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# EDB

## Annual Report

2019 - 2020

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**Annual Report**  
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## CHAIRMAN'S MESSAGE

Humanity is at an atypical moment in history, one that is forcing us to question our routine and reinvent our way of life. The COVID 19 sanitary crisis has enveloped the world in an economic maelstrom, one fraught with uncertainty and variability.

Livelihoods have been caught in the cross hairs, and it has been difficult for Governments around the world to sustain a minimum level of economic activity to preserve jobs without putting lives at risk. GDP growth rates have plummeted to new lows in the most advanced of economies as lockdowns, travel restrictions and social distancing have considerably impacted on businesses, causing various institutions to file for bankruptcy.

Adaptation is however ingrained in the human DNA. COVID 19 has brought about a radical shift in the conduct of business and the pursuit of personal goals- the new normal. E-commerce and remote working have gone from a testing phase to full-fledged adoption in several economies, overcoming habit and reluctance to engage in innovation and technology.

What remains unanswered is that where do we go from here?

The World Economic Forum has started the Great Reset initiative to promote better cooperation amongst partners for reviving the global economy. The idea revolve around setting a new mindset, new metrics, new incentives, and a genuine connection are the building blocks proposed to this end.

Mauritius is right in the middle of this transformation.

Four decades of crises, global shocks, downturns, recessions and catastrophes, and none have been capable of derailing the unmatched streak of growth in national output of the economy of Mauritius. Yet, for 2020, a severe contraction of around 14.9% in GDP has been registered. The unprecedented magnitude and depth of the global pandemic has caused great harm to our economy, and the Government has doubled its efforts- financial and otherwise- to contain the economic distress that it entails. The wage assistance scheme, the self-employed assistance scheme, moratoriums on repayment of loans and interests, loans at concessional rates and the reduction in the repo rate amongst others have been able to offer much needed respite to businesses.

The Economic Development Board has played a pivotal role throughout and after the peak of the pandemic in Mauritius, working as the bridge between the private sector and the Government to disseminate information, facilitate businesses where possible, address deficiencies, and advise on mitigating measures.

To this effect the EDB submitted a Covid-19 recovery plan, with proposals built on the overriding precepts of ensuring sustainability, increasing economic independence, and improving resilience. The plan focused on priority areas including accelerating private sector investment projects and export promotion through the pandemic, supporting vulnerable sectors, and increasing competitiveness of local enterprises. A budget memorandum was also submitted which included further measures for the economy to bounce back rapidly.

Within the organization, there were several challenges that we had to face in achieving our mandate, especially in terms of promoting Mauritius as an investment and trade destination.

The inability to travel abroad has initiated a complete rethink of our promotion and marketing strategies. Fortunately, technology today offers us viable solutions to fill in the deficit we would have encountered otherwise.

We have increased the focus on webinars, social media and digital marketing as practical alternatives to more traditional ways of promoting our economy as an attractive business, trade and investment platform.

Export promotion particularly becomes difficult as cross-border immobility negates the ability of potential buyers to taste, feel or understand the product. For major markets, our overseas officers and economic counsellors have been able to use samples of selected items to better apprehend the quality of Mauritian products.

EDB is also increasingly using the network of influencers and other partners to better promote Mauritius.

While we look at increasing the demand for our products and our country as an investment platform, we are ensuring that the right conditions are in place domestically. The EDB has spearheaded business reforms in a number of areas which improved our ranking to 13<sup>th</sup> in the world, ahead of many countries in the developed world.

Further improvement will become even more difficult, with gains being only marginal. The EDB is committed to work with all stakeholders to accomplish what has never been achieved before.

The journey ahead will be challenging. However, we have to continually adapt ourselves to ward off competition and emerge ahead as a regional leader.

Government has laid out its strategy for Mauritius in the last budget, and we will endeavor to use our resources and capabilities to achieve the objectives set and fulfil our ambitions. In this respect, our efforts will be directed towards developing and consolidating innovative, productive, and strategic sectors. Agro-industry, biotechnology, manufacturing, fintech, ICT and digital industries are some of the sectors that we will prioritize. EDB shall ensure that the projects we facilitate are sustainable and inclusive.

As I end, I would like to thank the previous Board of Directors for their achievements and for guiding the institution through the merger process. I would also like to thank the current Board of Directors as well as management for their unremitting backing throughout the year. Finally, I would like to acknowledge the constant support of our partners and stakeholders, with whom we will continue working to bring the institution and the Mauritian economy to new heights.

**Hemraj Ramnial, C.S.K**  
Chairman





## CEO'S MESSAGE

The 2019/2020 financial year has been what we can term as a year of two halves, with each half situated at the extremes of the economic performance spectrum. While 2019 was brilliantly concluded with Mauritius reaching peak levels in terms of GDP and private sector investments (at almost Half a trillion and 71 billion Rupees respectively), the onset of the pandemic and the inevitable lockdown which followed during the early months of 2020 created an economic emergency of monumental proportions.

Governments worldwide are still struggling to sustain livelihoods as bankruptcies, job losses, falling demands, output contractions are magnified. No one could have predicted that entire cities or countries would be locked down for weeks, working from home would become an imperative, and that borders would be closed for months on end.

We were not spared. The closing down of borders has completely stifled the tourism industry, one of the main contributors to the economy. Contractions and falling incomes in major markets have resulted in dwindling demand for our products and services. Disruptions in global logistics have severely restricted trade and the supply of raw materials for our manufacturing industry. While domestically the sanitary crisis has now been successfully overcome, the lockdown lifted and economic activities resumed to a certain extent, uncertainties persist worldwide as some major economies experience renewed phases of the pandemic.

The magnitude of the response by the Government and public institutions needed to be in kind to ensure the country's long-term adaptability and resilience to the 'new normal'. EDB in particular has had to rapidly adapt and leverage all tools at its disposal to circumvent travel restrictions which have severely limited its marketing and promotional activities. Online meetings, videoconferences and webinars have been extensively used throughout the manufacturing, knowledge, and financial services clusters to promote Mauritius to targeted audiences. We have also reinforced our presence on social media platforms and our recourse to influencer marketing actions to showcase Mauritius as a covid-safe destination. These tools have enabled us to optimise our limited means for conducting investment and trade promotion.

Simultaneously, the EDB pursued its efforts with renewed vigour to improve the competitiveness of the business climate and facilitate trade:

- Government's drive to digitalise public services was further achieved in the successful automation of business licenses on the National Electronic Licensing System (NELS). As of June 2020, more than 9 licenses and their numerous corresponding processes had already been deployed on the NELS platform. These digitalisation successes have contributed to Mauritius scoring highly in the World Bank's Doing Business Report. In 2019, the World Bank ranked Mauritius 13th among 190 economies in terms of ease of doing business, and more particularly in construction permitting where Mauritius is now ranked 8th globally. More importantly, the usefulness and potential of NELS was demonstrated during the confinement period. While Mauritius was under full lockdown from 19 March to 30 May 2020, key public sector agencies hooked to the system were able to continue their operations amidst health and safety restrictions. 2522 applications were processed and determined by 390 public officers working from home.
- A Business Process Re-Engineering (BPR) Exercise to streamline business permits was successfully completed in July 2019, yielding the Business Facilitation (Misc. Provisions Act) 2019 and culminating into further licensing reforms implemented through the Finance (Misc. Provisions) Act 2020.
- The long-standing collaboration between the EDB, Customs, the Mauritius Ports Authority, and other Public Sector agencies to streamline and expedite import/export procedures yielded some important achievements in 2020. Notable measures to facilitate trade include reduction of the cut-off time for completing border compliance formalities for full export containers, the setup of a Coordinated Border Management unit at Customs to expedite clearance of controlled goods, the continued deployment of the National Single Window (also called Mauritius TradeLink) across several Public Sector Agencies and the implementation of a Maritime Single Window for vessel clearance.

Resultant FDI Inflows for the year 2019 stood at Rs 21 billion compared to 20 billion for the previous year. Despite the difficult situation, our promotional and facilitation efforts are expected to result in FDI inflows of Rs 11 billion for the financial year 2019/2020. Total exports of goods and services for the financial year 2019/20 reached Rs 164 billion.

Other notable achievements include the successful operationalisation of the Strategic Economic Planning function of the EDB, and the corresponding reinforcement of internal capabilities and skills. The EDB has also acquired a 'Computable General Equilibrium Model' software tool which has already been put to task to assess the economic impact of the pandemic on Mauritius in particular with regards to employment and GDP.

For the year under review, EDB collaborated with the World Bank for the preparation of sectoral plans for the manufacturing and ICT sectors. In addition, we have developed a framework for the nutraceutical industry, which will trigger the transformation of the agricultural sector into a higher value-added industry.

Looking ahead, EDB will build on its current achievements and pursue its collaboration with key stakeholders and public sector institutions to maintain the pace of reforms. Our efforts are guided by the Government's strategy for economic development and EDB will be at the forefront to implement key policies to attain a new economic growth momentum.

We should endeavour, as always, to serve our stakeholders with determination and utmost professionalism. Finally, I wish to place on record my appreciation to the Ministry of Finance, Economic Planning and Development, the Chairman, and the Board of the EDB and all the staff of our flag ship institution.

**Ken Poonoosamy**  
Chief Executive Officer





## INVESTMENT AND TRADE LANDSCAPE

### GLOBAL CONTEXT

The Global economic scenario remains gloomy with soaring unemployment rates, low global production and high economic uncertainty, confronting the deepest global recession in decades. Covid-19, declared as a global pandemic on 11 March 2020, has been spreading at an alarming speed, infecting millions of lives and bringing economic activities to a standstill. Adapting to the concept of a "new normal", employees have been transiting to work from home as the world faces the omnipresent threat of public health challenges.

The economic landscape has been at a downturn with massive job and income losses, drastic fall in tourism and other sectors such as the oil industry, transport (sea, air, and road) and freight forwarding being badly hit. Travel and trade restrictions have disrupted the international production network and the global supply chains with sharp declines in the demand and prices of many commodities leading to increased vulnerability of many commodity dependent countries. Except for national actions from government, the WHO has, in May 2020, estimated a requirement of USD 1.7 billion to respond to COVID-19 until December 2020 with 56 percent representing USD 980 million already received as at end of August 2020.

### WORLD GDP GROWTH

While 2019 growth is estimated at a sluggish rate 2.9 percent, the world output for 2020 is projected to be at negative 4.9 percent, improving slightly to 5.4 percent in 2021.

	Projections			
	2018	2019	2020	2021
World Output	3.6	2.9	-4.9	5.4
Advanced Economies	2.2	1.7	-8.0	4.8
United States	2.9	2.3	-8.0	4.5
Euro Area	1.9	1.3	-10.2	6.0
Germany	1.5	0.6	-7.8	5.4
France	1.8	1.5	-12.5	7.3
Italy	0.8	0.3	-12.8	6.3
Spain	2.4	2.0	-12.8	6.3
Japan	0.3	0.7	-5.8	2.4
United Kingdom	1.3	1.4	-10.2	6.3
Canada	2.0	1.7	-8.4	4.9
Other Advanced Economies 3/	2.7	1.7	-4.8	4.2
Emerging Market and Developing Economies	4.5	3.7	-3.0	5.9
Emerging and Developing Asia	6.3	5.5	-0.8	7.4
China	6.7	6.1	1.0	8.2

	Projections			
	2018	2019	2020	2021
India 4/	6.1	4.2	-4.5	6.0
ASEAN-5 5/	5.3	4.9	-2.0	6.2
Emerging and Developing Europe	3.2	2.1	-5.8	4.3
Russia	2.5	1.3	-6.6	4.1
Latin America and the Caribbean	1.1	0.1	-9.4	3.7
Brazil	1.3	1.1	-9.1	3.6
Mexico	2.2	-0.3	-10.5	3.3
Middle East and Central Asia	1.8	1.0	-4.7	3.3
Saudi Arabia	2.4	0.3	-6.8	3.1
Sub-Saharan Africa	3.2	3.1	-3.2	3.4
Nigeria	1.9	2.2	-5.4	2.6
South Africa	0.8	0.2	-8.0	3.5
Memorandum Low-Income Developing Countries	5.1	5.2	-1.0	5.2
World Growth Based on Market Exchange Rates	3.1	2.4	-6.1	5.3

WEO, June 2020 Update

### INTERNATIONAL TRADE

Dropping to USD 18.89 trillion, a 0.1 percent fall in merchandise trade in volume representing a 3 percent decline in value has been recorded for the year 2019 due to global trade tensions, rising tariffs, and policy uncertainty. During the first semester of 2020, international trade has contracted for most countries, with a 5 percent decline in Q1 2020 and a 27 percent decline in Q2 2020 according to UNCTAD Global Trade Update, June 2020. While UNCTAD is expecting a decline in international trade of around 20 percent for the year 2020, the World Trade Organisation (WTO) aligns itself with a decrease of 13 to 32 percent. A double-digit decline in trade volume for nearly all regions is expected for the year 2020 with North America and Asia being mostly affected.

As for global employment, the World Employment and Social Outlook 2020 estimates the global population aged 15 and above at 5.7 billion, with 57 percent in employment (3.3 billion) and an estimated 188 million unemployed for the year 2019. As at May 2020, G7 unemployment varied from 30 million in the USA to 1.76 million in Japan pushing several EU governments to subsidized wages. UN ILO estimated that the second quarter of 2020 may generate around 305 million of full-time job losses.

### TOURISM

The travel and tourism sector has been the most affected sector with grounded airplanes, closed hotels, and travel restriction in most countries around the world. International tourism fell by 22 percent in the first quarter of 2020, with an expected decline of around 60 to 80 percent for the year 2020. According to the UNWTO report, 100 percent of all worldwide destinations introduced travel restrictions by 20 April 2020 with 45 percent of destinations (97 in total) closing their borders for tourists, 30 percent suspending total or partial international flights and 18 percent implementing border closures by banning entry of tourists from specific country of origin.

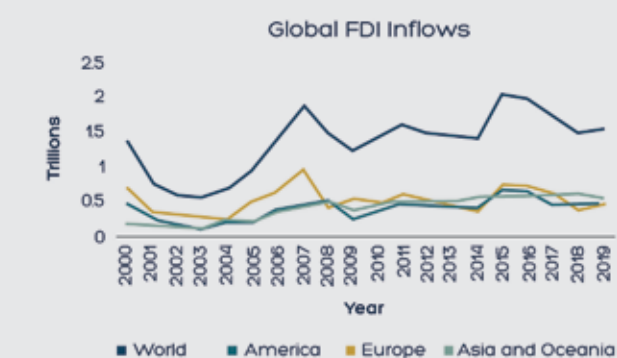
### FOREIGN DIRECT INVESTMENT

The Global pandemic has disrupted the flow of foreign direct investment (FDI) with both supply and demand experiencing simultaneous shocks due to containment measures imposed by countries. Being already halfway through the year with Covid-19 contamination ramping up across the world in the entire semester, policy makers are having a tough time juggling between economic stability and containing the spread of the virus.

The WEO June 2020 debates about a deep downturn in 2020 with investment expected to quell as firms defer capital expenditures due to high uncertainty with declining demand, low supply, and uncertain earnings prospects.

However, fiscal policies adapted to country circumstances will work towards stabilizing demand and facilitating recovery along with public investment incentivizing productive investment.

Forecasted global FDI flows for 2020 is expected to decrease by up to 40 percent, from the 2019 value of USD 1.54 trillion, bringing it below USD 1 trillion for the first time since 2005.



Source: UNCTAD Stats



The main recipient for FDI are USA with a share of 16 percent, followed by China (9 percent) and Singapore (6 percent).



FDI Inflows by group of Economies for the year 2019

■ Developed Economies ■ Developing Economies ■ Transition Economies



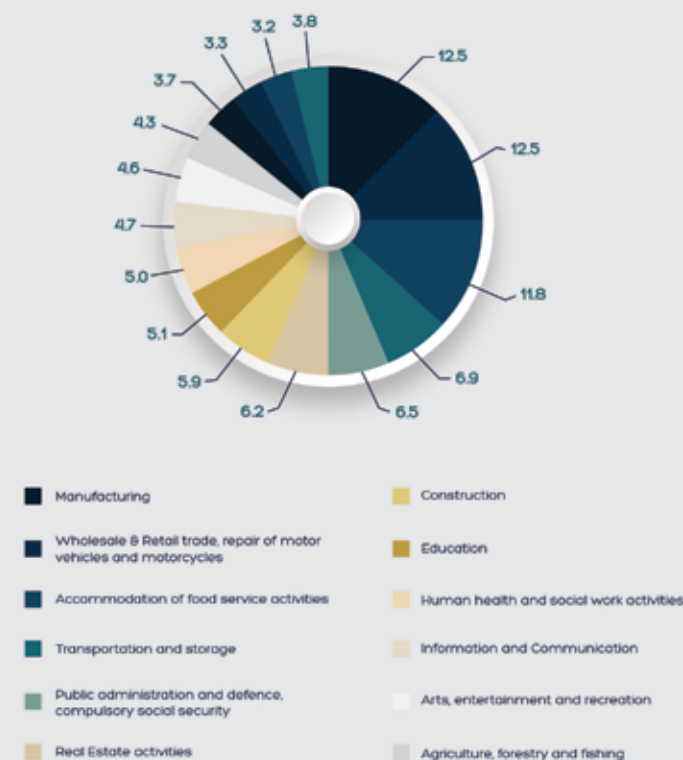
## LOCAL CONTEXT

The financial year July 2019- June 2020 ended with nearly the worldwide population being confined at home. Mauritius closed its borders on 18<sup>th</sup> March 2020, following 3 reported cases of COVID-19, resulting in a sudden and unprecedented economic contraction. The lockdown led to almost all activities operating at near zero percent of their capacity except for ICT/BPO, financial services, professional services, retail trade, agriculture and public services which were still in operation. Growth rate for the first quarter of 2020 stands at -2 percent, compared to its corresponding growth of 3.3 percent in 2019, with consumption falling by 2.7 percent, gross fixed capital formation decreasing by 9.3 percent and external demand also being adversely affected by -10.6 percent for exports and -13.6 percent for imports. Revenue lost during the 3 months of lockdown showed a contraction of 13.6 percent in GVA for the first quarter of 2020.

While GDP at market price for the year 2019 grew by 3 percent, the forecasted GDP for the year 2020 based on global trend and first quarter figures is estimated at around Rs. 440 billion with a contradiction of around 13 percent.

The accommodation and food services sector remains the most affected during the year 2020, with a projected contraction of 70 percent. A drop of 45 percent for the textile and apparel sector is envisaged while the construction sector is expected to decline by 20%.

The contribution by industry for the year 2019 is as follows:



## INFLATION

Headline inflation as at June 2020 stood at 1.8 percent with a CPI of 1.5 percent compared to 1 percent and 0.6 percent for its corresponding last period. The increase in CPI can be explained through an increase in the prices of certain imported commodities such as rice, flour, frozen mutton, corned beef, pilchards tomato sauces, pulses, powdered milk, cooking oil as a result of the depreciation of the Mauritian rupees which caused a hike in the prices of imports. Moreover, the sudden decrease in demand of the Mauritian rupee due to low tourist inflows has also contributed towards the fluctuation of the exchange rate.

Juggling between external shocks and local factors, the foreign currency exchange rate has appreciated against the Mauritian rupees, with the US dollar rising from an average of Rs. 36.46 (July 2019) to Rs. 40.393 (June 2020), EURO appreciating from Rs 40.92 (July 2019) to Rs. 45.54 (June 2020) and the Pound Sterling increasing from Rs.45.49 (July 2019) to Rs. 50.67 (June 2020).



## TOURISTS ARRIVALS

Tourist has been almost nil as from the month of April, with a drastic fall starting early January due to the pandemic. The lost of tourist earnings for the three months of April to June 2020 represent around Rs. 13 billion when compared to last corresponding months.



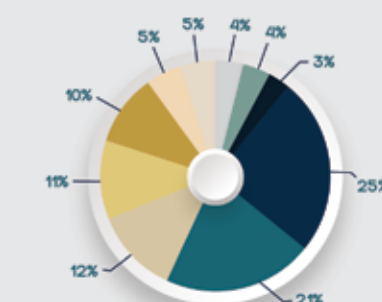
## TRADE

Mauritius total exports for the year 2019 stands at Rs. 79 billion while imports represent Rs. 199 billion, with a trade deficit of Rs.120 billion. Mauritius exported to 153 countries in 2019 with its top export market being UK, USA, South Africa and France while its main import markets are India, China, South Africa and France.

	2019	2020	
	Year	1st Quarter	2nd Quarter
Exports of goods (F.O.B.)	66,611	15,506	9,995
Domestic exports	52,231	11,993	7,588
Re-exports	14,380	3,513	2,407
Ship's Stores and Bunkers	12,449	3,494	2,284
A. Total Exports (F.O.B.)	79,060	19,000	12,279
of which:			
Export Oriented Enterprises	42,518	9,535	5,304
B. Total Imports (C.I.F.)	199,111	44,092	34,539
of which:			
Export Oriented Enterprises	24,686	4,811	3,693
Total Value of Trade (A+B)	278,171	63,092	46,818
Balance of Visible Trade (A-B)	-120,051	-25,092	-22,260



GB - United Kingdom US - United State  
MG - Madagascar IT - Italy  
NL - Netherlands KE - Kenya  
ES - Spain VN - Viet Nam  
ZA - South Africa FR - France



CN - China IN - India  
FR - France ES - Spain  
DE - Germany IT - Italy  
JP - Japan ZA - South Africa  
GB - United Kingdom AE - United Arab Emirates



The top 15 main domestic export products are as follow:

Men's or boys' shirts of cotton, not knitted or crocheted	4,549,345,241	9%
Other fish fillets	4,299,084,290	8%
White Sugar	3,737,501,873	7%
Non-industrial diamond worked, but not mounted or set	3,233,063,164	6%
Men's/boys' trouser, bib, short etc of cotton, not knitted /crocheted	224,657,721	6%
T-shirts, singlets and other vests, of cotton, knitted or crocheted	3,147,085,618	6%
Other Cane Sugar	3,029,664,739	6%
Tunas, skipjack and atlantic bonito, whole or in pieces but not minced in vegetable oils	2,562,363,792	5%
Fillets known as "loins"	1,487,325,735	3%
Women's/girls' trouser, bib, short etc, of cotton, not knitted or crocheted	1,416,842,687	3%
Men's or boys' shirts of cotton, knitted or crocheted	1,097,596,740	2%
T-shirt, singlet & other vest of other textile excl cotton, knitted/croche	920,764,881	2%
Jerseys, pullovers, cardigan, waist-coat etc of cotton, knitted/crocheted	797,222,959	2%
Live Primates	786,941,547	2%
Other knitted or crocheted fabrics, of cotton, dyed	776,870,601	1%

Top 15 Re-export products:

Other Fish, frozen (excluding livers and roes)	2,298,015,788	16%
Medicament nes not contg antibiotic/hormone/alkaloid /vitamin.	952,651,657	7%
Carboys, bottles, flasks and similar articles of plastics	656,968,916	5%
Inedible product of fish/ crustaceans/mollusc, etc dead animal of chapter 3	648,975,309	5%
Vanilla, neither crushed nor ground	547,829,150	4%
Toothfish (Dissostichus spp.)	435,100,859	3%
Frozen longfinned tunas excl. fillets, livers and roes	433,283,315	3%
Petroleum gases and other utanes : - Entered into the Freeport for re-export	428,436,397	3%
Coloured plain cotton weave, with >=85% cotton, >100g/m2	409,447,287	3%
Of a video display diagonal not exceeding 82 cms	300,695,693	2%

Top 15 Total Export Products:

Men's or boys' shirts of cotton, not knitted or crocheted	4,557,739,307	7%
Other fish fillets	4,299,084,290	6%
White Sugar	3,739,623,075	6%
Men's/boys' trouser, bib, short etc of cotton, not knitted /crocheted	3,252,052,592	5%
Non-industrial diamond worked, but not mounted or set	3,238,002,127	5%
T-shirts, singlets and other vests, of cotton, knitted or crocheted	3,190,552,740	5%
Other Cane Sugar	3,030,376,175	5%
Tunas, skipjack and atlantic bonito, whole or in pieces but not minced in vegetable oils	2,562,363,792	4%
Other Fish, frozen (excluding livers and roes)	2,298,015,788	3%
Fillets known as "loins"	1,720,447,856	3%
Women's/girls' trouser, bib, short etc, of cotton, not knitted or crocheted	1,425,360,127	2%
Men's or boys' shirts of cotton, knitted or crocheted	1,148,365,597	2%
Medicament nes not contg antibiotic/hormone/alkaloid /vitamin.	1,101,463,113	2%
T-shirt, singlet & other vest of other textile excl cotton, knitted/croche	953,553,889	1%
Jerseys, pullovers, cardigan, waist-coat etc of cotton, knitted/crocheted	835,438,848	1%

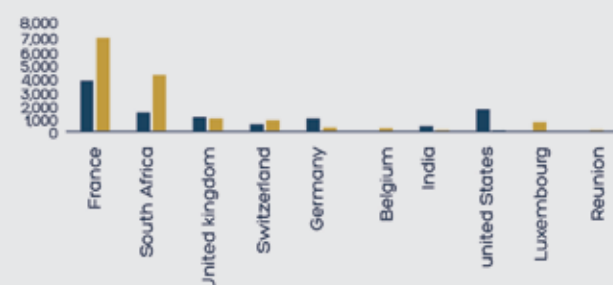
Total Import:

Fuel oils - Other	671,996,635	4%
Gas oils	7,234,515,384	4%
Jet fuel	6,493,225,011	3%
Medicament nes not contg antibiotic/hormone/alkaloid /vitamin.	4,780,360,393	2%
Motor spirits	4,243,601,113	2%
Frozen skipjack or stripe-bellied bonito excluding fillets, livers and roe	3,577,318,939	2%
Marine Residual Fuel Oil for bunkering (RMG 380 - 700 or RMK 380 - 700) as per ISO 8217 Fuel Standard, Fifth Edition 2012	3,464,085,781	2%
Other telephones for cellular networks or for other wireless networks, of a value of Rs 1000 or less	2,878,921,380	1%
Non-industrial diamond unworked/simply sawn, cleaved /bruted, not mounted/se	2,616,500,951	1%
Cool, excl anthracite & bituminous, pulverised or not, but not agglomerate	2,346,250,272	1%
Cigarettes containing tobacco	2,151,320,512	1%
Butanes, liquefied	2,106,001,923	1%
Other Fish, frozen (excluding livers and roes)	1,973,872,287	1%
Cotton, not carded or combed.	1,835,555,194	1%
Frozen yellowfin tunas excl. fillets, livers and roes	1,769,521,825	1%

## FOREIGN DIRECT INVESTMENT

Gross direct investment flows for the first quarter of 2020 is estimated at around Rs. 3 billion with a percentage change of -35.7% compared to its corresponding last quarter. 'Real Estate activities' sector remains the main driver of FDI with inflows amounting to 85% of total inflows followed by 'Human health and social work activities' (3%) and the 'Agriculture, forestry and fishing' sector (2.5%). The main source of FDI are from Europe, with France having a share of 49% of Mauritius inflows. Inflows for the year 2019 stand at Rs.21 billion compared to Rs 20 billion for the year 2018.

