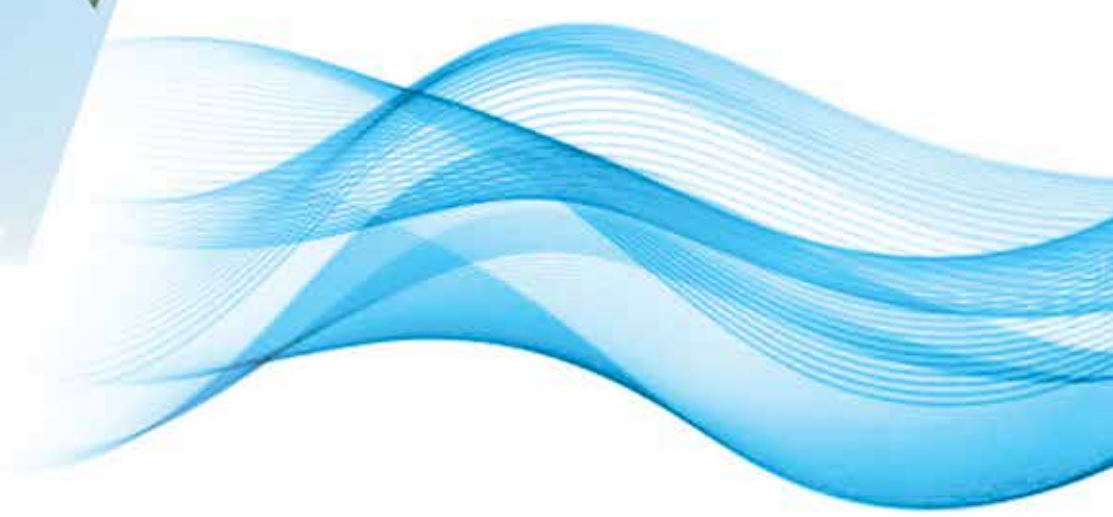




# A NEW ERA OF DEVELOPMENT



REPUBLIC OF MAURITIUS

## SUPPLEMENT TO THE BUDGET SPEECH 2016/2017



**SUPPLEMENT TO BUDGET SPEECH 2016/17**

**ECONOMIC AND SOCIAL REVIEW**



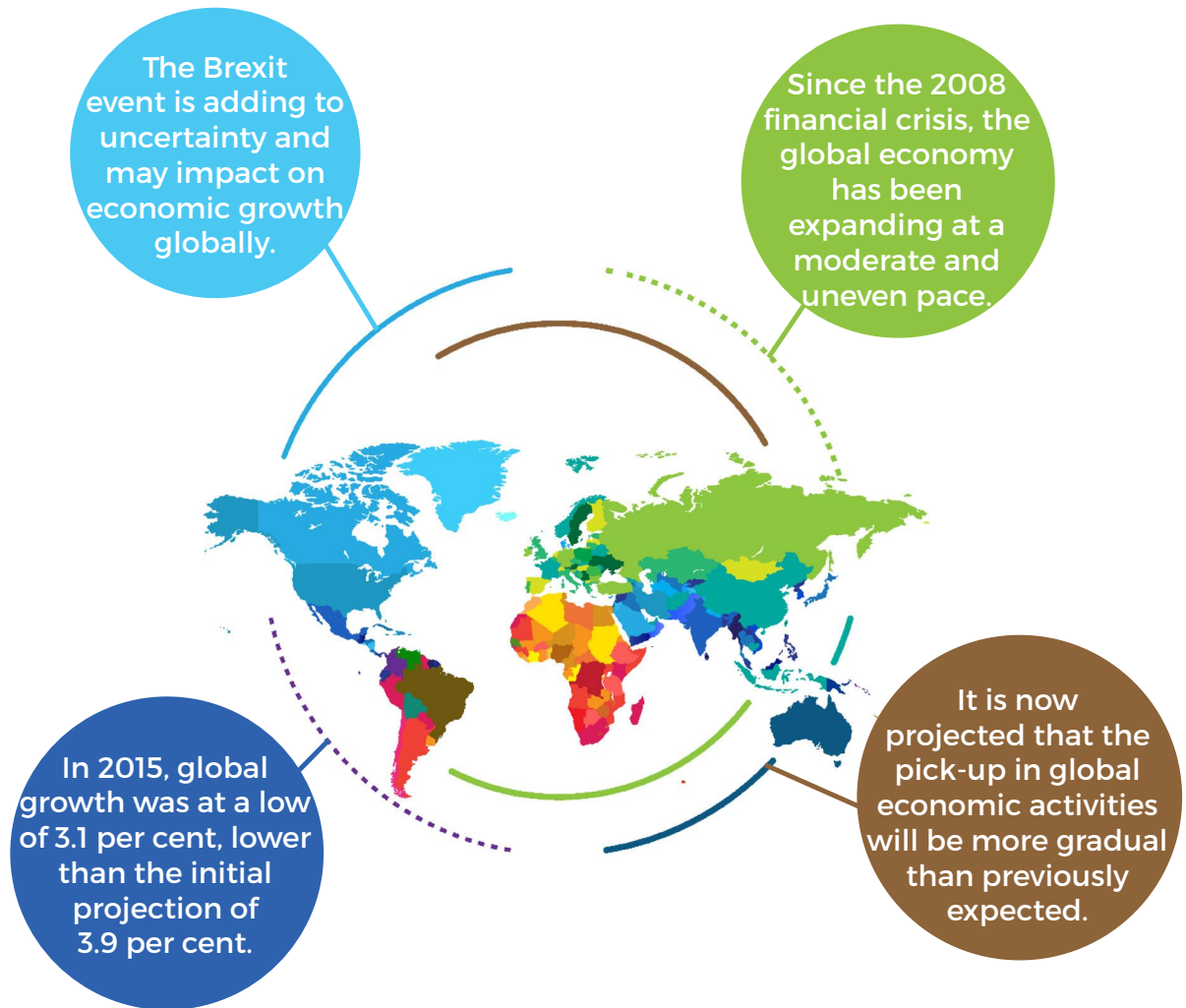
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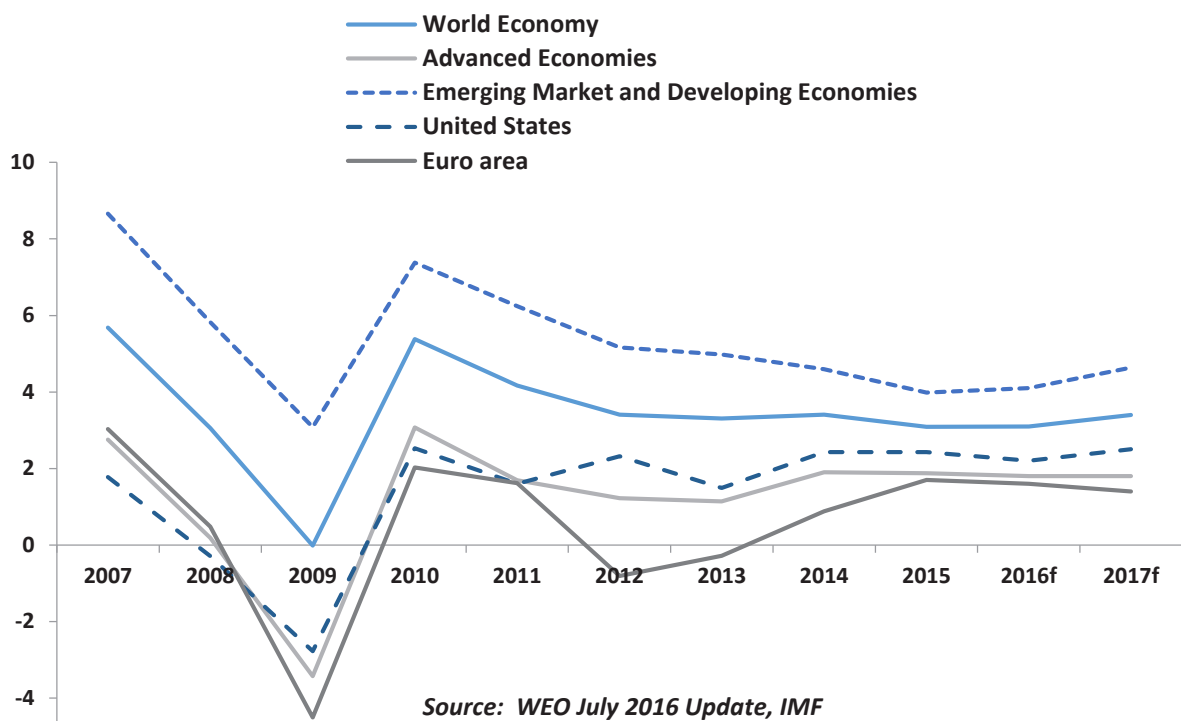




# GLOBAL ECONOMIC DEVELOPMENTS



Global GDP Growth, %

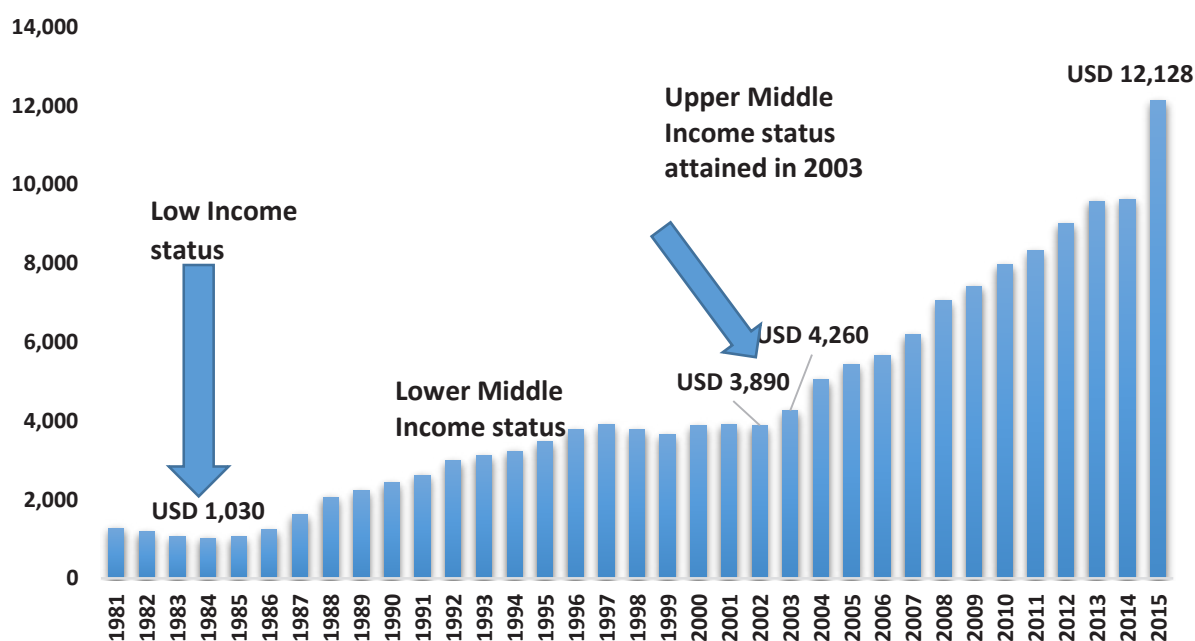


# MAURITIAN ECONOMIC PERFORMANCE

## Gross National Income (GNI) per capita

As per the *World Bank's* classification, Mauritius graduated to the upper middle-income status in 2003.

GNI per capita, Atlas method (current US\$)



Source: World Bank

### Box 1: Country Classification by income group

Each year, the *World Bank* revises the analytical classification of the world's economies based on estimates of gross national income (GNI) per capita for the previous year. The *World Bank* makes use of the *Atlas method* for this purpose. The updated GNI per capita estimates are used as input to the *World Bank's* operational classification of economies that determines lending eligibility.

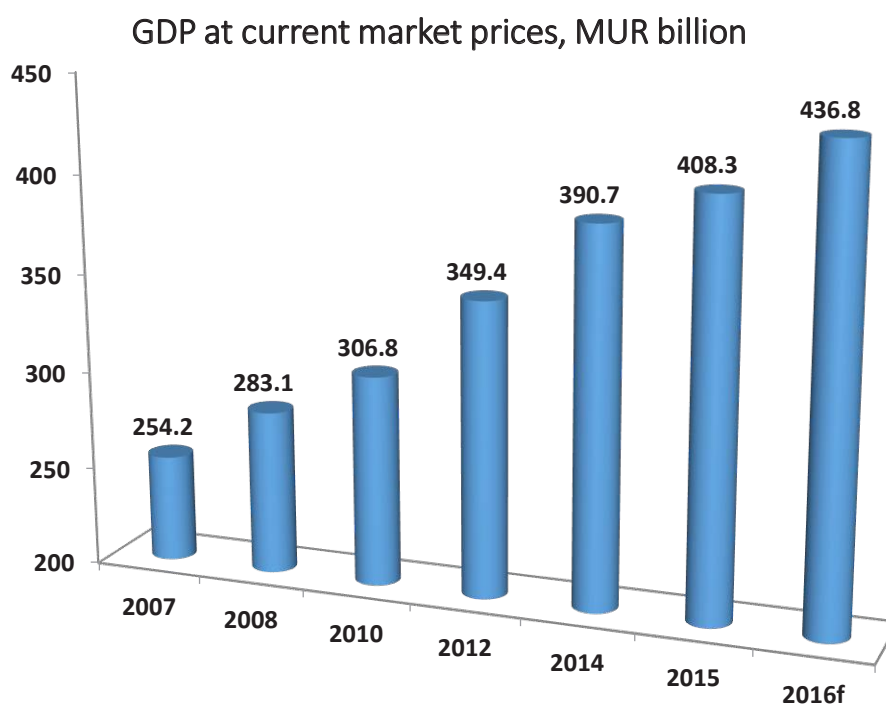
As of 1 July 2016,

- Low-income economies are defined as those with a GNI per capita of USD 1,025 or less in 2015;
- Middle-income economies are those with a GNI per capita of more than USD 1,025 but less than USD 12,475; of which
  - » Lower middle-income economies are those with a GNI per capita of between USD 1,026 and USD 4,035 and
  - » Upper middle-income economies are those with a GNI per capita of between USD 4,036 and USD 12,475;
- High-income economies are those with a GNI per capita of USD 12,476 or more.

Source: World Bank

## Gross Domestic Product (GDP) at current market prices

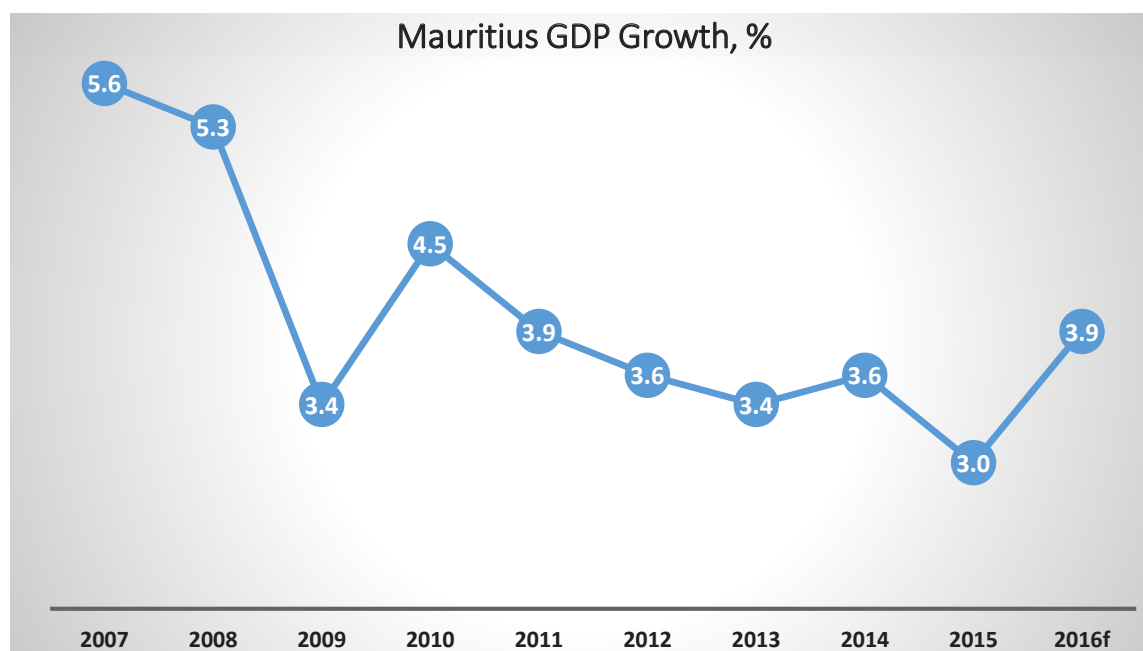
GDP at current market prices is estimated at Rs 436.8 billion in 2016.



Source: Statistics Mauritius

## Mauritius GDP Growth

Mauritius continued to grow at a moderate rate of 3.0 per cent in 2015 due to weak external demand and protracted decline in the construction sector. In 2016, growth is expected to pick up to 3.9 per cent.

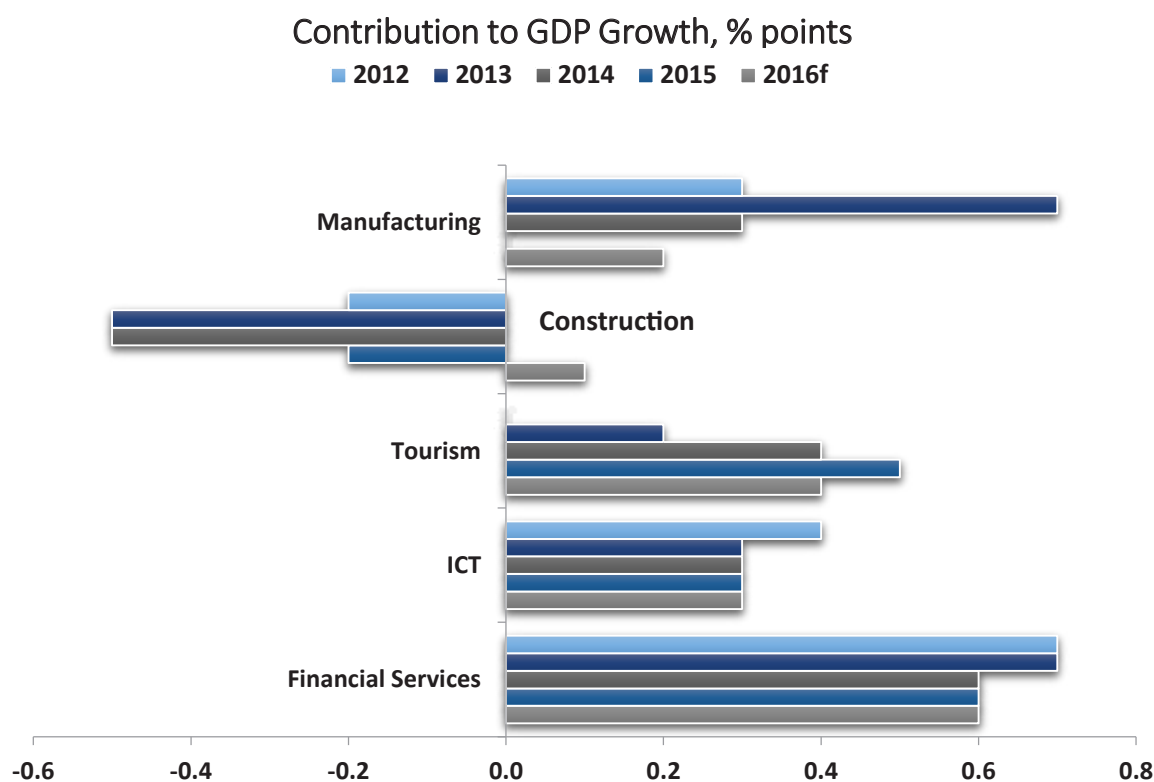


Source: Statistics Mauritius

## Main Drivers of Growth

Main sectors driving growth in 2015 were tourism, financial services, retail trade and ICT.

In 2016, construction sector is expected to contribute positively to growth with a projected expansion of 1.6 per cent after 5 consecutive years of contraction.



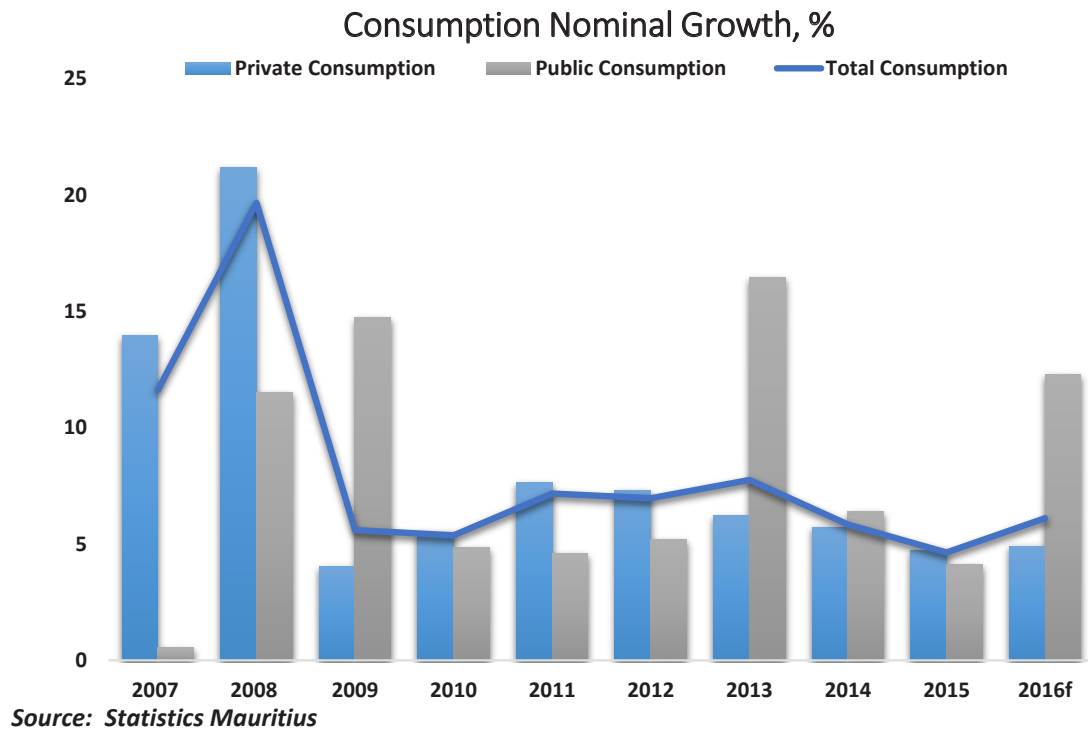
Source: Statistics Mauritius

## Consumption Expenditure

Total consumption expenditure makes up almost 90 per cent of GDP.

Growth in both public and private consumption has decelerated in recent years.

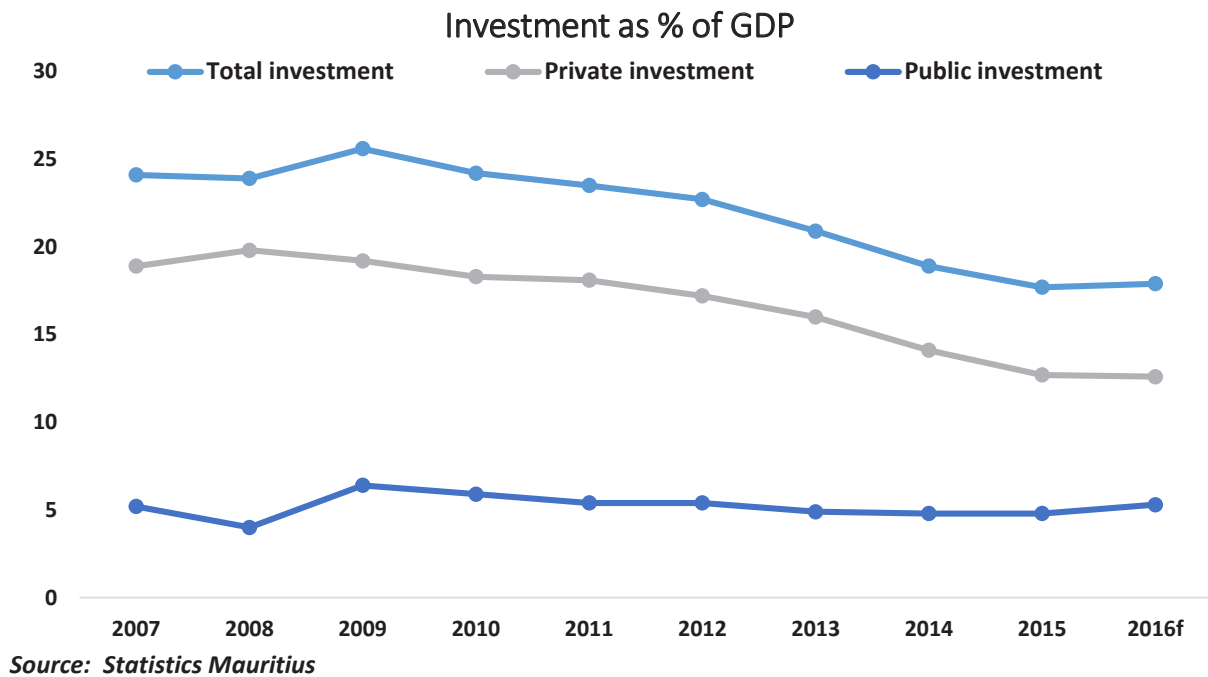
A pick-up in private consumption and to a larger extent in public consumption is expected in 2016.



## Investment

Investment rate<sup>1</sup> has been trending downwards since 2009 to reach a low of 17.5 per cent in 2015. It is expected to increase to 17.9 per cent in 2016 due to higher public investment.

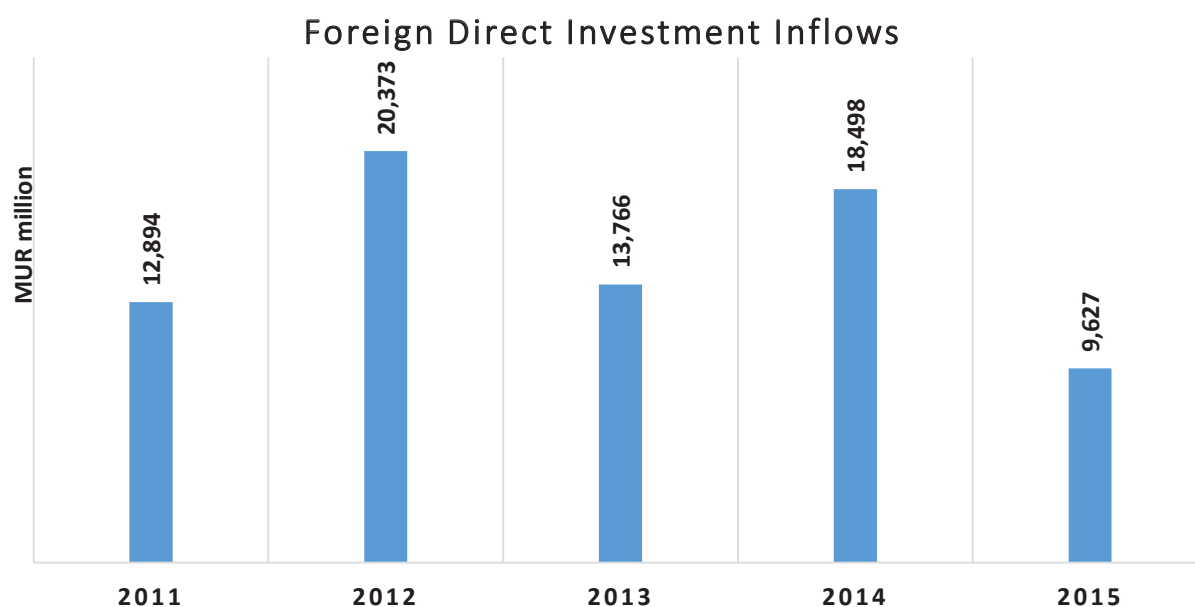
The ratio of private investment to GDP was 12.7 per cent in 2015, down one third from its 2008 peak level of 20.5 per cent.



<sup>1</sup> Investment rate is defined as the ratio of investment (GDFCF) to GDP.

## Foreign Direct Investment (FDI)

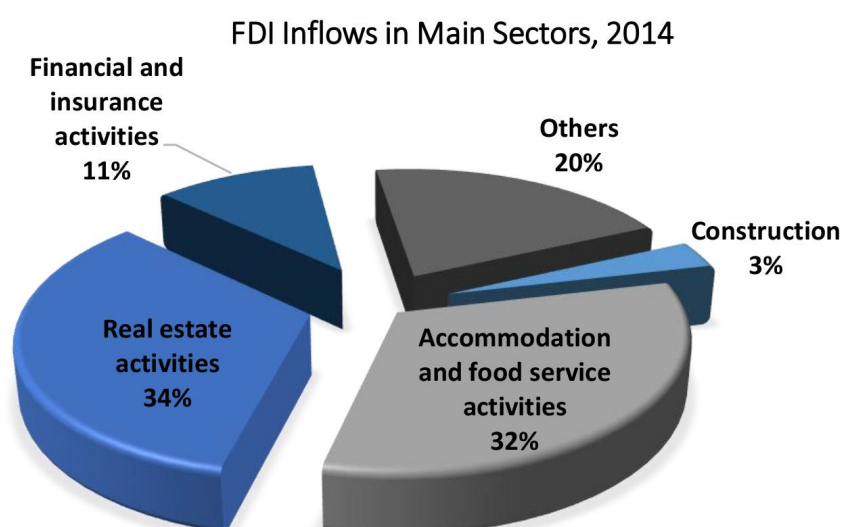
Total FDI inflows<sup>2</sup>, excluding the global business sector, have been at a sustained high level in recent years.



Source: Bank of Mauritius

Most of FDI inflows were directed towards real estate development, tourism sector and financial services.

The main sources of FDI inflows were France followed by US, South Africa and UK.



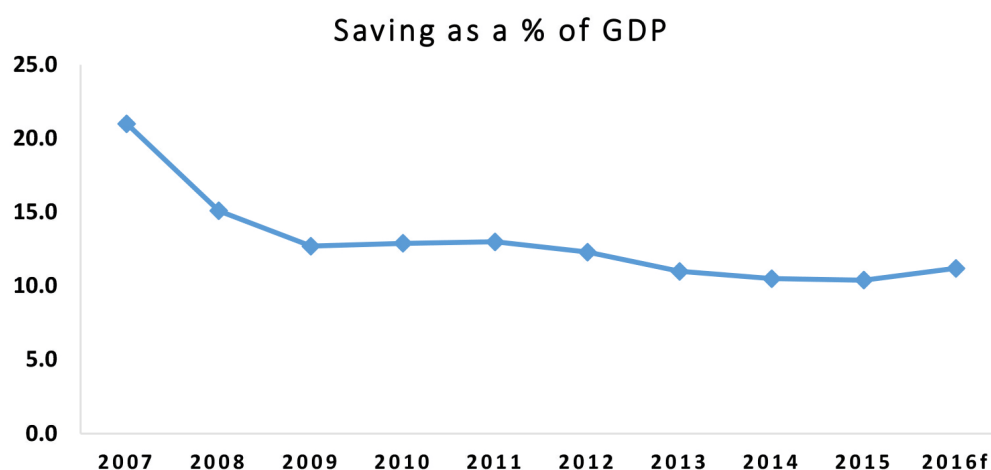
Source: Bank of Mauritius

<sup>2</sup> FDI level for year 2015 will have to be supplemented with information on reinvested earnings and shareholders' loans being collected by the Bank of Mauritius through the Foreign Assets and Liabilities Survey.

## Saving

There has been a constant decline in the gross domestic saving to GDP ratio, which reached a low of 10.4 per cent in 2015.

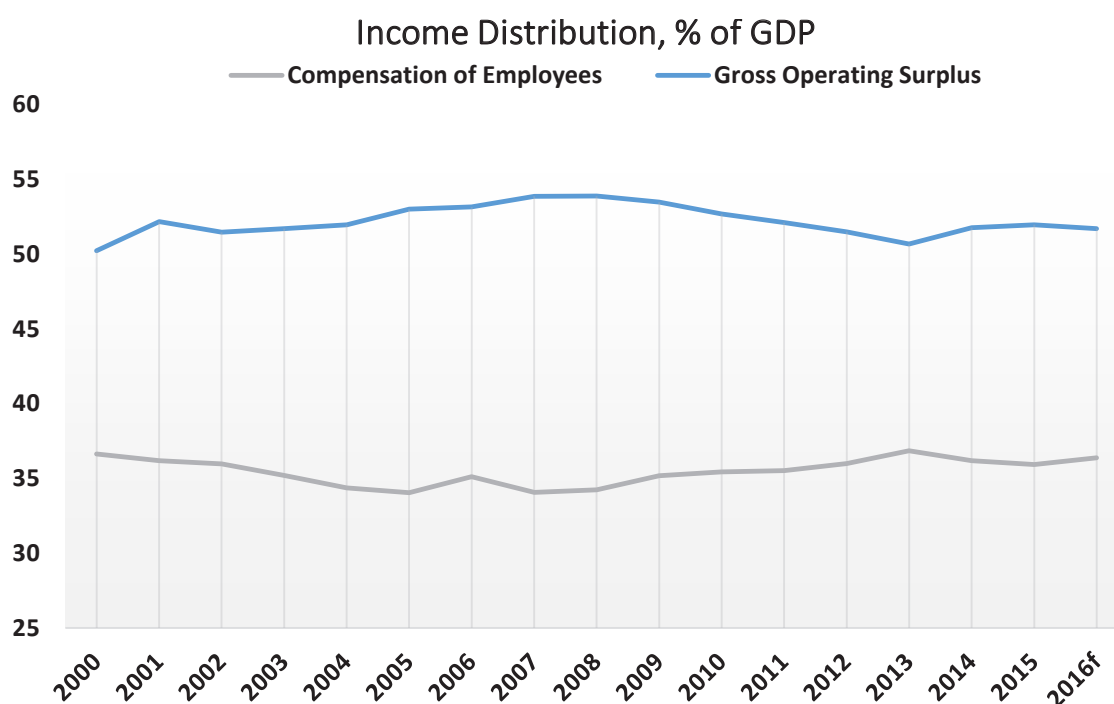
Significant drop in corporate savings and continued dissaving among households contributed to the fall in the saving rate.



Source: Statistics Mauritius

## Income Distribution

The difference between compensation of employees and gross operating surplus as percentage of GDP widened in the mid-2000s. In recent years, the extent of the difference has decreased.

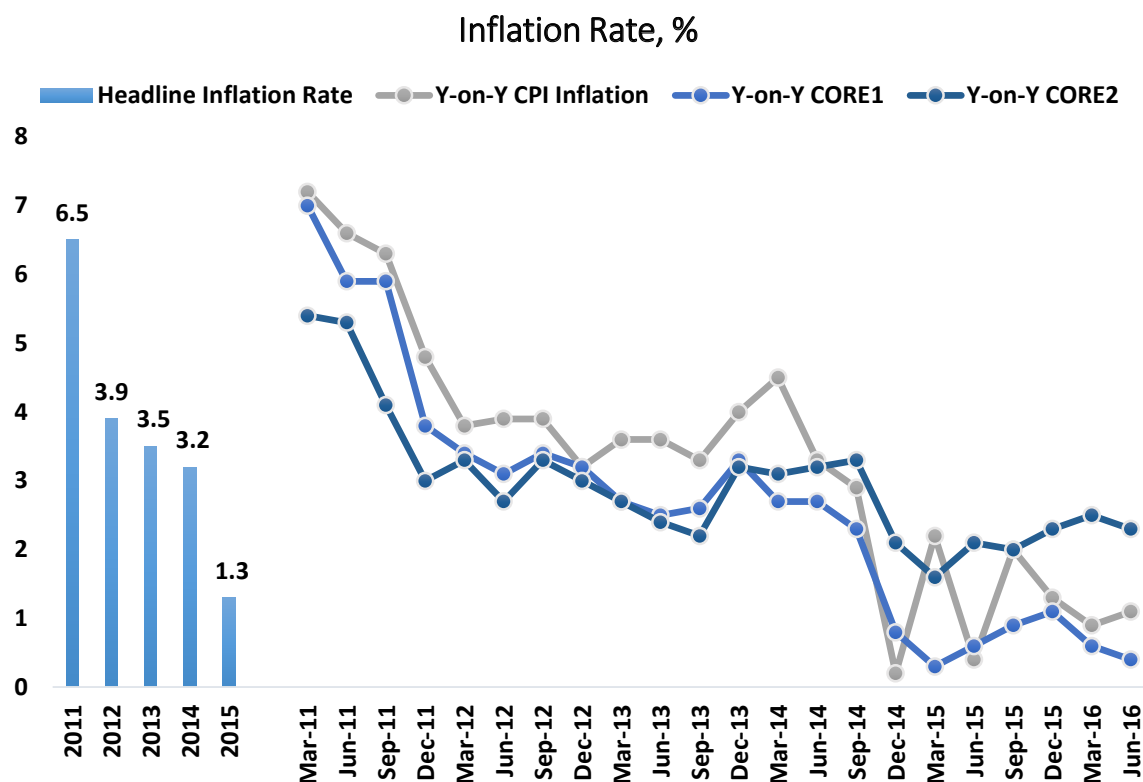


Source: Statistics Mauritius



## Inflation<sup>3</sup>

Inflationary pressures remained subdued in 2015 and also during the first semester of 2016. Headline inflation rate declined to 0.9 per cent in June 2016 – the lowest rate in more than 25 years.



Source: Bank of Mauritius

<sup>3</sup> The headline inflation rate is calculated by using the annual average method, that is, by comparing the average level of prices during a twelve-month period to the average level during the previous period.

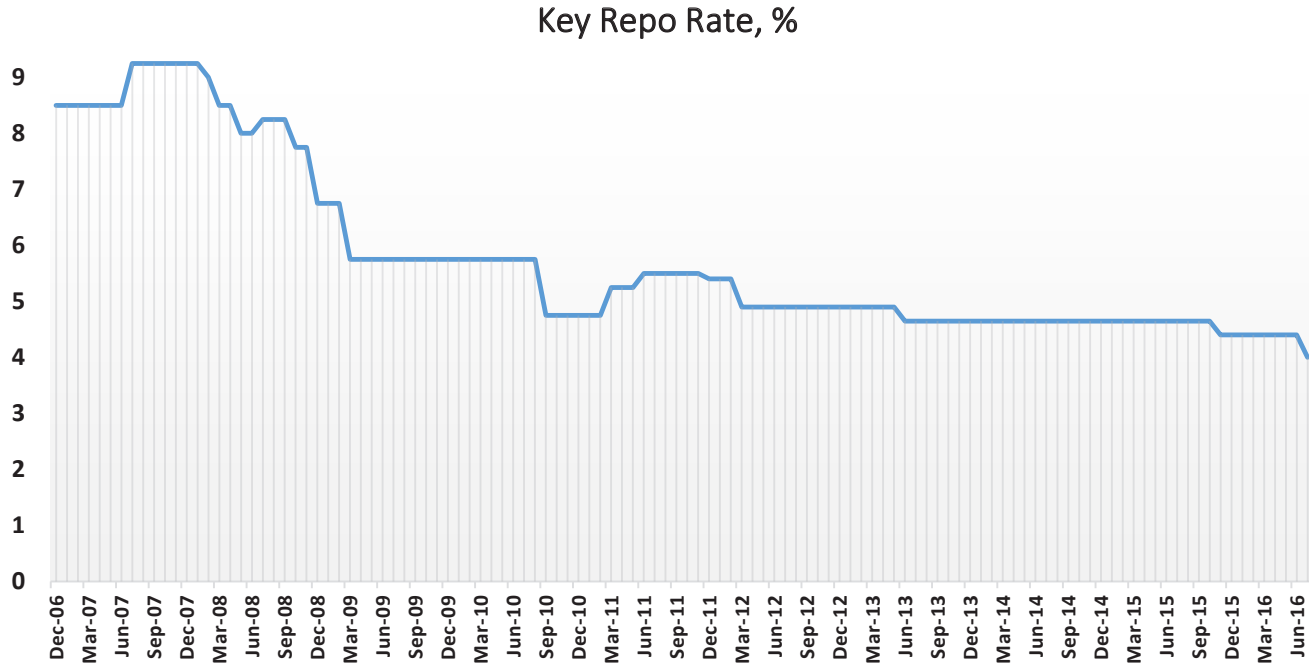
The year-on-year inflation rate is calculated as the percentage change in the Consumer Price Index (CPI) for a given month with respect to the CPI for the corresponding month of the previous year.

CORE1: excludes Food, Beverages and Tobacco components and mortgage interest on housing loan from CPI basket;

CORE2: excludes Food, Beverages, Tobacco, mortgage interest, energy prices and administered prices from CPI basket.

## Interest Rate

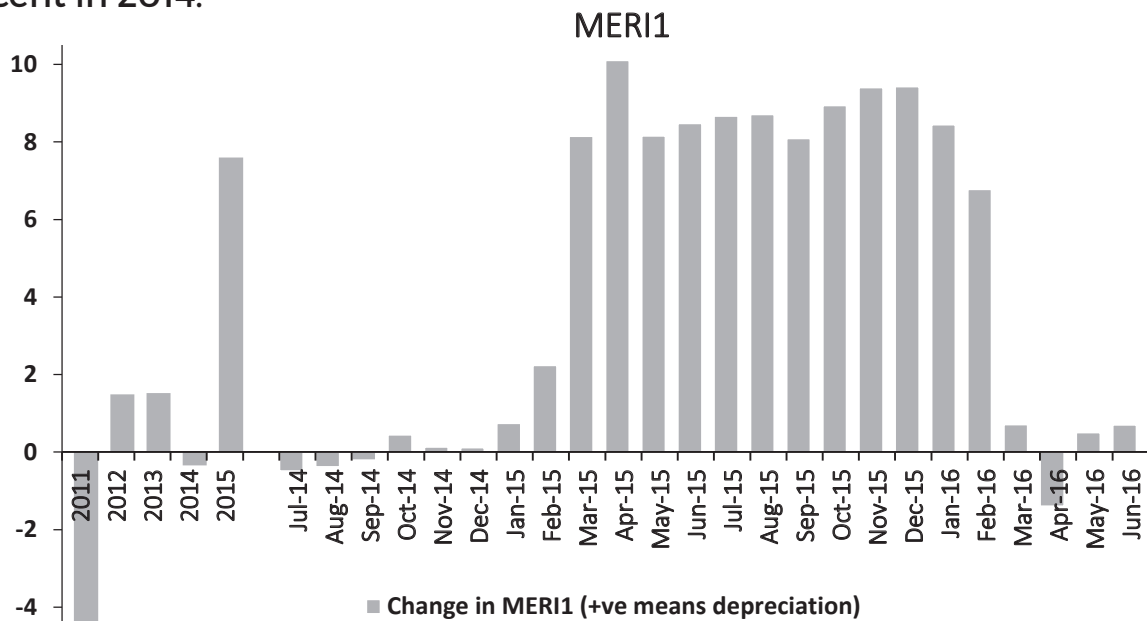
Key Repo Rate was reduced from 4.65 per cent to 4.4 per cent in November 2015, after it was kept on hold since June 2013. It was further reduced to 4 per cent in July 2016.



Source: Bank of Mauritius

## Exchange Rate

Nominal effective exchange rate of the rupee, as measured by the *Mauritius Exchange Rate Index 1 (MERI1)* computed by the *Bank of Mauritius*, depreciated by 7.6 per cent in 2015 as against an appreciation of 0.4 per cent in 2014.

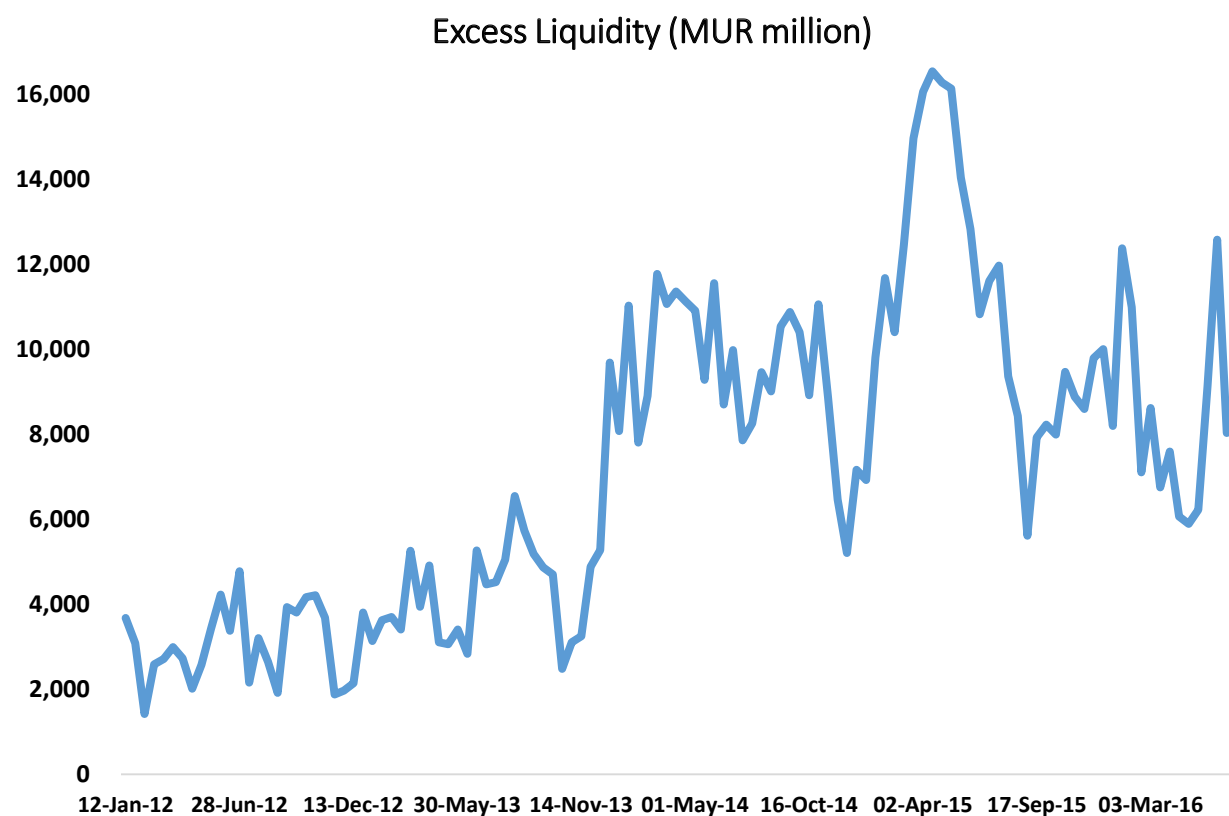


Source: Bank of Mauritius

## Excess Liquidity <sup>4</sup>

Excess liquidity in the banking system increased significantly since September 2013.

It remained at a high level of Rs 8 billion during the second quarter of 2016.



Source: Bank of Mauritius

## Unemployment <sup>5</sup>

Unemployment rate has risen since the financial crisis in 2008 and stagnated around 8 per cent in past five years. In 2016, unemployment rate is expected to decline to 7.7 per cent.

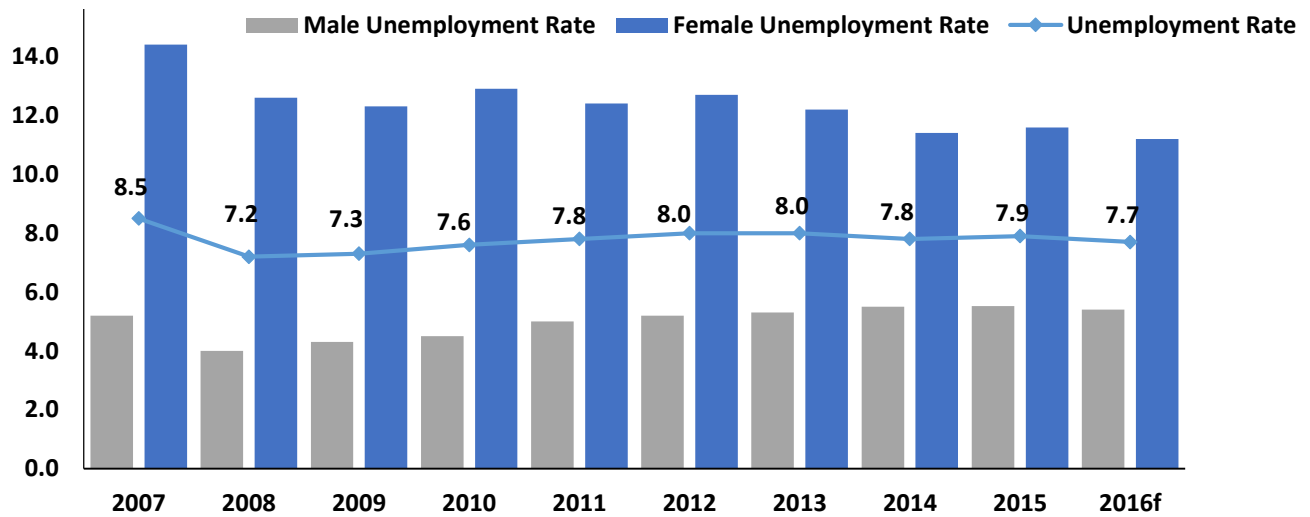
Female unemployment has been on a declining trend whereas there was a slight increase in male unemployment.

Female activity rate has kept on rising to reach 46.6 per cent in 2015.

<sup>4</sup> Excess Liquidity is calculated by the amount of excess cash balances held by banks with the Bank of Mauritius over the cash reserve ratio.

<sup>5</sup> For further details on Labour Force, refer to Appendix I.

## Unemployment Rate (%)



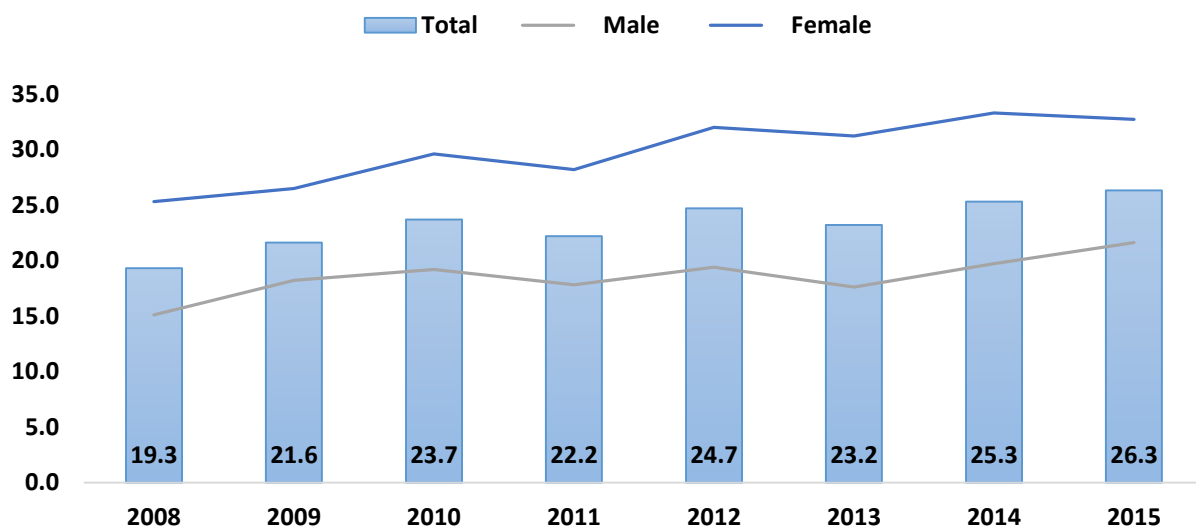
Source: Statistics Mauritius

## Youth Unemployment

Youth unemployment followed an upward trend in recent years. This was mainly due to a more significant rise in male youth unemployment.

Youth activity rate continued to increase mainly due to significant rise in females joining the labour market.

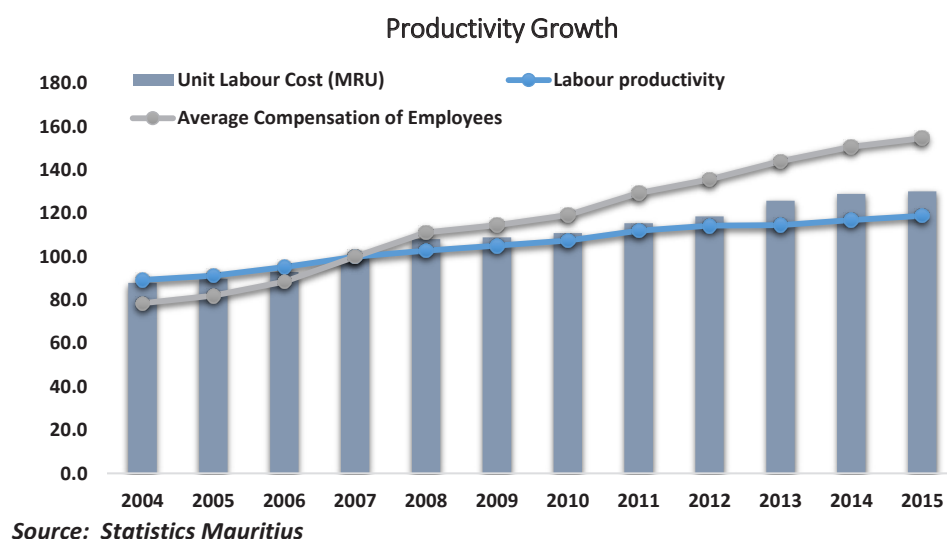
## Youth Unemployment Rate (%)



Source: Statistics Mauritius

## Productivity <sup>6</sup>

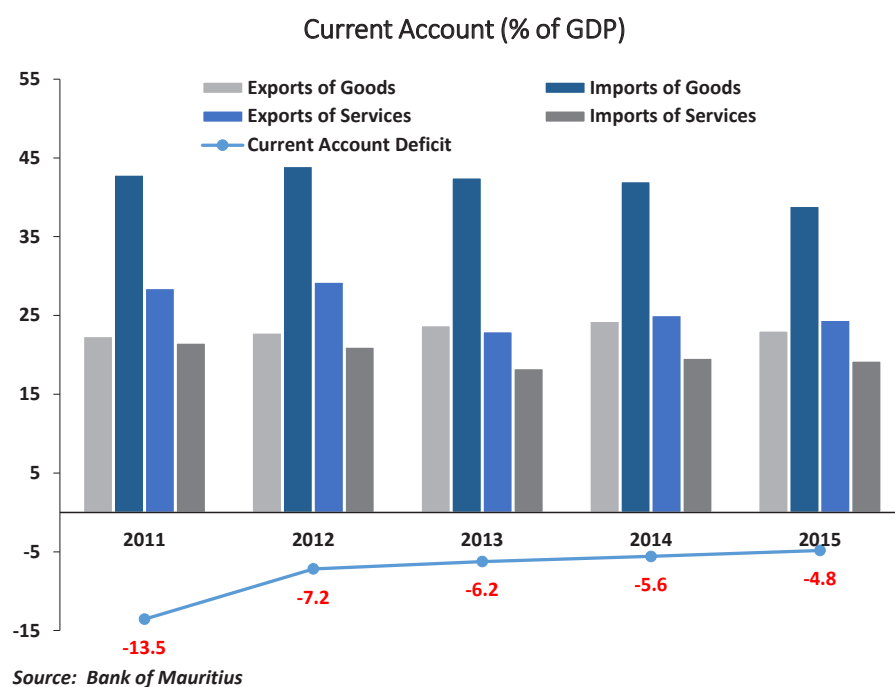
Labour productivity, a measure of real output per worker, has grown at a slower pace than average compensation of employees, thus resulting in a constant rise in unit labour cost.



## Current Account

Current account deficit continued to decline to reach 4.8 per cent of GDP in 2015 as a result of lower deficit in the visible trade account and higher income receipts.

The balance of payments registered a surplus of Rs 20 billion in 2015, representing 4.9 per cent of GDP.



<sup>6</sup> For further details on Productivity, refer to Appendix I.

## Reserves

Gross foreign reserves of the country, which comprise the gross foreign assets of the *Bank of Mauritius*, the country's reserve position with the IMF, and Government's foreign assets, maintained its upward trend to reach Rs 168.6 billion at the end of June 2016.

This represents an import cover of 8.5 months.

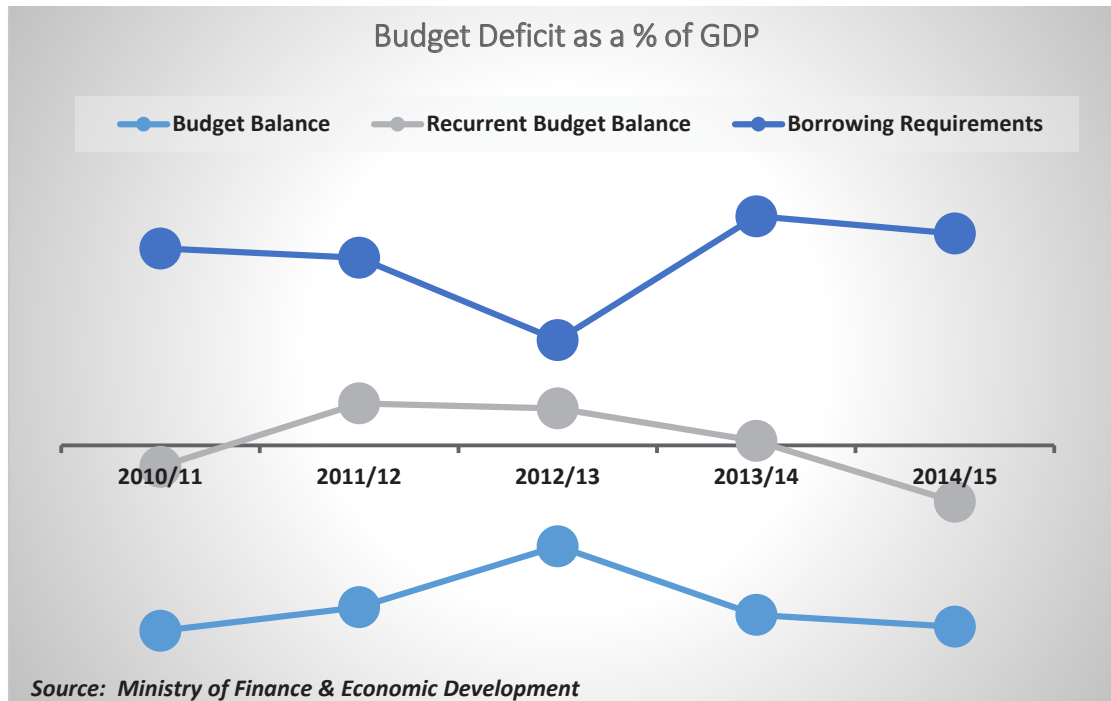
	Gross Official International Reserves		Import Cover
	MUR million	USD million	Months
Dec-10	79,064	2,602	5
Dec-11	81,474	2,778	4.6
Dec-12	92,988	3,046	4.9
Dec-13	105,009	3,491	5.2
Dec-14	124,344	3,919	6.2
Dec-15	152,902	4,261	7.6
Jun-16	168,579	4,742	8.5

*Source: Bank of Mauritius*

## Budget Deficit

Budget deficit has been in the range of 3.1-3.5 per cent of GDP during the period 2010-2015/16.

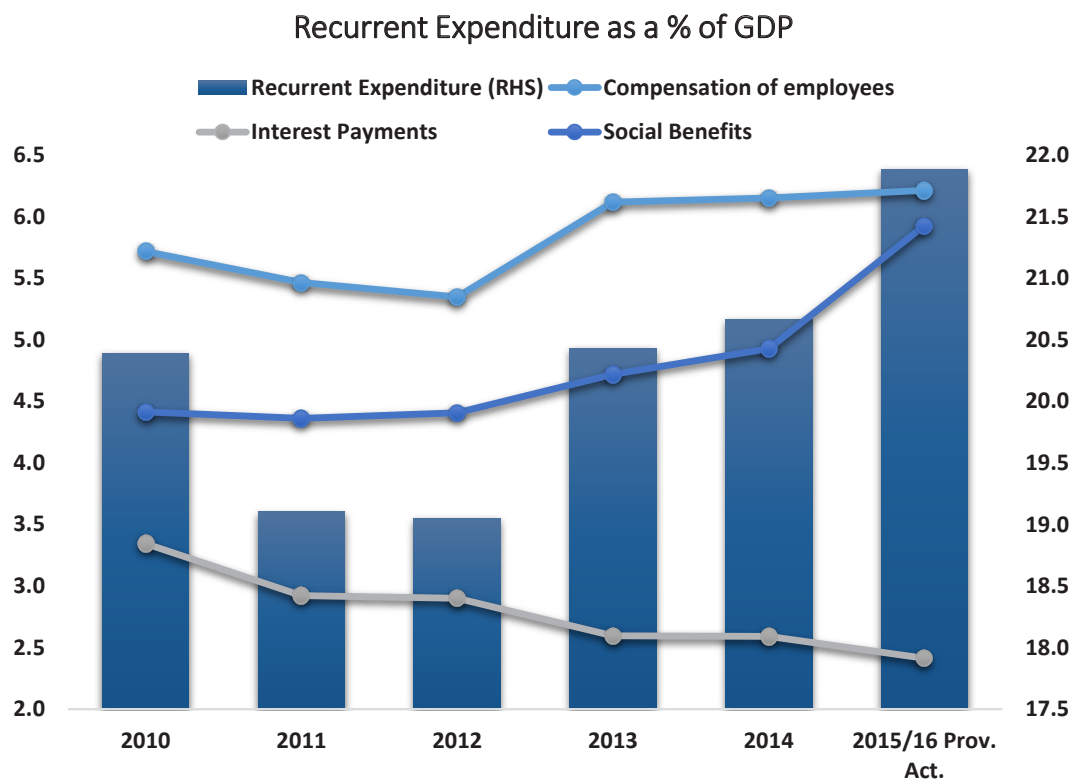
Recurrent budget, which was balanced up to 2013, recorded a deficit of 1.5 per cent of GDP in FY 2015/16 mainly due to significant increase in social spending (pensions).



## Recurrent Expenditure

Recurrent expenditure has been on the rise in recent years. Significant increase in social entitlements and wage bill has raised recurrent expenditure from a low of 19.1 per cent of GDP in 2012 to 21.9 per cent in FY 2015/16.

