Budget 2014: Building a Better Mauritius through Empowerment

Creating the next wave of prosperity to build a better Mauritius through empowerment at all levels is the thrust behind the 2014 budget which was presented on 8 November 2013 at the National Assembly by the Vice-Prime Minister and Minister of Finance and Economic Development, Mr Xavier-Luc Duval.

The 2014 budget, according to VPM Duval, sets out a clear two-pronged strategy to realise that goal, namely: Invigorate investment and growth; and Build a modern, inclusive and caring society. The new budget builds on past achievements and sticks to Government’s vision of the future - that of becoming a high income nation, without absolute poverty, of Maurice Ile Durable and of a democratised economy.
Massive investment will go in infrastructure development under the Build Mauritius Plan (port, airport, roads and land transport, public utilities). Government will invest a total of Rs 18.4 billion in 2014 in these sectors and Rs 54.7 billion over the next three years. The objective is to develop Mauritius into an Aviation hub, a Marine Services Platform, a Petroleum hub, and a bunkering hub.

Four new pillars of growth have been identified to further expand the ’Espaces Economiques’ of Mauritius: Ocean Economy; Green Economy; Film Industry; and Expanded Africa Strategy.

In the traditional sectors, along with measures to facilitate investments and improve the competitiveness of the manufacturing industry, a number of measures are being introduced to empower and give a new impetus to Micro, Small and Medium Enterprises, further facilitate access to finance, and improve business opportunities for this sub-sector. As for the tourist industry, actions will be articulated around stronger destination marketing, improving air services, filling hotels in low season and improving our tourism product.

On the social front and regarding health, a family doctor system for primary health care is being proposed, as well as a comprehensive and coordinated approach as regards diabetes and the creation of a National Cancer Agency to deal with the growing incidence of cancer.

As regards housing, along with the extension of social housing programmes for the vulnerable groups, the middle classes will benefit from new housing plans and an improved taxation regime for acquisition, transfer and registration of property.

In the field of education, a landmark measure will give a wholly new orientation to the system in Mauritius for the generations to come. It is proposed to abolish the Certificate of Primary Education and introduce Nine year schooling, a system aimed at allowing all the children in the Republic of Mauritius to nurture their talents and aptitudes so that they can choose their educational path.

Another defining measure relates to protection of consumers of financial services. Decisive action is being taken against the practice of banks to, in certain cases, claim from borrowers an amount coming up to many times the original sum borrowed.

With regard to the Expanded Africa Strategy, the Vice Prime Minister announced the creation of the Mauritius-Africa Fund which aims at promoting participation in equity financing of businesses investing in viable projects in any African country and encouraging Mauritian enterprises to expand their exports into African markets.

The budget makes provision for a fully staffed National Disaster Risk Reduction and Management Centre and the introduction of an IT-based early warning and emergency alert system.

On the issue of law and order, an additional 700 trainee police constables will be recruited next year. The budget further outlines the following projects:

- Crime Occurrence Tracking System for all police stations in Mauritius and Rodrigues;
- CCTV Street Surveillance System for Beau-Bassin, Rose Hill and Quatre Bornes, including Sodnac; and
- State-of-the-art Mass Spectrometer for the Forensic Science Laboratory to improve analysis of synthetic drugs.

Budget Outlook

As the global economy is forecast to grow at around 3.6 per cent, encouraging signs indicate that Mauritius is poised to do better in 2014 and achieve a growth rate between 3.8 per cent and 4 per cent.

Total expenditure is estimated at Rs 101.3 billion. Total revenue will amount to Rs 86.3 billion of which Rs 74 billion will be from taxes. The budget deficit is estimated at 3.2 per cent of GDP. Borrowing requirements will amount to Rs 14 billion, that is 3.5 per cent of GDP. Public sector debt will be brought down from 54.8 per cent to 54 per cent of GDP.
Budget 2014 - Four New Economic Pillars

Four new pillars of growth to further expand the ‘Espaces Economiques’ of Mauritius by transforming the country into a land of opportunities have been identified in Budget 2014. These are: Ocean Economy; Green Economy; Film Industry; and Expanded Africa Strategy.

Ocean Economy

Measures to anchor the Ocean Economy pillar include exploring the Mauritius Maritime Zone which is 2.3 million km² through opportunities that can be seized in several clusters such as Petroleum and Mineral Exploration; Seafood and Aquaculture; Deep Ocean Water Applications (DOWA); Marine Renewable Energies and Ocean Knowledge.

