



NATIONAL BUSINESS ROADMAP



www.businessmauritius.org

CONTENTS

Executive Summary	2
Note from the Chairperson	6
Foreword by the CEO	8
Introduction	10
Roadmap Structure	14
PRIORITY AREAS	
1.  Natural Resources	16
2.  Human Capital	24
3.  Governance	32
4.  Environmental Vulnerability	38
Appendix: Acknowledgements	42

SEPTEMBER 2019

EXECUTIVE SUMMARY

The Council Members, Operational Team and three Commissions of Business Mauritius (BM) – namely the Economic Development Commission, the Social Capital Commission and the Sustainability & Inclusive Growth Commission – have been working towards the elaboration of a National Business Roadmap (NBR), a strategic plan for the local business community.

Working through commissions and sub-commissions, collecting the observations of hundreds of its members and drawing precious guidance from BM's Council, BM synthesised the retrieved information, identified the most recurrent inhibitors and chalked out a constraint-lifting and innovative National Business Roadmap.

BM used the Growth Diagnostics Methodology designed by three Harvard scholars – Hausmann, Rodrik and Velasco – in March 2006. The authors observe that the adoption of those practices collectively known as the Washington Consensus, has yielded results that were patently varied, showing that “policies that work wonders in one place may have weak, unintended or negative effects in other places.”

Cautious vis-à-vis trains of reforms, which, in their opinion, may get “in each other's way, with reform in one area creating unanticipated distortions in another”, the three economists invite countries to rather “figure out the one or two most binding constraints on their economies and then focus on lifting those.” Following a validation and prioritisation process involving BM's Council and Commission members, four urgent binding constraints have been

identified as the present main growth disincentives. They are:

- The need to improve the management of our scarce Natural Resources;
- The need to further develop the Mauritian Human Capital;
- The need to strengthen Governance for smart regulations;
- The need to address the challenges linked to our country's Environmental Vulnerability.

The data and angles provided by informants during the constraint identification process required stratification, so as to map a functional way forward. The whole set of constraints impacting negatively upon development of business can be broadly classified along three general characteristics:

• **Returns to resources**

Requiring a close attention to complementary factors of production such as natural resources, infrastructure or human capital.

• **Appropriability**

Business reliance on socioeconomic factors such as macroeconomic stability, taxation and security.

• **Cost & Access to Finance**

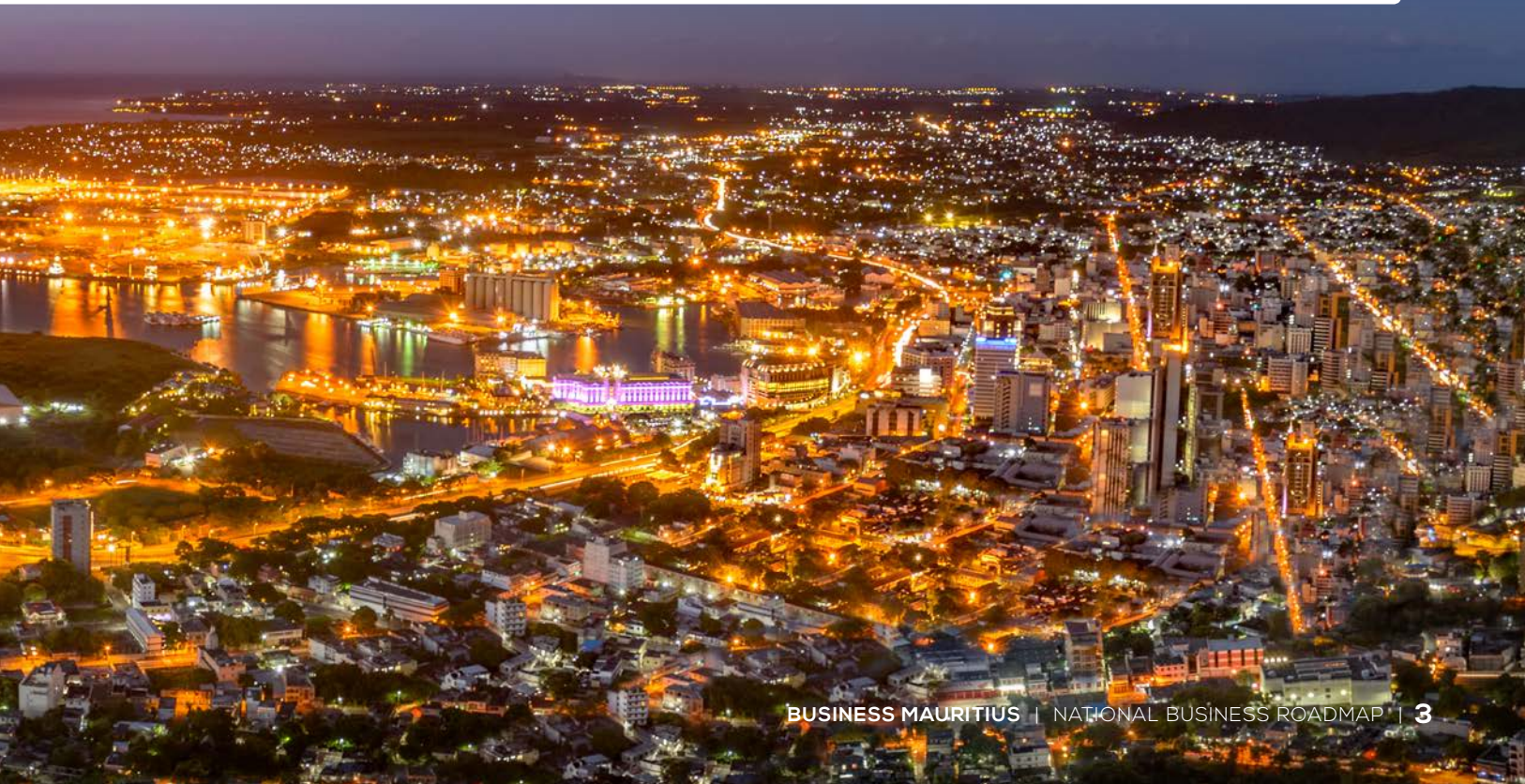
Required access to competitive finance.

Each of the above classes of constraints groups a certain number of thematic headings, incidentally covering the whole set of identified binding constraints:

- a) the Returns to resources characteristic groups Natural Resources, Human Capital, Infrastructure, Innovation and Globalisation;
- b) the Appropriability characteristic groups Governance, Macroeconomic Stability, Business & Investment Climate, and Environmental Vulnerability;
- c) the Cost & Access to Finance characteristic groups Capital Markets & Investments, Consumption and Savings, Ease of Borrowing and Cost of Borrowing.

For each of the above constraints, the informants and BM researchers have identified enablers – at least two per constraint, up to five for a few – on the whole, with a total of 42 levers likely to gear up growth and facilitate innovation.

Among the latter, the most relevant towards the National Business Roadmap have been identified in relation with the four main growth disincentives. ►





Natural Resources enablers

In the case of the island's natural resources, the enablers identified by BM informants included:

- **EEZ management policies**

An investment framework of the maritime Exclusive Economic Zone, in view of surveillance management, scientific research, a concessions framework, development of a local or regional fleet;

- **Land resource optimisation**

A digitalised survey of land uses, flooding vulnerability awareness, as well as a transport master plan, creation of a biodiversity corridor, a network of forests to improve migration of species;

- **Energy framework**

A more ambitious target – up to 50 % – for the percentage of renewable energy in the national energetic mix, based on more accessible battery storage; studies on smart grid and a roadmap for electric vehicles;

- **Water management**

Increased rain harvesting and decentralised water storage in coastal areas, government-driven desalination projects, IT-enabled water distribution system, with smart meters and fault detection technology;

- **Waste management**

Encouragement of waste sorting at households and businesses, setting up of 25 waste depots across the island, recognition of value addition alongside local processing of waste and enhanced role of circular economy.



Human Capital enablers

- **Managing demography's impact on employment**

Incentives to improve the fertility rate of women, with child and family support, as well as development of

new services to the silver economy and a national dialogue on pensions;

- **Managing demography's impact on health**

A new model of healthcare delivery, private sector efficiency contributing to the quality of public service provision, an IT-based e-health management system, world-class medical research;

- **Managing education's mismatch**

Teaching methods and curricula adapted to the development of skills required for a high-income economy, creation of an Agricultural School and a Lycée Hôtelier;

- **Employment Relations**

Streamlining and consolidation of remuneration orders, promotion of collective bargaining at enterprise and/or sectoral level, improved corporate attractiveness, loyalty reward, links between businesses and schools/universities;

- **Talent catching policies**

Flexible work conditions to attract women into employment, MoU with Madagascar, Bangladesh and India to manage the migration policy, incentive packages for expertise relocation.



Governance enablers

- **Developing strong and independent institutions**

A request to public institutions to publish their strategic plans – and progress appraisal – online; audit report to be used to implement corrective measures; jobs transparently advertised;

- **Addressing security, law and order**

E-licensing, rule-based procedures and e-procurement to fight corruption; faster justice, harmonised sentencing and three-strikes law; reduction of claims malpractices and improvement of insurance covers;

- **Funding of political parties**

An Act of Parliament enacting as well as enforcing

the obligation for political formations to be registered and have a legal locus standi before enlistment by the Electoral Commission; sanctioning powers of the Electoral Supervisory Commission broadened;

• Inclusive development

Support to the working poor, women, youth and vulnerable individuals; access to diaspora for fundraising on poverty alleviation; encouragement to flexible work arrangements.



