

**SPEECH OF**  
**THE RIGHT HONOURABLE SIR ANEROOD JUGNAUTH, GCSK,**  
**KCMG, QC, PRIME MINISTER OF THE REPUBLIC OF MAURITIUS**  
**AT THE LAUNCH OF THE HIGH POWERED COMMITTEE ON**  
**ACHIEVING THE SECOND ECONOMIC MIRACLE AND VISION 2030**  
**SATURDAY 22<sup>ND</sup> AUGUST 2015 – 11 H 00**

**Colleague Ministers,**

**Ambassadors and Excellencies,**

**Parliamentary Private Secretaries,**

**Members of the National Assembly,**

**Senior Representatives of Various Ministries,**

**Captains of the Private Sector,**

**Representatives of Trade Unions,**

**Students from the Tertiary Education Sector,**

**Members of the Press,**

**Ladies and Gentlemen**

I would like to thank you for responding positively and so massively to my invitation. Your presence testifies the great importance you attach to the economic well-being and growth of our Nation.

As I stand here to address you in this Conference Centre, at the heart of the Cyber City, an ambitious project I initiated in 2001, I can feel the emotion within me for having translated one of my dreams into a formidable economic asset for the present and future generations.

Some were saying at that time that my Government was creating a white elephant.

Time has proved them wrong.

History is not written by prophets of gloom and doom.

It is written by achievers.

We have made the Cyber City dream come true and we are on track to make the entire Mauritius a Cyber Island.

And I can say with pride that Mauritius has achieved a lot under my leadership.

Indeed, Mauritius has come a long way. And together we have come a long way too.

The journey has not been an easy one, I agree. But as would say late Abdul Kalam, *“Man needs his difficulties because they are necessary to enjoy success”*.

And this is very true.

Because no one would have imagined that a country that was in the doldrums of economic difficulties at the time of independence would have come this far.

This reminds me of 1982, when I first took the reins of the country as Prime Minister. My Government, at that time, inherited a chaotic situation, an economy bleeding to death, huge debt burden on the head of each inhabitant and massive unemployment.

Misery was the order of the day.

We had the daunting challenge and urgency to rethink the economic future of our country. Sugar and the manufacturing sector were our only economic drivers. But certainly this would not have lasted long. It gives me tremendous pride and honour to look back in time and recall how we have transformed our economic landscape through the development and creation of many new economic pillars:

- Freeport,
- Financial Services,
- ICT/BPO,
- Seafood, amongst others.

We diversified the sugar cluster.

We brought in vertical integration in manufacturing and revamped the tourism sector.

From misery we delivered prosperity.

We built a modern Nation, based on trust, hard work and sharing.

And for sure, this would not have been possible without the confidence and active participation of the private sector and the population. Over the years, we have been able to develop a public-private sector working model that many refer to.

Today, we are in a pretty much similar situation as in 1982, with an urgent need to give a new drive to our economic model across all sectors.

Once again, we inherited a disastrous legacy. During the past 9 years, the country had a poor leadership that sank the economy.

We inherited a country where corruption, nepotism and fraud had become the operating culture.

Our People felt this in their jobs, in their businesses, in their career path, in the prospects of their children.

You as Captains of the economy felt this.

For the whole Year 2014, no decision was taken while our national debt spiraled to over 250 billion rupees.

Bankruptcy was everywhere, by billions.

Today, we know the depth to which our country had fallen economically, socially and morally.

Immediately, upon taking office at the end of last year, we took the bulls by their horns. We endeavoured in the first instance to alleviate the burden of the poor, the downtrodden and our workers.

We increased pensions substantially and brought the Basic Retirement Pension to Rs 5,000 monthly. We gave an across the board salary compensation of Rs 600.

We soothed the social tempo to get the population fully on board to better move forward on our economic agenda.

In the process, we gave urgent attention to a much needed clean up exercise with the commitment to promote good governance.

You will agree with me that we could not construct on a rotten and shaky foundation.

The bulldozer is at work and will no doubt continue to clean whatever may still be hidden under the carpet. We are introducing new and reinforced legislation before the end of the next legislative session so as to further stimulate a culture of good governance and rightness among all Mauritians.