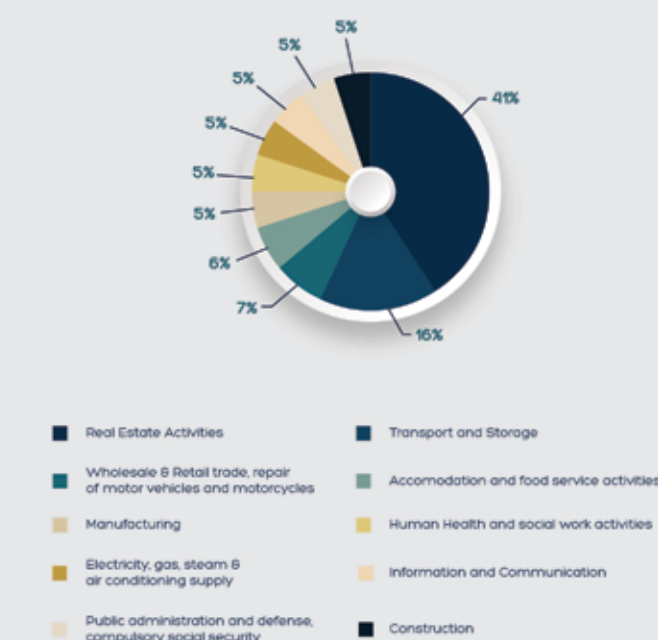
Top Investor economies by FDI towards Mauritius



GFCF for the year 2019 grew by 6.2 percent with private sector investment growing at a rate of 2 percent while public sector having a double-digit growth of 19.5 percent. In terms of capital goods, the building and construction work sector contributed 64% towards GDFC while machinery and equipment contributed 36%.

(Rs. Million)	2016	2017	2018	2019
<b>Gross Fixed Capital Formation (GFCF)</b>	<b>74,990</b>	<b>79,499</b>	<b>90,242</b>	<b>97,746</b>
Private sector	55,797	60,624	68,375	71,113
Public sector	19,193	18,875	21,867	26,633

The 10 main sectors for GDFC:







## WORK & LIVE IN MAURITIUS

Mauritius is one of the most business and investment friendly location in the world. The country enjoys a degree of social harmony and cultural understanding that makes it a model for successfully promoting the benefits of ethnic diversity and co-existence. With a long heritage of stability and security, Mauritius has been consistently rated as the best run country in the region.

The Economic Development Board has rolled out various avenues for foreign nationals who may choose to invest, work, live or retire in Mauritius. The Occupation Permit, which is a combined work and residence permit, allows non-citizens to work and reside in Mauritius under 3 categories of permits namely investors, self-employed and professionals. Moreover, non-citizens above the age of 50 years, may also decide to retire in Mauritius under a Residence Permit.

In the 2020/ 2021 budget, the Minister of Finance, Economic Planning and Development, aware of the major economic potential represented by foreign expatriates in the development of the country, took bold measures and incentives to increase FDI and attract foreign nationals into the country. Some of the measures which were announced and have become operational on 2 September 2020 includes:

- An Occupation Permit for Investors, Self-employed and Residence Permit (RP) for Retired Non-Citizens will be issued for a period of 10 years instead of 3 years.
- The validity period of all existing Occupation Permits for Investors, Self-employed and Residence Permit (RP) for Retired Non-Citizens will be automatically increased to 10 years.
- The duration of a Permanent Residence Permit will be increased from 10 to 20 years.
- OP holders would also be able to bring their parents other than their spouse and children to reside in Mauritius as their dependents.
- The requirement to apply for a work permit or an occupation permit for foreign nationals who have already acquired property to work in Mauritius would be removed.

From July 2019 to June 2020, 2,665 Occupation Permits and 233 Residence Permits were issued.

79% of the permits were issued to professionals, 9% to investors, 4% to self-employed and 8 % to retired non-citizens. [refer to Figure 1]

A sectoral analysis of the period under review showed that the most attractive sectors to OP holders fell within the professional services (25%), followed by ICT and media (19%), and Financial services (17%). [refer to Figure 2]

French nationals (782 permits issued) rank first on the list of foreigners into the country followed by Indian (582 permits issued) and South African (403 permits issued). [refer to Figure 3]

Our traditional partners: France, India, South Africa, and China remain an important source of investment, talent and skills for our economy.

Permits Issued Per Category



Figure 1:  
Permits issued for Financial Year ending  
30 June 2020 per category

Permits Issued Per Sector

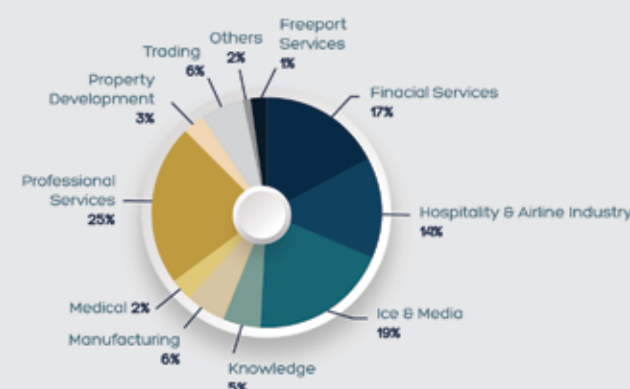


Figure 2:  
Permits issued for Financial Year ending  
30 June 2020 per sector

Permits Issued Per Nationality

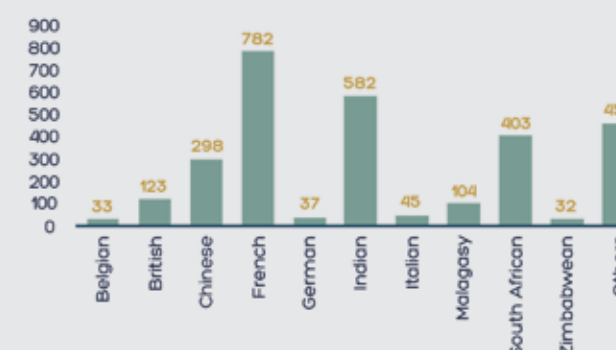


Figure 3:  
Permits issued for Financial Year ending  
30 June 2020 per nationality





## STRATEGIC ECONOMIC PLANNING

The Economic Development Board is mandated to provide strong institutional support for strategic economic planning and to ensure greater coherence and effectiveness in economic policy formulation for Mauritius. The EDB is thus responsible for advising Government on appropriate policies and strategies for socio-economic development, trade development, export and investment promotion, infrastructure development, labour market improvement and business facilitation.

Through its Strategic Planning and Economic Development Unit (SPED), the institution carries out economic research at the macro-economic level, ensures coordination across government agencies and maintains constant dialogue with stakeholders on economic matters with a view to:

- formulating macro-economic policies in view of achieving the growth objectives of Government for becoming a High-Income economy;
- identifying opportunities in new economic sectors and engage with international partners to develop strategic alliances to create the appropriate ecosystem for these sectors and

- advising on the development of major projects which are of significance or strategic importance to the economy;

The EDB is moreover entrusted with the responsibility for monitoring and evaluating the outcomes of policies and projects using a range of sources and techniques as well as benchmarking Mauritius against other jurisdictions.

During 2019/20, the Strategic Planning and Economic Development Directorate has built its internal capacity and worked on a number of reports to better fulfil its mandate.

### ECONOMIC AND ECONOMETRIC MODELING

To measure economic impacts and make forecasts, an in-house dynamic Computable General Equilibrium Model that can estimate the macroeconomic impact of various economic events and policies on GDP growth, unemployment, amongst others has been developed. The model has already been used for estimating the impact of COVID, lockdown of the economy, expected loss of AGOA on Mauritius amongst others. The model is also able to estimate sectoral impacts.

### BUDGET MEMORANDUM

SPED has been working in close collaboration with the other clusters of the EDB and external stakeholders to prepare and submit Budget Memoranda for 2019/20. The documents included proposals to boost the different sectors of economic activity as well as to enable the emergence of new ones, and with regards to improving the doing business environment. Several measures were retained by the Ministry of Finance, Economic Planning and Development (MOFEPD) following the submissions.

### STRATEGIC PLANS FOR MANUFACTURING AND ICT

Following discussions with the Ministry of Finance, Economic Planning and Development (MOFEPD) and EDB, a cross-cutting collaboration with World Bank (WB) was established via a Reimbursable Advisory Services (RAS) in 2019 to strengthen EDB's capacity for strategic planning and delivery of outcomes.

The project comprises 3 components namely:

- Strategic Planning and Performance M&E for Economic Development
- ICT Sector Strategic Planning and PM&E
- Manufacturing Sector Strategic Planning and PM&E

For the sectoral components, the objectives are as follows:

- Diagnostic of the sectors
- A proposed strategic rapid action plans for the sectors
- Customised planning and delivery management tool for the sectors
- Workshops and hands-on capacity sessions on the sectors and related planning and PM&E tools

The World Bank has already kicked off the project with a first mission in Mauritius from 23 September to 4 October 2019 with the visits of the three teams. The objectives were achieved since a first diagnostic was conducted for each component and capacity-strengthening, including a workshop, was delivered in each of the components.

A 2<sup>nd</sup> mission was held in January and February 2020 to deepen the diagnostic with further data collection and analysis and also meeting with relevant stakeholders and capacity building workshops.

The World Bank was due to submit its findings by August this year, following a third and final mission. Due to the pandemic however, an extension was approved, and the reports will be submitted in December.

### UN-GOM STRATEGIC PARTNERSHIP FRAMEWORK

A Strategic Partnership Framework (SPF) Agreement for the period 2019-2023 was signed in August 2019 between the Government of Mauritius and the United Nations which aims to support the ongoing transformation of the Mauritian economy and society towards high income country status with sustainable job creation and economic growth. The Strategic Partnership Framework is based on six priority areas namely: Transformed businesses; Ageing society, health and labour market reforms; Ocean economy and tourism; Inclusive, quality education and skilling; Social protection and gender equality; and Resilience to climate change.

The Strategic Planning and Economic Development Directorate coordinated the drafting of the Agreement, organizing several workshops and meetings with different stakeholders from the Government in collaboration with a UN appointed consultant.

### REPORT ON THE IMPACT OF BREXIT ON THE MAURITIAN ECONOMY

The EDB was mandated by the MOFEPD following a cabinet decision to work with the Ministry of Foreign Affairs, Regional Integration and International Trade to come up with a report assessing the potential impact of Brexit on the Mauritian economy. The report also included the potential opportunities that could arise from Brexit for Mauritius in terms of trade in goods and financial services.

### INTERNATIONAL RELATIONS

In addition to the reports and papers, SPED participates in a number of fora of discussions of economic importance. Amongst others, the directorate forms part on discussions related to EPA, SADC, COMESA, AFCFTA, CECPA, China FTA, IPPA negotiations amongst others.





## SECTORAL REVIEW





## MANUFACTURING

### INTRODUCTION

At the turn of the century the Manufacturing Sector remains the backbone of our economy with total exports amounting to MUR 79 Billion in 2019. Despite the multiple challenges with increasing cost of production and cutthroat competition to maintain market share, the industry contributed to 12.5% of our national GDP and around 103,000 in direct employment in 2019. Some 65,000 jobs were generated in large enterprises while the dynamic and small enterprises generated around 37,000 jobs.

Domestic exports of goods amounted to MUR 52 Billion, of which MUR 42.5 Billion was generated by Export Oriented Enterprises. The sector included diverse major contributors such as Textile and Apparel (27% share), Agro Processing (36% share), Sugar (1% share) and others - electronics, pharmaceutical, medical devices, light & precision engineering, & jewellery (13% share).

There is no doubt that the pandemic has been testing the ingenuity, resilience, and flexibility of the global supply chain and in the process, disrupting sourcing from Mauritius. But on the other hand, exports of manufactured goods have emerged as the main contributor of foreign currency, following the sharp decline of service exports, essentially tourist arrivals.

Over the 2019-2020 Mauritius has successfully made inroads into new export markets such as Canada with exports of denim, Chinese market with exports of iron-free high-end shirts and even Southern America with the exports of medical devices. In spite of the difficult global context, the past market development efforts for the Textile and Apparel sector have been paying its fruits by maintaining a strong presence of Mauritian Apparel products on the Italian market. Sectors such as Paint & chemicals and Soap & detergents maintained their stronghold at the regional level. Light and precision engineering sectors managed to sustain and increase their exports towards both EU and regional markets. Emerging sectors such as the medical devices sector were successfully increasing exports by 25% with France & India amongst its major clients.

On the investment front, Foreign Direct Investment (FDI) of MUR 362 million was recorded in 2019 for the manufacturing sector whereas local private sector investment stood at MUR 29 billion. New projects in the pipeline include technology upgrading through capital intensive technology uptake in the Textile sector, sustainable apparel development, along with the emergence of a family of innovative projects in the area of bio-farming, the development of non-alcoholic beverages, renewable materials, and metal fabrication amongst others.

COVID 19 pandemic is questioning the conventional mode of doing business by pushing organisations to reinvent themselves & adapt to a new supply chain in view to connect in a shorter lead time with buyers, including regions where there is growing demand. This approach relies on forward looking enterprises eager to enhance technology intake, migrating local production to higher value, and complex intermediate and final goods. Hence, sowing the seeds for the development of a globally and competitive industrial sector.

### TEXTILE AND APPAREL SECTOR

#### SECTORAL ECONOMIC TRENDS

The Textile & Apparel industry is one of the largest and the most important sector of the Mauritian economy in terms of output, foreign exchange earnings and employment. It has come a long way from being a manufacturer of basic items in the 1970s to a robust vertically integrated supplier of high-end value-added designer products. It remains an engine of growth for the Mauritian economy with total domestic exports of Rs 24 Bn in 2019, representing a contribution of 3.5% to our GDP. It has also contributed to brand Mauritius as a reliable sourcing destination. Mauritian suppliers have the capacity to supply a wide range of Textile & Apparel products such as T shirts, trousers & denim, shirts, pullovers, beachwear, fabrics, kids wear and uniforms at competitive prices. South Africa, USA, UK and France stand as the four most important export markets.

Textile, Apparel Footwear and Accessories Exports



### CHALLENGES

The sector has been confronted to a number of challenges:

- Rising cost of production
- Brexit
- Emergence of low cost competitors closer to the main markets
- Shortage of labour
- Duty free access being extended to our competitors
- Closure and delocalisation of production units to low cost countries

### SUPPORT MEASURES

The following support measures were announced in the Budget 2019/2020 aiming at improving the production efficiencies of the Textile and Apparel manufacturing sector, namely:

- 3% tax on profits derived from exports of goods
- Extension of investment tax credit of 15% to all manufacturing companies over 3 years
- Freight Rebate Scheme for exports to African countries and Indian Ocean islands; which include 20 countries and 48 ports
- Extension of the Trade Promotion & Marketing scheme to Africa, Australia, Canada Japan, Middle East Countries, EU and the USA

### SECTORAL STRATEGY

EDB Mauritius has contributed enormously for the existing companies to shift their mode of operation to a more capital-intensive model rather than to be continually dependent on labour. Technology offers a solution to the productivity dilemma that the industry is facing today. Manufacturers are embarking on automation, soft robotics, and digitalization to improve production processes, reduce lead time and be more cost efficient.

Environmental concerns would keep rising in this century and Mauritius should try and position itself globally as an eco-friendly hub in the entire value chain. To that end, EDB Mauritius has already initiated action with Carlin International Trend Bureau, renowned trend forecaster, to assist manufacturers to develop a sustainable collection to meet the new exigencies of European, US and African buyers.

### REACTION TO COVID-19

With the advent of covid-19 pandemic, EDB took the initiative of encouraging the production of masks, face shields, and PPE. A brochure highlighting these Covid-19 products was prepared and distributed to all economic counsellors posted in different countries. This has enabled our manufacturers to export these COVID-19 products to Reunion Island and the EU, after having secured AFNOR-certification and also to sell in the local market.

A Mauritian company, CFL, has developed the weaving of surgical fabric complying to international norms. Appropriate tests were carried out by international laboratories. The fabric can be used for gowns worn by medical staff as protection against the COVID-19.



## TRADE PROMOTION

The Textile and Apparel sector remains the single major contributor to domestic exports earnings (goods), representing 44% of total domestic exports of Mauritius in 2019. In response to the gloomy international scenario prevailing in our major markets, EDB has devised a plethora of export promotion programs, capacity building and trade facilitation initiatives to foster trade and mitigate the impact of the Covid19 pandemic.

### 1. BEE TOGETHER MOSCOW

In line with our market diversification strategy, EDB Mauritius organised for the first time, the participation of six textile and apparel manufacturers in the Bee Together Moscow Trade Fair, the most important fashion platform in Russia which was held at the Radisson Slavyanskaya Hotel Moscow, from 12-14 November 2019. 3000 visitors from 13 different countries comprising wholesalers, retailers, agents, designers and buying offices attended the event. To better understand the Russian market requirement, guided visits and meetings were organised to prestigious retailers in Moscow such as Familia, Henderson, Vanciliff and Meurci, among others. This program enabled meetings with 10 key Russian buyers and orders are under negotiation.

### 2. APPAREL TEXTILE SOURCING GERMANY

Germany being the number one importer of clothing in Europe and only second to USA worldwide, makes it an obvious market for Mauritius. In this perspective, EDB organised the participation of 12 manufacturers, at the Apparel Textile Sourcing Germany 2019 trade fair which was held from 11 to 13 September 2019. Furthermore, in view of promoting the merits of Mauritius as a preferred investment destination in Africa, Mr. Geerish Bucktowonsing, HOD at EDB presented the merits of Mauritius as a Trade and Investment platform during a seminar. Mauritian manufacturers also benefited from specialised workshops on numerous issues impacting the textile and apparel business such as application of artificial intelligence, global supply chain in the age of digitization, disruptive technologies among others. Local operators made 174 contacts with total orders expected to the tune of MUR 174 million and expressed satisfaction to this event.

### 3. EXPORT CONSOLIDATION IN FRANCE THROUGH PREMIER VISION PARIS

France is by far the biggest business partner for Mauritius. In the quest to consolidate the position of Mauritius as the preferred sourcing partner for Textile and Apparel, EDB organised two editions of Premier Vision Paris in September 2019 and February 2020. Thirteen textile and apparel manufacturing including exporting SMEs participated in both edition of PV, which is the leading textile and apparel trade show in France. Mauritian manufactures were themed in 3 distinctive categories - Design Proximity, Knitwear and Manufacturing. The fairs were attended by renown buyers from Europe such as Le Coq Sportif, Orchestra, Jules among others. Despite the outbreak of Covid19, Mauritian producers met with 300 buyers.

### 4. EXPORT PROMOTION IN ITALY

In view to maintain market share in Europe and to identify new clients, the Economic Development Board Mauritius organised a Contact Promotion Program which coincided with MILANO UNICA 2019. Mauritian manufacturers had the chance to meet with 50 important buyers to the like of Chicco, Preca Brummel, Arstana etc.. Italy being a high-end premium market fits well in our strategy to develop low volume-high end products which is also cushioned by the Trade Promotion and Marketing Scheme.

## FOOD PROCESSING SECTOR

In 2019, the Mauritian food processing sector consisted 119 enterprises, employing around 14,228 people. Activities of the food processing industry included sugar milling, processing and preserving of fish and other seafood, processing and preserving of fruits and vegetables, processing and preserving of meat, noodles and similar farinaceous products, bakery products, dairy products, cocoa, chocolate and sugar confectionery, vegetable and animal oils and fats and grain mill products and other food products.

### ECONOMIC PERFORMANCE OF THE FOOD PROCESSING SECTOR

Sugar milling grew by 9.3% in 2019, with local sugar production reaching 331,105 tons and refining of 40,000 tons of imported raw sugar, a welcoming rebound in view of its 2018 performance when sugar milling contracted by 19%. Food processing, excluding sugar, grew by 1.3 in 2019.

Mauritius exports its sugar all over the world. Its diversification efforts have resulted into Kenya becoming its most important market with exports amounting to MUR 135 Bn in 2019, followed by UK with sales of MUR 0.7 Bn and France with exports of MUR 0.5 Bn.

Sugar exports in 2019

HS Code	Product Description	Quantity (KG)	Value (Rs) - FOB
17011390	Special Sugar - Cubes (sucre roux)	1,667,749	30,884,022
17011490	Other Cane Sugar	138,388,917	3,029,664,73
17011900	Cane or beet sugar and pure sucrose in solid form, nes, excl. 170111/91	368,525	8,612,546
17011910	White Sugar	265,519,482	3,737,501,673

Source : Statistics Mauritius

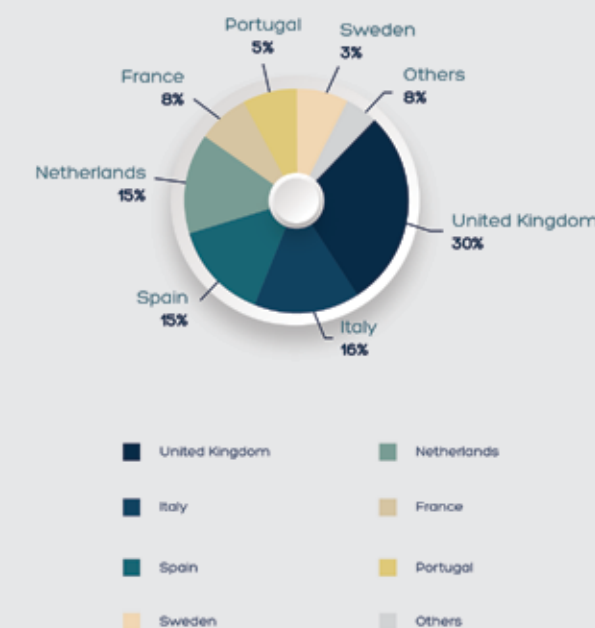
## SECTORAL STRATEGY FOR SUGAR

In view of the decrease in world sugar price, Mauritius has increased the number of types of sugar it produces, including three types of Demerara Sugars (Dry Demerara, Fine Demerara, Standard Demerara), three types of Golden Sugars (Golden Granulated, Golden Caster, Coffee Crystals), a special raw sugar, five types of Soft Sugars (Dark Muscovado, Light Muscovado, Dark Brown Soft, Light Brown Soft, Molasses Sugar), and refined white sugar. These special sugars are sold at premium prices compared to regular white sugar.