Environmental Vulnerability enablers

• Climate change adaptation

A roadmap to improve preparedness and adaptation capacity to climate change; regular sensitisation and risk assessment, monitoring of initiatives to maintain biodiversity;

• Rejuvenation of lagoon systems

Use of coastal cell engineering, rehabilitation of beaches; installation of floating nets at river mouths to capture drifting waste; smart parking reservation mechanism at public beaches;

• Adaptation to heavy rainfall

Disaster protocol to protect human life, assets and economic activities; enterprises to set up preparedness and business continuity plans for rainfall, with specific protocols wherever required.

The present document is not just further reading material. As its name indicates, the NBR is a roadmap. It suggests a target and the itinerary to attempt reaching it.

Towards this National Business Roadmap the process entailed:

- identifying 13 binding constraints;
- selecting the four pillars upon which the growth dynamics are most likely to rely;
- determining the most useful and proactive enablers and recommendations.

What was relevant when the present document was being discussed may not be as pertinent in a couple of years, the more so in a decade. The handiness of the methodology developed by the Harvard trio shows up over time in the way it manages varying prioritisations of constraints.

Business Mauritius' Economic cluster is well aware of the ongoing need to iterate and reiterate the démarche. The NBR's capacity to deliver results may also translate into other obstacles going up in its constraints hierarchy, requiring further appraisal and analysis, delivering updated business intelligence. If that situation were to occur, it would confirm that the path traced by the roadmap – and tread by our business community – was worth finding the time for listening to their narrative.

The NBR's capacity to deliver results may also translate into other obstacles going up in its constraints hierarchy, requiring further appraisal and analysis, delivering updated business intelligence. If that situation were to occur, it would confirm that the path traced by the roadmap – and tread by our business community – was worth finding the time for listening to their narrative.

NOTE FROM THE **CHAIRPERSON**

The
WILL
and the
WAY





The NBR is a collective creation. It is very far from being the visions of a single writer, or even of some editorial team. It rather expresses the ambitions of many of us in the business community.

Cédric de Spéville

Chairperson
Business Mauritius

As the voice of the local business community in the dialogue with the public sector, Business Mauritius has connected at a deep level with its members, on three vital angles, namely: engaging in the national economic development; developing the social capital; and promoting sustainability and inclusive growth. As such, three dedicated commissions were set up at the level of Business Mauritius in order to unfold the mission of our association.

The fruit of these in-depth conversations and discussions is Business Mauritius' National Business Roadmap (NBR), which is a clear set of requirements underlying the development of business in Mauritius.

Anyone reading this National Business Roadmap will not take long to appreciate the exercise's relevance. It is the result of a process started over two years ago, with the view of developing a clearer vision for the way forward for the business community, the definition of potential issues, and the development of growth enablers.

The present document is built upon the outcomes of numerous workshops and working groups with Business Mauritius' members, professionals from diversified sectors and types of companies, from SMEs to large establishments, from recent start-ups to legacy societies.

The baseline informants as well as members of Business Mauritius' Commissions and Council processed the collected observations and findings, focusing on the constraints that appear to slow down business in Mauritius. They also figured out the enablers liable to kick-start a more virtuous forward movement.

The NBR is a collective creation. It is very far from being the vision of a single writer, or even of some editorial team. It rather expresses the ambitions of many of us in the business community – it speaks the language of a still larger number of people. Behind its many recommendations that should enhance the ease of doing business, the NBR basically defines a roadmap.

It speaks about a nation determined to trace and tread its path.



FOREWORD BY **THE CEO**

Kevin Ramkaloan

Chief Executive Officer
Business Mauritius

The Business Mauritius National Business Roadmap is the result of constructive discussions with the local business community. While it forms part of the dialogue between the business community and the public sector, it is also an opportunity to highlight business opportunities between these two parties.

In order to develop it, we had broad consultations, drawing from operators' concrete experience. Our three commissions – Economic Development; Social Capital, and Sustainability & Inclusive Growth – have worked for two years, with sub-commissions delving deeper into the nitty gritty of issues and possible solutions.

With the raw data collected, it appeared relevant to apply thereto the growth diagnostics methodology developed by Harvard scholars Hausmann, Rodrik and Velasco, in a view to identify binding constraints. Which disincentives inhibited certain sectors of the economy? Which of these obstacles should be lifted in priority?

The chosen approach helped to prioritise findings and transform them into a workable plan. Over the last two years, Business Mauritius interacted with more than 90 chief executive officers, senior officers and consultants through its commissions, collecting their grassroots observations and data, reflecting upon shared groundwork experience.

“

Over the last two years, Business Mauritius interacted with more than 90 chief executive officers, senior officers and consultants through its commissions, collecting their grassroots observations and data, reflecting upon shared groundwork experience.

—

Following a validation workshop with our Council and Commission members, four binding constraints have been identified as provoking the strongest impact and having to be dealt with as a matter of priority:

- The need to improve the management of our scarce Natural Resources;
- The need to further develop the Mauritian Human Capital;
- The need to strengthen Governance for smart regulations;
- The need to address the challenges linked to our country's Environmental Vulnerability.

For each constraint, fence-clearing enablers were henceforth developed. The numerous constraint-enabler mechanisms identified by the growth diagnostics exercise were finally coalesced into a comprehensive National Business Roadmap. Business Mauritius' mission is to make sure that the highlighted constraints and the proposed enablers are taken into account in our dialogue

with the public sector as well as within our own membership, that the transformation is measured, and that the partnership leads to building our future: a better, more sustainable and inclusive Mauritius.

Countries need to figure out the one or two most binding constraints on their economies and then focus on lifting those [...] By focusing on the one area that represents the biggest hurdle to growth, countries will be more likely to achieve success from their reform efforts [...] The principle to be followed is simple: go for the reforms that alleviate the most binding constraints [...] Rather than use a spray-gun approach in the hope that we will somehow hit the target, focus on the bottlenecks directly.

Richard Hausmann | Dani Rodrik | Andrés Velasco

*Getting the Diagnosis Right (March 2006)
A new approach to economic reform*

NATIONAL BUSINESS ROADMAP

INTRODUCTION

In line with its mission – building a shared future for all; engaging the corporate world in national economic development; promoting sustainability and inclusive growth; providing support services to companies – Business Mauritius felt the need for a strategic plan for the entire business community.



With a diversified economy, a large range of activities and indeed the most enviable economic

fundamentals in the region, the island's GDP growth, nevertheless, could not exceed world average. We had broad consultations, and once the raw data was collected, the growth diagnostics methodology developed by Harvard scholars Hausmann, Rodrik and Velasco, in view of identifying binding constraints, was applied.

The chosen approach helped to prioritise findings and transform them into a workable plan.

Four binding constraints have been identified:

- 1** The need to improve the management of our scarce Natural Resources;
- 2** The need to further develop the Mauritian Human Capital;
- 3** The need to strengthen Governance for smart regulations;
- 4** The need to address the challenges linked to our country's Environmental Vulnerability.

Identifying constraints proactively also entails figuring out enablers likely to address the noted handicap.



Enablers

• Natural Resources

Proactive management policies for the Maritime Exclusive Economic Zone; optimisation of Land Resources; a climate-aware framework for Energy; sustainable water and waste management.

• Human Capital

A more predictive management of changing demographics' impact on employment and health services; remedial management of education mismatch; HR development frameworks.

• Public Governance

The design and setting-up of strong, independent institutions; better assured law enforcement, security and order; transparent funding of political parties and electoral campaigns; resolutely inclusive development.

• Environmental Vulnerability

Pre-emptive adaptation to climate change and heavy rainfall, as well as the rejuvenation of lagoon ecosystems.

The above constraints are not the only blocking agents identified along the itinerary; the Roadmap also identifies multiple other groups of enablers.

From any constraint to its fence-clearing enablers, a form of business reengineering begs to be modelled. The numerous constraint-enabler mechanisms identified by the growth diagnostics exercise were finally coalesced into a comprehensive National Business Roadmap. As from now, going forward, Business Mauritius' mission is to make sure the road taken is safe, leading surely to its destination.

In 1968, upon independence, Mauritius' GDP per capita was just US\$ 190. Over the next half of a century, it grew more than fiftyfold. The country has done well but it may still do better. As a matter of fact, it should; it needs to.

A policy researcher as much as a facilitator, Business Mauritius has long been aware that graduating into a high-income economy necessarily entails more robust growth for Mauritius. For three decades, the island has benefitted from various preferential regimes, from its quota under the ACP-EU Sugar Protocol to a largely profitable Double Taxation Avoidance Treaty with India, through the Multifibre Agreement and the US-sponsored Africa Growth & Opportunity Act. Mauritius has built its growth upon these multiple preferential treatments.