As we pursue this clean up and control exercise, it is crucial that we sow the right seeds and fuel our economic engine so that we can graduate to higher cruising speed in line with our aspirations and stated objectives.

The 2015-2016 Budget has set the foundation for Mauritius to propel itself towards its next phase of development that will be driven by innovation.

My Government has gone far in terms of fiscal and other incentives to give a new impetus to the economy and recreate a feel good factor amongst the economic operators.

We have already embarked on our economic journey with confidence and zeal.

Ladies and Gentlemen,

This brings me to the core of the subject for which we have all gathered here today – ACHIEVING THE SECOND ECONOMIC MIRACLE AND VISION 2030.

As Prime Minister, I am not here to make promises. I am here to say to the Nation that the second economic miracle is well within our reach.

I want my whole Cabinet to team up with you, the private sector, the public service and the population at large to confidently embrace and own our economic agenda to achieve the Second Economic Miracle we all dream of.

My aim today is to motivate you so that together we put Mauritius into the league of high income economies.

I am very clear in my mind. The economy has to be at the service of the population. Our focus has to be centered on the People of Mauritius.

I have therefore identified 4 key focus areas that I will personally drive and monitor to ensure our economic well-being, in addition to a series of measures my Government has taken to redress the economy since we assumed office. These 4 key focus areas are:

1. Addressing unemployment;
2. Alleviating, if not eradicating, poverty;
3. Opening up our country and new air access policies; and
4. Sustainable development and innovation

There is no magic solution to addressing the issues of unemployment and poverty.

Our only recourse is to build on our existing economic set up and create new opportunities to ignite growth across all our economic sectors. The benefit of the ensuing economic buoyancy can only boil down to our people.

This, no doubt, requires both the consolidation of our existing sectors of activities as well as development of new economic avenues.

While a considerable extent of this strategy will be driven by the Government, we will certainly rely on the close collaboration of private sector operators in making the necessary investments.

It is exactly in this bid that I am constantly pushing to review growth strategies for all our sectors of economic activities to attract more investment.

And, one thing is of paramount importance: we inevitably need a more open and robust air access policy that takes into account both the national interests and economic growth. I am focusing on this issue at the moment and important decisions will follow.

I am also giving a new dimension to our economic diplomacy through our main diplomatic missions in order to maximize on global opportunities for our country.

Ladies and Gentlemen,

The economic model we have chosen for the development of our country will be centered on a number of core areas to fundamentally transform the economy.

These include:

- i. First, **a revamped and dynamic manufacturing base** with clearly identified focus on promoting high end, precision driven and technology enabled manufacturing in the country.
- ii. Few countries in the world can progress without a sustainable manufacturing base. Manufacturing today accounts for about 18% of our economy and we aim to increase its share significantly to 25% within the next three years. Here, we have already provided the necessary support mechanisms to attract more players in high precision engineering, food processing, pharmaceutical products, jewelry and watch making, light manufacturing and other Fast Moving Consumer Goods, amongst others.
- iii. Secondly, we are leveraging **on one of our largest asset base which is our Exclusive Maritime Economic Zone** to develop our Ocean industry. I see extensive possibilities in this field.

Our fishing industry is being given its due and importance. In this regards, we are already negotiating with major international fishing companies for the setting up of fishing and seafood processing facilities locally. We are also in discussion with fishing companies and port authorities for the development of fishing ports in the country to

transform Mauritius into a major regional fishing centre. Moreover, a National Ocean Council has been set up to drive and implement projects as regards the Ocean Economy.

Mauritius actually has the potential to develop as a major port for the region.

As our manufacturing industry grows through our market access to COMESA and SADC countries, our port will have to handle much higher cargo traffic.

But what is most interesting is the fact that Africa is fast catching the world's attention – in terms of both investments and trade.

And we are blessed with a natural geographic advantage by being an African country at the doorstep of the continent.

Ladies and Gentlemen,

There are about 30,000 ships passing by Mauritius annually, out of which about 3000 call at Port Louis. We are actively working to attract a substantial number of these vessels for bunkering and other related services in order to transform Port Louis into a leading regional petroleum hub.

