Paying Taxes	12	11	-1
Trading Across Borders	19	24	+5
Enforcing Contracts	66	79	+13
Closing a Business	73	73	0

## Trade

Being part of the Southern African Development community SADC and Common market for Eastern and Southern Africa shows the zeal of Mauritius to be involved on international trade. This membership also permits Mauritius to enjoy from a free trade area in which there is a zero tariff.

Moreover, Mauritius also has some benefits of belonging to AGOA (African Growth and Opportunity Act). AGOA expands the list of products which Mauritius may export to the United States subject to zero import duty under the Generalized System of Preferences (GSP).

In the global imports by Mauritius, The Netherlands is ranked 30<sup>th</sup> behind France (1<sup>st</sup>), India (2<sup>nd</sup>) and China (3<sup>rd</sup>). Below are the statistics.

Global imports by Mauritius		Market value: 10,404 (millions)	
Imports from	Trade value	share	Growth
Netherlands	62,928	0.60	(15.24)

***Below is a list of import products by Mauritius:***

Top Products Imported by Mauritius		Market Value: 6,934 (millions)	
Product	Trade value	share	Growth
	(Thousands)	(%)	(% 5 yr)
8525 - Cell Phones, Video Recorders & Radio Transceivers	236,616	3.41	1,529.19
8802 - Aircraft	201,170	2.90	1,146.27
8703 - Passenger Vehicles	70,865	1.02	67.88
0303 - Frozen Fish	51,203	0.74	187.99
7113 - Articles of Jewelry & Parts	41,599	0.60	7.32
2711 - Petroleum Gases	39,505	0.57	224.27
5208 - Woven Cotton Fabrics - > 85% < 200G/M2	38,161	0.55	32.24
7102 - Diamonds	35,572	0.51	(4.73)
3004 - Medicines in Doses	32,886	0.47	22.41
2701 - Coal	32,276	0.47	515.40

## **Strength and Weaknesses of Mauritius**

### *STRENGTHS*

Mauritius has one of the most successful and competitive economies in Africa. It is The fastest growing economy in Africa.

- It has been recognized as the top regional business reformer, the best place in Africa in which to do business.
- Doing Business Survey ranks Mauritius first in Africa and 24th in the world for ease of doing business.
- A very good infrastructure with superb communications
- An excellent network of sea and air transport
- A highly literate, bilingual and friendly labor force

- A well capitalized and profitable banking sector has made it possible to support growth while limiting foreign debt.
- It has maintained good relations with countries in the West and on the Indian Ocean Rim.
- Among Africa's most developed countries, Mauritius has benefited from a good political and institutional environment.

#### *WEAKNESSES*

- Overdependence on exports of textile products and sugar and to vulnerability to climatic conditions and unforeseen fluctuations in export prices.
- The sugar and textile sectors that generate nearly 20 per cent of jobs and 40 per cent of exports have suffered from the failure to extend preferential trade agreements.
- The restructuring needed in these two sectors could increase unemployment and create a possible source of social unrest.
- The high debt accumulated by the public sector — 72% of GDP end 2005 — reflect its persistent difficulties.

#### *OPPORTUNITIES*

It is more often referred to a country at the crossroads of Africa and Asia rather than a small, fairly remote island in the vast Indian Ocean. Therefore this gives Mauritius a good view to investors and outsiders.

### **ICT Mauritius**

The Information and Communication technology (ICT) sector is very dynamic, and contributing to the Mauritius economy. ICT sector in Mauritius is the fifth pillar of the economy and is a rapid growing and high efficiency activity. Mauritius is focusing on the service sector of the ICT and providing off source facilities to western nations.

At present there are more than 250 companies working in the ICT sector, involved in a large range of activities together with software development, call centre, Business Process Outsourcing (BPO), IT-Enabled Services (ITES), training, hardware assembly and sales, networking and other support services. World leaders such IBM, Microsoft, ORACLE, HP, Infosys, Accenture, Hinduja Group has set up their base on the island.