In order to further diversify the Mauritian offer, new special sugars, characterised by low Glycaemic Indices (GI), are being developed. Trials are currently being run in Mauritius to test the health and nutritional effects of this new range of healthy sugars.

## SECTORAL STRATEGY FOR SEAFOOD PROCESSING

The seafood sector is rapidly growing as one of the strongest pillars of our economy with a total export value of MUR 13.3 Billion in 2019. Over the years, Mauritius has been able to offer a variety of value-added products such as: preserved fish, fresh/chilled fish, frozen fish (loins, steaks), fish filets, salted fish, fish oil and fish feed. The main market for canned tuna is the EU whilst chilled fish is mainly exported to the US.



This industry has developed value-added fisheries and seafood related activities such as fishing, fish transshipment, storage and warehousing, light processing including sorting, grading, cleaning, filleting and canning. All seafood operators based in Mauritius operate in accordance with EU standards and are Hazard Analysis and Critical Control Points (HACCP) registered to ensure the required level of food and safety compliance of their products.

The Covid-19 pandemic has drastically changed the way consumers see seafood products. Indeed, it had major implications on the seafood supply chain, causing changes in consumer demand, market access and logistics related to transportation and border restrictions. However, despite this difficult situation, the seafood sector can still expect a potential growth as demand for non-perishable products has increased since lockdown due to panic buying. Reduced household purchasing power due to economic difficulties has translated into a worldwide demand for canned, pouched and processed tuna during the first quarter of 2020 as consumers shifted their purchasing to long life shelf-stable products. The non-canned tuna market, comprising mainly of fresh and frozen fish, has been affected by the economic downturn. Travel restrictions worldwide have caused disruptions in fresh and chilled fish exports, with major airlines cancelling most international flights to the major markets.



## SEAFOOD AS THE NEXT SUPERFOOD

The seafood sector offers huge potential for expansion as global demand for seafood as a healthy premium protein increase. Demand will be stimulated by changes in dietary trends and a greater focus on better health, nutrition and diet. Over the next decade, consumption is projected to grow by 42 million tons per annum according to the Food and Agriculture Organisation (FAO) as the world population is set to reach 8 billion by 2025. The share of fish production destined for human consumption is expected to continue to grow, reaching 89 % by 2030. Total fish consumption is expected to increase in all regions by 2030, with higher growth rates projected in Latin America (33 %), Africa (27%), Oceania (22 %) and Asia (19 %) - (Source: The State of Fisheries and Aquaculture 2020). Mauritius must take advantage of this growing demand and position itself as a reliable sourcing destination for value-added seafood products in both traditional and new markets.

## OTHER PROCESSED FOODS

Mauritius is also active in other food processing activities. Major processed food exports include animal feed, fish pellet, edible oil, wheat flour, instant noodles, pasta, black tea, and canned vegetable, biscuits, confectionary and cake decoration amongst others. The food processing industry also comprises SMEs involved in the manufacturing of a range of products such as spices, pickles, chutneys, fruit pastes, jams, marmalades, salted banana chips and frozen pre-cooked snacks-all recipes that grant authenticity of the unique Mauritian cuisine.

## TRADE AND INVESTMENT PROMOTION

In line with EDB's policy to consolidate our market share in traditional and emerging markets, participation to international trade fairs was organized.

## ANUGA 2019

EDB Mauritius organized the participation of 8 operators in ANUGA 2019 held in Cologne, Germany from 07 to 09 October 2019. Anuga considered as the world's largest trade fair for food and beverages set new records this year with over 170,000 trade visitors from 201 countries and around 7,500 exhibitors from 106 countries.

Professionals from the food and beverage industry from various countries such as France, Italy, Belgium, Netherlands, UK, Spain, Germany, USA, Canada, China, Russia, Turkey, Poland, Greece and from various sectors of the food processing industry such as distribution, trade, food services, met, networked and discussed during the event. This event enabled the Mauritian exhibitors to confirm orders worth MUR 90 million.

## SEAFOOD EXPO GLOBAL 2020

EDB had finalized the participation of Mauritian seafood exporters to the Seafood Expo Global scheduled in April 2020 in Brussels when the event was cancelled due to the COVID19 pandemic.

## ALCOHOLIC BEVERAGES SECTOR

The alcoholic beverages sector is the second main component of the beverages manufacturing industry in Mauritius, with molasses- and cane juice-based alcoholic beverages emerging as a fast-developing subsector within the sugar cane industry.

The alcoholic beverages currently being produced in Mauritius include industrial and agricultural rum, beer, wine including fruit wines, liquors and cordials, gin, tequila, vodka, shandy and whisky amongst others.



Source: Statistics Mauritius

Mauritius has managed to build a leading portfolio of brands across key categories and price points ranging from mainstream to premium spirits. The Mauritian export of alcoholic beverages (excluding undenatured alcohol) reached a peak of MUR 743 M in 2014 from a mere MUR 39 M in 2000, but has been on a declining trend since, reaching MUR 475 M in 2019.

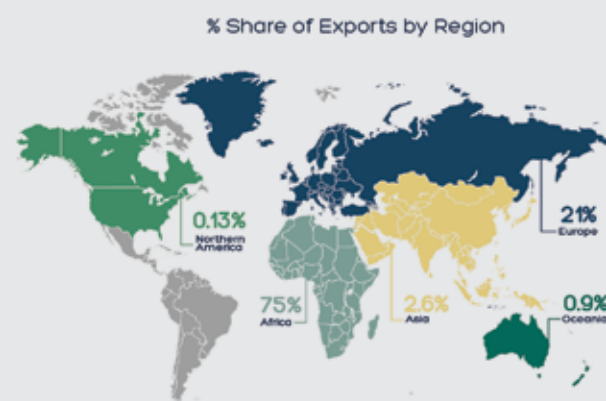
## KEY HIGHLIGHTS (2019)

36	20	MUR 726M	500
Export Destinations	Operators	Total Export (including undenatured alcohol, beer, rum, wine, and other spirits)	Employment

## GLOBAL REACH

Alcoholic beverages constitute a dynamic and attractive industry, with a natural runway for growth when compared to other consumer goods categories. Like all consumer sectors, the Mauritian alcohol beverages industry faces potential disruption, ranging from changes in consumer trends and regulations through to economic volatility and tariff changes.

However, our global presence provides a natural hedge for growth. Distributed in 36 countries, the Mauritian beer, rum and other spirits have won some of the most acclaimed awards in international tasting competitions such as London Spirits Competition, China Wine & Spirit Awards, The Spirits Business, World Rum Awards, World Spirits Awards, German Rum Award, Ultimate Spirits Challenge, and International Wine & Spirit Competition, amongst others since the past few years.



(i) The above illustration is intended to illustrate export destinations of the Mauritian Beer, Rum, Spirits and undenatured alcohol in various regions of the world in 2019.

	Europe	Africa	Asia	America	Oceania
Exports share by region in 2019 (MUR)	152 M	546 M	19 M	19 M	7 M
Main products exported	Agricultural rum Champagne Island rum Beer Liqueurs and cordials Undenatured ethyl alcohol Wine & Whiskies	Agricultural rum Beer Champagne Island wine Island rum Denatured ethyl alcohol and spirits Liqueurs, cordials, Gin, Tequila, Vodka Undenatured alcohol Shandy, Whiskies	Agricultural rum Beer Distilled gin Liqueurs and cordials Gin, Tequila, Vodka, Wine Whiskies	Liqueurs and cordials Rum Wine	Beer Champagne Wine Whiskies

## KEY TRENDS IN 2019

Growing preferences for spirits - consumers who drink alcohol are moving into spirits and away from beer and wine. This is a long-term trend - spirits today account for 53% of total alcoholic beverages by volume, an increase of 48% from 2010. Gin is an example of a category benefiting from this shift, starting in Europe and now accelerating in markets like Australia, South Africa and Brazil.

Affordable luxuries & premiumisation: Premiumisation is the most significant trend influencing the global alcoholic drinks market. In markets like Europe and East Asia premiumisation has been largely due to the emergence of an aspirational middle class seeking to assert their status.

Experiences: Bars and coffee shops are no longer just venues to drink at, they have more to offer. The same goes for alcoholic products. This trend offers a lucrative value-addition for brands in the industry.

Alternative packaging: From premium "wine in a can" to the explosion of ready-to-drink (RTD) beverages, we are seeing younger consumers drive packaging innovation geared towards making alcohol accessible for any occasion.

## EDB'S STRATEGY FOR THE SECTOR

The alcoholic beverages sector has shown resilience and long-term growth since early 2000s. EDB's strategy is to support premiumisation in developed and emerging countries. In 2019/2020 EDB's strategy for this sector was delivered through:



Market Diversification	Participation in Trade Shows
Tapping into new and emerging markets with lucrative prospects such as Germany, Russia, Singapore, Japan, Hong Kong etc.	Trade shows is a sizeable and growing opportunity for this sector to drive growth. EDB participated in the following trade shows: - Hong Kong International Wine & Spirits Show - Bar Convent Berlin
Promotional Activities	Extension of Trade Promotion Scheme
As part of the promotional activities and in an attempt to increase & enhance the visibility of Mauritius as a sourcing destination for premium alcoholic beverages, EDB made use of a series of marketing tools such as: - A sectoral value proposition, a dedicated sectoral brochure, booklets, advertorial in specialised international magazine, EDB's website and online matchmaking platform amongst others.	With the extension of the trade and promotion scheme to alcoholic beverages to more countries like Japan, Australia, Canada, EU, Middles East and Africa - local manufacturers are now able to leverage on this scheme to support premiumisation and boost sales.
Keep Premium Core	
Ensuring Mauritius maintain its position as reliable supplier of Premium Alcoholic Beverages.	

#### DISTILLERIES CONTRIBUTE TO THE FIGHT AGAINST COVID-19

Unlike other industries, the alcohol industry has seen explosive trial and growth since the COVID-19 onset, bolstered by online ordering and product diversification entering the mainstream. With unprecedented shortages of healthcare supplies to combat the novel coronavirus pandemic, local alcoholic beverage manufacturers have had to refocus their businesses and align with a common goal to address the urgent and critical need for sanitisers and ethanol. The Alcoholic Beverages sector will not be immune to international disruption, but the scope of our products gives the sector assurance in its resilience as it navigates these headwinds.

Exports of Beverages & Tobacco in the 1<sup>st</sup> semester of 2020 declined slightly to MUR 214 M compared to MUR 234 M during the first semester of 2019, reflecting the ongoing impact of COVID-19, as many businesses continued to operate at limited capacity or ceased operations completely and borders remained closed to tourists.



## HEALTHCARE & BIOTECHNOLOGY

### INTRODUCTION

Embracing inclusive healthcare while aiming to achieve the triple aim - improving care, improving health and reduce spending has been at the forefront of priorities in the healthcare sector. Performance of our current healthcare system can be defined by its policies and regulations, enabling technologies and operating models. These elements comprise the frontier of what is possible and serve as the constraints to what can be achieved. Digitalization, diversification, and innovation are the poles required to sustain the growth of the industry and during the last year, the Economic Development Board has given due attention to these factors.

### KEY FACTS

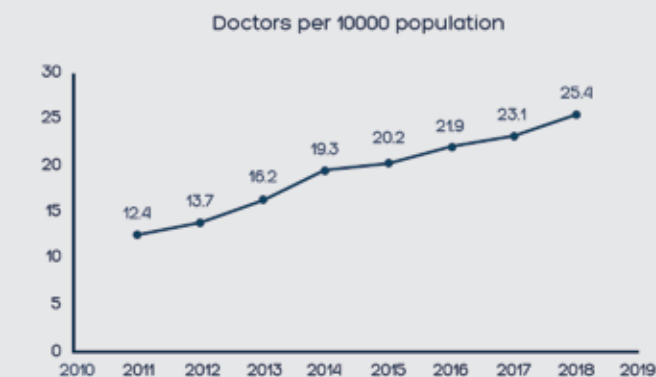
#### HEALTHCARE SECTOR AT A GLANCE



The healthcare sector has been growing at a steady pace for the last few years owing to its strengthening coverage, services and increasing expenditure by public as well as private players:

- GDP Contribution: 4.6%
- The real GDP growth rate is estimated at 6.1 %
- As per the Ministry of Health, employment in the sector totals to 8500
- More than 4500 beds in both public and private sector

#### HEALTHCARE PERSONNEL





## SEGMENTS OF THE HEALTHCARE SECTOR



Heavy focus has been laid on digitalization, diversification, and innovation. The promotional strategy has shifted towards attracting institutions specialized in treatment of pathologies such as cancer, cardiovascular diseases, endocrinology amongst others to cater for the growing needs of the population.

2 major private hospital projects specializing in oncology are being facilitated and are currently in implementation stages. FDI for these projects amount to approximately MUR 1.5B. A third private hospital project focusing on nephrology is also being facilitated and is currently in infancy stages. 3 luxury type residential care home projects with local investment amounting to the tune of nearly MUR 1.7 B have been registered with the EDB and a fourth project has been completed during the course of the year.

EDB is also developing a framework for telemedicine and a project for this technology driven activity is in the pipeline. With an aim to give a definite innovative touch to our healthcare landscape, EDB is also spearheading the setting up of a framework for stem cells.

## BIOTECHNOLOGY

For countries like Mauritius, where natural resources are relatively limited, the promise of biotechnology is particularly strong. Issues associated with food insufficiency, environmental degradation and improvement in healthcare can be alleviated from technological innovations presented by advances in biotechnology. EDB has been focusing on the development of appropriate plans and policies to enable exploitation of this potential.

## QUICK FACTS:

- 5 Contract Research Organisations involved in Clinical Trials
- Revenues in excess of MUR 2 B
- More than 70 studies submitted to the Clinical Research Regulatory Council
- 2.3 million km<sup>2</sup> exclusive economic zone with vast pool of marine biological resources

## KEY ACTIONS

- EDB has virtually participated and Exhibited in Bio-Europe 2020
- Strong contacts established with renowned companies
- Pharmaceutical R&D laboratory in the pipeline
- EDB spearheading the development of a website for clinical trials
- Finalization of a regulatory framework for clinical trials on medical devices



## RENEWABLE ENERGY

## INTRODUCTION

During the financial year under review, solar projects of some 20 MW requiring investment of some MUR 1 billion have been successfully commissioned. Investor confidence in the sector was re-affirmed during the year with large utility scale projects being able to secure competitive financing locally.

Electricity consumption increased by some 4% from 2018 to 2019. With the implementation of facility scale renewable energy projects for the past few years, coupled with incentives to households and businesses to produce their own energy from renewable energy sources, an increase of 1% in the contribution of renewable energies in the electricity mix has been registered.

The renewable energy sector is pursuing its development with the inception of innovative projects in the field. The EDB is facilitating pilot innovative renewable energy projects under the National Scheme for Emerging/Innovative Technologies in the fields of base load wind and marine renewable energies. A waste to value plant at Riche Terre which will make use of fish waste to produce energy and other value-added projects is also in the inception phase. This project ambitions a zero-waste tuna industry in Mauritius.

## PORT SERVICES

Recent public and private sector investment in port infrastructure has started reaping expected dividends with new records set in volume traded, container traffic, cruise passenger and bunkering for 2019 at Port-Louis harbour.

During the year under review, the EDB facilitated an inland bunkering storage project of 50,000 MT requiring investment of MUR 1 billion. This project will further boost the bunker capacity of the port, standing at a current new record of bunker traffic in excess of 661,000 MT representing a year on year increase of 13.6%.

The EDB also contributed on medium term projects including new projects at Fort William for fishing port and an additional shipyard. Moreover, the EDB also commissioned a study for the storage and distribution of LNG in the port.

Qualified Nurses per 10000 Population







## AGRICULTURAL SECTORS

With a total export value of around MUR 10 Billion (USD 250M) in 2019, the Mauritius Seafood processing industry that is inclusive of the fishing, seafood processing and aquaculture sectors remain buoyant. The development strategy for the fishing industry simultaneously focuses on the consolidation of our existing tuna fishing activities as well as diversification of fishing activities. The EDB is actively canvassing for funds to conduct a fish resource assessment in our EEZ to identify resources with high commercial value. The exercise will also be inclusive of recommendations to create an enabling ecosystem across the value chain to ensure sustainable harvest of the resources while locking in targeted markets. Ultimately, the project also announced in the recent Budget will promote the diversification of our fisheries sector while promoting regional and international food security.

Under the aquaculture chapter, the Economic Development Board (EDB) has been supportive of several research initiatives focused on the development of such emerging and nascent activities. A joint bilateral Australia- Mauritius collaboration brought consultancy services to our shores to assess the potential of sea cucumber and pearl culture as niche aquaculture activities.

In addition, the EDB has been coordinating and facilitating a project on the identification of new aquaculture sites around the island spearheaded by the Department for Continental Shelf and Maritime Zones Administration and Exploration (CSMZAE) of the Ministry of Defence and Rodrigues. The project that was also recipient of a seed funding from the British High Commission would foster innovative driven and sustainable aquaculture ventures targeting niche markets.

At a more holistic level of the blue growth strategy, the announced budget measure on the structuring of the blue growth strategy, the announced budget measure on the structuring of blue bonds in the budget edition 2020-2021 will count EDB's active coordinative role in the creation of a conducive platform for promising blue projects to access innovative financial instruments in a first phase and in a second phase give the platform a regional dimension.

Agriculture has been the bedrock of the Mauritius economy for decades. Starting from a monocrop industry, it is now fully diversified with over 203 tariff lines being produced locally and exported. While the industrial base of Mauritius has been considerably widened, the agricultural and agro-processing sector remains a vital pillar of the economy as sugar cane fields continue to dominate the landscape of the island.

Today, the sector represents 3.2% of the national economy, with sugar cane cultivation and sugar production as prime activities. Conscious of the challenges hindering growth in the sector, the Economic Development Board (EDB), guided by Government's vision, has spared no efforts to (i) enable and facilitate advancement of the agri business sector, (ii) increase land productivity and sustainable production for exports, (iii) reduce dependency on imports, and (iv) support the setting-up of an Agricultural Land Management System to bring unutilized and abandoned lands to productive use.

The EDB has come up with numerous initiatives to accompany producers. It is for instance, spearheading the development of a nutraceutical industry which can open new economic opportunities for landowners as nutraceuticals attract higher prices and greater margins than conventional foods. In addition, the EDB has been encouraging investment in bio-agriculture and technology-based farming to provide for new growth impetus and product diversification. The Government is also introducing an agri-food development programme which aims at encouraging local investors/farmers to move up the value chain to ensure food security and reduce the country's dependency on imports with the establishment of the farm to fork concept.

EDB has also been actively exploring avenues to enhance exports of agricultural products to international market through participation in Fruit Logistica, a key international event for the Fresh produce sector which represents an important platform to meet buyers and network with potential investors. Moreover, EDB is gearing efforts in improving cross-institutional collaboration to ensure that agricultural projects are properly supported, monitored, and implemented.





## INNOVATION - START UPS/SME

In the last one year, Mauritius has been pushing the horizon to strengthen its position as an innovation hub and to place the country at the forefront of technologies.

The country has powered a strong ecosystem of innovation to support and foster start up's/SME's riding on new pillars of innovative digital solutions such as Fintech, blockchain, cybersecurity, AI and IOT amongst others. The recent improvement of Mauritius in the Global Innovation Index rankings 2020 from 82<sup>th</sup> position to 52<sup>nd</sup> position indicates the country's strong commitment towards a mindset of innovation.

Currently, the innovation spectrum in the country involves a wide array of opportunities focusing on high value-added activities in digital services, financial services, ocean economy services, manufacturing process and services, agro-industry and research & development amongst others. As we moved higher up the ladder towards an innovation-led economy, the EDB has been taking on a more active role to attract investment in these niche areas, while positioning Mauritius as a key destination for the development of new technologies and processes.

The EDB has been facilitating and driving the implementation of various new Government measures namely the accelerated depreciation on plant & machinery, innovation Box Regime, e-Commerce scheme and creation of the Cote d'or Data Technology Park amongst others. All these initiatives are aimed at positioning Mauritius as a highly attractive location for innovative solutions for the local, regional, and international markets.

The onset and spread of the COVID 19 have led to the emergence of numerous startups aiming to find new ways to respond to the challenges of fast-changing market needs. There has been a gigantic surge in innovation, in digital health technologies, telemedicine platform, online one stop shop platform and online education.

Government has come up with several stimulus measures and immediate support for start-ups and entrepreneurs to help alleviate the impact of the coronavirus. This includes a package of measures such as Internal capacity development scheme, technology and innovation scheme, SME marketing support scheme, inclusiveness and integration scheme, fiscal incentives, and loan facilities amongst others. The EDB has been vigorously pursuing potential avenues to support and assist local entrepreneurs to flourish and gain exposure in the international market.

All such initiatives will go a long way in supporting our innovation ecosystem.

### SECTORAL REVIEW

KEY FACTS (2019)	
GDP Contribution	5.8%
Industry Growth Rate	5.1%
Number of Companies	850
No of Professionals	27,000
Internet Penetration	118%
Mobile Penetration	148%

2019 has been an interesting year with a number of new industry-shaping and foundation-building trends. It was particularly distinctive with emerging technologies and digitalisation which have been altering the business landscape. During the review period, the industry maintained its growth rate and was a net hirer. The growth was fuelled mainly by the advent of new companies offering services ranging from Fintech to cybersecurity.

Employment in the industry maintained its progressive trend to reach 27,000 in 2019 with the IT outsourcing segment exhibiting strong growth driven mainly by activities in software testing, application development, system integration and mobile applications among others. However, the BPO segment remained the major generator of employment accounting for 63% of the industry. With the increasing use of technology and high demand for new digital roles, companies have engaged in several reskilling initiatives namely Hackathons, internal learning platforms and partnerships with MOOCs providers among others.

The outbreak of the Covid-19 pandemic and subsequently worldwide lockdowns have had a huge impact on global economy and disrupted worldwide operations. The response from Mauritian ICT/ BPO industry in shifting quickly to business continuity mode and the proactiveness of the industry have been remarkable. The industry, despite initial hiccups, remained resilient during the COVID-19 crisis as various companies rose to the occasion and adapted their business and work models to cope with the global disruptions caused by the pandemic.

Amidst this uncertainty and to be able to thrive in this environment, companies have been focusing more on measures that will render them agile and resilient. Digital growth opportunities are being explored in the backdrop of the crisis leading to the emergence of new poles of activities such as digital health technologies, Edtech, Cybersecurity and Cloud computing among others.

### MEASURES/ SCHEMES IMPLEMENTED DURING THE PERIOD

- The Innovator Occupation Permit (OP) introduced in 2018 is granted to investors wishing to invest in innovative projects and business. Following budget 2019/2020, the capital outlay requirement of USD 40,000 was waived to allow innovative businesses incubated by an accredited incubator of MRIC to set up a business in Mauritius. During the period under review, 10 permits have been granted under the scheme.
- The 'Young Professional Occupation Permit' to allow international students to work for 3 years in Mauritius after completion of undergraduate studies in sectors such as ICT, Fintech, AI and Biotechnology was introduced.
- The Innovation Property (IP) Box Scheme allowing a company involved in innovation-driven activities to benefit from an exemption of 8 income years on revenue generated from commercialisation of intellectual property assets has been implemented.
- An E-commerce Scheme allowing companies to benefit from a tax holiday of 5 years for the development and domiciliation of electronic platforms and their related ancillary activities in Mauritius has been introduced.
- VAT exemption to companies engaging in new smart and innovative ventures under the Smart and Innovative Mauritius Development Scheme (SIMD Scheme) is provided.

### KEY INVESTMENT PROJECTS

During the year 2019- 2020, Mauritius maintained its attractiveness as a serious contender for BPO and knowledge outsourcing activities through the advent of key flagship players namely Hapag Lloyd on the local landscape.