Earlier this year in the Budget, we announced our plans to more than double the size of our port. Taking cognizance of the Port Master Plan, I see Port Louis being developed as a modern port with state of the art facilities. This will also allow us to benefit from a number of multiplier benefits and help generate many more jobs. With a buoyant port, comes the need for a whole range of support services including freight companies and logistic service providers, just to mention but a few.

A number of projects are at various stages of implementation. My colleagues are discussing with leading port operators to reach agreements on how we can best take the port development plan ahead. And I am pleased to note some concrete outcomes. Potential investors and collaborators from Dubai, China and Singapore have already shown serious interest in the sector.

If Port Louis is to become a major port in this part of the world, we inevitably need to be well connected with increased sea connectivity, especially with other Indian Ocean islands and the Eastern and Southern African ports. We are therefore also discussing the need for forming a regional shipping company to serve the region in line with the Indian Ocean Commission's recommendations. We will also need to improve our port performance and related services in line with international benchmarks.

As we build on the good performance of the tourism sector during the last semester, my Government is giving a special attention to the development of cruise traffic and cruise linked activities in Mauritius. The benefits that our economy will reap from a fully dedicated cruise terminal are significant, especially to our tourism and port industries, with enormous multiplier effects. There are more than 5,000 jobs that are currently available in this field.

- iv. Thirdly, it is crucial for us **to revisit our services sector**. With the aspirations that we have for our economy, it is now crucial for us to embrace higher value added services and activities.
- The Financial Services Industry is also a key pillar to achieve the second economic miracle. The creation of a new Ministry dedicated to Financial Services and Good Governance is a strong signal to international investors, with a new strategic vision to develop Mauritius into a vibrant and sophisticated International Financial Services Centre of substance. The Financial Services Consultative Council has been reactivated and has since March 2015 addressed a number of burning issues, which had impeded the growth of this industry.

The Double Taxation Avoidance Treaty with South Africa has been ratified on 25 May 2015 to bring more clarity, substance and predictability to international investors using Mauritius as a hub to invest in Africa. Negotiations with India on the tax treaty will be finalised shortly, to provide certainty and substance to investors. As a result of

other initiatives implemented by my Government, the industry is already experiencing tangible growth.

From January to the end of July 2015, the FSC issued 1,680 licenses, which represents a 10% increase compared to 2014.

I am pleased to announce that the National Stock Exchange of India and the Stock Exchange of Mauritius are entering into a partnership to list and trade International financial products in US dollars in Mauritius. Next week, on 2<sup>nd</sup> September 2015, a high-level delegation led by the Chief Executive of the National Stock Exchange of India will be in Mauritius to sign a Memorandum of Understanding with the Stock Exchange of Mauritius, the FSC and the Ministry of Financial Services. This MoU will unlock opportunities for capacity building, surveillance, enforcement and development of an ‘African Index Listing’ as well, as ‘NIFTY’ listings in Mauritius. Similar initiatives are underway with the Johannesburg Stock Exchange and the Singaporean Stock Exchange.

The Stock Exchange of Mauritius is also launching on 7<sup>th</sup> September 2015 a sustainability index which will allow us to join the select league of international stock exchanges, following which the Stock Exchange of Mauritius will join the United Nations Sustainability Stock Exchange Forum.

Government will continue to pursue its expansion strategy of the capital markets to attract world class liquidity providers, international broker firms, investment banks and fund managers to create sustainable employment in this sector.

I am also pleased to announce that despite the collapse of the BAI group, International insurance companies and brokers such as ‘Old Mutual’ and ‘Cooper Gay Swett & Crawford’, which are amongst the top 5 insurance and brokerage firms in the world, have confidently set up front office operations in Mauritius. ‘Prudential’ and ‘Lloyds Group’ from the UK have also signified their intention to be based in Mauritius in the near future. The Captive Insurance Bill will be introduced in Parliament shortly, to provide the framework for the development of the new Captive Insurance sector, which will also fuel growth and high value paid jobs.