IT-Enabled Services-Business Process Outsourcing (ITES-BPO) is a very strong segment of the local ICT industry and has experienced an exponential growth over the past years. Some 90 ITES – BPO companies, mostly foreign owned, presently operate in the island and are mainly servicing export markets namely in Europe and the USA. These ITES – BPO companies have already invested some Rs 727 M and are employing more than 3800 people.

## **Successes**

Developments in ICT have been very fruitful for businesses and individuals in Mauritius. The textile and tourism sectors use ICT extensively. Between 2000 and 2005 most firms in the textile and clothing sector shifted from traditional phones and faxes for tracking orders to an Internet-based order-tracking system. In the tourism sector, tourists can book their hotels through the Internet. Bank account holders can track their balances through short message service (SMS) and Internet banking is readily available.

Advances in ICT have enabled the expansion of business process outsourcing (BPO) in Mauritius. In 2003 there were around 20 BPO firms, employing around 1 000 workers. The number of firms had increased to 185 by March 2007 and employment had risen to around 7 000 workers. Companies providing BPO (45 per cent), software development (20 per cent) and call centres (18 per cent) dominate the Information Technology Enabled Services (ITES)-BPO sector. The good quality of the country's telecommunications has enabled the expansion of the BPO sector in Mauritius.

The public sector has been transformed to some extent by the use of ICT for services offered by the state to the general public. Each ministry has its own website and every senior government officer has an email address in order to improve communication between ministries, government departments and the public. Since September 2008, taxpayers can file their tax returns online and even make tax payments through Internet banking.

In September 2007 the Ministry of Information and Communication Technology issued the country's first national ICT policy paper. The government's vision is to make the ICT sector the fifth pillar of the economy and transform Mauritius into a regional ICT hub.

## **SWOT analysis of the ICT sector in Mauritius:**

### **Strengths**

- Language (bi-lingual in French and English)
- Strong and growing relation with India on ICT Development
- Telecom Infrastructure
- Deep penetration in Telecom sector (Third among the African Nations)
- Fibre-optic bandwidth
- Easy Access
- Good governance
- Stable and secure
- Geographic isolation and small size
- Easy entry and less risky for businesses
- Low threat in terrorism

## **Opportunities**

- Leverage fibre-optic bandwidth capacity to develop offshore ICT industry
- Leverage ties with India to benefit from India' offshore software development expertise
- Leverage language skills particularly for French-speaking markets
- Leverage geographical proximity and trade links with Africa to Export ICT services

## **Weakness**

- Low secondary and tertiary school enrollment
- Shortage of ICT Professionals
- ICT regulatory inexperience
- Geographic isolation and small size
- Less interest from Global Competitors due to small market.

## **Threats**

- Telecom liberalization stalls
- Future governments not as committed to ICT
- High risk on Natural Disaster
- Other competitors in offshore software industry

The Government has established a lengthy hope to become the Cyber Island. Cohesive infrastructure and growing environment were built. Legislation on data security, intellectual property rights, liberalizing telecom industry and Promoting ICT education has enable country to have dazzling ICT sector.

## **Incentives for Attracting Foreign Investment in the ICT Sector**

The Government is constantly working to produce a more favorable climate for foreign investments; for both the individual and corporate investor.

At the international level, Government uses its entire political, economic and diplomatic endeavor to secure market access and investment guarantees.

At the national level the government is committed to improving the legal and administrative frameworks to offer appropriate propriety protection, hassle-free implementation and a well-balanced package of incentives.