Hapag Lloyd, one of the world's leading liner shipping companies has set up its Quality Service Centre in Mauritius in January 2020. The company is engaged in the provision of high-end customer support services and aim to tap on the modern infrastructure, skilled talent and multilingual labour in Mauritius to service Africa.

## PROMOTIONAL EVENTS

### 1. EDB PARTICIPATION IN AFRICA TECH SUMMIT- 4 - 6 FEBRUARY 2020

In line with the government mission to enhance the entrepreneurial culture in Mauritius, EDB participated together with a delegation of private and public institutions in the Africa Tech Summit scheduled on 4 -6 February 2020 in Rwanda.

The event, which was led and coordinated by Cap Business Ocean Indien, provided an excellent platform to promote the country as the ideal destination for start-ups. It enhanced the visibility of Mauritius as a key location for IT activities. EDB participated in the panel discussion on the theme 'Business Opportunities in the Indian Ocean' along with representatives from Seychelles, Reunion and Comores. The event was attended by over 600 visitors.

### 2. CCIFM- WEBINAR: JUNE 2020

The "Chambre de Commerce et d'Industrie France Maurice" (CCIFM) in collaboration with the EDB hosted a webinar entitled 'Hub d'Investissement et d'Innovation vers l'Afrique et la Région Océan Indien' on Wednesday 24th June 2020.

Moderated by Mr. Amaury Halgand, Director General, CCI France Maurice, the webinar addressed the attractiveness of Mauritius as an ideal location for start-ups to expand their footprint in the region and beyond. During the event, EDB addressed the various key initiatives put in place including an array of attractive funding schemes, regulatory & fiscal support and newly innovative support incentives which are essential enablers.



## EDUCATION

### INTRODUCTION

One of the new sectors of growth identified is tertiary education where Mauritius can transform itself into an education hub. The development of Mauritius as a regional hub for high-quality education and training will act as a catalyst in broadening the Mauritian economy and in providing necessary support to the existing and upcoming sectors. Tertiary educational institutions therefore have a prominent role to play in shaping the required human capital of tomorrow.

Furthermore, with its unique lifestyle, safe and pleasant living environment and its internationally recognised and diverse programme offerings, Mauritius is also an attractive destination for international students.

### THE EDUCATION LANDSCAPE: KEY FACTS

GDP contribution : 4.8% (2019)	Primary Schools : 319 (2020)
Gross Tertiary Enrolment Ratio : 48.9 % (2019)	Secondary schools : 179 (2020)
Total employment : 29,965 (2019)	Training Institutions : 464 (2020)
Pre-primary schools : 833 (2020)	Publicly funded tertiary educational institutions : 10 (2020)
Private tertiary educational institutions : 46 (2020)	

### SECTORAL DEVELOPMENT

The Education Sector is increasingly transforming into a vibrant and dynamic sector.

The following projects have been realised for this financial year:

- Sunfield City is a newly constructed pre-primary and primary school with a modern and full-fledged campus constructed on 2 acres of land in Beau Climat. The project necessitated a total investment of MUR 32m.
- The JSS Academy, Mauritius and The JSS Academy of Higher Education & Research, Mysore have joined hands to set up a post-secondary educational institution namely "JSS Academy of Higher Education & Research, Mauritius" with degree awarding powers to offer programmes in the niche areas. The institution invested a total amount of MUR 13m for the development of laboratories and amenities.



The Mauritian Education Sector is continuing its stride towards being a provider of quality education and is becoming increasingly competitive with its diverse programme offerings. Efforts have also been geared towards reinforcing academic collaborations between reputed international institutions and local & private tertiary educational institutions to further provide high quality teaching and education but also to address the industry needs:

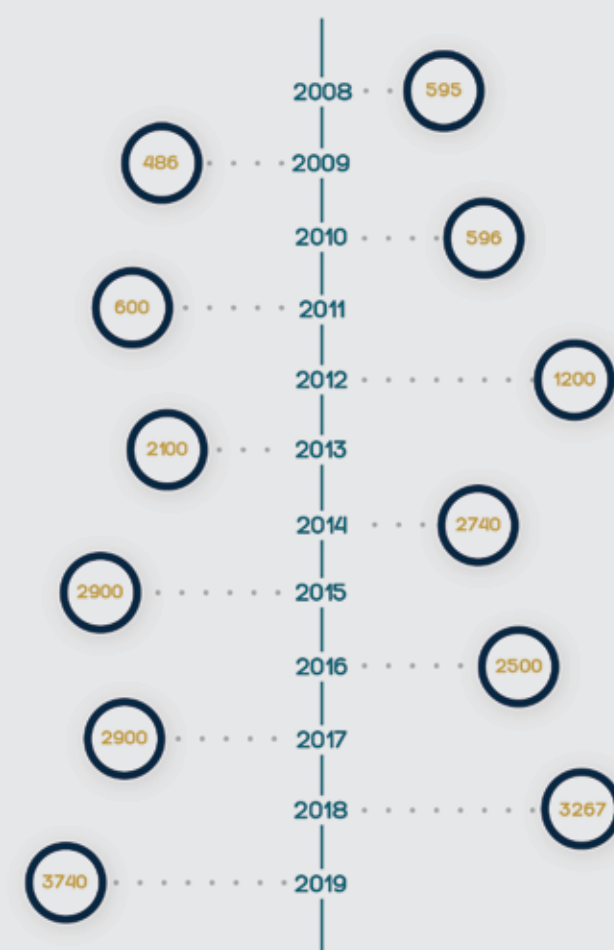
- Polytechnics Mauritius Ltd launched a series of new programmes in 2019-2020 to address the various scarcity areas and bridge the gap between industry requirements and academia. The new programmes include specializations such as Diploma in Big Data, Internet of Things, Cybersecurity, Interactive and Digital Media, Golf Management, Pharmacy, Medical Imaging, Medical Laboratory Technology, to mention a few. In addition, Universiti Kuala Lumpur, Malaysia is collaborating with PML to offer a Diploma in Industrial Logistics.
- JSS Academy of Higher Education & Research (JSS AHER), Mauritius has introduced some undergraduate and postgraduate programmes in niche areas such as Cosmetics Science, Pharmacy, Hospital Administration and Hospital and Health System Management.
- The University of Mauritius is partnering with CY Cergy Paris Université to offer a Dual Degree programme in Data Science. The University has also tied up with the University of Arizona to offer innovative dual degree programmes in Cyber Operations, Agribusiness and Engineering. Additionally, the University of Mauritius, in partnership with the HRDC has launched a MSc in Artificial Intelligence.
- Middlesex University Mauritius Branch Campus launched new undergraduate programmes such as BSc Cyber Security, BSc Computer Networks and postgraduate programmes such as MSc Network Management and Cloud Computing and MSc Cybersecurity and Pen Testing.

- The Université des Mascareignes (UdM), Université de La Réunion (UR) and L'Institut Supérieur de la Communication, des Affaires et du Management de Madagascar (ISCAM) have collaborated for a joint degree award, namely a Master in Sustainable Business Management programme.

- Rapid advances in digital technology are redefining our world. In the same perspective, the Open University of Mauritius is now offering new programmes in Applied Computing and Digital Technologies and Graphic Design with Specialisation in Digital Arts.

#### EXPORTS OF SERVICES

The number of international students as at December 2019 was at 3,674 and are from more than 70 different countries mainly from India, Nigeria, South Africa, Madagascar, France, Uganda, Kenya and Tanzania.



#### SECTOR ORIENTATION & WAY FORWARD

The COVID-19 pandemic gave a new dimension to the Education Sector in Mauritius. A whole new set of opportunities has emerged through online education and new technologies, which has enabled operators in the sector to ensure sustenance and further grow during the lockdown period.

In line with the above, the EDB is pursuing its promotional activities through focused virtual events targeting different markets to position Mauritius as a regional education hub and a centre of excellence for higher education.

Additionally, aggressive social media campaigns are initiated to attract more international students in Mauritius and to showcase investment opportunities in the Mauritian Education Sector.





## FILM INDUSTRY

The Film Rebate Scheme has enhanced the image of Mauritius as a shooting destination par excellence in as much as making significant contributions to the Mauritian economy. The Film Rebate Scheme remains amongst the most attractive cash incentives provided to film productions around the globe. Film producers may benefit from a cash rebate of 30% and up to 40% on all Qualifying Production Expenditures (QPE) incurred and spent in Mauritius.

In line with the less favourable global economic climate which has been heavily impacted by the COVID-19 coronavirus pandemic, the Mauritius film industry was significantly affected during the second half of the financial year 2019/20.

### FILM REBATE SCHEME PERFORMANCE

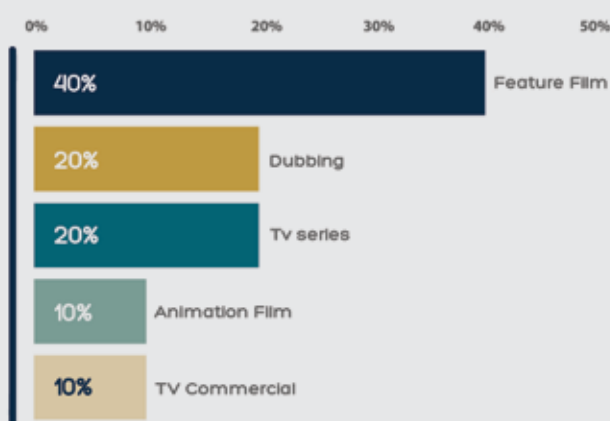
The film industry witnessed activities in the sector only during the first half of the year 2019/20, while the second half of the year was inactive due to the COVID-19 lockdown.

The Film Rebate Scheme has attracted some MUR 245 Million in terms of spending in Mauritius by film producers operating under the Film Rebate Scheme.

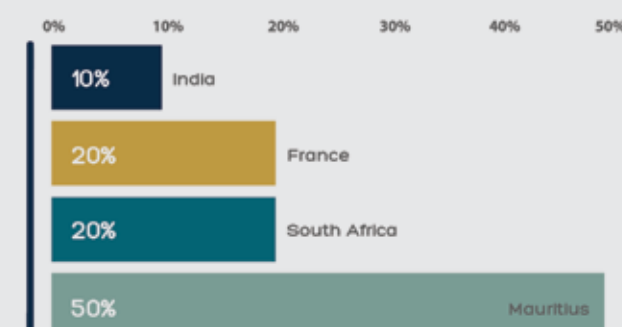
For FY 2019/2020 total number of 10 productions has been completed under the Film Rebate Scheme, including feature films, digital animation, television commercials, television series, and dubbing projects.

During this financial year, the geographical breakdown of the production expenditure spent by film productions in Mauritius shows South Africa as the leading source country, followed by India.

### BREAKDOWN BY PRODUCTION CATEGORIES



### BREAKDOWN BY COUNTRY OF PRODUCTION (based on number of films)



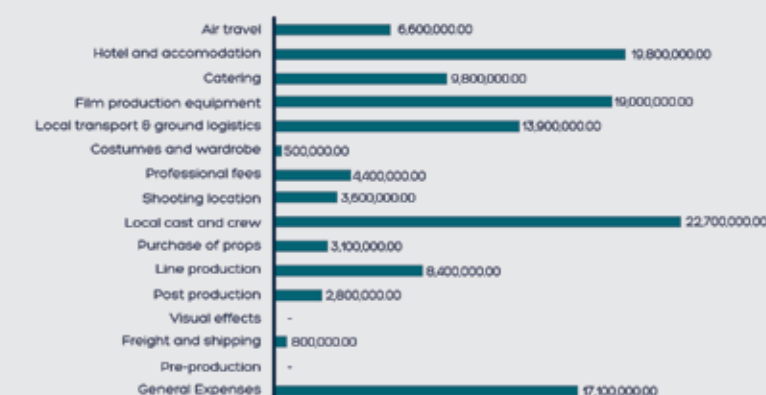
### BREAKDOWN BY COUNTRY OF PRODUCTION (based on production expenditure spent in Mauritius)



### CONTRIBUTION TO THE ECONOMY

The Film Rebate Scheme does not only benefit film producers. It interacts with other economic sectors. The Mauritian economy benefitted from a net inflow of approximately MUR 170 Million spent by film productions in hotel accommodation, catering services, air travel, ground transport, rental of equipment and other services. 9.6% was spent in Hotel and Accommodation; 3.2% in Air travel; 9.2% in Film Production Equipment and 6.7% in local transport and ground logistics, 4.7% in catering services, amongst others.

### QPE AMOUNT (MUR) INCURRED (FY 2019/20)



As far as government revenue is concerned, this sector has generated some MUR 13.19 Million in terms of direct tax (VAT and Income Tax).

### LOCAL EMPLOYMENT

It is worth mentioning that the 10 film productions completed under the Film Rebate Scheme during the year 2019/20 spent around MUR 22.7 Million to remunerate local cast and crew people working directly with the film productions.

In addition to local cast and crew, several local line production, accounting and audit companies were involved in assisting and facilitating the film productions in Mauritius. A total amount of some MUR 12 Million was spent with respect to these services.





## FINANCIAL SERVICES

Mauritius has forged a strong reputation as a premier International Financial Centre (IFC), with a growth rate exceeding 5% over the last four years, and currently contributing to 11.8% of the Mauritian economy and directly employing more than 13,500 professionals.

As an innovative IFC, Mauritius offers a diverse range of products. A number of international investment funds, private equities and investment holdings use the Mauritius IFC for their investments, largely due to the sophistication of its products and the developed business, banking and technological infrastructure.

### INVESTMENT PROMOTION INITIATIVES

One of the key actions of the EDB for the financial services sector is the positioning of the jurisdiction as an emerging and vibrant IFC. In light of the above, and to further enhance the visibility and showcase the Mauritius IFC as a sound, clean and transparent jurisdiction in key markets, the EDB spearheaded several roadshows and organised business forums and closed-door working sessions in the following countries: Hong Kong, Singapore, Australia, China, South Africa, United Kingdom, amongst others.

More information pertaining to the various Investment Promotional missions are detailed hereunder:

### HONG KONG AND SINGAPORE

EDB led an investment promotion mission to Hong Kong and Singapore from the 11<sup>th</sup> to the 16<sup>th</sup> of September 2019. The main focus of the mission was to increase the visibility of the Mauritius IFC in Hong Kong and Singapore, given that in such emerging markets, Mauritius is still perceived as a tourist and exotic destination.

The modalities of the mission comprised:

- Participation and Sponsorship to HKTDs flagship Summit held in Hong Kong
- Business Forum in Singapore
- Highly targeted one-to-one meetings in Hong Kong and Singapore.
- Round table sessions in Hong Kong and Singapore.

### AUSTRALIA

A promotional mission was organised in Australia from the 28<sup>th</sup> of October to the 1<sup>st</sup> of November 2019.

The objectives of the mission entailed the following:

- Participation and sponsorship at the International Mining and Resources Conference (IMARC)

- One-to-one meetings with investors and professionals in the financial services sphere, notably law firms, fund managers, private portfolio managers, tax advisors and accountancy firms, amongst others

### CHINA

China remains a key market for Mauritius and to further showcase Mauritius as a jurisdiction of choice to the Chinese Investing Community, the EDB led a mission to China from the 11<sup>th</sup> of November to the 15<sup>th</sup> November 2019. The modalities of the mission were as follows:

- Participation and Sponsorship to the China Offshore Summit Shanghai
- Highly targeted one-to-one meetings in Shanghai and Beijing
- Closed-Door Working Session in Beijing

Furthermore, the EDB conducted highly targeted one-to-one meetings with law firms, multinational corporations and state-owned companies to discuss the opportunities available to Chinese companies in structuring their investment through the Mauritius IFC for Africa-bound operations.

### SOUTH AFRICA

The EDB organized a mission in South Africa held from the 2<sup>nd</sup> of December to the 4<sup>th</sup> of December 2019. The modalities of the mission were as follows:

- Participation to the Super Return Africa Conference held in Cape Town
- One-to-one meetings during the conference.

The prime purpose of participating in the Super Return Conference was to keep the momentum in order to ensure the continuous visibility of Mauritius as an International Financial Centre of choice.

### UNITED KINGDOM

The EDB mission leveraged on the Hon. Prime Minister's participation to the UK-Africa Investment Summit.

The mission comprised the following four limbs:

- A Roundtable Session facilitated by Invest Africa;
- Participation to the UK-Africa Investment Summit;

- Participation to the Sustainable Infrastructure Forum; and
- Highly targeted one-to-one meetings with prospective investors and UK based operators.

The objective of the mission was to showcase the key attributes of the Mauritius IFC to the London investing community

### BUILDING BLOCKCHAIN BRIDGES - CONNECTING CONTINENTAL FINTECH HUBS

A half-day workshop was organized in collaboration with the Swiss Blockchain Federation. The event had as objective to strengthen the collaboration between Switzerland and Mauritius in the field of fintech and blockchain.

### WEBINAR

Due to the Covid-19 Pandemic, the EDB has moved towards digital promotion including webinars and e-meeting for the financial year ending 2020 and in the aftermath of the EU blacklist the EDB participated in two webinars focusing on the:

- Initiatives of Mauritius so far (addressing the FAFT deficiencies, lobbying, communiques etc);
- Legitimacy of the list, lack of consultations and the unilateral adoption of the methodology used;
- The future steps being undertaken to be removed from the lists; and
- Update as progress being made.

### 1. REGULATORY SANDBOX LICENSE

The Mauritian FinTech industry gained momentum in 2016, when the Regulatory Sandbox Licence (RSL) for innovative activities for which there were no regulatory framework in Mauritius was instituted. The RSL under the aegis of the EDB offers the possibility for an investor to conduct a business activity for which there exists no legal framework, or adequate provisions under existing local legislation, within an enabling environment in Mauritius. The RSL is issued to companies willing to invest in innovative projects according to an agreed set of terms and conditions for a defined period.



During the year 2019- 2020 the EDB had registered 9 new applications, out of which the 5 Licences were issued. These projects include Initial Coins Offerings (ICOs), cryptocurrencies exchange platforms, digital wallets, crowdfunding platforms and blockchain enabled alternative securities platforms, blockchain based KYC systems and robo-advisory wealth management platforms.

## 2. PR INITIATIVES

Mauritius has severe reputation challenges based on adverse perceptions and lack of awareness about the IFC attractivity. Visibility of the Mauritius IFC, its compliance with international standards as well as its product offerings with deep specialization in certain financial services are not widely known. There is the need to position the Financial Centre as one which is strongly focused on growth rather than taxation. To this end, in the year under review, the EDB retained the services of international PR firm, Burson Cohn & Wolfe (BCW), to develop and implement a full-fledged PR and communication strategy. The key tasks comprised:

- Preparation, implementation and monitoring of a strategic communication plan for the Mauritius IFC in our key and emerging markets;
- Media outreach and monitoring;
- Public Affairs and Advocacy;
- Crisis management; Content development; and Social Media Strategy & Digital PR.

In addition to the above, during the same time, the EDB hired another PR firm, MSL India. The purpose was to implement a short crisis communication approach in the India market in the aftermath of the SEBI high risk issue, which entailed media monitoring, dissemination of the Media Statement and one on one Media interventions with specific critical media.



## REAL ESTATE & HOSPITALITY

The vibrancy of the real estate sector in Mauritius is underpinned by the unmatched diversity of segments it encompasses, namely:

- commercial real estate - development of shopping malls, duty free shops, commercial complex and MICE;
- office real estate - development of office spaces;
- smart Cities - creation of an environment-friendly working, living and leisure space and promotion of targeted economic activities while strengthening the industrial and service base;
- hotel real estate - development of resort and business hotels including the development under the Invest Hotel Scheme (IHS);
- industrial real estate - development of business and industrial parks; and
- residential real estate - development of residential properties under the Smart City Scheme (SCS), Property Development Scheme (PDS), Integrated Resort Scheme (IRS) and Real Estate Scheme (RES) established under the Economic Development Board Act.

During the six (6) months preceding the outbreak of COVID-19 (July to December 2019), the property market remained buoyant with all the fundamental metrics pointing to a healthy outlook. For the calendar year 2019, the real estate sector recorded domestic investment of MUR 33.8 billion (representing 35% of the total gross fixed capital formation) and foreign investment of MUR 16.1 billion (representing 76% of the total influx of foreign direct investment). The sector employed 75,000 people and directly contributed MUR 25.7 billion to the country's GDP, accounting for 5.9% of the national output.

### THE COVID FACTOR - RESILIENCE PUT TO TEST

As the human and business impact of COVID-19 began to unfold globally as of January 2020, the Mauritian real estate was not spared. Foreign direct investment (FDI) in the sector dropped by 42% for the first quarter of 2020 compared to the year-earlier period amid widespread lockdowns and travel restrictions that stalled investors' short-term capital deployment plans. Construction activities came to a grinding halt across the country for the most part of the second quarter.



Most of EDB's actions had to be promptly adapted to provide continued support to property developers and investors during this situation of disruption and uncertainty. For the period 01 March to 31 July 2020, EDB approved 185 applications for acquisition of residential property under the different schemes (IRS, RES, PDS and G+2 apartments) and 16 applications for acquisition of commercial property, altogether representing a total investment value of MUR 6.7 billion. A High-Level Committee was chaired by the Hon. Prime Minister on 10 July 2020 to expedite processing and approvals of 53 private investment projects worth MUR 66 billion. Bold and timely measures announced in the Budget Speech 2020-21 were swiftly implemented in a bid to revamp the attractiveness of the country as a preferred real estate destination to foreigners:

- the minimum investment amount for a Residence Permit in a regulated scheme (IRS/ RES/ PDS/ SCS) has been reviewed downwards from USD 500,000 to USD 375,000;
- non-citizens holding a Residence Permit under a regulated scheme (IRS/ RES/ PDS/ SCS) no longer require an Occupation Permit or a Work Permit to invest and work in Mauritius; and
- non-citizens holding an Occupation Permit, a Residence Permit as Retired Non-Citizen, a Residence Permit under the IRS, RES, PDS and IHS or a Permanent Residence Permit may acquire, on or before 30 June 2022, one plot of serviced land not exceeding 2,100 m<sup>2</sup> for residential purposes in a smart city project.

#### NAVIGATING THE PATH TO RECOVERY

The real estate market has yet to show signs of rebounding from economic shutdown and no one knows how persistent and far-reaching the impacts of covid-19 pandemic will be.

Nonetheless, it is comforting to note that construction works have already resumed in more than 95% of the real estate projects post lockdown. High-level facilitation meetings are being held on a regular basis with the different stakeholders (promoters, and relevant ministries and authorities) to address and resolve bottlenecks impeding the implementation of delayed projects. Moreover, feedbacks from property developers and investors alike signal a sustained interest in the residential real estate segment as buyers eagerly await reopening of borders to sign their deeds of sale and take ownership of their residential properties.

Interestingly, Smart Cities have the potential to propel post-pandemic economic recovery by emerging as hubs that would be focal points of opportunity, growth and innovation. Throughout history, hubs have been the main engines of global economic growth and development. Firms locate where skills, capabilities and markets cluster. Therefore, it is crucial for smart cities to be able to form collaborative linkages and help Mauritius to again re-invent itself, this time from an industrial country into a high-tech, service-based economy. There are presently 11 smart city projects, of a total land area spanning over 4000 arpents and a total project value of MUR 195 billion, issued with a Smart City Certificate by the EDB under implementation.



## MANUFACTURING NEW INDUSTRIES (MNI)

Advancement in technology, changing consumer preferences, demographics, digitalisation are shaping the future of the manufacturing sector. With a view to better address the key challenges faced by the manufacturing industry the focus has been put on further diversifying the industrial base into moving into high value-added manufacturing activities.

It remains an undeniable fact that the production of high value-added goods provides for high growth opportunities and contributes to increasing its export potential. Priority sub-sectors which are currently being given due attention by the Manufacturing (New Industries) cluster include pharmaceutical, medical devices, high precision engineering, jewellery, light engineering (metal and non-metal fabrication), printing & packaging, paints and chemicals and electronics. It is estimated that MNI sectors represent 36% of the manufacturing share of total GDP.