Exports of sugar, textile and apparel, as well as numerous infrastructural investments in India channelled through the Mauritian financial hub, have all contributed to turning the country into a relatively affluent middle-income country. The present objective and motivation, however, is to graduate into the high-income group of countries. The present National Business Roadmap (NBR) has been designed to support that higher ambition.



Context

Developed at the request of the Council of Business Mauritius, the NBR came out after broad consultations with members of the organisation on the improvements expected from the business environment to tap more sustained growth.

During the consultation exercise, Business Mauritius members also expressed the wish for a greater coherence in the dialogue between the business community and the public sector with regard to development strategies, considering the country's resources and their multiple-use and impact, within and across sectors.



Objective & Scope

The NBR responds to these expectations – its objective being to provide a clear set of requirements, called upon to underlie innovative business development in Mauritius. While the consultation exercise frequently raised the need for more productive concertation between the business community and the public sector, it did not shy away from occasions to highlight partnership opportunities between these two entities.

The NBR's scope is strictly restricted to business development requirements. Inevitable overlaps with the broader national agenda items – such as fiscal policy, the environment and social considerations – are purposely tackled in the restricted angle of business predictability or sustainable and inclusive development.



Goals

Objectives of the NBR:

- To identify the critical enablers for growth of business;
- To provide a comprehensive statement that would guide the private sector's policy dialogue with the public sector;
- To highlight initiatives for the development of the business community.

The NBR démarche is expected to be iterative and it will be used as a tool within BM's economy operations cluster. Initially, the chosen approach helped to prioritise findings and transform them into a workable plan. Following a validation workshop, four binding constraints have been identified:

- Natural Resources
- Human Capital
- Governance
- Environmental Vulnerability

Identifying constraints proactively also entails figuring out enablers likely to address the noted handicap. Such was the démarche adopted for the present exercise.





Approach

The NBR proceeded from a three-step approach:

- 1** A desk research and preparation component;
- 2** A development and consultation component; and
- 3** A validation and publication component.

Spanning over one quarter, from October 2018 to January 2019, the desk research and preparation step included a further three parts:

- Desk research into local and international official sources, through reputable international ratings and face-to-face interviews;
- Insight from BM Commissions on the Economy, Social Capital as well as Sustainability and Inclusive Growth;

- Identification and validation of the Growth Diagnostics Methodology as the underlying framework.

Conducted from January to March 2019, the development and consultation step was deployed in four phases:

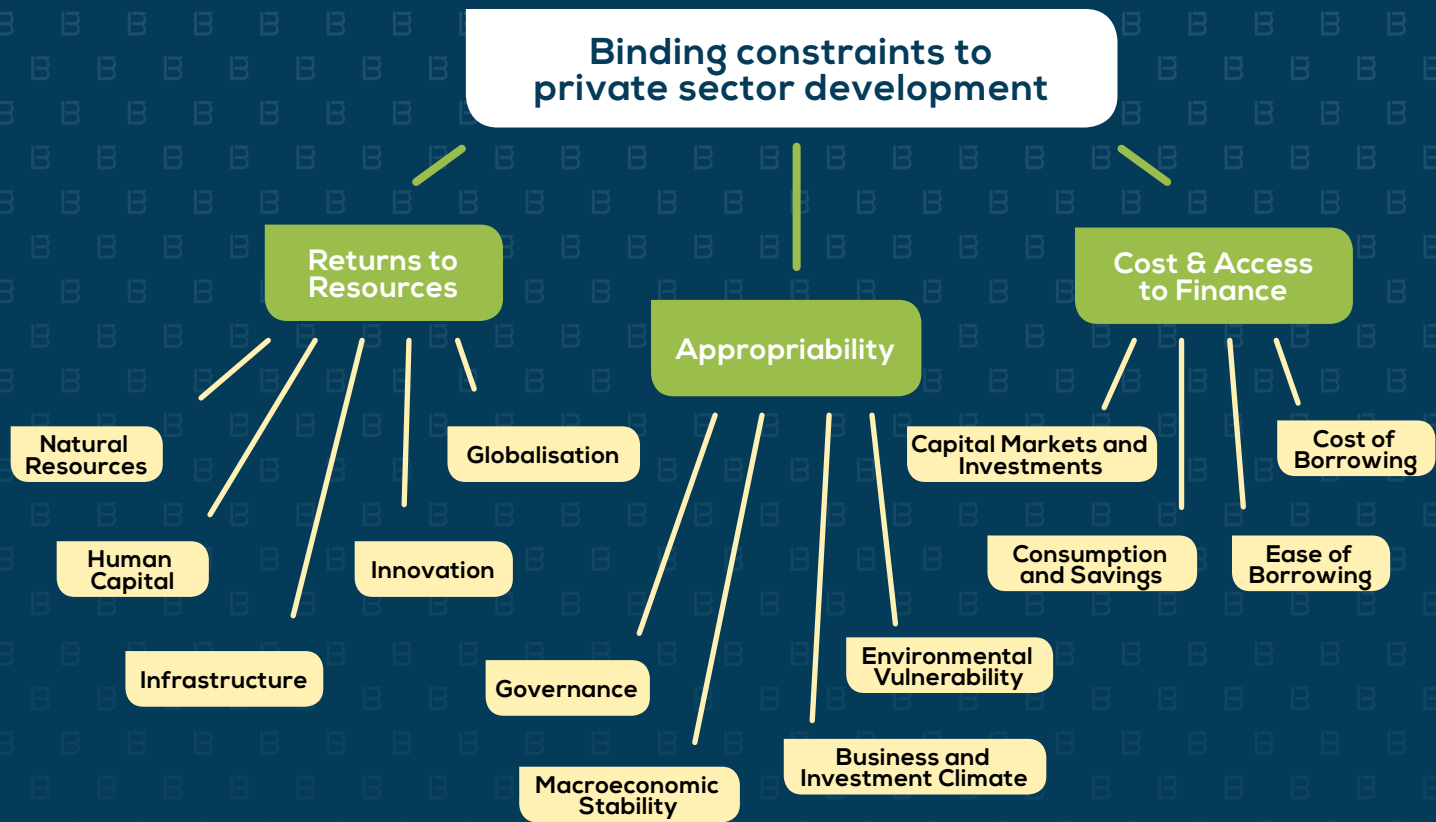
- The identification of constraints and enablers;
- Consultation with partner members, providing perspectives from agriculture, manufacturing, tourism, financial services, ICT, trade and industry, construction;
- Ad-hoc stakeholder consultations;
- Model's fine-tuning and recommendations.

From March to August 2019, the validation and publication component was implemented, requiring four further stages:

- Validation workshop with BM Council and Commissions
- Members' surveys
- Council's go-ahead
- Publication and distribution



ROADMAP STRUCTURE



The above mapping retraces the successive identification of:

- 1 The binding constraints on private sector development;
- 2 The three larger domains subject to these constraints: Returns to resources, Appropriability, and Cost & Access to Finance (green boxes above);
and
- 3 The specific sectors touched (yellow boxes).

• The 13 themes/yellow boxes have all been documented by Business Mauritius' informants and the many observations made are perfectly relevant. However, at the present stage, they have not been factored in the National Business Roadmap. A summary of each is published in the Annex..



The binding constraints relevant to Returns to resources pertain to:

- 1 Natural Resources;
- 2 Human Capital;
- 3 Infrastructure;
- 4 Innovation;
- 5 Globalisation.

The binding constraints relevant to Appropriability pertain to:

- 6 Governance;
- 7 Macroeconomic stability;
- 8 Business & Investment Climate;
- 9 Environmental Vulnerability.

The binding constraints relevant to Cost & Access to Finance pertain to:

- 10 Capital Markets & Investment;
- 11 Consumption & Savings;
- 12 Ease of Borrowing;
- 13 Cost of Borrowing.

The above 13 themes are correlated with 42 enabling policies.

Among the latter, according to workshops' feedback and BM's consultations with economic operators, the following require the most urgent attention:

- Natural Resources
- Human Capital
- Governance
- Environmental Vulnerability,

Identified by Business Mauritius members and presented as recommendations, these enablers list unexploited resources, administrative and institutional reforms, procedural streamlining or measures of strategic reengineering.

The various binding constraints are liable to be offset by appropriate enablers.

In the following pages, you are invited to follow each priority section, presented in the following logic:

- General constraints relevant to the section;
- Specific summary fact sheets;
- Identification of operational constraints;
- Enablers/recommendations sketching the respective lines of action.



NATURAL RESOURCES



GENERAL CONSTRAINTS

As regards Natural Resources, the following constraints are noted:

- a) Mauritius Exclusive Economic Zone is largely unexploited;
- b) Blue economy strategies have not been implemented, whereas costly private equipment is underutilised;
- c) Uncertainties in zoning and planning constrain predictability in project approval by authorities;
- d) Food imports are more and more exposed to the impacts of climate change on producing countries;
- e) Largely underutilised sugar refining and ethanol processing capacities;
- f) Rising demand for electricity (by 22% by 2025) with high dependency (85.4%) on imported energy and fossil fuels (78%). The renewable-energy-based import substitution plan, including biomass, is not yet available;
- g) Increased presence of solid and liquid waste in nature;
- h) 2015-2030 Waste Management Strategy not finalised and waste sorting still in its infancy;
- i) Accelerating beach erosion;
- j) Coral damage estimated at approximately 75% of stock.