Moreover, provisions are being made for a finalised Roadmap on Ocean Economy and the setting up of a National Ocean Economy Task Force to oversee implementation of the Roadmap, supported by an Office for Ocean Affairs and Development.

Other measures pertain to the preparation of a Petroleum and Minerals Exploration and Extraction Framework Agreement; Rs 6 billion for two Deep Ocean Water Application projects already in the pipeline; and the establishment of a new faculty on ocean studies at the University of Mauritius.

Green Economy

Under the Green Economy, Rs 6 billion are being earmarked to implement MID-related projects for greater use of renewable energy, protection of lagoons and aquifers, sustainable food production and the rehabilitation of nature reserves and parks.

Provision is being made for: Incentives for the production of electricity from biomass; Introduction of a Biomass Development Scheme under the MID Fund to encourage small planters grow plants that will be efficient sources of biomass energy; and Zero VAT on photovoltaic panels.

Africa Strategy

The fourth pillar which is based on building on Mauritius’ ongoing Africa Strategy entails empowering local enterprises to do business in Africa as well as identifying employment opportunities for Mauritians on the African continent.

To support this endeavour, the 2014 Budget provides for the creation of the Mauritius -Africa Fund with an investment of Rs 500 million over five years and participation in the equity financing of businesses investing in viable projects in any African country will be ensured via the Fund. Besides, the Fund will also offer fee paying consultancy services on the continent to Government and Public Sector entities, in fields where our country has a competitive advantage.

Provision is also being made for a Subsidy of 25%, up to a maximum of US 300 dollars per container, of the freight cost on containers exported to all countries in Africa except South Africa and Madagascar; 50% subsidy on the cost of Credit Guarantee Insurance for exports to Africa.

Moreover, to support the Africa Strategy, a Host Country Bill will be passed in the National Assembly to codify the various entitlements, rights and obligations of international organisations wishing to set up their regional offices in Mauritius.

Film Industry

It is expected that the Film Industry will generate half a billion rupees in foreign exchange in 2014. Accordingly, in Budget 2014, the Mauritius Film Rebate Scheme is being maintained. Furthermore, the Youth Employment Programme will design targeted courses to empower young people to develop a career in the industry.
Budget 2014 - Highlights

- Development of an Aviation Hub consisting of passengers and cargo, hubs as well as training and repairs facilities for the aviation sector
- Creation of a Marine Services Platform to tap into bunking and shipping related activities
- Development of Mauritius into a Petroleum Hub
- Introduction of state-of-the-art technology to operate and monitor water supply system
- Introduction of a Biomass Development Scheme under the MID Fund
- Strengthening of the financial regulatory framework by setting up of a Serious Fraud Office
- Additional connection of 50,000 homes to fibre cable
- Introduction of an investment tax credit scheme to encourage High-Tech Manufacturing
- SME Financing guarantee Scheme will be extended by MUR 2 bn
- Introduction of an innovative pedagogy project in 6 low performing schools with the assist ance of ESSA Foundation
- Construction and extension of 3 Special Education Needs centres in primary schools
- Setting up of 8 Specialised Language schools
- Introduction of nine-year schooling
- Investment of more than MUR 600 m in new healthcare facilities
- Increase of grant assistance to patient inoperable in Mauritius
- Embellishment of the natural landscape through the planting of 200,000 trees
- MUR 1.3 bn allocated for emergency works to protect the citizens from flooding related hazards
- MUR100 m for income support programme covering some 8,000 vulnerable families
- Creation of a national handisports tournament
- Construction of new sports facilities in different parts of the island for a total amount of MUR 387 million
- Launching of a major Social House Construction Programme for 1,765 families
- Grant element to the Rodrigues Regional Assembly is being increased from MUR 1.7 bn to MUR 1.95 bn
- MUR 750 million provided over the next 3 years to improve air, sea connectivity and living infrastructure.
Mauritius Marks the 179th Anniversary of the Arrival of Indentured Labourers

‘Our ancestors were from different corners of the world but today we must work together to gear the country towards a common goal for our country’, the Prime Minister Dr Navinchandra Ramgoolam, said on 2 November 2013 at the Aapravasi Ghat in Port Louis.