Ladies and Gentlemen,

- **The Innovation, Technology and Communication sector is a key sector which is being graduated to the next level.** This, in my view, would involve a series of initiatives. First and foremost, we have to move towards the provision of high end activities like software and animation development, big data analytics, disaster recovery and cloud computing, amongst others.
- My Government is also focusing on establishing a techno entrepreneurship culture in Mauritius. Our youth are full with ideas and dynamism and I personally see many of them setting up successful enterprises going forward. It is in this endeavor that I will fully support the creation of high end and state of the art incubators.

- This goes in line with the thrust that was given in 2015-2016 Budget through the proposed quantum leap in the SME sector. I am pleased to announce that the one stop shop for SMEs has already been set up.

The SME sector will receive all the attention it deserves from my Government to empower our entrepreneurs.

- As announced, an important component of our innovation strategy is to transform Mauritius into a SMART island, an evolution of the Cyber Island I envisioned in 2001, which would make us the home and model for innovation in this part of the world. Our aim is to embed the use of technology in the day to day life of every Mauritian. This would imply that government services, businesses, lifestyle as well as our physical infrastructures would be centered around digital infrastructure.

This is exactly why we have announced that Mauritius will be embarking on mega projects involving Smart Cities and new Cyber Cities that will include techno parks. These will be designed with 4 key focus objectives, namely ecological sustainability, economic competitiveness, digital connectivity, with an improved quality of life within the ‘Live, Work and Play’ concept.

And again, I am pleased to announce that many projects are already off the ground. By the end of this year, 350 free WiFi spots will be operational at key public places across the island.

I launched the ambitious airport smart city project on 12<sup>th</sup> June and this Wednesday itself I attended the ground breaking ceremony of the Mont Choisy Real Estate and Golf Projects.

The implementation of the Highlands City project that has already been conceptualized is presently at the design phase and will start during the coming year.

This is ample proof, Ladies and Gentlemen that the momentum is gathering, projects are being implemented and we are seeing increasing interests from the global business community to consider investment opportunities in a large spectrum of activities that we want to promote.

- Another sector of focus in which we see a great future for Mauritius is in the field of Life Sciences and Research and Development. I am impressed by the increasing interest from leading global laboratories, Contract Research Organisations (CRO), biotechnology companies and other research companies to set up base in Mauritius.
- Mauritius has also an immense potential as a regional hub for healthcare and medical services as well as a medical education centre of excellence for Africa. We are addressing all issues, including regulatory ones that are impeding the progress of these sectors and are very optimistic that we will be able to attract key and branded global names.
- The higher education sector can indeed emerge as a strong pillar with robust growth. The confidence that we have built has enabled us to attract educational institutions of high repute from France such as Ecole Centrale de Nantes and Université Pantheon-Assas. Thousands of foreign students are expected to be trained in our education hub every year.
- Fashion, Entertainment and Cinema industry in Mauritius is rapidly emerging. Foreign film makers are already showing serious intent to come

and shoot in our country in order to benefit from one stop shop facilities that are being provided. The Rebate Scheme is being revamped with the guidance of movie makers from India and other countries.

Ladies and Gentlemen,

We stand great chance to emerge as a truly competitive economic partner for Africa. More than 80 Mauritian companies have already invested across the continent. In a bid to further expand our economic space and ultimately our Gross National Product, I encourage Mauritian firms to expand their footprints across the continent, in order to generate more value for Mauritius.

This brings me to a very important part of my intervention today which is the Africa Strategy we are adopting to make Mauritius become the regional platform for trade, investment and services. We have over the last eight months already signed MOUs with several countries in Africa for the development of Special Economic Zones, including Ghana, Senegal and Madagascar. Negotiations are also ongoing with Cote d'Ivoire and Zambia for collaboration in other fields. This is just to indicate to you that I am giving particular importance to our role as a key partner in ensuring the economic development of many countries in Africa, with the significant benefits accruing to Mauritius.

I shall have the pleasure on Monday, to welcome the President of Ghana in Mauritius and we have already set the scene for fruitful partnership to materialise between our two countries.