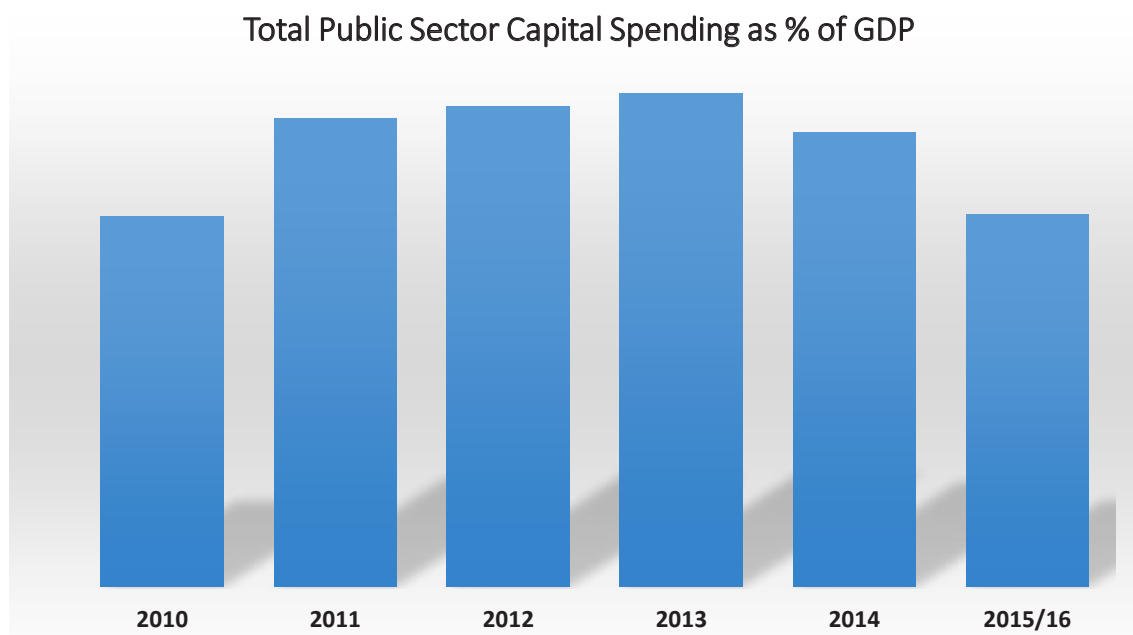
The low interest rate environment has to some extent contained the increase in recurrent expenditure.



*Source: Ministry of Finance & Economic Development*

## Capital Spending

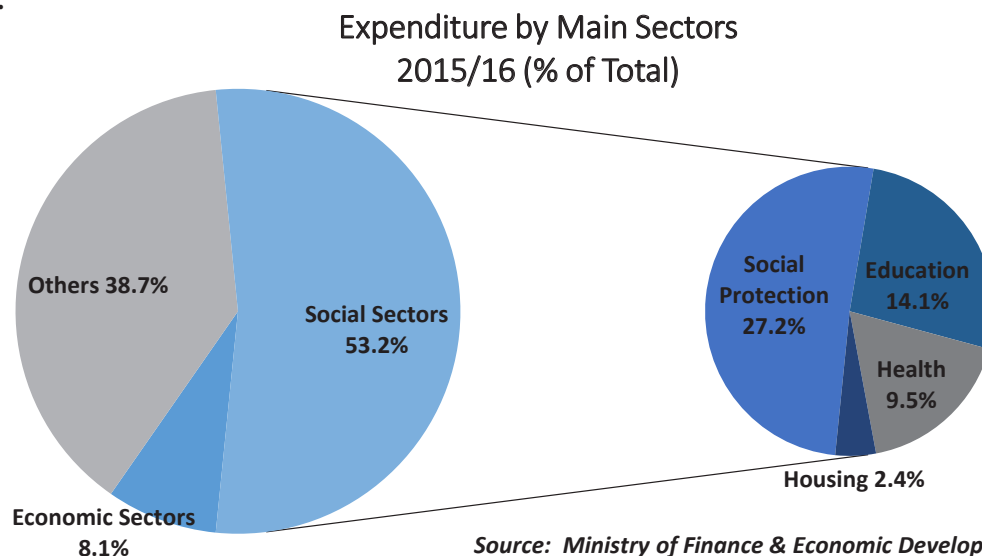
Total public sector investment, which includes projects implemented by Government (through Consolidated Fund and Special Funds), parastatal bodies, and public enterprises, remained at a high level of 5 per cent on average during the past 5 years.



Source: Ministry of Finance & Economic Development

## Expenditure by Sector

Around 53.2 per cent of Government budget is spent on social sectors: social protection (pensions and social assistance), health, education and housing. This share has increased by 6 percentage points during the period 2010-2015/16. Most of the increase is attributable to higher spending on social protection, particularly with the increase in pensions and other benefits.

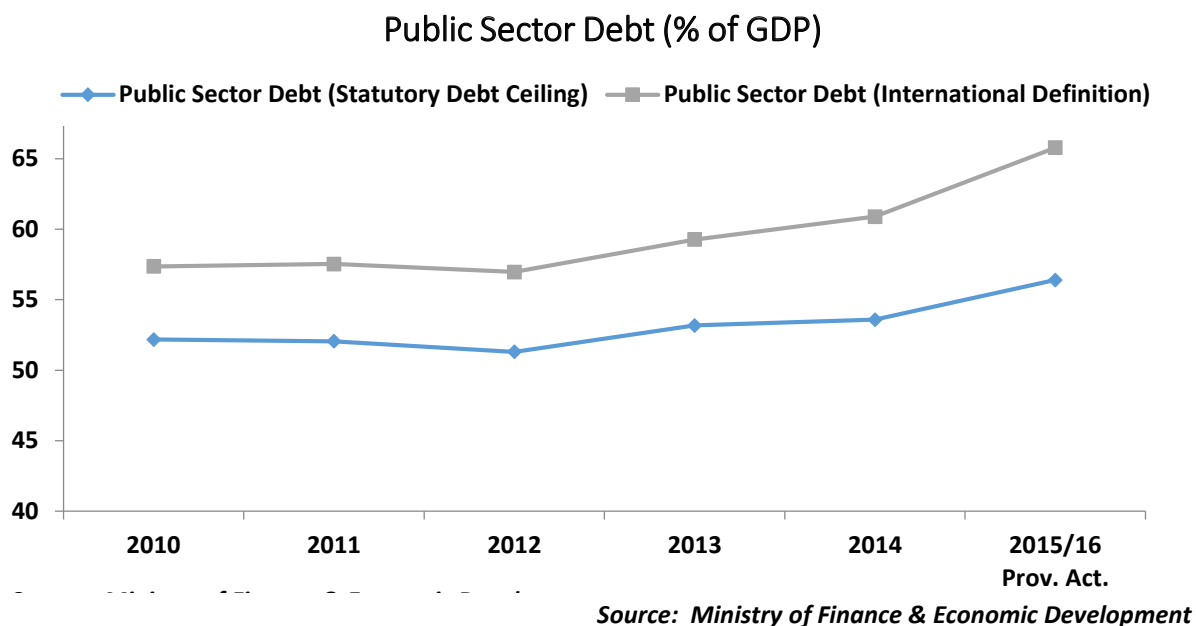


Source: Ministry of Finance & Economic Development



## Public Sector Debt <sup>7</sup>

Public sector debt has been on the upward trend during the past three years.

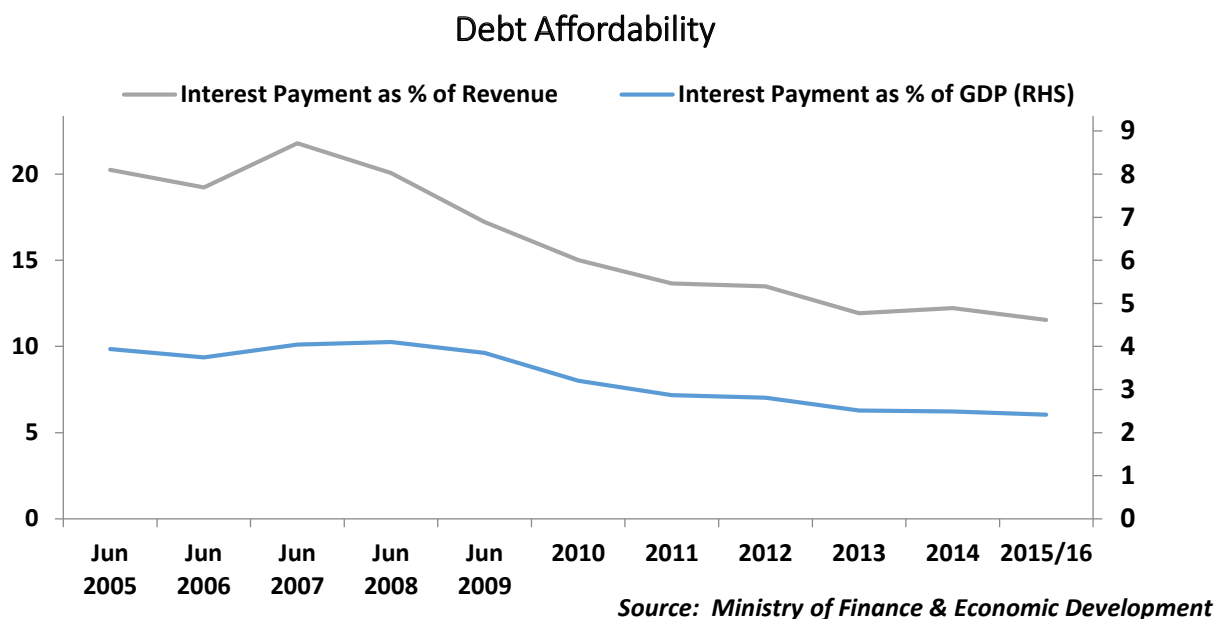


## Debt Affordability

Despite higher debt ratios, debt affordability has improved.

The ratio of interest payments to Government revenue declined from 20 per cent in 2005 to 11.5 per cent in 2015/16.

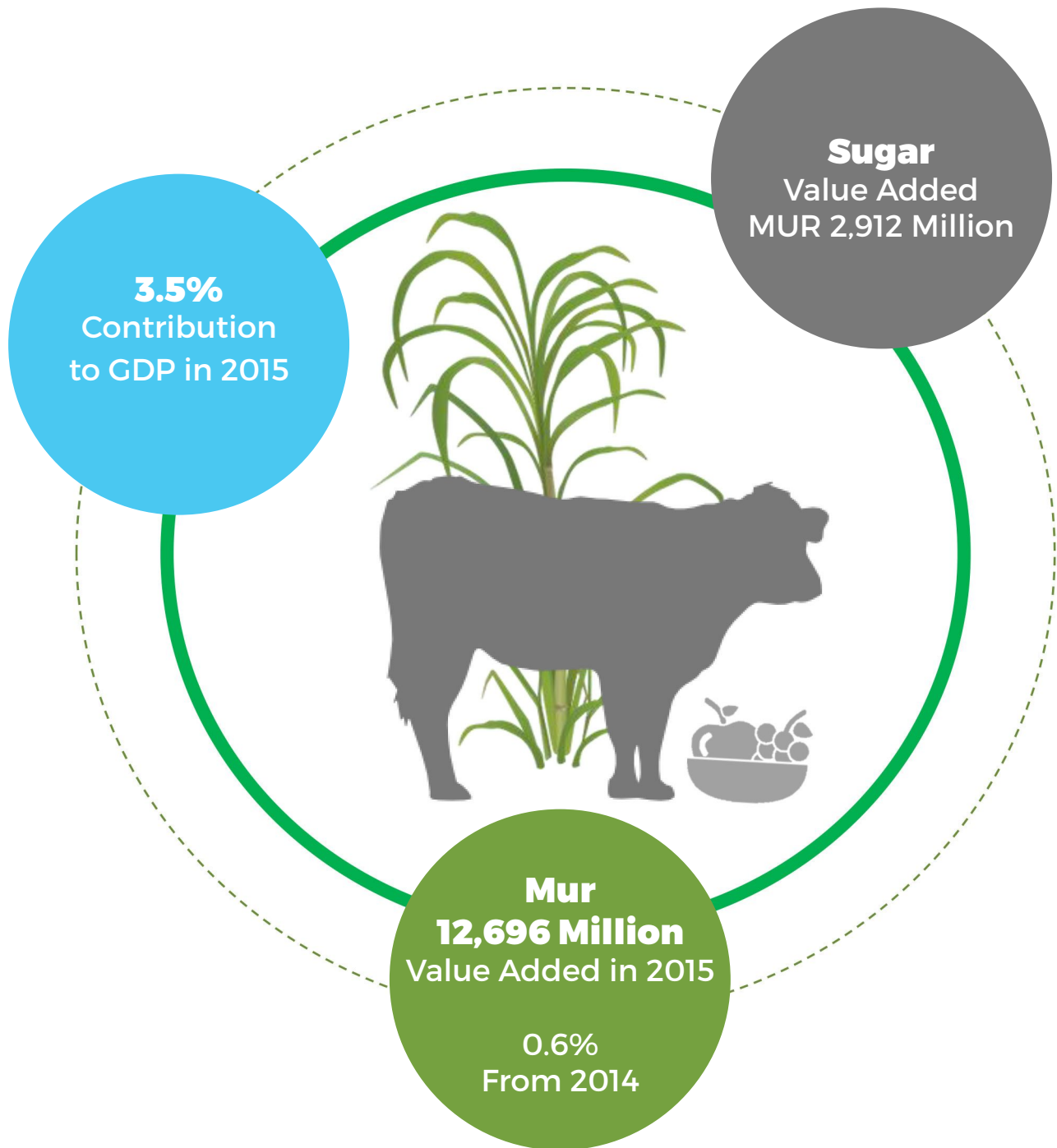
Ratio of interest payments to GDP has come down from 3.9 per cent to 2.4 per cent over the same period.



<sup>7</sup> For more details on public debt refer to Appendix II.

# AGRICULTURE

## Agriculture, Forestry & Fishing

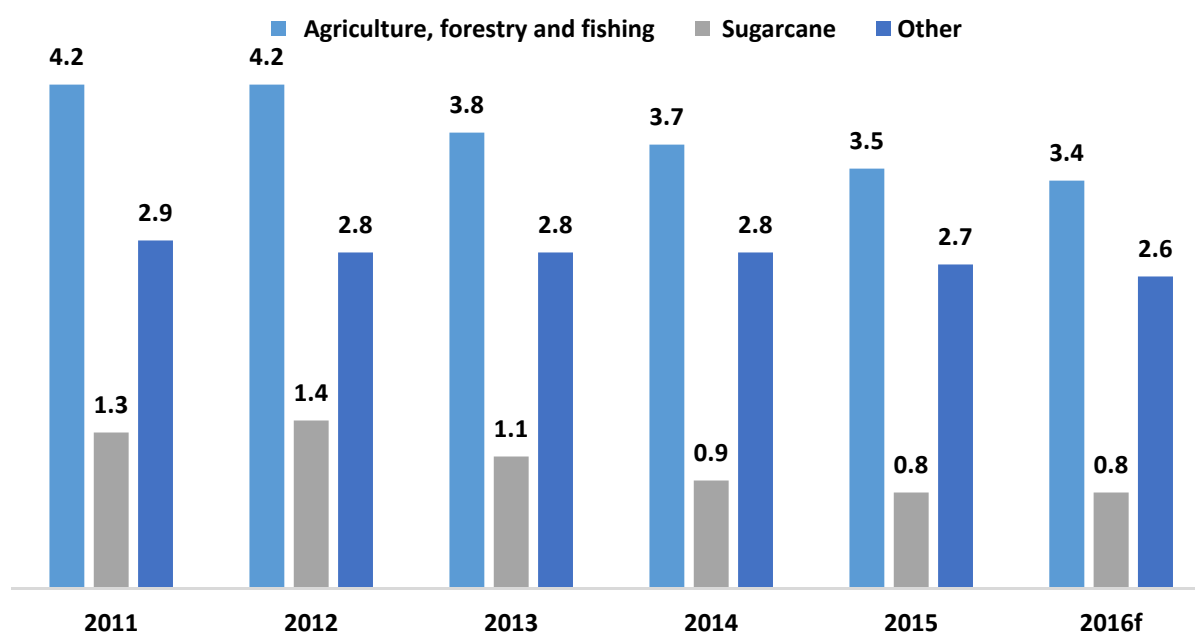


## Overview

Key Indicators - Agricultural Sector		
	Average 2011-2015	2016f
GDP Contribution (%)	3.9	3.4
<i>Sugarcane</i>	1.1	0.8
<i>Other</i>	2.8	2.6
Real Growth Rate (%)	1.7	4.5
<i>Sugarcane</i>	-3	9.6
<i>Other</i>	3.6	3
	Average 2011-2014	2015
Employment	43,900	45,300
<i>Sugarcane</i>	13,400	13,100
<i>Other</i>	30,500	32,200

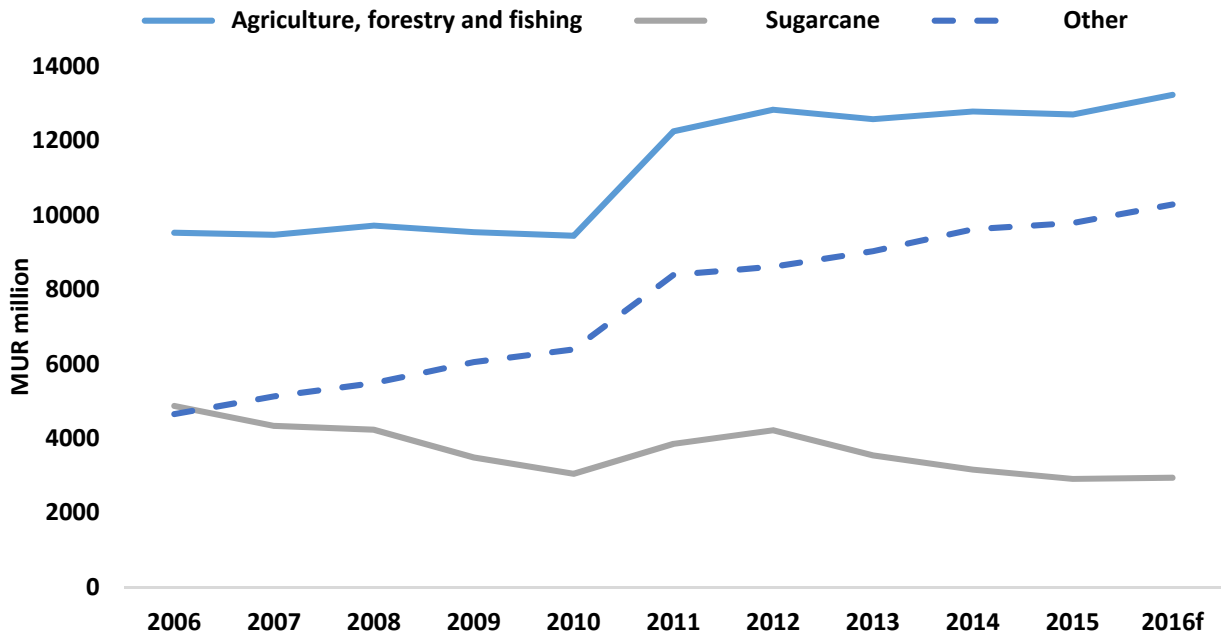
*Source: Statistics Mauritius*

Percentage Distribution of GDP in Agriculture



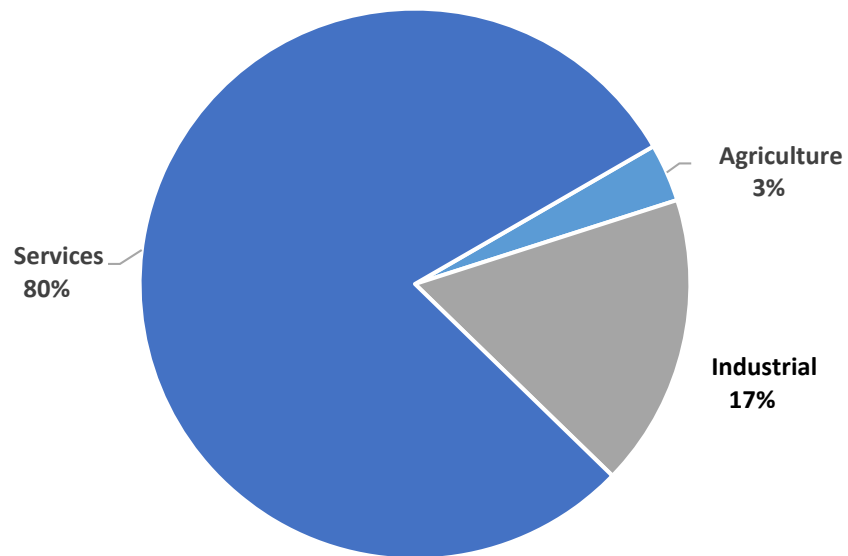
*Source: Statistics Mauritius*

### Value Added in Agriculture



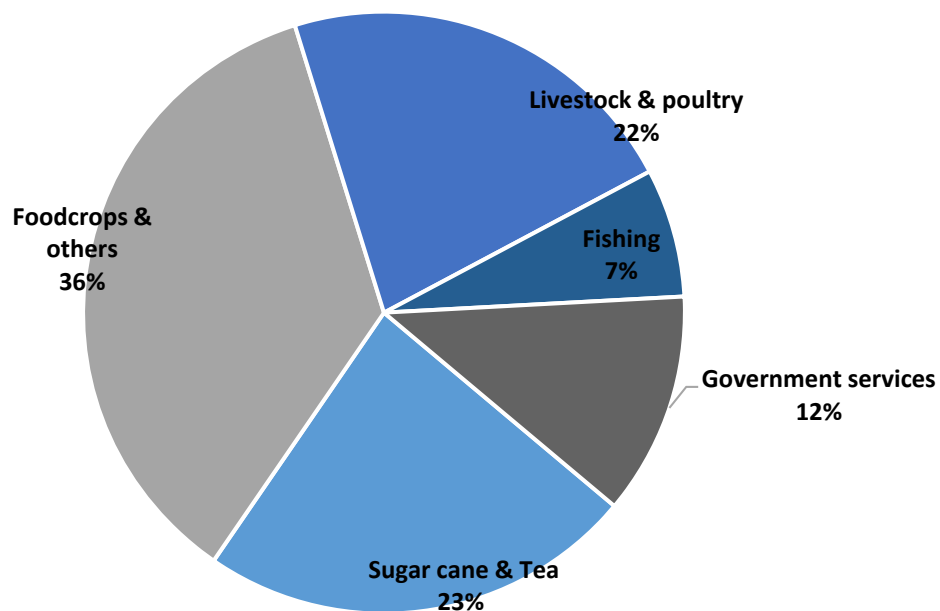
Source: Statistics Mauritius

### Share of Agriculture in the Economy, 2015



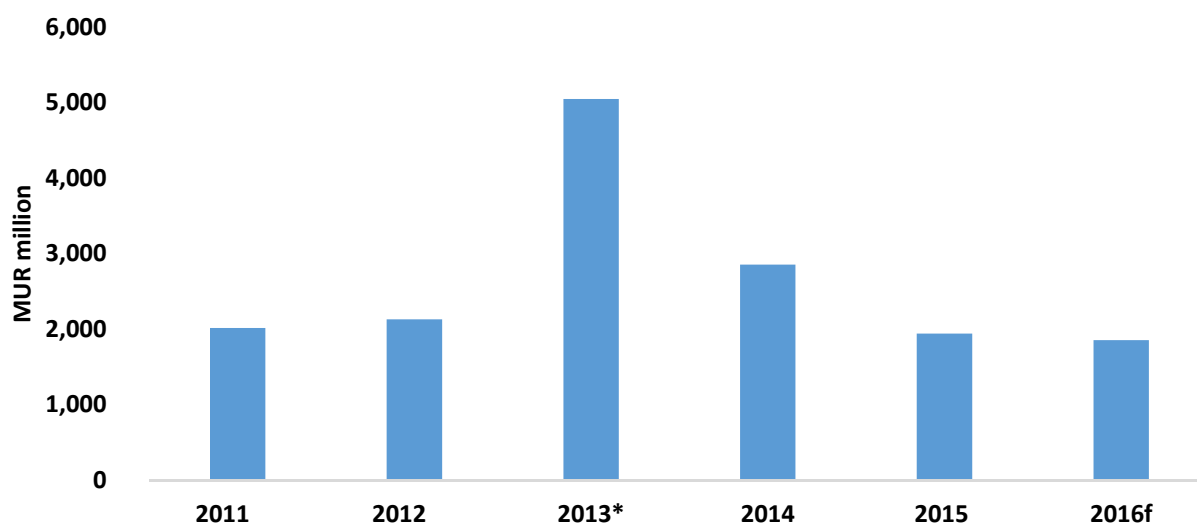
Source: Statistics Mauritius

### Contribution of main products to value added of Agriculture, 2015



Source: Statistics Mauritius

### Investment in Agriculture



*\*In 2013, investment in the agricultural sector increased sharply due to the acquisition of marine vessels by an international fishing and fish processing company in the seafood sector.*

Source: Statistics Mauritius

## Employment

Employment in the agricultural sector, which represents 8 per cent of total employment, increased by 0.9 per cent in 2015 to reach 45,300. In the same year, of the 13,100 workers in the sugar cane sector, 26.7 per cent were female.

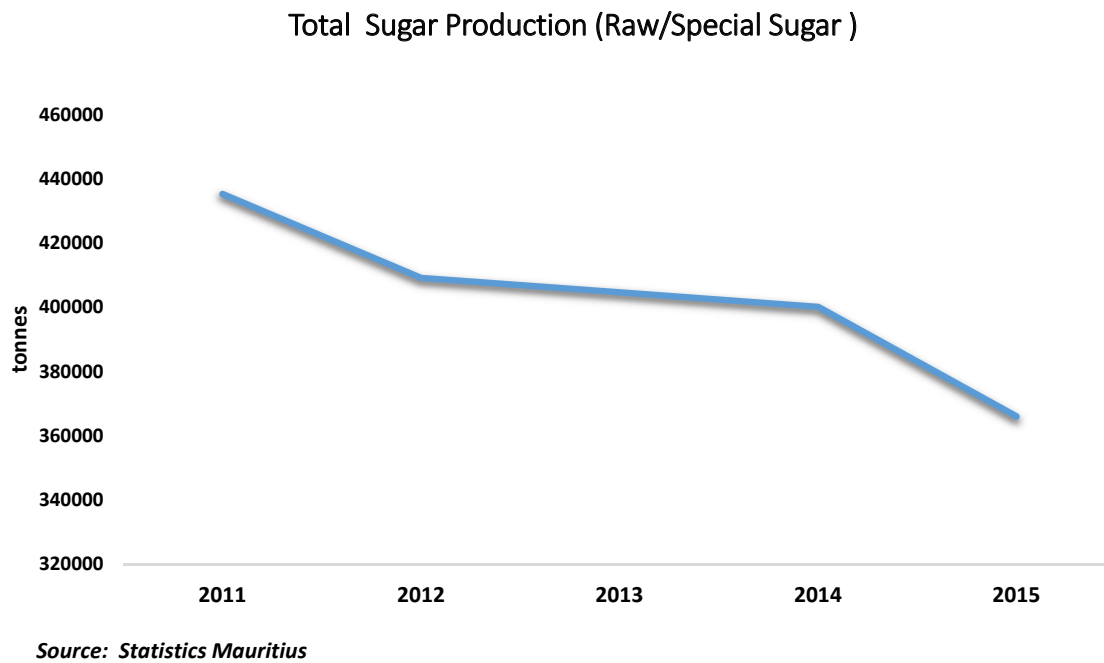
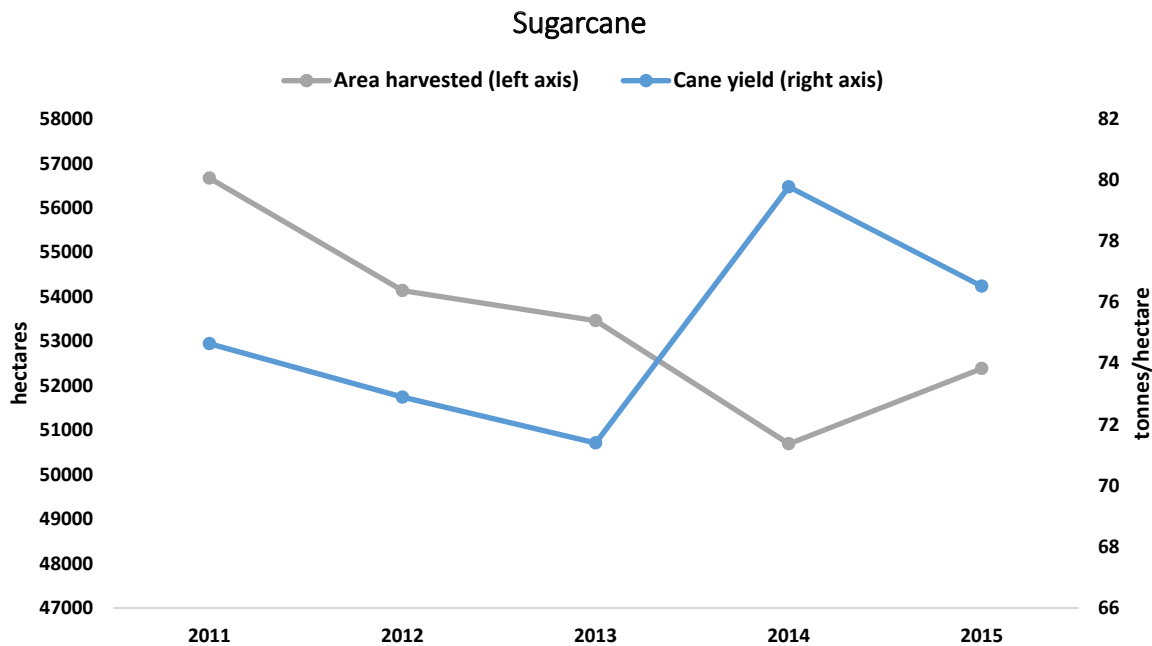
Employment in the Agricultural Sector June 2015									
Sector	Large establishments			Other than large establishments			Total employment		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Sugar cane</b>	5,900	1,300	7,200	3,700	2,200	5,900	9,600	3,500	13,100
<b>Tea</b>	80	120	200	120	480	600	200	600	800
<b>Fishing</b>	600	100	700	3,200	1,400	4,600	3,800	1,500	5,300
<b>Other</b>	4,320	1,080	5,400	9,480	11,220	20,700	13,800	12,300	26,100
<b>TOTAL</b>	10,900	2,600	13,500	16,500	15,300	31,800	27,400	17,900	45,300

Source: Statistics Mauritius

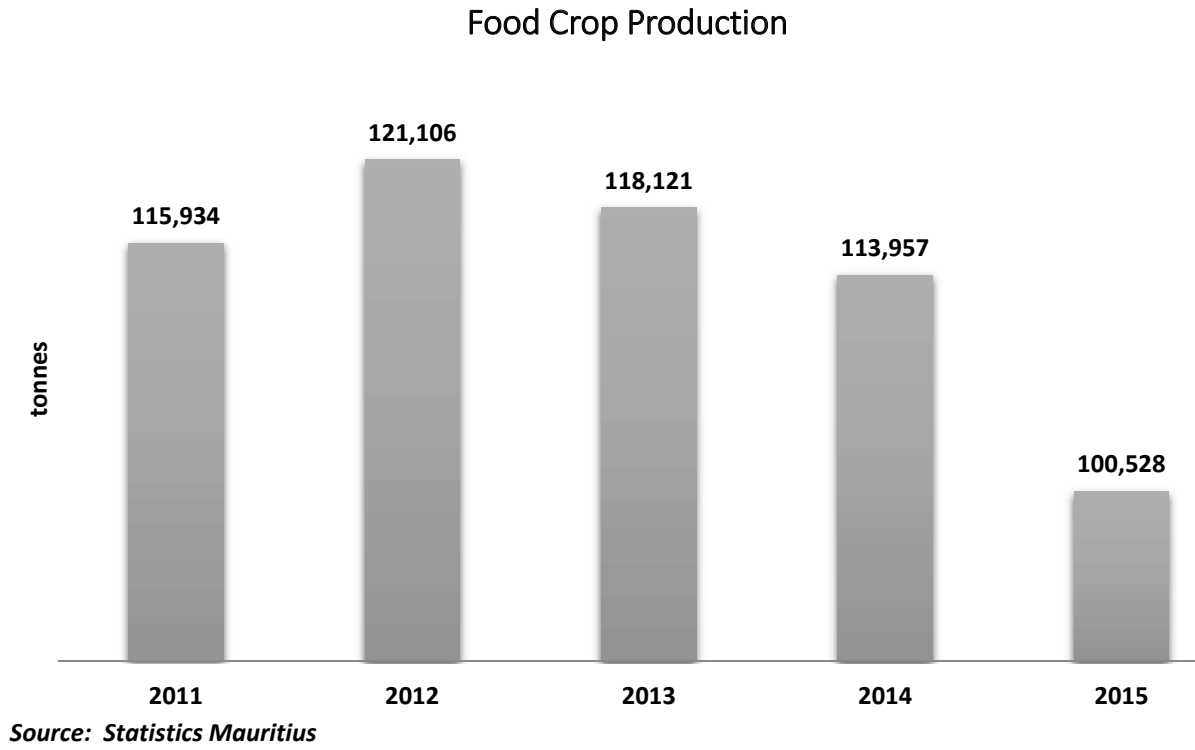
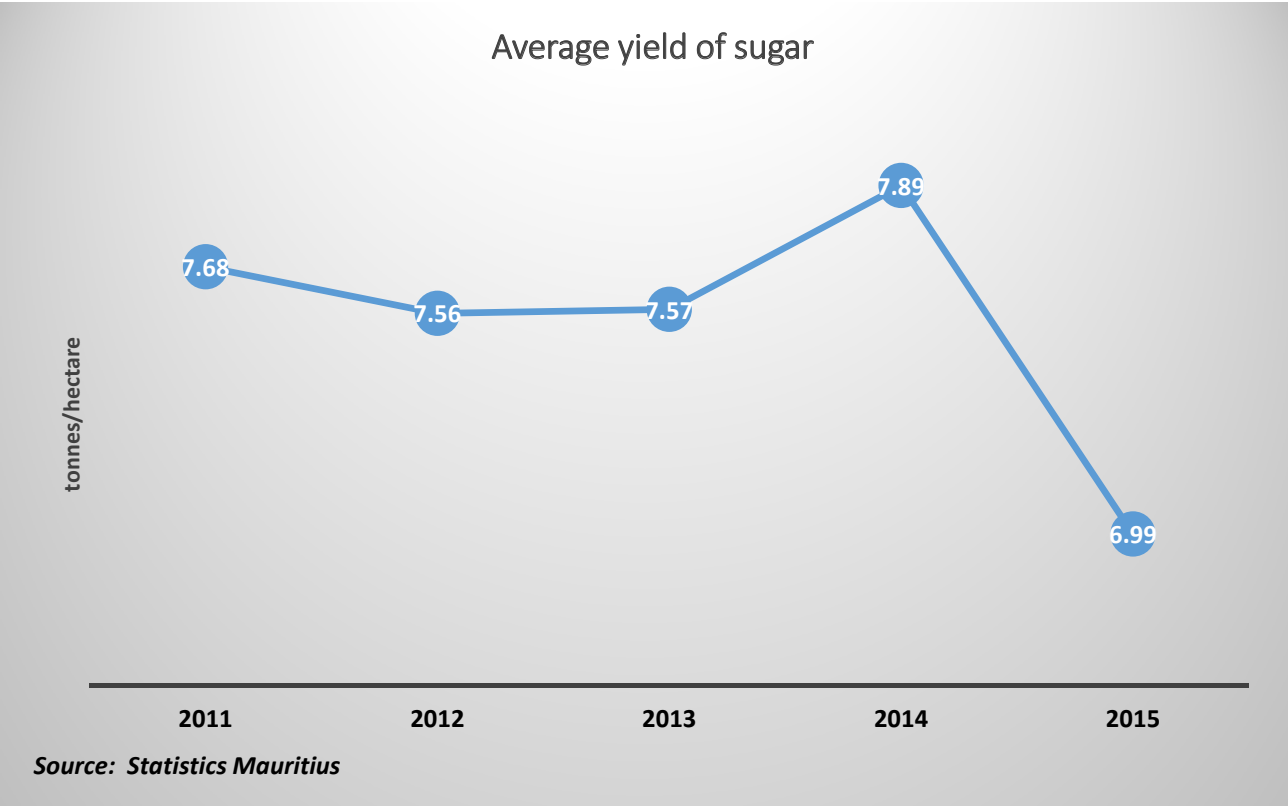
## Production <sup>8</sup>

The area harvested in 2014 decreased due to delayed harvest which exceptionally extended to the first week of February 2015, coupled with fire outbreaks. However, sugar cane production was higher during 2014 crop-year due to favourable climatic conditions compared to 2013.

<sup>8</sup> As from 2010, sugar production data comprise plantation white and special sugars; plantation white sugar is a processed raw sugar used to manufacture refined white sugar

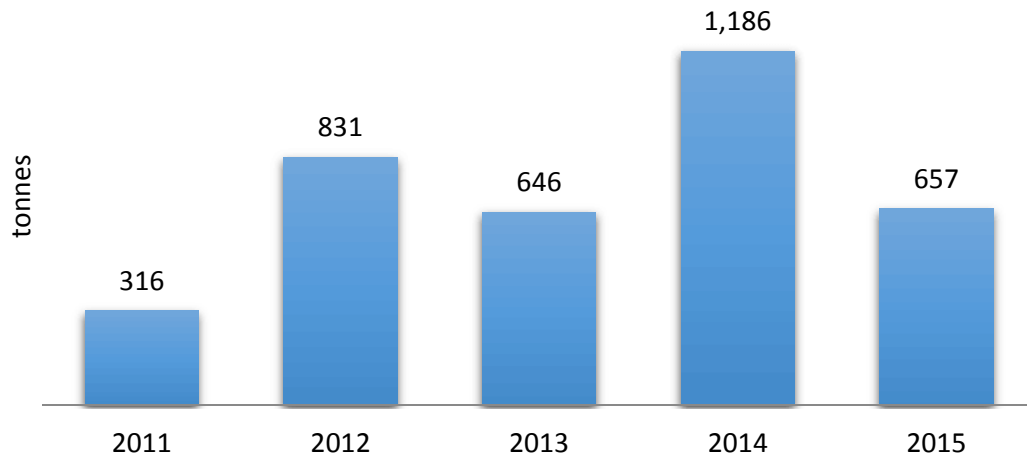


Poor climatic conditions have resulted in lower production of food crops in 2015. However, the trend has been towards lower production over the last few years, down from a peak of 121,000 tons in 2012 to slightly over 100,000 tons in 2015.





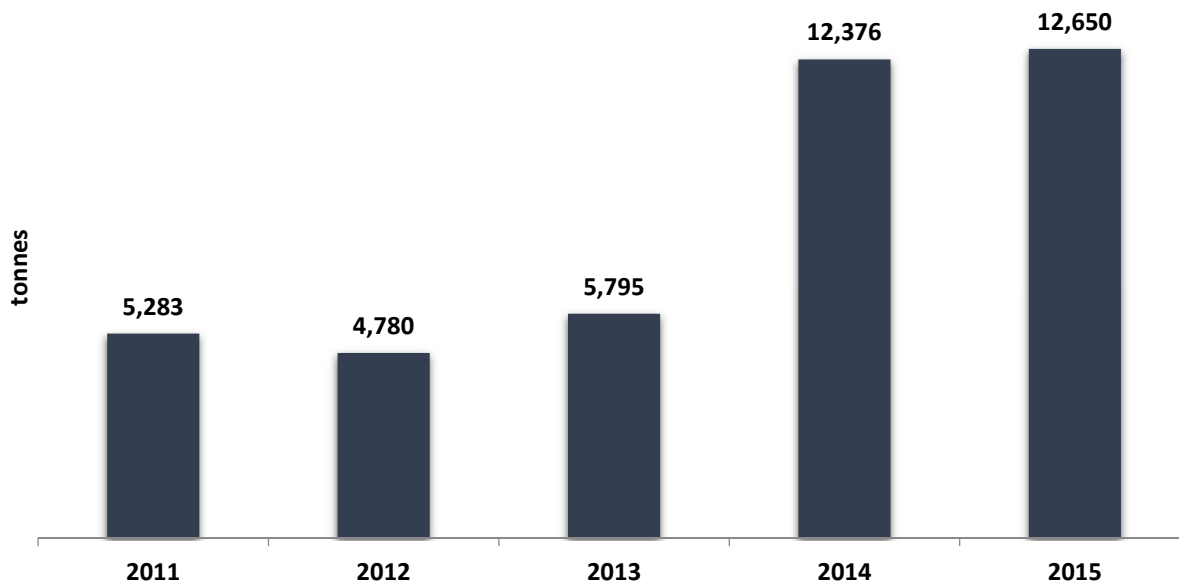
### Rice (paddy) Production



Source: *Statistics Mauritius*

The increase in fish production from 2013 to 2014 is explained by the fact that two Mauritian Purse Seiners vessels (fishing vessels) were operating fully in 2014.

### Fish Production

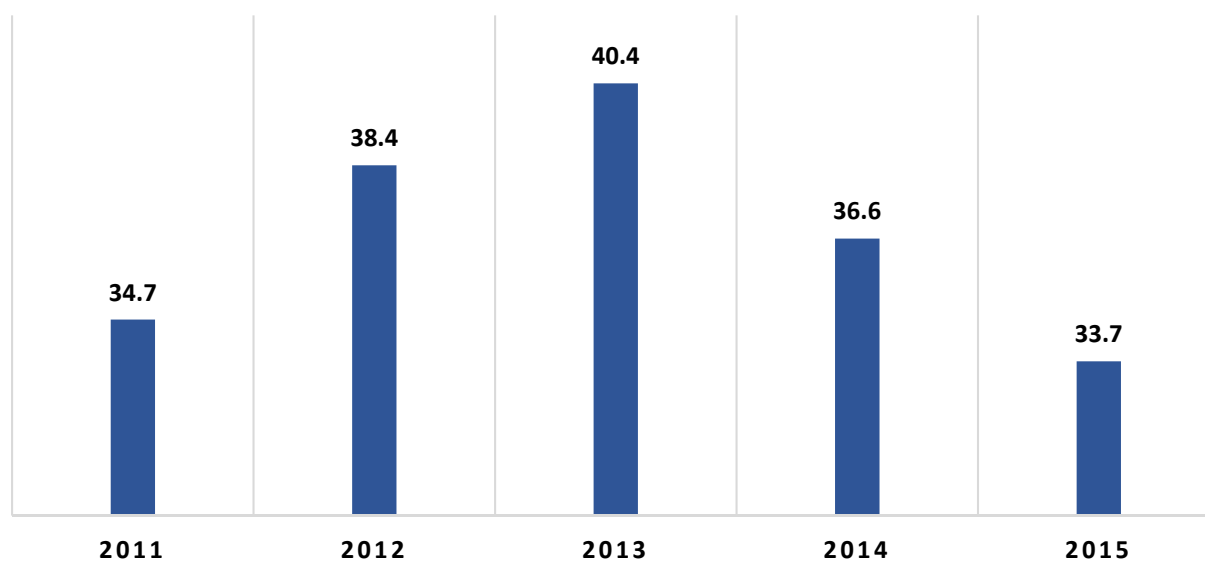


Source: *Statistics Mauritius*

## Exports

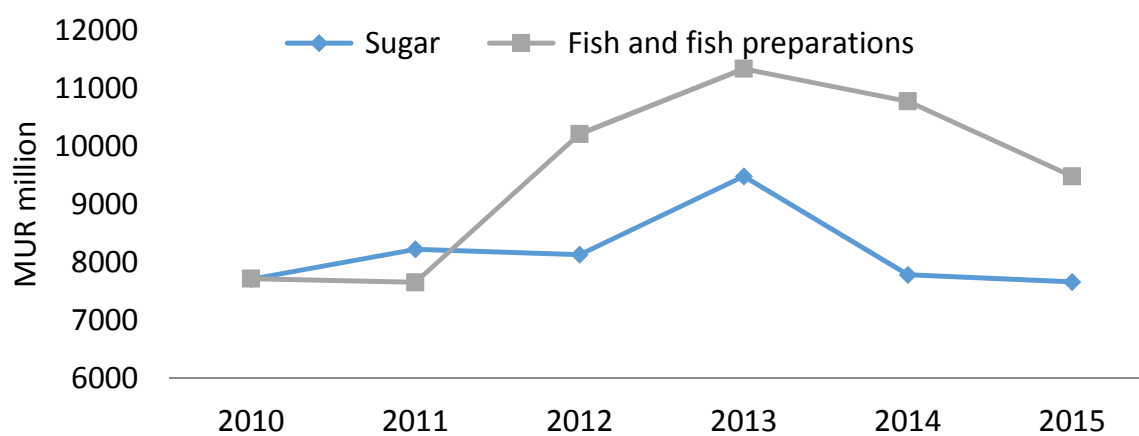
Exports from the agricultural and fisheries sector represented around a third of total exports over the last years, principally made up of sugar and fish.

Exports of agriculture as a % of total domestic exports

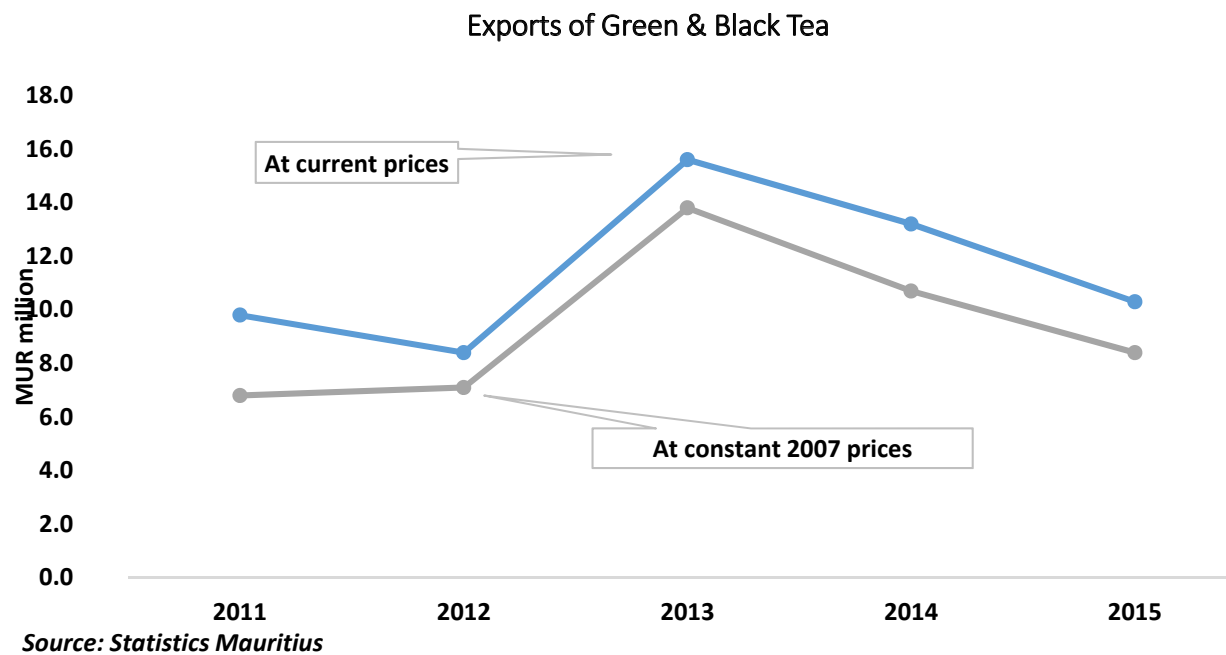


Source: Statistics Mauritius

Exports of Sugar and Fish



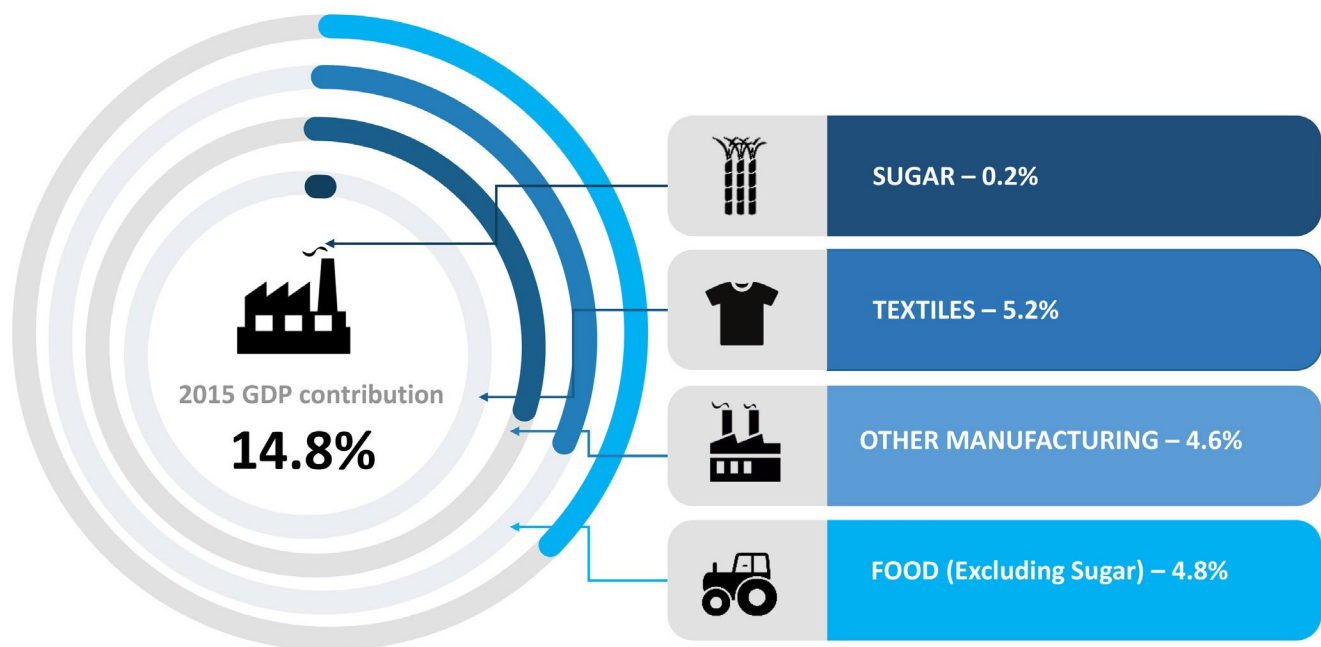
Source: Statistics Mauritius



A decrease in exports of tea was mainly due to unfavourable climatic conditions during 2014 and 2015.

## MANUFACTURING

# 1<sup>ST</sup> Pillar of the economy in terms of GDP contribution

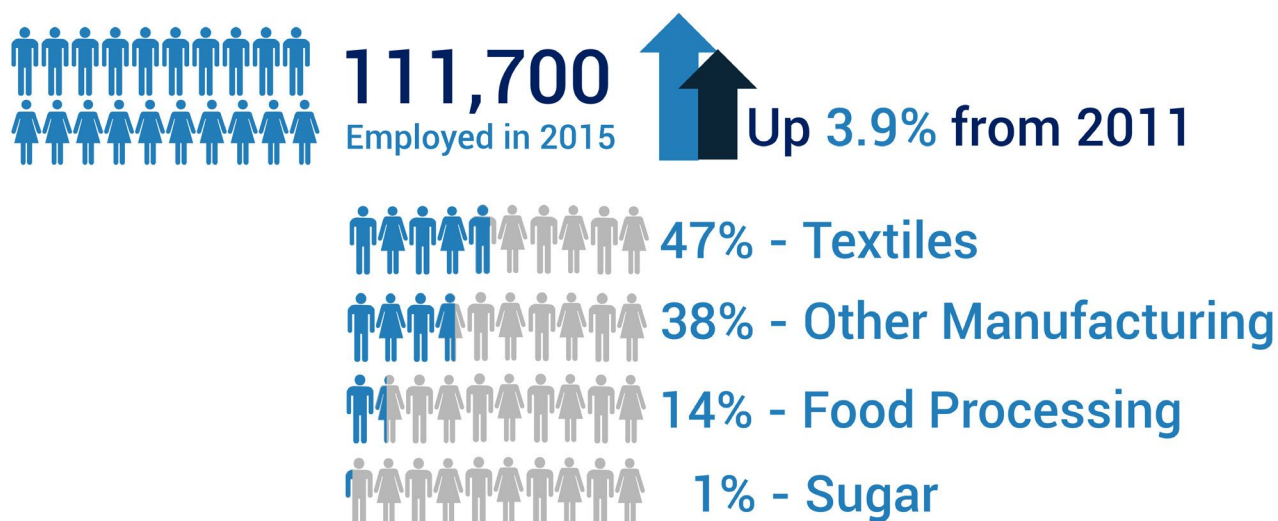


During the last decade, the Mauritian manufacturing sector was increasingly affected by global competition, particularly with cheaper labour and transport costs in countries such as Bangladesh, Vietnam and more recently Philippines.

Key Indicators - Manufacturing				
	GDP Contribution (%)		Real Growth Rate (%)	
	Average 2011-2015	2016f	Average 2011-2015	2016f
<b>Manufacturing</b>	<b>15.4</b>	<b>14.4</b>	<b>1.9</b>	<b>1.3</b>
<i>Sugar</i>	0.2	0.2	-2.0	1.0
<i>Food (excl. sugar)</i>	5.4	5.0	2.2	2.0
<i>Textile</i>	4.7	4.5	1.1	0.2
<i>Other</i>	5.1	4.7	2.3	1.3
Export Oriented Enterprises (EOEs)	6.1	5.6	0.6	-0.3

Source: Statistics Mauritius

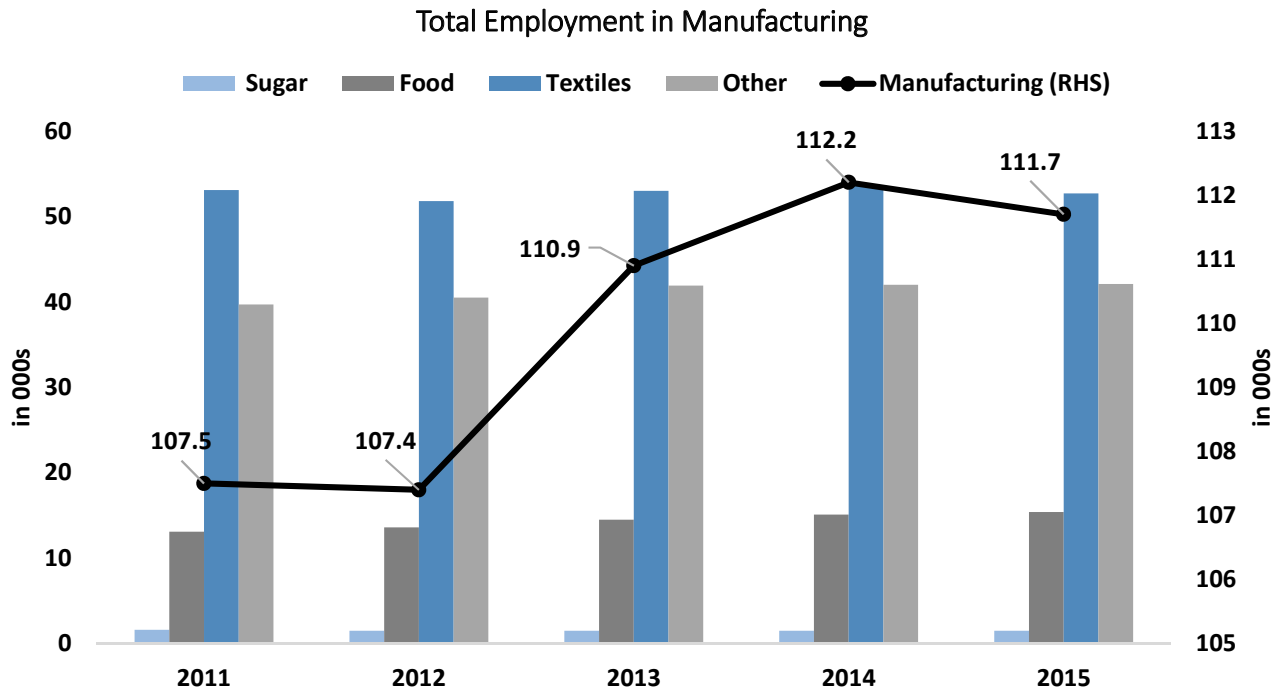
## Employment



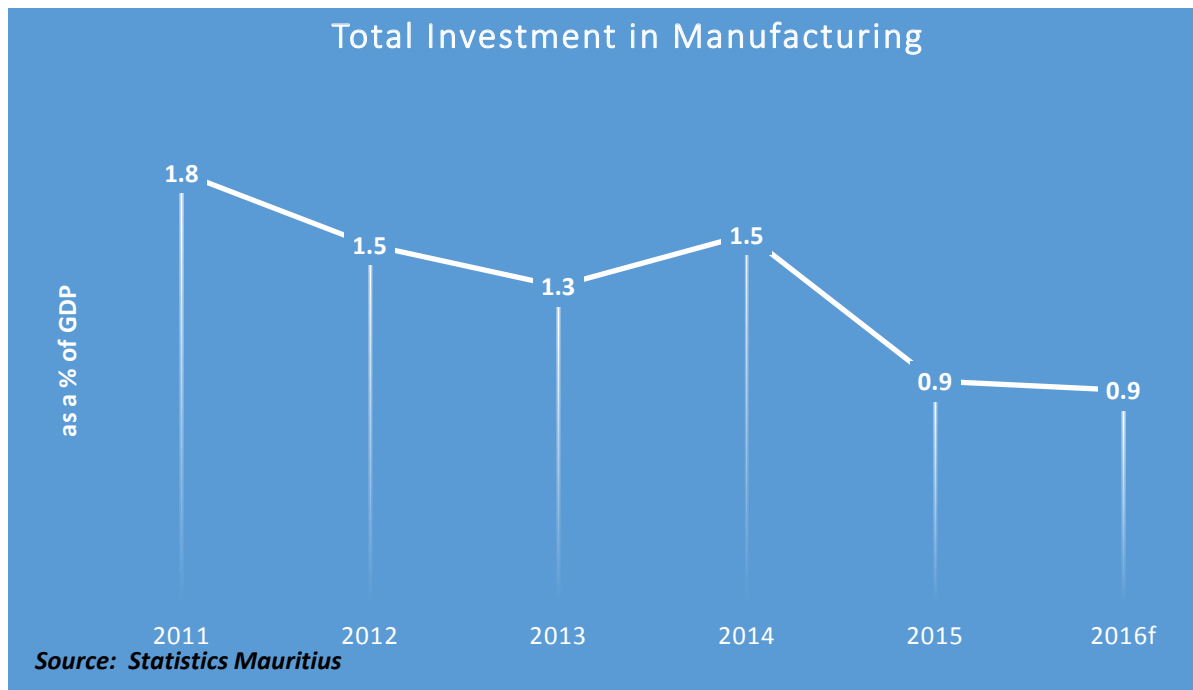
Total employment in the manufacturing sector increased by 3.9 per cent from 2011 to 2015.

This was mainly due to higher employment within the *food processing* segment of the industry, which increased from 13,100 in 2011 to 15,400 in 2015.

On the other hand, total employment in *sugar* and *textiles* production decreased by 6.3 per cent and 0.8 per cent respectively.



## Investment



## Productivity in Manufacturing

The industry increased its productivity levels slightly during the period 2011 to 2015 by making larger investments in machinery and equipment.

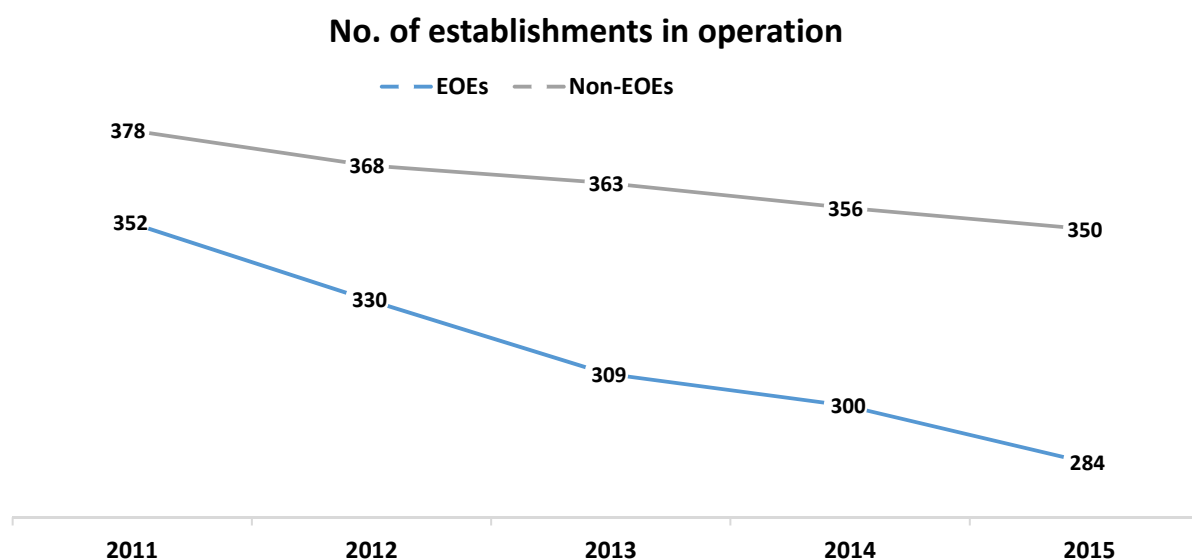
In 2015, unit labour cost (ULC) for the manufacturing sector increased by 2.6 per cent compared to 1.8 per cent in 2014. In Dollar terms, ULC fell by 10.7 per cent in 2015.

Indices for Manufacturing (Base Year 2007=100)				
	Labour Productivity	Capital Productivity	Multi-factor Productivity	Unit Labour Cost
<b>2011</b>	118	114	116	119
<b>2012</b>	120	120	120	122
<b>2013</b>	122	128	124	122
<b>2014</b>	123	131	126	125
<b>2015</b>	124	129	138	128

*Source: Statistics Mauritius*

## Export Oriented Enterprises (EOEs) and Non-EOEs

In 2015, value added by EOE was estimated at Rs 20.9 billion, around 39.0 per cent share of manufacturing and 5.1 per cent of GDP.