Incentives offered are in the form of

- Reduced corporate tax
- Exemption of customs on equipment and raw materials
- Preferential loan rates
- Reduced tariffs for electricity and water
- Customs duty-free import of ICT and similar equipment;
- 50 % relief of personal income tax for a specified number of foreign IT staff;
- Duty-free import of personal belongings of foreign IT staff
- Effective fast track procedure for procession of visa and work permits for foreign staff, including spouses

## **ICT Human Resources**

There are five main tertiary institutions offering courses leading to certificates, diplomas and degrees in IT:

- University of Mauritius
- Mauritius Chamber of Commerce and Industry
- Swami Dayannand Institute of Management
- De Chazal Du Mee (DCDM) Business School
- University of Technology, Mauritius

Besides, there are four main institutions that provide Product Certification Courses

- Formation, Recruitment et Conseil en Informatique (FRCI)
- De Chazal Du Mee (DCDM) Business School
- State Informatics Limited (SIL)
- NIIT Computer Education and Training Centre

## **MANUFACTURING**

The manufacturing sector, which accounts for 20% of GDP, has traditionally been dominated by textiles. Main products exported are pullovers, textile yarn and fabrics including jeans fabrics, and jeans among others. These are exported around the world and mainly to the EU, Africa, USA and Asia. However, at the moment, a wide range of other activities are also being carried out:

jeweler production, optical goods manufacture, furniture making, light engineering, electronic components manufacture and assembly, amongst others.

## **Incentives**

The Government has taken several measures to channel further investments to the manufacturing and textile sector: corporate tax at 15%, duty free imports of inputs and machinery and free repatriation of profits.

## **Opportunities**

There are attractive investment opportunities in niche markets of the global apparel value chain by exploiting the country's existing resources and competency base:

- ❖ Technical textile
- ❖ Eco-textile
- ❖ Apparel textile and clothing research companies
- ❖ Manufacture of apparel and value-added woven and knitted garments
- ❖ Manufacture of fashion accessories.

## **AGROBUSINESS**

For long sugar cane cultivation has been the main agricultural activity in Mauritius. As the era of guaranteed price and quota free access for Mauritian produced sugar on the EU market comes to an end, the traditional sugar industry is set to transform itself into a sugar cane cluster producing altogether several types of sugar, electricity and ethanol. It should be noted that, Mauritius remain by far a major *food importer* and for this reason, Mauritius provides the following business opportunities in the agribusiness sector.

- Fishing
- Fishing equipments
- Sea food processing activities

## **ENERGY**

Electricity is currently produced from imported fossil fuel, coal and "bagasse", a by-product of sugar. As the rise in fuel prices shows no sign of waning, it becomes imperative to look for alternative sources of energy:

- Because of its natural endowments, Mauritius is an ideal location for the production of renewable energy from the sun, wind and waves;
- Biodiesel and ethanol can be produced for both the local and export markets as clean fuels to power vehicles;

- Mauritius can also serve as a platform for the manufacture of solar panels for exportation to neighboring COMESA and SADC countries.

## **HOSPITALITY AND PROPERTY DEVELOPMENT**

The service sector makes up to 70.5% of Mauritius GDP, in order to optimize the productivity of this sector, the government has embossed a policy on some subsector in hospitality and property development. For instance;

- ✓ Foreign investors to acquire immovable property for business purposes are transforming Mauritius into a major regional business hub; this is in reference to both residential and commercial property development.
- ✓ Also absence of capital gains tax, estate and inheritance tax.

### **Property development**

#### **Opportunities**

- **Commercial property**

This sector comprises of a wide range of properties, which include the following; office building, shopping centers, warehouses, and distribution centers.

This is due to the substantial growth in the service sector mainly in call centers, banking, global business and financial service sector. These aspects have led to incredible increase in demand for commercial space. In addition the country is pushing to become a destination for shopping. Below are some of investment areas under this sector

#### ***Shopping malls and duty-free shops***

Investments in high-end shopping areas and shopping boulevard consisting of shopping malls, boutique malls and street shopping connecting hospitality and leisure zone are promising as a result of Mauritius's steadily increasing tourism industry and foreign retirees looking to moving to places both sunny and inexpensive.