Natural Resources enablers

In the case of the island's natural resources, the enablers identified by BM informants included:

- **EEZ management policies**

The capacity to exploit in a sustainable way resources in our Exclusive Economic Zone (major untapped potential) and bring maximum benefits to the population.

- **Land resource optimisation**

The adopted strategy in thinking out the optimal use to be made of our scarce land.

- **Energy framework**

The ability to ensure a sustainable, cost-effective and reliable energy supply to transport, households, businesses and public services.

- **Water management**

The ability to ensure quality and quantity of water supply.

- **Waste management**

Evolution towards a circular economy.

The above have a strong potential impact on the following sectors: agro-industry, tourism, manufacturing (local and export), real estate, ocean economy, health, food, energy, and waste management.



Natural Resources FACT SHEET



Exclusive Economic Zone (EEZ)

2.3m km²
of EEZ

- ▶ Accelerating beach erosion; coral bleaching estimated at 75%;
- ▶ Limited implementation of the Ocean Economy National Development Plans (BOI 2014 and World Bank 2017);
- ▶ Overreliance on fishing agreements;
- ▶ Current fish-processing capacities underutilised due to poor catches;
- ▶ Limited local maritime surveillance capabilities.



Land

2,040 km²
of land

- ▶ Usage: 42% agriculture, 30% built-up, 19% forests;
- ▶ 80,000 ha of agricultural land: 50,000, sugarcane; 20,000, fruits, vegetables & farming; 10,000, abandoned;
- ▶ Some highlights of the cane industry:
 - Sugar + bagasse, fertilizers, molasses, rum, vinegar, ethanol, animal feed;
 - Energy production;
 - Generation of value-added services (transport, fuel delivery, port);
 - Lack of visibility on sugar prices, bagasse price and biomass framework;
- ▶ Fruits and vegetables: Need for import substitution; decreasing yields but no assistance to large growers;
- ▶ Food import more exposed to impacts of climate change on producing countries;
- ▶ No clear overall strategy for local agriculture;
- ▶ No clear strategy for national territorial planning;
- ▶ EIA is the only consideration for new development v/s environment; Any development in a World Heritage Property's buffer zone also requires a Heritage Impact Assessment, (HIA), and a Visual Impact Assessment, (VIA).





Energy

2,875 GWh
of electricity
produced

- ▶ 21.8% of energy production stems from renewable energy sources;
- ▶ 85.4% dependency rate on imported energy, of which 78% fossil fuels;
- ▶ 68% of electricity is generated by four independent power producers (mix of coal and 16% bagasse);
- ▶ National target: 35% of RE in the electricity mix in 2025, based on solar PV, wind, biomass and waste-to-energy (INDC);
- ▶ National target of 10% energy efficiency by 2025 (industry, tertiary & household);
- ▶ Forecast of electricity demand in 2025 = 3,500 GWh (+22%)



Water

625m m³
of water
utilisation

- ▶ 59% agriculture, 30% domestic, 11% business;
- ▶ 4,000 million m³ annual rainfall with changing pattern;
- ▶ 260 million m³ potable water production;
- ▶ 50% losses in old distribution network being addressed by pipe replacement programme.



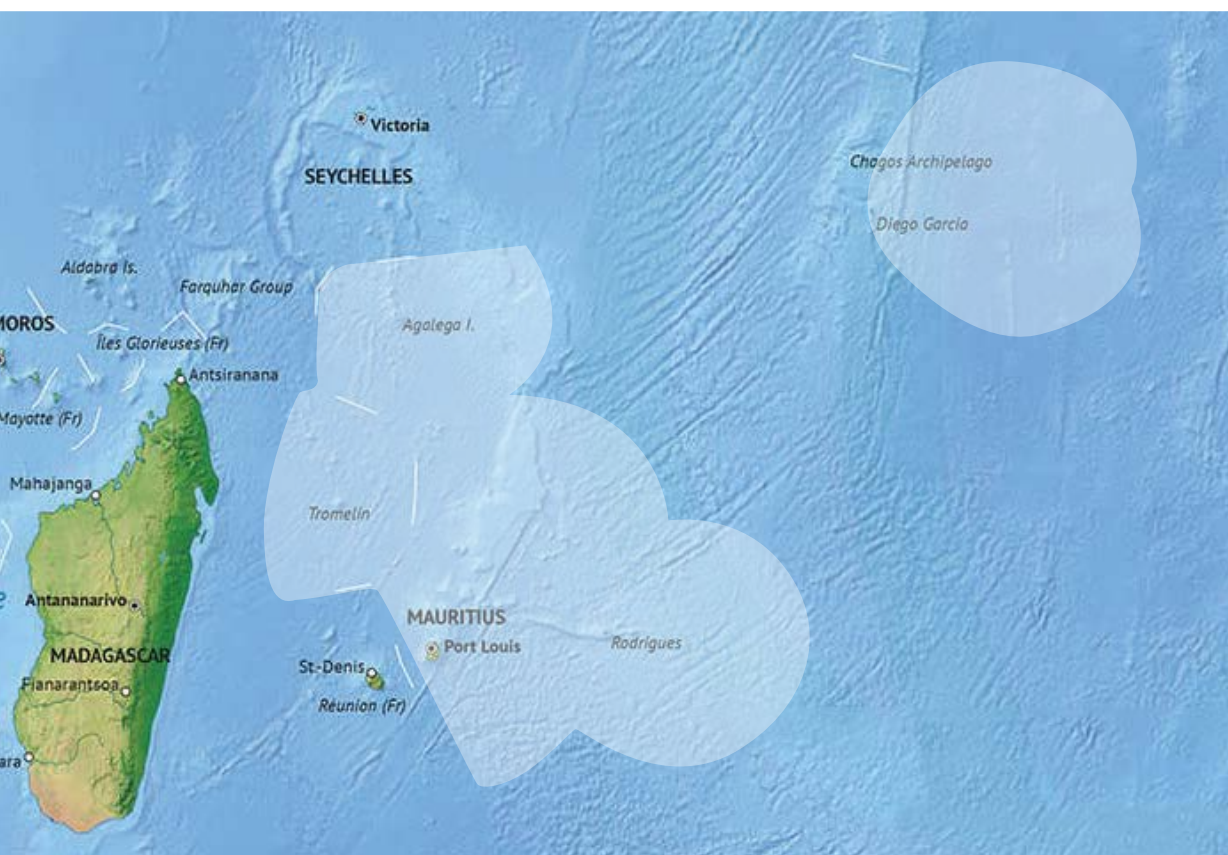
Waste

Rs 1,2Bn
Average cost of
waste management
per annum

- ▶ 543,000 tonnes/year of solid waste going to one landfill through five transfer stations;
- ▶ Current landfill reaching full capacity by 2020;
- ▶ No waste sorting by authorities;
- ▶ Emerging recycling sector;
- ▶ Most of the waste collected for recycling is exported after only minimal processing;
- ▶ Private initiatives to process and revalorise locally (e-waste, plastic, used oils, paper, glass);
- ▶ Hazardous waste facility set up by government, under private management;
- ▶ Environment protection fees and taxes collected are not used to support environmental issues;
- ▶ 2015-2030 Waste Management Strategy not finalised.



Natural Resources RECOMMENDATIONS



EEZ Management Policies

EEZ's multifaceted management

Enablers

- Develop an investment framework for the EEZ, including funds for:
 - a) EEZ surveillance management;
 - b) Bunkering;
 - c) Investment for scientific research in marine biotech;
 - d) Coral farming as well as new niche products;
 - e) A concession framework;
- Pre-authorised licences for the above activities; testing sites in the lagoons;
- Grant incentives on the research component using the matching grant incentives of CRIGS;
- Ability to bring experienced researchers through a fast-tracked, cheaper Occupation Permit System

- Train local skills for the development of these new sectors;
- Share data and launch bidding exercise for exploration of the EEZ, in search of polymetallic nodules and hydrocarbons;
- Launch research funding for joint projects such as combination of sugar and algae growing, textiles and new materials from the ocean (synergies to be developed with traditional manufacturing); association between Mauritius and international partners with whom the country has signed MoUs (Chennai and China Ocean University);
- As regards Illegal, Unreported and Unregulated (IUU) fishing in our EEZ, the laws governing transshipment of catches at sea need to be enforced; need equally to better manage the resulting increase in by-catch;
- Development of local or regional fleets.



Land Resource Optimisation

Digital land management

Enablers

- Develop a Geographic Information System (GIS), a digital twin of Mauritius, in view of, inter alia, digitalised surveys of the island – land uses, flooding vulnerability, zoning, data repository;
- Draw up and update a national development plan, including a transport master plan, with proper energetic efficiency to ensure sustainability;
- Open up Land Administration, Valuation and Information Management System (LAVIMS) datasets to identify usage of land;
- Draw up national zoning guidelines, including zones of coastal activities (motor zones in lagoons...), industrial, commercial, residential zones, green belts;

- Outline schemes to be transparently publicised, published online and enforced – any exceptions to be explained and ringfenced to avoid precedence;
- Review and redefine industrial zones to improve quality of infrastructure and reposition industrial zones where necessary;
- Establish clear processes for Integrated Coastal Zone Management (ICZM) enforcement;
- Setbacks and buffer zones (Airport, Aapravasi Ghat...) to be reviewed, clearly communicated and consistently enforced;
- Systemic review for non-essential activities like old sand mineral zones;
- For large projects, review the injunction mechanism that puts the project at risk due to last-minute objections; clear and reasonable cut-off dates for objections;
- Create a biodiversity corridor/network of forests to facilitate migration of species.