The Prime Minister was speaking at the commemorative ceremony marking the 179th anniversary of the arrival of indentured labourers. He underscored the importance of building a nation for the betterment of the country, while highlighting the importance of honouring our history, paying tribute to our ancestors and remembering their struggles.

Those were the pioneers who worked to make Mauritius take off economically but they had no idea that centuries later, Mauritius would be a country we can today all be proud of, the Prime minister said. However, we must keep on working harder, make sacrifices, be disciplined and increase our economic growth, he added.

Dr Ramgoolam announced that the Beekrumsing Ramlallah Interpretation Centre will be officially inaugurated next year. He also proceeded to the launch of Khal Toorabully’s book entitled “Voices from the Aapravasi Ghat”.

Wreaths were laid by the President of the Republic of Mauritius, Mr Rajkeswur Purryag, the Prime Minister, and other eminent personalities on the steps which indentured labourers first climbed when they reached Mauritius, to be brought later to several depots on the island.

Activities also included a universal prayer and a cultural show executed by students of the Mahatma Gandhi Institute as well as an exhibition of unpublished photographs on Aapravasi Ghat World Heritage Site.

Aapravasi Ghat

The Aapravasi Ghat, previously known as Coolie Ghat, was an immigrant’s depot constructed in 1849, on the shore of Trou Fanfaron Bay in Port Louis harbour, in order to receive indentured immigrants who came mainly from India. Between 1849 and 1910, about half a million indentured labourers, from various parts of the Indian subcontinent, transited through the Aapravasi Ghat.

In 1987, the depot’s name was changed from ‘Coolie Ghat’ to ‘Aapravasi Ghat’ when it was decreed a national monument. Furthermore, in 2001, as a mark of respect and affection, the Government proclaimed the 2nd November a public holiday to honour the memory of the indentured labourers.

In 2006, the Aapravasi Ghat, classified as a national monument, was inscribed on the prestigious World Heritage List of UNESCO.
The 20th edition of Infotech, a major and annual event on the ICT calendar, was held from 20 to 24 November 2013 at the Swami Vivekananda International Convention Centre, Pailles.

Organised by the National Computer Board, the four-day event brought together 43 exhibitors who showcased their technology and ICT products and services. The aim was to create awareness on emerging technologies and facilitate commercial exchanges in the ICT sector. Infotech 2013 also had as objectives to promote local talents, expertise and know-how in the ICT sector; and offer a meeting platform for local ICT operators to develop collaboration and deal with potential technology partners and customers.

Infotech 2013 included the following components:

- ICT Exhibition
- ICT Job Fair to support the recruitment process of local companies from the ICT-BPO sector
- SME Corner to sensitise the public and SMEs on the benefits of adopting ICT applications, including open source
- Green IT practices whereby four British companies showcased innovative products such as Low energy/low carbon PCs, Liquid Cooled Servers and Wireless Energy Management Systems
- Smart Home Corner to showcase ‘intelligent’ home products and appliance
- Career Guidance Corner to sensitise secondary school students, school leavers and job seekers on career opportunities and prospects in the ICT-BPO sector
- Shopping and Delivery Zone
- Gaming Zone - a modern technology-driven entertainment platform for young people as well as adults
- Thematic Conferences and live Product Demos.

It is recalled that the first edition of Infotech was organised in November 1990.
Economic Partnership Agreement
Workshop to Validate the National Development Matrix

A validation workshop on the National Development Matrix under the Economic Partnership Agreement (EPA) with the European Union (EU) was held on 27 November 2013 at the Le Opium Restaurant, Audi Zentrum, in Réduit.

Organised as a joint initiative of the Ministry of Foreign Affairs, Regional Integration and International Trade with the COMESA Secretariat, the workshop brought together around 40 participants from different Ministries and the private sector.

The Eastern and Southern African (ESA) countries are currently negotiating a full EPA with the EU. The Agreement contains several commitments and cooperation areas covering trade in goods and services and trade-related issues, amongst others. Resources will have to be mobilised in order to enable ESA countries to implement these commitments. The objective of the workshop was to validate Mauritius' needs that have been identified and the related costs for their implementation.

The COMESA Secretariat has appointed a national consultant in each ESA country to carry out a National Needs Assessment to identify support required to implement the EPA. Ms Raifa Bhundun from GIST Consulting LTD has been appointed to conduct this national exercise.

Mauritius is negotiating a full EPA with the EU within the ESA configuration but is currently implementing an Interim Agreement since May 2012.