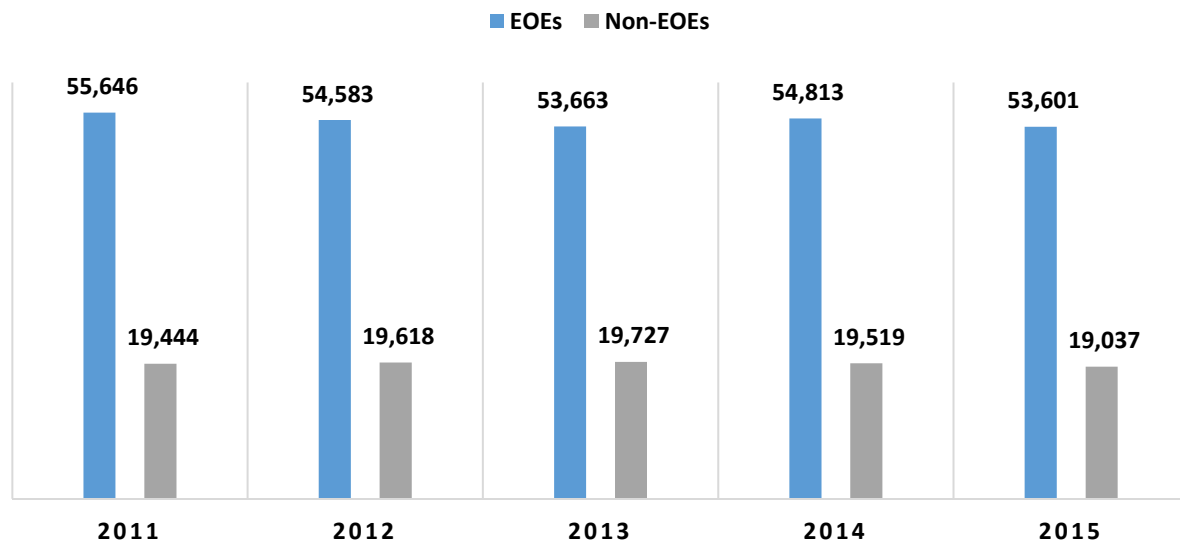


*Source: Statistics Mauritius*

Textiles and manufacturers of wearing apparel employed the majority of workers during the period 2011 to 2015.

Non-EOE total employment represented around 36 per cent of EOE total employment.

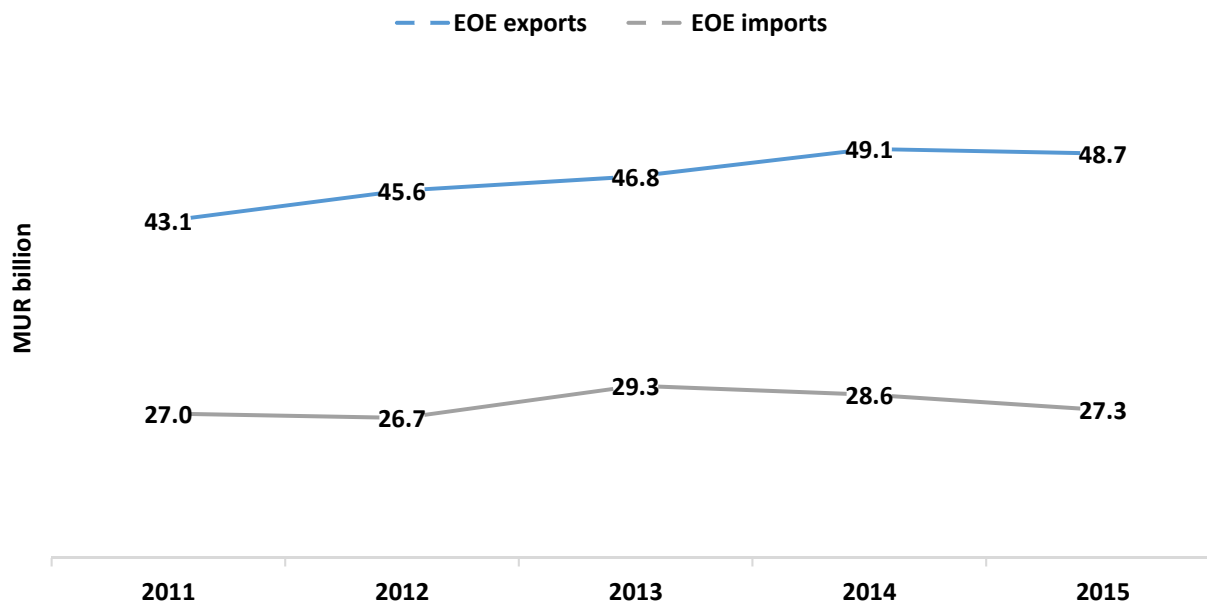
Total Employment



Source: Statistics Mauritius

EOE exports represented 51.7 per cent of total exports in 2015, a decrease from 58.6 per cent in 2011.

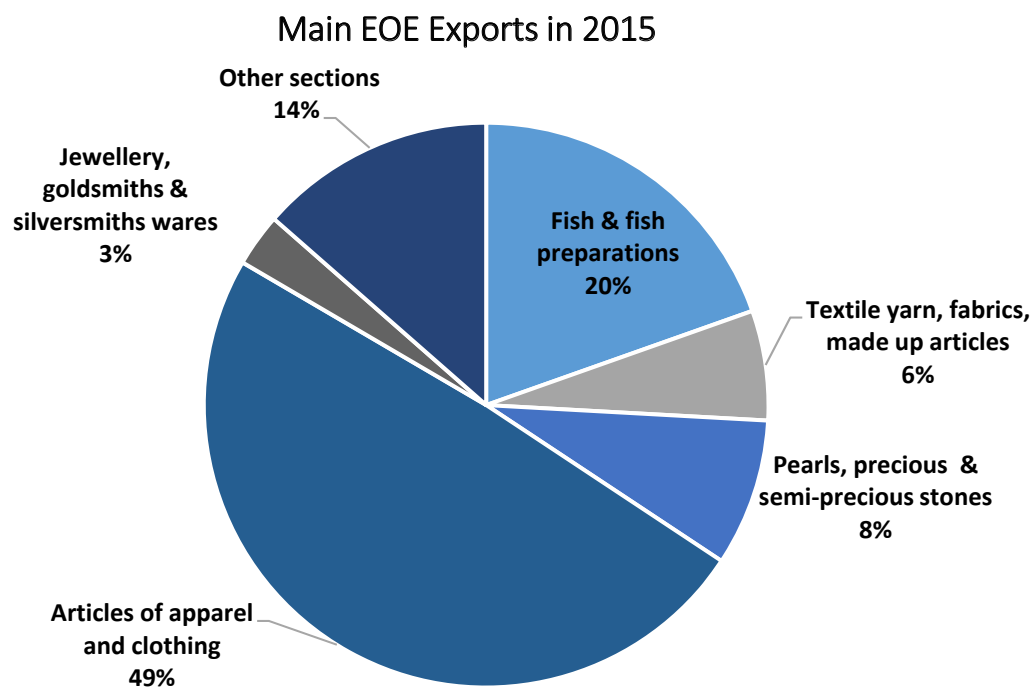
EOE Exports & imports



Source: Statistics Mauritius



From 2011 to 2015, exports of *pearls, precious & semi-precious stones* increased by 135.3 per cent, *fish and fish preparations* by 17.7 per cent, *wearing apparel and clothing* by 5.0 per cent and *textile yarn, fabrics, made up articles* by 5.5 per cent.



*Source: Statistics Mauritius*

## TOURISM



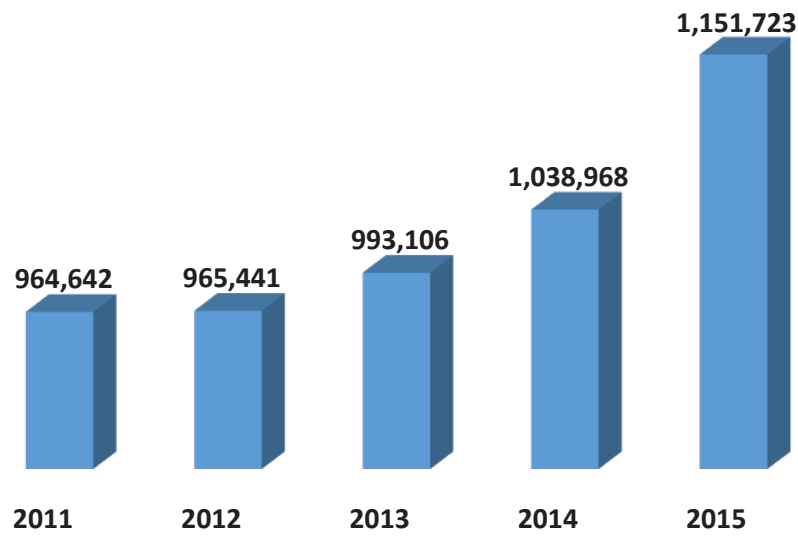
For the period January to June 2016, 586,464 tourists arrived on the island, of which 97.8 per cent travelled by air and 2.2 per cent by sea.

Tourism earnings was estimated at Rs 50.2 billion for 2015 and Rs 19.3 billion for the period January to April 2016.

A total of 1,151,723 tourists visited the island in 2015, spending 10.9 nights on average.

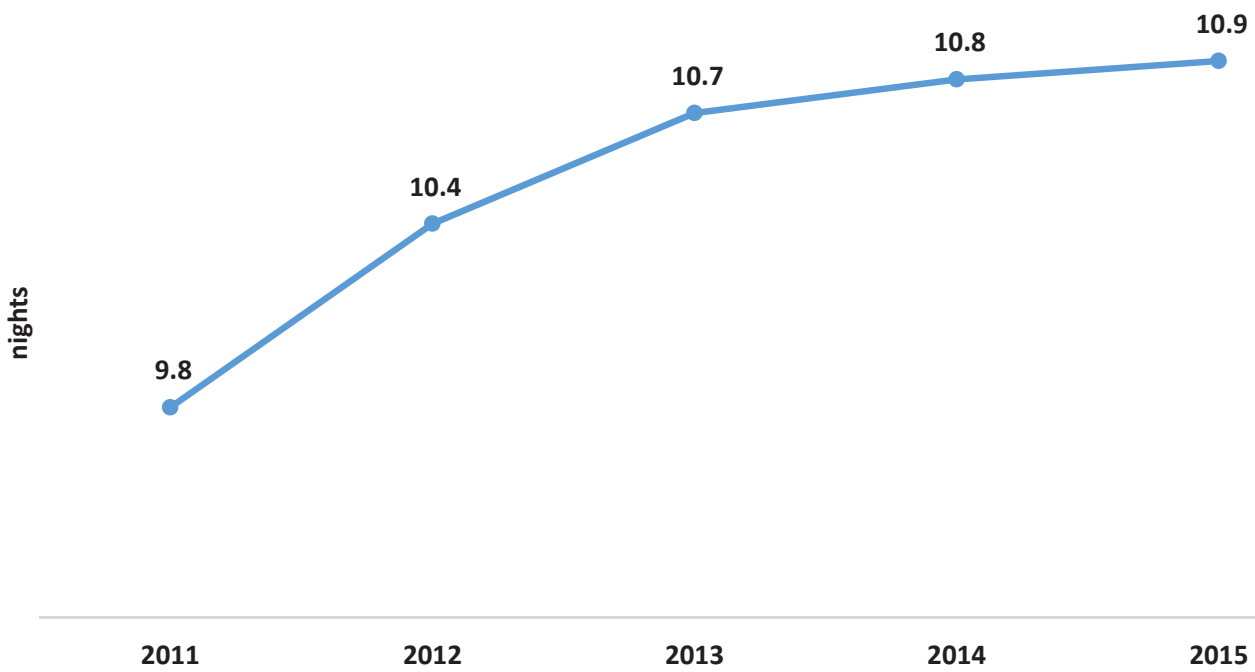
Key Indicators - Tourism Sector		
	Average 2011-2015	2016f
GDP Contribution (%)	7.5	7.5
Real Growth Rate (%)	3.8	6.6
Tourist Arrivals	1,022,776	1,240,000
<i>By Sea</i>	15,789	-
<i>By Air</i>	1,006,987	-
Average Length of stay (nights)	10.5	-
Tourism Earnings (MUR million)	44,429	55,000
<i>Source: Statistics Mauritius</i>		

## Evolution of Tourist arrivals



Source: Statistics Mauritius

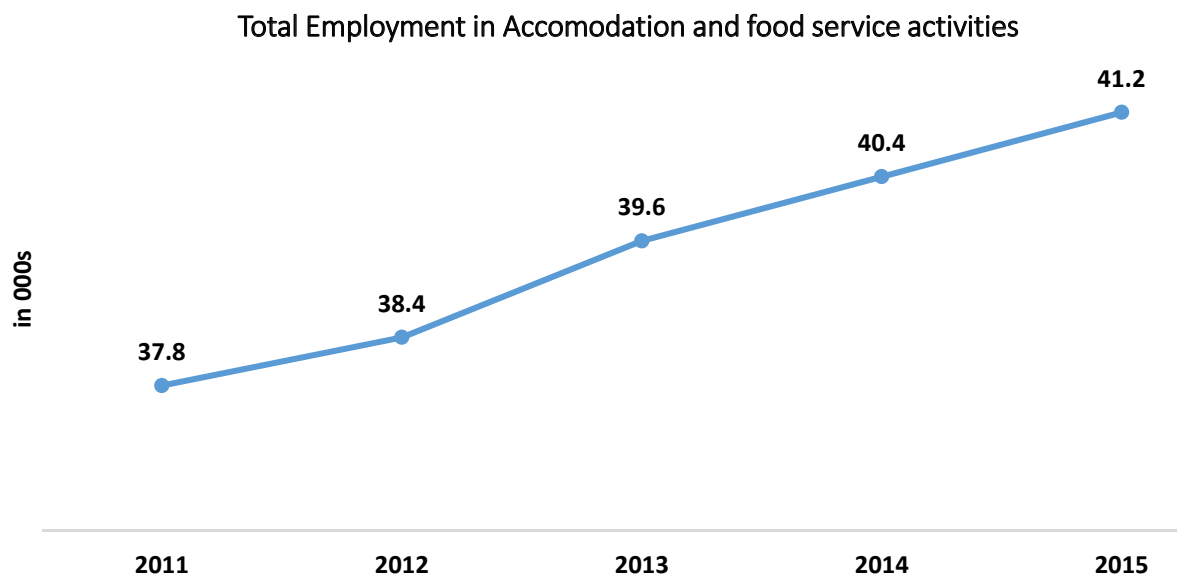
## Average Length of stay



Source: Statistics Mauritius

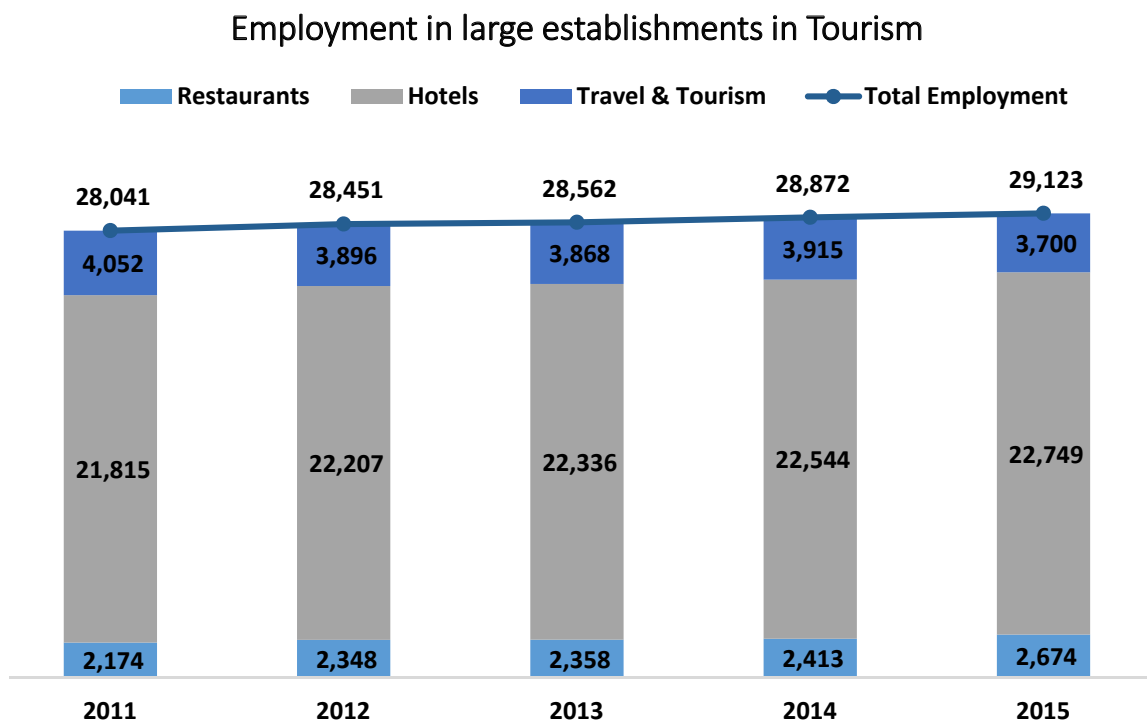
## Employment

Total employment in *accommodation* and *food service* activities increased by approximately 9.0 per cent during the five year period 2011 to 2015.



Source: Statistics Mauritius

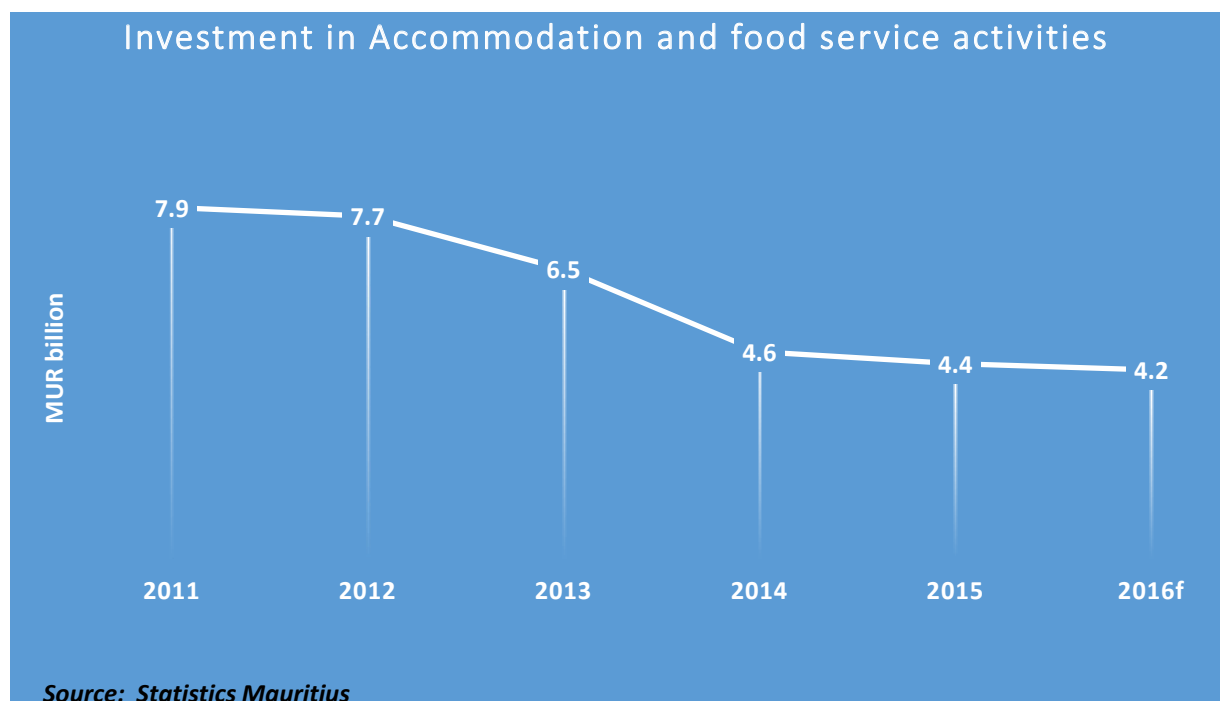
In 2015, around 29,123 persons were working in large establishments of the industry. The majority were employed in hotels (22,749), while the rest worked in restaurants and travel segment of the industry.



Source: Statistics Mauritius

## Investment

As a percentage of GDP, investment in *accommodation & food service activities* fell from a high of 2.4 in 2011 to approximately 1.1 in 2015.



## Tourist Accommodation and Operational Capacity

Following changing trends in tourist requirements, the Mauritian tourism industry re-adapted by providing various types of tourist accommodation other than hotels.

As at end March 2016, there were 116 hotels, 863 tourist residences and 217 guest houses in operation. These represented a total of 21,335 rooms.

Tourist Accommodation & Operational Capacity						
	Hotel		Tourist Residence		Guest House	
	No.	Room	No.	Room	No.	Room
<b>2006</b>	98	10,666	328	2,109	65	472
<b>2007</b>	97	10,857	407	2,480	85	630
<b>2008</b>	102	11,488	457	2,666	92	709
<b>2009</b>	102	11,456	497	2,984	103	811
<b>2010</b>	112	12,075	550	3,318	112	926
<b>2011</b>	109	11,925	601	3,537	124	1,025
<b>2012</b>	117	12,527	652	3,768	135	1,124
<b>2013</b>	107	12,376	636	3,664	134	1,145
<b>2014</b>	112	12,799	814	5,029	195	1,994
<b>2015</b>	115	13,617	840	5,282	214	2,198
<b>2016Q1</b>	116	13,710	863	5,413	217	2,212

Source: AHRIM

The *Tourism Authority* (TA) introduced a hotel classification system in January 2016. There were 6 *five-star* luxury hotels and 24 *five-star* hotels as at end March 2016.



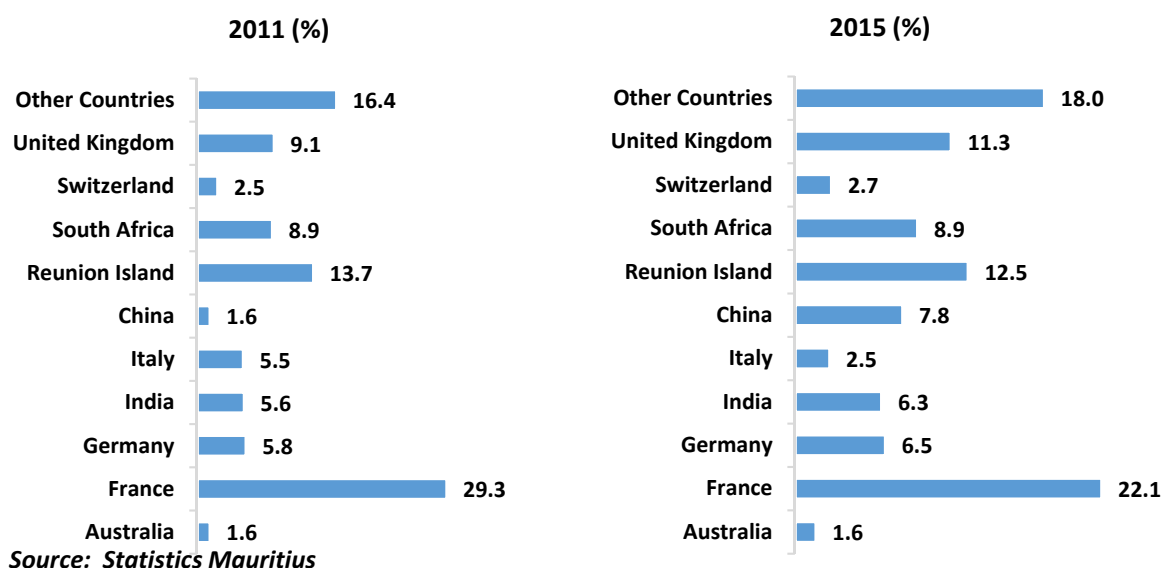
*N.B. Grading of hotels is still in process.*

Source: *Tourism Authority*

## Tourist arrivals by markets

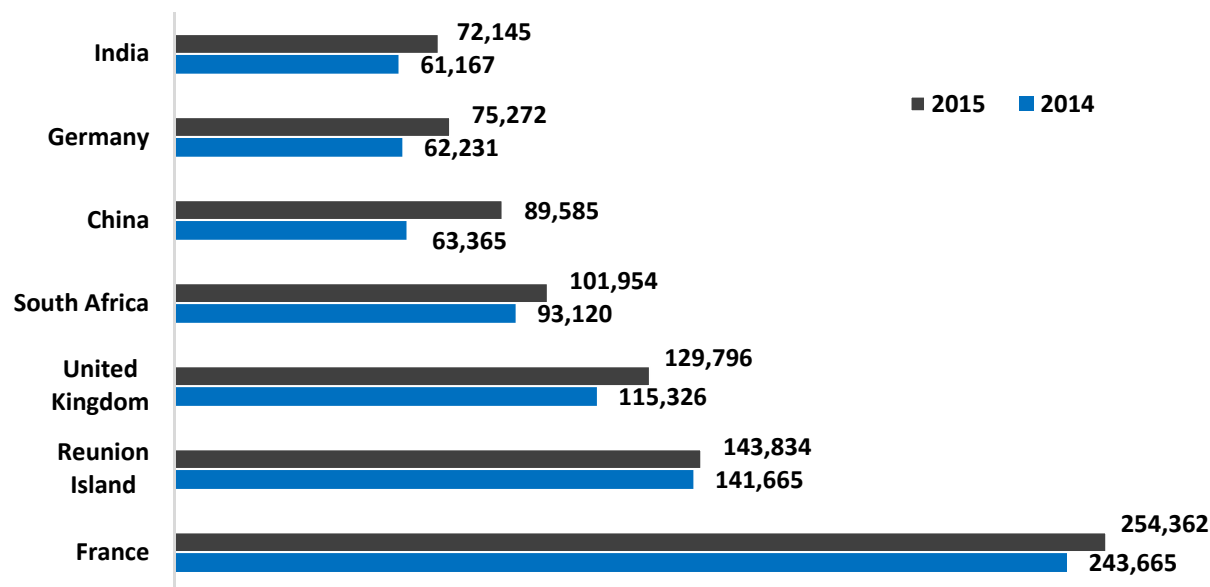
The majority of tourists (631,783) who visited the island in 2015, came from European countries, of which 254,362 from France.

### Distribution of Tourist Arrivals by Country of Residence



In recent years, following the adoption of a diversification strategy towards Asian markets, tourist arrivals from China and India increased significantly during the period 2014 to 2015.

### Tourist Arrivals by Main and Emerging Markets



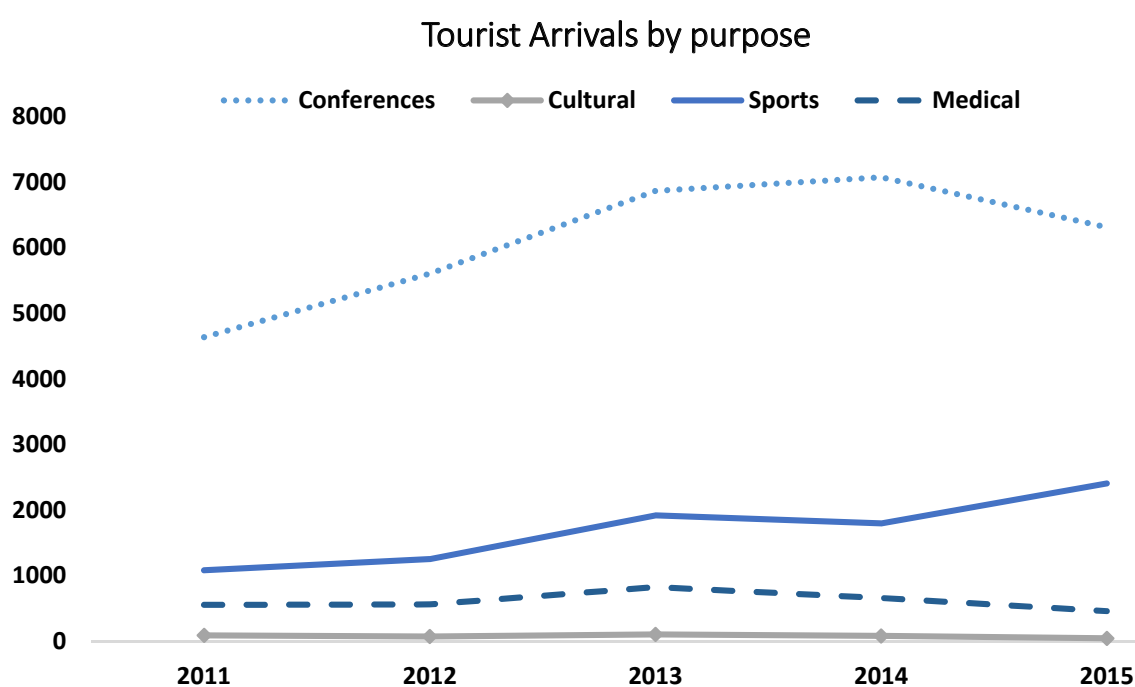
Source: Statistics Mauritius

Tourist Arrivals by Country of Residence (Jan - Jun 2016)		
Country of Residence	No. of Tourists	% Share
France	131,279	22.4
Reunion	67,543	11.5
United Kingdom	57,271	9.8
Germany	46,854	8
South Africa	45,311	7.7
India	44,065	7.5
China	39,613	6.8
Switzerland	14,065	2.4
Italy	13,716	2.3
Sweden	8,676	1.5

Source: Statistics Mauritius

## Types of Tourism

The industry is also witnessing a growing trend in tourist arrivals other than for leisure. In 2015, 6,311 tourists came to attend conferences, workshops or meetings; 46 for cultural purposes and 2,408 to participate in sports activities.

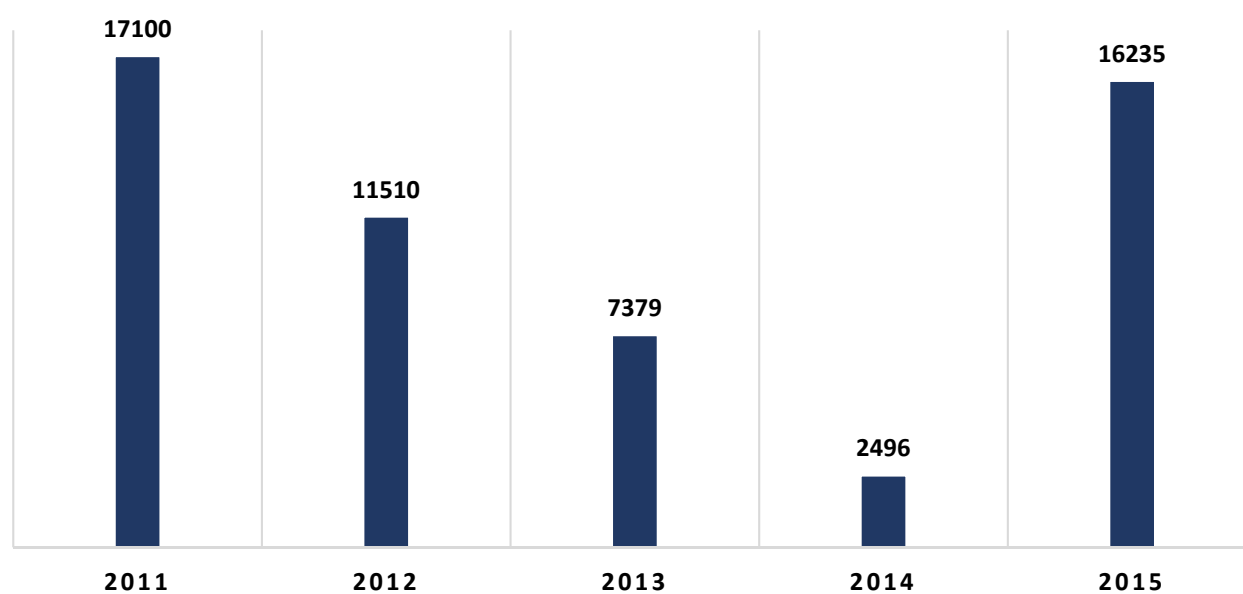


Source: Statistics Mauritius



In 2015 there were 461 tourists who visited the island for medical treatment. These were in areas such as cosmetic, dental and plastic surgery, hair-grafting procedures and infertility treatments.

### Cruise Tourism



Source: Statistics Mauritius

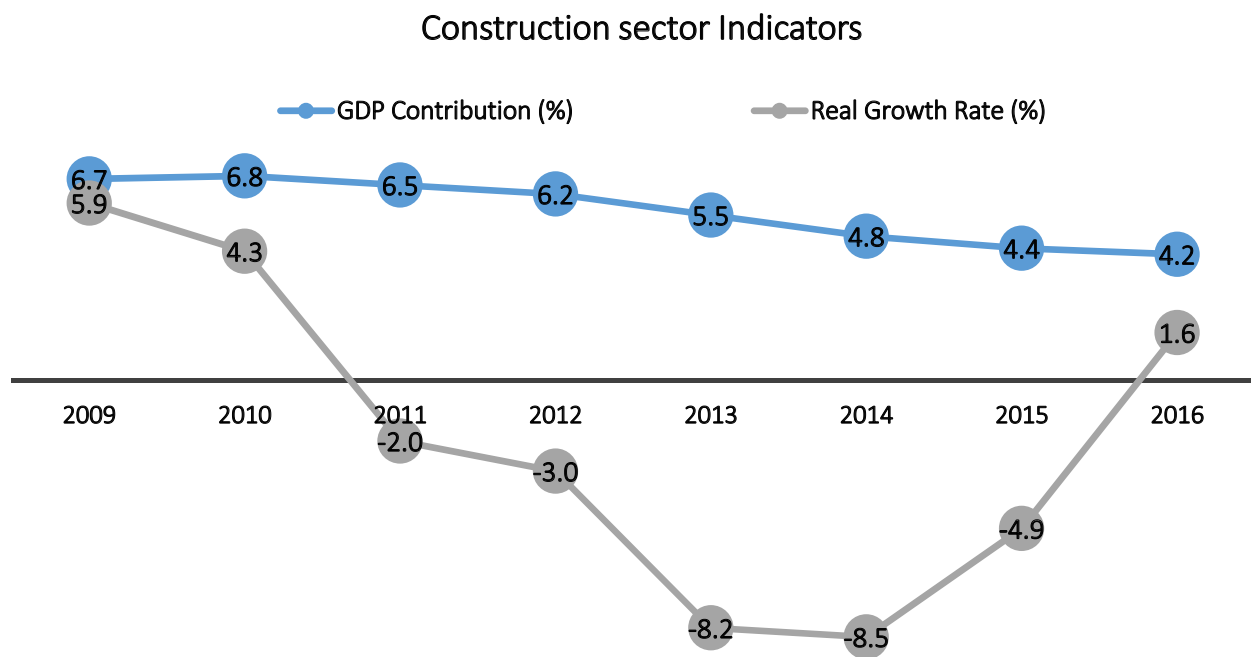
In 2015, 23 cruise ships berthed in Port Louis, with some 16,235 cruise tourists on-board. This represented an increase of 13,739 cruise tourists as compared to 2014.

# CONSTRUCTION

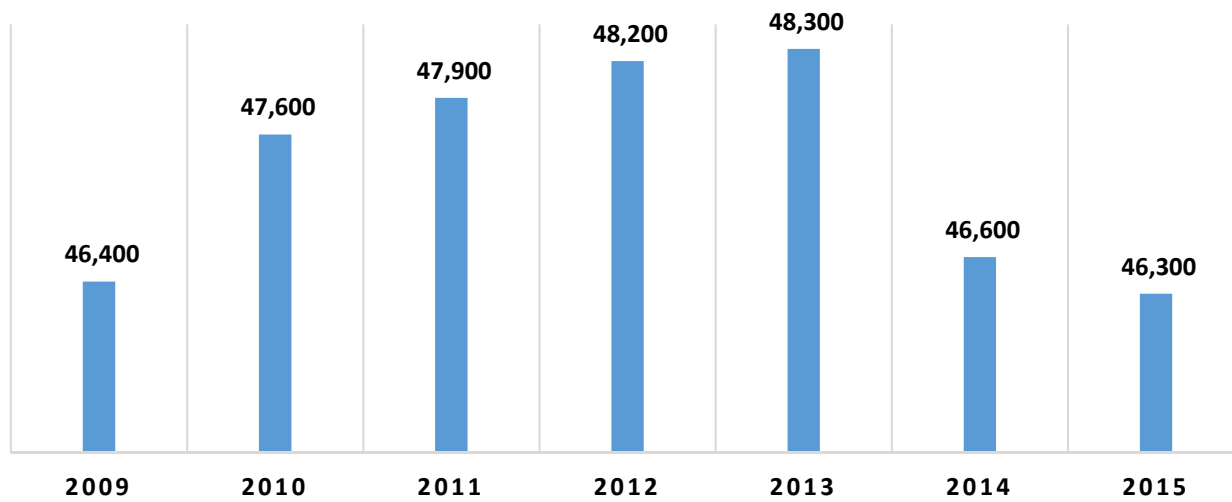
The construction sector is expected to recover by 1.6 per cent in 2016, following five consecutive years of contraction.

Key Indicators - Construction Sector		
	Average 2011-2015	2016f
Current Value Added (MUR million)	17,720	16,344
GDP Contribution (%)	5.5	4.2
Real Growth Rate (%)	-5.4	1.6
Employment	47,460	-

*Source: Statistics Mauritius*

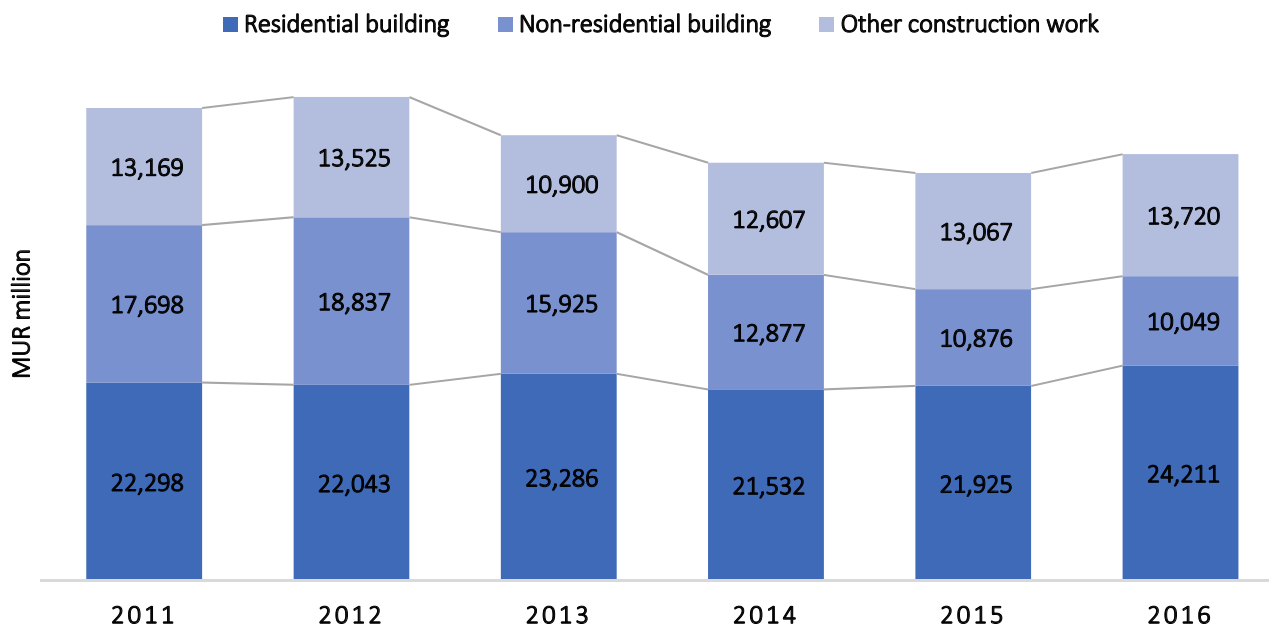


## Total employment in the Construction sector



Source: Statistics Mauritius

## Investment in Building and Construction Work



Source: Statistics Mauritius

## FINANCIAL SERVICES

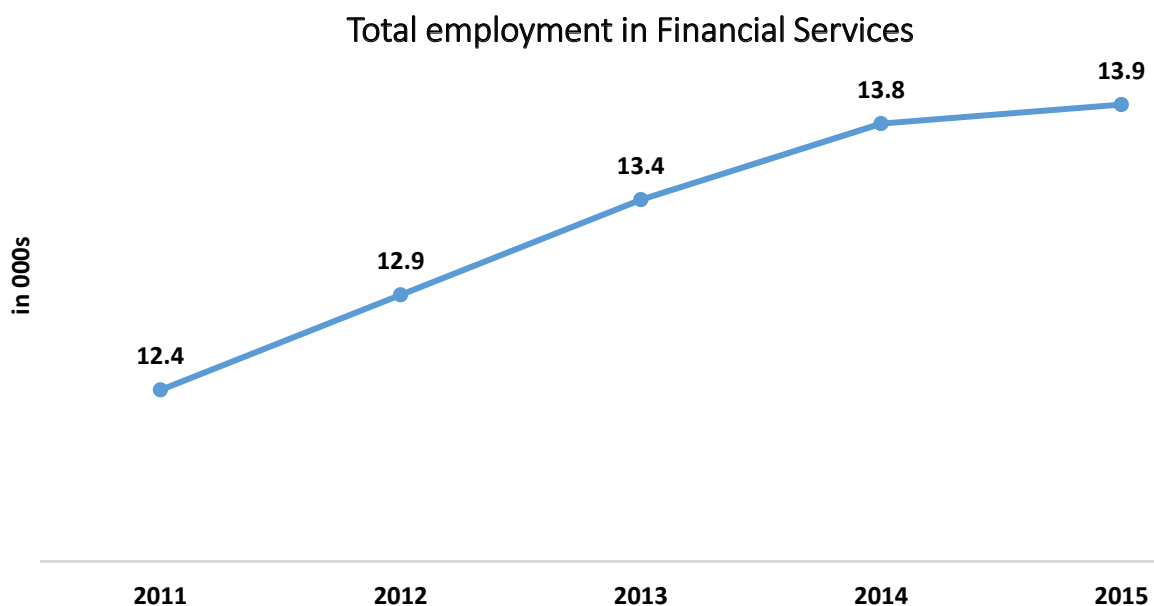
Key Indicators - Financial Services Sector				
	GDP Contribution (%)		Real Growth Rate (%)	
	Average 2011-2015	2016f	Average 2011-2015	2016f
<b>Financial and Insurance activities</b>	<b>11.8</b>	<b>12.2</b>	<b>5.5</b>	<b>5.4</b>
<i>Monetary Intermediation</i>	6.8	6.9	5.8	5.5
<i>Finance Leasing &amp; Other Credit Granting</i>	0.7	0.7	6.3	6.3
<i>Insurance, Reinsurance and Pension Funding</i>	3.2	3.2	4.7	5
<i>Other</i>	1.3	1.3	5.5	4.9

Source: Statistics Mauritius

### Employment

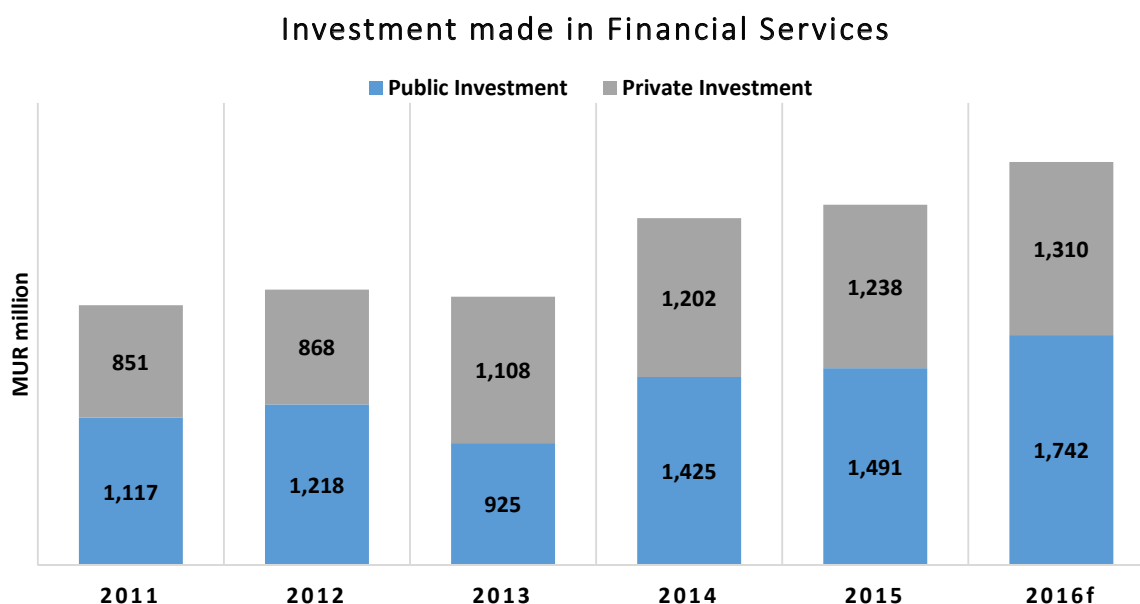
The sector as a whole employed around 13,900 persons in 2015, representing an increase of 12.1 per cent from 2011.

In 2015, around 62.0 per cent of those employed in large establishments were working in banks and around 21.0 per cent in the insurance sector. Employees working in large financial establishments earned on average Rs 44,473 monthly.



## Investment

In 2015, total investment made in the *financial services* sector was estimated at 0.7 per cent of GDP.

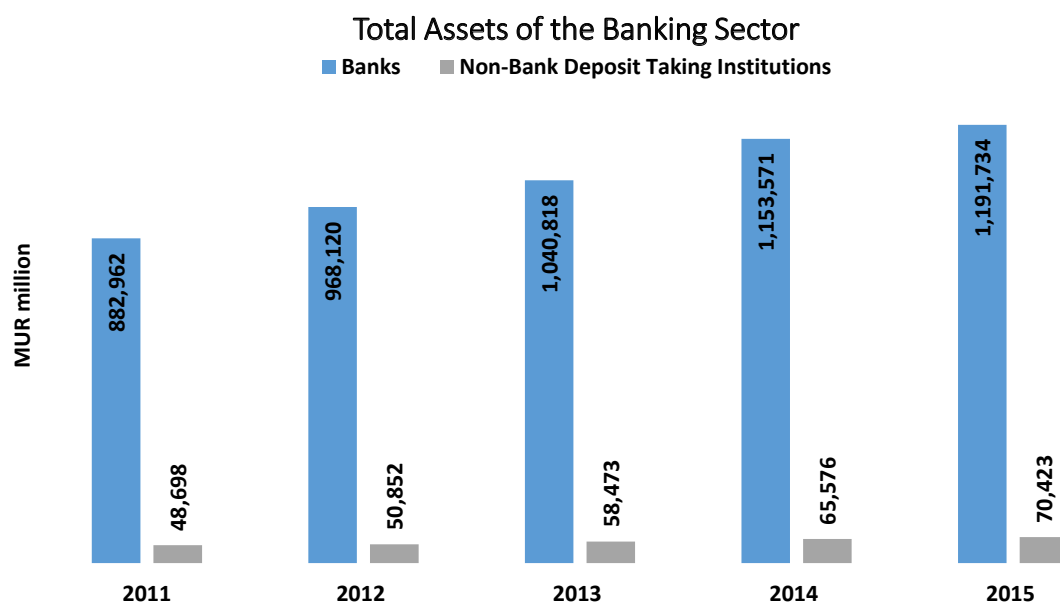


Source: Statistics Mauritius

## Monetary Intermediation

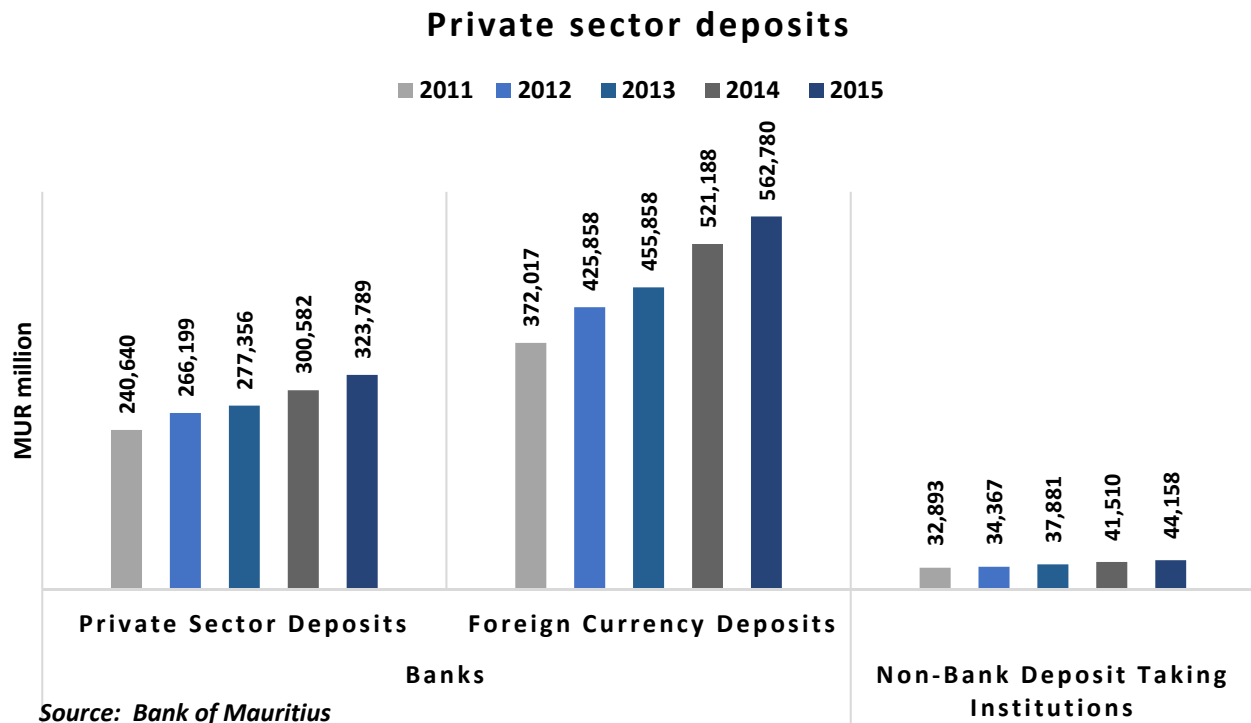
Monetary intermediation consists of 23 banks and 8 non-bank deposit taking institutions, all regulated by the *Bank of Mauritius* (BOM).

Total assets of banks stood at Rs 1,192 billion as at end 2015, while total assets of non-bank deposit taking institutions were valued at Rs 70 billion.



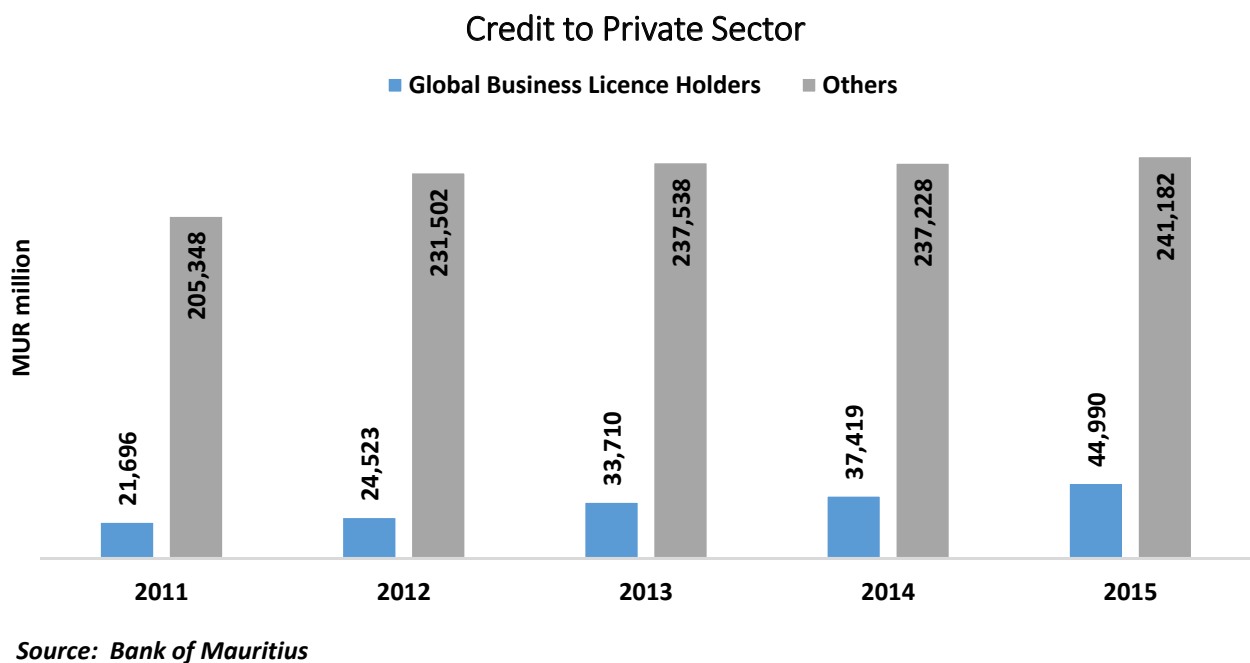
Source: Bank of Mauritius

Private sector deposits were around Rs 931 billion as at end 2015 in banks and non-deposit taking institutions, of which Rs 563 billion were in foreign currencies.



As at end December 2015, total credit to the private sector amounted to approximately Rs 286 billion, an increase of 26.1 per cent from December 2011.

Credit were mostly used for construction purposes.



## Non-Bank Financial Services Activities

Non-banking financial services operators consist mostly of investment funds (24 per cent), insurance companies (25 per cent) and other capital operators (28 per cent). Activities in this segment are regulated by the *Financial Services Commission (FSC)*.

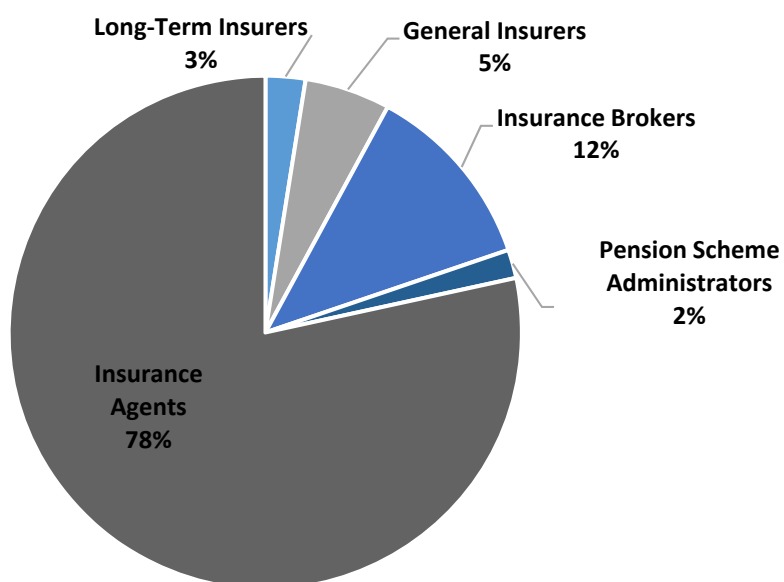
### *Finance Leasing & Other Credit Granting*

As at end 2015, there were 11 leasing companies while 5 were involved in credit finance and 3 in factoring activities. In 2015, this sub-sector contributed around 0.7 per cent to GDP.

### *Insurance, Reinsurance and Pension Funding*

The insurance, reinsurance and pension funding segment contributed 3.2 per cent to the economy and grew at a rate of 4.6 per cent in 2015.

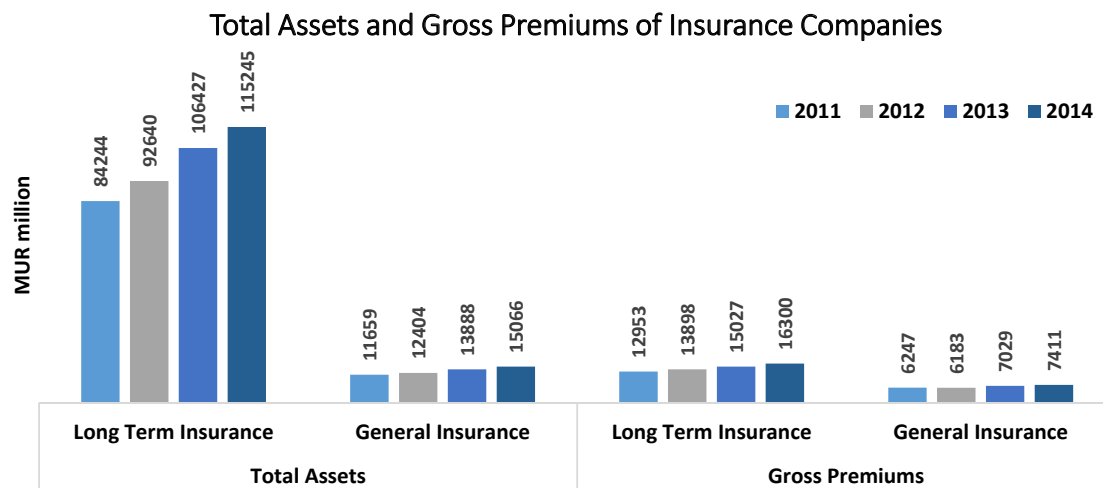
Number of Licensees in Insurance, Reinsurance and Pension Funding activities - 2015



Source: *Financial Services Commission*

A total of 431,057 long term insurance policies and 514,014 short term insurance policies were contracted as at end 2014. These represented a total gross premium of approximately Rs 23 billion, an increase of 7.5 per cent from the previous year.

In 2014, total assets, for both long-term and general insurers, were valued at Rs 130 billion.

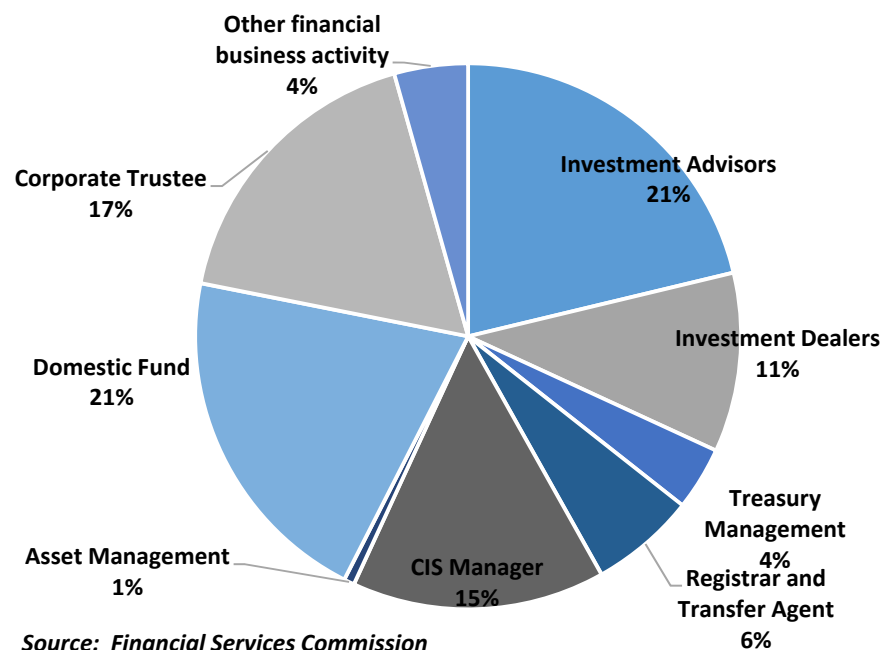


Source: Financial Services Commission

### Other Financial Services

In 2015, investment advisors, investment dealers, trustees, treasury managers, asset managers and domestic funds, among others, contributed around 1.3 per cent to GDP and grew at a rate of 5.8 per cent.

Licenses operating in Other Financial Services - 2015

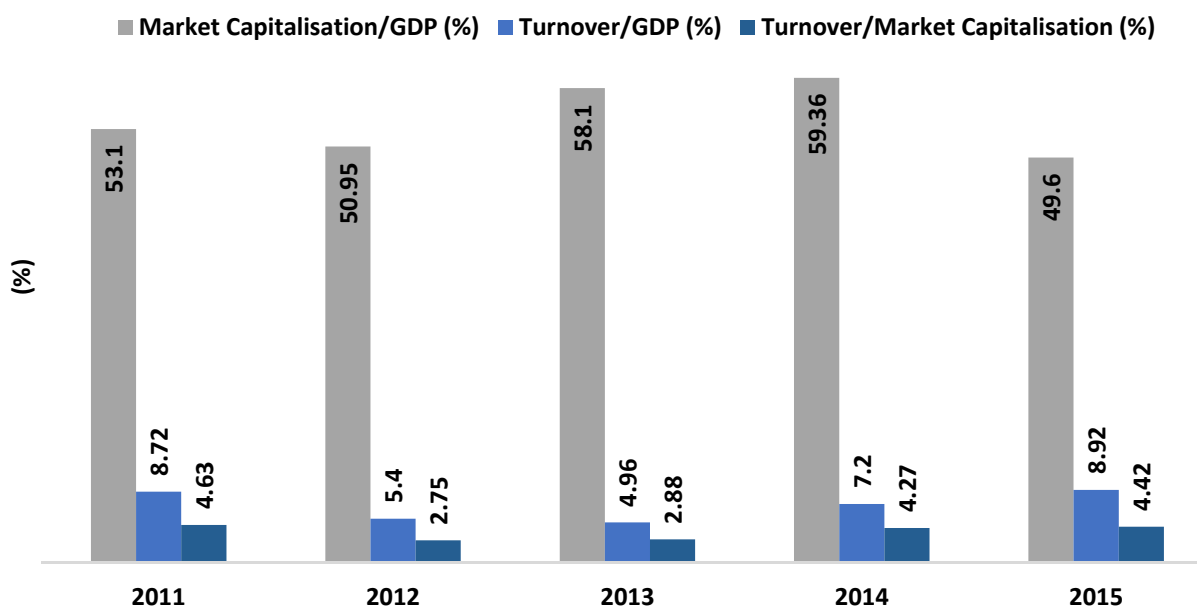


Source: Financial Services Commission



Furthermore, the dealings of the *Stock Exchange of Mauritius Ltd* (SEM) fall within this segment. SEM operates two markets - the Official Market and the *Development & Enterprise Market* (DEM). Presently, there are 51 companies listed on the official market. As at end 2015, market capitalisation was estimated at Rs 201 billion, 12 per cent lower than at end 2014.

