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# Reinventing Mauritius

## A country on its way up



Hon. PRAVIND KUMAR JUGNAUTH  
Prime Minister of Mauritius

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# Mauritius

## Back to Business

A safe, sustainable &  
investor-friendly destination



A role model in the fight against Covid-19



Unflinching  
Commitment of Front Liners



National Unity  
and Solidarity



Proactive approach of  
Authorities and the Private Sector

An Island of Inspiration for your Business Edge...



# Reinventing Mauritius

## Expect the Unexpected

Located in the Indian Ocean, the islands of Mauritius, Rodrigues, Agaléga and St. Brandon are home to roughly 1.3 million highly-literate and largely co-operative citizens. Although a small nation of 2,040 square kilometers (790 square miles) in area, its Exclusive Economic Zone covers 2.3 million square kilometers. However, even being surrounded by water did not prevent the island from receiving one of the most disruptive viruses the world has ever seen.

Being one of the most densely populated countries in the world during the coronavirus pandemic is not an easy task. This was quickly understood by Pravind Jugnauth, incumbent Prime Minister of Mauritius. What the Government first expected to be a 3.8% GDP growth during 2020 was soon tarnished by a forecasted 11% GDP contraction due to economic slowdown in Europe and Asia and the island's exposure and openness to these markets.

Indeed, the Covid-19 pandemic led the island's economy into a recession for the first time in 40 years, negatively impacting almost all sectors of the economy. The tourism sector, in particular, which accounts directly and indirectly for some 25% of the country's GDP has come to a halt, greatly affecting balance of payments as tourism receipts represent around 32% of total export earnings. Nevertheless, a series of rapid, bold actions in the right direction triggered one of the most impressive cases of national recovery during the coronavirus pandemic.

## Preparedness is Key

"When word first broke out about coronavirus cases worldwide, Mauritius responded swiftly by closing its borders, implementing aggressive sensitization campaigns, executing contact-tracing, applying work-from-home policies and enforcing sanitary curfew and obligatory quarantine to all repatriated citizens", stated Prime Minister Jugnauth. These words go hand-in-hand with the Prime Minister's priority to guarantee public health and wellness for the entire population. The Government' message and actions resonated positively among the population and were met with full collaboration from NGOs, essential services, front-liners and the private sector.



In the spectrum of countries preparedness to face the virus, by June 9, 2020, Oxford University researchers had awarded Mauritius with a high score of 71.3 on the Stringency Index (0 to 100, 100 = strictest). This score was granted in great part due to the 138,000 Covid-19 tests (10.6% of the population), 106,200 rapid antigen tests and 31,575 PCR (polymerase chain reaction) tests that were conducted, first in Africa and among the first in the world in tests per 1000 inhabitants. Summed to this, the high score can be associated to a well executed preparedness plan, which included training, a timely order and availability of face masks, gloves and sanitizer, PPEs, ventilators and medications, as well as the construction of 5 WHO-approved fever clinics in record time.

Furthermore, the appropriate application of legal provisions such as the Covid-19 (Miscellaneous Provisions) Bill and Quarantine Bill as well as the use of technology such as increased internet capacity and speed to enhance connectivity, information platforms like Besafemoris, online learning platforms for students and e-commerce transactions, all played a key role in maintaining economic growth and both physical and mental wellness of the island's population.



Hon. PRAVIND KUMAR JUGNAUTH  
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*“ Mauritius' legacy of democracy and discipline proved to be a valuable asset during the coronavirus crisis; if it weren't for transparency and accountability, the island's population would've never adhered to the measures put in place by the Government. ”*

## Tax and Financial Facilitation

According to KPMG, Mauritius has focused on tax and financial facilitation measures, including the removal of penalties and interests by the Mauritius Revenue Authority (MRA) for those taxpayers unable to submit returns due to the lockdown, as well as employment-related measures in the form of Government Wage Assistance Scheme (GWAS) and the Self-Employed Assistance Scheme (SEAS) to ensure that economic operators maintain essential economic activities.

# ADVERTISEMENT

As Prime Minister Jugnauth stated in regards to the Covid-19 (Miscellaneous Provisions) and Quarantine Bills, "not only did they demonstrate the concerns, commitment and determination of the Government to save lives and livelihoods in this existential threat posed by the Covid-19 pandemic, but also to overcome the virus and its consequences, both on the sanitary and economic fronts." According to the Prime Minister, "the experiences gained in further improving the level of preparedness for a pandemic and staving off the spread of the virus in the country are embodied in the laws." Mr. Jugnauth added that some of the preparedness measures will be included in the forthcoming Public Health Bill.