Multilingual Regional Training Centre Operational at Customs House

A World Customs Organisation (WCO) Multilingual Regional Training Centre (RTC) for Eastern and Southern Africa (ESA) is now operational at Customs House, Mer Rouge.

The RTC was officially inaugurated on 25 November 2013 by the Vice-Prime Minister and Minister of Finance and Economic Development, Mr Xavier-Luc Duval.

The Mauritius Revenue Authority (MRA) has been selected by the WCO to host the RTC as part of the WCO initiative to optimise resources in the region and in line with government's objective of making of Mauritius a Knowledge Hub.

The RTC is the twenty-fifth of its kind across the world and is the fourth in the WCO ESA region. It will be managed by the Human Resource and Training Department of the WCO in collaboration with the Customs Department and will carry out two capacity building programmes on a yearly basis in all the regions' languages comprising mostly of English, French and Portuguese.

The Centre will enable the WCO achieve its mission of enhancing Customs administrations in the WCO ESA region thereby helping Customs administrations to make an important contribution to the development of international trade and to the socio-economic well-being of their country.

Under the WCO strategy, the RTC has four main objectives namely: development of regionally relevant training; maintenance of specialist trainer pools; provision of specialist training at a regional level; and development and support of the WCO's blended learning programme.

Moreover, it has the task to develop and maintain annual training plans and work in partnership with the private sector to maintain effective relationships between Customs and economic operators as well as assist Member countries in their training needs.

The iEPA

The Interim Agreement signed by Mauritius, Madagascar, Seychelles, Zimbabwe and the EU in 2009, is the first Economic Partnership Agreement to be implemented in Africa.

The iEPA establishes a stable and predictable trade partnership for the development of EU’s partners in the region. It is open to other ESA countries.

The Agreement consolidates the duty free and quota-free market access which the EU offers to all exports from the four ESA States. The ESA countries involved will gradually open their market over a period of 15 years, to EU exports with some exceptions for products that ESA countries consider sensitive. Limited transitory periods were agreed for sugar up to 2015. The Agreement also contains provisions concerning rules of origin, development cooperation, fisheries, trade defence instruments and dispute settlement.
National Diabetes Management System to be Introduced Shortly

The setting up of a National Diabetic Retinopathy Grading Centre at the Diabetes and Vascular Health Centre in Souillac so as to further improve the Retinal Screening Service; a Structured Diabetic Foot Care Service to provide training to foot care officers, podiatrists and orthotists; recruitment of four Community-based diabetologists; and launching of a National Campaign on Prevention of Diabetes, amongst others.

A National Service Framework for Diabetes, implemented since 2007, has been fundamental in defining the strategies for diabetes prevention and standards of diabetes care in Mauritius. Furthermore, a National Digital Retinal Screening Service is available in all the five health regions as well as in Rodrigues.

New Means and Strategies Needed, Says Minister

The 12th ‘Colloque VIH/SIDA Océan Indien’, a three-day colloquium bringing together around 125 delegates from the Member States of the Indian Ocean Commission, including Ministers and policy makers as well as eminent Professors from France, was held on 13 November 2013 at the Intercontinental Hotel, Balaclava.

Organised by the Ministry of Health and Quality of Life, in collaboration with the National AIDS Secretariat of the Prime Minister’s Office and the Indian Ocean Commission (IOC), this colloquium was held under the theme ‘Redynamisons la riposte’.

The goals of the workshop were to update the knowledge and management of HIV infection and share the best practices and experiences among scientists, medical and paramedical practitioners, the civil society, non-governmental organisations and the private sector. Another objective was to strengthen existing cooperation amongst IOC Member States in the fight against HIV and AIDS.

In his address, the Minister of Health and Quality of Life, Mr Lormus Bundhoo, recalled that real opportunities to change the course of the HIV/AIDS exist given that it has been established that prevention, treatment and care of the infection are closely linked.

New means and strategies have to be chalked out to fight HIV/AIDS in an effective and efficient manner Mr Bundhoo said, adding that there was an exponential growth of HIV/AIDS between 2003 and 2005, but several measures have been implemented to respond effectively to this epidemic.