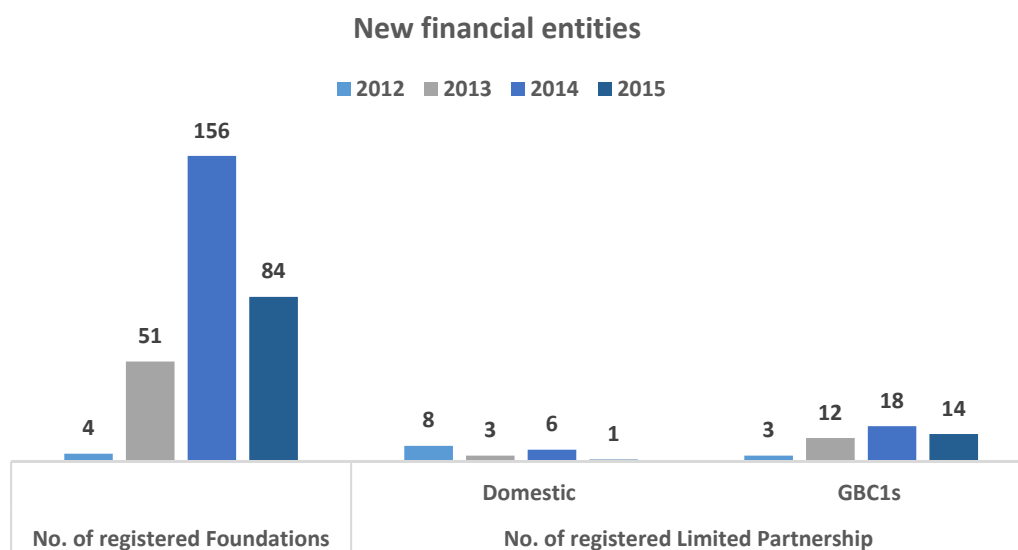
### Evolution of Companies listed on Stock Exchange of Mauritius



Source: *Stock Exchange of Mauritius*

### Foundations & Limited Partnerships

As at end 2015, 84 foundations and 15 limited partnerships were registered to operate within the Mauritian financial services sector.

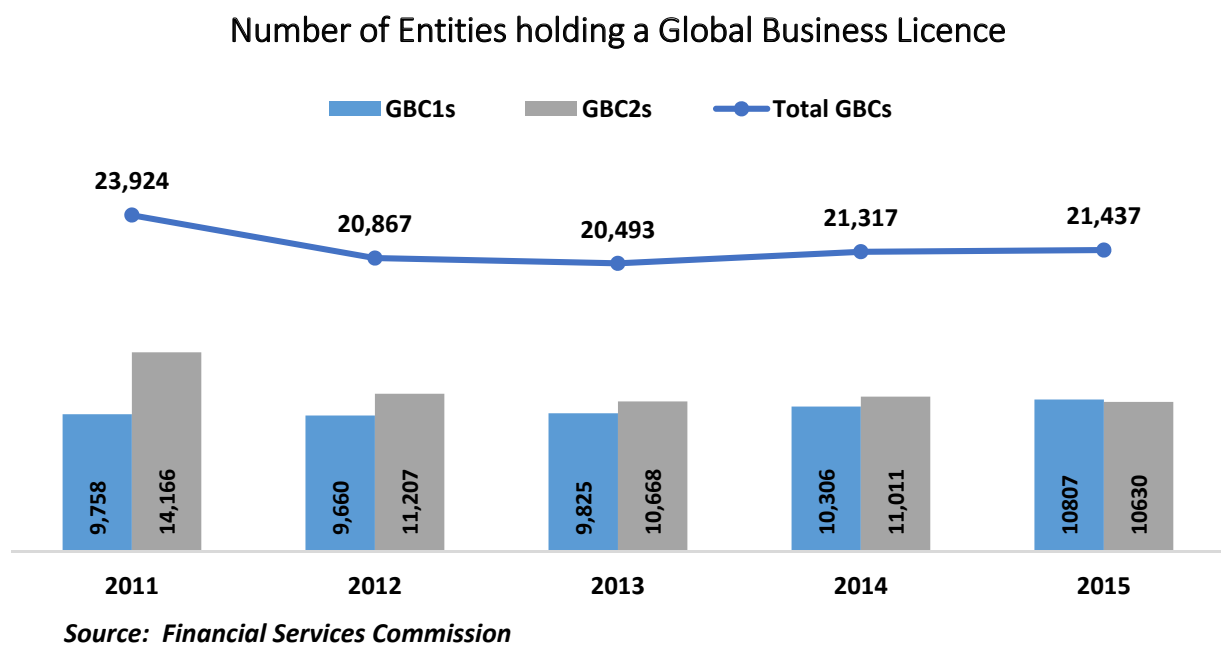


Source: *Ministry of Finance & Economic Development*

## Global Business Activities

In 2015, there were 10,807 global business companies holding a Category 1 licence, also known as GBC1<sup>9</sup>, and 10,630 held a Category 2 licence, commonly known as GBC2<sup>10</sup>.

180 Management Companies (MCs)<sup>11</sup> were also in operation in 2015.



<sup>9</sup> Category 1 Global Business Companies (GBC1s) are considered resident for tax purposes and can avail of double taxation treaties entered by Mauritius.

<sup>10</sup> Category 2 Global Business Companies (GBC2s) are considered non-resident and are exempted from tax obligations in Mauritius. They conduct business with non-residents and in foreign currencies.

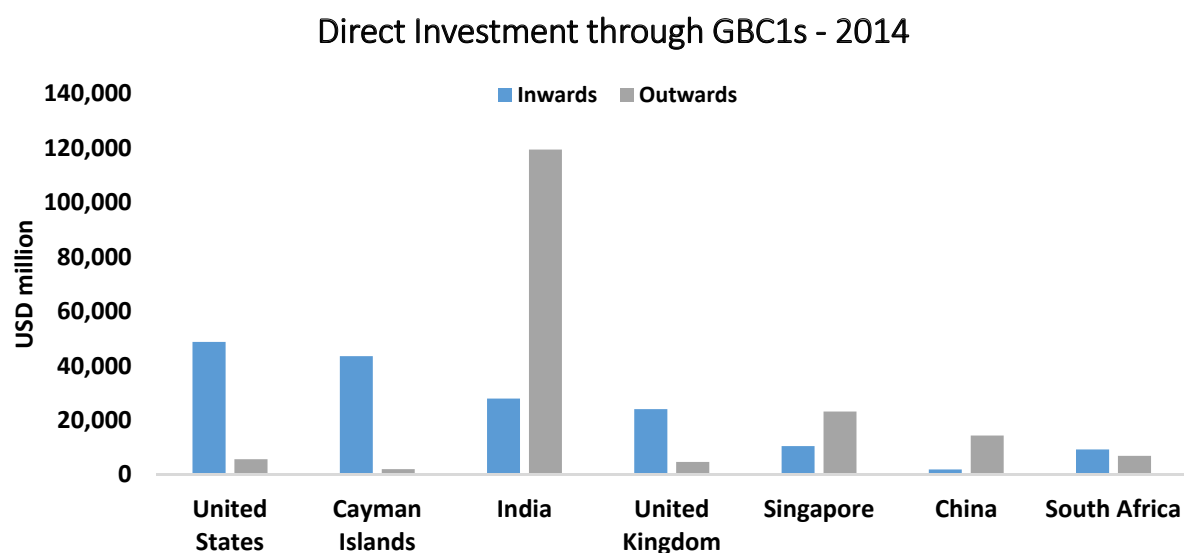
<sup>11</sup> Management Companies (MCs) are service providers which act as intermediaries between GBCs and the FSC. They are licensed by the FSC to set up, manage and provide nominee and other services to their clients.

## Investment through GBC1s

Assets and Investments of GBC1s			
	2013	2014	% Change
	USD Million	USD Million	
<b>Total Assets GBC1s</b>	454,536	520,753	14.6
<b>Foreign Portfolio Investment</b>	96,727	122,564	26.7
<b>Foreign Direct Investment</b>	220,225	224,091	1.8

*Source: Financial Services Commission*

In 2014, around USD 248 billion were received as direct investments through GBC1s, mainly from the United States and Cayman Islands, while some USD 224 billion were invested abroad through GBC1s, mainly towards India.



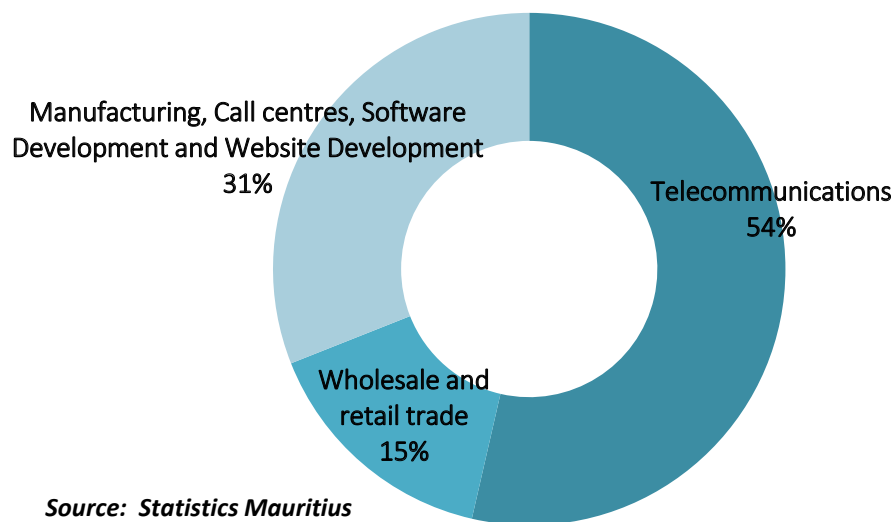
*Source: Financial Services Commission*

# ICT

## Overview

The ICT sector comprises ICT-related activities in Manufacturing, Telecommunications, Wholesale and Retail Trade, and Business Services such as call centres, software development, website development and hosting, multimedia and IT consulting.

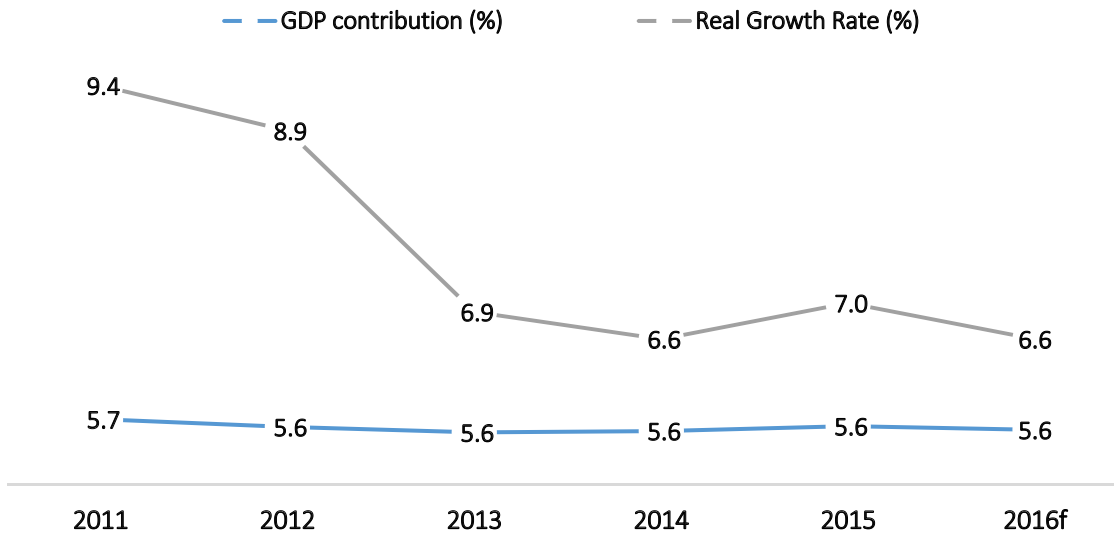
Activities contributing to Value Addition in the ICT Sector in 2015



Key Indicators - ICT sector		
	Average 2011-2015	2016f
Current Value Added (MUR million)	18,407	21,724
GDP contribution (%)	5.6	5.6
Real Growth Rate (%)	7.8	6.6
Total employment	13,987	-

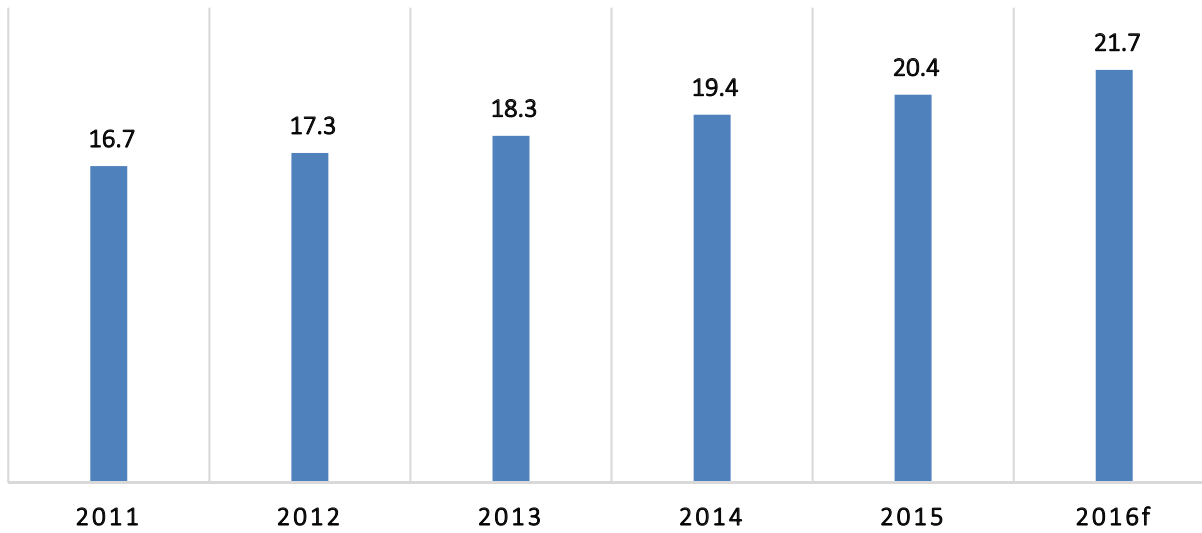
Source: Statistics Mauritius

### Key Indicators of the ICT sector



Source: Statistics Mauritius

### Contribution of the ICT sector to the economy, MUR billion



Source: Statistics Mauritius

## Employment

Employment* in the ICT Sector	2011	2012	2013	2014	2015
Large establishments in ICT sector	137	136	138	140	134
Employment in the ICT sector	13,116	12,972	14,094	14,747	15,006
Employment in the ICT sector as a percentage of total employment	4.3	4.3	4.6	4.8	4.8

*\*Large establishments, employing 10 or more persons*

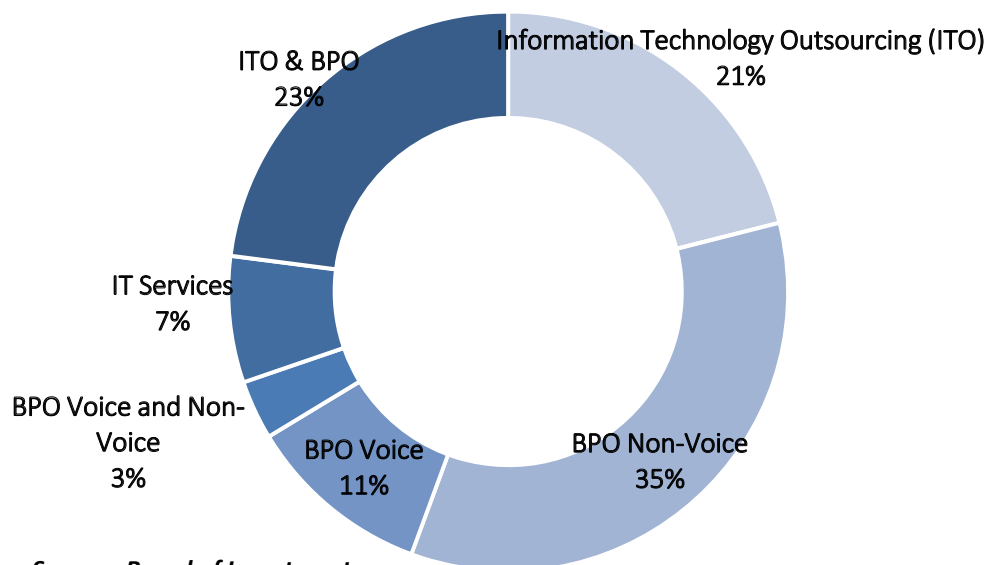
Source: Statistics Mauritius

## Employment in ICT sub sectors

According to the Board of Investment's ICT-BPO Annual Survey 2015, some 700 companies, both small and large, employed 21,500 people. The Business Process Outsourcing (BPO) segment remained the net hirer in the ICT sector.

The rising trend in employment in Information Technology Outsourcing (ITO) was confirmed in 2015, having grown by 35 per cent since 2013.

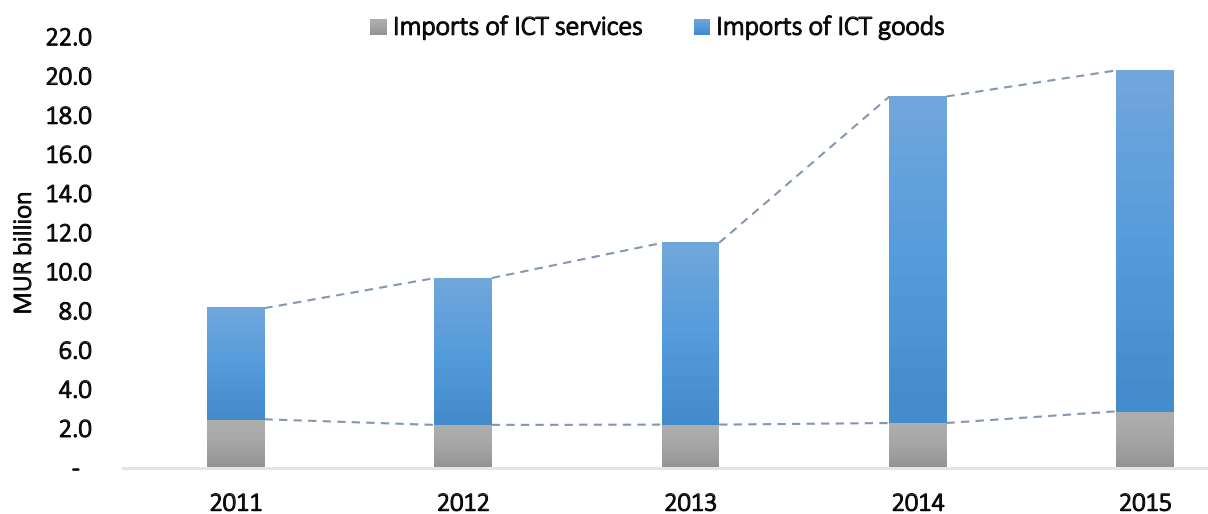
Distribution of employment in the ICT sub-sectors in 2015



## Imports and Exports of ICT Goods<sup>12</sup> & Services<sup>13</sup>

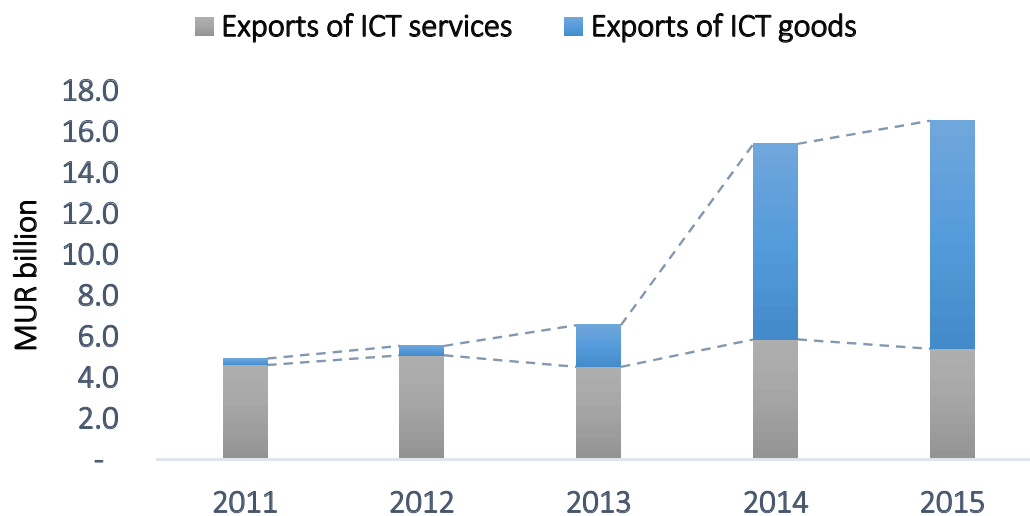
Trade in ICT goods and services observed the highest year-on-year growth in 2014, mainly due to higher imports and exports (including re-exports) of Cellular Mobile phones. Between 2013 and 2015, export of ICT goods, including re-exports, increased five folds to Rs 11.1 billion.

Imports of ICT goods and services



Source: Statistics Mauritius

Exports of ICT goods and services



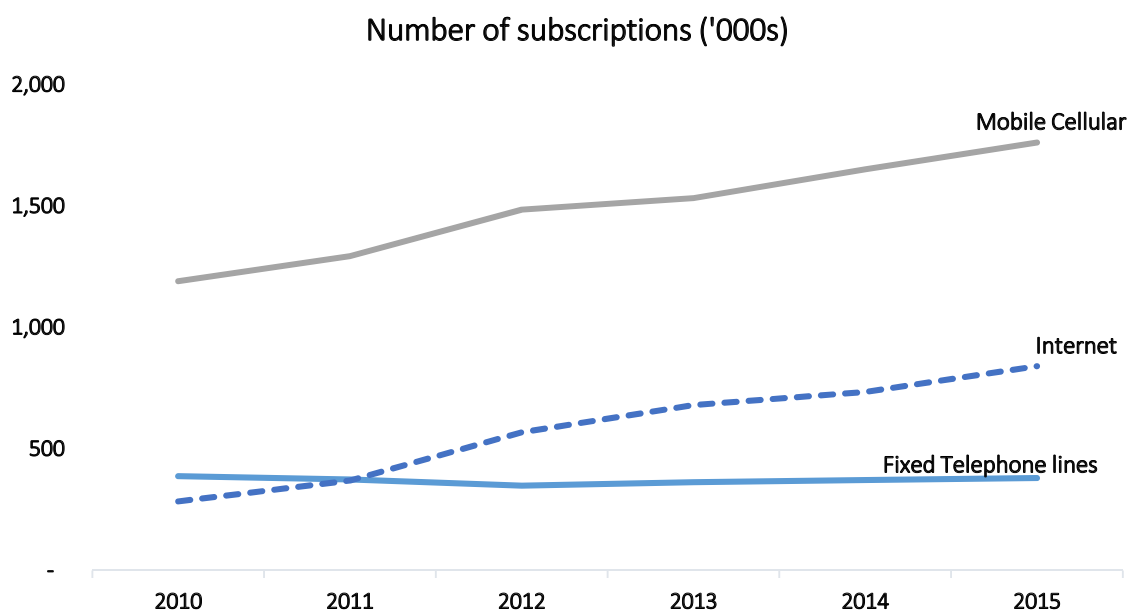
Source: Statistics Mauritius

<sup>12</sup> ICT Goods include telecommunications equipment, computer and related equipments, electronic components, audio and video equipments and other ICT goods.

<sup>13</sup> ICT Services include communications services (telecommunications, business network services, teleconferencing, support services, and postal services) and computer and information services (database, data processing, software design and development, maintenance and repair, and news agency services).

## ICT Access

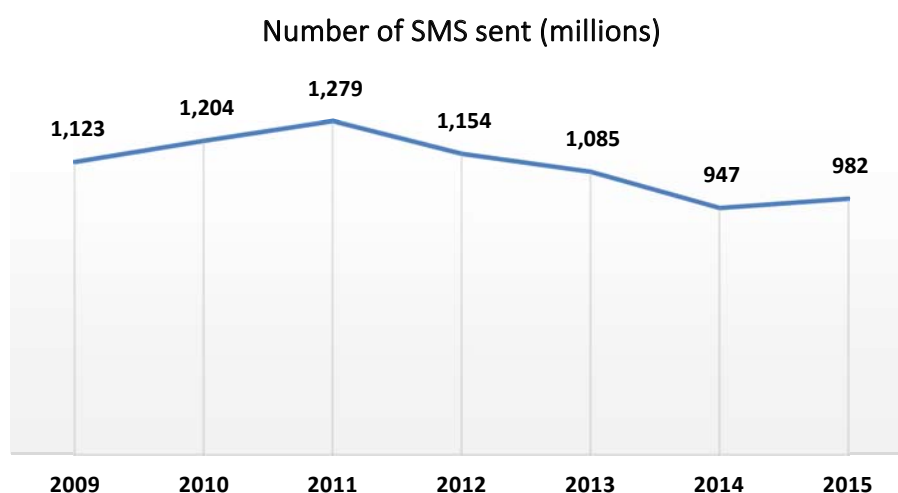
ICT access keeps improving every year, with 1,762,300 mobile cellular phone subscriptions (92 per cent prepaid and 8 per cent postpaid) and 380,000 fixed telephone line subscriptions in 2015. Mobile cellular telephony currently covers 99 per cent of the population.



Source: Statistics Mauritius

The number of internet subscriptions increased to 840,900 in 2015 due to increases in mobile internet and fixed internet subscriptions of 17 and 8 per cent respectively.

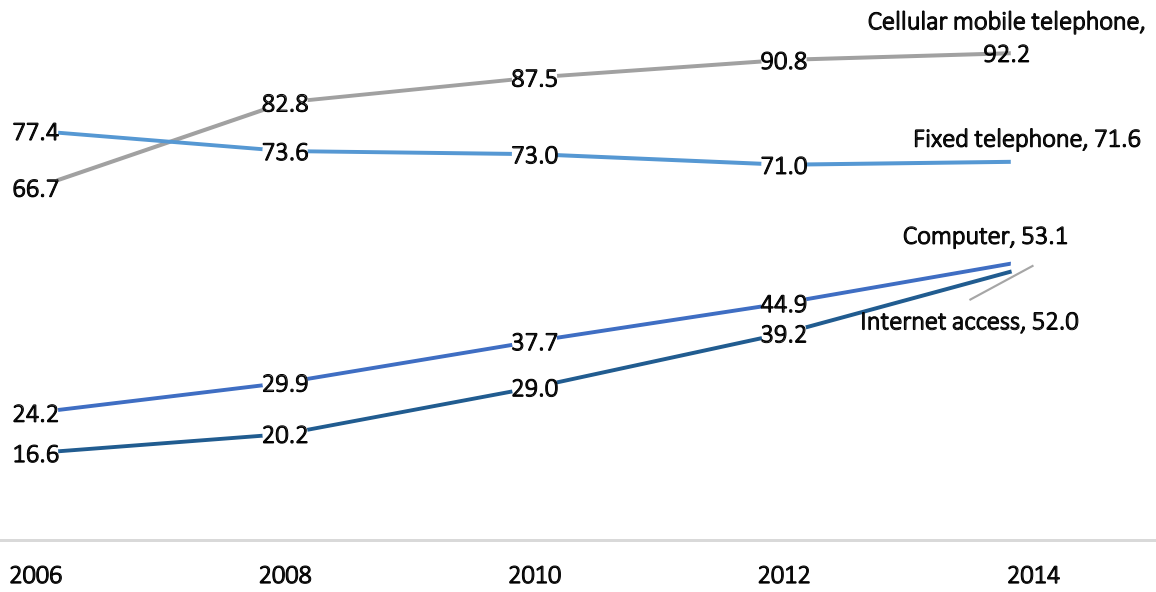
With the advent of social media apps, the number of Short Message Service (SMS) exchanged has been on a declining trend, with a fall of 26 per cent since 2011, to reach 947 million in 2014. However, a small increase of 3.8 per cent was noted in 2015.



Source: Information and Communication Technologies Authority (ICTA)

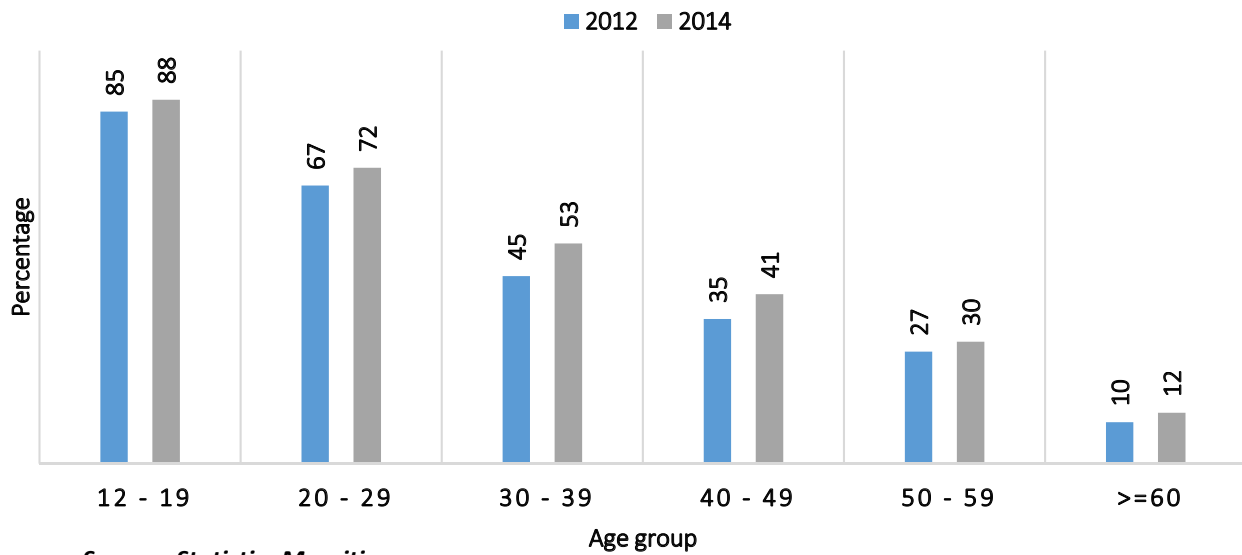


### Households with access to ICT



Source: Statistics Mauritius

### Proportion of persons aged 12 years and above who can use a computer

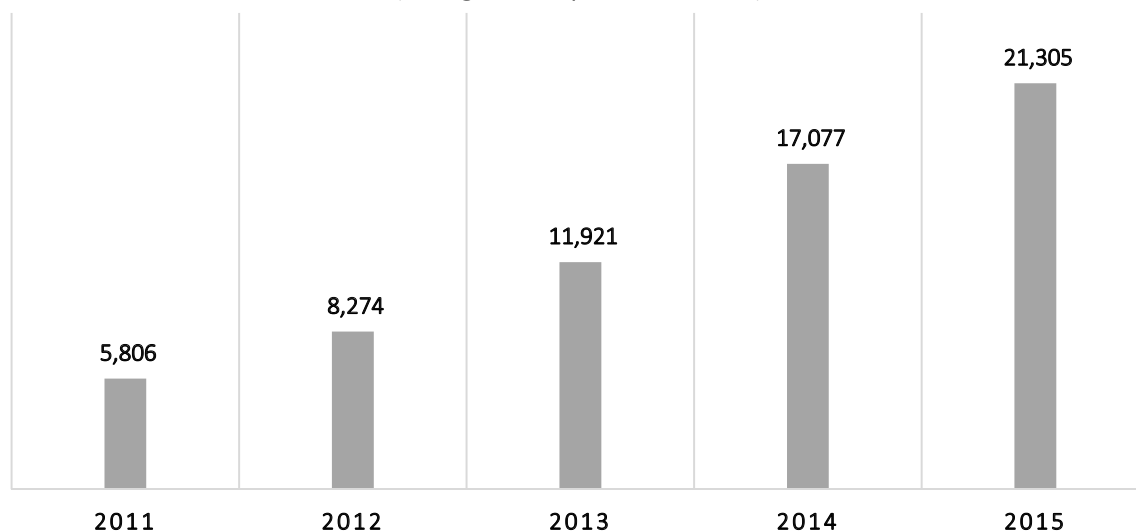


Source: Statistics Mauritius

## Quality of internet access

The quality of internet access, which is assessed through the International Internet Bandwidth capacity<sup>14</sup>, has improved as both the incoming and outgoing capacity increased year-on-year by some 25 per cent in 2015.

International Internet Bandwidth Capacity  
(Megabits per second)

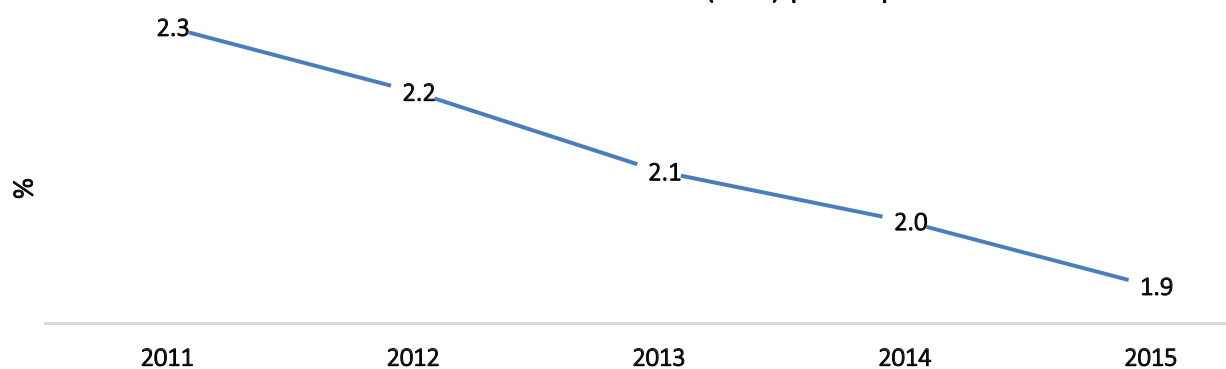


Source: ICTA and National Computer Board (NCB)

## Internet Access Tariff

Every year, internet access is becoming more affordable. The internet access tariff, for 20 hours of use per month, expressed as a percentage of Gross National Income per capita, has been steadily decreasing over the years, to reach 1.9 per cent in 2015.

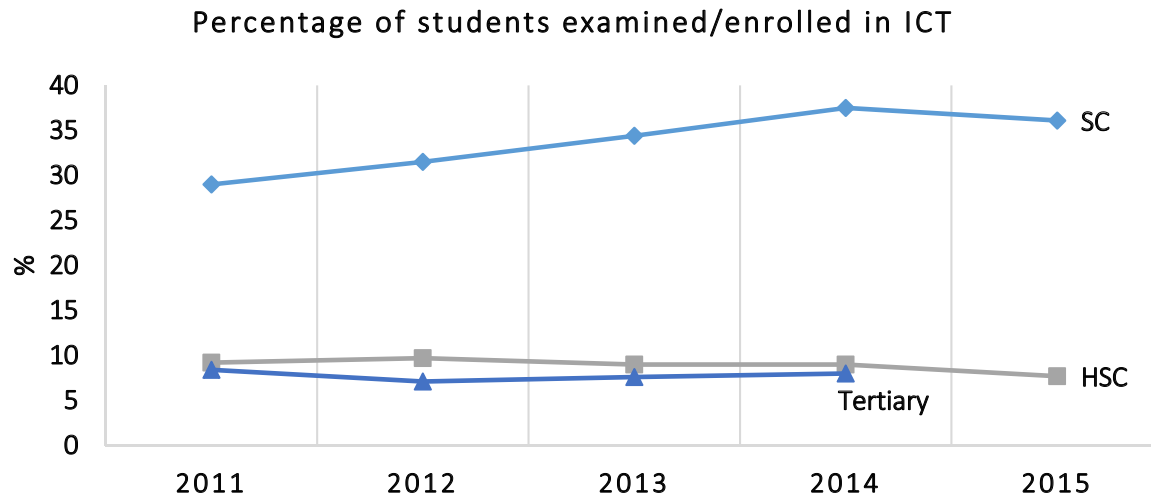
Internet access tariff for 20 hours of use per month as a percentage of  
Gross National Income (GNI) per capita



Source: Statistics Mauritius

<sup>14</sup> The International Internet Bandwidth capacity indicates the amount of information that can be transmitted to or from the country in a given time.

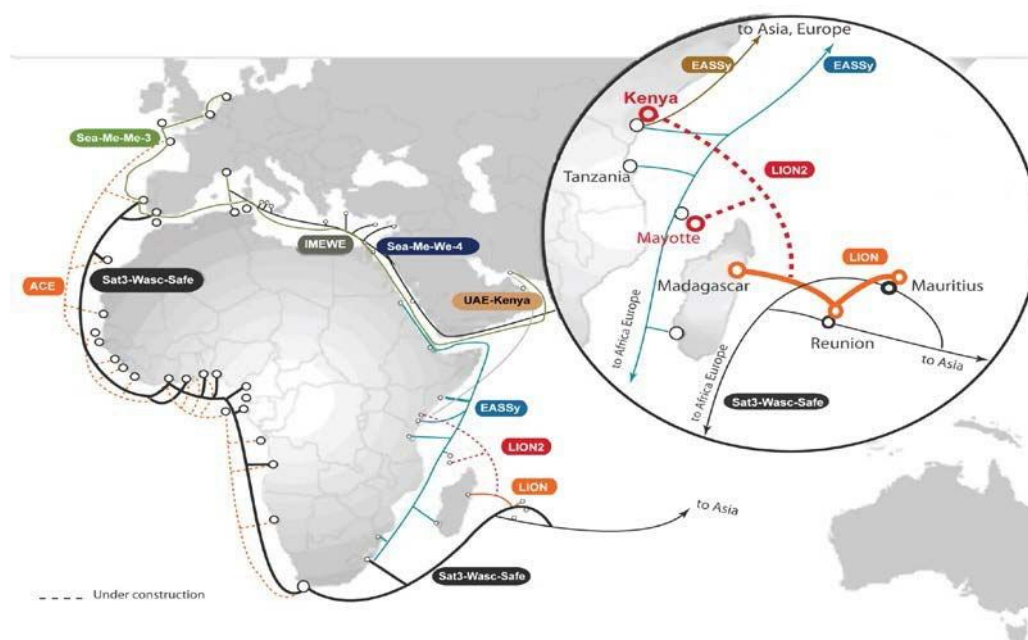
## ICT in Education



Source: Statistics Mauritius

## Undersea Cables

Over the last decade, the international bandwidth capacity of Mauritius has increased through its links to submarine cables. Mauritius is connected to two international gateways through two submarine fibre optic cables, namely SAFE and LION, as well as by satellite. Mauritius is planning to further enhance its internet connectivity through investment in a third cable. The project is expected to improve the price offering by introducing a more competitive landscape.



Source: International Telecommunication Union (ITU)

## Sources of Investment in the ICT-BPO sector

Locally sourced companies account for 58 per cent of investment in the ICT-BPO sector, as a result of the growth in joint ventures and start-ups.

Europe remains the main contributor to foreign direct investment in this sector, with 29 per cent of companies. France accounts for 69 per cent of the European market.

Emerging markets identified within Europe include Denmark, Germany and Belgium. Similarly, China and Australia are classified as emerging markets in Asia-Pacific.



*Source: Board of Investment*

## Global indices

### *ICT Development Index*

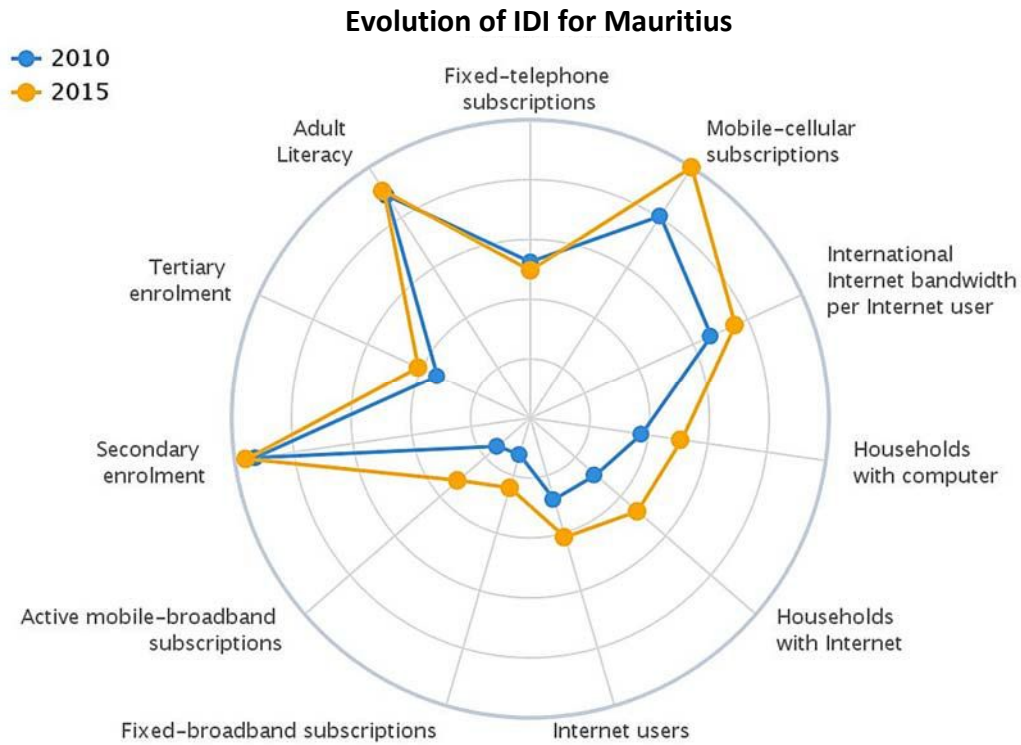
The ICT Development Index (IDI) tracks the digital divide and measures countries' progress towards becoming information societies. It ranks 167 countries based on their level of ICT access, use and skills. In 2015, the Republic of Korea ranked first globally with an IDI value of 8.93, while Mauritius topped the African continent with a score of 5.41.

<b>IDI for selected African countries, 2015</b>			
<b>Country</b>	<b>Regional Rank</b>	<b>Global Rank</b>	<b>IDI 2015</b>
Mauritius	1	73	5.41
Seychelles	2	87	4.96
South Africa	3	88	4.9
Cape Verde	4	96	4.62
Ghana	5	109	3.82
Botswana	6	111	3.9
...	...	...	...
Kenya	8	124	3.02
Tanzania	27	157	1.82
Madagascar	34	164	1.51

*Source: International Telecommunication Union (ITU)*

<b>Evolution of IDI for Mauritius</b>		
	<b>2010</b>	<b>2015</b>
<b>IDI Value</b>	4.31	5.41
<b>Global Rank</b>	72	73
<b>Regional Rank</b>	1	1

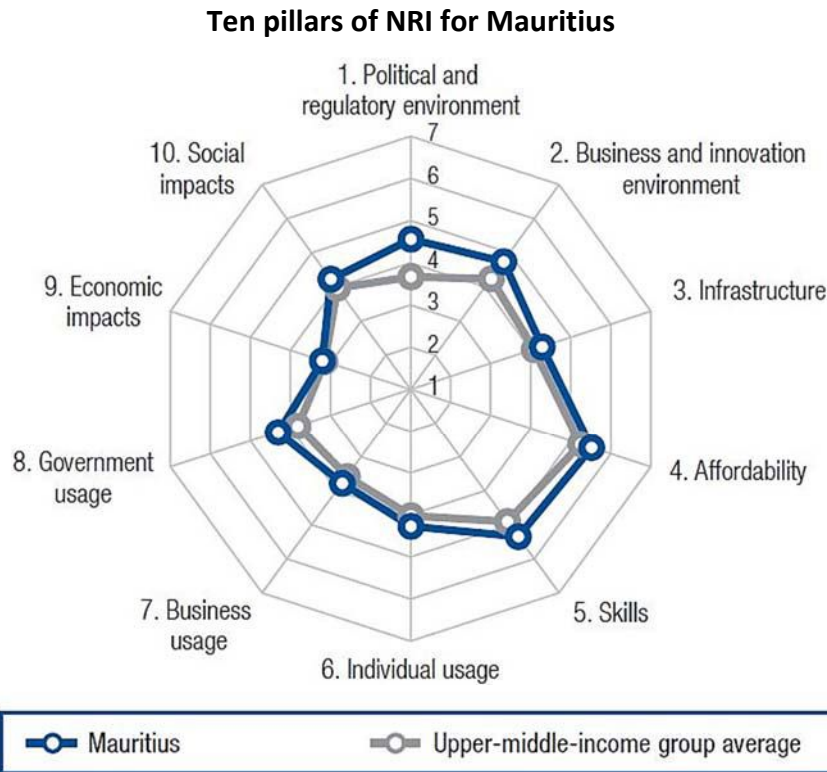
*Source: International Telecommunication Union (ITU)*



Source: International Telecommunication Union (ITU)

### Network Readiness Index

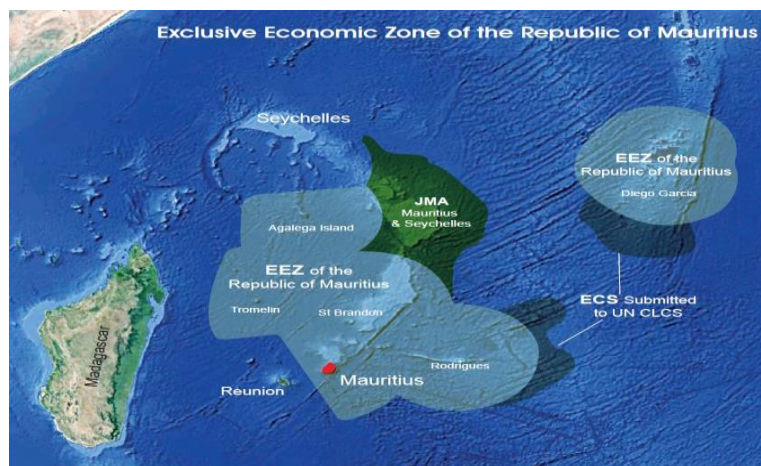
While the Network Readiness Index 2016\* (NRI) is dominated by Nordic countries, Mauritius ranked 49<sup>th</sup> out of 139 economies and 1<sup>st</sup> in the Sub-Saharan African region with a score of 4.4.



Source: Global Information Technology Report 2016

\* For details, refer to List of Selected Indices (Page 134).

## OCEAN ECONOMY



### Box 2: The Ocean State in figures

**1.9 million Km<sup>2</sup>:** Exclusive Economic Zone of the Republic of Mauritius

**396,000 Km<sup>2</sup>:** Seabed and Subsoil Areas under Joint Management Agreement (JMA) with the Republic of Seychelles, Mascarene Plateau Region

**2.3 million Km<sup>2</sup>:** Total maritime zone

**303,000 Km<sup>2</sup>:** Further Extended Continental Shelf (ECS) submissions on seabed and subsoil to be made to CLCS in respect of Rodrigues and Chagos Archipelago

Source: Ocean Economy Roadmap, Prime Minister's Office

Value Added (MUR million): Top contributors						
Activities	2011	2012	2013	2014	2015	2016f
Hotels and restaurants	15,218	15,262	13,879	15,191	16,470	17,859
Services allied to transport	4,867	5,413	5,717	6,161	6,647	7,181
Seafood fishing and processing	2,926	3,258	3,189	3,440	3,561	3,544
Leisure boat activities	1,877	2,116	2,366	2,600	2,726	2,868
Freeport activities	1,670	1,846	2,004	2,182	2,381	2,540
Storage	366	400	400	433	468	506
Ship store and bunkering	806	919	1,122	1,274	1,402	1,537
Ship building and maintenance	45	292	433	471	476	486

Source: Statistics Mauritius

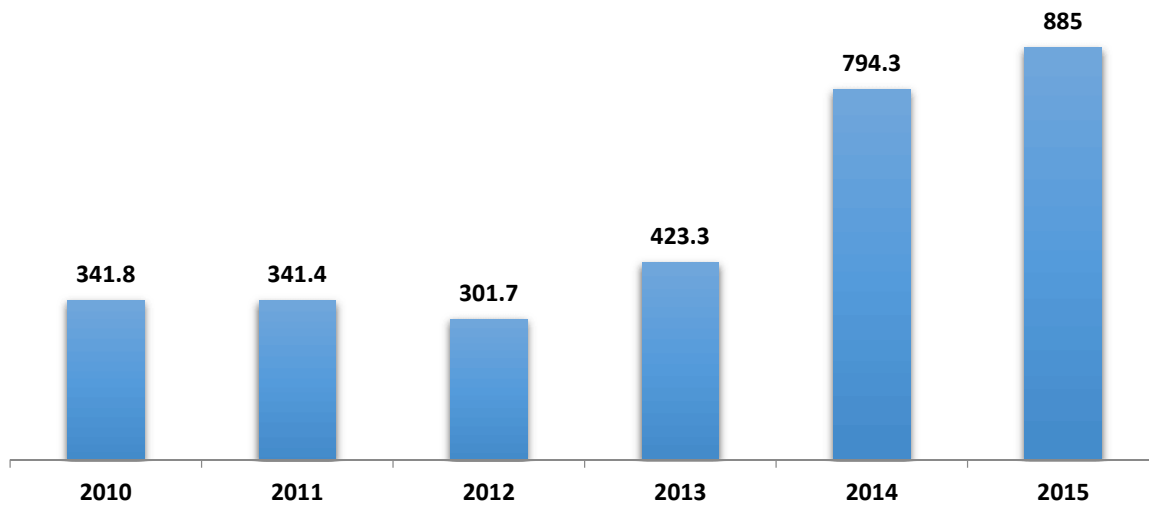
Ocean economy comprises both direct and indirect ocean-related economic activities. In 2015, the eight main activities contributed Rs 34,131 million to GDP.

### Seafood, Fishing and Processing

Key Indicators - Seafood		
Activities	Average 2011-2015	2016f
GDP Contribution (%)	1	0.9
Real Growth rate (%)	3.6	0.3

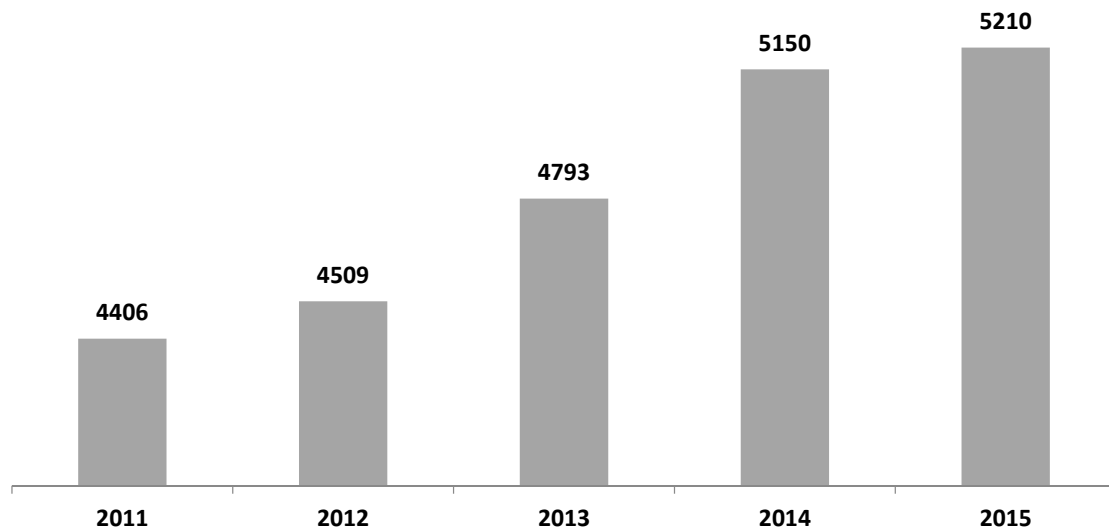
*Source: Statistics Mauritius*

Value Added Fishing  
(MUR million)



*Source: Statistics Mauritius*

Employment: Sea Food hub



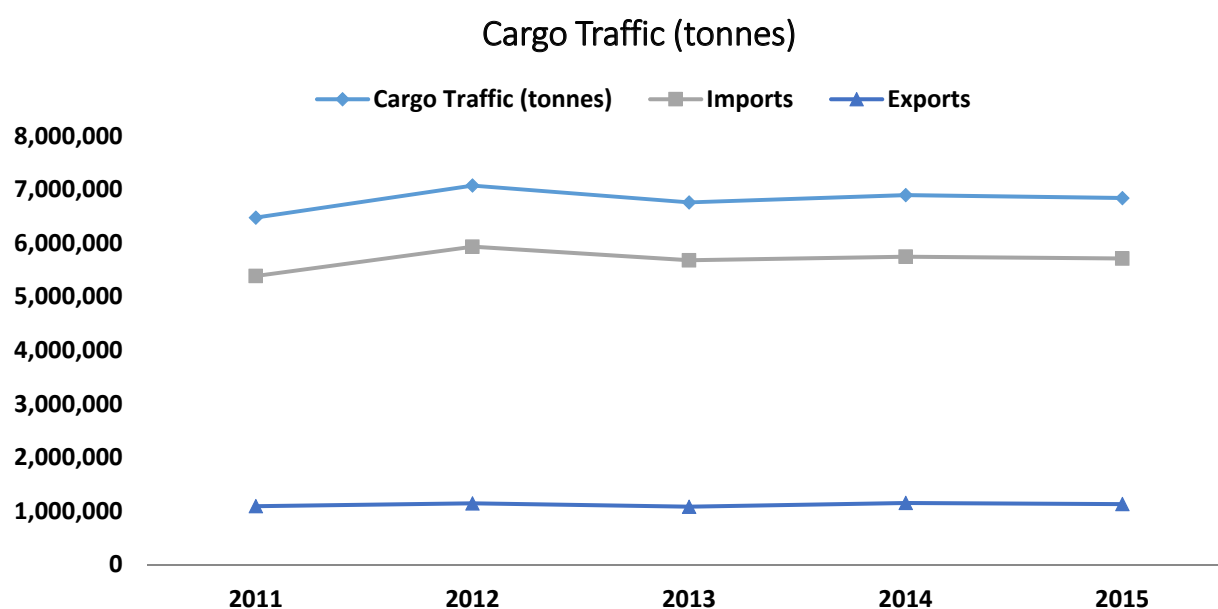
*Source: Statistics Mauritius*



Production of fish (in wet weight equivalent)						
	2010	2011	2012	2013	2014	2015
<b>High seas*</b>	<b>3,214</b>	<b>2,663</b>	<b>2,383</b>	<b>3,625</b>	<b>10,189</b>	<b>10,338</b>
Local vessels	3,214	2,663	2,383	3,625	10,189	10,338
<b>Coastal fishing</b>	<b>2,112</b>	<b>2,100</b>	<b>1,888</b>	<b>1,749</b>	<b>1,409</b>	<b>1,559</b>
Lagoon and off lagoon	1,162	1,150	938	799	459	609
Sport Fishing	650	650	650	650	650	650
Amateur Fishing	300	300	300	300	300	300
<b>Ponds and barachois</b>	<b>561</b>	<b>520</b>	<b>509</b>	<b>421</b>	<b>753</b>	<b>753</b>
<b>Total Production</b>	<b>5,887</b>	<b>5,283</b>	<b>4,780</b>	<b>5,795</b>	<b>12,351</b>	<b>12,650</b>

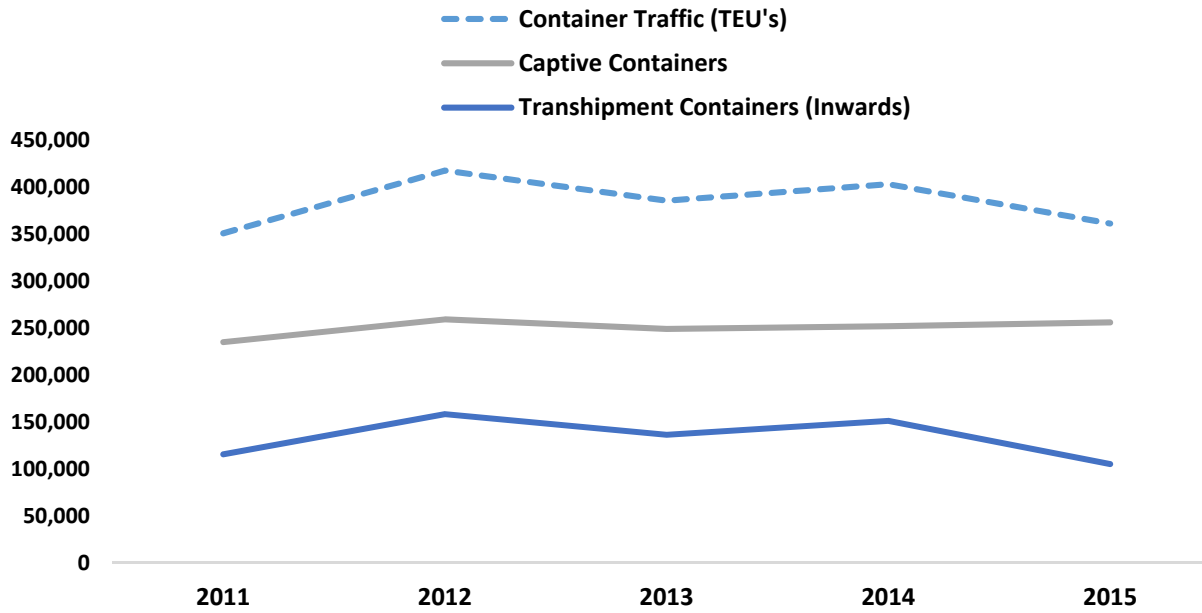
*\*High seas fishing data includes fish caught for the canning industry*  
*Source: Statistics Mauritius*

## Seaport related activities



Source: Mauritius Ports Authority

### Container Traffic (TEU's)



Source: Mauritius Ports Authority

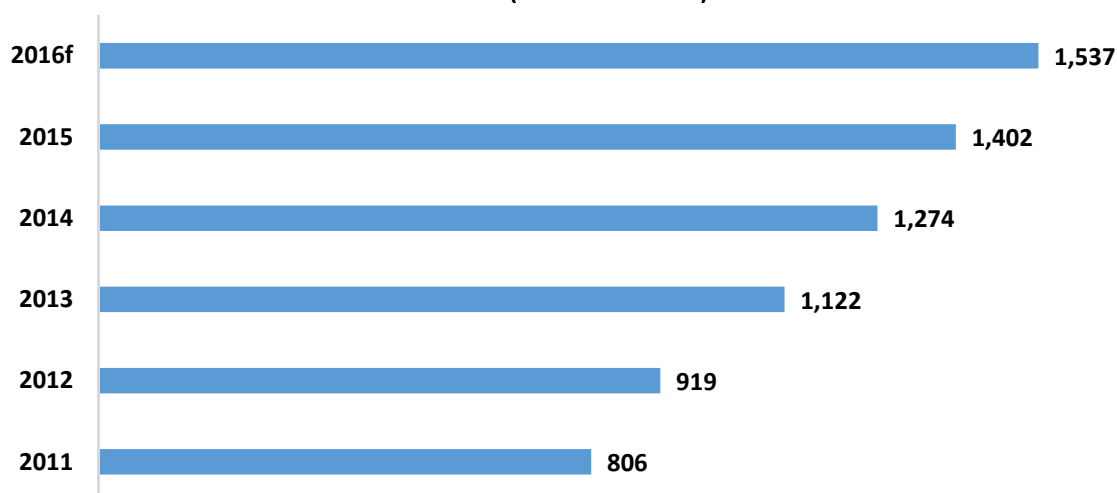
Vessel Traffic					
	2011	2012	2013	2014	2015
<b>Vessel Traffic</b>	<b>2,654</b>	<b>3,476</b>	<b>3,652</b>	<b>3,329</b>	<b>2,947</b>
Containerised Vessels	543	624	669	607	568
Dry Bulk Carriers	53	57	61	58	52
Tankers (Liquid Bulk Carriers)	74	71	70	61	78
General Bulk Vessels	13	11	5	7	103
Fishing Vessels	767	851	993	1,067	953
Cruise Vessels	23	23	15	18	23
Others	1,181	1,839	1,839	1,511	1,170

Source: Mauritius Ports Authority

Fish Traffic					
	2011	2012	2013	2014	2015
Imports	139,711	133,357	146,438	140,354	142,829
Exports	1,217	1,406	1,859	3,056	3,006
	<b>140,928</b>	<b>134,763</b>	<b>148,297</b>	<b>143,410</b>	<b>145,835</b>

Source: Mauritius Ports Authority

### Value Added by Ship store and bunkering activities (MUR million)



Source: Statistics Mauritius

### Freeport activities

The Mauritius Freeport was ranked among the top 15 free zones in the *Global Free Zones of the Future 2012/13* report published by FDI Magazine and was commended for reinvestment in the 2015 edition.