In the recent National Budget 2020/21, the Minister of Finance, Economic Planning and Development highlighted the imperatives of reviewing strategies and priorities in the face of the prevailing global crisis and the need to come up with new projects that will boost the Mauritian economy. To this effect, the following measures to boost investment and trade in the manufacturing sector were announced:

- Investment Tax Credit of 15% per year (i.e. 45% over three years) for investment in high-tech manufacturing equipment
- Waiver on fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories and food processing plants
- Margin of Preference of 20% on public purchases to all local manufacturing companies and 30% for manufacturing SMEs
- Refund of 40% on Air Freight Cost for export to Africa (including Madagascar), Australia, Canada, Europe, Japan, Middle East Countries and USA for all products manufactured in Mauritius except machineries, live animals and chemicals - valid from 1st July 2020 to 30th June 2022
- Freight Rebate Scheme of 25% (up to USD 300 per 20ft container) for exports to 19 countries (47 ports) in Africa

For the period June 2019 to July 2020, four targeted trade and investment promotion missions were conducted in countries where Mauritian products have a competitive advantage and whereby Mauritius could position itself as a competitive value-adding platform for exports. The EDB participated in international trade shows such as Jewellux, Compamed, Eclad'Or and Inhorghenta which were held in Europe and South Africa.



In 2019, foreign direct investment to the tune of Rs 362 million were recorded for the manufacturing sector. It must be pointed out that several expressions of interests from promoters for investment in the manufacture of high value and high-tech products have been received and these projects are currently being facilitated by the EDB. In 2019 Aluminium Hitech Profile Ltd, a Chinese based company engaged in the manufacture of aluminium rods and bars successfully implemented its projects. The company has invested nearly MUR 150 M for the setting up of its manufacturing plant at Ile D'Ambre and currently employs 50 workers. The aluminium rods and bars produced are sold on the local market and exported to countries in the Indian ocean region and Africa.

With a view to enable Mauritius to move towards manufacturing of high value-added activities Government is providing a package of incentives to encourage further investment in this sector. The EDB is facilitating the setting up of Aegle Pharma Ltd which will be manufacturing pharmaceutical products in Mauritius. The projected investment is around MUR 260 M and the company expects to generate employment to some 100 people. The company has already secured land on long-term lease at the Pharmaceutical and Life Science Park in Rose-Belle.

It worth highlighting that with the current COVID-19 pandemic situation worldwide and closed borders in many countries including Mauritius, the implementation of several investment projects have been delayed. For instance, GR Global Ltd, which will engage in the manufacture of tracking (GPS) devices, security cameras, access control devices and biometric authentication equipment security amongst others, is expected to start operations as soon as the borders are opened. Investment to the tune of MUR 40 M has already been made by the promoter.

The MNI cluster is also supporting the implementation of Partnering Robotics Ltd (PRL) which is wholly owned by Partnering Technologies SAS, located in France and is engaged in the manufacture of AI components and assembly of service robots. Together with a production line, the company is also expected to have an R&D department which will develop new applications to enlarge the capabilities and functionalities of the robots. The company is expected to invest MUR 20 M for the first phase of the project and its employees will be trained in France.

Other manufacturing projects which are being followed by the MNI cluster and which are expected to kickstart operations following opening of borders include Global Steel Ltd for the manufacturing of steel bars, Euro Casting Ltd for the production of low cost thermo mechanically treated (TMT) steel bars and Advance Oil Ltd for recycling of waste oil to produce fuel oil for industrial burners and lubricants. Investment for these three projects are expected to amount to around MUR 800 M and approximately 150 jobs will be generated.

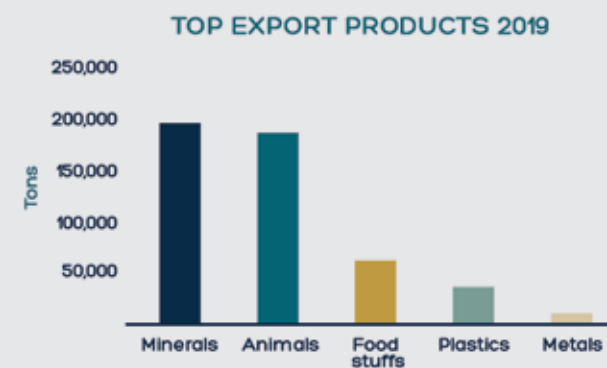
As part of its export promotion strategy and following the successful outcome of the first edition, the EDB embarked on a capacity building programme for the jewellery sector in October 2019. This initiative was aimed at reinforcing the capabilities of Mauritian jewellery manufacturers to keep up with international trends and improve their export readiness. The programmed comprised enterprise audits by a foreign expert in jewellery, a trend workshop whereby participants were apprised on the latest international trends that are shaping the jewellery sector as well as the tools, techniques, design, market changes and growth of branded products and finally a technical workshop on window dressing.



## FREEPORT & LOGISTICS

The continued development of Mauritius Freeport infrastructure and projects spurred the economic activities of this sector with trade volume rising from 347,000 tons in 2013 to 517,000 tons in 2019 and trade value from MUR 23 billion and to MUR 29 billion in the respective period.

Figure 1 below shows the top products exported through the Mauritius Freeport for the period 2019:



In 2019, the top products exported in terms of volume through the Mauritius Freeport were mainly mineral products, live animals and animal products, foodstuffs, plastics & articles, based metals & articles, chemicals, among others.

Currently, there are 8 Third Party Freeport Developers, 3 Private Freeport Developers and 220 Freeport operators operating business activities which represents over 3,800 direct jobs within the Mauritius Freeport.

### IMPACT OF COVID 19 ON THE FREEPORT SECTOR

The year 2020 has significantly impacted the world, regional and local economy due to COVID-19 outbreak and is the worst crisis over the last 25 years.

Despite the current international economic crisis, the Third Party and Private Freeport Developers have maintained several freeport projects and committed investments for Freeport infrastructural developments at the Port and Airport to the tune of MUR 2.6 Billion as investment.

DECATHLON, the sporting goods retailer has chosen the Mauritius Freeport Development Ltd as logistics provider for their distribution in the region. New Third Party Freeport Developer's zones have been proclaimed at the airport and Riche Terre over 10 Ha which include the Mauritius Freeport Development Ltd and Mauri China Freezone Development Ltd.



## CONTINUOUS FREEPORT INFRASTRUCTURAL DEVELOPMENTS

The Freeport infrastructural developments at the Port, Airport, Jin Fei and Riche Terre Business and Industrial Park in Mauritius are as follows:

### 1. ONGOING PROJECTS:

#### (I) MAURITIUS FREEPORT DEVELOPMENT (MFD) CO LTD

MFD will develop and manage logistics infrastructure, built by a property developer, over an extent of 49,220m<sup>2</sup> of land will consist of warehousing and logistics facilities over 26,000m<sup>2</sup>.

#### (II) MAURI CHINA FREEZONE DEVELOPMENT (MCFD) LTD

MCFD will build, develop and manage Freeport infrastructure to provide the following facilities to freeport and local companies: office spaces, dry warehousing (EU standard), loading bay, bulk storage, cold room and open yard storage over 50,651 m<sup>2</sup> of land.

#### (III) MFD SKY LTD

MFD Sky Ltd will build, develop and manage Freeport and logistics infrastructure at the Airport over 13,362.84 m<sup>2</sup> of land. MFD Sky Ltd, as Third-Party Freeport Developer, will provide warehousing, industrial and office facilities for Freeport and local companies.

#### (IV) LES MOULINS DE LA CITÉ

Les Moulins de la Cité Ltée will build, develop and manage additional warehouses of 6000 m<sup>2</sup> over an extent of 10.7 ha of land near the Port area.

### 2. FUTURE PROJECTS:

#### (I) UNITY LOGISTICS LTD

Unity Logistics will construct a warehouse of 8900 m<sup>2</sup> comprising of cold room, chilled room and dry warehousing facilities near the Port area.

#### (II) CHANTIER NAVALE DE L'Océan INDIEN

Chantier Navale de L'Océan Indien (CNOI) has built and developed infrastructural facilities over an extent of 3.7 ha for ship repairs, building and maintenance near the Port area. CNOI has in its expansion plan an additional plot of land over 11393 ha to be developed as Freeport status.

## (III) FROID DES MASCAREIGNES

FDM has invested in Freeport infrastructure within Freeport zone 8 and 21 for state-of-the-art cold storage, fish processing and sorting rooms facilities and built up 338 m of quay facility to accommodate large refrigerated vessels. FDM will develop 3 additional cold rooms and fish sorting facilities over an extent of land over 2,379.82 m<sup>2</sup>.

### QUICK FACTS ON THE FREEPORT

	2018	2019
No. of Active Operators	212	220
No. of New Licenses	23	19
Annual Trade Volume in Tons	542,679	517,318
Annual Trade Value (MUR- Billion)	44,049	29,760
Net Employment	3500	3500
Contribution to GDB (Freeport) %	0.6	0.6

### GLOCALIZATION: RE-ENGINEERING REGIONAL TRADE

The Ministry of Finance, Economic Planning and Development in collaboration with the Economic Development Board organized a brainstorming session on 8th September 2020 chaired by the Minister of Finance, Economic Planning and Development with the participation of over 20 stakeholders comprising representatives of both public and private sector;

Glocalization is a combination of the words "globalization" and "localization". The term is used to describe a product or service that is developed and distributed globally, but which is also adjusted to suit the user or consumer in a local market.

This concept is mostly used to adapt the products of multinational companies to a particular culture or geography. A common example would be cars sold around the world but tuned to meet local criteria such as emissions standards or which side is the steering wheel among others. It could also focus on more cultural aspects, such as a geographically specific global food chain catering to local and regional tastes.

This new business concept is centered on a regional strategy aimed at strengthening our collaboration with the neighboring countries closest to the Indian Ocean and East Africa.

Mauritius aligns with the African Union strategy through the AfCFTA the "African Continental Free Trade Area" to accelerate intra-African trade and strengthen Africa's trade position in the world market.

As a result, several challenges must be addressed such as improving connectivity and attracting more multinational companies to set up in Mauritius Freeport, which will allow the development and integration of value chains at the regional and international level. To this end, the EDB collaborates with other institutions on the following points:

Promote and revitalize the free port sector as follows:

- As a first step, authorize free port developers, logistics service providers to provide rental industrial spaces dedicated to manufacturing activities. These manufacturing companies will not benefit from the tax incentives and benefits required under the free port regime, and thereafter;
- Approach the global organizations of the WTO and the European Union to find possible solutions according to their requirements and principles taking into account the global economic situation faced during Covid 19 in order to reintroduce manufacturing activity under the Free Port regime and hence attract more value-added activities under Industry 4.0, High-precision Engineering, Robotics, Electronics, Automotive, Aeronautics among others .





## PR & COMMUNICATION INITIATIVES

### INFLUENCER MARKETING

The EDB explored avenues of collaboration with key online influencers in view of producing and distributing a video. 'Nas Daily', a specialist in the creation of fast paced, energetic videos with a pool of 25,924,840 followers worldwide delivered a three-minute video titled 'The Island That Beat Covid 19' showcasing the Mauritius success story in managing the pandemic and boosting economic recovery. The video was disseminated on Nas Daily's social media platform and gained a combined +15 million views in less than two weeks. This initiative has been embraced and welcomed positively by the social media audiences.

### ENHANCING THE VISIBILITY OF MAURITIUS AND THE EDB ON SOCIAL MEDIA PLATFORMS

Due to the ever-changing online digital technology landscape and the new challenges posed by the Covid-19 pandemic, EDB digital platforms and online ecosystem are being optimized and consistently maintained to meet the expectations of investors, local entrepreneurs, and the international investing community.

This digital transformation strategy aims at consolidating our presence and increasing our reach one of most popular digital platform, that is Facebook (12,000 followers on EDB's Facebook's page)

and at the same time tap into other social media networks (e.g. YouTube, Instagram, Twitter, WhatsApp, LinkedIn, amongst others) in view to ensure maximum visibility and good reputation. The objective aims at obtaining wider recognition and understanding of the operations of the EDB amongst all identified stakeholders, both in Mauritius and internationally.

### THE ECONOMIST

Mauritius has emerged as a successful country which has been able to manage the COVID-19 pandemic with the implementation of a series of steadfast, decisive, and bold measures to tackle this crisis. The country has been acclaimed by leading research organizations and international media for its coordinated and timely response.

In this perspective, to restore confidence and trust amongst the international investing community, the Economic Development Board participated in the special feature entitled 'The Mauritius Campaign' in the Economist. In line with its mandate to boost the visibility of the Mauritius as an attractive investment and business centre, a competitive export platform as well as an International Financial Centre of substance, the EDB inserted two full-page advertisements in The Economist. This special edition also featured a promotional cover wrap and a two-page editorial by the Honorable Prime Minister, Pravind Kumar Jugnauth.



## PROMOTING OUTWARD INVESTMENT

The impact of COVID-19 pandemic in 2020 has seriously curtailed the flow of FDI worldwide. According to UNCTAD World Investment Report 2020, global FDI is forecasted to decrease by up to 40% from USD 1.54 trillion recorded in 2019 with the consequential effects of FDI plummeting below USD 1 trillion for the first time since 2005.

In 2019, FDI flows to Africa declined by 10% to USD 45 billion inhibited by the dampened demand for commodities. FDI flows to Africa are forecasted to fall by 25%-40% in 2020. The negative trend will be exacerbated by low commodity prices and worsening economic slowdown.

### FOREIGN DIRECT INVESTMENT TO AFRICA (USD BILLION)



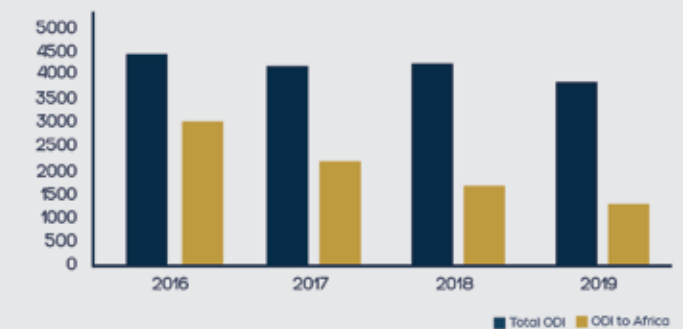
Source: World Investment Report 2020

The challenges of lockdowns and countries facing economic recessions as well as the geopolitical and financial risks and continuing trade tensions aggravate the current situation of looming uncertainty and thus the FDI outlook looks bleak.

### OUTWARD INVESTMENT

Outward Investment in 2019 declined by 10.5% in 2019 from USD 98 million in 2018 to USD 88 million last year. Africa remains the preferred outward investment destination for Mauritian domestic companies.

### OUTWARD DIRECT INVESTMENT (MUR MILLION)

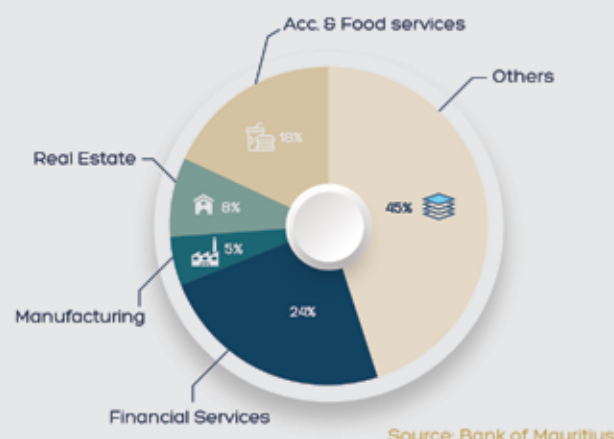


Source: Bank of Mauritius

Gross Direct Investment abroad by sector were directed mostly to the Financial Services and Insurance Activities (24%) and Accommodation and Food Services Activities (18%).

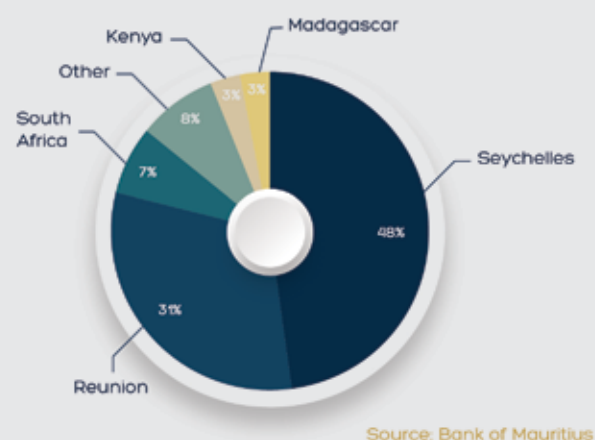


## OUTWARD DIRECT INVESTMENT BY SECTOR (%)



In 2019, Direct Investment to Africa totalled USD 30 million amounting to 34% of the total ODI. Nearly 80% of the Outward Investment flows to Africa were directed to Reunion Island (USD 9.3 million) and Seychelles (USD 14 million).

## OUTWARD DIRECT INVESTMENT TO AFRICA (%)



## AFRICA STRATEGY POST COVID 19

The world is enduring an unprecedented challenge to combat the widespread transmission of COVID-19 that has infected every continent. This virus has transgressed frontiers and recent figures are alarming. There are growing concerns as the death toll is still climbing and there is a gloomy shadow of global uncertainty amid fears of continuous propagation of the virus.

The ensuing socio-economic consequences and challenges are momentous. The world economy will undoubtedly slowdown as businesses globally are profoundly impacted by the pandemic.

Mauritius has been successful in combatting the pandemic thanks to the strict sanitary measures taken by the Government. However, COVID-19 has had an adverse economic impact on our economy estimated to contract by around 12-15% by end of 2020.

We are being forced to review our way of doing business as much as our way of living. While we have been able to weather the storm to a large extent, our traditional economic partners are still facing the brunt of the crisis. As lockdowns and job losses have restricted severely the purchasing power of consumers in Europe, USA amongst others.

In view of reviving the economic transition to a post-COVID 19 era, the focus will be on assessing the efficiency and effectiveness of our trade agreements and the need to adopt the Glo-Localisation strategy to re-engineer regional trade. The coming into operation of the Africa Continental Free Trade Agreement (AfCFTA) in 2021 will undoubtedly be a driver to boost intra-continental trade. Besides, Mauritius can also leverage on the bilateral agreements with India (CECPA) and China (FTA) to position itself as the conduit for investment and as a trade platform for Africa.

Adopting the Glo-Localisation strategy will enable Government to establish supply security, boost regional trade, reduce trade deficits, and increase the inflow of foreign exchange. In the short to medium term, the strategic thrust will be to strengthen economic diplomacy with African states and accelerate regional trade and cooperation. Priority actions will include:

- Setting up a Distribution Centre in East Africa
- Enhancing Connectivity with Africa: Cargo Services by Air & Sea
- Adopting a Regional Import Substitution Strategy
- Ratifying and implementing the Cape Town Convention & Intellectual property
- Promoting Professional services and other services such as Trade Financing, Skills Development & Arbitration

## SUMMARY OF ACTIVITIES



## PROMOTIONAL ACTIVITIES - FINANCIAL YEAR 2019/2020

Promotional activities	Description	Date
Business Forum	Business Forum "Maximising Investment Impact in Africa, Together" by GIBS-University of Pretoria, KIP Center for Leadership and the EDB during the Harvard Business School- 'Senior Executive Program-Africa' (SEPA)	Mauritius, August 2019
	Africa Growth & Opportunity Act (AGOA) Forum: Addressing the current challenges to the US-Africa trade relations and the AGOA post-2025 challenges to the Mauritius apparel industry.	Cote d'Ivoire, August 2019
Conferences and Missions	SOURCE 21 COMESA High-Level Business Summit under the theme "Hallmark of Quality". The delegation was led by the Acting President of the Republic H.E. P. Vyapoory and saw the participation of 10 local companies.	Kenya, July 2019
	Foire Agro Commercial & Industrial Maputo (FACIM). EDB led a delegation comprising 7 Mauritian companies.	August/ September 2019
	Wave Madagascar: Conference on Tourism & Transportation Industry.	Madagascar, September 2019
	Participation in the 8th Edition of the "Journées Nationales Promotionnelles des PME's" themed "Les TIC et le développement des PME's : enjeux, défis et stratégies"	Cote d'Ivoire, September 2019
	Technical Mission to Madagascar: Moramanga Textile City Special Economic Zone.	Madagascar, December 2019
Market Survey	Market survey in Tanzania & Zanzibar as part of the market diversification strategy and tap on the East African market.	Tanzania & Zanzibar, February 2020
Bilateral Cooperation	1st Session of the Mauritius-Mozambique Joint Permanent Commission of Cooperation (JPCC). Discussions on various areas of cooperation, including: Energy, Port Connectivity and Related Infrastructure, Capacity Building, Legal Cooperation, Maritime Security, Combating Drug Trafficking and other Unlawful Acts, Financial Services and Fintech, Tertiary Education and Research, amongst others took place.  The JPCC culminated with the signature of the MoU on Cooperation in Liquefied Natural Gas between the State Trading Corporation (STC) and Empresa Nacional de Hidrocarbonetos (ENH), the national oil and gas operator of Mozambique, to provide the basis for collaboration in this venture.	Mauritius, August 2019

Webinar	Shaping a New Era of Partnership with Côte D'Ivoire: The Webinar followed an ICT sector export of Services mission in Cote d'Ivoire, held in May 2019. The webinar provided a platform to Mauritian companies to present their innovative solutions with the opportunity of expanding their network and engaging into new partnerships with Companies in Cote d'Ivoire	Mauritius, 26 November 2020
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## DOING BUSINESS

### DOING BUSINESS - SETTING THE FOUNDATION FOR A NEW AND THRIVING BUSINESS ENVIRONMENT

The role to ensure that Mauritius offers a conducive business environment is anchored in the Economic Development Board Act. For the past years, the EDB has been a staunch advocate of deep structural reforms and has spearheaded landmark projects in that respect. However, the Covid-19 pandemic has elicited the need for further reforms of our doing business framework. The national lockdown during the Covid-19 period has stress tested our public administration. Whilst some of our institutions fared well with remote working facilities, the limitations of others emerged. These have naturally led to a rethinking of our reform strategies, resulting in a strong belief that the adoption of modern technology is the lifeblood for a more resilient and efficient public administration.

### WORLD BANK'S EASE OF DOING BUSINESS REPORT 2020

In October 2019, the World Bank's flagship Doing Business publication ranked Mauritius 13th out of 190 economies for ease of doing business.

The country progressed by 7 places in just one year and at same time recording its best positions in 6 out of 10 indicators, since the existence of the index, namely in Dealing with Construction Permit, Getting Electricity, Registering Property, Paying Taxes, Enforcing Contracts, and Resolving Insolvency.

### DIGITALISATION OF PUBLIC SERVICES

#### 1. NATIONAL ELECTRONIC LICENSING SYSTEM

During the Financial Year 2019/2020, EDB continued the on-boarding of licenses on the National Electronic Licensing System (NELS). Applications for EIA/PER and Morcellement Permit were added onto the system. As planned, additional licences and permits issued by the Mauritius Revenue Authority, Mauritius Qualifications Authority, Mauritius Fire and Rescue Service and other agencies shall on-board the platform in a phased manner.

The platform reached over 10,000 registered users and 800 Government officers. Around 26,000 applications for processed on NELS with respect to 7 permit types. Following the 24/7 objectives set out, it is to be noted that 34% of applications were submitted outside office hours. 17% of logins by agency officers were registered outside office hours, bearing testimony of the accessibility of government services anytime and from anywhere.

### 2. FURTHER DIGITALISATION

EDB worked closely with the Ministry of Finance, Economic Planning and Development and other Government institutions to define the need for further digitalisation of public services. Through the National Budget 2020/2021, some of the upcoming initiatives were announced. These include:

- An Integrated Single Window for Trade
- A Maritime Single Window for Vessel Clearance
- The Corporate and Business Registration Department (CBRD) becoming the central repository for business information and licenses
- A new Land Administration and Valuation Information Management System (Cadastre)
- Automation of services of the National Land Transport Authority (NLTA), including setting up of a one-stop shop facility at the Registrar General's Department for registration of Motor Vehicles
- Online submission and registration of deeds by notaries, banks, insurance companies, and others.
- Implementation of a Centralised e-KYC by the Bank of Mauritius.
- The development of further e-services platform by MRA for more efficiency and transparency.

### A NEW GENERATION OF REGULATIONS FOR DOING BUSINESS

In 2019/2020, with the financial assistance of the European Union, the EDB started a major regulatory review project. Agriconsulting Europe SA (AESA) has been appointed as consultant on this project. They are expected to undertake a review of the legal, regulatory, and institutional framework for doing business in Mauritius.