Enabling Sugar Lands Reengineering

- Implement a biomass framework for long-term structuring of the market, including a mechanism for bagasse and biomass price regulation, in order to sustain the production of renewable energies;
- Design mechanisms to finance investment towards:
 - replacement of cane plants after 7 years ;
 - mechanisation of cultivation;
 - studying the environmental benefits of measures such as erosion prevention, CO₂ absorption, water retention;
- Consider substitutes to cane, taking into consideration the direct and indirect economic, employment, social and environmental impacts;
 - Run a comparative analysis of current potential substitutes like industrial hemp, cashew, macadamia, *arundo donax*.





Natural Resources RECOMMENDATIONS



► Enabling Farmlands Sustainability

- Reduce dependency on import for food by identifying sustainable local alternatives, setting targets and providing appropriate incentives;
- 10,000 ha of abandoned agricultural lands to be used for food crops for import substitution;
- Ministry of Agriculture to set food security targets and ensure that measures are taken to achieve targets on fruits, vegetables, alternatives to rice and flour and farm products;
- Set standards for local production and imported food (smart agriculture norms applied to 100% local and imported produce by 2030; assistance provided to empower and protect local producers);
- Assistance to large growers and processors would be useful, helping them buy from small producers (assist milk processors and large pig farmers);
- Improve quality and standards of small farmers by integrating them into the supply chain of large agro-processors, through simple clusters. That would also facilitate import substitution;
- Take advantage of the upcoming National Wholesale Market (with a cold room) to:
 - set up a Register of Producers;
 - open the market with fewer intermediaries;
 - seek technical assistance from the Marché international de Rungis (France) to improve distribution and ensure better quality and prices;
- Assistance to planters should be linked to results; refund of grant upon non-performance/abandonment;
- Operationalisation of the Utility Regulatory Authority (URA) Strategic Plan to create an investment-friendly framework for private projects, including the sale of electricity by private operators and a framework for large residential projects.



Energy Framework

A more resolute energetic transition

Enablers

- Pricing of energy to be determined by URA;
- Raise the quality of imported gasoline and diesel from EURO 1, 2, 3 to EURO 4, 5, 6 standards;
- Introduce minimum engine standards for commercial vehicles;
- Set a more ambitious target on RE percentage in electricity mix (50%), based on more accessible battery storage (and PV prices' downward trend);
- Implement a national biomass framework for long-term structuring of the market, including a mechanism for the remuneration of bagasse and biomass;
- Define SSDG and MSDG frameworks on a long-time predictability basis, to enable investors to plan their investment;
- Private Investment in renewable energy to be unleashed by removing the 30% of consumption cap, which is a result of financial structuring of CEB (commercial subsidising industrial);
- Publication of studies on smart grid and elaboration of an implementation plan;
- Develop and implement a roadmap for the smart grid and electric vehicles;
- Need for a clear and timely mechanism upon renewal of IPP contracts (2019, 2024 and 2027);
- Evolution of manufacturing into capital-intensive industries will require more energy; requirements to be compiled to revise expected demand.



Water Management

Smart & decentralised water supply

Enablers

A long-term vision and a sustainable strategy are required for water. This needs to be shared with the public at large and businesses, with a clear way forward, as well as open information on the resources available and priority areas.

- Rethink gravitational distribution of water; increase rainwater harvesting and decentralised water storage in coastal areas;
- Develop rainwater harvesting requirements for large real-estate developments;
- Improve public information on incentives for rainwater harvesting by households;
- Government to drive desalination projects on 5-6 specific coastal zones v/s individual projects by businesses;
- Modernise the water distribution management system with smart meters, pressure monitors, quality standards and controls, fault detection technology;
- Framework for access to utilities in large residential projects (smart cities, large residential developments); the promoter is expected to provide the infrastructure and client management.

Waste Management

Waste managed as value

Enablers

- Publication of the draft National Waste Management Strategy;
- Encouragement of waste sorting at households and businesses, with appropriate waste collection streams;
- Setting up of 25 waste depots across the island;
- Support existing waste streams and operators by:
 - reviewing waste management tender criteria to recognise the value addition of local processing of waste, value creation, innovation and circular economy;
 - sharing the cost of waste collection;
 - encouraging the legal trade of secondary raw materials;
- Identify opportunities for industrial symbiosis;
- Develop regional waste management;
- Textiles with Madagascar, tyres with Réunion, heavy plastics, batteries, oil;
- Study in progress for PET bottles.





HUMAN CAPITAL



GENERAL CONSTRAINTS

As regards Human Capital, the following observations can contribute to a better mapping of the country's resources:

- Ageing population with issues on active population ratio;
- Public health service under pressure from NCDs and substance abuse further impacted by demography issues;
- Relatively weak performance on indices related to human capital.

Global Competitiveness Index (GCI) 2018:

Labour market (74th), skills (74th) and health (83rd).
Human Development Index (HDI):

- 65th out of 189 countries; Mauritius is 84th out of 160 countries in the Gender Inequality Index;
- High dropout rates at primary and secondary levels;
- Unsatisfactory focus on future and soft skills in education and training; high female and youth unemployment;
- Mismatch between existing jobs and expectations - increasing foreign labour;
- Outdated wage-setting mechanism; pace and degree of development determined by capacity to attract and retain talent (expatriates and Mauritians).

Areas of concern

In the area of Human Capital, BM's informants paid special attention to the following:

• Demographics and employment:

Quantitative aspects of human capital.

• Public health:

Quality of health care, hygiene, preventive medicine.

• Education up to secondary:

Quality of primary and secondary education.

• HR development:

Skills, training, leadership; quality of employees' training.

• Employment relations:

Conducive workplace relations.

• Attracting talent:

How to deal with talent's mobility.

Most-impacted sectors:

- Agribusiness
- Financial services
- Insurance and pensions
- Agro-industry, sugarcane
- Tourism
- Manufacturing – DOE
- Textiles
- Precision industries
- ICT/ smart city/real estate developments
- Education
- Health
- Film
- Fintech and AI
- Energy
- Waste management
- Food industry
- Silver economy
- Creative & cultural industries



Human Capital FACT SHEET



Demography

► **1.3m**
people

- Population breakdown: Age 16+: 990,700 | Labour Force: 576,600
Outside Labour Force: 414,100;
- Unemployment: 6.9% (39,800, out of which 15,800 unemployed males and 24,000 females. Among the youth, 19,300 individuals are registered as unemployed);
- Active population will be reduced by 190,000 from 2017 to 2047;
- Ageing population attributable to increasing life expectancy, low infant mortality rates;
- Better health services: life expectancy increases by 1 year every 4 years
- Steady decline in fertility rate: 1.41 in 2017, due to later and fewer marriages, higher divorce rates, parental choices;
- High emigration (70% of students do not come back from foreign studies);
- Growing immigration (50,000 currently):
 - Low-skilled or skilled workers in the manufacturing and construction sectors;
 - Graduates in the ICT sector;
- Low female participation : 44% v/s 70% for males and 55% for peers from the upper middle income group;
- Mauritius is faced with an ageing population (14% aged 65+ by 2022; 21% aged 65+ by 2040);
- Our capacity to attract and retain international talents (including Mauritian students) will determine our pace and degree of development;
- A worryingly increasing projected dependency ratio (0.2 in 2015, 0.5 in 2040 to 0.6 in 2060);
- The IMF estimates that the National Pension Fund will have used its reserves by 2063;
- Increasing pressure upon the funding of public and private health, pensions and welfare services;
- Low investment in long-term insurances and pension schemes.

Page 26 :
while the National Strategy is
to boost medical tourism.



Health Services

► **Rs12.7bn**
Annual public
health expenditure

Public (free) and private infrastructure and services ensure good access to a wide range of health services for the local and foreign population; however:

- Current service levels in public hospitals are far from those expected in a high-income economy, a degree of affluence that Mauritius hopes to attain by 2023;
- Because of high delivery cost and existing level of public debt, the public sector cannot bridge this gap;
- In the context of an ageing population, high prevalence of diabetes and non-communicable diseases, high prevalence of substance abuse, it will be difficult for the public delivery model to sustain additional pressure on state-funded health services;
- Medical, dental and veterinary councils are limiting the registration of foreign professionals in Mauritius while the national strategy is to boost medical tourism.