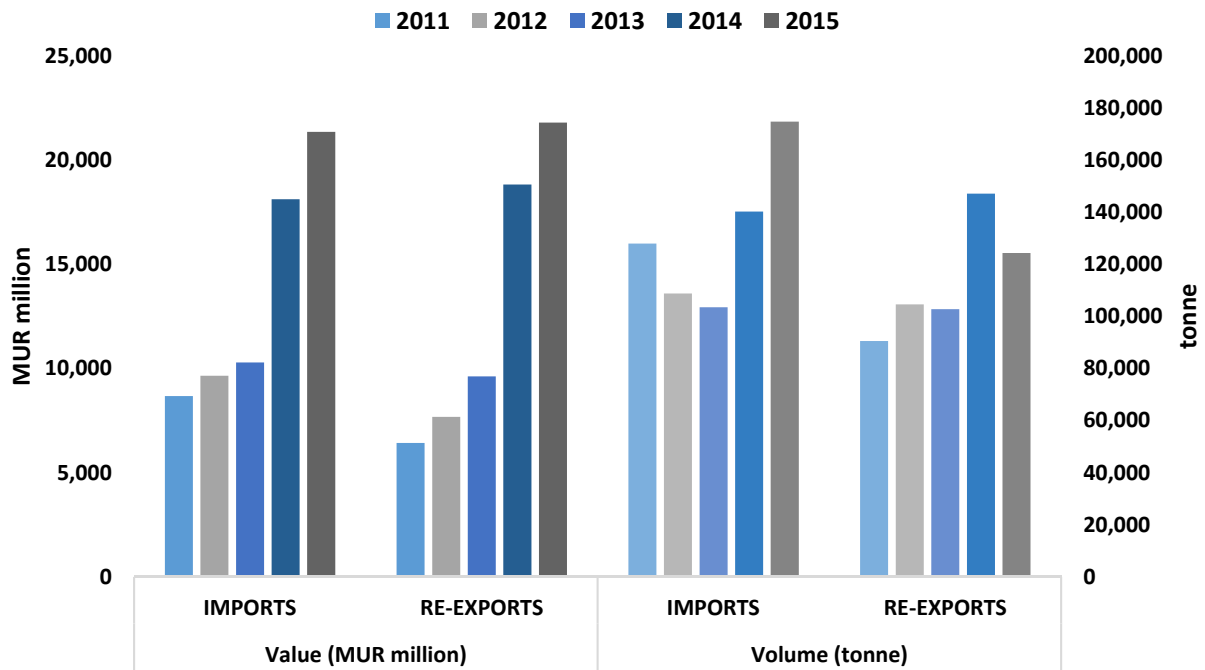
Key Indicators - Freeport Activities		
	Average 2011-2015	2016f
GDP Contribution (%)	0.6	0.7
Real Growth rate (%)	5.1	4.6

Source: Statistics Mauritius

Both imports and re-exports of the freeport zone have been increasing in terms of value during the five year period 2011 to 2015.

In terms of volume, re-exports decreased by 15 per cent from 2014 to 2015.

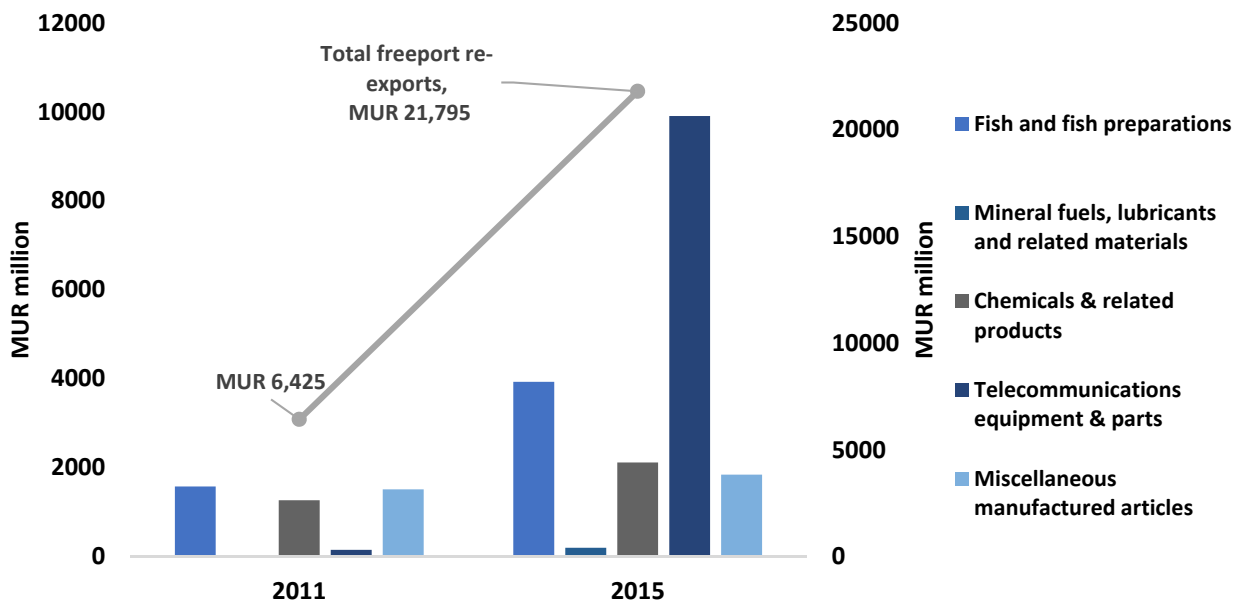
### Imports and Re-Exports of the Freeport Zone



Source: Statistics Mauritius

During the period 2011 to 2015, there has been a surge in re-exports of *telecommunications equipment & parts*, increasing from Rs 149 million in 2011 to Rs 9,905 million in 2015.

### Freeport Re-exports by selected commodities 2011 vs 2015



Source: Statistics Mauritius

## LIFE SCIENCES

With untapped marine resources in terms of an *Exclusive Economic zone (EEZ)* of 2.3 million square kilometres, including an additional 396,000 km<sup>2</sup> co-managed with the Republic of Seychelles, and 634 species of medicinal plants, out of which less than 10 per cent have been studied, Mauritius is seen as an attractive life sciences destination.

With facilities such as the *Mauritius Research Council*, the *Mauritius Oceanography Institute*, the *Centre for Biomedical and Biomaterials Research* and *BioPark Mauritius*, a private initiative, the sector provides enormous opportunities for activities in pharmaceuticals, medical devices, clinical research as well as agricultural and marine biotechnology.

### Biotechnology

To date the BOI surveyed 25 companies involved in biotech activities in Mauritius. These companies operate in the following areas:

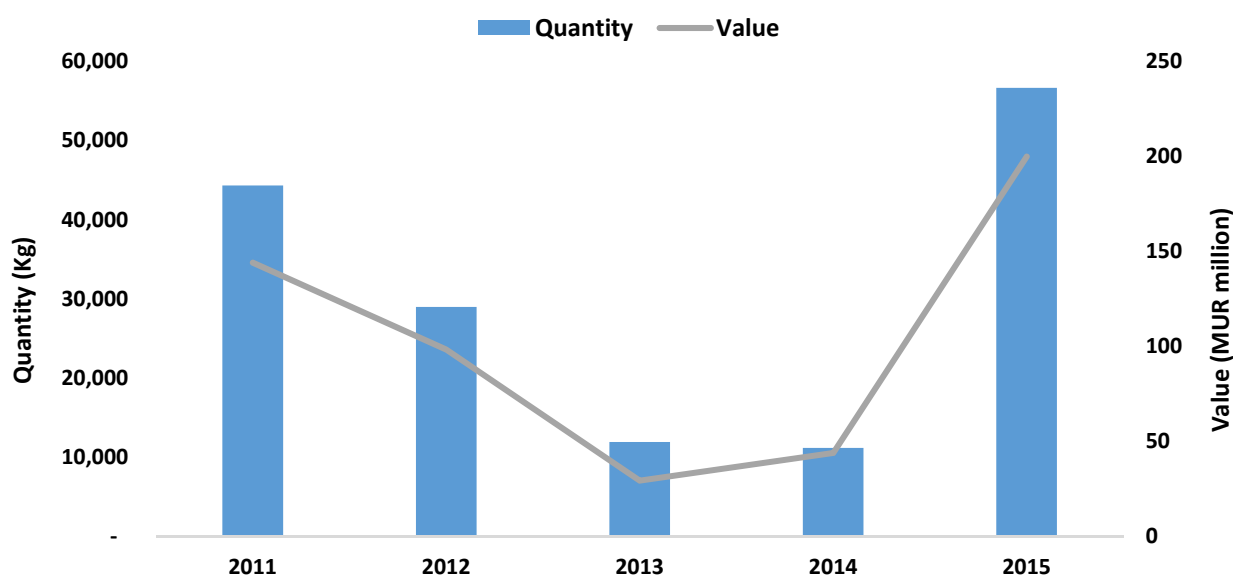
- *Red biotechnology* - which includes clinical trials, pharmaceutical and medical devices manufacturing;
- *Green biotechnology* - production of bio-fertilizers and bovine genetic produce;
- *Marine biotechnology* - production and extraction of fish oil;
- *White biotechnology* - production of bio-ethanol from sugar cane;
- *Grey biotechnology* - collection of landfill gas for conversion into energy and recycling of solid waste.

In 2013, BOI estimated that these companies generated revenues to the tune of Rs 2.8 billion and employed around 1,300 persons.

Biotech Sector	No. of Companies	Employment
<i>Red (Medical)</i>	20	1,030
<i>Green (Agro)</i>	1	125
<i>White (Industrial)</i>	1	40
<i>Grey (Environmental)</i>	2	<i>Not disclosed</i>
<i>Blue (Marine)</i>	1	80
<b>Total</b>	<b>25</b>	<b>1,275</b>

Source: Board of Investment

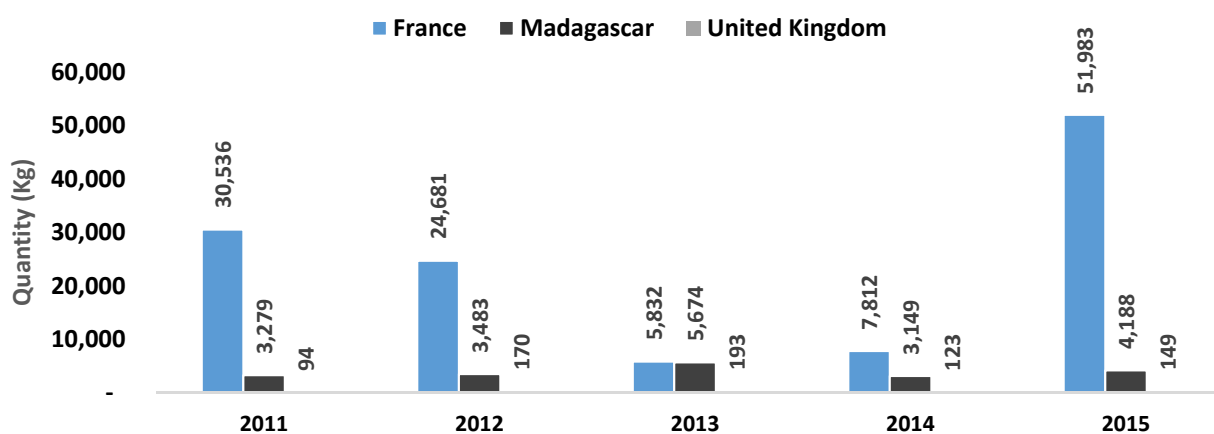
## Domestic Exports of Pharmaceuticals



Source: Statistics Mauritius

Although at a nascent stage, leading pharmaceutical companies such as *Ajanta Pharma (Mauritius) Ltd* and *Natec Medical Ltd* are manufacturing drugs and medical devices to export to various parts of the world, including Africa.

## Quantity of Pharmaceuticals exported to selected countries

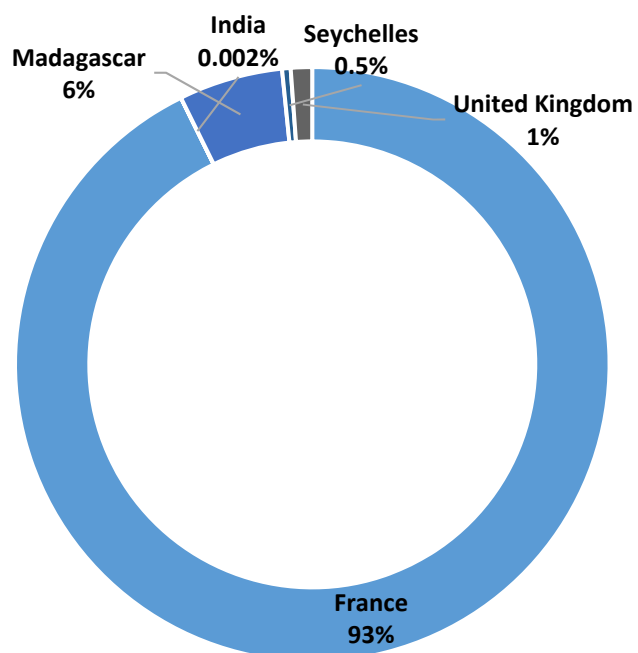


Source: Statistics Mauritius

Exports of pharmaceutical products increased from 44,317 kilograms in 2011 to 56,668 kilograms in 2015.

Mauritius exported these regularly to France, Madagascar and United Kingdom.

**Pharmaceuticals exports by country - 2015**



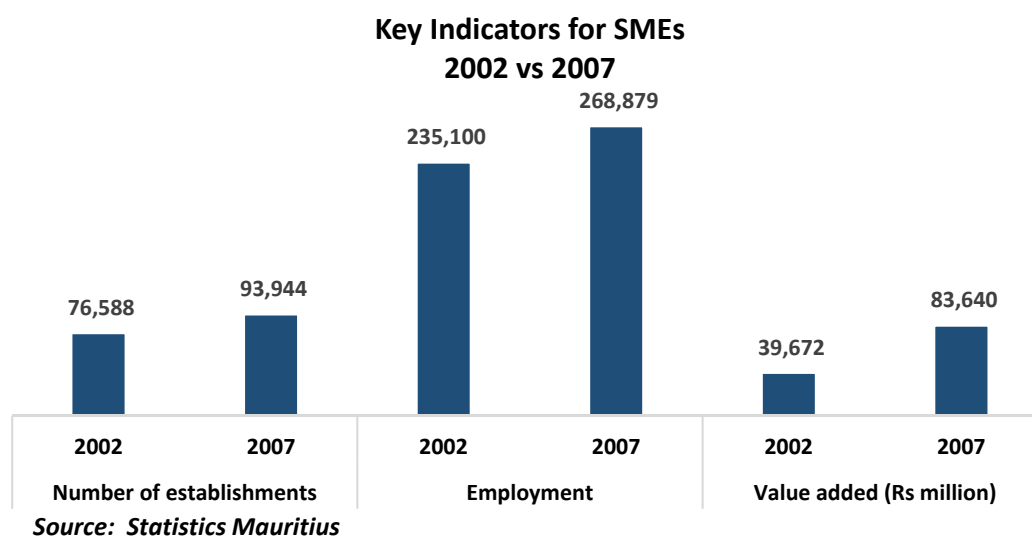
*Source: Statistics Mauritius*

## SMEs

Contribution of SMEs to the economy		
	2002	2007
Contribution of SMEs to GDP (%)	31.1	38.8
Employment in SMEs as a % of total employment (%)	47.7	51.3
Source: Statistics Mauritius		

Contribution of SME<sup>16</sup> of SMEs to GDP increased from 31.1 per cent in 2002 to 38.8 per cent in 2007. In 2007, *Statistics Mauritius* estimated employment within the SME sector as a percentage of total employment to be at 51.3.

A total of 93,944 SMEs<sup>17</sup> were in operation in 2007<sup>18</sup>. This represented an increase of 23 per cent from the number of establishments surveyed in 2002.



<sup>16</sup> The SMEDA Act defines SMEs on the basis of turnover. An enterprise, irrespective of the number of employees, is defined as small if its turnover is less than Rs 10 million, while a medium enterprise generates a turnover between Rs 10 million and Rs 50 million.

<sup>17</sup> Number of establishments surveyed by the Census of Economic Activities (CEA) does not include agricultural activities.

<sup>18</sup> The 2013 CEA Phase 2 (Large establishments) was still under process at the time of publishing this document.



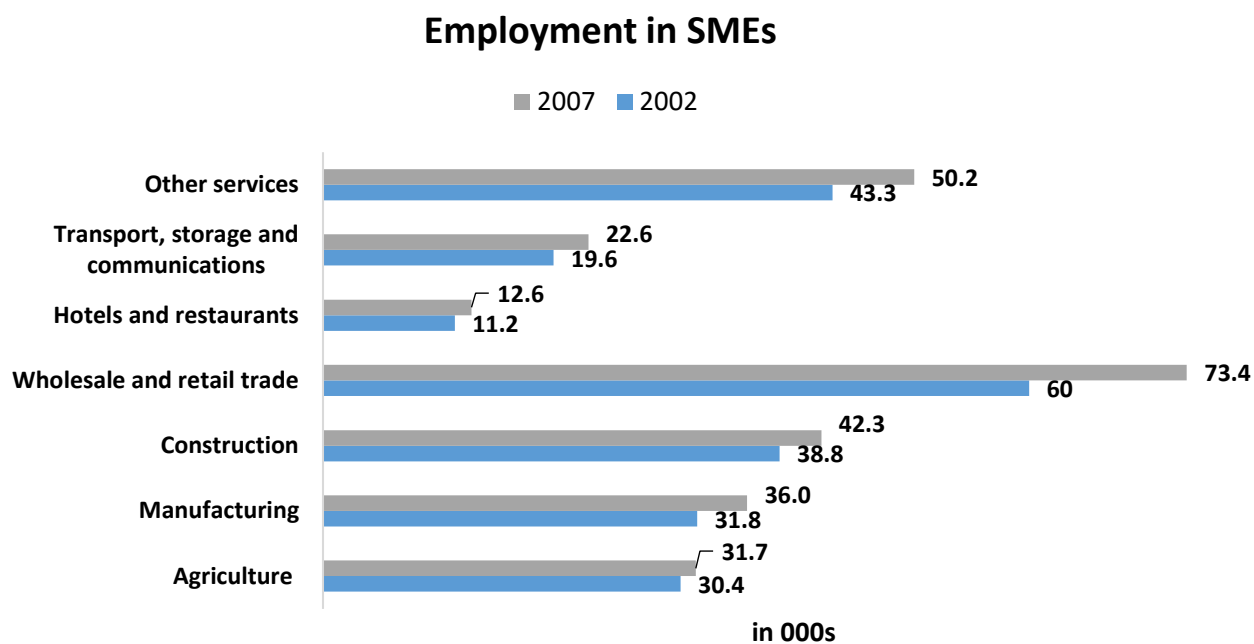
## Employment

In 2007, *Statistics Mauritius* estimated some 268,879 persons that is around 49.0 per cent of total workforce, engaged within the SME sector.

This represented an increase of 14.4 per cent from 2002 estimates.

Most SMEs operated in *wholesale and retail trade activities, manufacturing, transport and hotels & restaurants*.

However, a slight shift can be seen towards the services sector, especially in *communications and financial intermediation activities*.

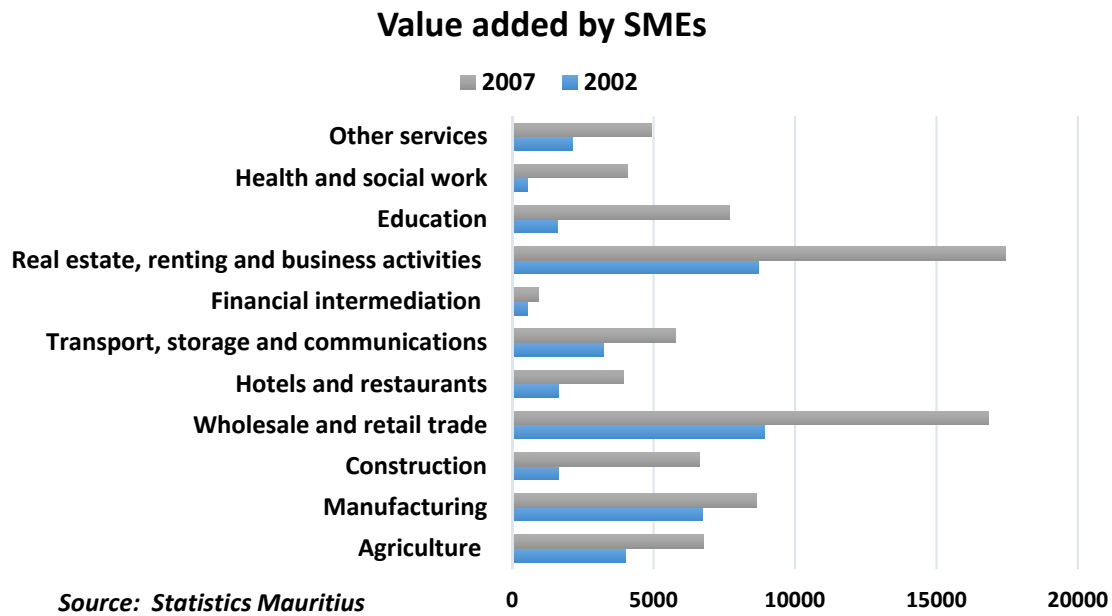


Source: *Statistics Mauritius*

## Value Added

Value addition of SMEs was estimated at Rs 83,640 million in 2007.

In 2007, value added by SMEs were highest in *real estate activities* and *wholesale and retail trade*.

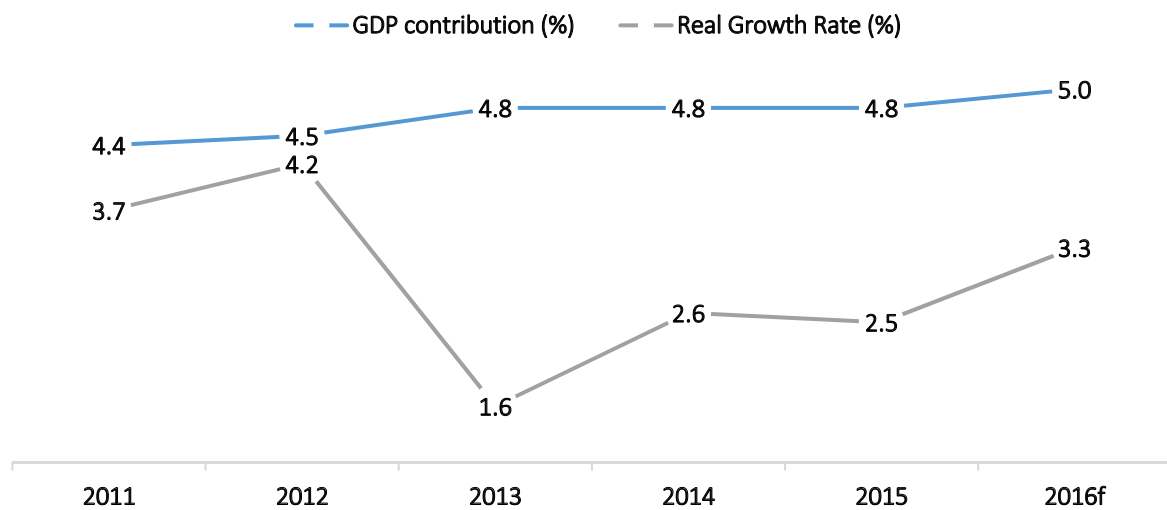


# EDUCATION

Key Indicators: Education sector		
	Average 2011-2015	2016f
Current Value Added (MUR million)	15,247	19,381
GDP contribution (%)	4.7	5
Real Growth Rate (%)	2.9	3.3
Total employment	32,100	-

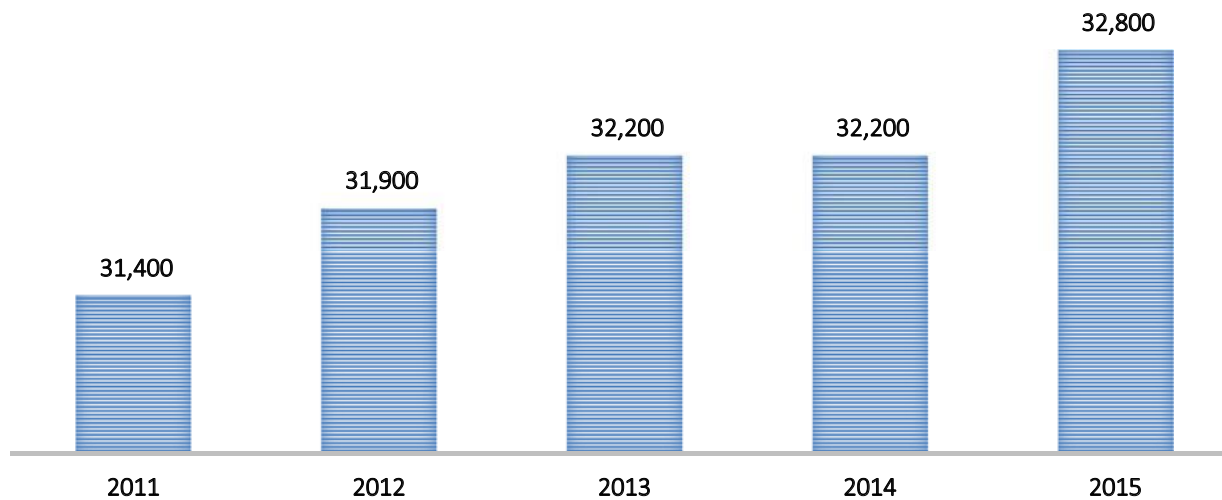
Source: Statistics Mauritius

Key indicators of the Education sector, %



Source: Statistics Mauritius

Employment

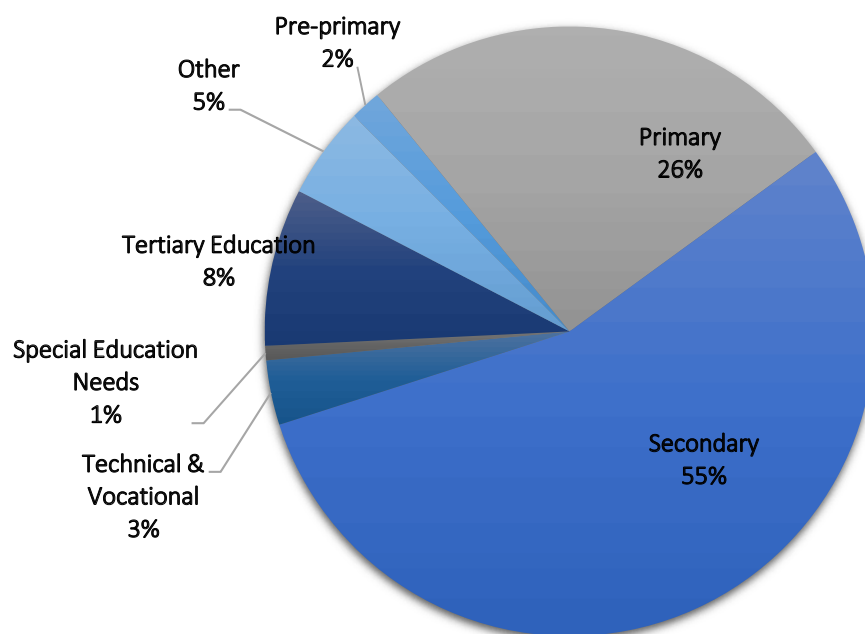


Source: Statistics Mauritius

## Government Expenditure on Education, Island of Mauritius

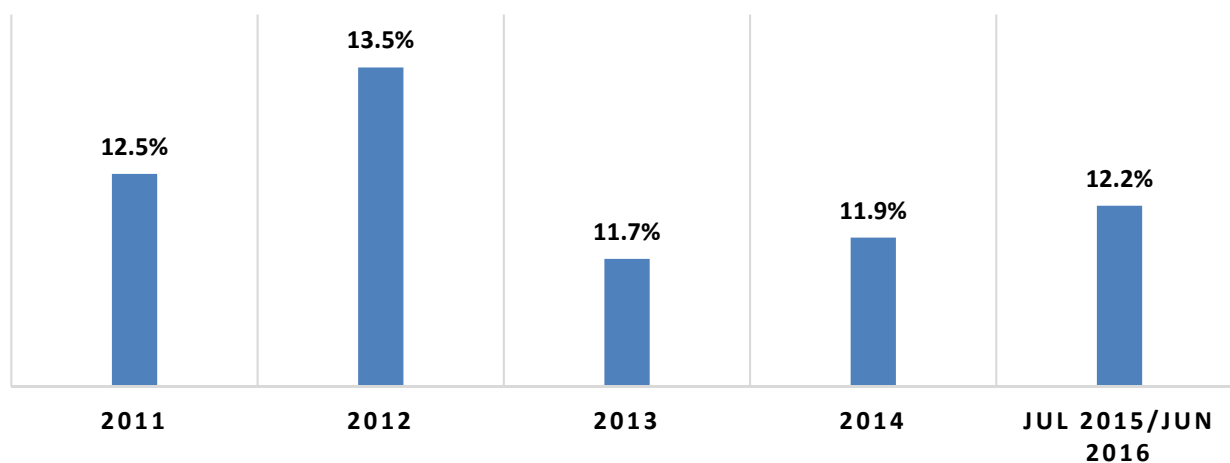
Government expenditure on education and human resources for the financial year 2015/2016 is estimated at about Rs14,725 million, representing 12.2 per cent of total expenditure.

Government Expenditure on Education 2015/2016



Source: Statistics Mauritius

Total Government Expenditure on Education as a percentage of Total Government Expenditure

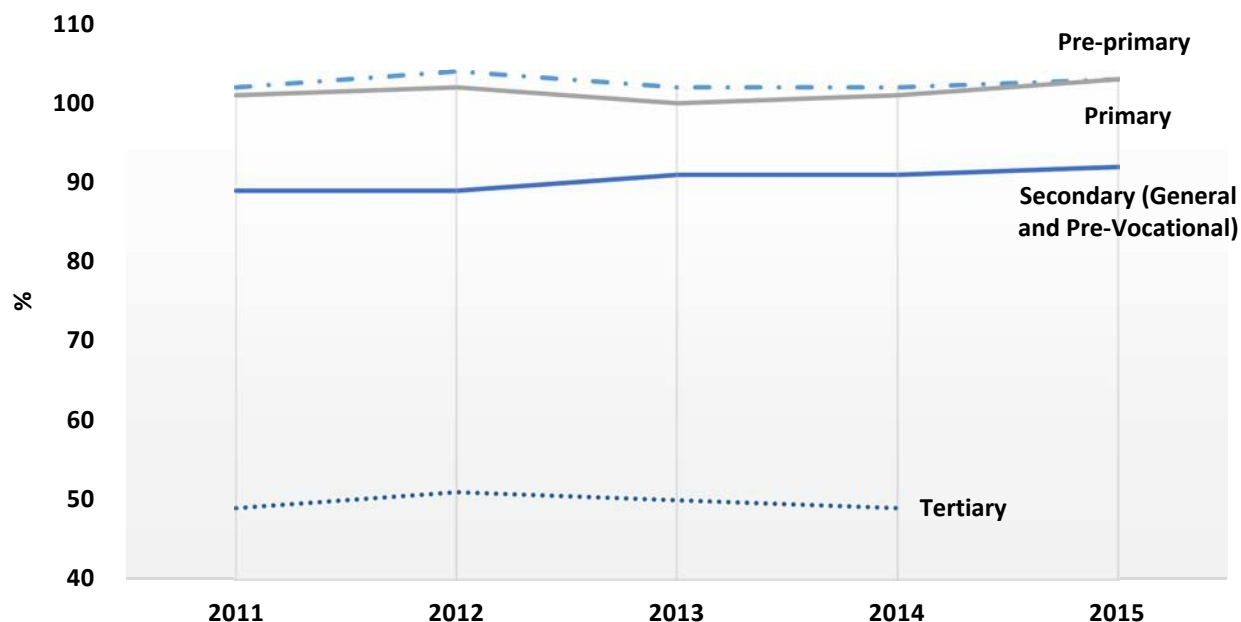


Source: Statistics Mauritius

## Enrolment

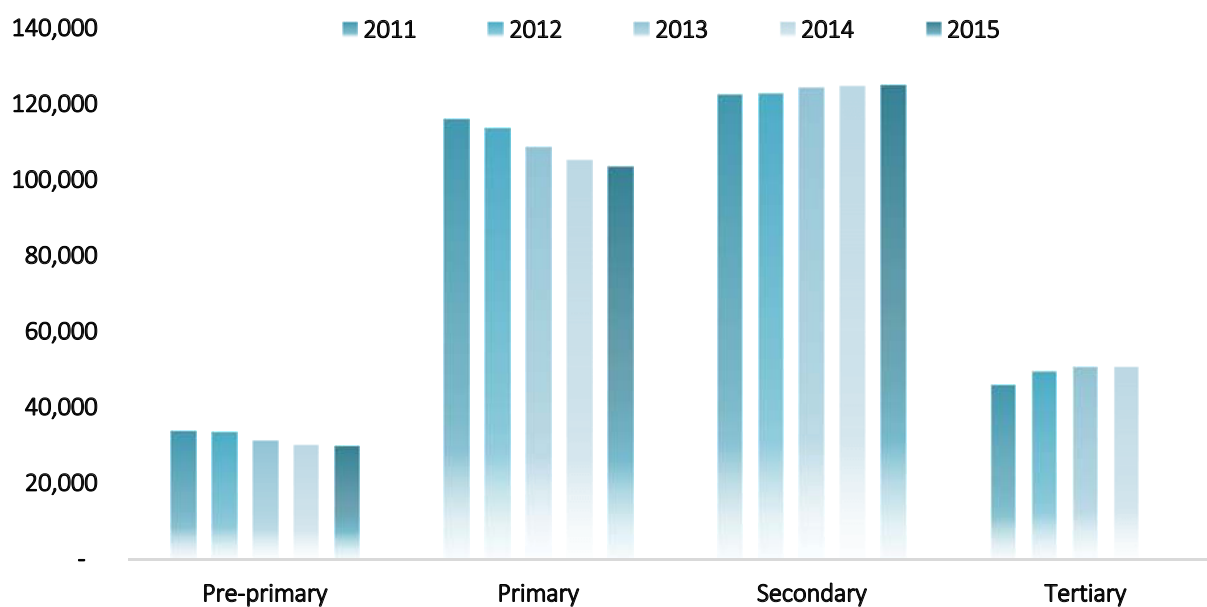
The gross enrolment ratio is measured as the number of pupils enrolled in a given level of education, regardless of age, expressed as a percentage of the population in the relevant age-group.

Gross Enrolment Ratio



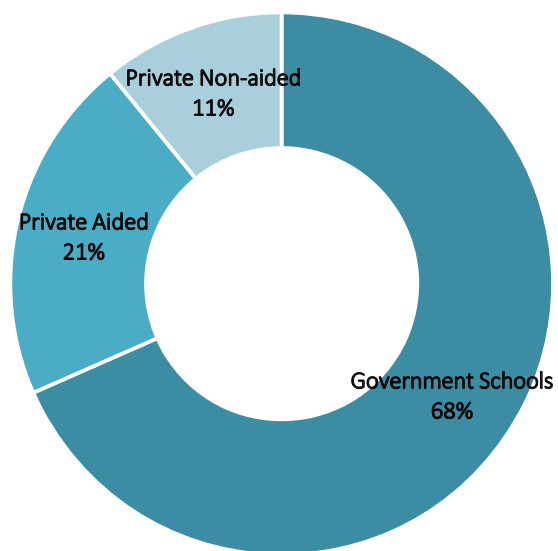
Source: Statistics Mauritius

Enrolment in Educational Institutions



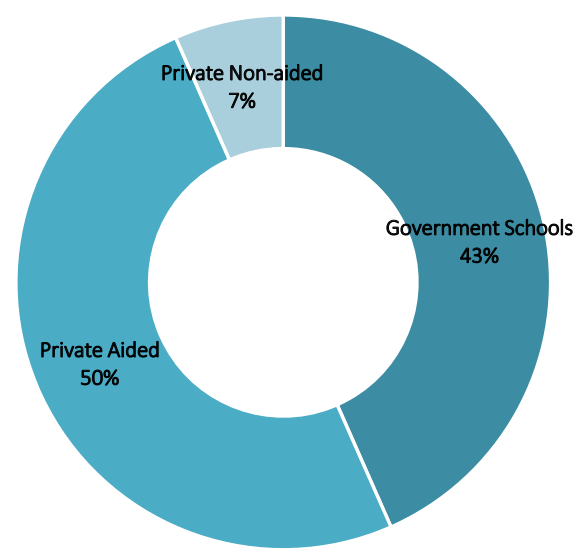
Source: Statistics Mauritius

Primary School enrolment 2015



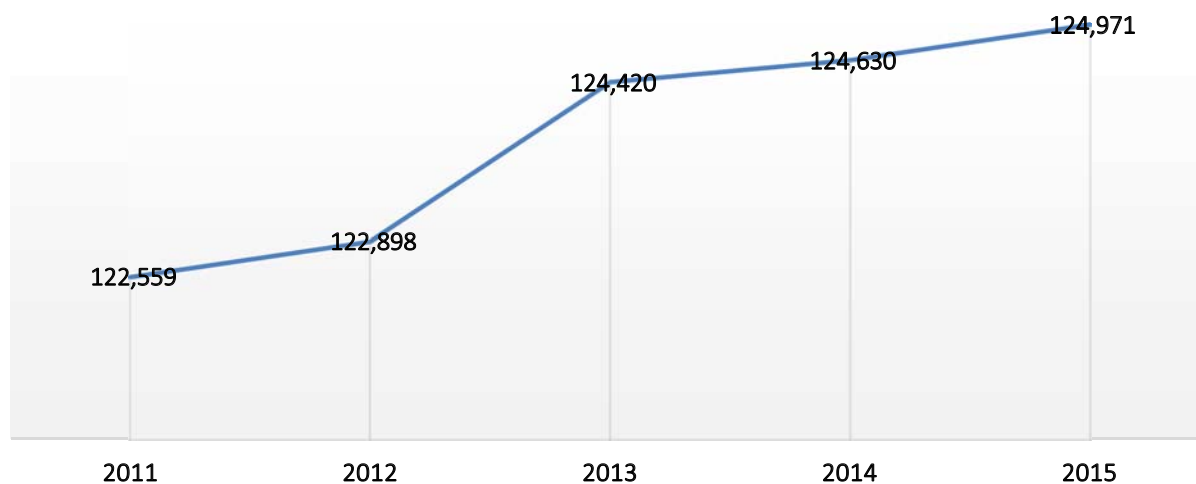
Source: Statistics Mauritius

Secondary School enrolment 2015

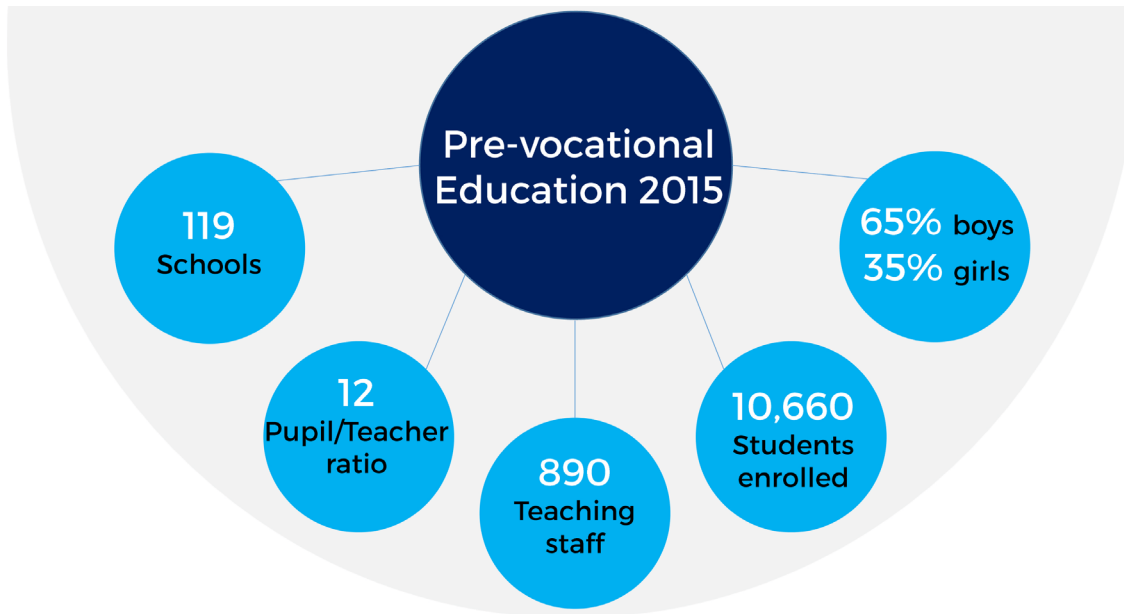


Source: Statistics Mauritius

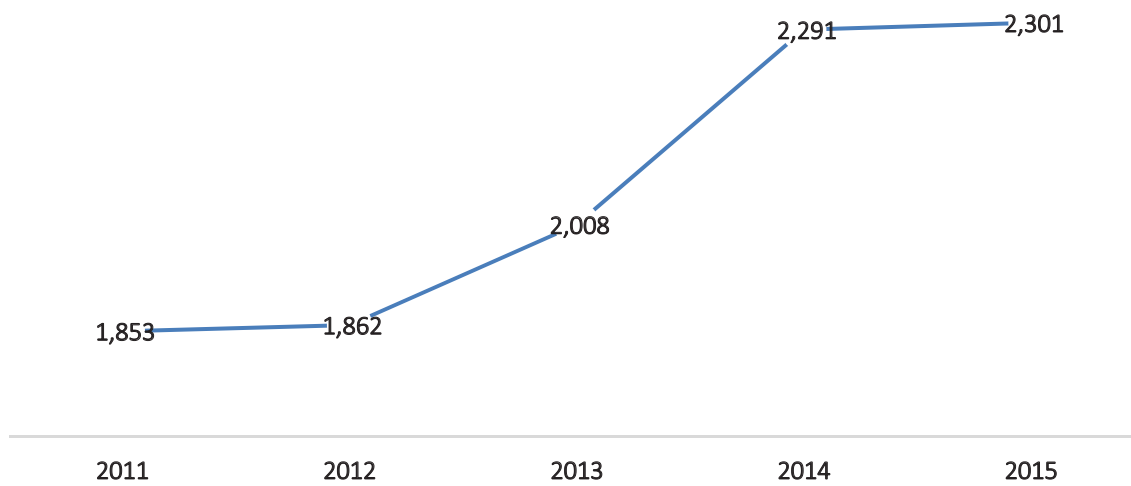
Enrolment in Secondary Schools (General and Pre-Vocational)



Source: Statistics Mauritius

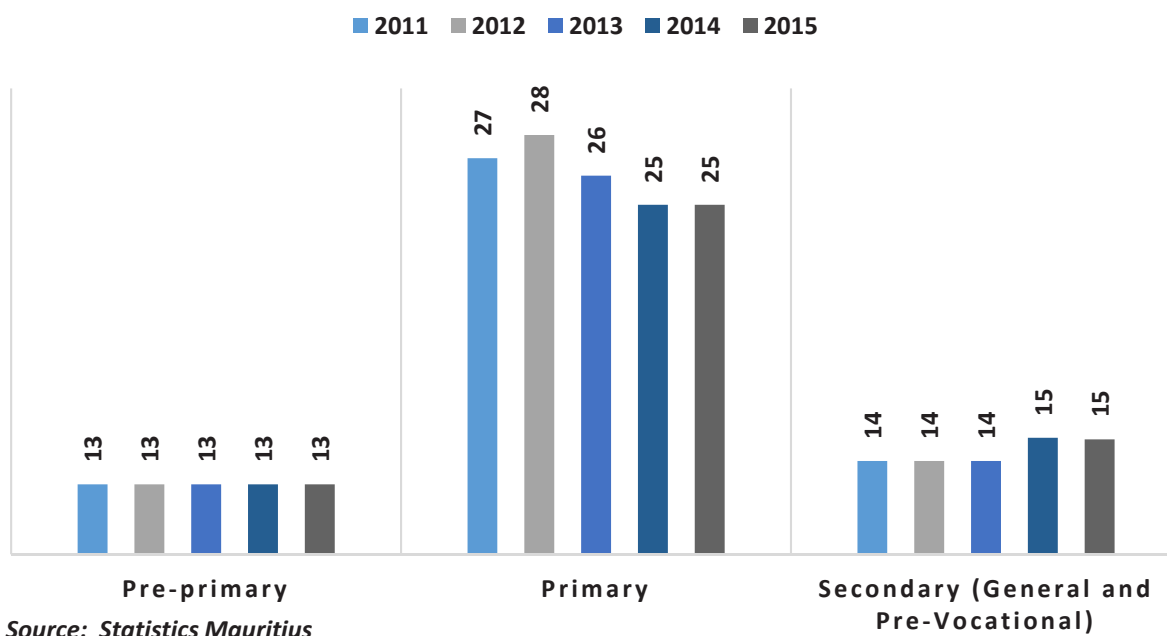


Enrolment in Special Education Needs School



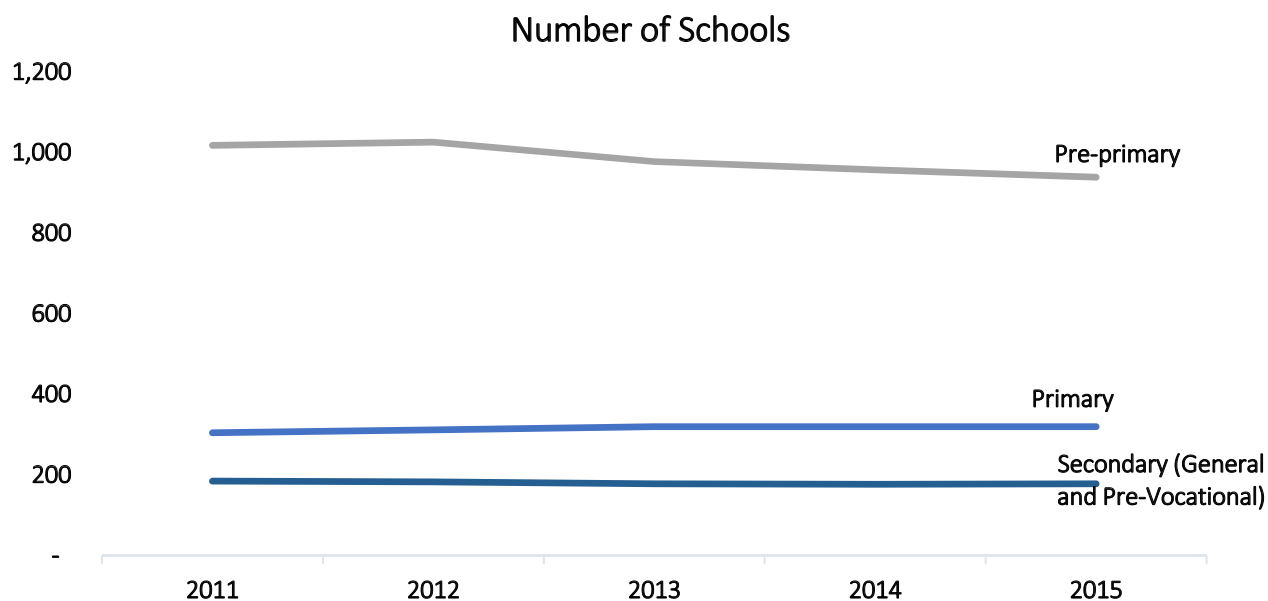
Source: Statistics Mauritius

Pupil/Teacher Ratio



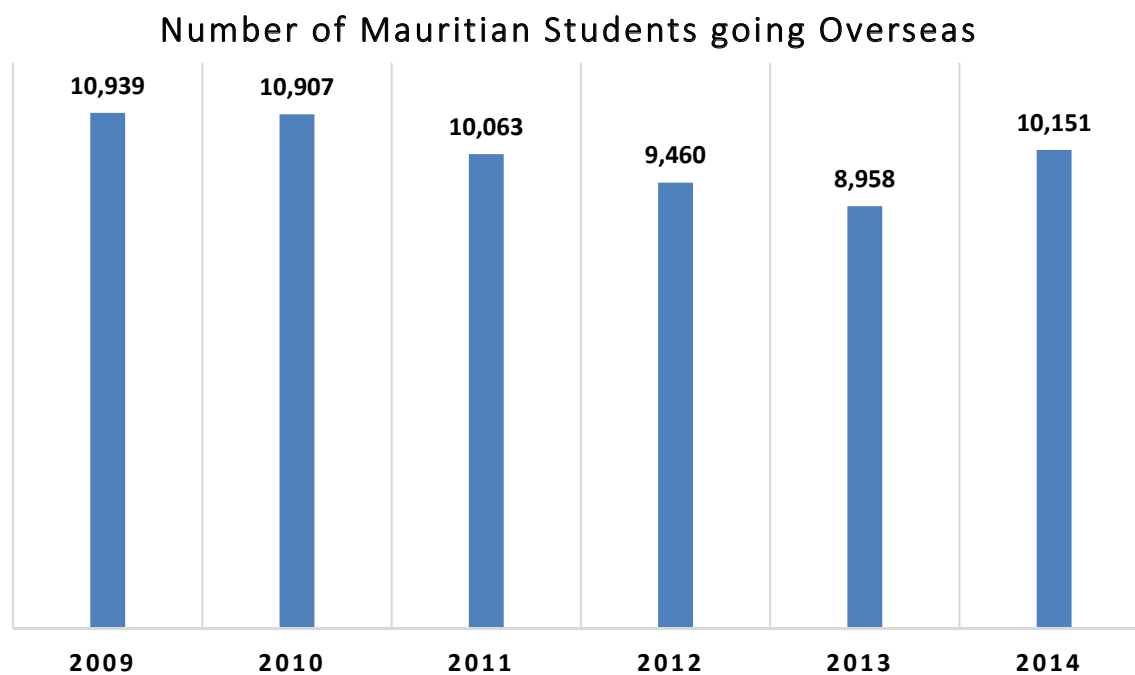
Source: Statistics Mauritius

## Educational Institutions



Source: Statistics Mauritius

## Tertiary education



Source: Tertiary Education Commission

Year 2014	Number of institutions	Enrolment
Publicly-funded institutions	10	22,793
Private institutions - TEC registered	58	17,664

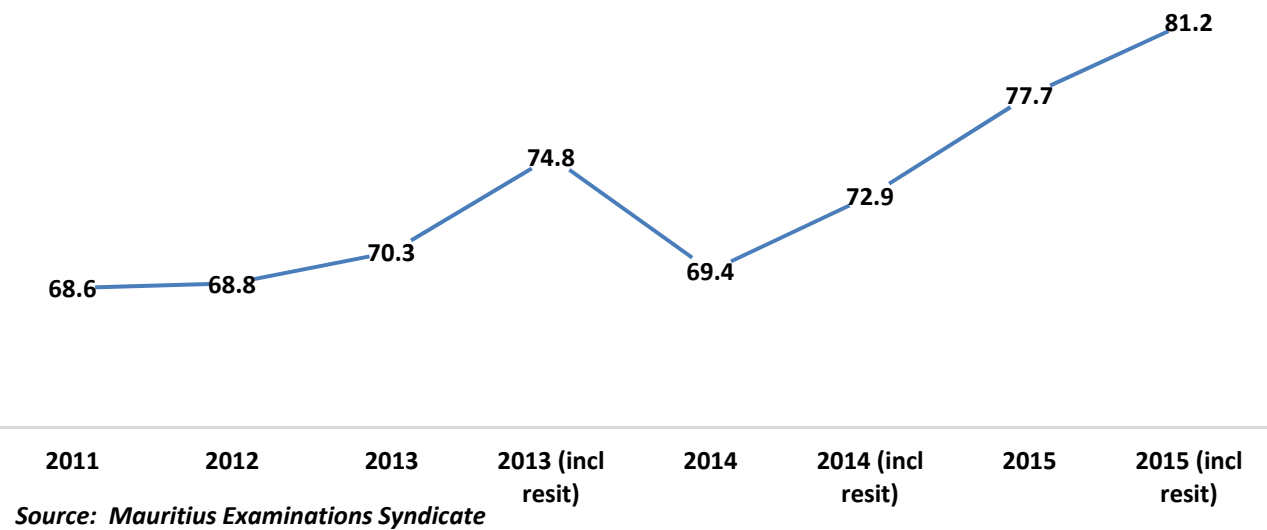
Source: Tertiary Education Commission



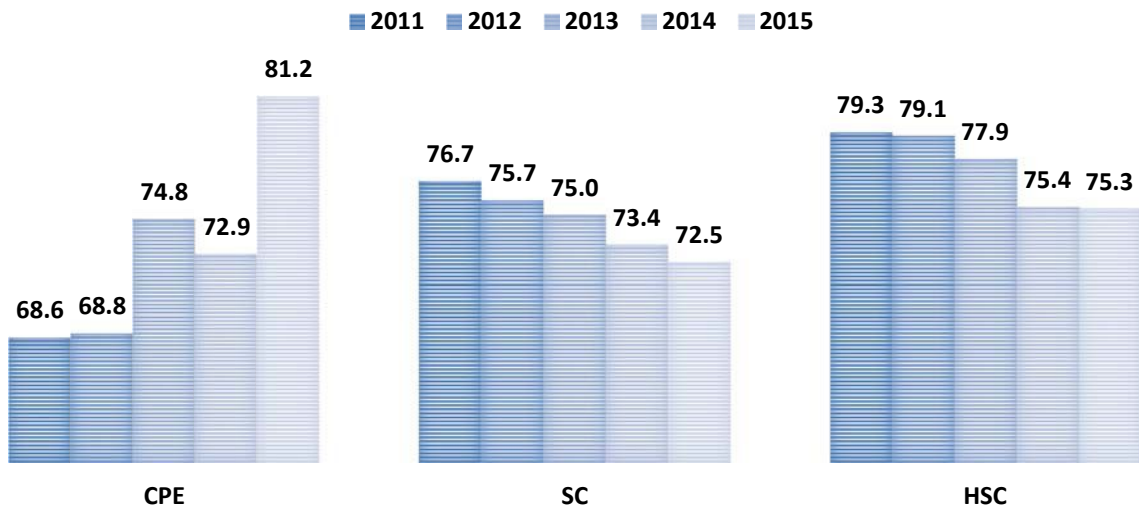
## Performance

CPE Pass rates hovered around 69.0 per cent until 2012. However, following the introduction in 2013 of re-sit exams, the pass rate among school candidates went up to 74.8 per cent, compared to 70.3 per cent excluding re-sits. The improvement is also observed in 2015, with a pass rate of 81.2 per cent after re-sits.

Evolution of CPE Pass Rates, %



CPE, SC and HSC Pass Rates

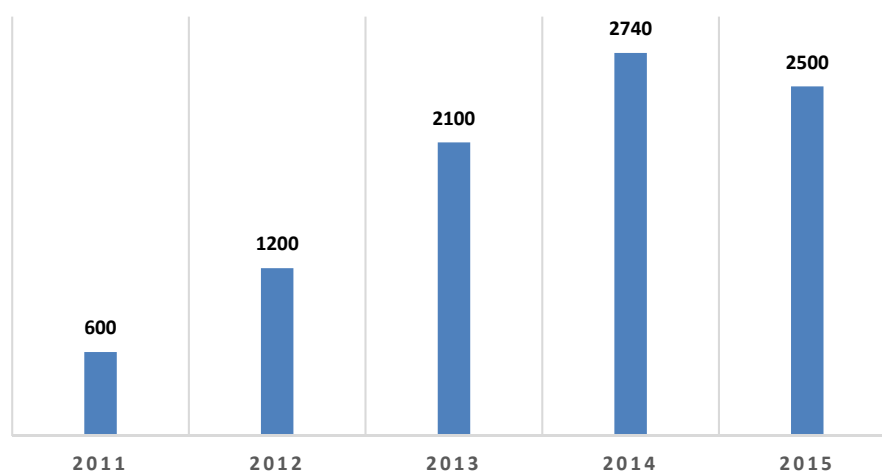


## Export of Education Services

As at 2015, 11 private tertiary educational institutions had set up campuses in Mauritius, six of which were from India, two from the UK, two from South Africa and one from France.

Private higher educational institutions have developed a network of collaborations with more than 50 foreign universities and awarding bodies for the provision of courses and programmes.

Number of Foreign Students in Mauritius



Source: Passport & immigration Office

In 2015, Middlesex University Mauritius Branch Campus had the highest foreign enrolment with 368 students, followed by Anna Medical College, India with 287 students and SSR Medical College with 225 foreign students.

The Medine Education Village was launched in 2012. Since September 2015, Medine's Smart City in Flic en Flac features the first student residence.

Under the International Campus for Sustainable and Innovative Africa (ICSIA) initiative, Université Panthéon-Assas, Ecole Centrale de Nantes and Ecole Nationale Supérieure d'Architecture de Nantes have been accredited by the Tertiary Education Commission and will start their respective bachelor degrees in October 2016.

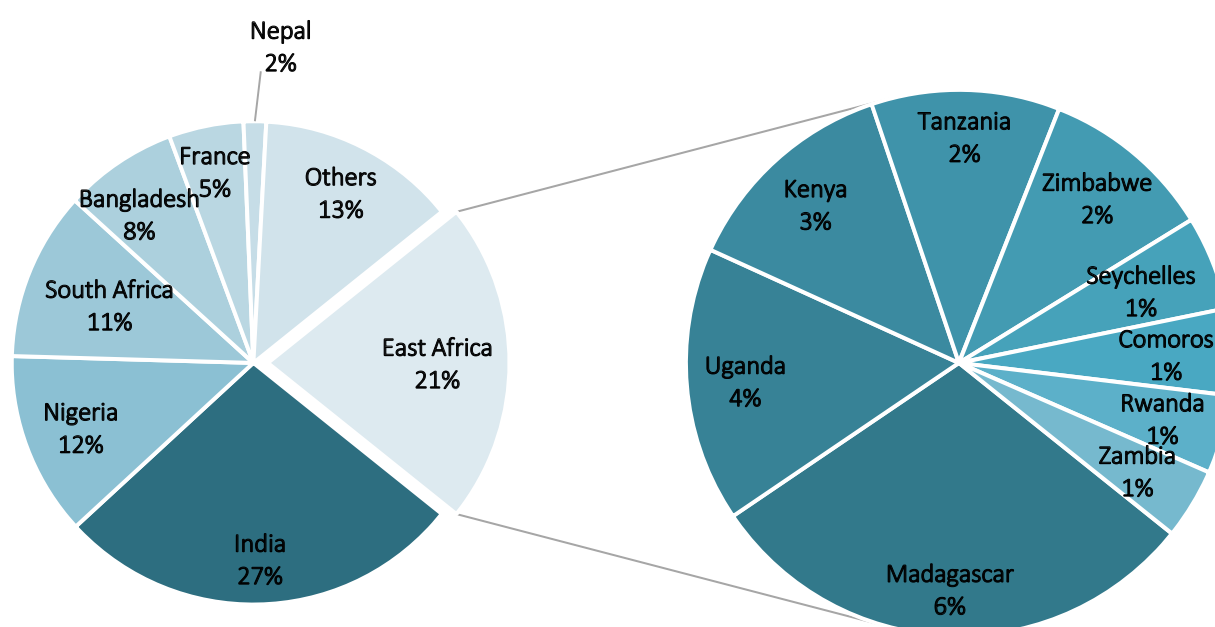
## Contribution of International Students to the economy

It is estimated that a foreign student spends on average Rs 20,000 per month which includes tuition fees, accommodation costs and living expenses. The export of education services can thus be estimated to have directly generated a revenue of Rs 600 million for the Mauritian economy for the year 2015.

## Source Countries of International Students

As at December 2015, there were 2,500 international students from 80 different countries, mainly from India, Nigeria, South Africa, Madagascar, France, Uganda, Kenya, Tanzania, and Zimbabwe, amongst others.

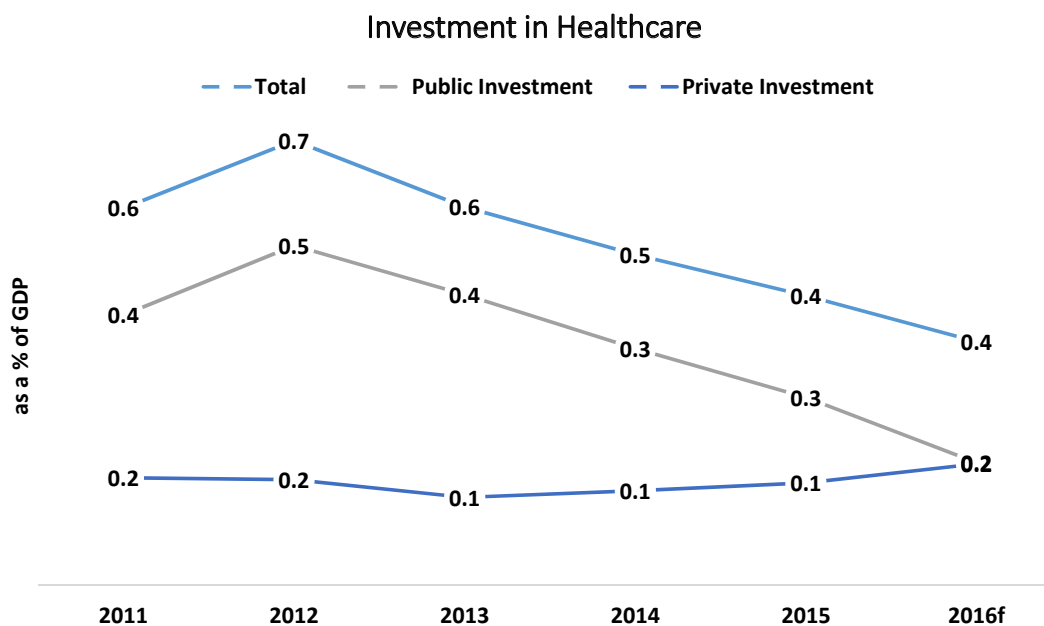
Main Source Countries of Foreign Students in 2015



Source: Passport & Immigration Office

## HEALTHCARE

In 2015, total investment made in healthcare services stood at Rs 1.7 billion, of which 64.8 per cent was made by Government while 35.2 per cent was made by the private sector.



Source: Statistics Mauritius

In 2015, human health and social work activities contributed 4.3 per cent to GDP.