The measures include the setting up of the National AIDS Secretariat; the formulation of the National Multisectoral HIV and AIDS Strategic Framework; introduction of the Methadone Substitution Therapy and the Needle Exchange Programme; enactment of the HIV and AIDS Act in 2007, amongst others.
International Day Against Violence Against Women 2013
Focus on change of attitudes

This year’s activities around International Day Against Violence Against Women (IDAVAW), celebrated on 25 November 2013 at Grand Baie International Conference Centre, geared towards reaching out to a maximum number of people to spread awareness on domestic violence and to promote a change in behaviour and attitudes towards violence and abuse.

The theme chosen to mark the event, Angaz Twa Kont Laviolans – Take the commitment to fight violence, will help to bring attention to the need for all Mauritians to be concerned by the issue of domestic violence and be made aware of their duties towards both victims and perpetrators as well as to build a peaceful and safe society.

On that occasion, two clips, one on the negative impact of domestic violence on children, and the second on the importance of reporting cases of domestic violence, were launched. The two clips will be broadcast on national television during the first fortnight of December 2013, and will sustain the sensitisation activities to be organised by the ministry throughout 2014.

To commemorate IDAVAW, the Ministry also launched, on 23 November 2013, a Victim empowerment abuser rehabilitation programme, targeting the human resources departments of both the public and private sectors.

The objective of the programme is to provide the relevant skills and tools to officers in the HR cadre to identify and report effectively cases of violence.

Other activities organised in the context of IDAVAW were the launching of a DVD on domestic violence, holding of capacity building programme for officers of the ministry and organisation of film shows on gender-based violence to empower women to fight domestic violence.

Landslide Management in Mauritius
Opening of Technical Transfer Seminar

The second Technical Transfer seminar in the context of the landslide management project in Mauritius, aiming to enhance and reinforce local institutional competencies in the field of landslide management, was held on 20 November 2013 at Sugar Beach Resort Hotel Wolmar, in Flic en Flac.

Organised as a joint initiative of the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and Japan International Cooperation Agency (JICA), the seminar brought together some 65 participants.

Topics covered included: results for three sites identified as landslide hazard areas (Quatre Soeurs, Chitrakoot and Vallée Pitot); Geographical interpretation; Review and recommendation for the Disaster Scheme and for the Planning Policy Guidance; Training in Japan; Structural countermeasures; Early warning and evacuation; Pilot Project evaluation; Organisational reinforcement plan; Information, Education Communication Consensus Building; and, Activity plan.

This seminar was the second of a series of three planned in the context of the landslide management project in Mauritius. The first one was held in October 2012 and the third one will be organised next year.

It is recalled that the landslide management project has identified Quatre Soeurs, Chitrakoot and Vallée Pitot as landslide hazard areas after investigating 37 landslide-prone sites in Mauritius. The project team has carried out field surveys and collected monitoring data from these areas since August 2012.
Mauritius to House an Indian Institute of Technology Research Academy

The Mauritius Research Council (MRC) signed a Memorandum of Understanding with the Indian Institute of Technology (IIT) Delhi, paving the way for the setting up of an Indian Institute of Technology (IIT) Research Academy in Mauritius.

The Minister of Tertiary Education, Science, Research and Technology, Dr Rajeshwar Jeetah, and the Minister of Human Resource Development of the Republic of India, Dr Mallipudi Mangapathi Pallam Raju, were present at the signing ceremony held on 19 November 2013 at the Ministry, in Ebène.

The objective of the Memorandum is to promote scientific excellence and scientific development in Mauritius, through scientific and technical research, and generate new knowledge in the field of engineering. This in turn will serve to foster quality higher education and research in science and technology in Mauritius.

The Agreement focuses on establishing world-class research based educational platform for postgraduate research leading to MSc(R)/MPhil and PhD degree awards in identified areas (research clusters) and building core research infrastructure including faculty and facilities, thereby attracting foreign researchers and foreign students to Mauritius, in particular scientific experts from the Mauritian Diaspora.

The collaborative document sets forth a strategy that covers a 10 year-period, starting in January 2014. At the end of the first five years, the IIT Research Academy is expected to become an independent awarding body, which will be known as the International Institute of Technology, Mauritius. The project is fully funded by the Government of Mauritius, which is investing some Rs 228 million over five years.

The research clusters will be based on a variety of considerations, namely recent trends in education and research globally; analysis of funding trends from multi-lateral funding agencies as well as endowments where the research academy can be a partner; Mauritian and African issues and needs; and modern courses and areas that will improve global as well as local employability of graduates.