

Mauritius: A success story pillared by passion and grit!

Acclaimed as an African success story, Mauritius is a mighty little rock nestled in the Indian Ocean that has never ceased to add successes to its roll of honour over decades. We are in a fast-moving world and no one, irrespective of size or stature, is shielded from the unforeseen. Back in 2008, Mauritius faced one of the biggest global financial crises. Slightly more than a decade later, the Island navigated the sanitary wave with a perseverance and proactivity that was commended by many and which resulted in the country being the second African nation securing a COVID-19 free status.

How does a small Island like Mauritius withstand global challenges with such grit?

In one sentence: **Mauritius has always been on the go!**

Ranked by the World Economic Forum as the most competitive Sub-Saharan African economy, the Island has benefited from an average economic growth of 3% consistently from 2015 to 2019. Additionally, its GDP per capita has maintained an upward trend reaching USD 11,200 in 2019, positioning Mauritius at the third place after Equatorial Guinea and Seychelles as per the African Development Bank Group.

Mauritius enjoys an array of advantages that positions it as a strategic hub in the Africa-Asia corridor:



Impressive track record of political stability



State-of-the-art infrastructure



Secure investment location in a free, democratic political system



Most business-friendly African country - the World's Bank Ease of Doing Business 2020 Report ranks Mauritius 13th globally



A strong dual legal framework



An independent jurisdiction



A robust banking and financial system



Fiscal advantages, including no exchange control, an extensive network of 46 DTAs and a simple tax regime

Resilience: A key ingredient of Mauritius' attractiveness & success

Nonetheless, none of the above unreservedly guards the Island against a global phenomenon. To face any storm, **resilience** remains key. And such a resilience is not built overnight; its foundation rests on numerous years of hard work and lessons learnt from past failures and achievements. As evidenced by the 2019/2020 sanitary crisis, Mauritius responded in the nick of time owing to its agility and the flexibility of its ecosystems to adapt and evolve to the demands of external factors.

So, what's next?

Mauritius has already stepped on the next bandwagon. Will there be a catalyst in seeding an innovative economic mindset? Can we expect a shift in organisational cultures or a fast-track adoption of FinTech technologies? Is being a "Digital Nomad" the new norm? We do not have all the answers yet but we can already witness a new ecosystem shaping up with institutions rethinking their business models and leadership styles redesigning to adapt to a Work From Home culture. The public sector has accelerated the implementation of E-services on the national front. Clearly, all stakeholders of the Island are focussed on capitalising on the opportunities inherited of late to not only refuel the economy but also boost economic progress.

Budget 2020/2021: The Government's transformation agenda

The Government left no stone unturned to this effect in its 2020-2021 Budget which was underpinned by a nation-wide transformation agenda. Over the past, as an International Financial Centre of repute, Mauritius has attracted over 32,000 offshore entities. To further propel such growth, the Government has announced the following proposed budgetary measures:



Set up of a dedicated venture capital market for start-ups and SMEs



Quotas to protect and promote the 'Made in Moris' brand to foster local manufacturing



Issue of a digital currency by the Central Bank



A new framework for digital banking



An investment tax credit of 15% over 3 years for all manufacturing companies



A progressive tax system: review of the Solidarity Levy from 5% to 25% for Mauritian high income earners. Tax rate of 5%-15% for overseas businesses, unless exempted.

In a bid to redesign the Island into an innovation-led economy, a Data Technology Park shall be set up and the Industrial Property Bill, which complements the existing Mauritius Research and Innovation Council Act, will refocus more resources on research, development and innovation.

To safeguard the soundness of the global business and the financial sectors whilst upkeeping its 1st place in the MO Ibrahim Index of African Governance as the most compliant African jurisdiction, the Government has proactively ensured a strict adherence to compliance and anti-money laundering standards and protocols. Out of 58 recommended actions agreed upon with the Financial Action Task Force, 53 have been implemented already and as at June 2020, only 5 recommendations remain to be actioned upon by September 2020 - a year ahead of the initially agreed deadline which is September 2021.

AfrAsia Bank: Bridging Africa, Asia and The World

A budgetary measure of particular interest to AfrAsia Bank is the Rs. 10 billion investment allocated to African projects. Sharing the Government's belief in Africa's potential, AfrAsia Bank has been bridging Africa, Asia and the World for the past 12 years through its four core areas of expertise:

- ✔ Global Business Banking
- ✔ Corporate & Investment Banking
- ✔ Treasury and Markets
- ✔ Private Banking and Wealth Management

A key player in positioning Mauritius as a regional hub for Africa and Asia, AfrAsia Bank routes capital flows from around the world safely and swiftly into Africa with the aim to maintain its high international openness and its status as a trading haven. This is facilitated through its representative office in South Africa, undergirded by its headquarters in Mauritius. AfrAsia Bank's core banking and transactional capabilities are complemented by its asset management arm, AfrAsia Capital Management Limited. In addition to its anchor Mauritian shareholder, IBL, the largest conglomerate in the country, other strong strategic partners include National Bank of Canada (NBC), and Intrasia Group, which together make up a robust financial ecosystem.

Africa is a global powerhouse and AfrAsia Bank is its global investment conduit

A firm believer in Africa, AfrAsia Bank's drive to be the ideal investment conduit for the Africa-Asia corridor is underpinned by its credo that Africa is a global powerhouse and opportunities abound on the continent. There has been a surge in investment over the past decades into Africa from Asia, Europe and the rest of the world. Driven by its expertise and its intercultural know-how of the 54 countries within the continent, AfrAsia Bank is a facilitator that enables deeper and more significant penetration into the continent by not only routing global capital flows into Africa but also having the financial aptitude to grow the capital further.

The success of the Island has been rooted on its astuteness to constantly move forward and focus on the opportunities that challenges birth in lieu of focusing on the challenges themselves. Mauritius's temporary inclusion in the High Risk Third Countries EU List - as per European Commission's new methodology and effective as from October 2020 - comes as a surprise but

the country is working diligently and tenaciously to adhere to international standards of good governance, transparency and taxation. Learning from the past, reframing its strategies in the face of adversity and perceiving threats as unique opportunities to grow: that's the secret behind driving the economy to its next growth stage, not just at a national level but also at a regional level.