Key Indicators - Healthcare		
	Average 2011-2015	2016f
GDP contribution (%)	3.9	4.4
Real growth rate (%)	5.4	3.9

Source: Statistics Mauritius

Main Public Healthcare Institutions as at end 2015	
General hospitals	7
Specialised hospitals	5
Community health centres, Medi-clinics, Area Health centres	622
Dental clinics	59
Ayurvedic clinic	5

Source: Ministry of Health & Quality of Life

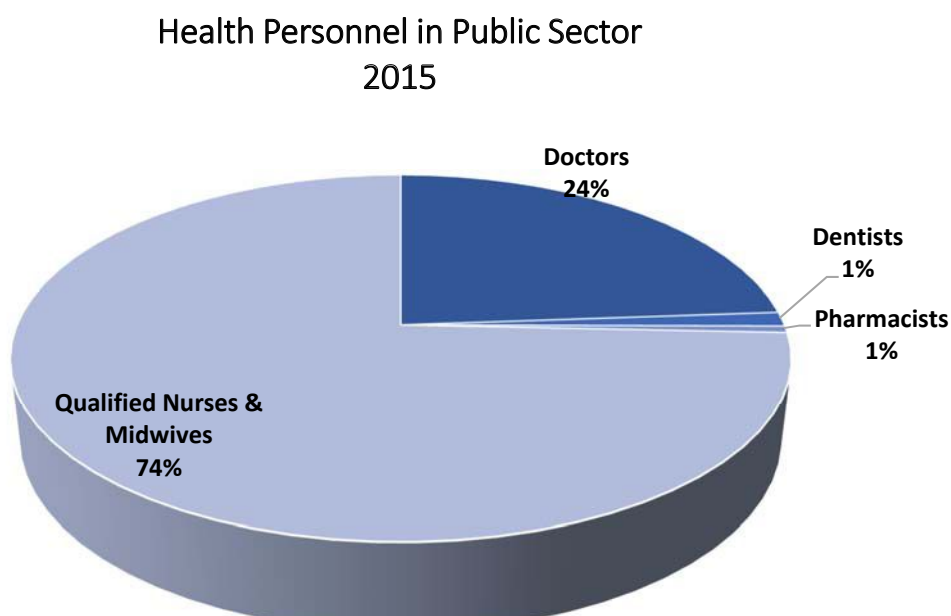
To date there are 7 general hospitals and 5 specialised hospitals operating as public healthcare institutions, while some 17 private multi-speciality clinics are in operation.

Main Private Healthcare Institutions as at end 2015	
Private Clinic/Hospital	17
Pharmaceutical retail outlet	324
Dialysis Clinic (including in private clinics)	7
Sugar estate dispensary	11
<i>Source: Ministry of Health &amp; Quality of Life</i>	

## Employment

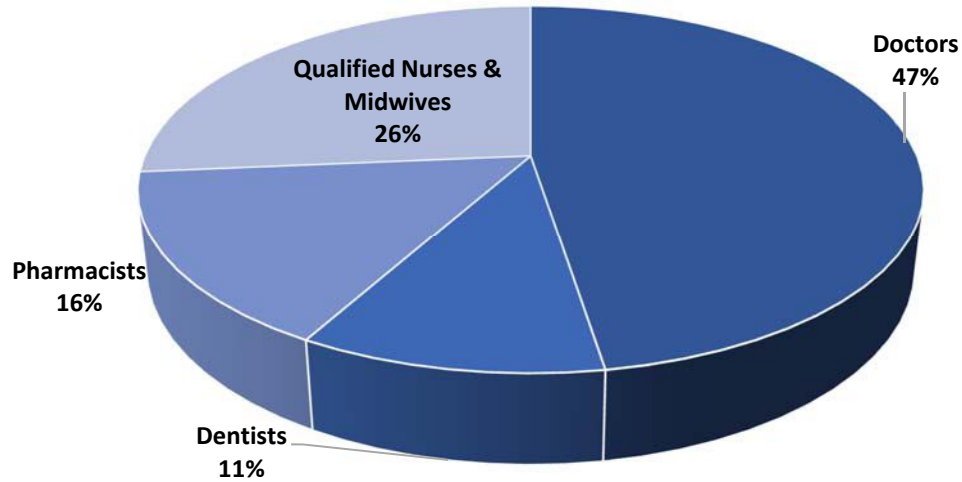
In 2015, the public sector employed 1,111 doctors, representing an increase of 3.2 per cent from 2014. 74 per cent of health personnel employed within the public sector were qualified nurses and midwives.

In the same year, there were some 3,031 personnel employed as doctors, dentists, pharmacists and qualified nurses & midwives within the private sector.



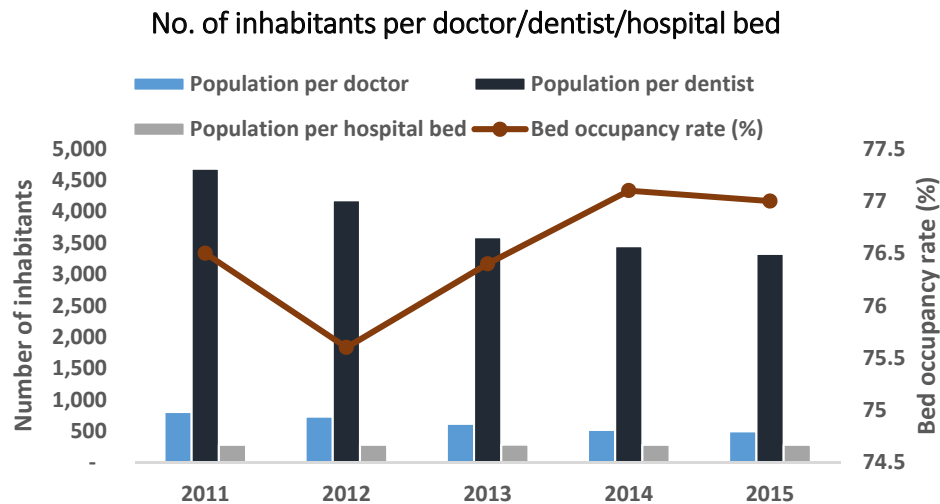
*Source: Ministry of Health & Quality of Life*

## Health Personnel in Private Healthcare Services 2015



*Source: Ministry of Health & Quality of Life*

In 2015, it was estimated that a doctor would attend to 495 patients, an improvement when compared to the 803 patients attended to in 2011.



*Source: Ministry of Health & Quality of Life*

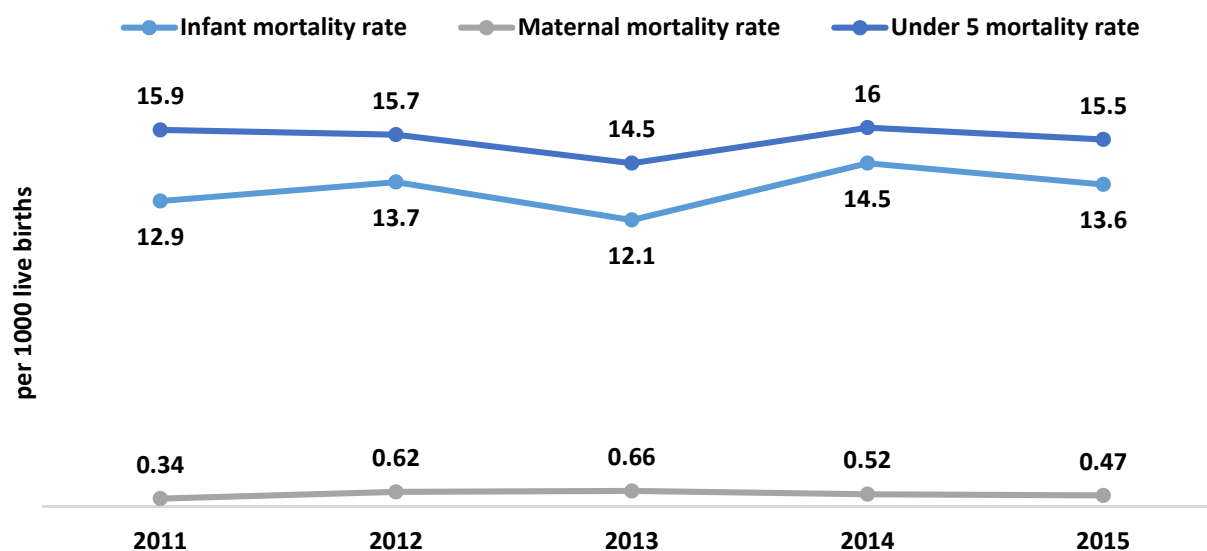
## Health situation

In 2015, life expectancy for both sexes was on average 74.5 years.

Males lived on average to the age of 71.2 years, while females would live for 77.8 years on average.

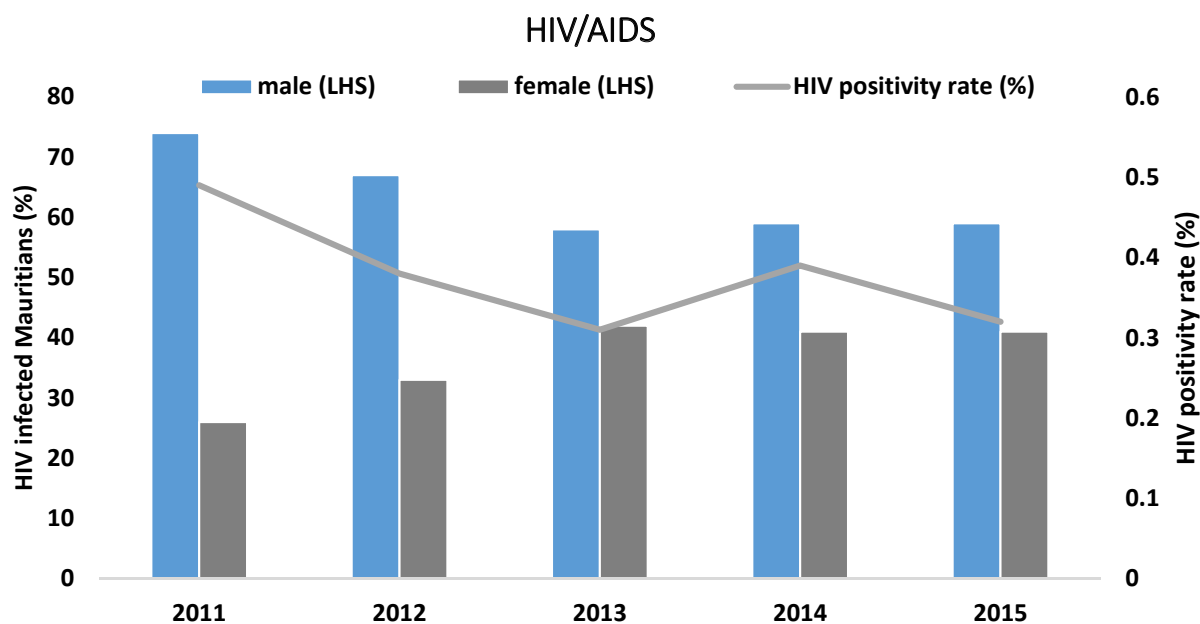
Maternal, infant and under five mortality rates remained almost constant during the five year period, reflecting delivery of improved health services.

Mortality rate - Maternal, Infant & Under 5yrs



Source: Statistics Mauritius

HIV positivity rate decreased from 0.49 per cent in 2011 to 0.32 per cent in 2015.

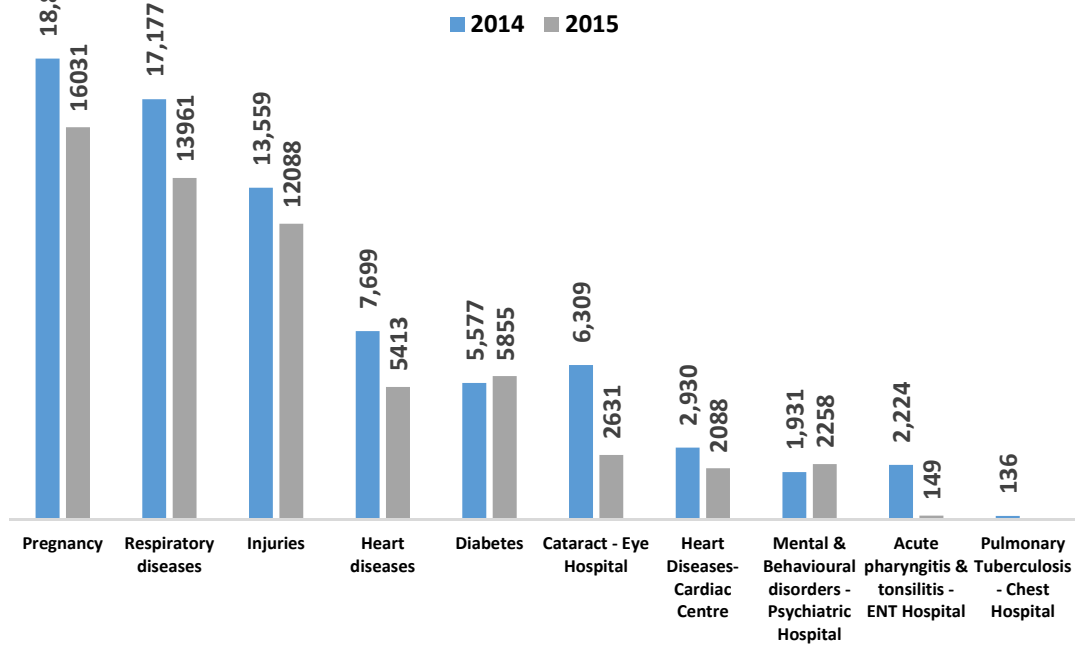


Source: Statistics Mauritius

## Healthcare services

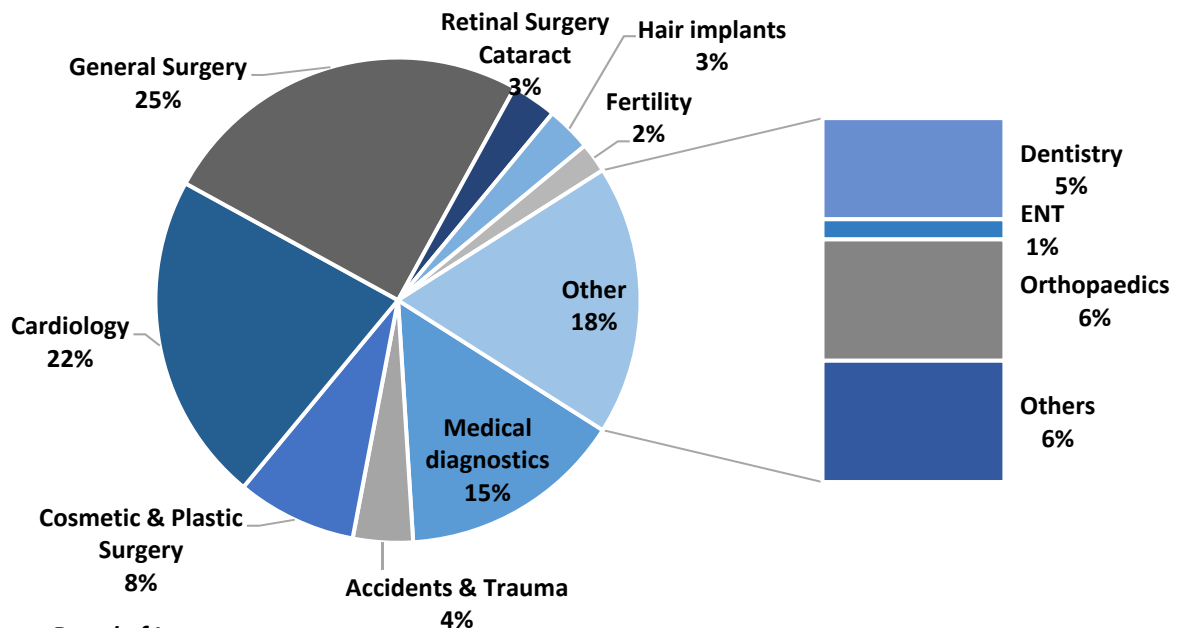
While public healthcare institutions provide both basic and specialised services, the private sector has invested in delivery of services mainly in the treatment areas related to cardiology surgery, plastic and cosmetic surgery, dentistry, orthopaedics, hair grafting, high-tech imaging and diagnosis.

No. of inpatients by principal selected causes admitted in public healthcare institutions



Source: Ministry of Health & Quality of Life

Treatment Areas of foreign patients, 2013



Source: Board of Investment



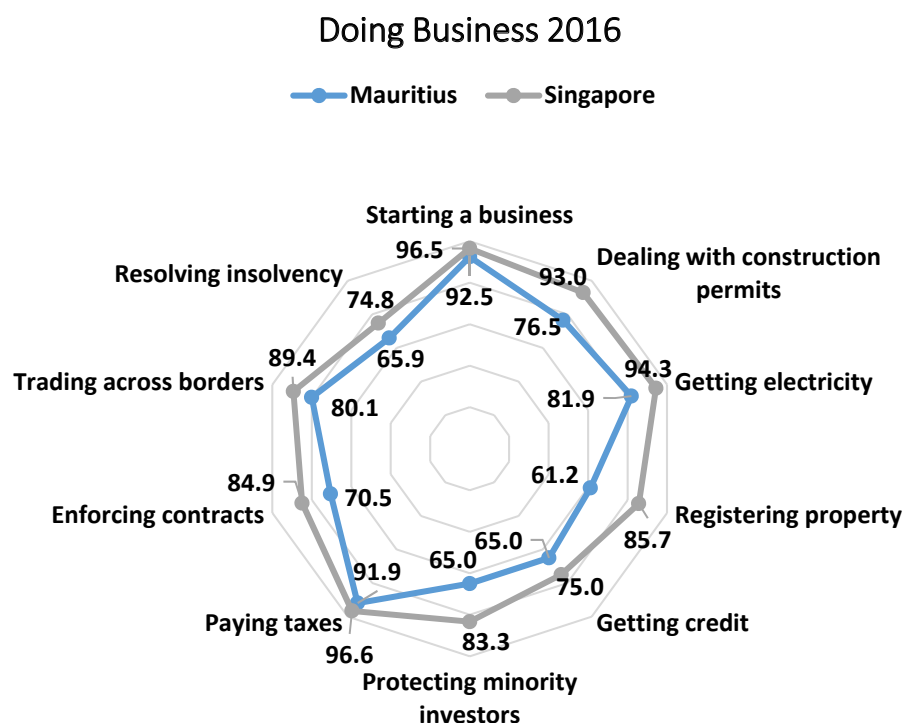
## BUSINESS FACILITATION & INVESTMENT CLIMATE

Global Rank	2015-16
Ease of Doing Business	32 out of 189 countries
Global Competitiveness Index	46 out of 140 countries
Logistics Performance Index	115 out of 160 countries*

*\*displays figure for 2014*  
*Source: World Bank*

In 2015, Mauritius maintained its position as the most efficient and business friendly country in Sub-Saharan Africa.

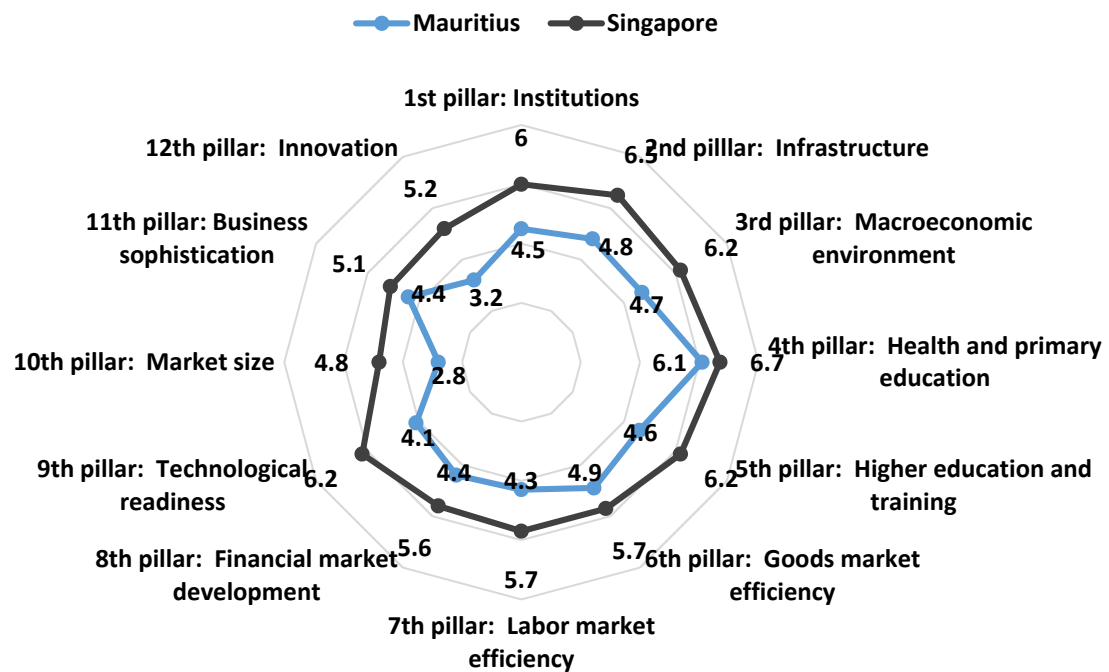
To further enhance the business environment, one-stop-shop facilities were set up. The one at the SMEDA provides support to SMEs, while the one at the BOI, facilitates start-up of projects exceeding Rs 20 million in value.



Source: World Bank

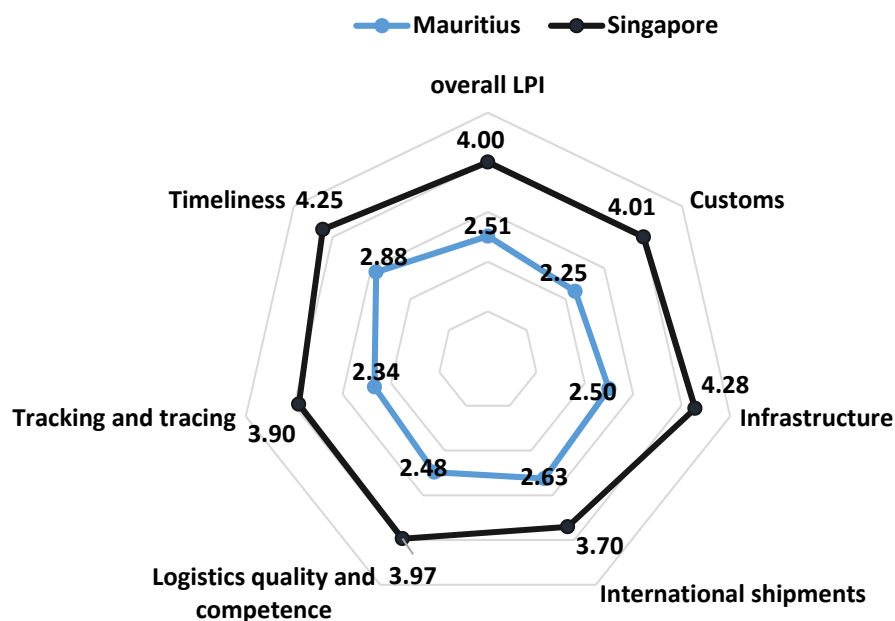
In the same year, Mauritius ranked first in terms of competitiveness in Sub-Saharan Africa.

### Global Competitiveness Index 2015-16



Source: World Bank

### Logistics Performance Index 2014



Source: World Bank

Mauritius topped in the *Ibrahim Index of African Governance (IIAG)* for the ninth consecutive year in 2015.

## AFRICA STRATEGY

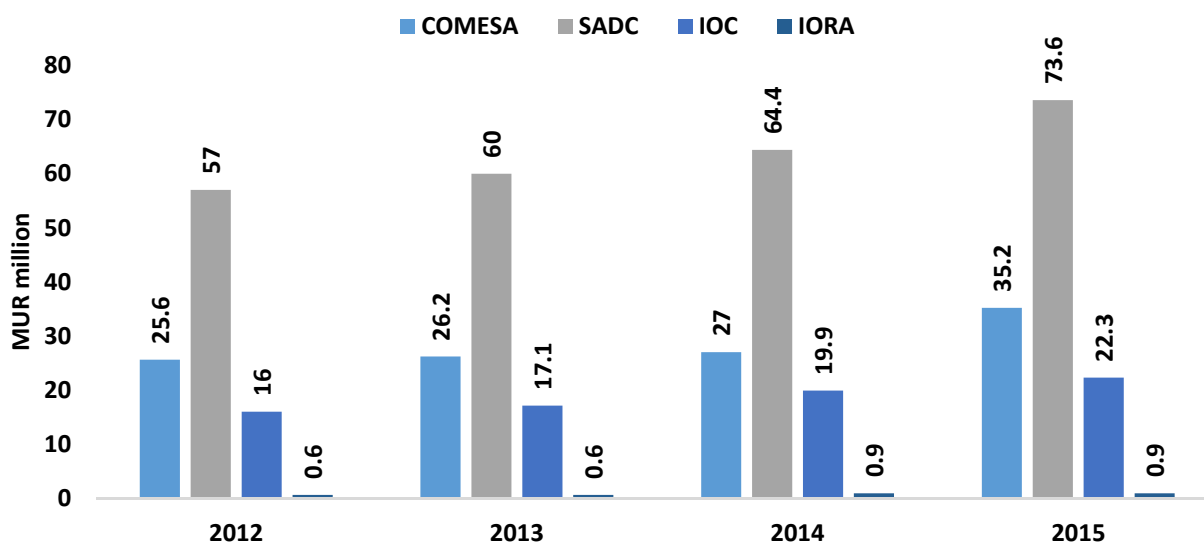
Despite global challenges and downside risks during the last few years, growth prospects in Sub-Saharan Africa remain favourable, increasing its attractiveness as an investment destination

Membership in *Southern African Development Community (SADC)* and *Common Market for Eastern and Southern Africa (COMESA)* is testimony of strong links with the mainland.

In 2015, Mauritius contributed approximately Rs 132 million to the *Regional Economic Corporations (RECs)*.

The visibility of the island as a regional platform for trade and investment within the region was consolidated further with 15 *Double Taxation Avoidance Agreement (DTAAs)* and 8 *Investment Protection & Promotion Agreement (IPPA)*s in force with African countries.

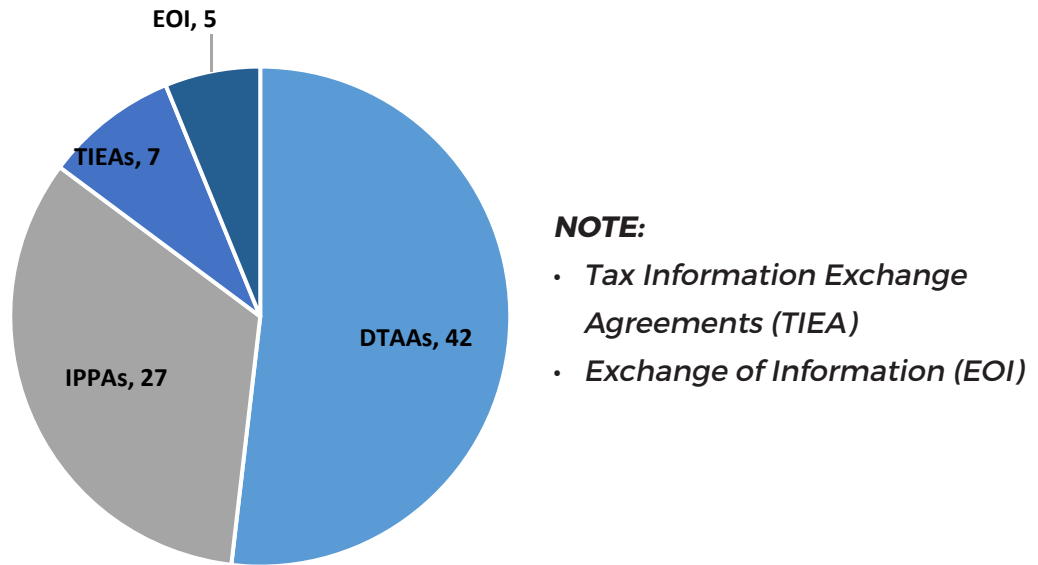
Contribution made to Regional Economic Corporations (RECs)



Source: Ministry of Finance & Economic Development

In 2015, 5 new bilateral agreements were signed with African countries.

Bilateral Agreements in force as at end 2015

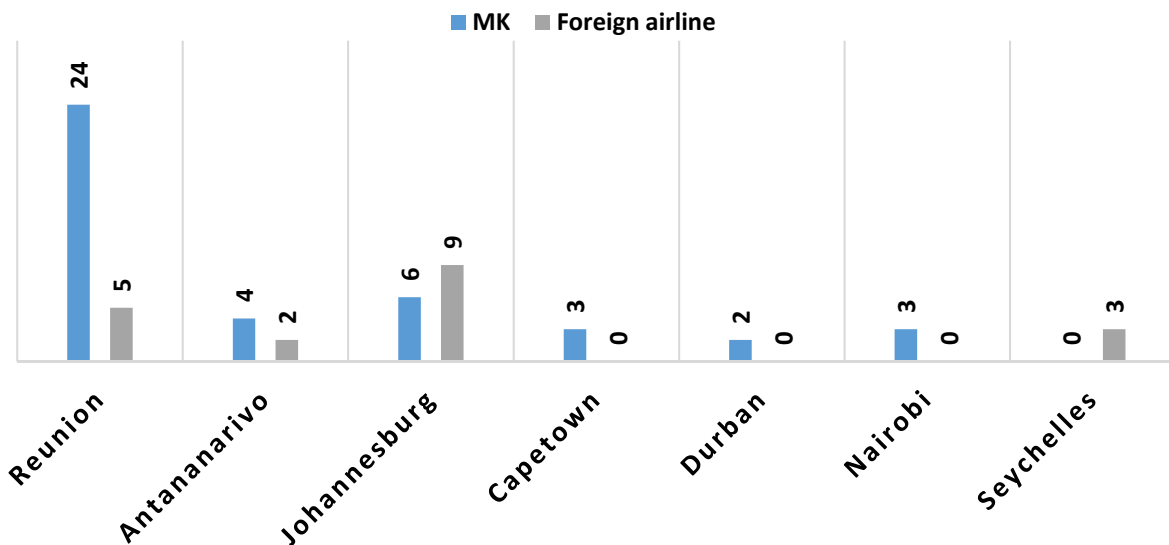


Source: Ministry of Finance & Economic Development

## Connectivity

In 2015, there were six shipping lines connecting Port Louis harbour to Indian Ocean islands, the African continent and Asian markets. These included African ports such as Durban, Cape Town, Mombassa and Dar-Es-Salaam.

Weekly flights to africa



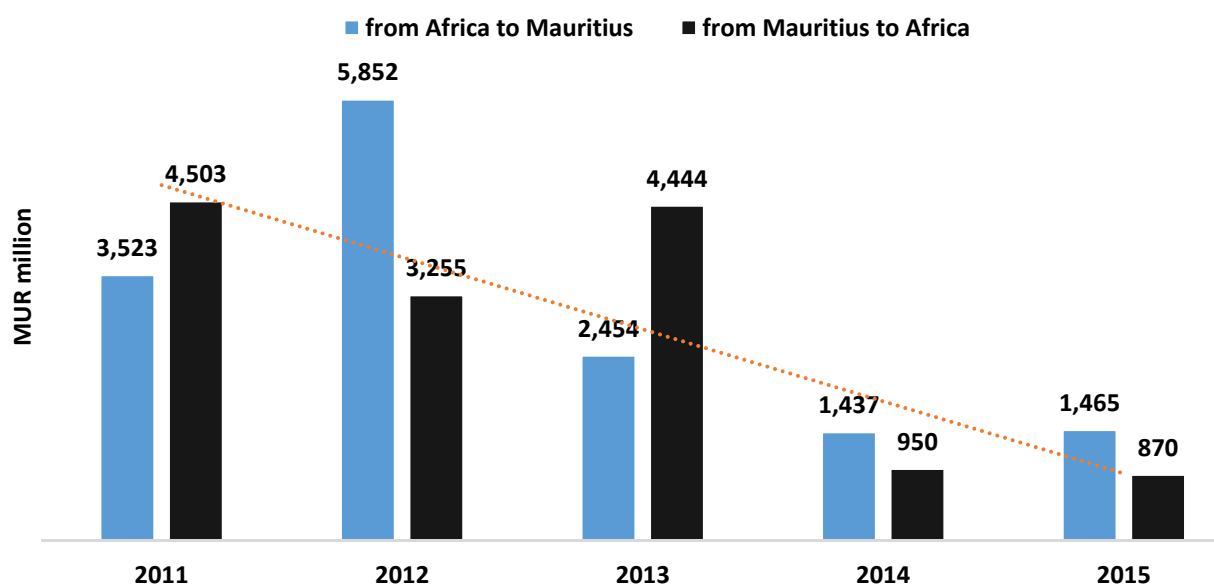
Source: Department of Civil Aviation

Mauritius also operates weekly flights to neighbouring islands and the African continent.

## Cross-Border Investments

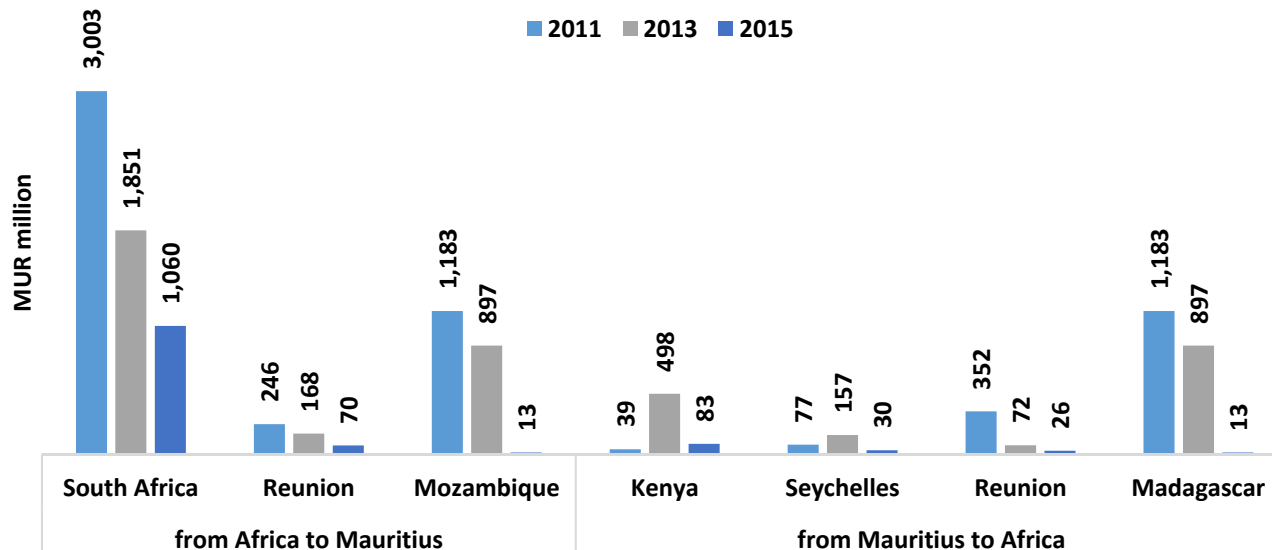
In 2015, some Rs 870 million were invested by Mauritian companies in Africa, in particular, Madagascar and Kenya.

Cross-border investments from/to Africa



Source: Bank of Mauritius

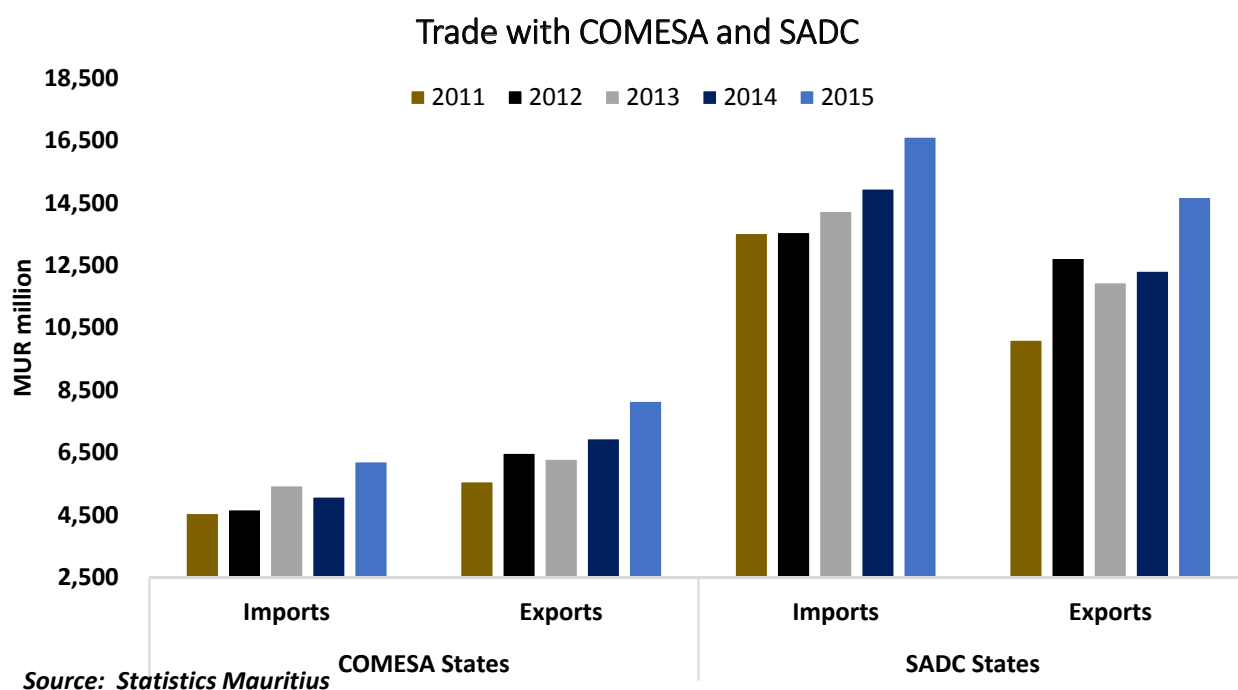
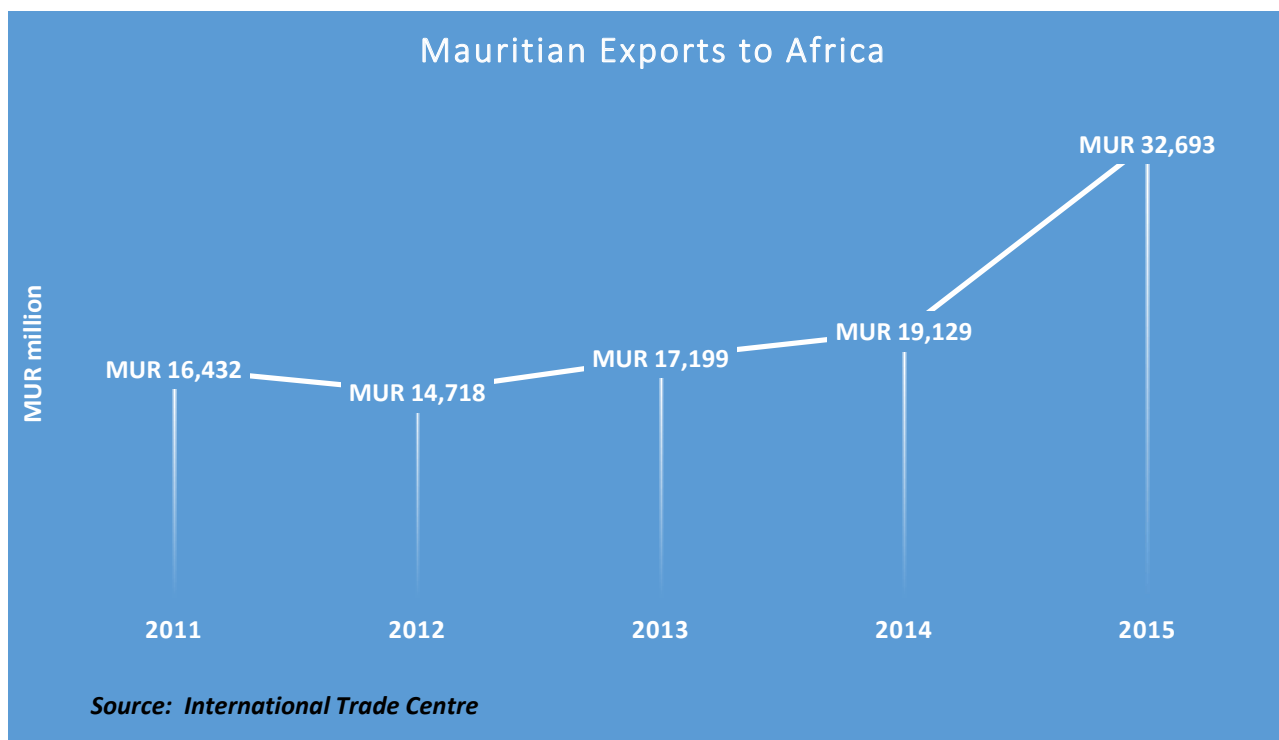
Cross-border investments by selected African countries



Source: Bank of Mauritius

## Trade with Africa

During the last five years, exports towards Africa almost doubled from Rs 16,432 million in 2011 to Rs 32,693 million in 2015. Some Rs 8,156 million worth of commodities were exported towards COMESA states and Rs 14,682 million towards SADC states.

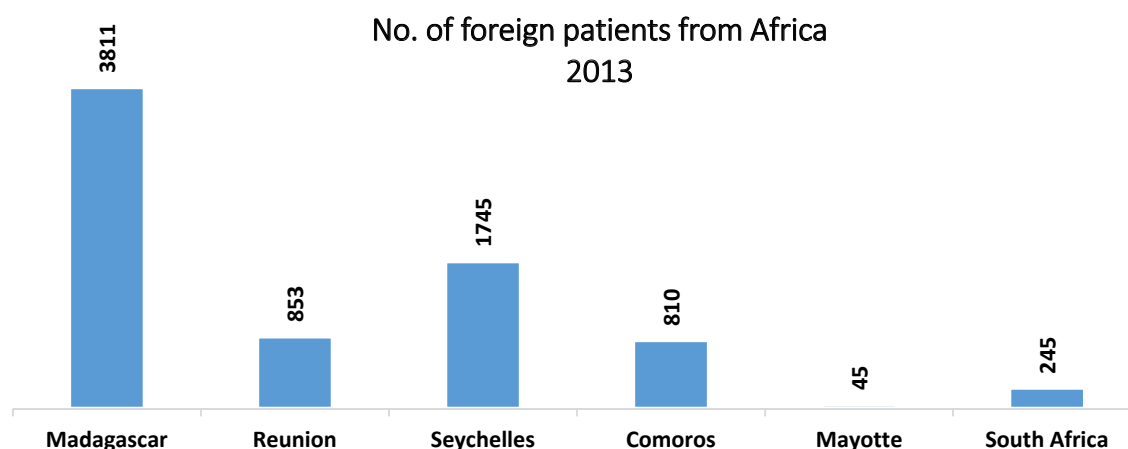


## Export of Services to Africa

Increased connectivity and cross-border investments have led to spill-overs towards export of services. In recent years, Mauritius has embarked on the development of a medical hub, regional tourism strategy, financial services hub and education hub - all with primary focus on African countries.

### Medical Services

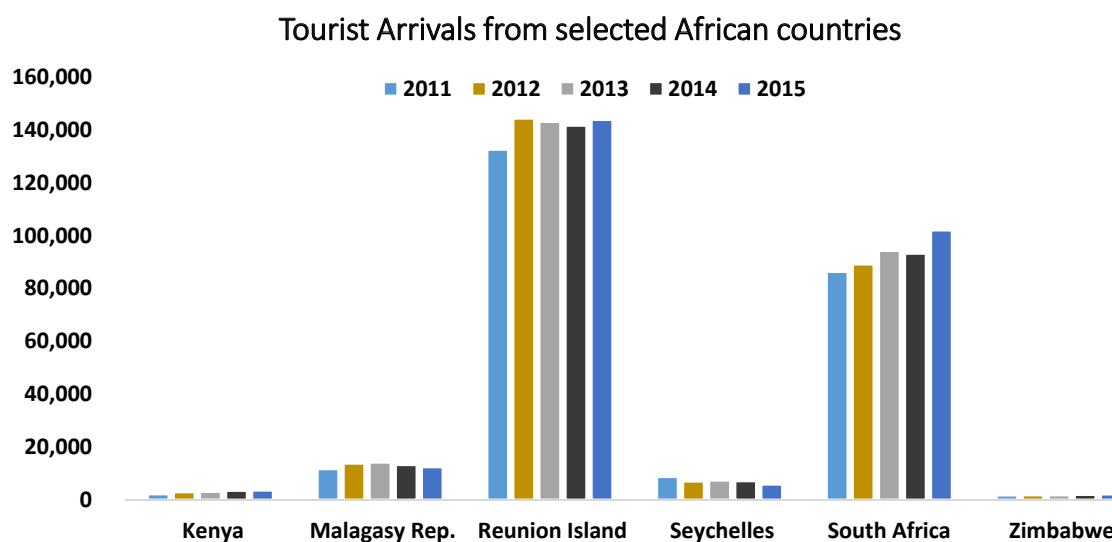
The *Board of Investment* (BOI) estimated some 7,509 patients visiting the island in 2013, mainly Madagascar.



Source: Board of Mauritius

### Tourism

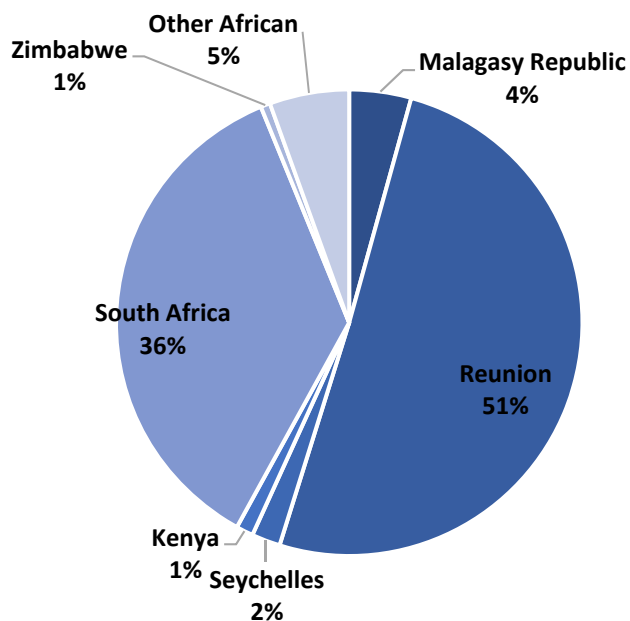
In 2015, some 284,628 African tourists visited the island economy, of which 162,459 were from Indian Ocean Commission (IOC) countries.



Source: Statistics Mauritius

51 per cent of African tourists were from Reunion Island and 36 per cent from South Africa.

Tourist Arrivals from Africa, 2015

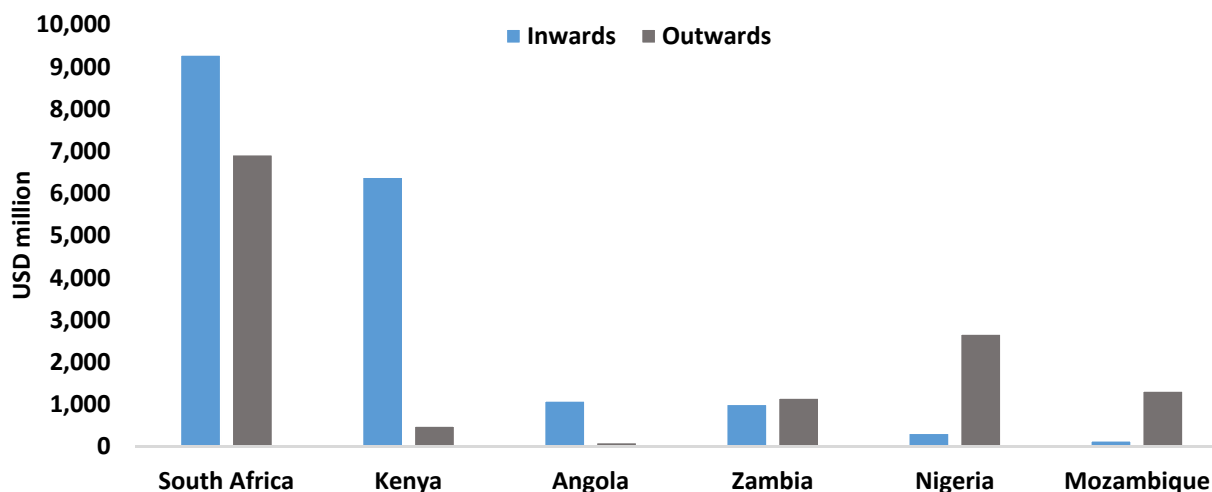


Source: Statistics Mauritius

### Financial Services

Export of financial services is made mainly through GBCs. Investment through GBCs from South Africa was to the tune of USD 9,293 million in 2014.

Direct Investment through GBC1s to/from selected African countries, 2014



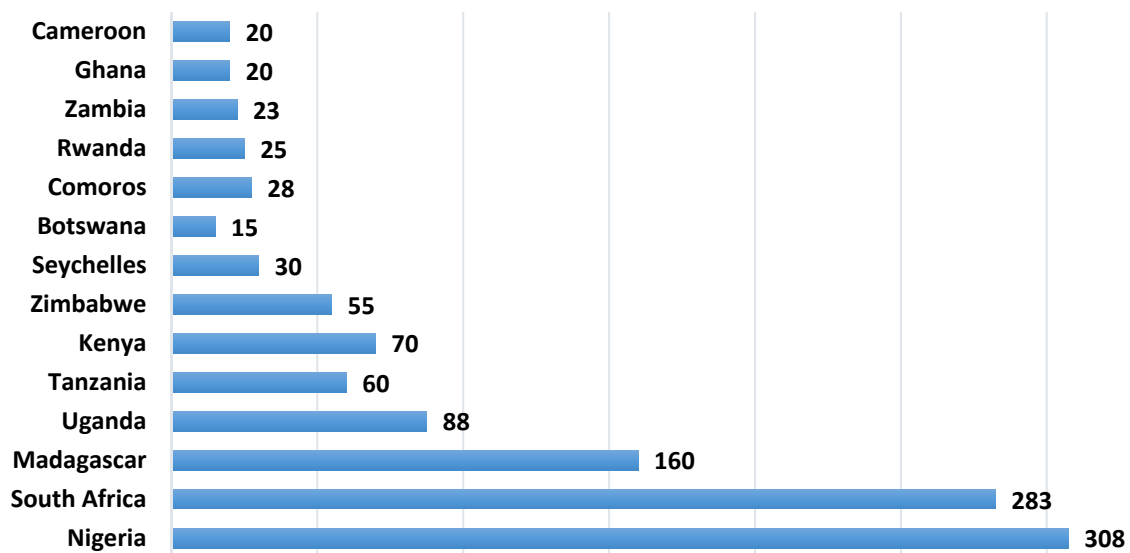
Source: Financial Services Commission



## Education services

In 2015, of the 2,500 foreign students in Mauritius, 47 per cent were African, mostly from Nigeria, South Africa and Madagascar.

Number of African students, 2015



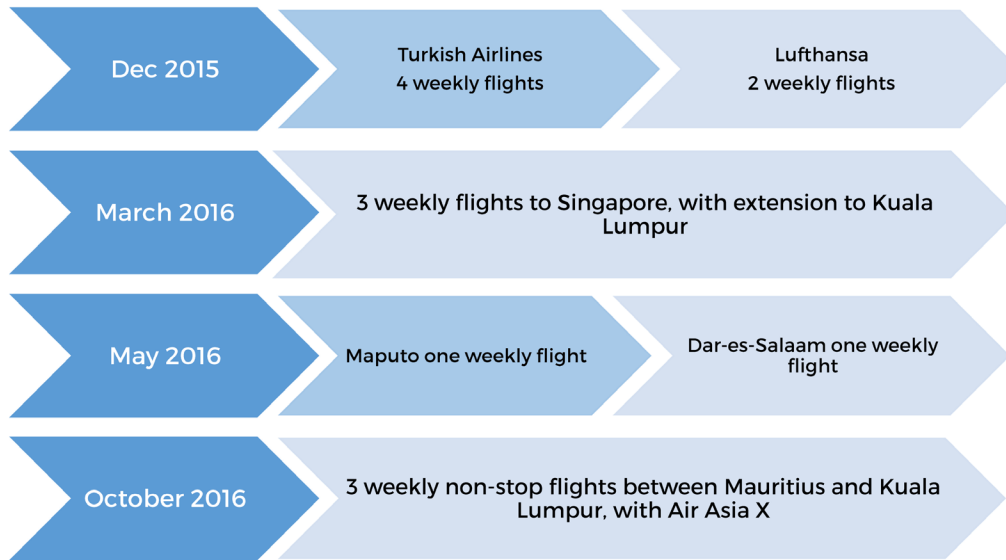
Source: Passport & Immigration Office

# AIR CONNECTIVITY

## Air Routes and Air Corridor

A Memorandum of Joint Cooperation was signed in October 2015 between Air Mauritius Ltd and Singapore Changi Airport Group, to develop an Africa-Asia Air Corridor.

### New Air Routes



Source: Ministry of Tourism & External Communications

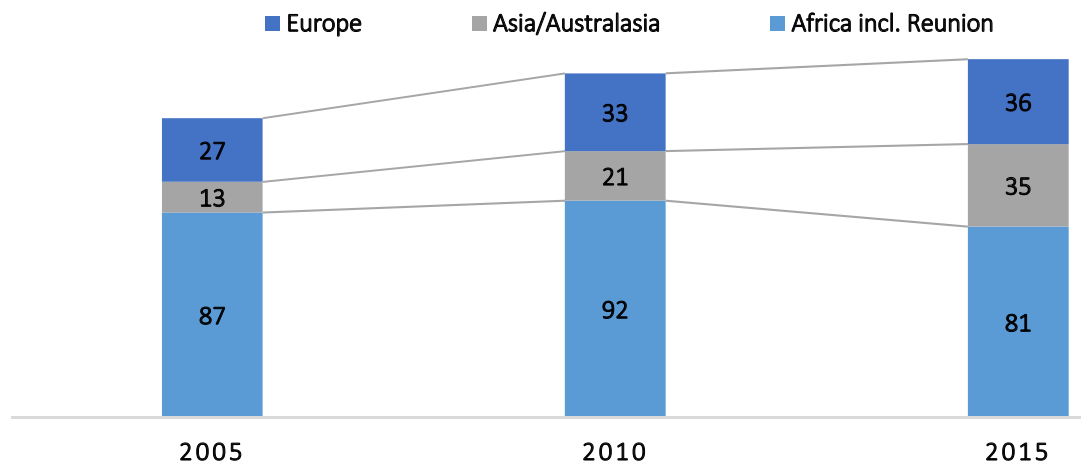
### SSR International Airport in figures



Source: Airports of Mauritius Ltd

## Weekly Flights

Evolution of Total<sup>1</sup> Weekly Flights by Region

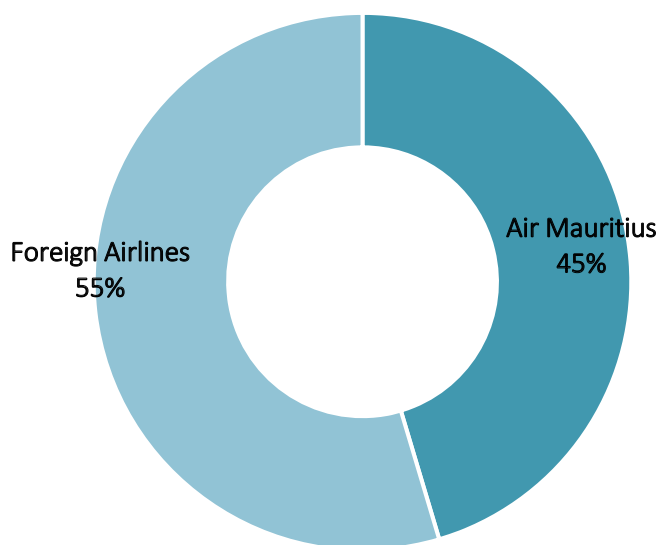


<sup>1</sup>National and Foreign airlines combined  
 Source: Department of Civil Aviation

In 2015, a total of 16 foreign airlines served the Mauritian destination, with 83 flights every week.

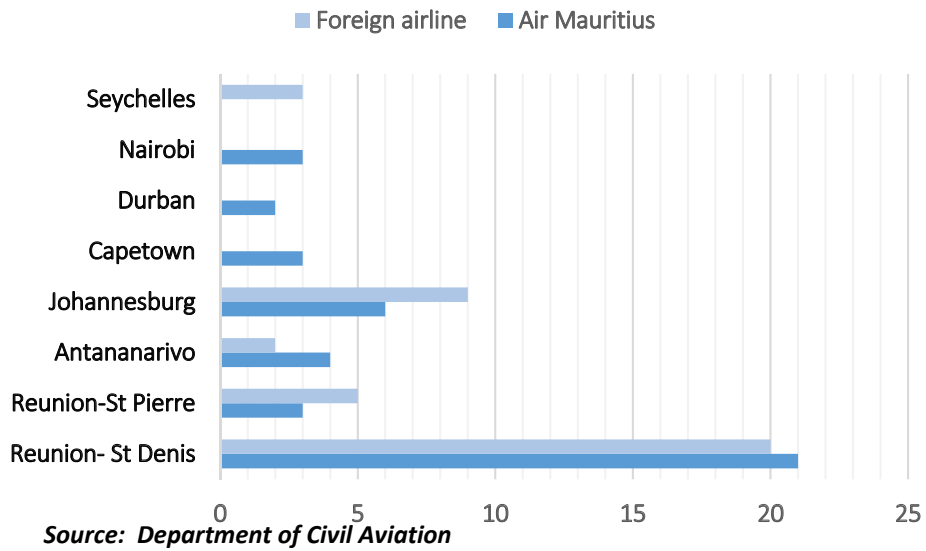
The national airline accounted for 69 weekly flights, while Air Austral and Emirates Airlines operated 25 and 14 weekly flights respectively.

Total Weekly Flights in 2015

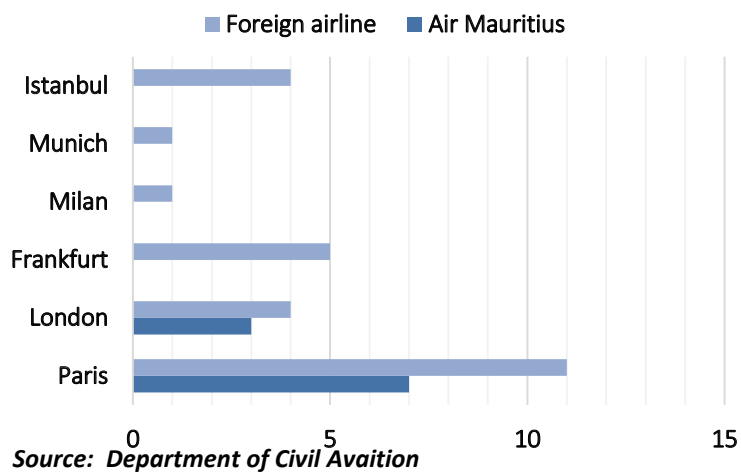


Source: Department of Civil Aviation

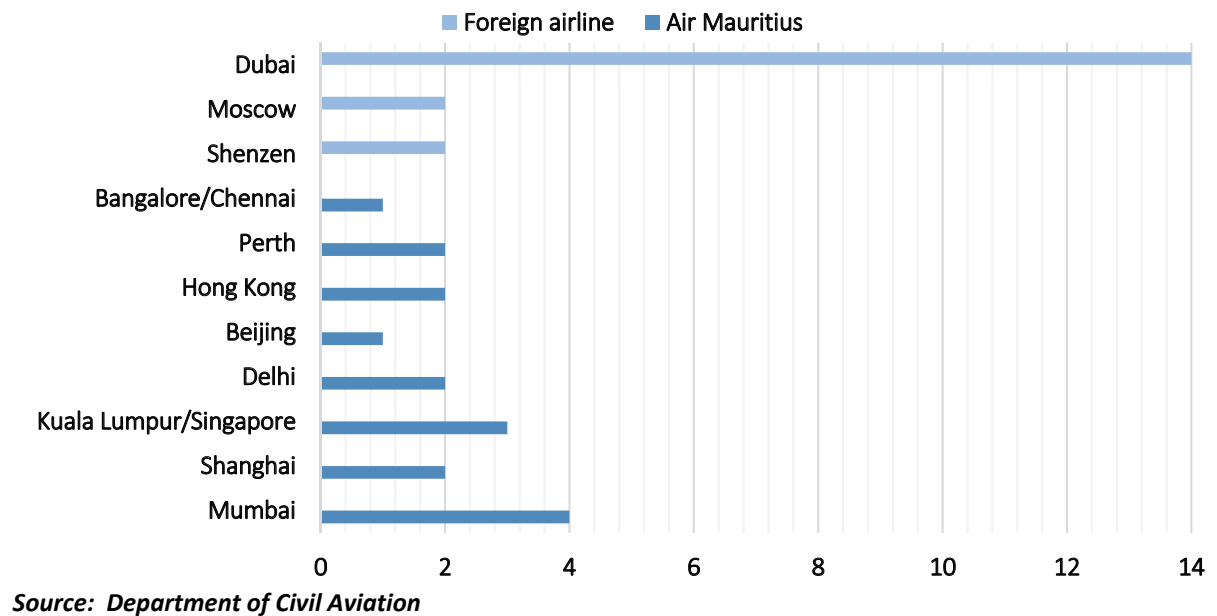
### Weekly flights to the African Region



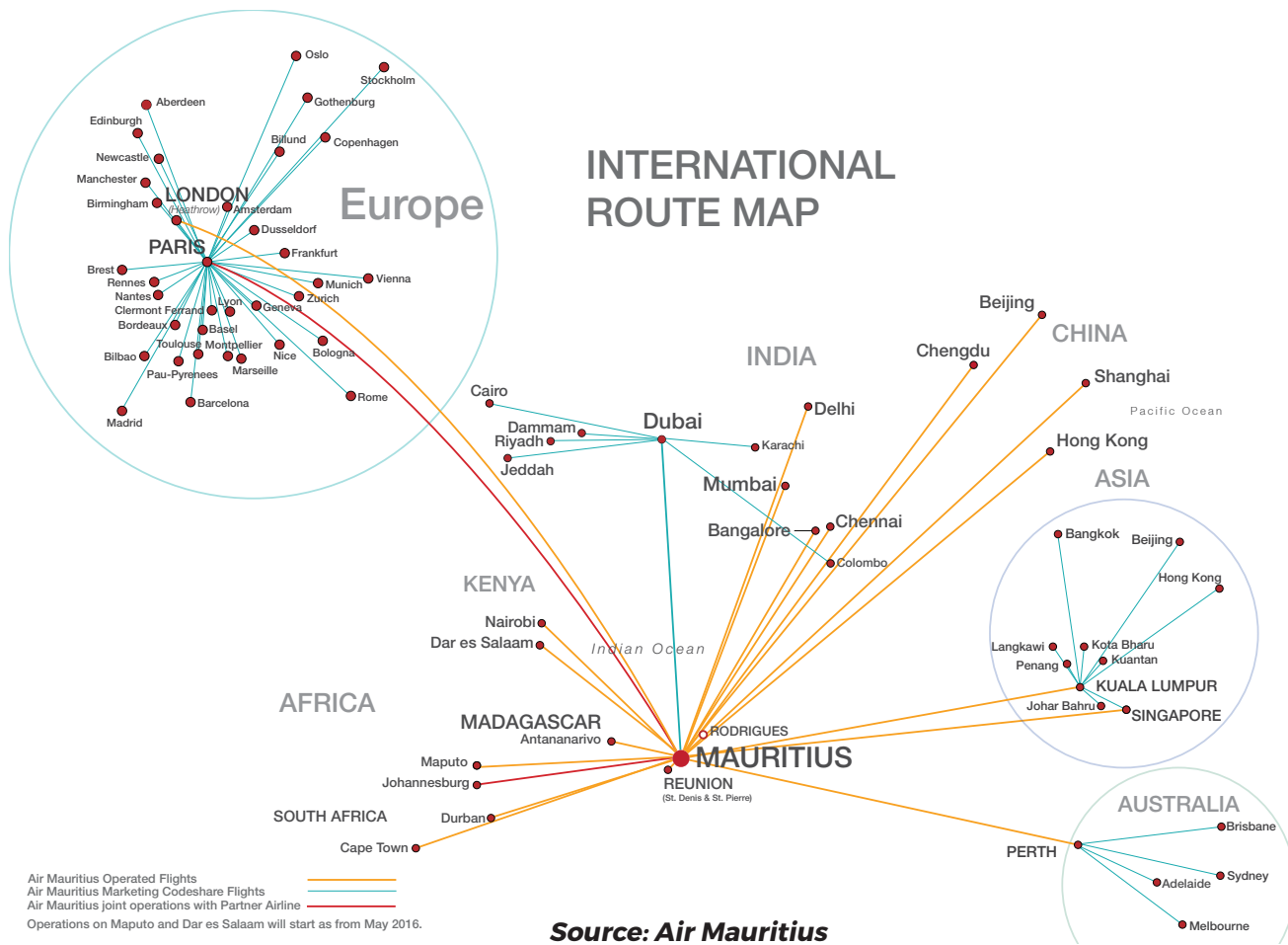
### Weekly flights to Europe



### Weekly flights to Asia/Australasia



# Air Mauritius International Route Map 2016

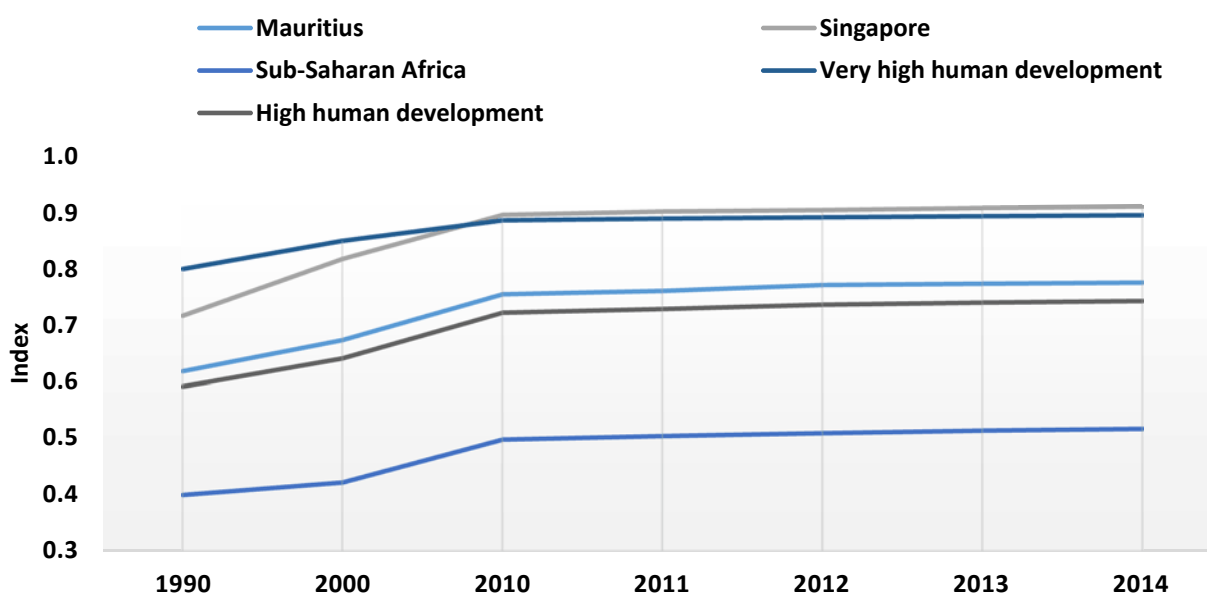


## SOCIAL REVIEW

Ranked 63<sup>rd</sup> out of 188 countries in terms of human development in 2014, Mauritius 2014 HDI value of 0.777 is above the average of 0.744 for countries in the *high human development* group and above the average of 0.518 for countries in Sub-Saharan Africa.