Human Capital Development

► **52nd/157**
Human Capital Development/Human Capital Index ranking

- Human Development Index (HDI), 65th/189 countries;
- Labour productivity growing at 2.5% (2017; consistently below GDP growth over the last 10 years);
- Education: In 2017, on average in respective age groups:
 - only 71% hold PSAC (67% boys, 75% girls);
 - only 56% hold SC (47% boys, 66% girls);
 - only 36% hold HSC (28% boys, 45% girls);
- Indicators of human capital development level:
 - Declining productivity: continuous drop in total factor productivity, high unit labour cost vis-à-vis our competitors in the manufacturing sector;
 - Academic and technical levels do not always cater for the relevant soft skills like people management, negotiation, empathy, systemic thinking, particularly at middle and higher management levels;
 - Enrollment is still ongoing in low-demand fields while high-demand fields (STEM, specialised manual) remain under-served with local skills;
 - Female and youth unemployment persist, despite GDP growth;
 - Population largely not qualified for high-value jobs; not attracted to labour-intensive jobs, which are offered to foreign workers.



Employment Relations and Wage Determination

► Our existing wage determination ecosystem must be revisited

- There is lack of predictability in the way payroll costs evolve yearly. Annual salary compensation exercise increases compliance costs irrespective of capacity to pay and performance considerations of individual sectors and enterprises;
- Rigid and outdated labour regulations - Currently there are 30 Remuneration Orders with more than 500 different job categories. The detailed conditions of employment and job descriptions in the Remuneration Orders erode the discretion of employers to have recourse to flexible work practices and multi-skilling;
- At the annual Tripartite Committee, the mode of calculation of salary compensation does not explicitly take into account macroeconomic indicators. A one-size-fits-all approach adopted every year;
- National Minimum Wage has been introduced. It needs to be pitched at the right level, a minimum floor to enter the labour market while enabling enterprises to create conditions and opportunities for better wage rates through collective bargaining;
- Multiplicity of institutions - There are many institutions and their functioning does not promote collective bargaining;
- Social protection - there is presently a wide array of social protection mechanisms;
- Government has made proposals to:
 - Amend the labour legislation;
 - Introduce a Portable Retirement Gratuity Fund (PRGF) ;
- There subsists a "tradition" of ongoing conflict between employers and employees' unions, with the government acting as mediator.
- This is not conducive to the professionalisation of the HR function;
- Neither is it attractive to the younger population;
- Nor is it attractive to international talent.



Demography

Socioeconomic leverage

Enablers

- Improving the fertility rate of working women through incentives:
 - Child and family support, state-financed parental leaves, flexible working arrangements and neighbourhood crèche facilities;
 - Family-friendly work practices to be incentivised;
- Identify new services to the silver economy (mobility, health, accommodation, leisure and physical activity will be key to the well-being of the population);
- Identify specific business opportunities;
- National dialogue to agree on the sustainability of public and private pensions;
 - Alignment of old age pension with retirement age;

- Selective targeting of old age pension and sensitisation on complementary plans;
- Reinstate personal tax incentives on insurance and pension premiums;
- Retirement age to be extended to 65 years (the option for an employee to retire on or after reaching age of 60 to be abolished).

Increasing the active population/ attracting talent

- Gender mainstreaming: encouraging flexible work to attract women into employment;
- Percentage of fee payable to freelancers to be directed to a pension fund and/or auto enrollment in pension scheme;
- Sensitise students on the need for knowledge workers in capital-intensive industries;
- Increase retirement age for non-physical jobs;

- Recognition of essential low-skilled jobs through certifications;
- Greater opening to low-skilled foreign labour to supply gaps in manufacturing, construction, tourism and other scarcity areas:
 - Targets to facilitate entry up to an agreed cap per sector;
 - MoU with Madagascar, Bangladesh and India to manage the migration policy;
- Design a rifle approach for specific international talent to develop new niches such as asset managers, specialised AI developers and innovators, which will include:
 - Development of specific skills;
 - Identification by EDB of an expert resource approach;
 - Design of an incentive package for expertise relocation and bottlenecks removal;
 - Supply-side study to understand the motivations of targeted talent (from South Africa, India) to relocate.

Healthcare

Managing demography's impact on health services

Harmonised public-private care

Enablers

- A new model of healthcare delivery where private sector efficiency contributes to the delivery of public services, in specific departments such as geriatrics, maternity, eye care, nephrology & dialysis, etc;
- Implementation of an e-health management system to improve efficiency and quality of public health dispensation, improving data-based management;
- Setting up world-class research centres on diabetes and cardiovascular diseases and attract top researchers to work therein or to collaborate with Mauritius;

- Building on the "Fighting Diabetes at the Workplace" model, engaging businesses to participate towards prevention and reduction of occupational diseases and substance abuse.

Human Capital Development

Managing education's mismatch (Technical and New Skills)

Skills-driven capacity building

Enablers

Way forward – Primary and secondary education:

- Identify future skills for a high-income Mauritius and adapt teaching methods and curricula accordingly (sustainability, emotional intelligence, leadership, confidence, projects, etc.);
- Valorise the status of teachers and review training and recruitment methods;
- Allow the use of Kreol language in the first few years of primary school when needed;
- Multi-stakeholder collaboration to curb drugs in schools, suicides, fading out of values (sharing, caring about others instead of individualism);
- Promote group activities to reduce after-school tuition and unhealthy competition; promote collaboration and life skills required for future life;
- Enhance interest in the history of Mauritius;
- Valorize and encourage enrolment in STEM (science, technology, engineering and mathematics);
- Study the gender gap to improve effective formal education of boys;
- Private/public collaboration for the provision of systematic alternatives with good employment potential for primary and early secondary school dropouts;
- Increase interaction with industry to sensitise students and young graduates to the technological requirements of industry, through interactive career information, site visits and placements;
- Technical training to be integrated in colleges and universities;
- SC and HSC in Tourism to be more hands-on.



Human Capital RECOMMENDATIONS

Connect lecture hall and workplace

Enablers

Way forward – Training and tertiary education:

- Improve entrepreneur culture in universities by requiring:
 - a percentage of lecturers with an industry background;
 - lecturers to visit businesses;
 - industry to participate in curriculum development.
- Private/public collaboration to identify needs in talents (and fading needs) for the future;
- Focus on soft skills (critical thinking, anticipating client needs, attitude to transform Mauritians into service providers), on top of technical skills;
- Scale up dual training programme through NSDP and polytechnics;
- Set up mechanisms for medium-sized companies to benefit from HRDC and NSDP;
- National training to improve skill levels at supervisory and middle-management level;

Develop vocational schools

Enablers

- Valorization of manual and agricultural jobs through certified training and formal recognition of work experience, with information in schools and communities;
- Set up an Agricultural School to train secondary school students and small planters (partnership with Lycée Agricole de St-Pierre, Réunion);
- Design certified and recognised training courses for the BPO sector, carrying an international recognition, for the upskilling of SC and HSC holders;
- Hotel School to have a strategic partnership with an international institution to modernise and assess its courses;
- Create a Lycée Hôtelier with strong industry linkages.

Wage determination's reform

Towards a more effective wage determination mechanism

Enablers

- There will be a review of the National Minimum Wage by the National Wage Consultative Council in 2020 and thereafter every 5 years;
- Streamline and consolidate the 30 Remuneration Orders in the Employment Rights Act into core and fundamental conditions of employment;
- Revisit the 30 Remuneration Regulations to provide henceforth only conditions of employment that are specific to the respective sectors of employment and salary structures above the national minimum wage for specific occupational groups;
- The yearly salary compensation adjustment to be determined either by: (a) the National Minimum Wage Consultative Council, which made recommendations to fix the National Minimum Wage; or (b) an automatic indexation of the basic salary every year, subject to a maximum ceiling to be determined based on the increase in the median wage.

Re-engineering employment relations

- The promotion of collective bargaining process at enterprise and/or sectoral level is felt as being the best mechanism for regulating terms and conditions of employment. If promoted, collective bargaining will gain momentum with time and terms and conditions of employment will be mostly determined through this process;
- Rationalisation of social protection coverage – Apart from universal and contributory social protection coverage, we should encourage additional coverage for those who can afford same;

- Portable Retirement Gratuity Fund (PRGF)
 - The setting up of a PGRF should not impose financial burden that may affect the capacity to pay of enterprises. Especially those operating in the export sector and small and medium enterprises, with the risk of leading to closures. All the contributions to the Fund should be based on the basic wages of every employee, just as it is the case for NPF, NSF and Training Levy. No contributions for past services should be paid or accounted for with PRGF;
- Proposed Amendment of Labour Legislations – Flexibility in the labour market is essential in order to ensure an enabling environment for doing business and at the same time promote job creation. Business Mauritius is of the view that any amendment brought would have to take into account the four strategic

objectives of Decent Work, which, according to ILO, sums up the aspirations of people in their working lives.

Favour corporate attractiveness

- Improve corporate attractiveness through professionalisation of the HR function, focusing on the employee experience, loyalty, efficiency, competitiveness and customer experience;
- Increase linkages between businesses and schools universities through open days, internships, career guidance by the business community, business talks in schools, collaborative research;
- Create a Code of People's Practices for businesses.

Our existing wage determination ecosystem must be revisited following the introduction of the National Minimum Wage





GOVERNANCE





GENERAL CONSTRAINTS

As regards Governance, it must be noted that Mauritius tops the Mo Ibrahim Index for Africa. At world level, the country is 56th out of 180 (consistently 6th in Africa) on the Corruption Perception Index 2018 of Transparency International, with a score of only 51/100. Gradual roll-out of e-government and rules-based procedures have helped but overall corruption perception levels have not improved, both in public and business sectors, particularly for contract awarding and for obtaining special licences. Nevertheless, no national study as yet has been conducted on corruption – in the business or public sector – in view of the rule of law.