The second component for the project comprises an in-depth review of legislations for four (4) key sectors, namely:

- Land Use and Construction
- Trade & logistics
- Tourism
- Healthcare and Lifesciences.

The Third component of the project requires AESA to propose the best model for the setting up of a Single Licensing Agency in Mauritius.

The project has started already and consultations with stakeholders for the initial phase of the had been planned via video conferences amidst travel restrictions.

### PROMOTING GOOD REGULATORY PRACTICES THROUGH EVIDENCE-BASED RULE MAKING

Under the 'Improving the Business and Investment Climate Project, funded by the European Union, the OECD is assisting Mauritius in devising and setting up a Regulatory Impact Assessment (RIA) framework suitable for the Mauritian context. Following the 2019/2020 budget announcement, the project officially started in September 2019, with a first fact-finding mission led by the OECD to understand the law-making process in Mauritius and hold consultations with stakeholders.

A core group comprising of public and private sector representatives, as well as law makers, has been constituted to steer the project.

In December 2019, the OECD team submitted the first deliverable of the project, the 'Module 1 report', to the Government of Mauritius. This report provided an overview of Mauritius' rule-making processes and institutions; assessed the key strengths, challenges and related

- Needs, including in terms of skills, of Mauritius' rule-making system from the perspective of establishing RIA.
- In February 2020, the OECD led a second mission comprising a stakeholder workshop and a capacity building workshop.
- In July 2020, the OECD submitted its draft recommendations and a proposed action plan for establishing a RIA framework in Mauritius, including the governance structure to be instituted and the creation of a RIA oversight body. A workshop was held on 25th August 2020 via videoconference to present the draft recommendations and seek views from stakeholders. Peers from the Office of Best Practice Regulation (Australia), JurisApp-UTAIL (Portugal), Office of the Council of State (Thailand) intervened during the workshop to share their experience in establishing RIA in their respective jurisdiction.

The OECD project is scheduled to be finalised by end of 2020, with the submission of final recommendations to Government and a RIA handbook for Mauritius. A high-level conference is planned to present the results, followed by a 2nd capacity building session.



## THE WTO MULTILATERAL INVESTMENT FACILITATION FRAMEWORK

At its Ministerial Conference of December 2017 in Buenos Aires, 70 WTO members, recognizing the links between investment, trade and development, announced plans to pursue structured discussions with the aim of developing a multilateral framework on investment facilitation.

EDB has been working closely with the Ministry of Foreign Affairs, Regional Integration and International Trade and the Ministry of Finance, Economic Planning and Development on the proposed text of the framework. Mauritius has joined the WTO Joint Ministerial Statement on Investment facilitation for Development on 05 June 2020. EDB will be participating in the negotiations from September to December 2020.

## COMMERCIAL DISPUTE SETTLEMENT

EDB engaged with stakeholders in the judiciary to start work on potential reforms with a view to expediting commercial dispute settlement. In August 2019, a Steering Committee was set up, chaired by the Honourable Master and Registrar and comprising of representatives of the Mauritius Law Society, Mauritius Bar Council, Attorney General's Office, Law Reform Commission, the Official Receiver and private sector.

In October 2019, EDB fielded a technical expert from the World Bank to conduct a fact-finding mission, and recommendations have been obtained March 2020. Work is in progress with relevant stakeholders to agree on the way forward for implementing the recommendations.

## TECHNICAL ASSISTANCE FROM THE WORLD BANK

EDB also started work with the World Bank following the execution of a Reimbursable Services Agreement, on Insolvency Best Practices, Secured Transaction Reforms for movable assets based lending, and other doing business components.

## 1. IMPROVING THE SECURED TRANSACTIONS REGIME

The purpose is to improve access to credit to the private sector, particularly to micro, small, medium enterprises, by improving the legal and institutional frameworks governing secured transactions on movable property in Mauritius. The team has completed their legal assessment and consultations are on-going with key stakeholders remotely amidst the outbreak of the Covid-19 virus.

## 2. INSOLVENCY BEST PRACTICES

In the quest to align our insolvency framework with international best practices, the World Bank is also providing technical assistance to Mauritius in terms of Judicial Capacity Building, Insolvency Practitioners Continuing Professional Development, and reforms to the Insolvency Act 2009. A three-day workshop was held for judges of the Supreme Court and Commercial Division to discuss insolvency practices. The program inter-alia covered areas such as General Principles of Insolvency Reform, the role of the judge in connection to professionals, the use of Administration and Schemes of Arrangement in promoting restructuring of viable businesses in Mauritius, Cross Border Insolvency, Distressed Asset Investing and Investment Perspectives.

## NATIONAL BUDGET 2020/2021

EDB contributed significantly to propose business environment reform measures for the 2020/2021 national budget. In addition to the digitalisation strategy for public sector service delivery, the following measures were proposed by EDB and retained by Government:

- Review of cost and procedures for construction related permits
- Trade facilitation and review of port dues
- Alignment with best practices for protection of minority interests, insolvency proceedings
- Expediting start of businesses and VAT registration

In addition, the budget makes provision for the setting up of a Business Obstacles Alert Mechanism (BOAM) for businesses to report constraints faced in delivery of licences and permits. The BOAM will act as a single point of contact for the business community to register any business obstacle and responsible agencies will be notified. The BOAM will be monitored by the EDB and statistics collected will serve for policy formulation purposes.



# EXPANDING OUR GLOBAL PRESENCE

## GOSBU GLOBAL NETWORK

The Global Outreach Directorate plays a strategic role in delivering EDB's mandate, with prime objectives being FDI attraction, exports of goods and exports of services.

In line with the Economic Diplomacy initiatives of Mauritius, GOSBU operates a global network of 7 EDB overseas offices (France, India, Kenya, China, Japan, Singapore & South Africa) and 5 Counsellors (Economic) in USA, UK, Switzerland, Russia and Australia. The network of Investment and Trade Promotion professionals represents unparalleled global reach for promoting investment and trade initiatives.

## KEY ACTIONS

As the first contact point for on the ground Trade and Investment promotion globally, Global Outreach upholds and promotes Mauritius as a trusted, efficient and effective business platform to potential investors and additionally as a reliable sourcing destination and an attractive investment hub for Africa.

The various offices support several initiatives such as business forums, trade fairs, B2B networking events and coordinating the media coverage for doing business in Mauritius respectively.

## POST COVID - NEW NORMAL

Global Outreach also generated strategic business intelligence and market insights reports as well as facilitated market prospection initiatives for the export of special sugars. With the new normal imposed by COVID-19, Global Outreach, as an agile International Directorate of EDB, has accentuated the digitization of its outreach strategy through the organization of focused webinars and increased social media presence. The EDB website is also now available in English, French, Hindi, Russian and Mandarin and will be featured in Japanese, Arabic, Spanish and Portuguese in the near future.

## MARKET DEVELOPMENT OUTLOOK

In view of operationalising the various bi-lateral and multi-lateral trade agreements, GOSBU will establish strong and reliable network across core markets such as India, China and Africa, whilst maintaining the market diversification objectives for current key markets such as France, UK and South Africa. GOSBU will also work with the Mauritius Pavilion at the Dubai EXPO 2020 to consolidate economic ties with Gulf Countries. An e-directory and virtual platforms promotion export of goods and services will be launched as tools to reaching the appropriate channel developers and investors across the priority countries.





## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE

The Economic Development Board (EDB) is a statutory body set up under the Economic Development Board Act 2017.

Section 6 of the Economic Development Board Act 2017 provides that EDB shall be administered and managed by a Board, which shall consist of:

- a Chairperson, to be appointed by the President on the advice of the Prime Minister after consultation with the Leader of the Opposition;
- a Vice-chairperson, to be appointed by the Prime Minister; and
- not less than 6 and not more than 8 other members, to be appointed by the Prime Minister

The Economic Development Board Act 2017 also provides for the setting up of such subcommittee, technical committee or advisory council as may be necessary to assist the Board or the Chief Executive Officer in the discharge of their functions.

During the Financial Year 2019/2020, the EDB operated under the purview of the Prime Minister's Office until 18<sup>th</sup> November 2019. Thereafter, the Acting President of the Republic assigned the responsibility of the EDB under the portfolio of the Ministry of Finance, Economic Planning and Development.

On 13th March 2020, the Board of the EDB was reconstituted, with the nomination of a new Chairman by the President of the Republic, nomination of a new Vice-Chairperson, reconduction of 3 existing Board members, and the nomination of 5 new Board members.

EDB views Good Corporate Governance practices as an integral part of performance for enabling success. As a parastatal body wholly owned by Government, and falling under the aegis of the Ministry of Finance, Economic Planning and Development, the organisation is committed to fulfilling its mandate in a manner which is consistent with good governance practices, particularly accountability, transparency, responsibility and ethics.

### GOVERNING BODIES

The direction, control, and accountability of the business of EDB are vested in the Board.

Business is conducted in accordance with the provisions of the Economic Development Board Act 2017, other relevant statutory provisions, and the application of principles of good governance. All functions are exercised in good faith with due care and diligence, and in the best interest of EDB and its stakeholders.



## OUR BOARD OF DIRECTORS

The Board is responsible for the overall direction, strategy, performance, and management of the organisation. Authority for implementing the Board's policies is delegated to the Chief Executive Office within certain limits as authorised by the Board.

For the period 01st July 2019 to 13th March 2020, the Board was composed of the following members:

Name of board member	Function	Date of appointment
Mr. Joseph E. Charles Cartier (Chairman)	Delivery Centre Director Accenture Mauritius	20 <sup>th</sup> November 2017
Mr. Azim F. Currimjee (Vice-Chairman)	Managing Director, Food & Beverages Cluster, Currimjee Group & Managing Director, Quality Beverages Ltd	05 <sup>th</sup> December 2017
Mr. Dharam Dev Manraj (GOSK)	Financial Secretary Ministry of Finance and Economic Development	05 <sup>th</sup> December 2017
Dr. Alexandra Henrion-Caude	Directrice des recherches à l'Institut National de la Santé et de la Recherche Médicale (INSERM) et Présidente d'Eisenhower Fellows de France	05 <sup>th</sup> December 2017
Mr. Dipak Chummun	Chief Finance Officer IBL Ltd	05 <sup>th</sup> December 2017
Mr. Cedric de Spéville	Chief Executive Officer Eclasia Group	05 <sup>th</sup> December 2017 (Resigned on 03rd February 2020)
Dr. Shameem Fawdar	Scientific Director Axonova Ltd	05 <sup>th</sup> December 2017
Mr. Terence Charles Smith	Chief Executive Office Fundsmith	05 <sup>th</sup> December 2017
Mr. Rajiv T. Servansingh	Chairman MindAfrica	31 <sup>st</sup> August 2018

For the period 13th March 2020 to 30th June 2020, the Board was composed of the following members:

Name of board member	Function	Date of appointment
Mr. Hemraj Ramnial, CSK (Chairman)	Ex-Director Esquel Group of Companies	13 <sup>th</sup> March 2020
Mr Mohamad Issa Soormally (Vice-Chairman)	Managing Director Toukan Corporate Services Ltd	13 <sup>th</sup> March 2020
Mr Marday Venketasamy, GOSK	President Filao Ltee	13 <sup>th</sup> March 2020
Mrs Catherine Gris	Independent Non-Executive Director in the Boards of UBP, ENL, Trimetys and Cap Tamarin	13 <sup>th</sup> March 2020
Mr. Dipak Chummun	Chief Finance Officer IBL Ltd	13 <sup>th</sup> March 2020 (Reconducted)
Mr Premode Neerunjun	Permanent Secretary Cabinet Office Prime Minister's Office	13 <sup>th</sup> March 2020
Mr Mathieu Mandeng	Chief Executive Officer, Standard Chartered Bank (Mauritius) Limited	3 <sup>rd</sup> March 2020
Mr. Terence Charles Smith	Chief Executive Office Fundsmith	13 <sup>th</sup> March 2020 (Reconducted)
Mr. Rajiv T. Servansingh	Chairman MindAfrica	13 <sup>th</sup> March 2020 (Reconducted)
Mr. Kevin Louis Neil Obeegadoo	Strategy & Value Creation Specialist	13 <sup>th</sup> March 2020

## STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors of the Economic Development Board acknowledge their responsibilities for:

- Adequate accounting records and maintenance of effective control systems;
- The preparation of financial statements which fairly illustrate the state of affairs of EDB as at the end of financial year and the results of its operations and cash flows for that period and which comply with International Public Sector Accounting Standards (IPSASs); and
- The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The external auditor (i.e. the Director of Audit, National Audit Office) is responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- Adequate accounting records and an effective system of internal controls have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- Applicable accounting standards have been adhered to; and
- The Code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

## OPERATIONS OF THE BOARD

Meetings of the Board are scheduled in advance and Board papers are circulated before the meeting. In order to ensure a synergy between Management and the Board, Economic Development Board Act makes provision that the Chief Executive Officer is entitled to attend every meeting of the Board, except when the Board otherwise decides. This facilitates the implementation of policy decisions taken by the Board. The views and recommendations of the Board are also sought via e-circulation on operational matters, and subsequently ratified by the Board.

## BOARD COMMITTEES

During the period 01st July 2019 to 13th March 2020, the Board was assisted by 2 sub-committees.

## 1. THE HUMAN RESOURCE COMMITTEE

The following Board Members constituted the committee for the period:

- Mr. Azim Currimjee, Chairperson
- Dr. Alexandra Henrion-Caude, Member
- Mr. Cedric de Spéville, Member (Resigned from the Board on 03rd February 2020)

## 2. THE AUDIT COMMITTEE

The following Board Members constituted the committee for the period:

- Mr. Terence Charles Smith, Chairperson
- Mr. Dipak Chummun, Member
- Dr. Shameem Fawdar, Member

Following reconstitution of the Board on 13th March 2020, the Board was assisted by 4 sub-committees.

## 1. THE HUMAN RESOURCE COMMITTEE

The following Board Members constituted the committee for the period:

- Mr. Mohamad Issa Soormally, Chairperson
- Mrs. Catherine Gris, Member
- Mr. Premode Neerunjun, Member

## 2. THE AUDIT COMMITTEE

The following Board Members constituted the committee for the period:

- Mr. Terence Charles Smith, Chairperson
- Mr. Dipak Chummun, Member
- Mr. Mathieu Mandeng, Member

## 3. THE IMPLEMENTATION AND MONITORING COMMITTEE

The following Board Members constituted the committee for the period:

- Mr. Hemraj Ramnial, CSK, Chairperson
- Mr. Mohamad Issa Soormally, Member



#### 4. THE STRATEGIC ECONOMY AND BUSINESS POLICY COMMITTEE

The following Board Members constituted the committee for the period:

- Mr. Mohamad Issa Soormally, Chairperson
- Mr. Marday Venketasamy, GOSK, Member
- Mr. Rajiv Servansingh, Member
- Mr. Kevin Louis Neil Obeegadoo, Member

Board Member Attendance to Meetings & Board Members' Remuneration for the period 01st July 2019 to 30th June 2020

Name of Board Member	Director's Fees (MUR)			Board Attendance (01st July 2019 to 30th June 2020)
	Board fees	Sub-committee Fees	Total fees	
Mr. Joseph E. Charles Cartier	1,090,323	-	1,090,323	Attended 4 meetings
Mr. Azim F. Currimjee	712,903	160,000	872,903	Attended 3 meetings
Mr. Dharam Dev Manraj (GOSK)	335,484	-	335,484	Attended 3 meetings
Dr. Alexandra Henrion-Caude	335,484	80,000	415,484	Attended 3 meetings
Mr. Dipak Chummun	480,000	107,000	587,000	Attended 7 meetings
Mr. Cedric de Spéville	280,000	-	280,000	Attended 2 meetings
Dr. Shameem Fawdar	335,484	80,000	415,484	Attended 2 meetings
Mr. Terence Charles Smith	480,000	214,000	694,000	Attended 5 meetings
Mr. Rajiv T. Servansingh	480,000	20,000	500,000	Attended 8 meetings
Mr. Hemraj Ramnial, CSK	469,677	54,000	523,677	Attended 4 meetings
Mr. Mohamad Issa Soormally	307,097	121,000	428,097	Attended 4 meetings
Mrs. Catherine Gris	144,516	27,000	171,516	Attended 4 meetings
Mr. Mathieu Mandeng	144,516	27,000	171,516	Attended 4 meetings
Mr. Premode Neerunjun	144,516	27,000	171,516	Attended 3 meetings
Mr. Kevin Louis Neil Obeegadoo	144,516	20,000	164,516	Attended 4 meetings
Mr. Marday Venketasamy, GOSK	144,516	20,000	164,516	Attended 4 meetings
<b>TOTAL</b>	<b>6,029,031</b>	<b>957,000</b>	<b>6,986,031</b>	

#### THE MANAGEMENT

The remuneration for the key management personnel of EDB amounted to MUR 55,911,239 for the period 01st July 2019 to 30th June 2020.

#### OUR EMPLOYEES

The main and most important asset of EDB is its human capital and the collective knowledge of all its staff. Accordingly, EDB is shaped to become a conducive environment where each employee is efficient, committed, and motivated.

In light of creating more fairness, equity and transparency, a Human Resources Committee has been set up where HR issues are discussed in all fairness.

EDB has a concise Recruitment and Selection Policy whereby best talents are recruited. Furthermore, EDB adopts a structured and transparent recruitment process to help the organization to integrate its employee-retention measures, thereby fostering positive growth for itself.

There are clearly defined HR policies and procedures within the organisation thus providing guidelines on employer -employee interaction, appropriate work behaviors, work schedules, employment laws, conflict resolution, disciplinary measures and health, and safety measures. These policies allow the employees to work together peacefully

During the 12-month period from July 2019 to June 2020, EDB recruited 33 officers while 8 officers resigned from their post in the organization.

#### REMUNERATION POLICY

We are an equal opportunity employer and we are committed to attracting and retaining the best people. We believe that our people are the source of our success. We aim at motivating and compensating them by providing a competitive salary package along with related benefits.

Priority in recruitment is given to employees within the organisation and selection is based on the principle of meritocracy.

We also welcome external candidates for job openings at all levels of the organisation, especially when and where specific skills and expertise are being sought.

The individual performance is regularly and objectively measured in line with agreed objectives in order to promote a performance culture while ensuring individual growth and development.

#### ETHICS

EDB honours its responsibility in providing an ethical and safe working environment for its personnel.

All EDB employees must adhere to stringent ethical standards and the highest level of professionalism at all times. As such every employee is informed to be cautious in whatever he does to avoid tarnishing the public image of the Organisation. Every employee is required to maintain a high level of civility and good orderliness and refrain from any conduct that may adversely affect or impair the name and good reputation of the Organisation; Every employee is required to behave towards his colleagues, staff, customers and the public in general with civility and respect; and without partiality or preference.

EDB is developing an internal Enterprise Risk Management system based on COSO framework which will include a handbook detailing all its policies and procedures.

EDB has subscribed to a medical insurance cover for its entire staff as well as 24-hour insurance cover in case of accidents for its entire staff.

EDB has developed a Human Resource Policy Manual that establishes the standard of conduct and ethics for its employees and provides guidance on employees' professional obligations.

EDB participates to the Public Private Partnership Against Corruption (PPPAC) committee set up by the Independent Commission Against Corruption (ICAC). This Committee is responsible for developing and coordinating the implementation of the anti-corruption initiatives and programmes across organisations in Mauritius. In line with its recommendations, EDB is developing an anti-corruption policy based on the ICAC's guidelines, which includes a Gift Policy which details the procedures to be followed in the handling of gifts.

#### SUSTAINABILITY

EDB is committed to promoting work practices that preserve the environment. Sustainability can only be achieved through a concerted effort to minimize impact on the environment. EDB promotes a work environment with minimal paper utilization by the revamping of the existing CRM system.

#### CORPORATE SOCIAL RESPONSIBILITY

The EDB Welfare Committee aims to create a bond of solidarity and a spirit of satisfaction among the staff members, which in turn enhances the organisation environment. The Welfare Committee builds a healthy and happy working environment and foster good relationships among the staff.

#### HEALTH AND SAFETY

EDB, in line with its commitment to providing and maintaining a healthy, safe and secure working environment recruited a Health and Safety Officer as required by Law. The key functions of the HAS include raising awareness of health and safety issues and ensuring that EDB personnel are aware of measures to be implemented and precautions to be taken to prevent workplace accidents and in improving the well-being of its staff. Moreover, as part of the post COVID-19 lockdown, the HSO has been actively involved with the HR Department and the Audit & Compliance Department in ensuring that the offices of EDB was appropriately sanitised and warning signage in place for guiding and informing employees and visitors about hygienic precautions.

EDB is keeping itself alert to protect its employees. Renewed attention is being given to safety procedures especially while receiving visitors from abroad as from reopening of borders.

#### INFORMATION SYSTEMS & TECHNOLOGIES MANAGEMENT

We are committed to a high level of project governance to ensure that resources allocated for Information Systems and Technologies are effectively managed to deliver recognisable benefits and value to our stakeholders.

Through the implementation of the National E-Licensing System under its mandate, the EDB has conducted several digital transformations initiatives with ministries and other government agencies. Numerous e-licensing projects have been successfully operationalised during the past 2 years, and additional projects with other stakeholders are in-progress and in the pipeline.

The EDB has migrated to cloud-based services in order to modernise and enhance its electronic communications systems, office automation and collaboration systems. A contact centre and a dedicated IT Helpdesk service have been setup to enhance customer services.



EDB ensures that Information Systems and Information Technologies are regularly reviewed, assessed, and re-engineered to support the organisation in achieving its corporate objectives and to enhance business facilitation with the National E-Licensing System for government agencies.

The ISO 27001 Information Security Management System (ISMS) and policies are being implemented at EDB to manage information security risks, and protect the confidentiality, integrity and availability of information assets of the organisation. The ISMS will be subject to ISO 27001 certification and audit upon completion of the implementation activities.

A Business Continuity Management System based on ISO 22301 BCMS standards is being elaborated to provide assurance of business continuity through on-line services, and to mitigate the impacts of eventual adverse and catastrophic situations.

## RISK MANAGEMENT

### INTERNAL RISK MANAGEMENT

#### INTERNAL AUDITS

Since December 2018 EDB has appointed BDO as internal auditor to provide independent assurance that the organisation's risk management and governance frameworks as well as its internal control processes are operating effectively. Internal audit is carried out through reviews on a quarterly basis.

#### ISO STANDARDS AND CERTIFICATION

EDB is preparing itself for ISO certification on two levels. First EDB will be seeking certification to ISO 9001:2015, and then ISO 31000 based on the COSO framework for Enterprise Risk Management.

### EXTERNAL RISK MANAGEMENT

#### ADOPTING AN ANTI-CORRUPTION POLICY

As part of its commitment to promote good governance, EDB forms part of the PPPAC which is responsible for developing a Public Sector Anti-Corruption Framework. This Anti-Corruption Framework is considered as the basic tool to entrench the principles of integrity, transparency and accountability in organisations.

The Anti-Corruption Policy sets the tone at the highest level of the organisation for a culture of integrity, and will be the implementation arm for the actions prescribed in the framework to fight against corruption.

The Anti-Corruption Committee is responsible for developing and coordinating the implementation of the anti-corruption initiatives and programmes within the organisation.

Corruption Risk Management activities have also been carried out in order to recognise and analyse any perception of corruption and develop remedial actions to minimise and manage those risks. These initiatives of the Economic Development Board further emphasises our commitment for a zero-tolerance culture against corruption.

## RELATED PARTY TRANSACTIONS

Related Party Transactions with respect to Board Directors amounted to MUR 6,986,031



# FINANCIAL STATEMENTS





# NATIONAL AUDIT OFFICE

## REPORT OF THE DIRECTOR OF AUDIT TO THE ECONOMIC DEVELOPMENT BOARD

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of the Economic Development Board, which comprise the statement of financial position as at 30 June 2020 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Economic Development Board as at 30 June 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs).

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Economic Development Board in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Economic Development Board, but does not include the financial statements and my auditor's report thereon.

## REPORT OF THE DIRECTOR OF AUDIT

**On the Financial Statements  
of the Economic Development Board  
for the year ended 30 June 2020**

**NATIONAL AUDIT OFFICE**



My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Economic Development Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Economic Development Board's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Economic Development Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Economic Development Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Economic Development Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

#### ***Management's Responsibilities for Compliance***

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Economic Development Board's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

#### ***Auditor's Responsibilities***

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;



- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Economic Development Board has been applying its resources and carrying out its operations fairly and economically; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Statutory Bodies (Accounts and Audit) Act**

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Economic Development Board has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to Economic Development Board.