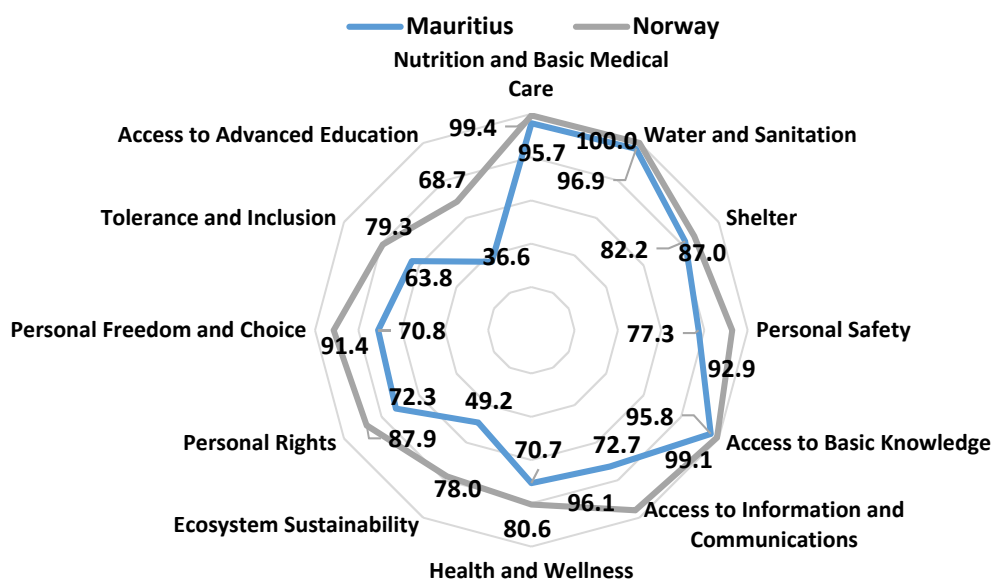
Between 1980 and 2014, Mauritius life expectancy at birth increased by 7.4 years, mean years of schooling increased by 4.1 years and expected years of schooling increased by 6.5 years.

Human Development Index (HDI)



Source: UNDP

Social Progress Index 2015



Source: Social Progress Index

In terms of social progress, the island economy scored 73.66 and ranks 36<sup>th</sup> out of 133 countries. Social progress is assessed on three critical issues:

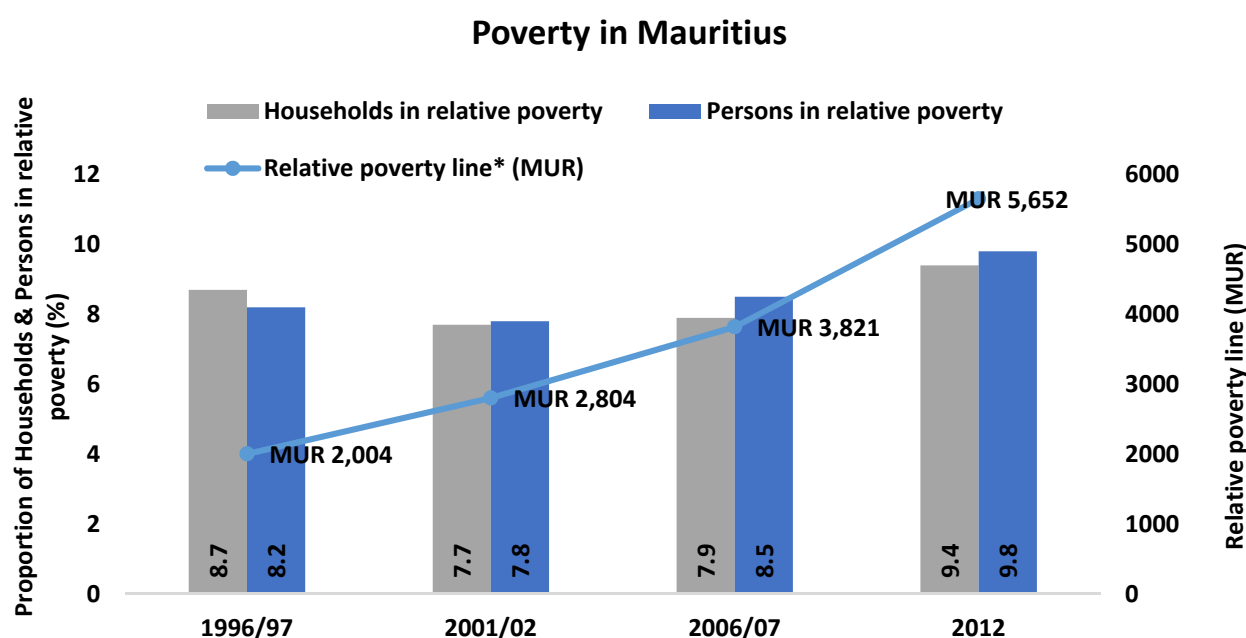
- i. inequality and poverty;
- ii. international aid; and
- iii. life satisfaction.

## Poverty

Absolute poverty, that is a person living below USD 1.25 a day, is negligible in Mauritius.

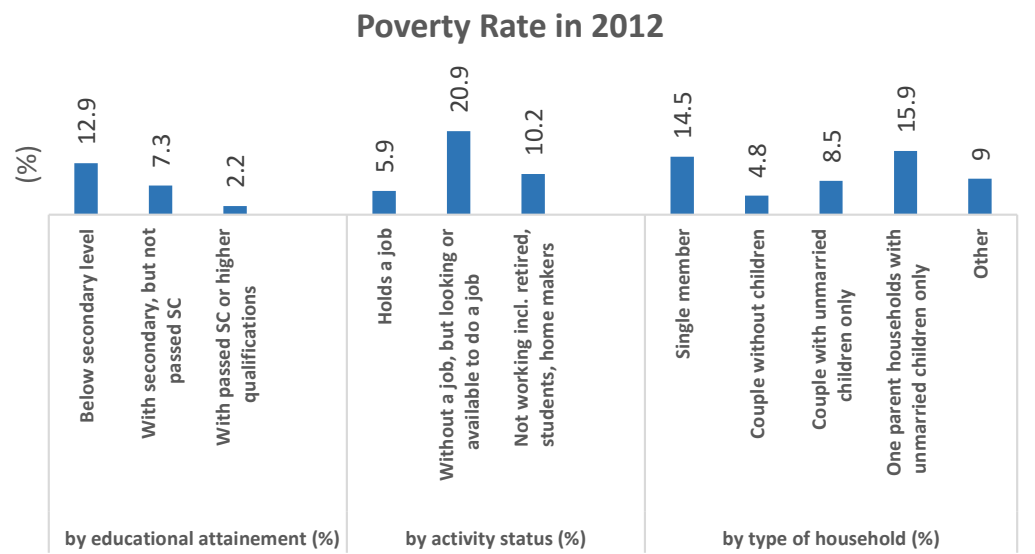
Based on the results of the last *Household Budget Survey*, a person in 2012 was considered to be in relative poverty if his monthly income did not exceed Rs 5,652. There were 33,600 households and 122,700 persons in relative poverty in 2012.

12.9 per cent of the poor have completed primary education only and 15.9 per cent of the poor came from one-parent households.



\*Relative poverty line is calculated as half of median monthly household income per adult equivalent.

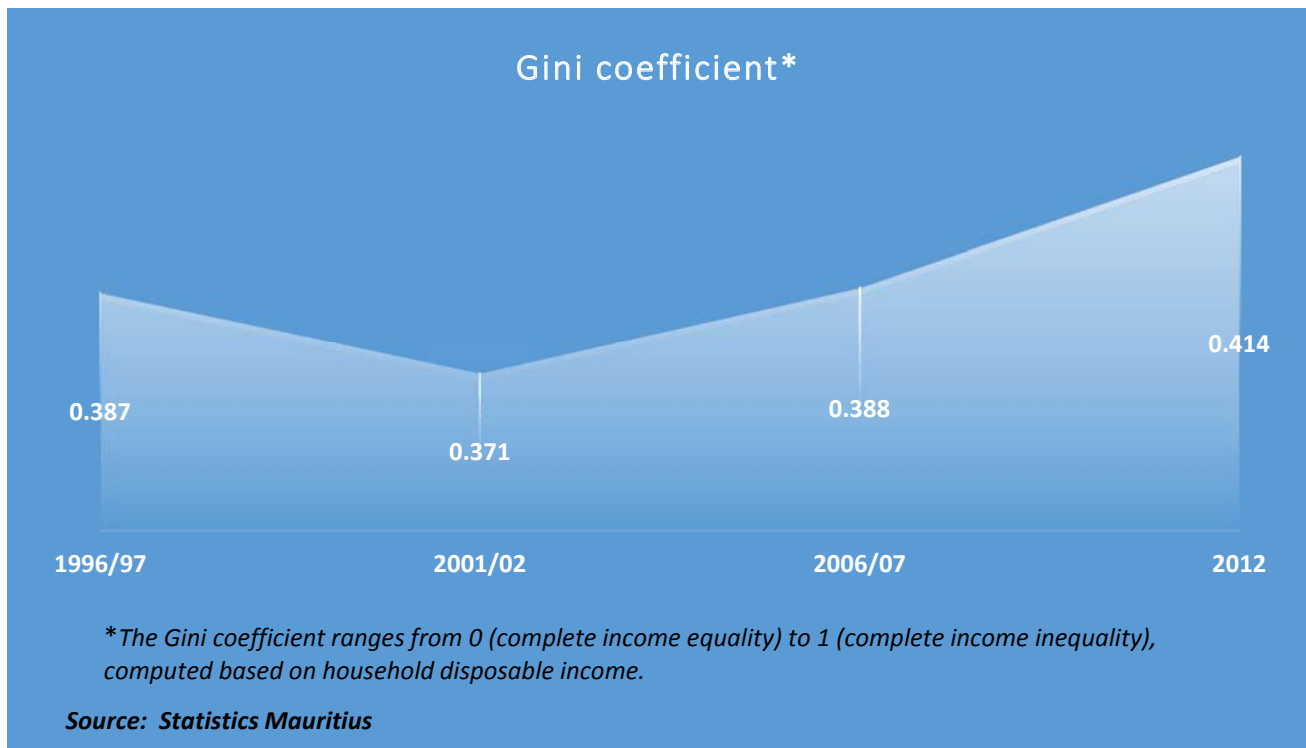
Source: Statistics Mauritius



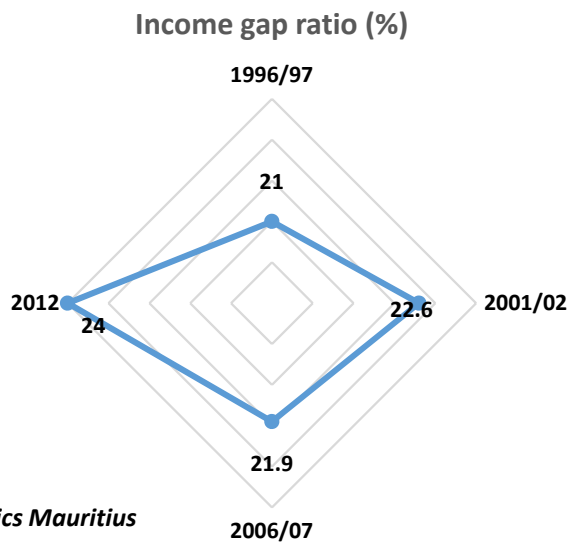
Source: Statistics Mauritius

## Income Inequality

Income inequality increased between the period 1996/97 to 2012, slowing the pace of poverty reduction.

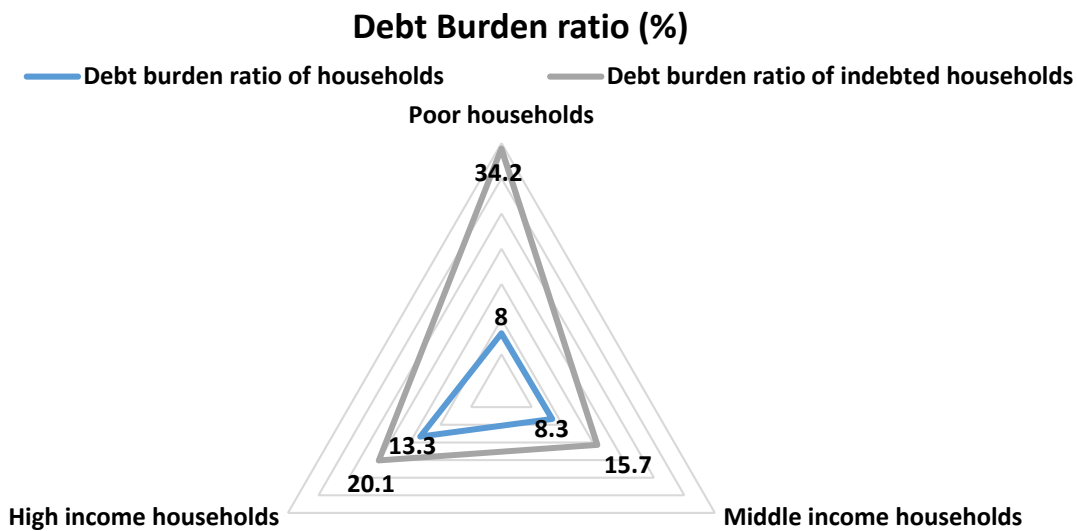






## Indebtedness

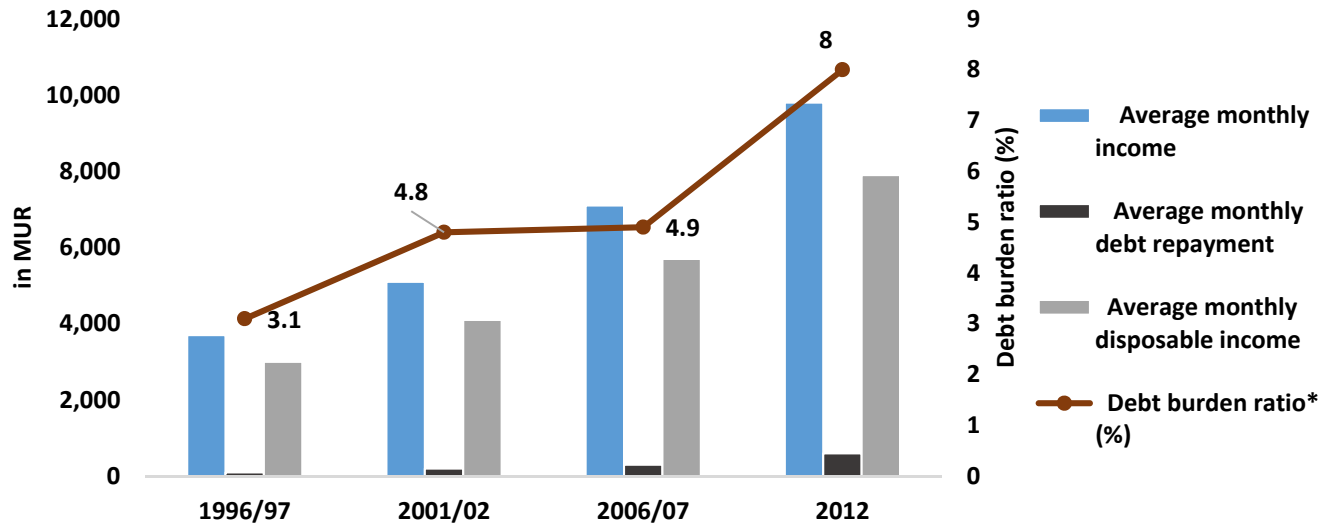
While Mauritian families in all income groups (poor, middle income and high income) had debt to repay, debt burden of poor families increased considerably from 1996/97 to 2012.



*N.B. the further away the graph is from the centre, the more indebted households are.*

*Source: Statistics Mauritius*

## Households in Relative Poverty



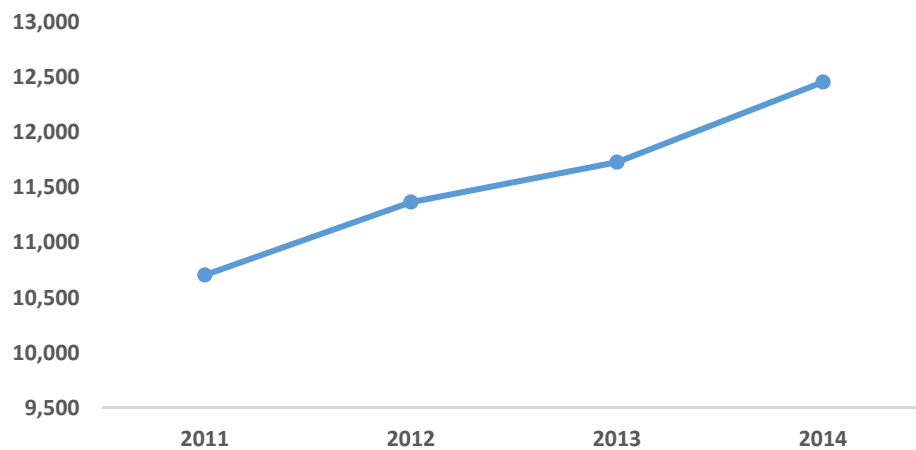
\*Debt burden ratio is based on all poor households, irrespective of whether they are indebted or not.

Source: Statistics Mauritius

## Law & Order

Police and judiciary figures are based on offences but prison and probation figures are based on offenders, and many offenders are sentenced for more than one offence.

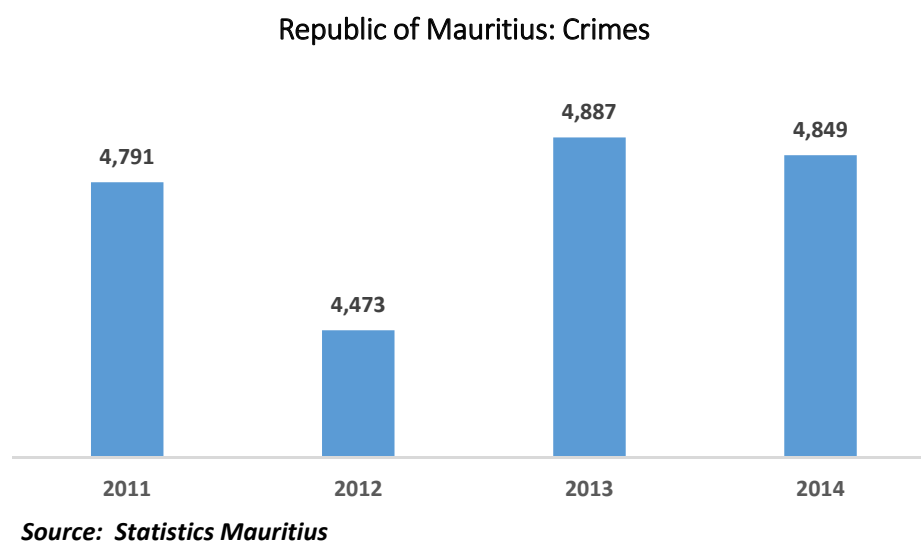
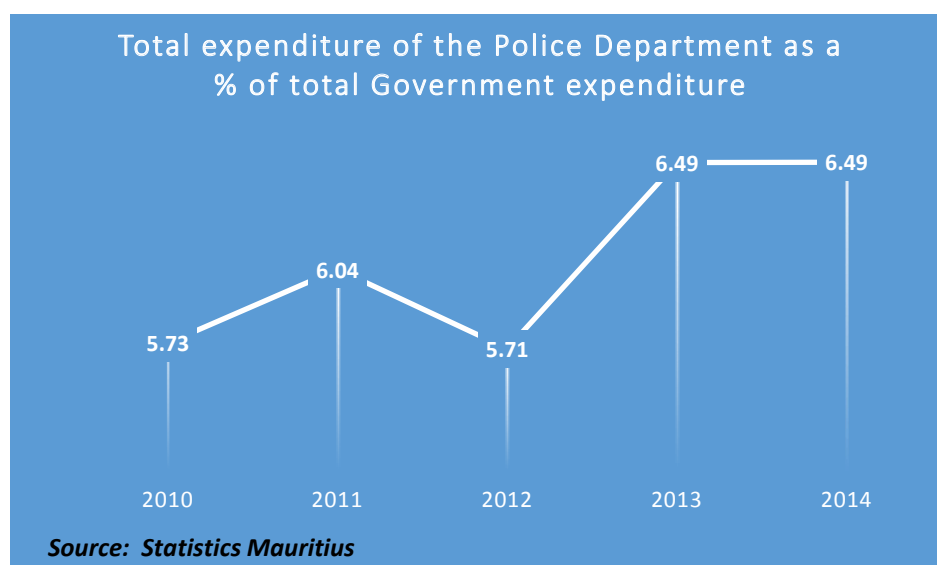
### Republic of Mauritius: Police Force



Source: Statistics Mauritius

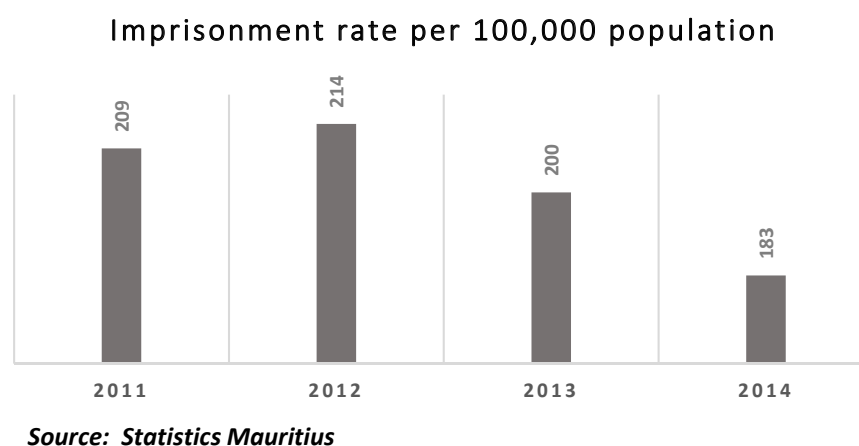
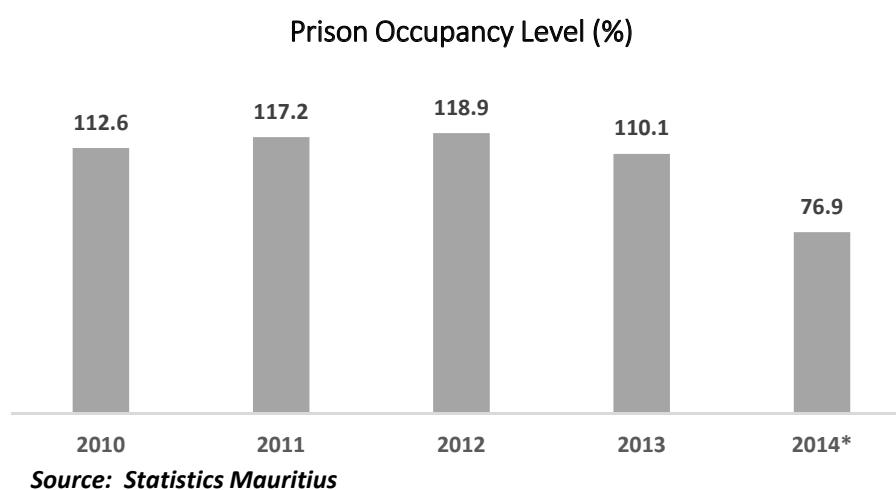
Year	Police force		Police force per 1,000 population
	Male	Female	
2011	9,997	709	8.5
2012	10,455	912	9.1
2013	10,836	893	9.3
2014	11,408	1,048	9.9

Source: Statistics Mauritius



Cases Reported in the Republic of Mauritius				
	2011	2012	2013	2014
Crimes	4,791	4,473	4,887	4,849
of which Drug Offences	737	733	655	703

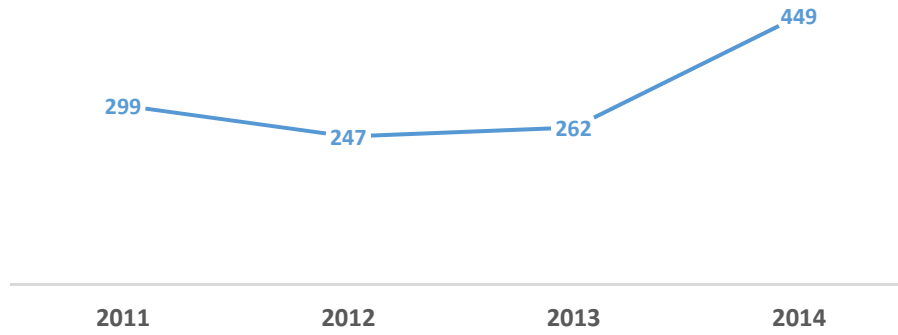
*Source: Statistics Mauritius*



Out of the 2,678 convicts admitted to prison in 2014, 36 per cent have been imprisoned more than once in the past.

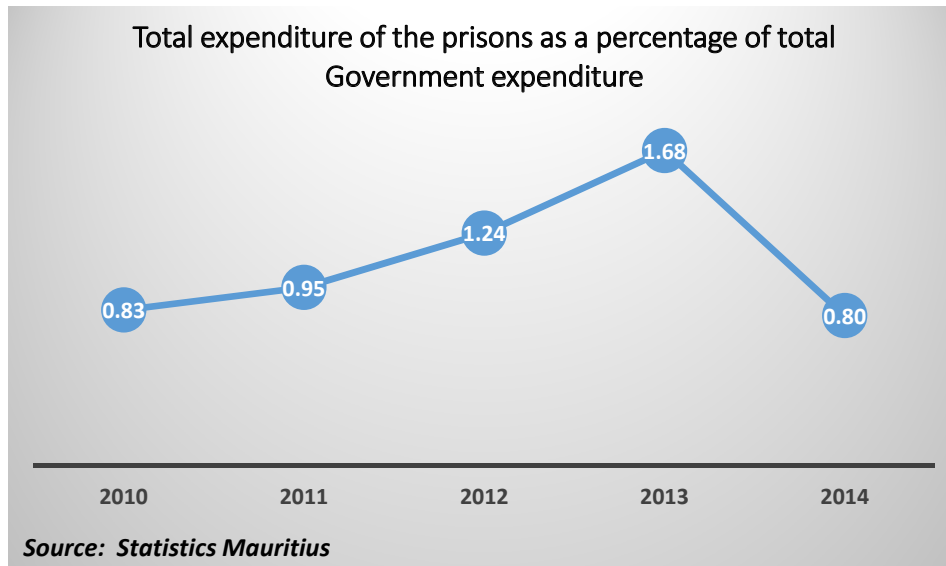
Some 29 per cent were fine defaulters who did not pay fines of Rs 30,000 or less while 19 per cent were convicts sentenced to less than one month imprisonment.

Convicted juvenile offences according to United Nations classification of offences (broad categories), Republic of Mauritius



Source: Statistics Mauritius

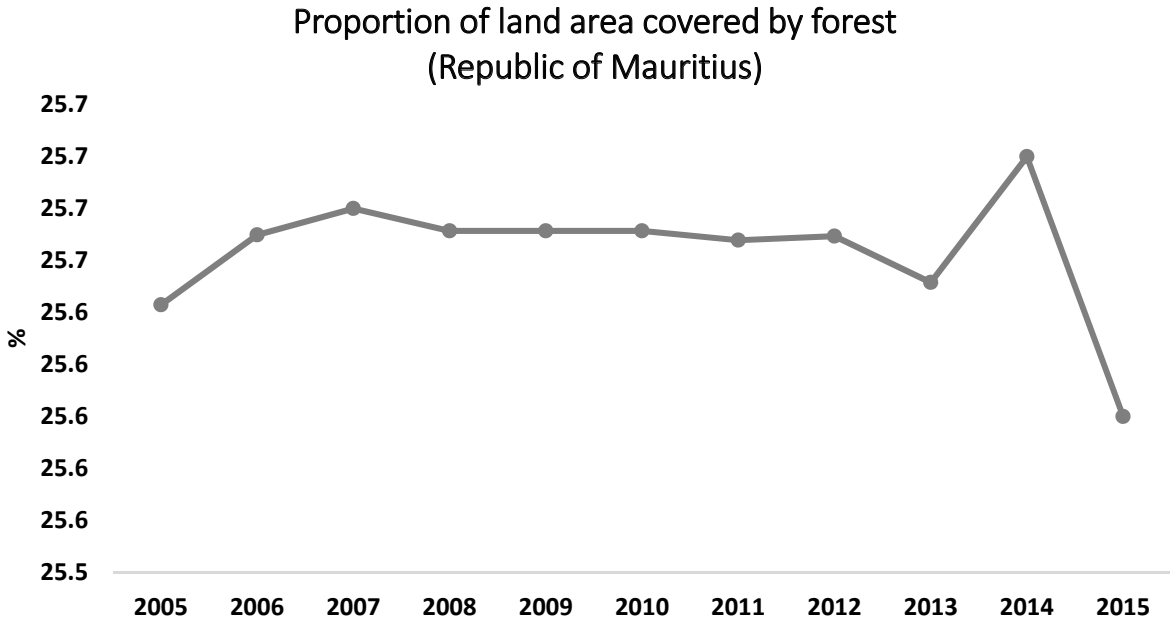
An average amount of Rs 700 was spent daily to maintain a detainee in 2014



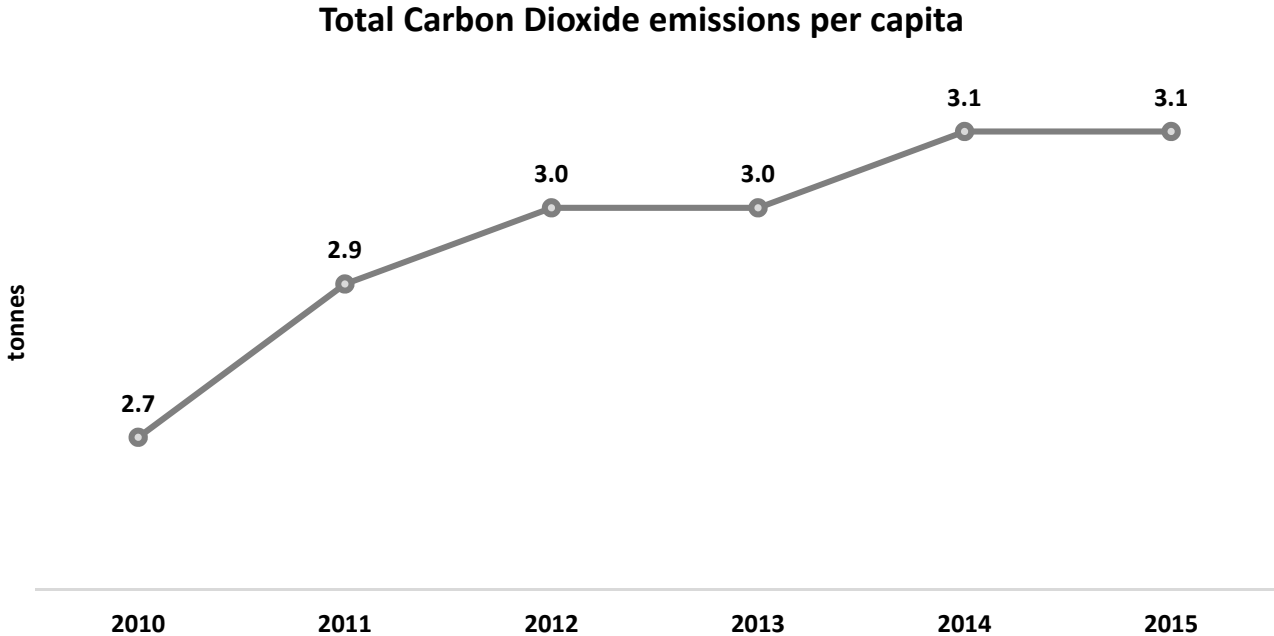
Source: Statistics Mauritius

# ENVIRONMENT

## Proportion of land area covered by forest<sup>19</sup>



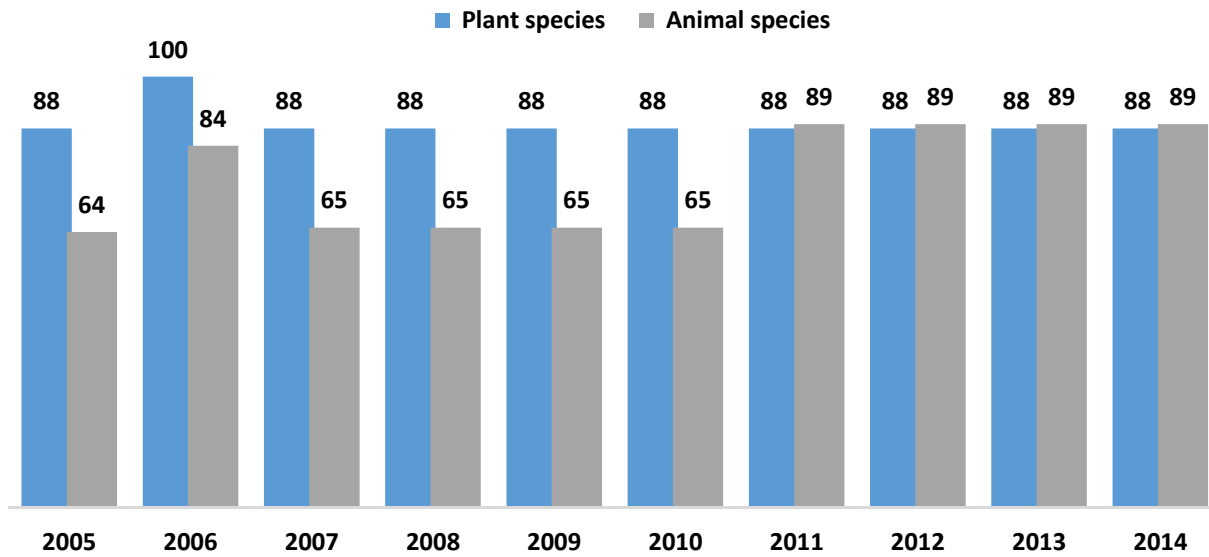
Source: Statistics Mauritius



Source: Statistics Mauritius

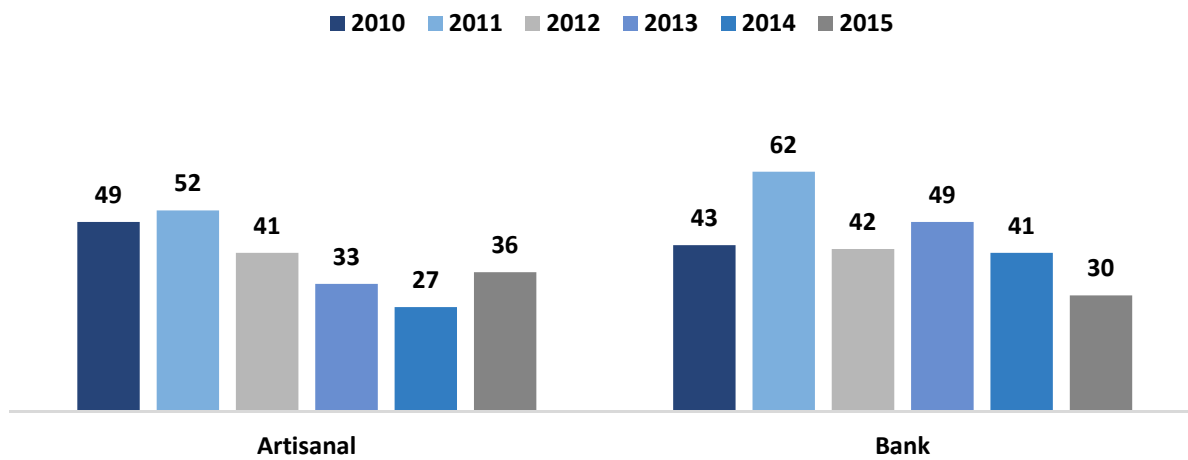
<sup>19</sup> The total land area includes area covered by inland waters.

### Percentage of Threatened Species



Source: Statistics Mauritius

### Ratio of fish caught to maximum allowed threshold

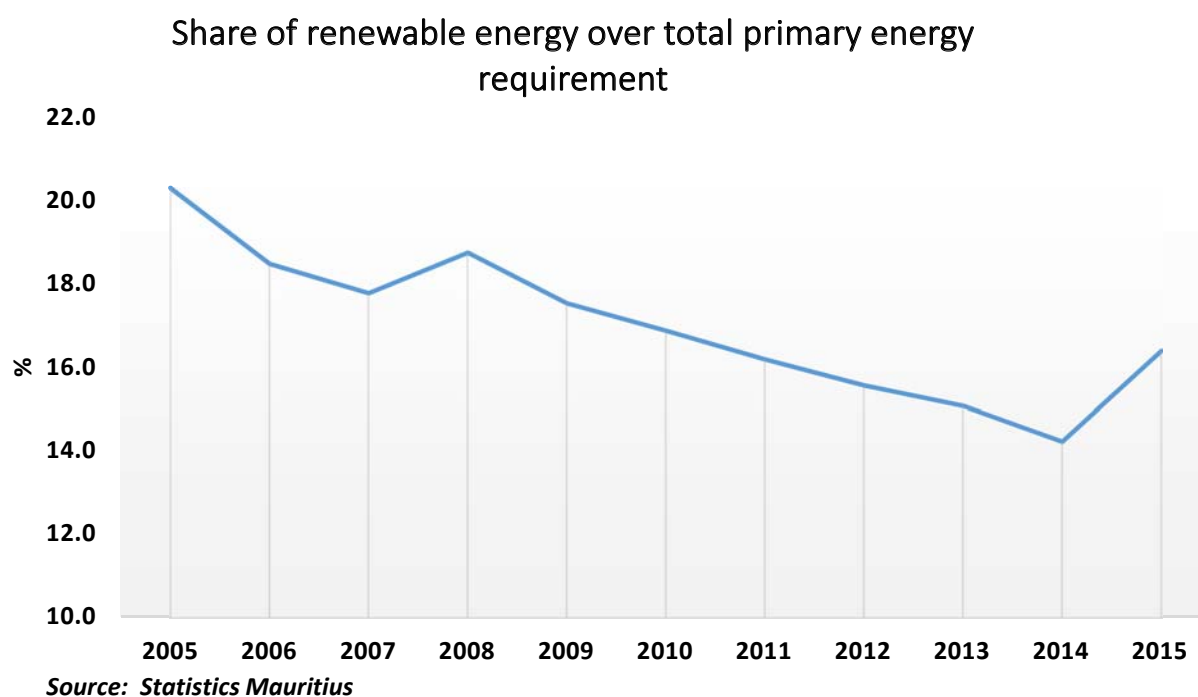


Source: Ministry of Ocean Economy , Marine resources, Fisheries, Shipping & Outer islands

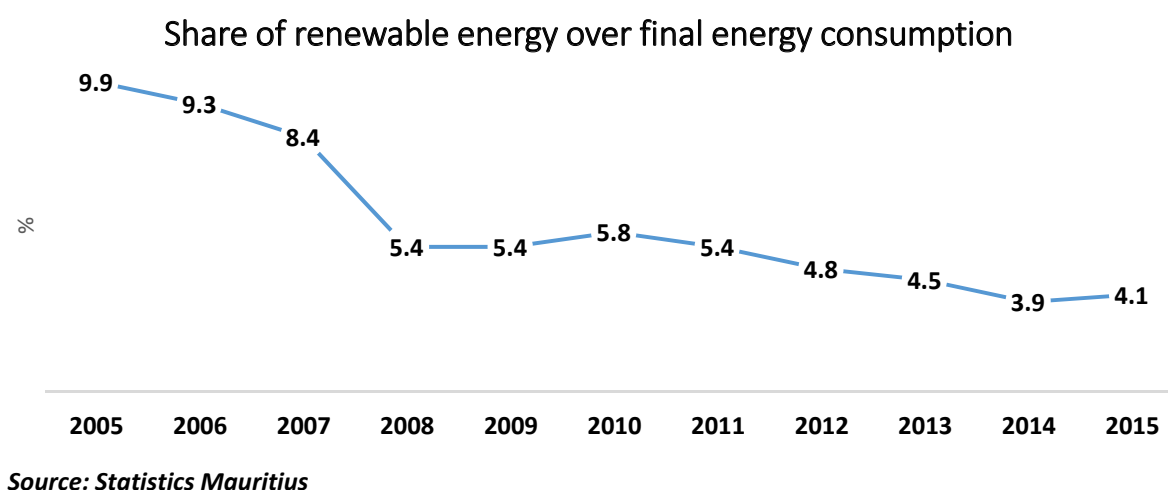
## Renewable Energy

Primary energy requirement is the sum of imported fuels and locally available fuels less re-exports to bunkers after adjusting for stock changes.

The proportion of energy consumed from renewable sources (Bagasse, Fuelwood, Charcoal, Hydro, Wind, Landfill Gas and Photovoltaic) over total primary requirement has been on a decline trend, before picking up in 2015.



Total final energy consumption refers to energy consumption by final user, that is, energy which is not being used for transformation into other forms of energy. The consumption of energy from renewable sources (Bagasse, Fuelwood and Charcoal), as a percentage of total final energy consumption, has been decreasing.





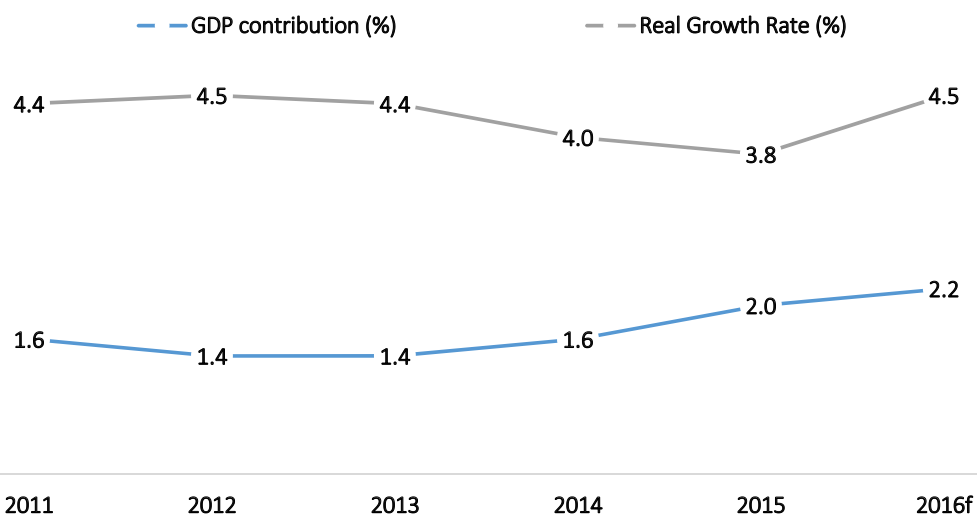
# ENERGY

## Overview

Key Indicators: Energy sector		
	Average 2011-2015	2016f
Current Value Added (MUR million)	5,266	8,626
GDP contribution (%)	1.6	2.2
Real Growth Rate (%)	4.2	4.5
Total employment	2,260	-

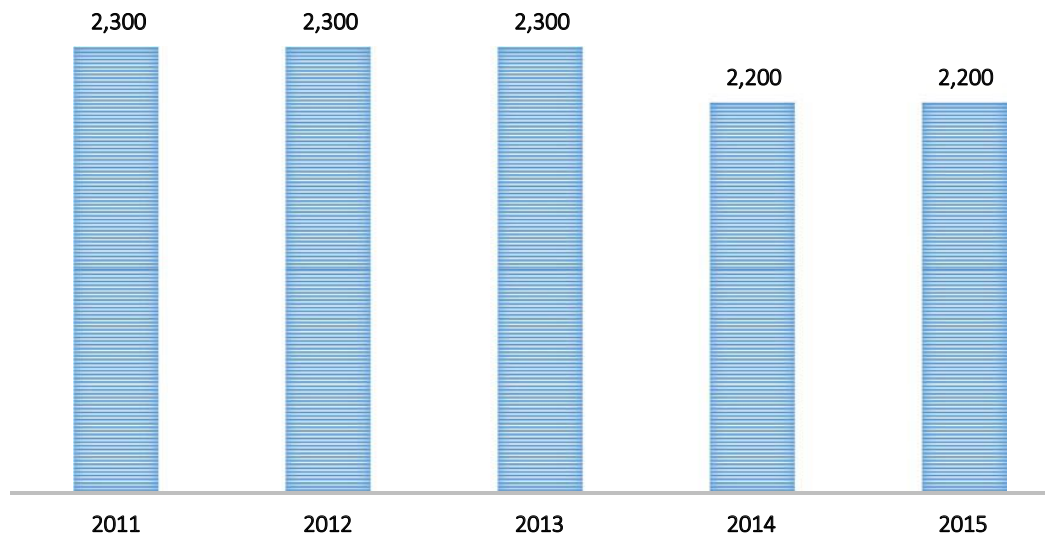
*Source: Statistics Mauritius*

Key indicators of the Energy Sector, %



*Source: Statistics Mauritius*

Total employment in the Energy sector

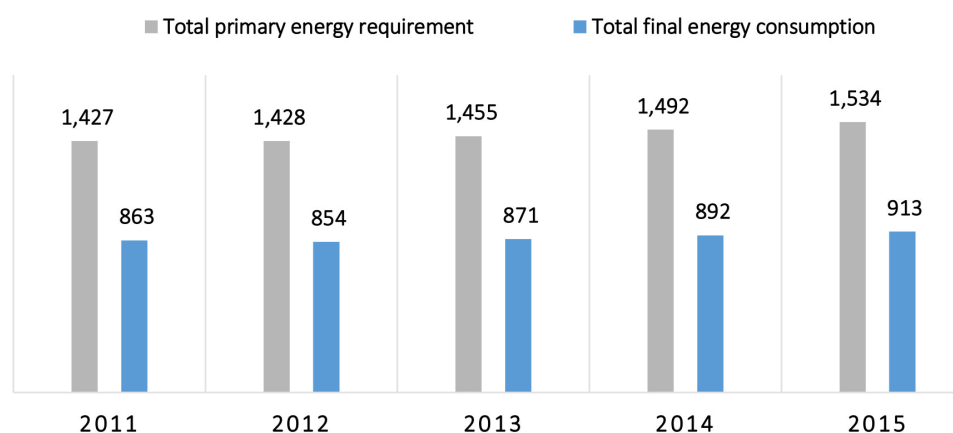


*Source: Statistics Mauritius*

## Energy Balance

The energy balance, measured in ktoe<sup>20</sup>, shows the production, transformation and consumption of different types of fuel. The difference between the supply (total primary energy requirement<sup>21</sup>) and the demand (total final energy consumption<sup>22</sup>) is mainly due to fuel transformed into electricity.

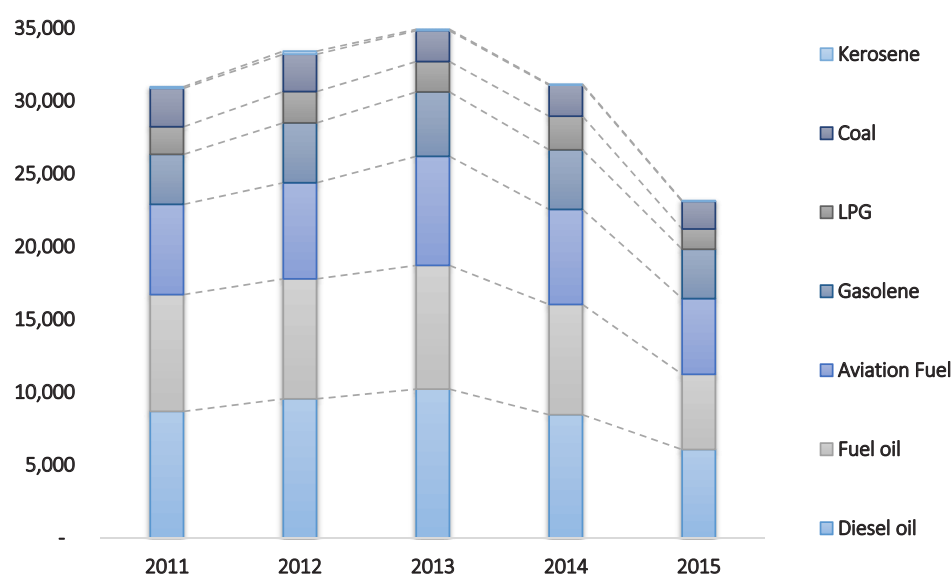
Energy Balance, ktoe



Source: Statistics Mauritius

## Import of Energy Sources

Import Value of Energy Sources, MUR million



Source: Statistics Mauritius

<sup>20</sup> Ktoe: kilo tonnes of oil equivalent, is a common accounting unit used to express the energy content of the different fuels

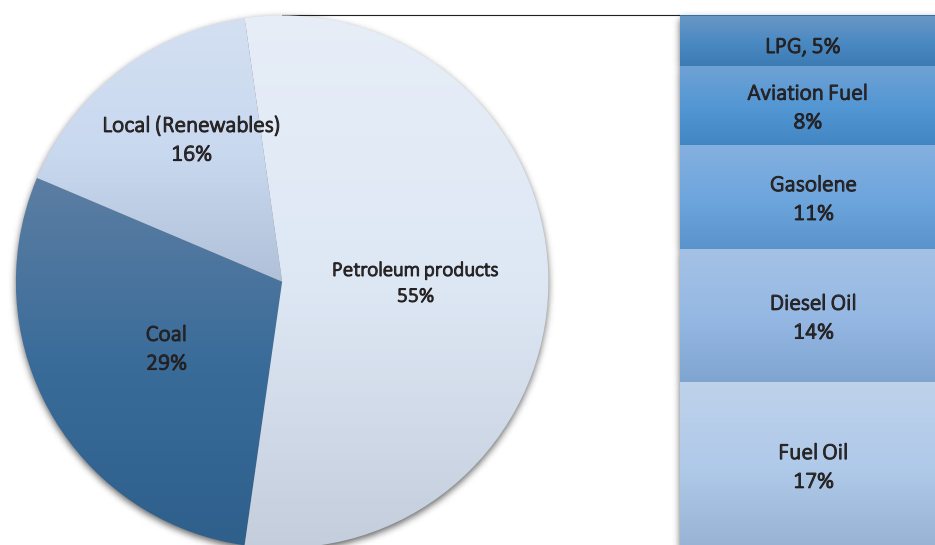
<sup>21</sup> Total primary energy requirement, also known as Total Primary Energy Supply, is defined as the sum of imported and locally available fuels less re-exports and bunkering after adjusting for stock changes.

<sup>22</sup> Final energy consumption is the total amount of energy required by end users as a final product.

## Primary Energy <sup>23</sup> Requirement

Between 2011 and 2015, imported fossil fuels, comprising petroleum products and coal, accounted on average for 85 per cent of the total primary energy requirement.

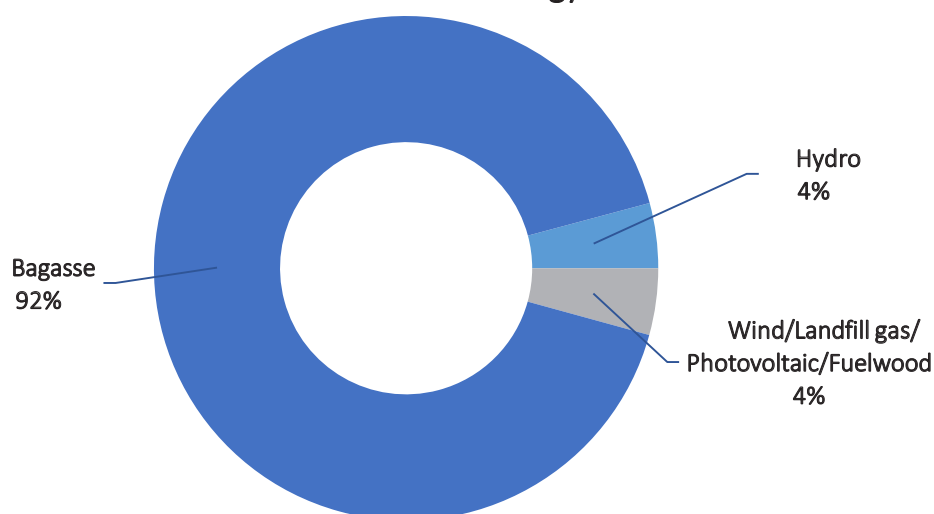
Sources of Primary Energy Requirement in 2015



Source: Statistics Mauritius

The remaining 15 per cent consisted of locally available sources namely bagasse, hydro, wind, landfill gas, photovoltaic and fuel wood.

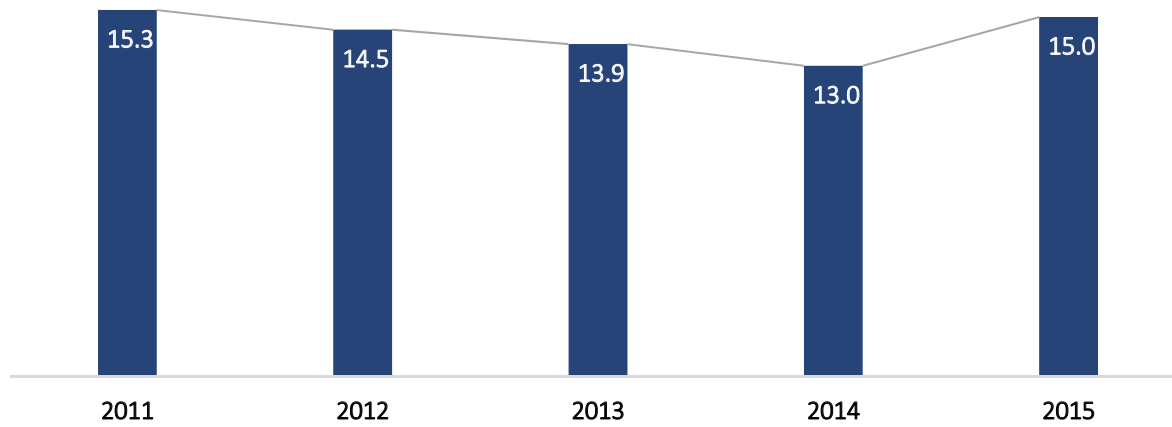
Local Renewable sources of energy in 2015



Source: Statistics Mauritius

<sup>23</sup> Primary energy are sources of energy that occur naturally, such as coal, natural gas and fuel wood, and are not derived from any other forms of energy.

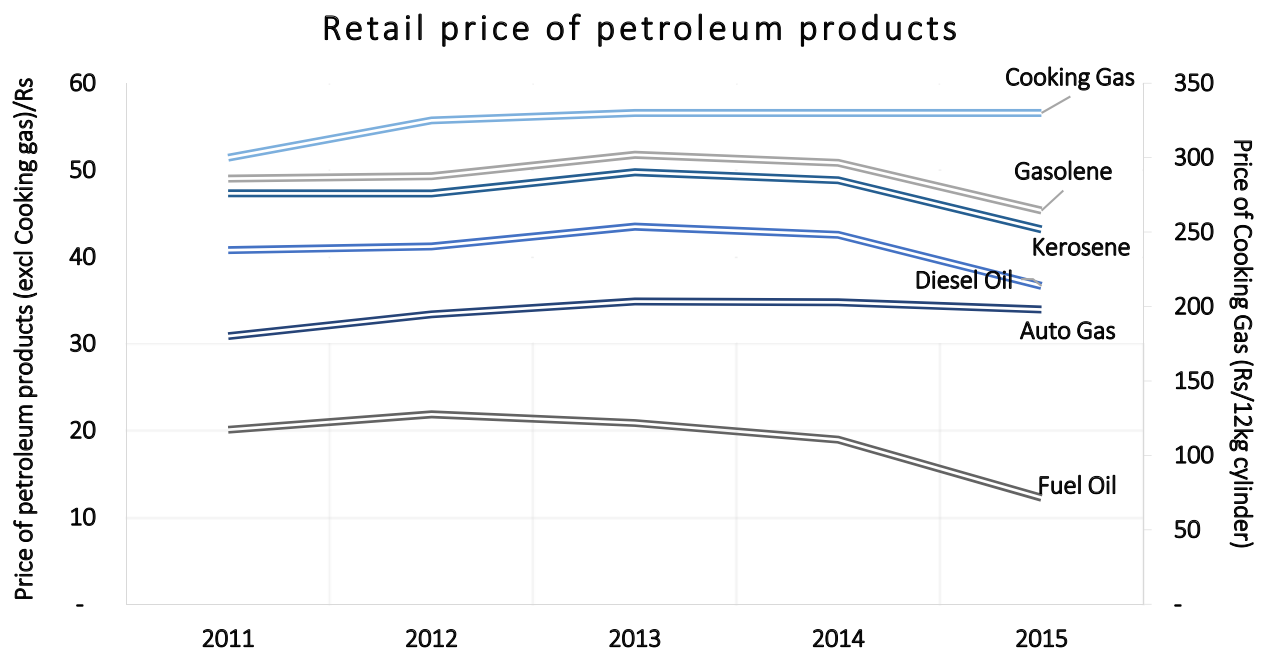
### Contribution of Bagasse to the primary energy requirement, %



Source: Statistics Mauritius

While the individual contribution to total primary energy requirement of wind, landfill gas, photovoltaic and fuel wood have remained stable, that of Bagasse fell to 13 per cent in 2014 before increasing to 15 per cent in 2015.