Ladies and Gentlemen,

For the effectiveness of our strategy, we inevitably need an air access policy with regards to new hubs in Africa as well. In this regard, I am taking personal interest in looking into the possibility of setting up a regional airline company in Mauritius to connect us to mainland Africa with the active participation of our national carrier Air Mauritius which is being restructured under my personal purview. This will not only help to drive more traffic into Mauritius but further diversify our tourism and hospitality industry, fuel our duty free shopping initiative and develop our country as an aviation hub with all the linked benefits.

Ladies and Gentlemen,

There are some very positive developments taking place across the world which can turn out to be amazing opportunities for Mauritius. Such developments are happening in India and the Western economies through increase in business confidence. Africa is fast becoming a stable continent, increasingly catching the world's attention.

Indeed, Mauritius is appealing as an investment destination. There are, right now, some 40 major private sector investment projects to the tune of 183 billion rupees, of which foreign direct investments represent 140 billion rupees. These projects will require our full attention in order to accelerate their implementation. They have the potential of creating 100,000 new direct and indirect jobs within the coming five years.

The distribution of these 100,000 new jobs is as follows:

Financial services: 15,000

Information and Communication Technology: 15,000

Ocean Economy: 25,000

Health, Wellness and Biotechnology Sectors: 2,000

Education and Knowledge Sector: 3,000

Tourism: 8,000

Manufacturing: 5,000

Construction and Property Development: 15,000

Logistics: 3,000

SME: 9,000

In Financial Year 2015-2016 only, some 16,000 new jobs are being created in these sectors and I invite the captains of the private sector to firmly commit themselves to that effect.

Over and above those private sector employment perspectives, in the public sector, I can state that more than 7,000 vacancies will be filled in the 2015-2016 period. Already, 1348 new recruits have reported for duty. Moreover, some 2,500 job placements will be effected under the Youth Employment Programme by June 2016. The private sector will be encouraged to permanently recruit these trainees.

I am committed to see that job creation is being delivered as forecast. Each and every stakeholder will have to play his part of the game.

My Government will see to it that there is no impediment to investment and job creation. I want to assure investors that I will personally see to it that permits, licenses and related authorisations are delivered with utmost priority. We shall unlock issues that stand as stumbling blocks for investments.

Unjustified delays will not be tolerated and sanctions will be taken. That is the reason behind my decision to set up a High Powered Committee under my Chairmanship to closely monitor project facilitation and implementation. The Committee will meet as often as needed to further enhance business facilitation and deliver on our investment targets. If we need to burn the midnight oil to attain our objectives, we are prepared to go that far.

Ladies and Gentlemen,

My Government remains committed to adopting a responsible and environmentally sustainable policy regarding energy production, waste management and physical infrastructural development. The Public Sector Investment Programme for the next five years amounts to some 75 billion rupees. These heavy investments in the water sector, electricity, waste management, wastewater management, roads, port, airport and communication, amongst others, have already been announced and are being accelerated.

Next year, in July at latest, works under the Road Decongestion Programme will be kick started. We will be investing Rs 15 billion over the next 5 years to address the road congestion problem that cannot and should not continue to cost millions to the economy.

Clearly, Mauritius will become a vast ‘chantier’ for infrastructural modernisation that will put the country further on the path leading to a higher level of development.

Ladies and Gentlemen,

The success in delivering on our economic agenda will largely depend on our mindset and the determination to make things happen. Here, I wish to address civil servants and staff of public sector institutions. I expect you to be active drivers in the nation building process. I want a new mindset that focusses on national targets rather than on routine administrative jobs only. I want civil servants to act like passionate facilitators for achievements to happen. I want the public service to be efficient and creative because I have relieved you from the Jurassic claws that held you immobile under the previous regime.

I also have a message for the Captains of the private sector. There should be a mindset that favours constructive dialogue and a partnership stance with my Government. The wait and see attitude of a few cannot go on; after all, this attitude cannot be justified. The Government Programme has given you the signal. The 2015-2016 Budget has given the means and necessary empowerment to act with confidence. Optimism should be the order of the day as our strategy is clear and well defined and our goodwill as a Government is established.