Although most key institutions already exist, improvements are required therein as regards resources, efficiency, business-friendliness, transparency. Empowerment of senior civil servants and independence of opinion are critical issues as well.

- There is a persistent perception of personal security level degradation over the last 40 years; a high percentage of repeat offenders is noted as well as increasing cases of domestic violence and aggressive youth behaviour;

- In terms of Human Development, Mauritius' Gini Index score is 0.40 (same as in 2017 and mid-1980); the score on Poverty Reduction Efforts (45/100 Mo Ibrahim Index) requires improvement. On the Gender Inequality Index (GII), Mauritius ranks 84th out of 160 countries;
- Funding of political parties is currently not regulated.

Areas of concern

In the domain of Governance, BM paid special attention to the following enablers:

- Developing strong & independent institutions;
- Addressing security, law & order;
- Inclusive development;
- Funding of political parties.

Public institutions and sound governance are key enablers to the sustainable transition to a high-income economy.

Relevant reforms would benefit the following sectors: financial services, agro-industry, sugarcane, tourism, real estate, education, health, fintech and AI, energy, waste management, silver economy, creative and cultural industries.



Governance

FACT SHEET



Strong and Independent Institutions

Strong and independent institutions are key enablers for the transition from medium to high-income revenue (examples of New Zealand, Singapore).

They are essential to support other enablers, through:

- ▶ Clear legislation, rule of law, security, transparency and effective justice leading to a reliable implementation capacity;
- ▶ Adequate resources for effective enforcement;
- ▶ Result-based economic diplomacy;
- ▶ International market research.

Public institutions have been a key strength in post-independence development in Mauritius. They represent a Unique selling Proposition in the business attractiveness of our country.

For the future development of Mauritius, BM considers sustaining the strength and independence of institutions as a priority.



Security, Corruption, Law and Order

▶ **6th**

Ranking in Africa on Corruption Perception Index

- ▶ 56th out of 180 (consistently 6th in Africa) on the Corruption Perception Index 2018 of Transparency International, with a score of only 51/100. Gradual roll-out of e-government and rules-based procedures has helped, but overall corruption perception levels have not improved, both in public and private sectors, particularly for awarding contracts and obtaining special licenses;
- Perceived Favouritism (Score of 45.0 on Absence of Favouritism as per Mo Ibrahim index);
- High levels of repeat offending;
- ▶ Increasing reports of domestic violence and youth violence;
- ▶ Low reliability of Police Services (Score of 54.2 on Mo Ibrahim Index);
- ▶ Safe City Project, with 4,000 intelligent CCTV cameras and 350 intelligent traffic security cameras;
- ▶ National road safety programme, incl. BUROS, launched in 2018 to reduce road accidents.



Inclusive Development

▶ **0.40**

Income Gap: Gini Index = (same level in 2017 & mid-1980's)

- ▶ Poor score on Poverty Alleviation Efforts (45/100, Mo Ibrahim Index);
- ▶ Social Register created; National Minimum Wage introduced;
- ▶ Gender Inequality Index (GII), 84th/160 countries;
- ▶ CSR projects by companies under approved guidelines;
- ▶ Significant CSR funds are now managed by National Social Inclusive Foundation;
- ▶ Poverty alleviation through public-private cooperation;
- ▶ Social commission of the NESC chaired by the VPM.
- ▶ National Economic and Social Council has been established to look at poverty alleviation

Strong and independent institu

Enablers

- Having strong and independent institutions is BM's recommendation.
 - Improve the quality of public administration and efficiency of parastatal bodies;
 - Enforcing the public institutions publication of strategic plans by all as well as the progress on objectives;
 - Parastatals to publish their audited accounts within 6 months as per legal requirements;
 - Audit report to be used to implement corrective measures (e-procurement, access to information);
- Strengthening of regulatory bodies:
 - Ensure consistency in application of policy by regularly updating regulations to include special cases;
- For prioritised sectors:
 - Different entry levels for key jobs, openly advertised to attract high performers;
 - Senior Chief Executive level to be revamped for fixed-term contracts to attract business leaders.

Transparent policies

For the following list of parastatals, law to embed participation of private sector on boards through representation by BM and/or its partner members:

- FSC, EDB, HRDC, IVTB, TEC, Ecole Hôtelière, MCIA, MSB, MRA/Customs, MPA;
- Transparent process to steer the implementation of policy decisions to avoid delays and inconsistencies in operationalisation, e.g. double deduction on R&D;
- Review the termination of appointment under the Constitution (Act No. 3/82) to reconcile independence of civil servants,

continuity, permanence de l'État and security of tenure;

- Digitalisation of processes to improve efficiency in the judiciary and speed-up delivery of justice;
- Promote efficiency in public agricultural institutions and harmonise their operational and regulatory norms;
- FSC to be involved in ALL reforms related to the insurance industry, and to take a stand on key issues;
- Build a strong financial services ecosystem (insolvency fund with realistic stress test parameters, centralised database of insurance covers (for bonus/malus), similar to MCIB);
- Greater coordination among the private sector institutions on sphere of influence and development of a communication flow to improve coherence.

Security, corruption, and law and order

Enablers

In view of enabling security, transparency and law & order:

- Accelerate the Safe City Project with defined timelines;
- Accelerate e-licensing, rules-based procedures and e-procurement to fight corruption;
- Faster justice, harmonised sentencing and consideration of three-strike law;
- Focus on rehabilitation of first-time offenders to reduce repeat offending;
- Systematic centralised anonymised data collection on accidents, claims on repairs, insurance expertise to:
 - understand road safety trends and develop



Governance

RECOMMENDATIONS

- ▶ targeted strategies thereof;
 - reduce claims and malpractices; improve insurance covers;
- Public-private collaboration to improve road safety, and scaling up of the BUROS project ;
- Reinstate taxi meters to protect users.

Inclusive Development

Enablers

To achieve inclusive development, the Business Mauritius Sustainability & Inclusive Growth (SIG) Commission will provide to businesses Guidelines for Poverty Alleviation, focusing on:

- Support to the working poor, women, youth and vulnerable individuals;
- Community assistance, support to NGOs;
- Involvement of staff and senior management;
- Improvement of regulations to encourage flexible work arrangements;



To achieve inclusive development, the Business Mauritius Sustainability & Inclusive Growth Commission will provide to businesses Guidelines for Poverty Alleviation.

- Encouragement of woman participation from low-income groups through micro-measures:
 - Access to childcare, state-funded maternity leave costs for SMEs, free insurance on calamities, etc.;
 - Access to diaspora for fundraising towards poverty alleviation;
- Reinstate the importance of *families' accompagnement* by social workers;
- Institutionalise, in social programmes, priorities such as motivation, attitude, skills, courage;

- Develop acceptable minimum standards on housing;
- Improve the guidance system for medicine delivery in public pharmacies;
- Design a system allowing Mauritian families to *parrainer une famille*.

Funding of political parties

An Act of Parliament providing a legal framework to funding of political parties would ensure transparency and accountability of the political donation process. It would serve to further strengthen good governance.

BM recommendations are:

- Registration of parties – Political parties to have a legal locus standi prior to their registration by the Electoral Supervisory Commission;
- Private funding: Private companies to be encouraged to abide by the Implementation Guidelines for Reporting with Integrity included in the 2016 National Code of Corporate Governance for Mauritius. In-kind donations by private companies should also be regulated;
- Private companies' donations to be capped to 5% of a party's total campaign budget;
- Donations by private companies to be solely to a party or to an independent candidate (exclude the possibility of donations to individual candidates of a party);
- Funding to be limited to elections; funding for General Elections and by-elections should be distinguished;
- Parties to file financial statements and auditors' report as is the practice for companies and associations;
- Prohibition of donations from overseas by non-citizens and by overseas corporate bodies;
- Sanctioning powers of the ESC to be broadened to include, besides fines, court-ordered forfeiture and, in serious cases, criminal sanctions. The latter should be sufficiently strong to act as deterrent;
- ESC to confirm that sources of funds, receipts and expenses for each party have been verified and are compliant at year end. Non-compliance and sanctions should be highlighted in the respective reports.





ENVIRONMENTAL **VULNERABILITY**





GENERAL CONSTRAINTS

As regards Environmental Vulnerability, Mauritius has been traditionally exposed to unpredictable drought and cyclones. It now also faces the supplementary risks befalling small islands in the context of global warming.

In the domain of Environmental Vulnerability, BM's informants paid special attention to the following:

- Climate change adaptation;
- Rejuvenation of lagoon ecosystems;
- Heavy rainfall adaptation.

The above enablers have a high potential impact on ALL sectors, including: insurance and pensions, agro-industry, tourism, smart city/real estate, AI, energy, waste management, food industry.