Based on my examination of the records of Economic Development Board, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Board has not applied its resources and carried out its operations fairly and economically.

#### **Public Procurement Act**

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



**C. ROMOOAH**  
Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
PORT LOUIS

16 August 2021

#### **ECONOMIC DEVELOPMENT BOARD** **STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

		30-Jun-20	Restated 30-Jun-19
	Notes	MUR	MUR
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	74,154,582	225,484,391
Financial assets	5 (i)	250,000,000	325,000,000
Receivables	6	6,273,977	5,073,346
Other receivables	7	22,526,241	28,165,794
		<b>352,954,800</b>	<b>583,723,531</b>
<b>Non-current assets</b>			
Other receivables- Car loan	8	975,000	2,310,000
Investments		10,000	10,000
Property, plant and equipment	9	37,226,460	64,351,479
Investment property	10	54,347,904	30,651,250
Intangible assets	11	21,081,495	21,224,268
		<b>113,640,859</b>	<b>118,546,997</b>
<b>Total assets</b>		<b>466,595,659</b>	<b>702,270,528</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12	76,939,458	76,146,050
Employee benefits	13	5,728,837	4,824,928
Short-term car loan	8	675,000	1,044,750
		<b>83,343,295</b>	<b>82,015,729</b>
<b>Non-current liabilities</b>			
Payables	12 (i)	131,820	131,820
Employee benefits	13	143,137,404	108,562,498
Film rebate fund		196,540,397	421,117,364
Long-term car loan	8	975,000	2,310,000
		<b>340,784,621</b>	<b>532,121,682</b>
<b>Total liabilities</b>		<b>424,127,916</b>	<b>614,137,410</b>
<b>Net assets</b>		<b>42,467,743</b>	<b>88,133,118</b>
<b>NET ASSETS/EQUITY</b>			
Capital contributed by Government		79,782,000	79,782,000
General fund		(37,314,257)	8,351,118
<b>Total net assets/equity</b>		<b>42,467,743</b>	<b>88,133,118</b>

Approved by the Board of directors on 07 JUL 2021

Hemraj Ramnial, CSK  
Chairman

Mohamad Issa Soormally  
Vice Chairman

Namasivayan Poonoosamy  
Chief Executive Officer

The notes on pages 75 to 97 form an integral part of these financial statements.



**ECONOMIC DEVELOPMENT BOARD**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

			Restated
	Notes	30-Jun-20	18 Months ended
		MUR	30-Jun-19
			MUR
<b>Revenue</b>			
Revenue from non-exchange transactions	16	571,749,518	852,556,136
Revenue from exchange transactions	16 (i)	7,953,292	10,960,504
Interest income	16 (ii)	7,206,885	1,064,680
Other revenue	16 (iii)	399,551	1,537,600
<b>Total revenue</b>		<b>587,309,246</b>	<b>866,118,920</b>
<b>EXPENSES</b>			
Staff costs	17	235,002,446	303,258,883
Administrative expenses	18	73,132,288	94,762,957
Other administrative expenses	19	65,624,897	97,351,072
Promotion expenses	20	84,750,238	133,393,172
Capacity building	21	1,008,619	4,559,809
Refund schemes	22	124,614,674	209,004,139
Depreciation & amortisation		10,802,607	15,790,610
Finance cost		123,385	-
<b>Total expenses</b>		<b>595,059,154</b>	<b>858,120,642</b>
<b>(Deficit)/Surplus for the period</b>		<b>(7,749,908)</b>	<b>7,998,278</b>

The notes on pages 75 to 97 form an integral part of these financial statements.

**ECONOMIC DEVELOPMENT BOARD**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

		Restated
	30 Jun 2020	30 Jun 2019
	MUR	MUR
<b>Cash flow from operating activities</b>		
(Deficit)/Surplus for the year/period	(7,749,908)	7,998,278
<i>Non- cash movements</i>		
Depreciation & amortisation	10,802,607	15,790,610
Changes in accounting estimates	-	10,138,361
Refund of leaves Ex-FSPA	-	(207,571)
Employees retirement benefits	-	3,540,487
Interest received	(4,724,009)	(1,064,680)
(Decrease)/increase in payables	(911,343)	10,820,764
Increase in provisions relating to employee costs	(2,436,652)	16,099,480
Surplus on disposal of property, plant and equipment	1,251,768	1,903,231
Decrease/(increase) in trade and other receivables	5,773,921	(17,587,676)
Decrease in inventory	-	438,629
<b>Net cash flows from operating activities</b>	<b>2,006,384</b>	<b>47,869,913</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of property plant & equipment	29,988	703,838
Purchase of property, plant and equipment	(8,513,223)	(24,869,820)
Car loan paid to employees	(1,704,750)	(3,180,000)
Car loan reimbursed by employees	1,804,368	1,494,095
Interest received	4,724,009	741,763
<b>Net cash flows from investing activities</b>	<b>(3,659,608)</b>	<b>(25,110,124)</b>
<b>Cash flows from financing activities</b>		
Film rebate funds received	-	571,381,013
Film rebate paid	(224,576,967)	(150,263,649)
Car loan received from MOFED/PMO	1,704,750	3,180,000
Car loan refunded to MOFED/PMO	(1,804,368)	(1,494,095)
<b>Net cash flows from financing activities</b>	<b>(224,676,585)</b>	<b>422,803,269</b>
Net (decrease)/increase in cash and cash equivalents	(226,329,809)	445,563,058
Cash and cash equivalents at the beginning of the period	550,484,390	104,921,332
<b>Cash and cash equivalents at the end of the period</b>	<b>324,154,581</b>	<b>550,484,390</b>

The notes on pages 75 to 97 form an integral part of these financial statements.



**ECONOMIC DEVELOPMENT BOARD**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

EQUITY	Note	General Fund MUR	Capital contributed by Government of Mauritius * MUR	Total MUR
Balance as at 15 January 2018		25,409,316	79,782,000	105,191,316
Changes in accounting estimates	15	10,138,361	-	10,138,361
Remeasurement of employees retirement obligations	14 (i)	(35,194,837)	-	(35,194,837)
(Deficit)/surplus for the period		7,998,278	-	7,998,278
Balance as at 30 June 2019		8,351,118	79,782,000	88,133,118
Remeasurement of employees retirement obligations	14 (i)	(37,915,467)	-	(37,915,467)
(Deficit)/surplus for the period		(7,749,908)	-	(7,749,908)
<b>Balance as at 30 June 2020</b>		<b>(37,314,257)</b>	<b>79,782,000</b>	<b>42,467,743</b>

\*The capital contribution of Rs 79,782,000 by government relates to the investment in unquoted shares in "Ex-Enterprise Mauritius" amounted to Rs 79,782,000 for 79,782 shares of Rs 1,000 each at nominal value. Following transfer of the assets, rights, obligations and liabilities of "Ex-Enterprise Mauritius" to EDB on 15 January 2018 the equity participation is now treated as capital contribution by Government of Mauritius.

The notes on pages 75 to 97 form an integral part of these financial statements.

**ECONOMIC DEVELOPMENT BOARD**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Details	Budget 2019-2020 Approved by Board MUR	Additional MUR	Actual MUR	Difference MUR	Notes
<b>Compensation of employees</b>					
<b>Personal emoluments</b>					
Basic salary	137,740,000		137,509,658	(230,342)	27 (i)
Salary compensation	2,053,000		1,435,792	(617,208)	
Other allowances	1,290,000		1,866,570	576,570	
End of year bonus	11,500,000		11,301,009	(198,991)	
<b>Other staff costs</b>					
Travelling and transport	27,267,000		28,498,625	1,231,625	
Overtime	1,500,000		1,126,399	(373,601)	
Medical scheme/staff welfare	2,281,000		4,067,154	1,786,154	
Pensions (incl. Family Protection Scheme)	18,527,000		11,716,808	(6,810,192)	
Gratuity	11,090,000		18,228,692	7,138,692	
Refund of leaves	3,760,000		9,499,433	5,739,433	
Performance bonus	21,000,000			(21,000,000)	
Duty Remission	1,500,000			(1,500,000)	
Mobile phone allowance	200,000		175,334	(24,666)	
Passage benefits	4,276,900		6,694,170	2,417,270	
<b>Social contributions</b>					
Contribution to the National Pension Fund, Savings Fund &	2,180,000		2,882,804	702,804	
<b>Goods and services</b>					
<b>Cost of utilities</b>					
Electricity	3,700,000		2,970,717	(729,283)	27 (ii)
Telephone	6,500,000		6,967,462	467,462	
Water charges	24,000		18,086	(5,914)	
<b>Fuel and oil</b>					
Vehicles	1,100,000		823,575	(276,425)	
<b>Rent</b>					
Rental of building (inc. of syndic fees)	29,100,000		29,170,020	70,020	
Leasehold State land (Plaine Verte)	1,100,000		1,150,000	50,000	

Material differences are explained at note 27



**ECONOMIC DEVELOPMENT BOARD**  
**Statement of Comparison of Budget and Actual**  
**FOR THE YEAR ENDING 30 JUNE 2020**

Details	Budget 2019-2020 Approved by Board	Additional	Actual	Difference	Notes
	MUR	MUR	MUR	MUR	
<b>Office Expenses</b>					
Postage	65,000		79,759	14,759	
Office sundries	3,500,000		3,490,941	(9,059)	
<b>Maintenance</b>					
Vehicles and motorcycles	800,000		756,114	(43,886)	
IT Licenses, registration & other equipment, IT equipment	11,300,000		12,933,791	1,633,791	27 (iii)
Furniture, fixtures and fittings	150,000		306,395	156,395	
Buildings	250,000		479,403	229,403	
Cleaning of office premises	1,088,000		1,778,734	690,734	27 (iv)
Security services	629,000		305,792	(323,208)	
Printing and stationery	1,570,000		1,143,771	(426,229)	
Books and periodicals	450,000		69,407	(380,593)	
<b>Fees</b>					
Fees to Chairman and members of boards and committees	6,951,000		7,099,388	148,388	
Fees for training	1,500,000		1,464,966	(35,034)	
<b>Other goods and services</b>					
Country branding	30,000,000			(30,000,000)	27 (v)
Capacity building, advisory & consultancy	33,700,000		15,525,845	(18,174,155)	27 (vi)
Conferences/Seminars/Workshop	32,460,000		6,323,087	(26,136,913)	27 (vii)
Foreign office representative	24,499,000		30,236,402	5,737,402	27 (viii)
Running costs of e-licensing platform	10,300,000		8,687,576	(1,612,424)	
Overseas promotion/export market development support	137,780,000		48,521,559	(89,258,441)	27 (ix)
Uniforms	96,000		96,000	-	
Catering	900,000		72,485	(827,515)	27 (x)
Professional fees	5,124,000		4,303,566	(820,434)	
Investment/Digital Promotional Tool	1,800,000		3,760,629	1,960,629	27 (xi)
International advertisement	2,075,000		6,792,206	4,717,206	27 (xii)
Miscellaneous expenses/advertising	745,000		2,081,787	1,336,787	27 (xiii)
Insurance	1,150,000		988,689	(161,311)	

Material differences are explained at note 27

**ECONOMIC DEVELOPMENT BOARD**  
**Statement of Comparison of Budget and Actual**  
**FOR THE YEAR ENDING 30 JUNE 2020**

Details	Budget 2019-2020 Approved by Board	Additional	Actual	Difference	Notes
	MUR	MUR	MUR	MUR	
Other Registration & Membership of International	765,000		1,734,234	969,234	27 (xiv)
Sponsorship (Inc. Fintech Association)	500,000		8,067,708	7,567,708	27 (xv)
<b>Schemes &amp; others</b>					
Freight Rebate Scheme for Africa	15,000,000		14,634,721	(365,279)	27 (xvii)
Credit Guarantee Insurance Subs	2,000,000		165,663	(1,834,337)	
Support to Trade Promotion & Marketing Scheme	120,000,000		96,318,088	(23,681,912)	
Refund to SMEs for participation on fairs	20,000,000	5,000,000	13,496,204	(6,503,796)	
Participation in Dubai Expo 2020		2,000,000	2,231,648	(231,648)	
World Bank Technical Assistance on Strategic Planning		17,500,000		(17,500,000)	
World Bank Technical Assistance Doing Business Reforms		17,500,000	11,960,333	(5,539,668)	
<b>Acquisition of non-financial assets</b>					
<b>Capital Expenditure</b>					
Acquisition of IT equipment, software and IT infrastructure	5,000,000		4,416,476	(583,524)	
Installation of fire alarm & fighting system		2,279,545		2,279,545	27 (xvi)
<b>Total</b>	<b>759,835,900</b>	<b>44,279,545</b>	<b>586,425,673</b>	<b>(208,593,979)</b>	

Material differences are explained at note 27



## **ECONOMIC DEVELOPMENT BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### NOTES TO THE FINANCIAL STATEMENTS

#### **1 INCORPORATION AND ACTIVITIES**

The Economic Development Board (EDB) is a statutory body, established under the Economic Development Board Act 2017. Following the proclamation of the said Act, on 30 December 2017, the EDB came into operation as from 15 January 2018 and assets, rights, obligations and liabilities of Ex-Board of Investment, EX-Enterprise Mauritius and EX-Financial Services Promotion Agency have been transferred to Economic Development Board, as per section 43 of the Act. EDB operates under the eegis of Ministry of Finance, Economic Planning and Development.

The principal address of EDB is 10th Floor, One Cathedral Square Building, 16 Jules Koenig Street, Port Louis.

The EDB is responsible for trade and investment promotion and business facilitation. The objects of the Economic Development Board are:

- (a) provide strong institutional support for strategic economic planning and ensure greater coherence and effectiveness in economic policy formulation;
- (b) promote Mauritius as an attractive investment and business centre, a competitive export platform as well as an international financial centre;
- (c) act as the main institution responsible for country branding for investment promotion; and
- (d) facilitate both inward and outward investment and ensure a conducive business environment

#### **2 BASIS OF PREPARATION**

The principal accounting policies adopted by EDB are listed below:

##### **2.1 Statement of Compliance**

The financial statements of EDB have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) which is a Board of the International Federation of Accountants (IFAC). The financial statements comply in all materials respects with applicable IPSAS.

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board are applied

##### **2.2 Going Concern**

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis.

## **ECONOMIC DEVELOPMENT BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### NOTES TO THE FINANCIAL STATEMENTS

#### **2.3 Use of estimates and judgements**

The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

In the application of the EDB's accounting policies, management are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the estimate affects only that period or in the period of revision and future periods if the revision affects both current and future periods. Estimates include but are not limited to fair valuation of inventories, accounts receivables, accrued charges, contingent assets and liabilities, and degree of impairment of property, plant and equipment.

#### **2.4 Reporting Date**

Financial Statements have been prepared for the period 1 June 2019 to 30 June 2020.

#### **2.5 Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance, cashflows, and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements



**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**3 IPSAS ISSUED BUT NOT YET EFFECTIVE**

**3.1 IPSAS 41 Financial Instruments (effective date of January 1, 2023)**

IPSAS 41 Financial Instruments establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement.

**3.2 IPSAS 42 Social Benefits (effective date of January 1, 2023)**

IPSAS 42, Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk.

**4 ACCOUNTING POLICIES**

**4.1 Intangible Assets, Property, Plant and Equipment**

Items of Intangible assets and Property, plant and equipment are stated at cost less accumulated amortisation/depreciation. Costs include expenditure that are directly attributable to the acquisition of the assets. Amortisation/Depreciation is recognised in the Statement of Financial Performance using the following expected useful lives so as to write off the cost of intangible assets and property, plant and equipment on a straight line basis.

Intangible Assets	5 to 20 Years
Leasehold Land	26.5 Years
Buildings	50 Years
Furniture, Fixtures and Fittings	10 to 30 Years
Office Equipment	7 to 15 Years
Motor vehicles	5 to 12 Years
Computer System & Equipment	3 to 20 Years

**4.2 Functional and Presentation of Currency**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the EDB operates. The functional currency is Mauritian Rupee. Roundings have been done where applicable to the nearest rupee.

**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**4 ACCOUNTING POLICIES (Continued...)**

**(ii) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of EDB at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items are included in the statement of financial performance.

**4.3 Revenue Recognition**

The revenues are earned from exchange and non-exchange transactions and measured at fair value of consideration received or receivable.

**4.3.1 Government Grant**

Grants from Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the EDB will comply with all attached conditions.

**4.4 Expenses**

All expenses have been accounted on an accrual basis.

**4.5 Events after the Reporting Date**

There was no event after the reporting date as at 30 June 2020 that would materially affect the financial statements.

**4.6 Comparative Figures**

When an accounting policy is changed with retrospective effect, comparative figures are restated in accordance with the new policy.



**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**4.7 Retirement Benefit Obligations**

EDB operates both defined benefit pension and defined contribution pension schemes. Both schemes are managed by SICOM Ltd.

The present value of the defined benefit obligations is recognized in the Statement of Financial Position after adjusting the fair value of the plan's assets.

The net total of the current service cost, interest cost, expected returns on plan's assets, fund expenses, any recognized actuarial gains and losses and the effect of any curtailment or settlement is recognized in the statement of financial performance.

*(ii) State Pension Plan*

Contributions to the National Pension Scheme on behalf of temporary and contract employees are expensed in the statement of financial performance in the period in which they fall due.

*(iii) Family Protection Scheme*

This scheme is established by the Civil Service Family Protection Scheme Act.

Under this Act every public officer shall, from the date of his appointment, make a contribution to the Scheme at the rate specified in the Schedule, until he ceases to be a public officer and attains the age of 60 or optionally up to 65 years. On the death of the contributor, his surviving spouse and children are granted a pension at the rate specified in the Act. The pension granted ceases on the death of the surviving spouse or remarriage.

The Family Protection Scheme is managed by the State Insurance Company of Mauritius Ltd. The Organisation contributes 2 % and the employees contributes 2 % of their salaries to the Scheme.

The contribution made by the organisation to the scheme is expensed in the statement of financial performance in the period in which they fall due.

**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**4.8 Risk Management Policies**

A description of the various risks to which the EDB is exposed to is shown below and the approach adopted by management to control and mitigate those risks.

*Financial Risk*

The EDB as a public sector entity, is not much exposed to financial risks. The EDB does not use any derivative financial instruments to hedge risk exposures. The EDB is not exposed to significant, currency risk and interest rate risk.

*Operational Risk Management*

Operational risk, which is inherent in all organisations activities, is the risk of financial loss instability arising from failures in internal controls, operational processes or the system that supports them. It is recognized that such risks can never be entirely eliminated and the costs of controls in minimizing these risks may outweigh the potential benefits. In addition to setting up of the Compliance and Audit Department, EDB has hired the services of BDO for the carrying out the Internal Audit

*Legal Risk*

Legal risk is the risk that business activities of the organisation have unintended or unexpected legal consequences. The EDB identifies and manages legal risks through legal advice on all its day to day dealings.

**4.9 Taxation**

No provision has been made in the financial statements for income tax and value added tax, on the basis that EDB is exempted.

**4.10 Related Parties**

For the purpose of these financial statements, parties are considered to be related to the EDB if they have the ability, directly or indirectly, to control the EDB or exercise significant influence over the EDB in making financial or operational decisions, or where the EDB is subject to common control or common significant influence. Related parties may be individuals or other entities.

**4.11 Presentation of Budget Information**

The EDB presents its budget on an accrual basis.



**ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	30-Jun-20	18 Months ended 30-Jun-19
	MUR	MUR
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	73,891,017	224,653,435
Cash in Hand	263,564	830,956
	<u>74,154,582</u>	<u>225,484,391</u>
<b>5 (i). FINANCIAL ASSETS</b>		
Term Deposit	200,000,000	25,000,000
Treasury Certificates	50,000,000	300,000,000
	<u>250,000,000</u>	<u>325,000,000</u>
<b>6. TRADE RECEIVABLES</b>		
Trade Debtors	8,693,468	6,620,637
Less: Provision for impairment	(2,419,490)	(1,547,291)
	<u>6,273,977</u>	<u>5,073,346</u>

Trade Debtors are mainly the amount due by Tenants of Industrial Building at Plaine Verte

**7. OTHER RECEIVABLES**

Deposits	4,837,155	3,597,392
Prepayments	12,615,481	12,283,097
Other Receivables	4,398,605	11,240,555
Car Loan - Receivables	675,000	1,044,750
	<u>22,526,241</u>	<u>28,165,794</u>

**8. OTHER RECEIVABLES - CAR LOANS**

	Total MUR	Capital MUR	Interest MUR
Opening at 1 July 2019	3,674,941	3,354,750	320,191
Of which:			
Short term	1,139,591	1,044,750	94,841
Long term	2,535,350	2,310,000	225,350
New loan during period			
Repaid during period	1,804,368	1,704,750	99,618
Closing at 30 June 2020	<u>1,870,573</u>	<u>1,650,000</u>	<u>220,573</u>
Of which:			
Short term	736,125	675,000	61,125
Long term	1,134,448	975,000	159,448

**ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. PROPERTY, PLANT AND EQUIPMENT**

	Building	Office Equipment	Plant & Machinery	Furniture, Fixtures & Fittings	Computer Equipment & Hardware	Motor Vehicles	Total
<i>Cost/Valuation</i>	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Balance at 1 July 2019	27,230,000	4,273,310	32,609	45,771,001	20,054,071	19,866,123	117,227,114
Additions		994,770	2,279,545	768,960	3,439,114	53,472	7,535,861
Reclassifications	(27,230,000)	11,669			(11,669)		(27,230,000)
Disposal		(357,064)		(2,780,425)	(1,879,014)		(5,016,503)
Balance at 30 June 2020	<u>-</u>	<u>4,922,685</u>	<u>2,312,154</u>	<u>43,759,536</u>	<u>21,602,502</u>	<u>19,919,595</u>	<u>92,516,472</u>
<i>Accumulated Depreciation</i>							
Balance at 1 July 2019	1,323,681	2,873,782	32,609	24,266,549	13,837,407	10,541,607	52,875,635
Charge for the Period		459,647	227,955	1,665,155	2,821,640	2,314,497	7,488,894
Reclassifications	(1,323,681)	9,359			(9,359)		(1,323,681)
Disposal		(321,881)		(1,843,621)	(1,585,334)		(3,750,836)
Balance at 30 June 2020	<u>-</u>	<u>3,020,907</u>	<u>260,564</u>	<u>24,088,084</u>	<u>15,064,354</u>	<u>12,856,104</u>	<u>55,290,012</u>
<i>Carrying amount</i>							
At 30 June 2020	<u>-</u>	<u>1,901,778</u>	<u>2,051,590</u>	<u>19,671,452</u>	<u>6,538,148</u>	<u>7,063,491</u>	<u>37,226,460</u>
At 30 June 2019	25,906,319	1,399,528	-	21,504,452	6,216,664	9,324,516	64,351,479



**ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	30-Jun-20	18 Months ended 30-Jun-19
	MUR	MUR
<b>10. INVESTMENT PROPERTY</b>		
<b>Cost</b>		
At 1 July 2019	32,550,000	32,550,000
Reclassification (Note 1)	27,230,000	
<b>At 30 June 2020</b>	<b>59,780,000</b>	<b>32,550,000</b>
<b>Depreciation</b>		
At 1 July 2019	1,898,750	-
Reclassification (Note 1)	1,323,681	
Charge for the period	2,209,667	1,898,750
<b>At 30 June 2020</b>	<b>5,432,098</b>	<b>1,898,750</b>
<b>Net Book Value</b>	<b>54,347,902</b>	<b>30,651,250</b>
<p>Note 1. On 31 October 2019 EDB has signed a lease agreement with Government of Mauritius for the rental of the office space located at St James Court Port Louis to used by the then Ministry of Justice, Human Rights and Institutional Reforms. Thus the office space has been reclassified under Investment Property.</p> <p>EDB has adopted the cost model whereby the valuation of the property as of 15 January 2018 was taken to be the deemed cost. Straight line method of depreciation was used based on a useful life of 25 Years for the Industrial Building and 30 Years for the St James Office Building. EDB considers that there is no major difference between the fair value of the investment properties and the carrying amount.</p>		
<b>11. INTANGIBLE ASSETS</b>		
<b>11 (a) The right on Leasehold Land</b>		
<b>Valuation</b>	<b>22,350,000</b>	<b>22,350,000</b>
<b>Amortisation</b>		
At 1 July 2019	1,265,094	-
Charge for the year	843,396	1,265,094
<b>At 30 June 2020</b>	<b>2,108,490</b>	<b>1,265,094</b>
<b>Net Book Value</b>	<b>20,241,510</b>	<b>21,084,906</b>
<b>11 (b) Computer Software</b>		
<b>Cost</b>		
At 1 July 2019	5,852,771	24,540,684
Addition	977,362	-
Disposal	(44,162)	(18,687,913)
<b>At 30 June 2020</b>	<b>6,785,971</b>	<b>5,852,771</b>
<b>Amortisation</b>		
At 1 July 2019	5,713,409	22,997,578
Charge for the year	260,647	123,835
Disposal	(28,070)	(17,408,004)
<b>At 30 June 2020</b>	<b>5,945,986</b>	<b>5,713,409</b>
<b>Net Book Value</b>	<b>839,985</b>	<b>139,362</b>
<b>Total Intangible Assets</b>	<b>21,081,495</b>	<b>21,224,268</b>

**ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	30-Jun-20	Restated 18 Months 30-Jun-19
	MUR	MUR
<b>12. PAYABLES</b>		
Trade payables	28,238,825	3,086,121
<b>Other payables</b>		
Accrued expenses	47,113,319	51,503,011
Other payables	1,587,313	21,556,919
	<b>48,700,632</b>	<b>73,059,930</b>
	<b>76,939,458</b>	<b>76,146,050</b>
<b>12 (i) PAYABLES</b>		
Deposits	131,820	131,820
<b>13. EMPLOYEES BENEFIT AND OBLIGATIONS</b>		
<b>Current</b>		
Provision for passage benefits (Note 13 (i))	4,393,131	2,282,844
Provision for Refund of Unutilised Leaves	1,335,706	2,542,084
	<b>5,728,837</b>	<b>4,824,928</b>
<b>Non Current</b>		
Provision for passage benefits	7,098,874	6,021,087
Provision for Refund of Unutilised Leaves	36,425,932	28,252,459
Retirement benefits obligation (Note 14)	99,612,598	74,288,952
	<b>143,137,404</b>	<b>108,562,498</b>
<b>13 (i) Provision for Passage Benefits</b>		
Opening at 1 July 2019	8,303,931	6,735,055
Provision for the Year	6,530,463	8,080,042
Amount Used	(3,342,389)	(6,511,166)
Closing at 30 June 2020	<b>11,492,005</b>	<b>8,303,931</b>
<b>13 (ii) Provision for Refund of Leaves</b>		
Opening at 1 July 2019	30,794,544	16,263,938
Provision for the Year	9,512,192	20,017,384
Amount Used	(2,545,097)	(5,486,779)
Closing at 30 June 2020	<b>37,761,638</b>	<b>30,794,544</b>



**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

	As at 30 June 2020	As at 30 June 2019
<b>14. RETIREMENT BENEFITS AND OBLIGATIONS</b>		
<b>Amounts recognised in Statement of Financial Position at end of year:</b>		
	<b>MUR</b>	<b>MUR</b>
Present value of funded obligations	171,638,371	120,353,572
(Fair value of plan assets )	(72,025,773)	(46,064,620)
	<u>99,612,598</u>	<u>74,288,952</u>
<b>Amounts recognised in income statement :</b>		
Current service cost	6,948,701	6,901,979
Past service cost	-	-
(Employee contributions)	(2,530,025)	(3,346,229)
Fund expenses	166,610	278,127
Net Interest cost expense (income)	2,423,388	6,728,681
Actuarial loss/(gain) recognised	7,008,674	10,562,558
<b>Remeasurement</b>		
Liability (gain)/loss	44,262,951	(1,870,214)
Assets (gain)/loss	(6,347,484)	1,870,214
Total Other Comprehensive Income (OCI) recognised	37,915,467	-
<b>Total</b>	<u>44,924,141</u>	<u>10,562,558</u>
Movement in Asset recognised in balance sheet:		
At start of year	74,288,952	70,748,465
Amount recognised in P&L	7,008,674	10,562,558
(Special Contributions)	(13,800,000)	-
(contributions paid by employer)	(5,800,495)	(7,022,071)
Amount recognised in NAE	37,915,467	-
At end of year	<u>99,612,598</u>	<u>74,288,952</u>

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd

**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
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	Year ended 30 June 2020	18 Months ended 30 June 2019
<b>14. RETIREMENT BENEFITS AND OBLIGATIONS</b>		
<b>(Continued)</b>		
<i>Reconciliation of the present value of defined benefit obligation</i>		
	<b>MUR</b>	<b>MUR</b>
Present value of obligation at start of Period	120,353,572	109,814,853
Current service cost	6,948,701	6,901,979
Interest cost	4,453,082	10,809,900
(Benefits paid)	(4,379,935)	(5,302,946)
Liability (gain)/loss	44,262,951	(1,870,214)
Present value of obligation at end of year	<u>171,638,371</u>	<u>120,353,572</u>
<i>Reconciliation of fair value of plan assets</i>		
Fair value of plan assets at start of year	46,064,620	39,066,388
Expected return on plan assets	2,029,694	4,081,219
Employer contributions	5,800,495	7,022,071
Employee Contributions	2,530,025	3,346,229
Past Service Liability Contribution	13,800,000	-
(Benefits paid + other outgo)	(4,546,545)	(5,581,073)
Asset gain/(loss)	6,347,484	(1,870,214)
Fair value of plan assets at end of year	<u>72,025,773</u>	<u>46,064,620</u>
<i>Distribution of plan assets at end of year</i>		
	<b>Jun-20</b>	<b>Jun-19</b>
Government securities and cash	61.7%	58.7%
Loans	3.0%	3.4%
Local equities	10.1%	13.1%
Overseas bonds and equities	24.6%	24.2%
Property	0.6%	0.6%
Total	<u>100%</u>	<u>100%</u>
<b>Percentage of Assets at end of period</b>	<b>June 2020 (%)</b>	<b>June 2019 (%)</b>
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
Components of the amount recognised in NAE Year		
Year	<b>June 2020</b>	<b>June 2019</b>
Currency	<b>MUR</b>	<b>MUR</b>
Asset experience gain/(loss) during the year	6,347,484	(1,870,214)
Liability experience gain/(loss) during the year	(44,262,951)	1,870,214
	<u>(37,915,467)</u>	<u>-</u>
<b>Year</b>	<b>June 2020</b>	<b>June 2019</b>
Expected employer contributions	8,584,752	8,369,000
Weighted average duration of the defined benefit obligation	18 Years	16 Years
(Calculated as a % change in PV of liabilities for a 1% change in discount rate)		
<b>14 (i) Remeasurement of Retirement Benefit Obligations</b>		<b>MUR</b>
Unrecognised Actuarial Loss as a result of Change from IPSAS 25 to 39	-	53,729,583
Remeasurements - Change in Actuarial Assumptions:		
(1) Discount Rate from 5.5 to 6.75 % based on Government Bond		
(2) Removal of additional prudence margin for life expectancy (2 years)	-	(18,534,746)
<b>Amount recognised in Statement of Equity as per IPSAS 39</b>	<u>-</u>	<u>35,194,837</u>



## ECONOMIC DEVELOPMENT BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 14. RETIREMENT BENEFITS AND OBLIGATIONS (Continued)

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Period Ending 30-Jun-20	Period Ending 30-Jun-19
Discount rate	3.70%	6.75%
Future salary increases	2.40%	4.00%
Future pension increases	1.40%	3.00%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement		
Retirement age	As per Second Schedule in the Statutory Bodies Pension Funds Act	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by MUR 26.6 M (increase by MUR 34.2 M) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by MUR 16.9 M (decrease by MUR 14.4 M) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by MUR 5.0 M (decrease by MUR 5.0 M) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

#### 14 (a) Defined Contribution Plan

In addition to the defined benefit pension plan, the State Insurance Company of Mauritius Ltd is also administering a defined contribution plan for employees who joined as permanent and pensionable position as from March 2013. The contribution made under the Defined Contribution Plan was 3,148,644 for the year ended 30 June 2020, (MUR 1,666,142 for period January 2018 to June 2019).

## ECONOMIC DEVELOPMENT BOARD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 15. CHANGES IN ACCOUNTING ESTIMATES

Following the valuation by Valuation Office, Ministry of Housing and Land Use Planning had revised the annual rental payable for the leasehold land at Plaine Vertes from MUR 30,000 to MUR 1,150,000, retrospectively from 2009. An amount of MUR 1,150,000 annually has been accrued in the previous Financial Statements along with interest. Now that the Ministry of Housing and Land Use Planning has agreed to enter a lease agreement with EDB as from 1 October 2018 with annual rent at the rate of MUR 1,150,000 as from 1 October 2018, the last year Financial Statements has been restated in respect to rent and interest accrued as follows:

	Year ended 30 June 2020	18 months ended 30 June 2020 Statement of Changes in Net Assets/Equity MUR
<b>Reported surplus/ equity</b>	<b>6,744,252</b>	<b>76,740,731</b>
Interest accrued in financial year 2019	453,300	453,300
Excess of rent accrued financial year 2019	800,726	800,726
	7,998,278	77,994,757
Interest accrued prior to 2019		1,135,169
Excess of rent accrued prior to 2019		9,003,192
<b>Restated surplus/ equity</b>	<b>7,998,278</b>	<b>88,133,118</b>
		<b>18 months ended 30 Statement of Financial Position MUR</b>
<b>Current assets</b>		
<b>Reported other receivables</b>		24,475,301
Prepayment **		3,690,493
<b>Restated other receivables</b>		<b>28,165,794</b>
<b>Current liabilities</b>		
<b>Reported other payables</b>		<b>80,761,824</b>
Interest accrued in financial year 2019		(453,300)
Excess of rent accrued financial year 2019		(800,726)
Interest accrued prior to 2019		(1,135,169)
Excess of rent accrued prior to 2019		(9,003,192)
Adjustment for Prepayment		3,690,493
<b>Reported Other Payables</b>		<b>73,059,930</b>

\*\* In Financial Year 2019 EDB had paid an amount of MUR 4,810,000 to Ministry of Housing and Land Use Planning representing part of the rental following adjustment of rent as from 1 October 2018, the surplus amount of MUR 3,690,493 paid will be deducted against rent for future years and this is accounted as prepayment.



## ECONOMIC DEVELOPMENT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Year Ended	18 Months Ended
	Jun-20	Jun-19
	MUR	MUR
<b>16. REVENUE</b>		
<b>16. Revenue from non-exchange transactions</b>		
Government Grant (see 16 (iv) below)	<u>571,749,518</u>	<u>852,556,136</u>
<b>16. (i) Revenue from exchange transactions</b>		
Processing Fees - Storage Permit	661,500	805,500
Local / International fairs	2,136,771	5,859,459
Rent	<u>5,155,022</u>	<u>4,295,545</u>
	<u>7,953,292</u>	<u>10,960,504</u>
<b>16. (ii) Interest Income</b>	<u>7,206,885</u>	<u>1,064,680</u>
<b>16 (iii) Other Revenue</b>		
Gain on FOREX	376,632	114,474
Other Miscellaneous Income	<u>22,919</u>	<u>1,423,126</u>
	<u>399,551</u>	<u>1,537,600</u>
<b>Total Revenue</b>	<u>587,309,246</u>	<u>866,118,920</u>
<b>16. (iv) Revenue from non-exchange transactions</b>	<b>Jun-20</b>	<b>Jun-19</b>
	<b>MUR</b>	<b>MUR</b>
Deferred Grant at beginning of the Period	20,000,000	12,797,570
<b>Government Recurrent Grant received</b>		
Recurrent Expenditure (including Export Market Development Support)	351,729,273	616,739,509
Freight Rebate Scheme for Africa	18,167,518	23,920,997
Credit Guarantee Insurance Subsidy Scheme	2,000,000	2,598,291
Trade Promotion Marketing Scheme	120,000,000	170,992,440
Refund to SMEs for participation on fairs	19,193,709	13,074,937
Capital Grants	5,000,000	21,843,000
Participation in Dubai Expo 2020	2,000,000	
World Bank Technical Assistance on Strategic Planning and Do	32,500,000	
Grant Received E-licensing	267,600	
Grant Receivable E-licensing	891,418	10,589,392
Deferred Grant at end of the Period		(20,000,000)
	<u>571,749,518</u>	<u>852,556,136</u>

The EDB received its main source of revenue from its parent ministry to cater for its operational costs for the period. An amount of MUR 8,393,126 (MUR 24,869,820 for period 15 January to 30 June 2019) was utilised for the acquisition of intangible assets, plant and equipment and improvement to buildings as detailed below:

	Jun-20	Jun-19
	MUR	MUR
Improvement to buildings		11,528,080
Computers	3,439,114	6,748,081
Furniture and fittings	768,960	2,574,292
Motor vehicle	53,472	3,381,000
Office equipment	882,860	638,367
Software	977,362	
Plant & Machinery	<u>2,279,545</u>	
	<u>8,401,313</u>	<u>24,869,820</u>

## ECONOMIC DEVELOPMENT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Year Ended	18 Months Ended
	Jun-20	Jun-19
	MUR	MUR
<b>17. STAFF COSTS</b>		
<b>Personal Emoluments</b>		
Basic Salary	137,509,658	177,331,262
Salary compensation	1,435,792	2,306,314
Allowances	1,866,570	3,046,558
End of Year Bonus	11,301,009	9,351,702
<b>Other Staff Costs</b>		
Travelling and Transport	28,498,625	34,853,093
Overtime	1,126,399	2,816,590
Staff Welfare/Medical Scheme	4,067,154	3,807,058
Pensions (incl. Family Protection Scheme)	11,716,808	13,381,457
Gratuity	18,228,692	22,805,603
Refund of leaves	9,499,433	20,030,142
Duty Remission	-	791,000
Mobile phone Allowance	175,334	182,554
Passage Benefits	6,694,170	8,477,454
<b>Social Contributions</b>		
Contribution to the National Savings Fund	1,015,937	1,258,866
National Pension Fund	827,052	1,558,323
Levy	1,039,815	1,260,907
<b>Total Compensation of Employees</b>	<b>235,002,446</b>	<b>303,258,883</b>



**ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Year Ended Jun-20 MUR	Restated 18 Months Ended Jun-19 MUR
<b>18. ADMINISTRATIVE EXPENSES</b>		
<b>Goods and Services</b>		
<b>Cost of Utilities</b>		
Electricity	2,970,717	5,746,063
Telephone	6,967,462	12,037,411
Water Charges	18,086	68,073
<b>Fuel and Oil</b>		
Vehicles	823,575	1,653,715
<b>Rent (Note 24)</b>		
Rental of Building & Parking	29,170,020	39,677,270
Leasehold State Land (Plaine Verte)	1,150,000	878,274
<b>Office Expenses</b>		
Postage	79,759	71,220
Office Sundries	3,490,941	8,606,431
<b>Maintenance</b>		
Vehicles and Motorcycles	756,114	1,185,831
IT & Other Equipment	13,240,186	4,531,876
Buildings	479,403	1,400,280
Cleaning of Office Premises	1,778,734	1,625,802
Security Services	305,792	547,786
<b>Publications and Stationery</b>		
Printing and Stationery	1,143,771	2,502,524
Books and Periodicals	69,407	440,895
<b>Fees</b>		
Fees to Chairman and members of boards and committees	7,099,388	10,544,939
Fees for Training	1,464,966	1,547,060
Loss on Disposal of Assets	1,251,768	1,697,507
Bad Debts	872,199	
	<b>73,132,288</b>	<b>94,762,957</b>

**ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Year Ended Jun-20 MUR	18 Months Ended Jun-19 MUR
<b>19. OTHER ADMINISTRATIVE EXPENSES</b>		
<b>Other Goods and Services</b>		
Uniforms	96,000	184,500
Catering	72,485	369,971
Professional Fees & Consultancy	30,781,125	22,355,865
International Advertisement	6,792,206	1,361,472
Miscellaneous Expenses/Advertising	2,081,787	4,186,641
Conferences/Seminars/Workshop	6,323,087	24,550,621
Running Costs of e-Licensing Platform	8,687,576	11,566,724
Insurance	988,689	1,182,517
Licenses	1,734,234	10,906,018
Sponsorship	2,067,708	2,686,743
Contribution to Fintech Association	6,000,000	18,000,000
	<b>65,624,897</b>	<b>97,351,072</b>
<b>20. Promotion Expenses</b>		
Investment Promotion Mission	20,780,331	46,964,420
Buyers Sellers Meeting & CPP	-	4,482,286
Participation - International Trade Fair	29,922,624	58,966,346
Mission Abroad	50,252	1,240,952
Overseas Representations	30,236,402	18,573,950
Investment Promotion Tool	3,760,629	3,165,218
	<b>84,750,238</b>	<b>133,393,172</b>



## ECONOMIC DEVELOPMENT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

	Year Ended	18 Months Ended
	Jun-20	Jun-19
	MUR	MUR
<b>21. CAPACITY BUILDING</b>		
Product & Enterprise Development	1,008,619	4,519,809
Export Facilitation Workshops	-	40,000
	<b>1,008,619</b>	<b>4,559,809</b>
<b>22. REFUND SCHEMES</b>		
Freight Rebate Scheme for Africa	14,634,721	21,689,672
Credit Guarantee Insurance Subsidy Scheme	165,663	1,812,260
Speed to Market	96,318,088	169,628,395
Refund to SMEs for participation on fairs	13,496,204	15,873,812
	<b>124,614,674</b>	<b>209,004,139</b>

**23. EXPENDITURE AND GOVERNMENT GRANT**

Expenditure for the year ended 30 June 2020 amounted to MUR 627,137,806 (inc. Depreciation and Amortisation) compared to MUR 858,120,642 for the period January 2018 to June 2019 and Revenue for the same period including Government Grant, amounted to MUR 586,850,402, compared to MUR 866,118,920 for the period January 2018 to June 2019. The reported deficit is MUR 40,287,405 compared to a surplus of MUR 7,998,278 for the period for the period January 2018 to June 2019. The deficit is explained by an increase of MUR 25,323,646 for Employee Retirement Benefits. The negative economic environment has caused a severe market fall and drop in interest rates. This has impacted asset values, as well as resulted in an increase in liabilities.

ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**24. OPERATING LEASE****Minimum Lease payments****(i) Leases as lessee**

	Year Ended	18 Months Ended
	30-Jun-20	30-Jun-19
	MUR	MUR
Minimum lease payments under operating lease recognized as an expense in the year	<b>30,320,020</b>	40,555,544
No later than 1 year	<b>27,066,052</b>	25,219,649
Later than 1 year and not later than 5 years	<b>184,904,991</b>	116,213,199
Later than five years	<b>309,470,012</b>	205,724,258
	<b>521,441,055</b>	<b>347,157,106</b>

The operating lease relates to:

(i) The leasehold land, on which the industrial buildings have been erected. The period of lease is 60 years with the Government of Mauritius.

(ii) Part of its office premises at One Cathedral Square and Sterling House, Port Louis and SICOM Tower, Ebene Cybercity.

All lease agreements are non cancellable which have varying terms, escalation clauses and renewal rights.

**(ii) Leases as lessor**

Non cancellable operating lease receivables

No later than 1 year	<b>3,126,129</b>	4,799,045
Later than 1 year and not later than 5 years	<b>13,498,584</b>	22,253,617
Later than five years	<b>19,158,137</b>	36,202,564
	<b>35,782,850</b>	<b>63,255,226</b>

The operating lease relate to the investment property at Plaines Vertes and Office Space at St James Court Port Louis, owned by the EDB with an option to extend for a further 3 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

**25. Events After Reporting Dates**

There was no events after reporting date which may materially affect the financial position of the EDB.



**ECONOMIC DEVELOPMENT BOARD  
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**26. RELATED PARTY TRANSACTIONS**

For the year ended 30 June 2020, the EDB had transactions with related parties as follows:

Related parties	Nature of relationship	Related party transactions	Value of transactions for the Period Ended 30 June 2020 MUR	Debit/ (credit) As at 30 June 2020 MUR	Value of transactions for the Period Ended 30 June 2019 MUR	Debit/ (credit) As at 30 June 2019 MUR	Remarks
Prime Minister's Office	Related party	Government grants	272,749,000	(272,749,000)	664,165,178	(664,165,178)	As from July 2019
Ministry of Finance	Related party	Government grants	277,841,500	(277,841,500)	180,936,836	(180,936,836)	As from January 2020
Directors Remuneration and benefits - (Non - Executive)	Related party	Directors Fees	6,986,031	6,986,031	9,691,645	9,691,645	
Eclasia Group	Related party	Purchases of Services & Refund Schemes	6,406,426	6,406,426	7,023,661	7,023,661	
Currimjee & Jeewanjee Co Ltd (Group)	Related party	Purchases of Goods & Services & Refund Schemes	2,055,705	2,055,705	4,112,758	4,112,758	
Key management personnel	Related party	Salaries and short term benefits	55,911,239	55,911,239	65,538,678	65,538,678	

The above transactions were carried out at arm's length on normal commercial terms and conditions and is reported on Cash Basis

**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
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**26. RELATED PARTY TRANSACTIONS (continued)**

**Details of Key Personnel**

Major Class	Number	Other remuneration & compensation (MUR)	Loan (MUR)	Remarks
Chief Executive Officer	1	Nil	Nil	Upto 20 November 2019
Deputy Chief Officer	1	Nil	Nil	Acting Chief Executive Officer as from 1 December 2019
Directors	5	Nil	Nil	
Head of Department	8	Nil	Nil	

**27. DIFFERENCE BETWEEN BUDGET AND ACTUAL RESULTS**

**(i) Staff Cost**

(a) Following approval of HR Committee and Board, 29 staff, which includes 11 managers, 6 IT professionals and 9 employees for Information Centre were recruited. (b) As a result of deficit in the pension fund, as per Actuarial Valuation, addition amount is paid into the pension fund as approved by Board. (c) Being given that several employees did not used their leaves, this resulted to an increase in provision for leaves.

**(ii) Telephone**

The increase in telephone cost is due to additional lines and calls with the setting up of Information Centre at Ebene office.

**(iii) IT Licenses, Registration & Other Equipment, IT Equipment**

This increase is due to additional licenses for Office 365 as a result of new recruits and appreciation of foreign exchange

**(iv) Cleaning of Office Premises**

Following the removal of lockdown all the office had to be cleaned and disinfected.

**(v) Country Branding**

Country Branding was cancelled due to outbreak of COVID 19.

**(vi) Capacity Building, Advisory & Consultancy**

Several capacity building and consultancy works have been cancelled due to outbreak of COVID 19.

**(vii) Conferences/Seminars/ Workshop**

Reduction in Number of activities due to outbreak of COVID 19.



**ECONOMIC DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
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**27. DIFFERENCE BETWEEN BUDGET AND ACTUAL RESULTS (continued)**

**(viii) Foreign Office Representative**

Opening of new Offices in China, Japan & Singapore as approved by Board.

**(ix) Overseas Promotion/Export Market Development Support**

Reduction in Number of Events due to outbreak of COVID 19.

**(x) Catering**

Reduction in Number of activities due to COVID

**(xi) Investment/Digital Promotional Tool**

Increase in number of Corporate films due COVID and crisis management

**(xii) International Advertisement**

International Advertising on Global Insight, The Economist Magazine and Global Business Report for Global visibility of Mauritius.

**(xiii) Miscellaneous Expenses/Advertising**

Increase in number of Press release : COVID, Mauritius Leaks, Wakashio, Serenity film and vacancies

**(xiv) Other Registration & Membership of International Organisations**

Increase in number of international memberships and tools for verification of credentials of investors.

**(xv) Sponsorship (Inc. Fintech Association)**

MOU with Fintech Association and increase in Number of Sponsorship inc. Sponsorship fee-for 1st Edition of Mauritius International Art Fair and Melting Innovation Summit

**(xvi) Installation of Fire Alarm & Fighting System**

So as to be inline with the provision of Fire Safety Act, EDB has to apply for fire Certificate for the industrial building. The installation of the fire alarm and fighting system was mandatory to get the fire certificate. The installation of fire alarm and fighting system was approved by Board on 27th June 2019 for the sum of MUR 2,520,811.50

**(xvii) Schemes & World Bank Assistance**

The schemes are demand driven. Disbursement depends upon the number of application submitted to claim refund from operators. The disbursement for World Bank Assistance also depends upon the deliverables achieved and submission of corresponding invoices .

**Notes**



## Notes

## Notes



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