#### ***Office development***

Real estate market began with many international and financial corporation's which are currently having locations in Mauritius.

### ***Residential properties***

The residential market in Mauritius is booming due to the fact that foreigner can acquire a free hold residential property.

### ***Marinas***

The development of luxury villas in Mauritius has been accompanied by a growing demand for pleasure craft and yachts from high net worth individuals. With marina facilities currently limited in Mauritius and the forecasted development of 3,500 luxury villas by 2010, a huge potential exists for the creation of marinas that will meet the future mooring requirements of yacht owners. The Mauritius Government has already identified potential and sustainable sites for marina development

## **Tourism**

### ***Hospitality***

The tourism sector grew by 15 % in 2007 due to a mixture of “private sector genius and government vision.” This sector is a high valued sector with very good growth prospect which is unfortunately under-exploited.

Fantastic opportunities exist for investment in resort hotels, wellness centre, restaurants and business hotels, gaming resorts and also the concept of medical tourism.

## **Standard business practice**

Punctuality and politeness is considered as very important aspect during business meetings, handshakes and the exchanging of business cards takes place at meetings and business attire is worn. It is however possible to be somewhat more casual in terms of dress and visitors can take the cue from their hosts. Lightweight materials are recommended due to the tropical climate. Business hours can vary though are usually from 9am to 4pm Monday to Friday, with some businesses open for a half-day on Saturdays.

The following aspects are basically the main issues when it comes to doing business in/with Mauritius(s);

- The average working week is 9.00am to 5.30pm. However, many executives work longer hours.
- Mauritian business protocol and tradition demands punctuality when attending meetings. It is also best practice to arrange appointments several days in advance.

- Mauritius businesses deploy “Flat and Top down Hierarchical Structures” where the only divide is between managers and other ranks.
- Mauritius businessmen generally favour the establishment of pool working relationships with their subordinates.
- Business entertaining can be conducted during any meal and generally whoever initiates is expected to pay.
- It is customary to always shake hands. When being introduced or when meeting someone, as well as when leaving.
- Business cards are welcomed in business culture and are generally exchanged at the end of business meetings.
- Misplaced or exaggerated praise is not appreciated in Mauritius business culture.
- It is considered to be impolite and rude to maintain eye contact (unless a point is being emphasised), to stand too close when speaking or to talk loudly. Mauritius businessmen do respect personal space and therefore keeping an acceptable distance is recommended.
- It is considered rude to ask direct personal questions about occupation, income and background.
- Mauritius business dress code is generally conservative and the norm for both men and women is to wear smart, well tailored attire using darker colours. Many Mauritius companies have now introduced more “dressed down” attire but this generally relates to the high tech and core industries.

## **Conclusion**

In view of the importance of foreign investment as a source of sustenance to economic growth, the government of Mauritius has taken a series of policy measures to encourage its flows into manufacturing, offshore banking and financial services, information technology, communication and tourism. As far as foreign investors are concerned, Mauritius offers itself as an attractive destination because several positive features such as political stability, availability of skilled labor and investment-friendly rules and institutions.

Excellent opportunities for investment in Mauritius exist in various sectors of the economy including manufacturing, information technology, knowledge industry, regional headquarters, tourism and leisure, financial services and other sectors.

Some of the priority areas are in Information and Communication Technology, which is set to play a lead role in the economic development of the country in the medium and long terms. The availability of high bandwidth connectivity (with SAFE Project and international Gateways) at near global parity in quality and tariff, on the one hand, and the setting up of dedicated IT habitats including the Cyber city at Ebène, on the other hand, plus total Government support to this industry are testimony of the importance of this industry to Mauritius. Therefore this sector could be an interesting and incentive sector for investors from Netherlands and other European countries.

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<sup>5</sup> <http://www.gov.mu/portal/sites/ncbnew/files/Directory%20of%20ICT%20Companies%20290709.pdf>