FACT SHEET



Environmental Vulnerability

► **75%**
Estimated coral bleaching

- The Environmental Vulnerability Index (EVI): 192nd (Highly Vulnerable) out of 243 territories;
- Environmental Performance Index (EPI): 90th out of 190 countries;
- World Risk Index 2018 – Natural Disaster Risk: Mauritius 16th out of 172 countries (High Risk) (exposure, vulnerability, susceptibility, lack of coping capacities, lack of adaptive capacities);



- Global Green Economy Index (GGEI): 46th out of 130 countries;
- Changing rainfall pattern with increasing flash floods;
- Heavy rainfall protocols developed;
- 543,000 tonnes/year of solid unsorted waste going to 1 landfill (NO waste sorting by authorities);
- Visible and accelerating beach erosion with rising water levels;
- No clear strategy for lagoon and coastal rehabilitation (many individual initiatives);
- Poor rate of insurance coverage against perils for houses and small businesses;
- Decreased marine life.



Environmental Vulnerability RECOMMENDATIONS

Climate adaptation

Enablers

- Elaborate a roadmap to improve the country's preparedness and adaptation capacity for climate change, with a focus on food security, tourism, public health and safety, infrastructure, housing, real estate and insurance coverage;
- Systematic consolidated observation of climate change's effects; open publication of data to encourage preparedness and adoption of emergency plans. Contingency plans must be designed for infrastructures, the urban networks, tourism and agricultural development;
- Use the GIS Digital Twin to run scenario simulations;
- Population's regular sensitisation on local climate change; risk assessment and preparedness plans;
- Mobilise development finance institutions

towards financing of adaptation measures, opening the way for green bonds;

- Ensure that a relevant use is made of environmental taxes and fees;
- Support sorting and collection of sorted waste for recycling;
- Lagoon and coastal rehabilitation;
- Closely monitor the impact of initiatives to maintain biodiversity;
- Create a biodiversity corridor/network of forests to improve migration of species.

Coastal rehabilitation

Enablers

Recommendations for Coastal Rehabilitation

- Creation of a framework for lagoon rejuvenation based on:



- An approach by coastal cells;
 - Tripartite financing (private, public, DFI);
 - Publish the Integrated Coastal Zone Management (ICZM) Framework and establish a clear process for implementation;
 - Use environmental taxes and fees to rehabilitate lagoons and beaches;
 - Establish a clear process for rehabilitation works, with reasonable cut-off dates for objections;
 - Improve enforcement to reduce waste disposal on beaches and in rivers;
 - Install 'floating nets' at river mouths to capture floating waste;
 - Review the existing configuration of public beaches to provide more leisure space, by moving parking off-site and integrating an online parking reservation mechanism.
-

Heavy rainfall adaptation

- Operationalise a clear and effective heavy rainfall protocol to protect human life, assets and economic activities:
 - Creation of a network of heavy rainfall committees with top management involvement for all BM members;
 - Businesses to set up a preparedness plan and a business continuity plan for rainfall;
- Development of specific protocols for sectors with specific requirements (tourism, bakery, etc.);
- Inform and encourage businesses and households to adopt risk assessment and management principles regarding risks associated with heavy rainfall.





ACKNOWLEDGEMENTS

Business Mauritius wishes to thank all those who have contributed to the NBR:

Council Members

Cédric de Speville

Eclosia | BM Council President

Vidia Mooneegan

Ceridian (Mauritius) Ltd
BM Council | Vice President

J.M Pitot

AHRIM | Partner Member

C. Hart de Keating

AMM | Partner Member

Didier Adam

BACECA | Partner Member

Bertrand Casteres

IAM | Partner Member

Derek Wong

IAM | Partner Member

Ravin Dajee

MBA | Partner Member

Sébastien Lavoipierre

MCA | Partner Member

Marday Venkatasamy

MCCI | Partner Member

Beas Cheekhooree

MEXA | Partner Member

Patrice Robert

MEXA | Partner Member

Roshan Seetohul

OTAM | Partner Member

Bertrand Casteres

Mauritius Union Assurance Ltd
Elected Member

Jean Li Yen Fong

Regional Training Centre | Co-opted Member

Jean-Pierre Dalais

CIEL Corporate Services Ltd
Elected Member

Madhavi Ramdin-Clark

ACCA Mauritius | Elected Member

Vincent d'Arifat

Precigraph Ltee | Elected Member

Vishal Nunkoo

Velogic Ltd | Elected Member

Members of Commission and Sub-Committees

ECONOMY

Gilbert Gnany
MCB | Chairman

Barlen Pillay
MCCI

Bertrand Casteres
Mauritius Union

B Rajpati
Consultant

Daden Venkatasawmy
Business Mauritius

Daniel Essoo
MBA | CEO

Didier Adam
General Construction

G rard Boull 
Eclosia

Iqbal Rajahbalee
BLC

Kevin Ramkaloan
Business Mauritius

Lilowtee Rajmun
MEXA

Louis Rivalland
SWAN

Mathieu Mandeng
Standard Chartered Bank

Paul Jones
LUX* Resorts

Pradeep Dursun
Business Mauritius

Raj Makoond
ex-Business Mauritius

Richard Arlove
Abax Corporate Services

Samade Jhumun
GFM | CEO

Vidia Mooneegan
Ceridian (Mauritius) Ltd

SOCIAL CAPITAL

Vidia Mooneegan
Ceridian | Chairman

Bertrand Piat
Beachcomber Ltd

Caroline Piat
Korn Ferry - Hay Group

Cindy Rey
Ceridian

Daden Venkatasawmy
Business Mauritius

Dhiruj Ramluggun
Business Mauritius

Edley Armoogum
Business Mauritius

Eddy Yeung
Ferney Spinning Mills

Hubert Gaspard
IBL Limited

Jean Li
Business Mauritius, ex-MSPA

Jennifer Webb
Adecco

Kevin Ramkaloan
Business Mauritius

Lawrence Wong
Latrobe Limitee

Manish Bundhun
Rogers Ltd

Marc-Antoine Tschopp
Consultant

Nathalie Job
TNS Analysis

Pradeep Dursun
Business Mauritius

Raj Makoond
ex-Business Mauritius

Ravi Jetshan
Ravior

S bastien Rousset
Flowerad

Shahin Bhayat-Peerbux
Rogers Ltd

Sidharta Runganaikaloo
Young Entrepreneur

Varsha Naran
Consultant

Vincent d'Arifat
Precigraph

SUSTAINABILITY AND INCLUSIVE GROWTH

Philippe Espitalier-No l
Rogers & Co Ltd
Chairman

Alvin Peerthy
CIEL

Ang lique Desvaux
Lawyer

Audrey d'Hotman
Rogers & Co Ltd

Benoit Regnard
Green Yellow

Caroline Rault
Maurilait - Eclosia

Christian Ferri re
LEAL

Daden Venkatasawmy
Business Mauritius

Dana Chengan
Macoss

Daniel Essoo
MBA

Derick Steinhobe
ARUP

Dilshaad Bundhun
Strategia Wealth

Emmanuel Andr 
IBL

Eric Le Breton
Manser Saxon

Fabrice Tennant
OXO

Fazlee Dhuny
MCCI

Fran ois Rogers
Reef Conservation

Vivian Serret
Leal Group Ltd

Harold Mayer
Lovebridge - CSR

Jacqueline Sauzier
MCA-Smart Agriculture

Jaga Chellapen
VLH

Jean-Marc Lagesse
La Kaz Chamarel

Jocelyn Kwock
AHRIM

Jonathan Ravat
Consultant

Kevin Ramkaloan
Business Mauritius

Kristina Samudio
Eclosia

Marie-Laurence Dupont
IBL

Mary-Ann Griffiths
Bioculture

Mehran Abdouramane
Sotravic

Mel Ferr 
Bioculture

Micka l Apaya
Business Mauritius

Dr Mitrasen Bhikajee
Ex-MOI

Nada Padayachy
Bioculture

Naden Padayachi
Logidis

Maiti Chagny
UN Habitat

Pascal Tsin
Super U

Pat Ng Cheong Tin
InDiGo | PN

Percy Stanley
Consultant

Pierre Egot
Green Yellow

Pradeep Dursun
Business Mauritius

Rabin Bhujun
Ion News

Raj Makoond
ex-Business Mauritius

Raj Phul
Black River District
Council

Rajiv Ramlagon
Omnican Ltd

Romain Boucaumont
LEAL

Sanju Deenapanray
ELIA

Shirin Gunny
AMM

Sidharth Sharma
Rose Hill Transport

Sonia Thomas
Maurilait

Thierry Le Breton
Dynamia

Tony Lee Luen Len
ECOSIS

Vishnee Sowamber
LUX* Resorts

Yogini Ittoo
OXO

Zo  Rozar
Dynamia

Coordination team





BM-MCCI Building, Rue du Savoir,
Ebène, CyberCity, Ebène - 72201
T: +230 466 3600 | F: +230 465 8200
info@businessmauritius.org



DISCLAIMER

While every reasonable effort has been made to ensure the accuracy and relevance of information and data in this document, neither Business Mauritius nor any of its officers, employees or sub-contractors will accept any liability whatsoever for any direct or consequential loss arising from reliance on, or use of, this publication or its contents. The information and analysis provided in this document are based on data that was available at the time of production. While the document is intended to be read as indicative of trends and magnitude, readers are encouraged to check for any publicly available data updates. This document cannot be reproduced in part or in whole without the express written confirmation of authorised Business Mauritius representatives.