According to The Bank of Mauritius, the nation's Government will be able to use its reserves to bolster local companies affected by the Covid-19 pandemic. As stated in the Covid-19 (Miscellaneous Provisions) Bill, the Central Bank will be allowed to assist the Government in its fiscal measures to stabilize the economy. In addition, the Bill states that the Central Bank would also be allowed to use its US \$7 billion in foreign reserves to invest in any corporation or company set up for the purpose of facilitating economic development. Also, Governor Harvesh Seegolam commented on the possibility of Mauritius introducing a Central Bank Digital Currency (CBDC) in the near future.

## Three-Pronged Approach

To face the crisis, Mauritius carried out a three-pronged approach: protecting lives, protecting livelihood and building resilience and boosting recovery. Following this strategy has led the Government to dictate Mauritius a "Covid-19-free" zone since the end of April.

"In order to protect lives and livelihood, necessary resources were mobilized to support workers and businesses during the crisis, such as a US \$300 million emergency relief package. Moreover, the Government is currently investing massively to prepare the economy for a fast recovery across all sectors with a focus on minimizing unemployment," stated Prime Minister Jugnauth. In the short and medium term, investment is being made in food security and development of modern agriculture; incentivizing new public infrastructure and private construction projects; manufacturing for the local market and boosting the textile sector; and shoring up the services sector, including financial services and tourism.

A further boost to the recovery of the economy will be done through the development of a major data technology park in Mauritius, while investing in other emerging sectors to broaden and deepen the diversification of the island's economy. After all, SMEs contribute 40% to GDP and employ 55% of the workforce in the island.

## Reaping the Rewards

As Prime Minister Jugnauth stated, "Mauritius' legacy of democracy and discipline proved to be a valuable asset during the coronavirus crisis; if it weren't for transparency and accountability, the island's population would've never adhered to the measures put in place by the Government. In times of risk, people are in need of strong leadership, compassion and truth, all qualities that can be attributed to the Government." It's essential to mention that for the past decade, Mauritius has been ranked first on the Mo Ibrahim Foundation's African Governance Index.

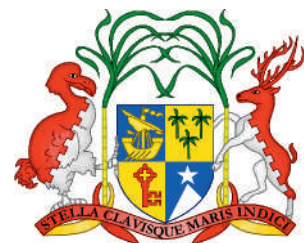
Countries around the world can learn many valuable lessons from Mauritius, such as the importance of free press and reliable information, which inclines citizens to believe what they read in the media, and take it seriously.

With the reopening of public spaces in mid-June and schools in August, Mauritius is preparing to completely restore the island's image as a safe touristic destination in East Africa. Although access to beaches and nightclubs is still prohibited, citizens can enjoy access to parks, restaurants, places of worship and hairdressers under strict sanitary rules of social distancing.

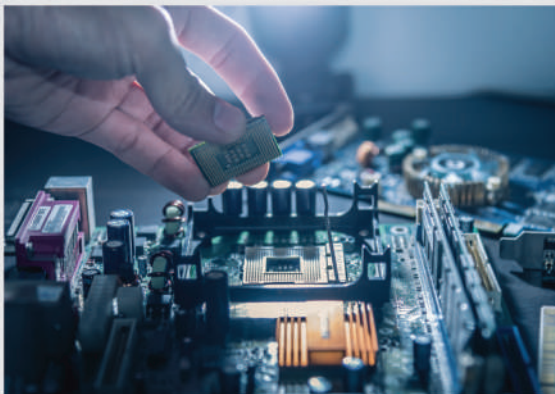


"Mauritius' record on handling the Covid-19 crisis will play very much in favor of the country's opening of its tourist sector. However, it is difficult to predict how the global tourism sector will evolve in the future. Competition will indeed be tougher for Mauritius, which is why there will be additional support to the island's national carrier Air Mauritius to make long-haul travel to and from Europe more competitive. The country is also implementing a number of measures to support operators in the tourism sector in order to improve their product offerings," stated Mr. Jugnauth.

Moreover, starting in September, the island is entering into a commercial partnership with the Liverpool Football Club to help promote Mauritius as a destination. Additionally, special arrangements will be made at the airport in order to attract high-net-worth tourists and accommodate visitors entering the country via private jets. Furthermore, major events will be organized in Mauritius, where various tour operators, travel agents and international press will be invited to enjoy a Covid-19-free experience. There is no doubt that the tourism sector will continue to be a mainstay of Mauritius' economy in the future and a major driver of economic growth.







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# Mauritius



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