I know the private sector wishes to discuss with me at regular intervals while moving ahead. I have taken on board your request and I am pleased to announce the setting up of a Joint Public-Private Sector Steering Committee under my Chairmanship that will meet every quarter to thrash out issues that are of national interests.

I want you, civil servants and private sector leaders to be my partners in making Mauritius an exemplary and modern country where everybody is part and parcel of the wealth creation process.

I also have a special message for the population. Every single action of my Government will be people centered. I appeal for some patience. After the rotten fruits would have fallen and new flowers budding out, the harvest will be abundant for one and all. Employment will be created in thousands and I have no doubt that we can deliver a full employment situation as we did in the late eighties. To that end, we must imperatively embrace a culture of hard work, discipline and sacrifice. Our people have always lived up to challenges and I have no doubt that, once again, the Nation will rise up to its ambitions.

And for this, we need the participation of all our partners including the trade unions, NGOs and other socially focused organisations.

Ladies and Gentlemen,

Besides providing a strong leadership and drive towards timely project implementation, the High-Powered Committee under my Chairmanship will oversee the preparation of a Blueprint for Vision 2030.

Mauritius needs to have a single long term economic vision. A vision that sees the current generation passing the torch to the next generation, a vision that is holistic enough to include equity as well as happiness as an integral measure of well-being.

To spearhead the preparation of the Vision 2030 Blue Print, I have set up a National Advisory Council under the Chairmanship of the Secretary to Cabinet and Head of Civil Service to provide strategic oversight and facilitate cross-collaboration among relevant agencies to move things forward.

This National Advisory Council which has already started its work comprises a core team of senior advisers, high calibre professionals, strategic thinkers from the private and public sectors and will eventually include international experts. The Council will report directly to me as Chairperson of the High-Powered Committee.

The National Advisory Council has already set up four working task forces comprising heads of ministries or departments, advisers and private sector specialists. These task forces are charged with responsibilities with regards to strategic thinking and developing action plans in connection with immediate priorities like air access policy, poverty alleviation, employment creation and Sustainable Development through Innovation. Representatives of NGO's, trade unions as well as stakeholders will be called upon to be part of the task forces as and when necessary.

To remain focused on achievements, we will establish targets, benchmarked against international standards such as Living Standards, Income Equality, Doing Business, Happiness, Service Delivery, Good Governance, Environment Sustainability, and Security and Safety.

Ladies and Gentlemen,

For the past nine years, Mauritius had registered an average economic growth rate of 3 % annually. Within our vision, we are targeting an average growth rate of 5.5 per cent annually as from 2017. Our objective is to attain a GDP per capita of far more than 13,500 US dollars by the Year 2018. I am confident that with the concerted effort of one and all, we shall achieve it.

Let me reassure the Nation that I am resolute in my commitment to lead the new socio-economic transformation process. I have no doubt at all that during the coming years till the end of my Government's mandate, we would have brought meaningful change and significant achievements. But, I want also to leave as my

legacy to future generations a strategic forward planning document for continued progress of our country. That would be **Vision 2030**.

A modern Mauritius needs a socially inclusive model of development geared by intellectual capital, knowledge and skills.

We must collectively overcome our common challenges. This is why I value private sector involvement and active participation in the working committees. This convergence will help us draw clear and coherent strategies to achieve nationally benefiting goals.

In the past, Mauritians have demonstrated their sense of patriotism and have given proof of their “débrouillardise”. We know how to work together and to achieve beyond expectations, especially if elected political leaders set the example.

I want to set the example and I exhort others to follow suit. Once again, let us focus on priorities on which the destiny of our country depends. Let us strive to give our children, our youth and our elders the quality of life that will result from a concerted national effort under my leadership.

William Shakespeare rightly said: I quote: “It is not in the stars to hold our destiny but in ourselves.”

Indeed, the destiny of our country is in our own hands.

Ladies and Gentlemen,

Those who dare succeed.

Those who lament are losers.

As a Nation, we need to be ambitious; we need to believe in ourselves.

Together we delivered the First Economic Miracle, against all odds.

And, I have no doubt that we will do it, yet again, TOGETHER.

I thank you all for your kind attention.