### Retail Price of Petroleum products

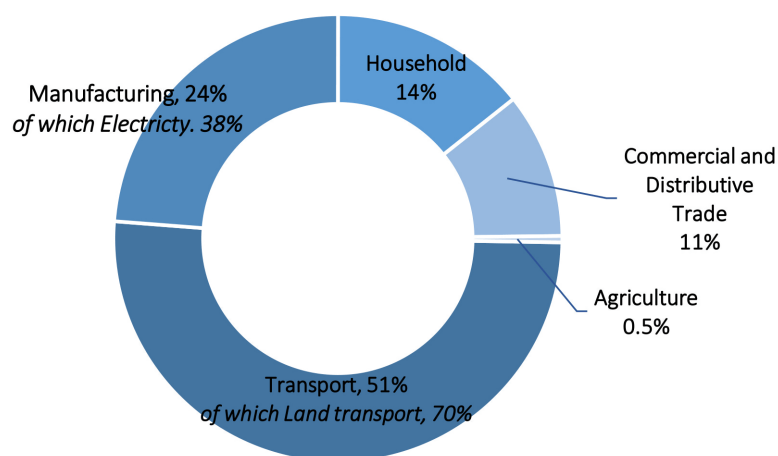


Source: Statistics Mauritius

## Final Energy Consumption<sup>24</sup>

The two main energy-consuming sectors are *Transport* and *Manufacturing*, accounting respectively for 51 per cent and 24 per cent of the energy consumed in 2015.

Final Energy Consumption by Sector in 2015



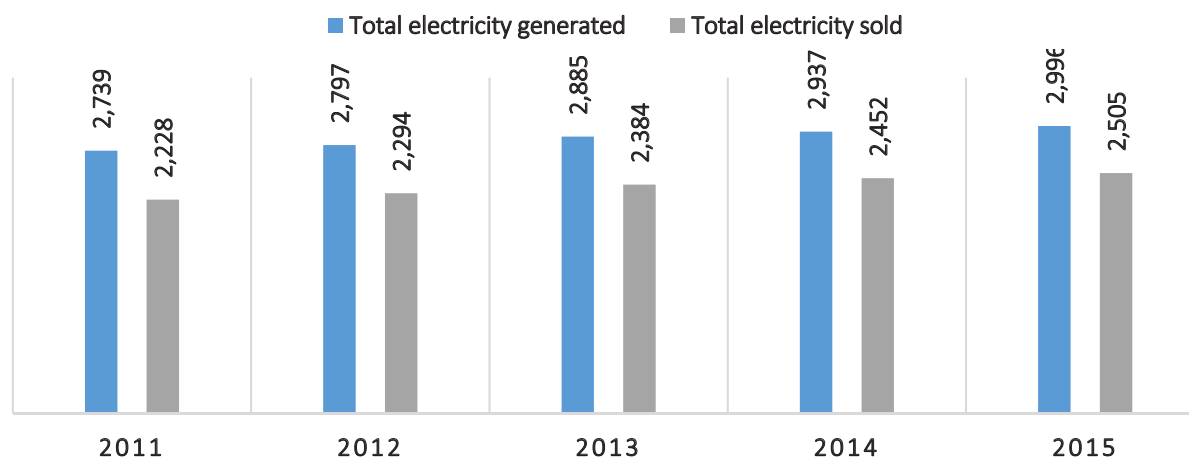
Source: Statistics Mauritius

## Transformation of Energy

### Efficiency Indicators

The generation and sale of electricity have been increasing steadily over the years. Electricity consumption per household in the year 2000 was about 1,650 kWh and in the span of 15 years, it has increased by 36 per cent.

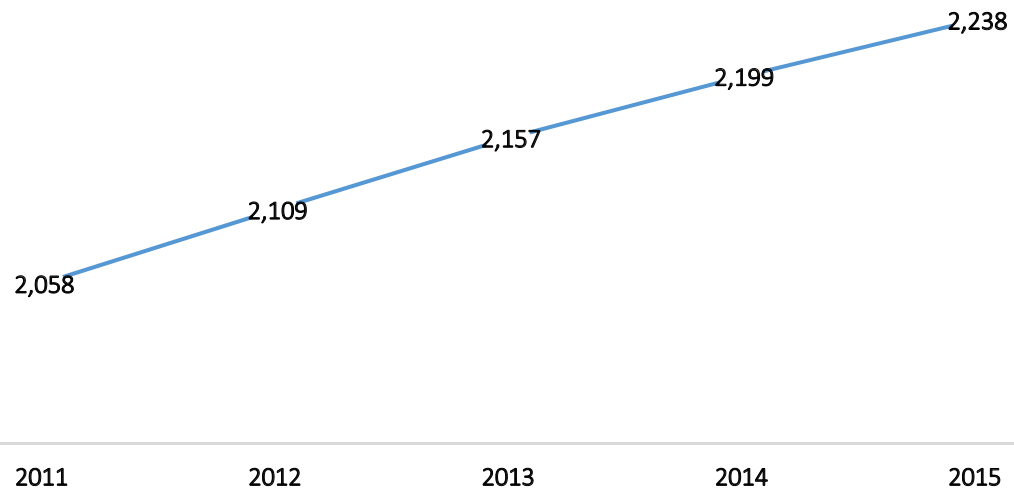
Total Electricity Generated and Sold, GWh



Source: Statistics Mauritius

<sup>24</sup> Final energy consumption is the total amount of energy required by end users as a final product. End-users are mainly categorized into five sectors namely: manufacturing, transport, commercial, households and agriculture.

## Electricity consumption per household, kWh

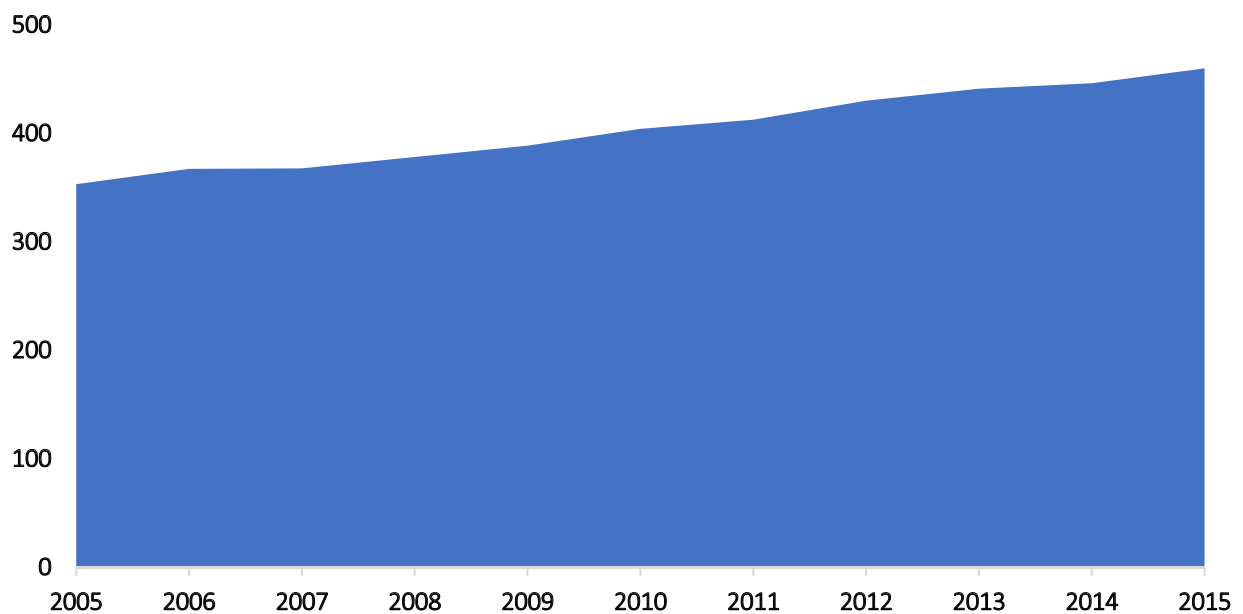


Source: Statistics Mauritius

### Peak power demand

Peak power demand<sup>25</sup> capacity has been on a rising trend over the past decade and has reached 459.9 MW in March 2015, for the Island of Mauritius.

## Peak Power Demand in Mauritius, MW

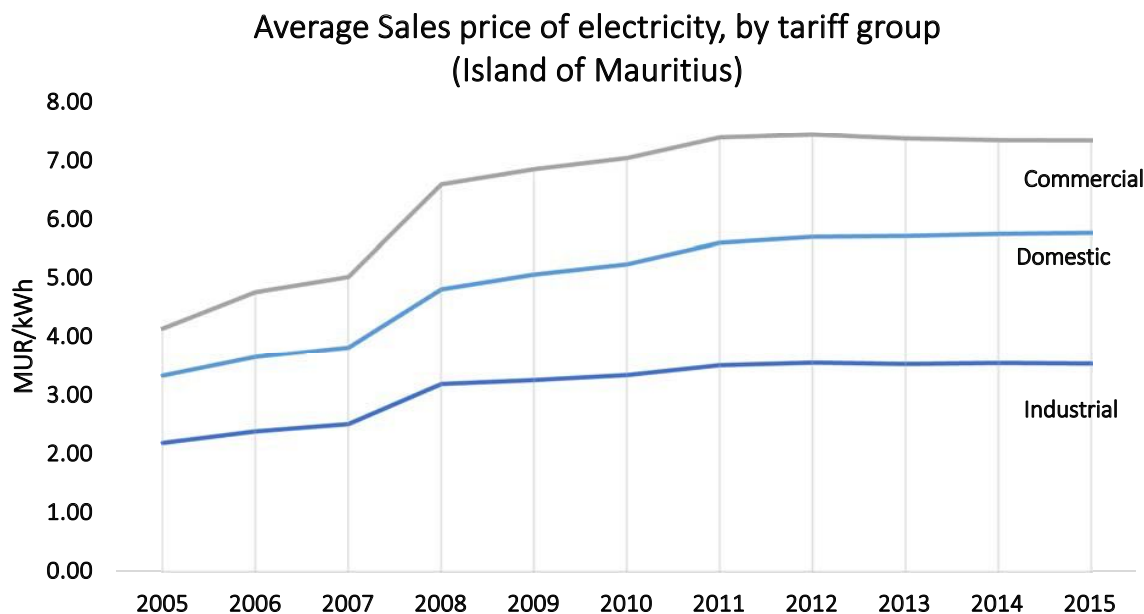


Source: Statistics Mauritius

<sup>25</sup> Peak demand describes a period during which electrical power is expected to be provided for a sustained period and at a level which is significantly above average.

### Electricity tariffs

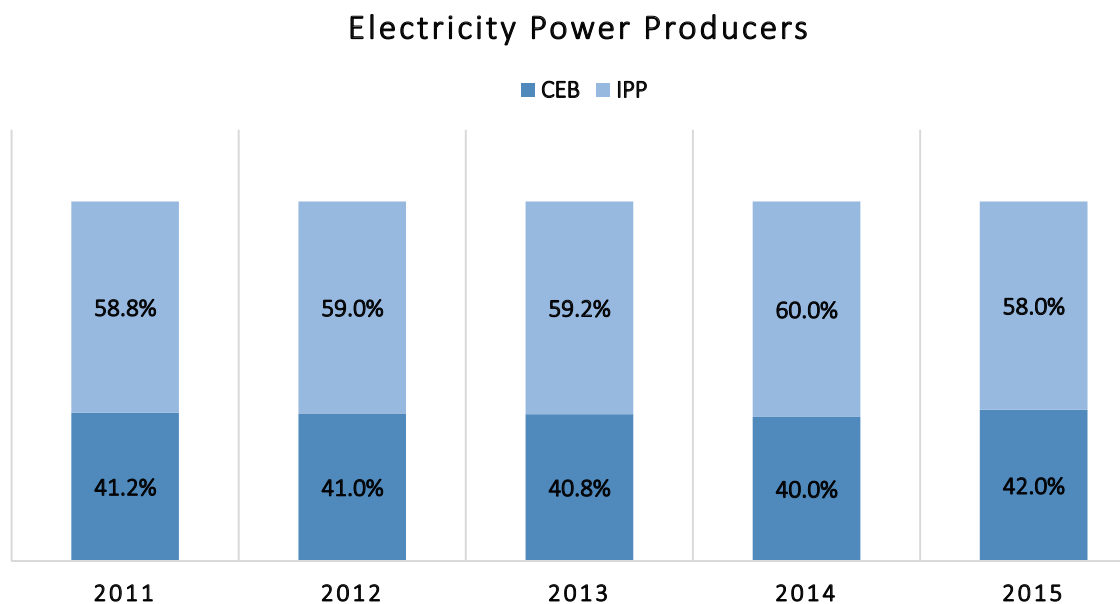
While the sale of electricity has been steadily increasing every year, the average sales price has remained at around Rs 6 per kWh since 2011.



Source: Central Electricity Board

### Generation of Electricity

The Central Electricity Board (CEB) currently produces around 42 per cent of the country’s total power requirements, while the remaining 58 per cent is being purchased from Independent Power Producers (IPP). In 2015, some 2,996 GWh of electricity were generated in total, of which 91 per cent were available for sale.

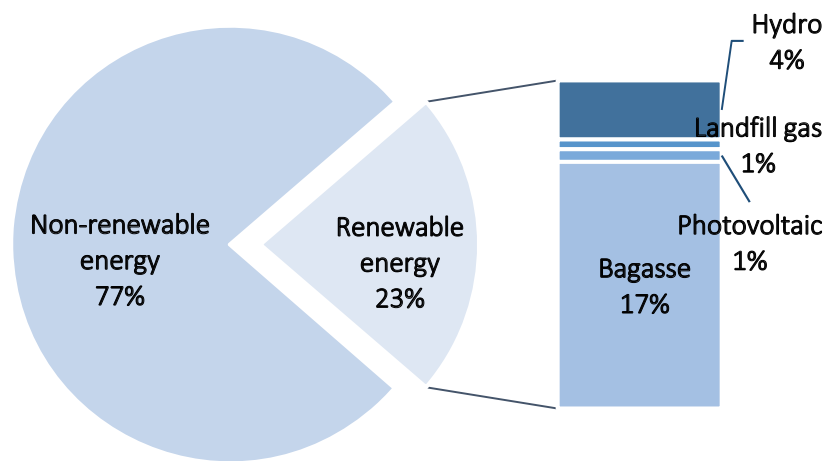


Source: CEB and Annual Sugar Industry Energy Survey

## Energy sources for electricity generation

Around 77 per cent of the total electricity generated in 2015 was from non-renewable sources of energy, mainly coal (39 per cent) and fuel oil and diesel (38 per cent), while the remaining 23 per cent were from renewable sources, mostly bagasse.

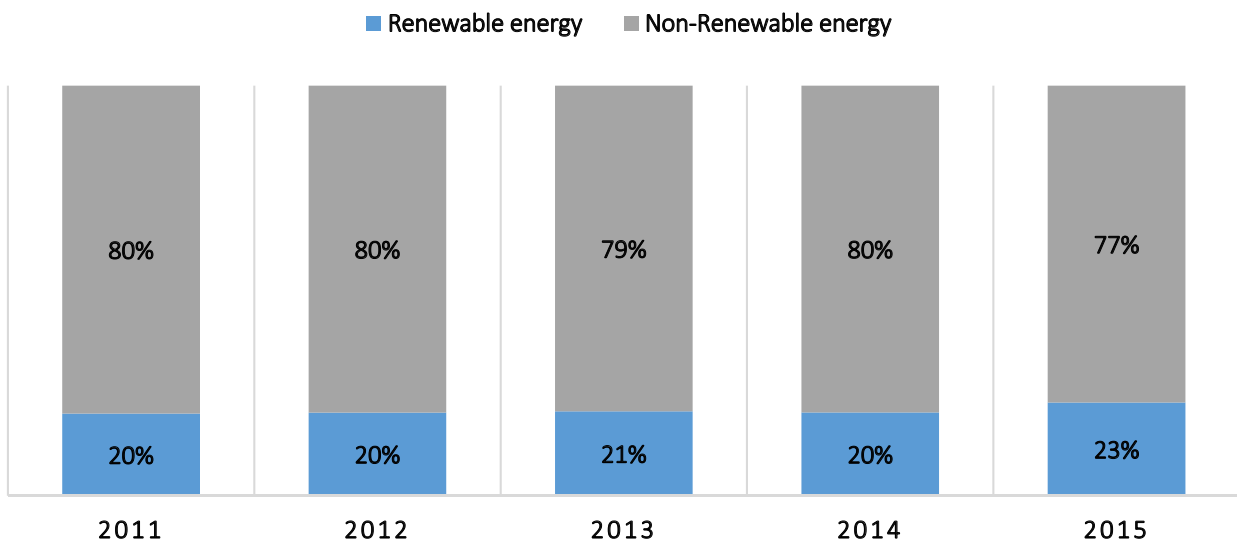
Sources of energy used in electricity generation in 2015



Source: CEB and Annual Sugar Industry Energy Survey

The Government targets a contribution of renewable energies of 35 per cent by 2030, in view of reducing the country's dependency on conventional energy sources.

Electricity generation by source of energy



Source: CEB and Annual Sugar Industry Energy Survey



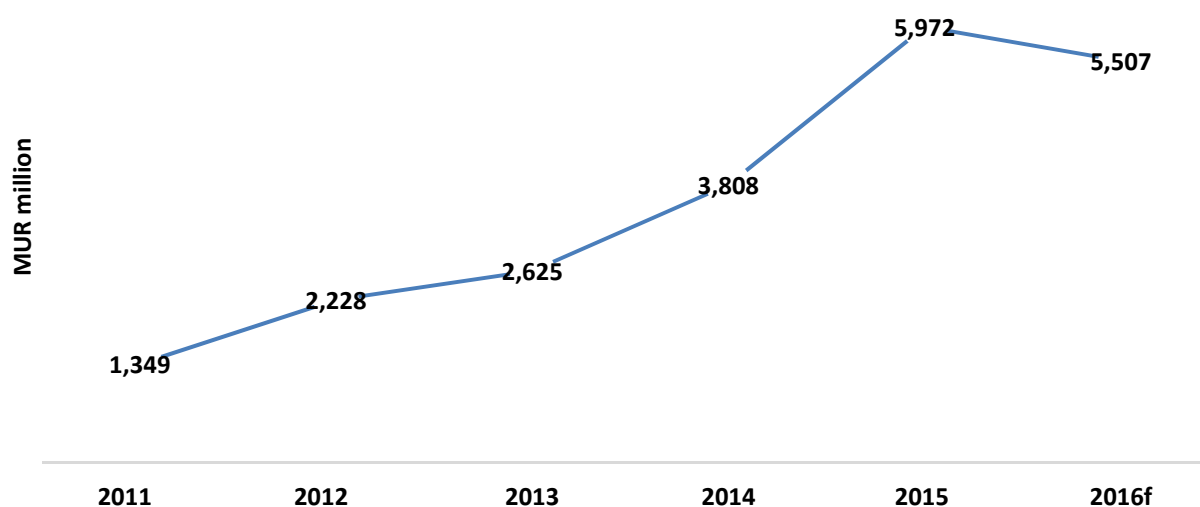
# WATER

## Water supply, sewerage, waste management and remediation activities

Key Indicators - Water Sector		
	Average 2011-2015	2016f
GDP Contribution (%)	0.4	0.4
Real Growth Rate (%)	2.6	3.2
GDFCF (MUR million) in the Water sector	3,196	5,507
Investment in the Water sector as a % of Total Investment	4.3	7
	Average 2011-2014	2015
Employment	3,300	3,500

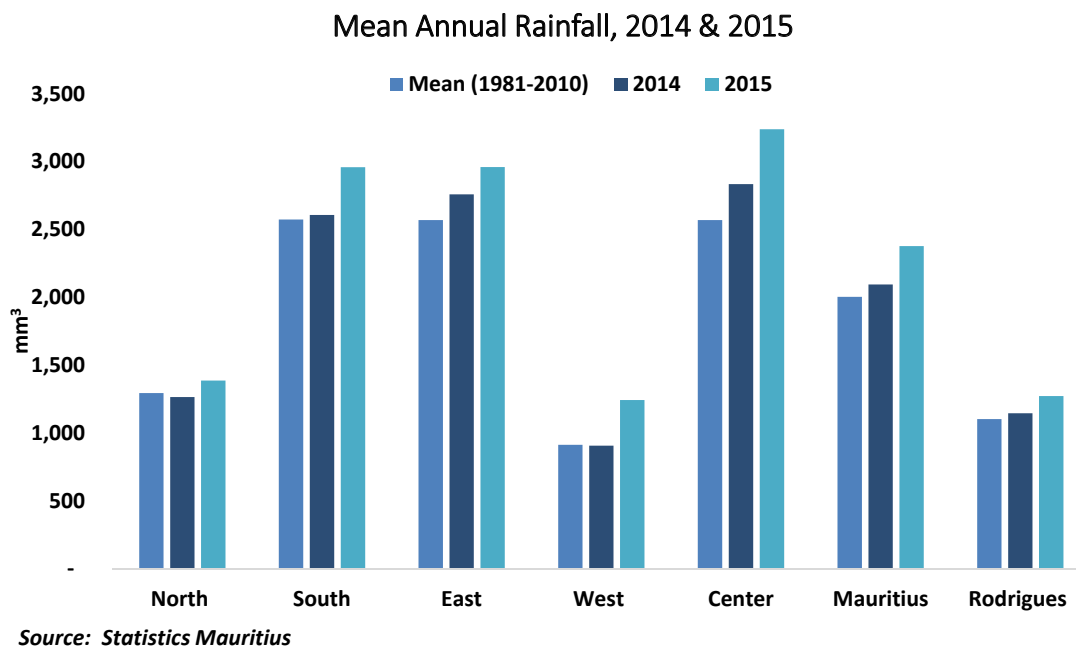
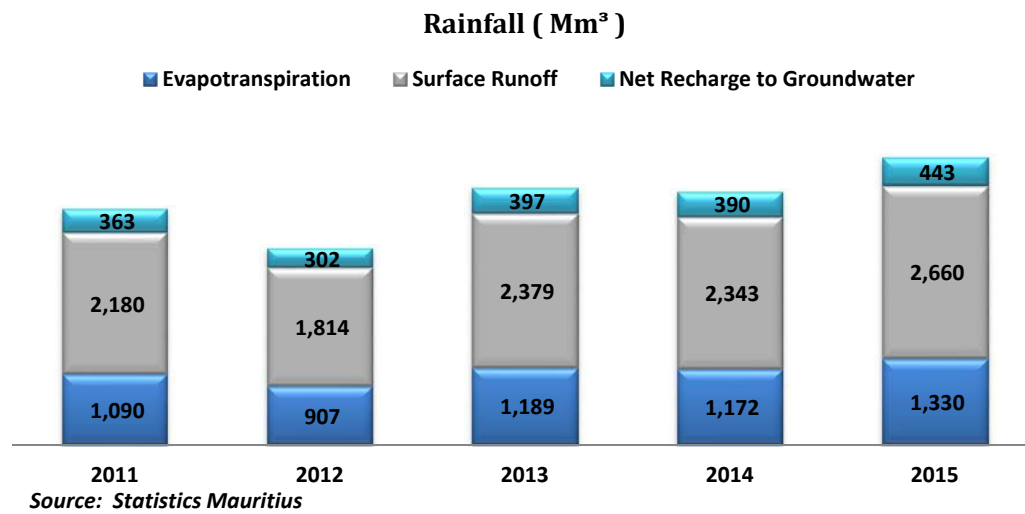
Source: Statistics Mauritius

Investment made in Water supply, sewerage, waste management and remediation

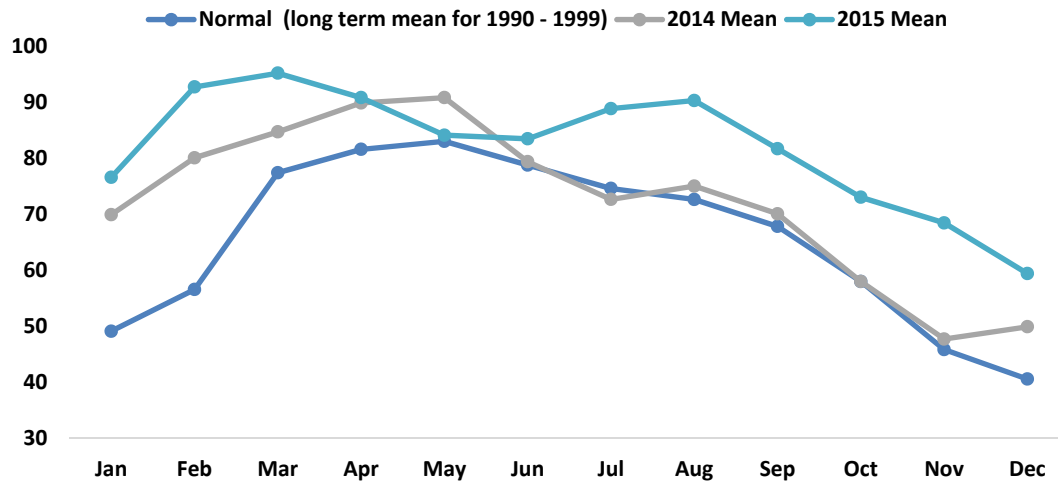


Source: Statistics Mauritius

The mean amount of rainfall recorded in the Island of Mauritius went up by 13.5 per cent from 2,094 millimetres in 2014 to 2,377 in 2015.



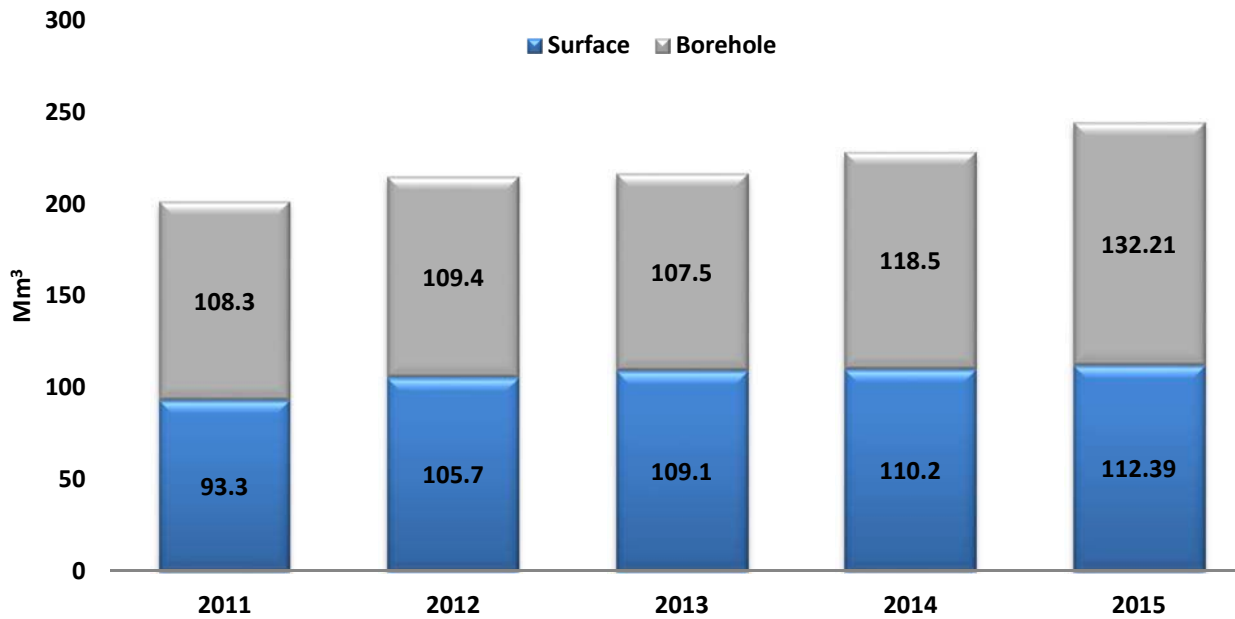
### Average water level in all reservoir



Source: Statistics Mauritius

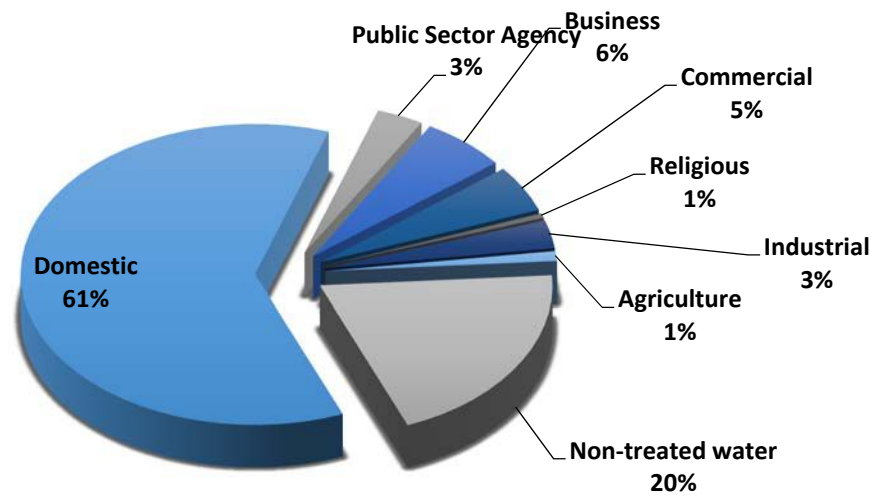
During the same period, the total volume of potable water treated by the different treatment plants went up by 7.0 per cent from 229 to 245 million cubic meters (Mm<sup>3</sup>).

### Average monthly potable water production by source



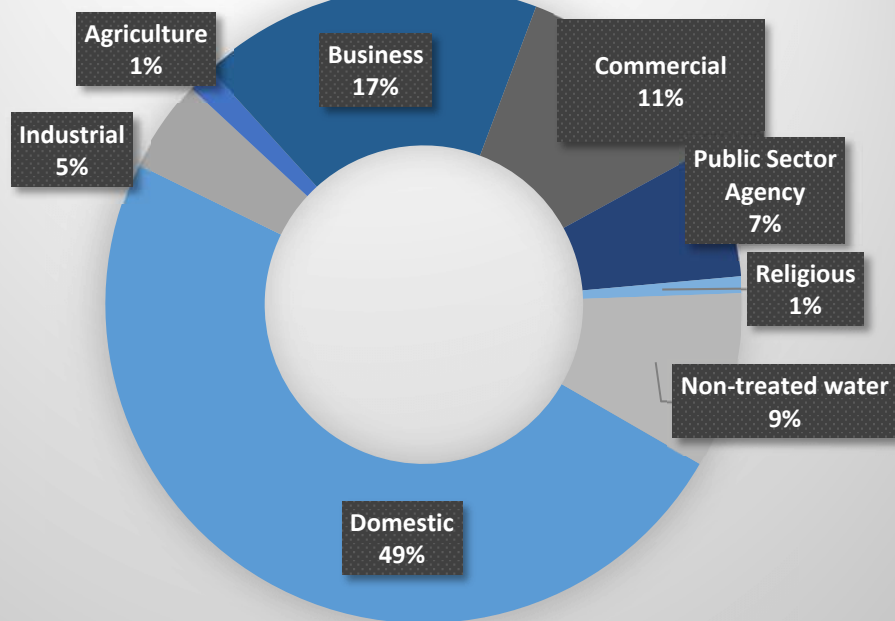
Source: Statistics Mauritius

### Water Sold by Type of tariff, 2015



Source: Statistics Mauritius

### Amount collectible by type of tariff, 2015



Source: Statistics Mauritius

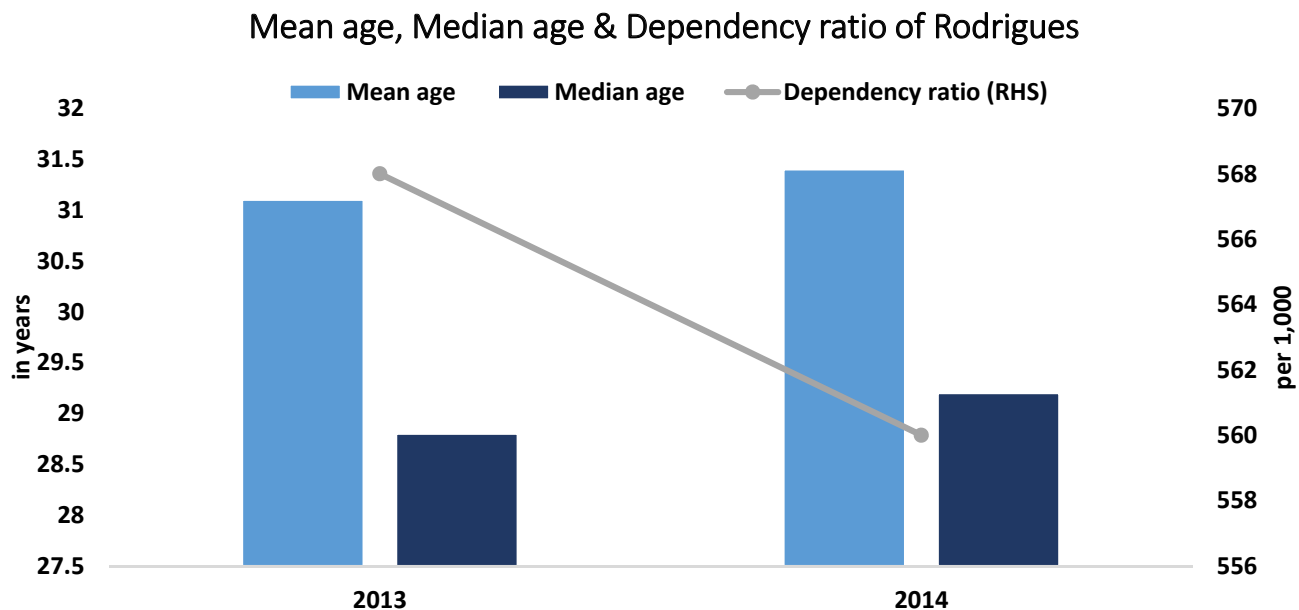
# RODRIGUES ISLAND

## Overview

Rodrigues, administered by the *Rodrigues Regional Assembly (RRA)*, is estimated to have 42,058 inhabitants as at end 2015, of which 51 per cent were females and 49 per cent males.

In 2014, it was estimated that the mean age of the population of Rodrigues was 31.4 years with a dependency ratio of 560 per 1,000 inhabitants.

Marriage rate decreased from 12.8 per cent in 2000 to 7.8 per cent in 2014.

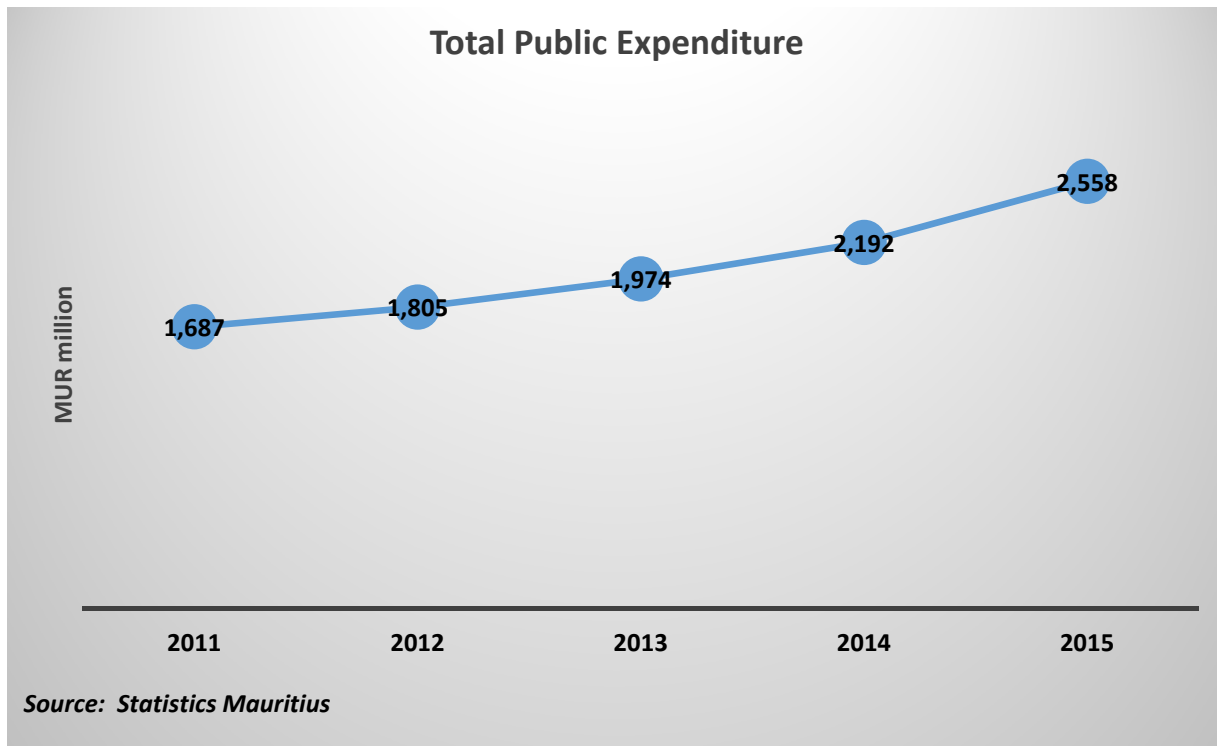


*Dependency ratio is calculated as the combined child population (under 15 years) and population aged 65 years and over per 1,000 population of immediate age (15-64 years).*

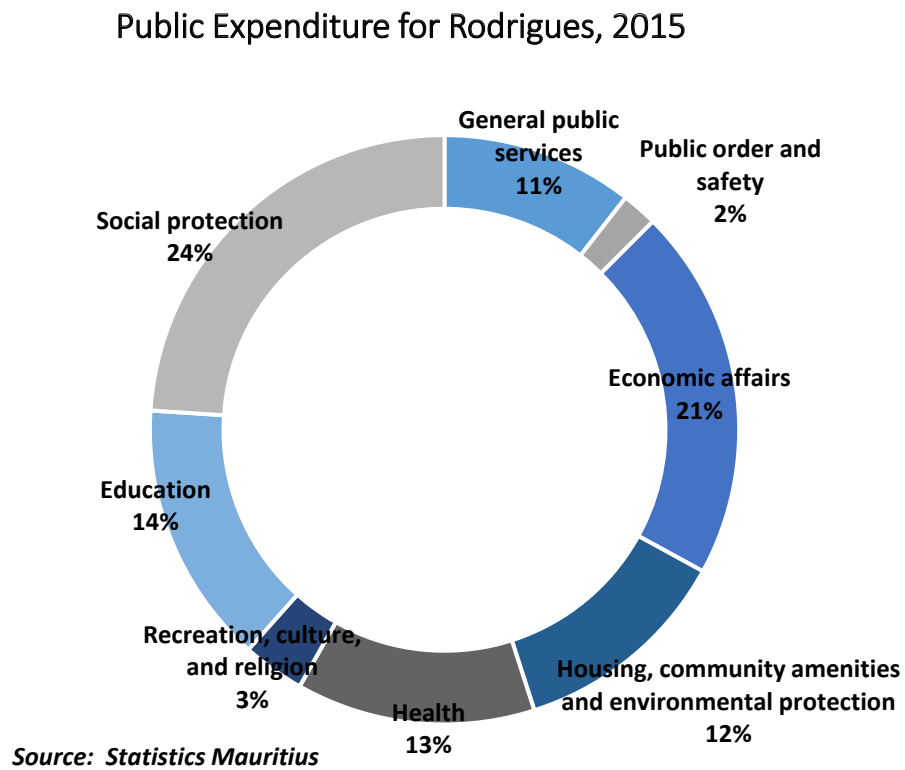
Source: *Statistics Mauritius*

## Public finance

The RRA increased public spending by almost 52 per cent during the period 2011 to 2015. Expenditure made was mostly for social protection purposes and furthering the economic agenda of the island.

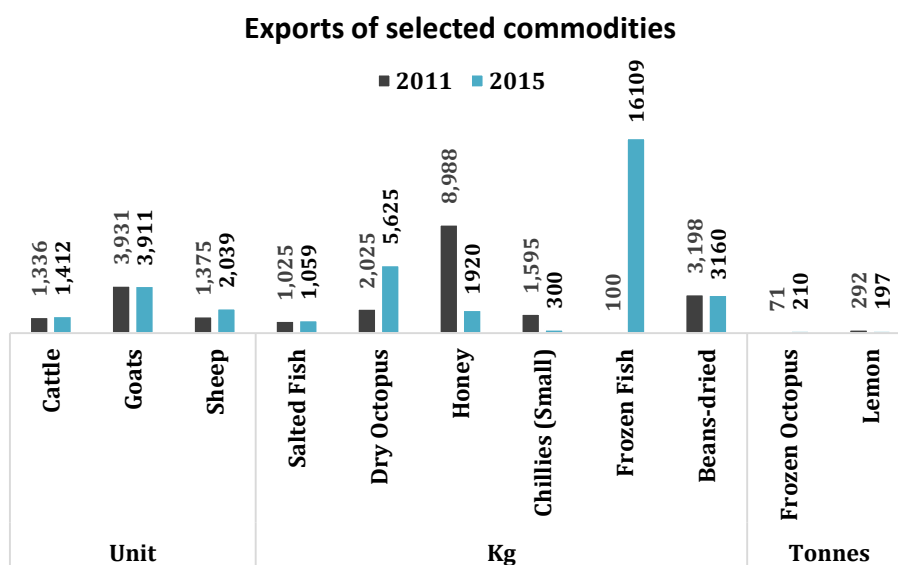


In 2015, an estimated Rs 2,558 million were spent – in particular, on social protection (Rs 613 million); agricultural purposes (Rs 199 million), transport (Rs 263 million), education (Rs 370 million) and health (Rs 336 million).



## Exports

In 2015, the main commodities exported by Rodrigues were frozen fish, dry octopus, goats and dried red beans. From 2011 to 2015, exports of frozen and dry octopus increased by more than 100 per cent and that of sheep grew by approximately 48 per cent.



Source: Statistics Mauritius

## Employment

Of the 17,990 employed, 34.0 per cent were in agricultural and fishing activities and 14.0 per cent were employed by the public service.

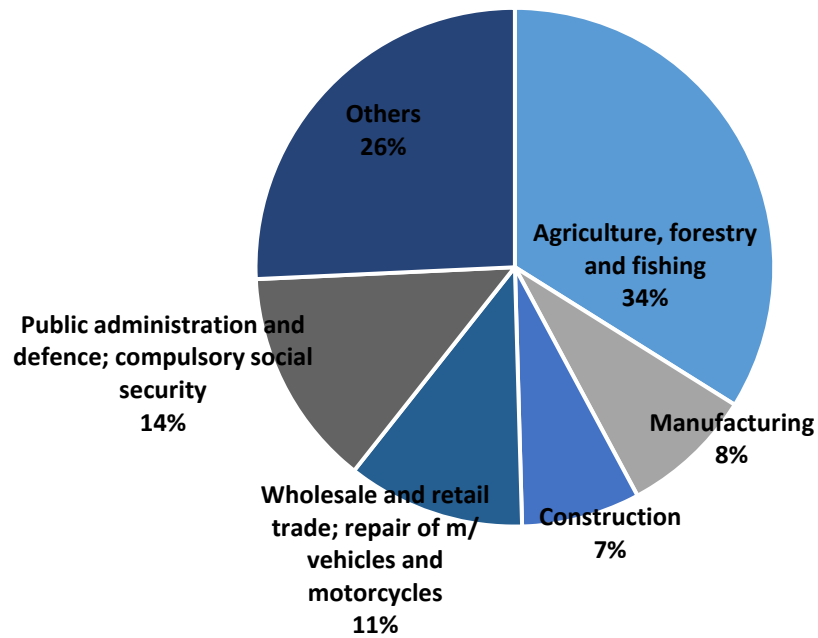
In 2015, there were 4,077 individuals working in large establishments of which 2,824 were male and 1,253 were female.

*Statistics Mauritius* estimates that a total of 2,900 small establishments were in operation in Rodrigues in 2013 compared to around 2,500 in 2007.

Most were involved in manufacturing, retail trade and construction activities.

These employed around 5,900 people, almost same as in 2007. Gross output of small production units was estimated at Rs 1,558 million in 2013.

## Employment by Industry, 2014



Source: Statistics Mauritius

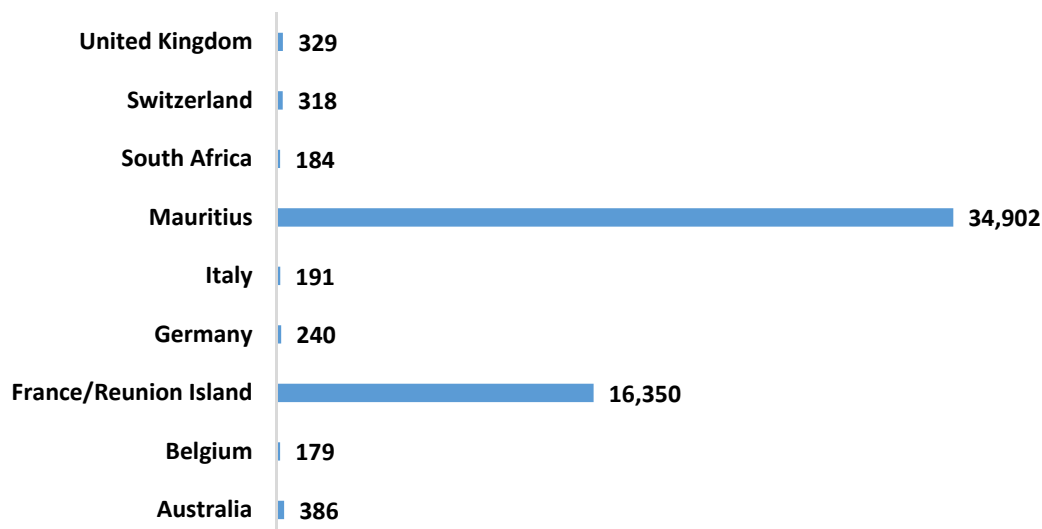
## Economy

Rodrigues relies on four major pillars: (i) tourism; (ii) fishing; (iii) cultivation of vegetables; and (iv) animal farming.

## Tourism

Tourists visiting the island of Rodrigues consist of both Mauritians and foreigners. In 2015, a total of 81,926 passengers arrived on the island, an increase of 18 per cent from the previous year.

Tourists visiting Rodrigues by selected country of residence - 2014



Source: Statistics Mauritius



In 2014, 28 per cent of travellers to Rodrigues Island were foreigners while the rest were nationals - which includes Mauritians, Rodriguans as well as foreigners working on the island.

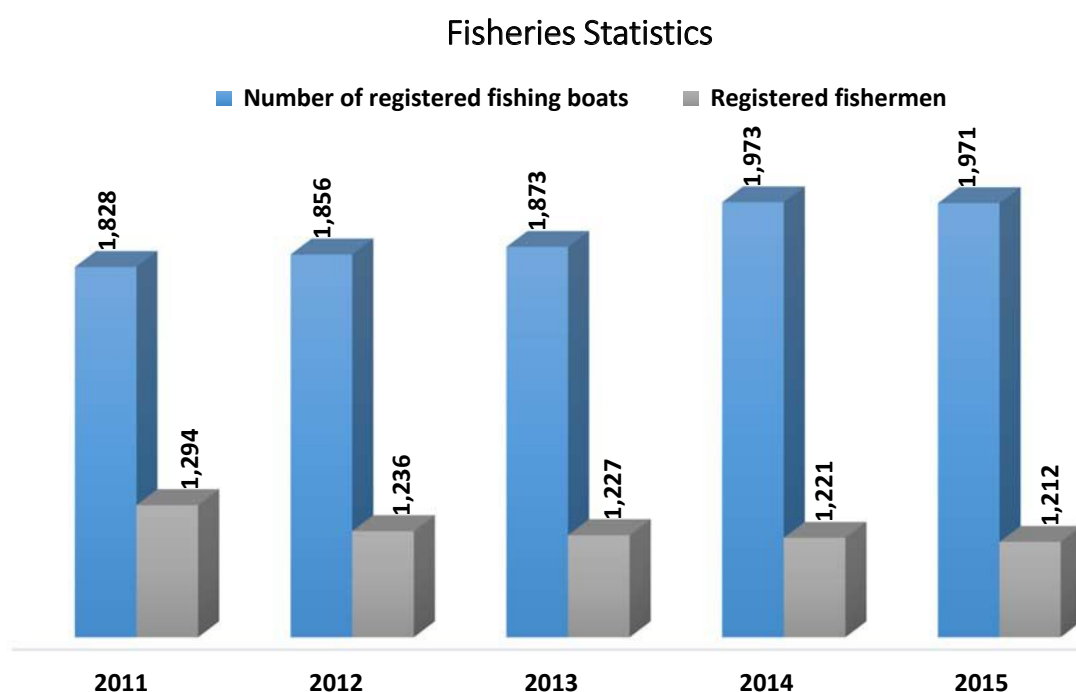
Also, a total of 3,286 travellers visiting the island did so by sea, while 66,228 passengers travelled by air.

The majority of foreigners visiting the island did so by air. Most Mauritians who visited the island did so by sea.

Tourists visiting the island of Rodrigues were mainly from Mauritius and Reunion Island.

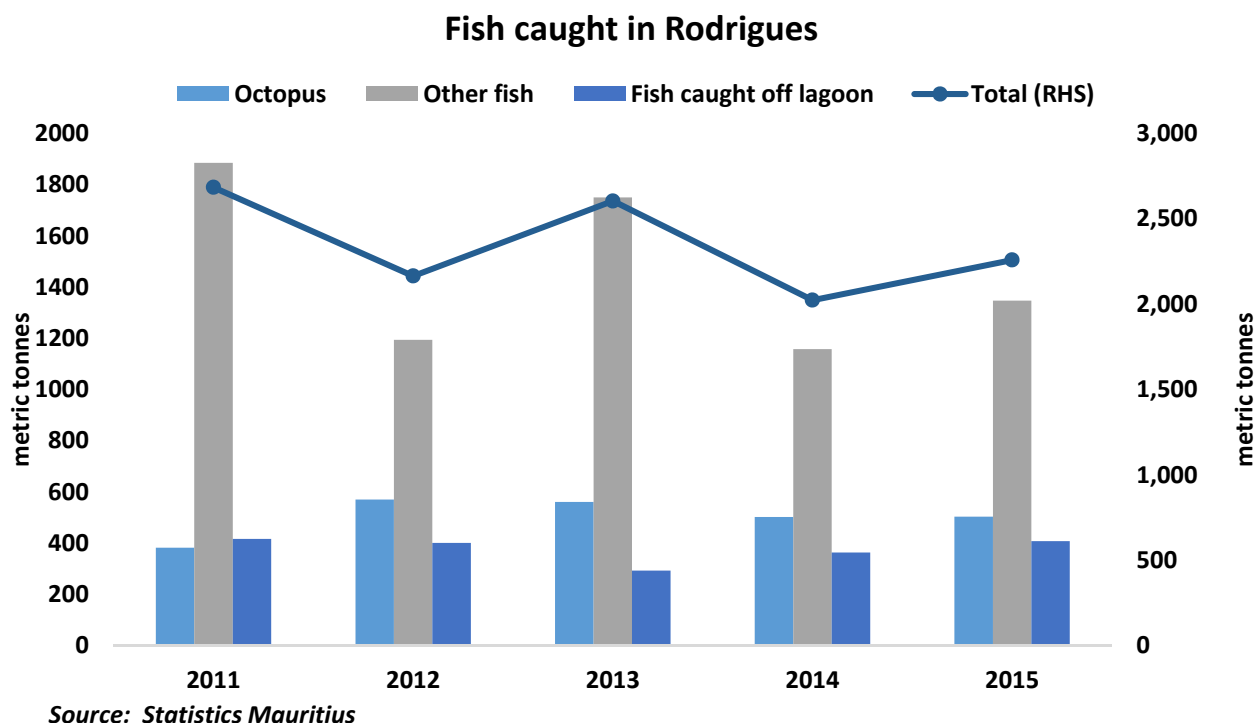
### Fisheries

As at end 2015, there were 1,212 fishermen registered and 1,971 registered fishing boats operating in Rodrigues.



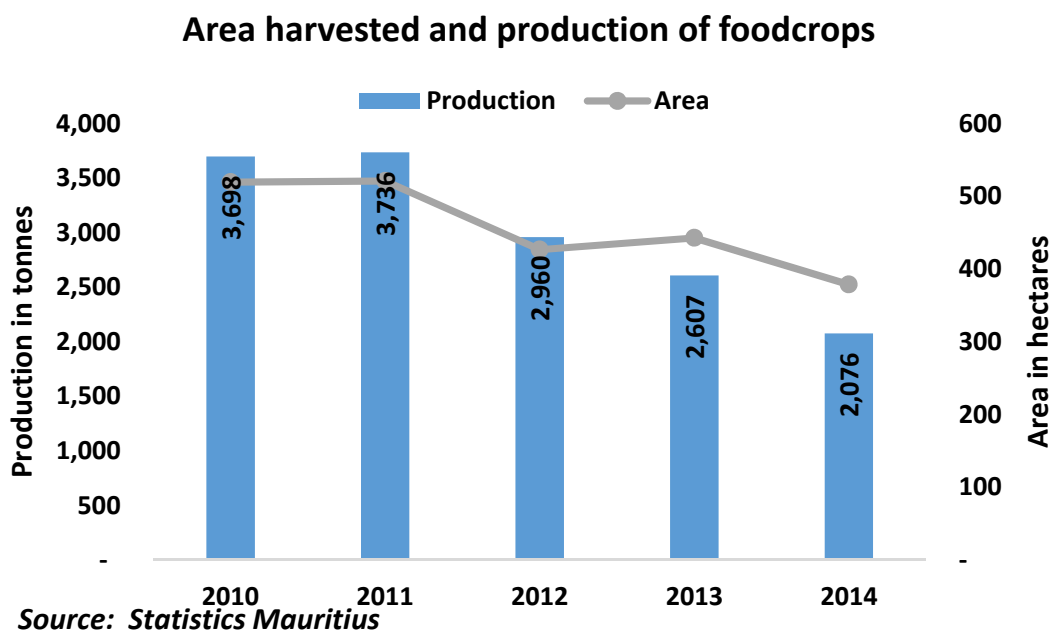
Source: *Statistiscs Mauritius*

A total amount of 2,259 tonnes of fish were caught in 2015, of which 504 tonnes of octopus from the lagoon and 408 tonnes from 'off-lagoon'.

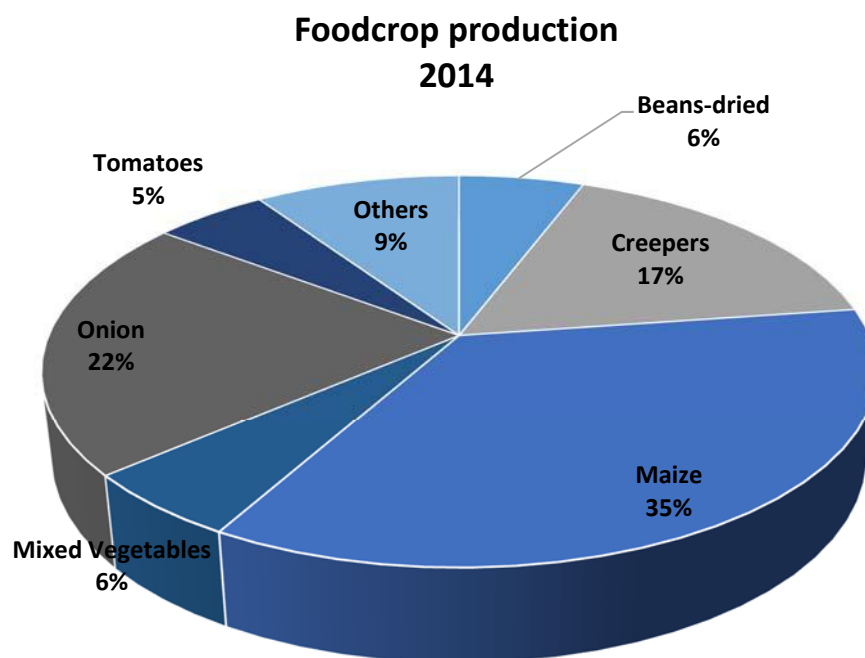


## Agriculture

The area of land harvested decreased during the five year period 2010 to 2014, leading to a decrease in the production of food crops from 3,698 tonnes in 2010 to 2,076 tonnes in 2014.



In 2014, the main food crops produced by Rodrigues were maize and onions

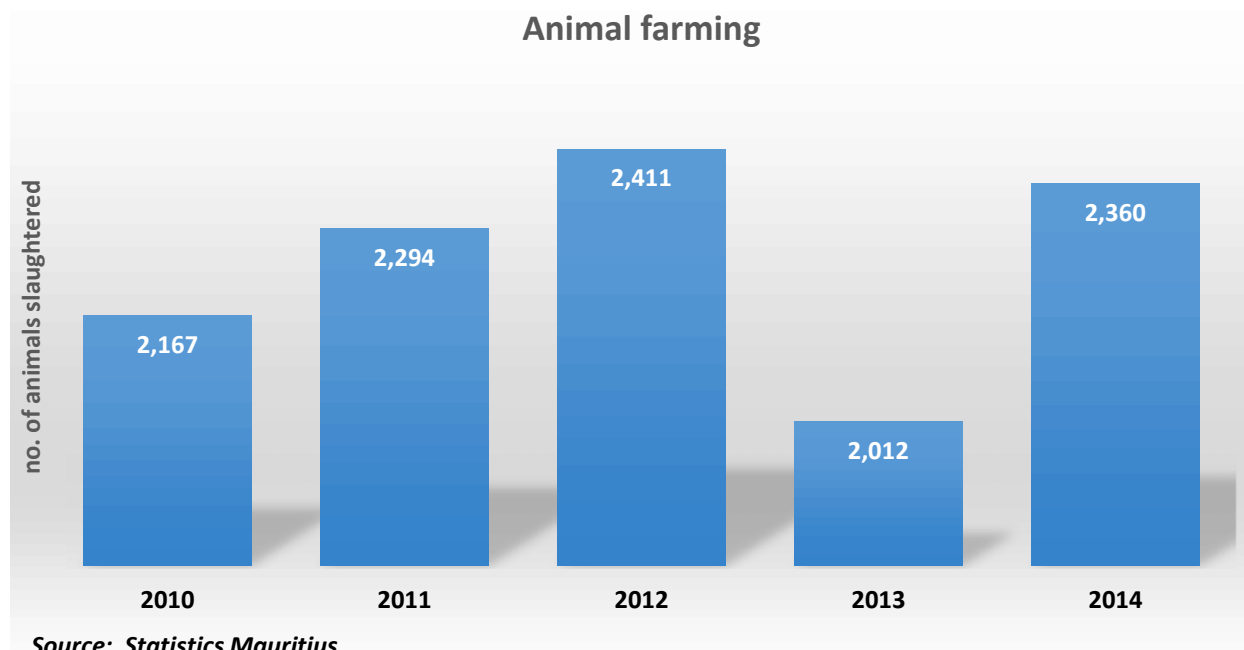


Source: Statistics Mauritius

### Animal farming

Animal farming in Rodrigues include the rearing of pigs, bulls, sheep and goat.

As at end 2014, a total of 2,360 animals were slaughtered, of which 76 per cent were pigs.

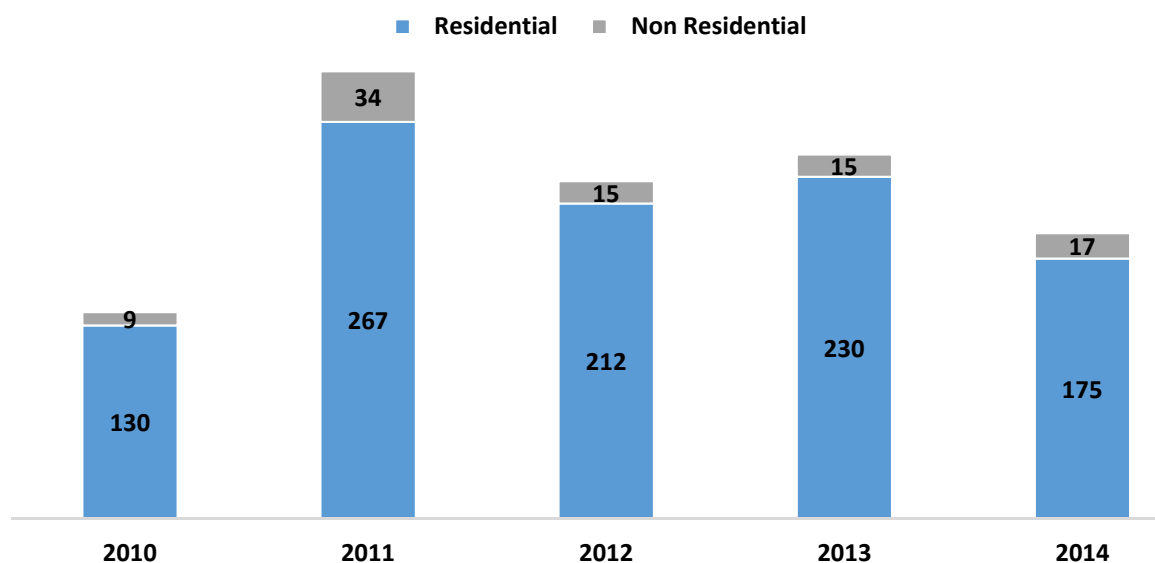


Source: Statistics Mauritius

## Construction

The number of permits issued for the construction of both residential and non-residential purposes increased by 38 per cent from 2010 to 2014.

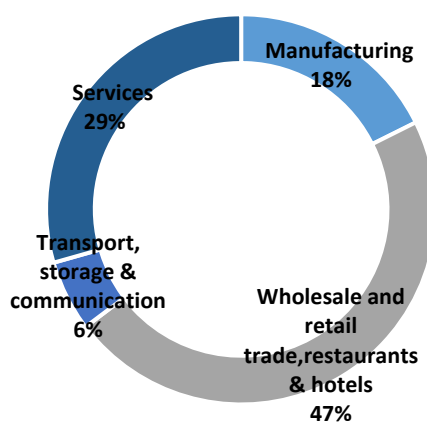
No. of permits issued for construction



Source: Statistics Mauritius

In 2014, 47 per cent of the permits issued for non-residential purposes were for *wholesale and retail trade, restaurants & hotels*; 29 per cent for buildings for *services delivery*; 18 per cent for *manufacturing purposes* and 6 per cent for *transport, storage and communication purposes*.

No. of permits issued for construction in 2014

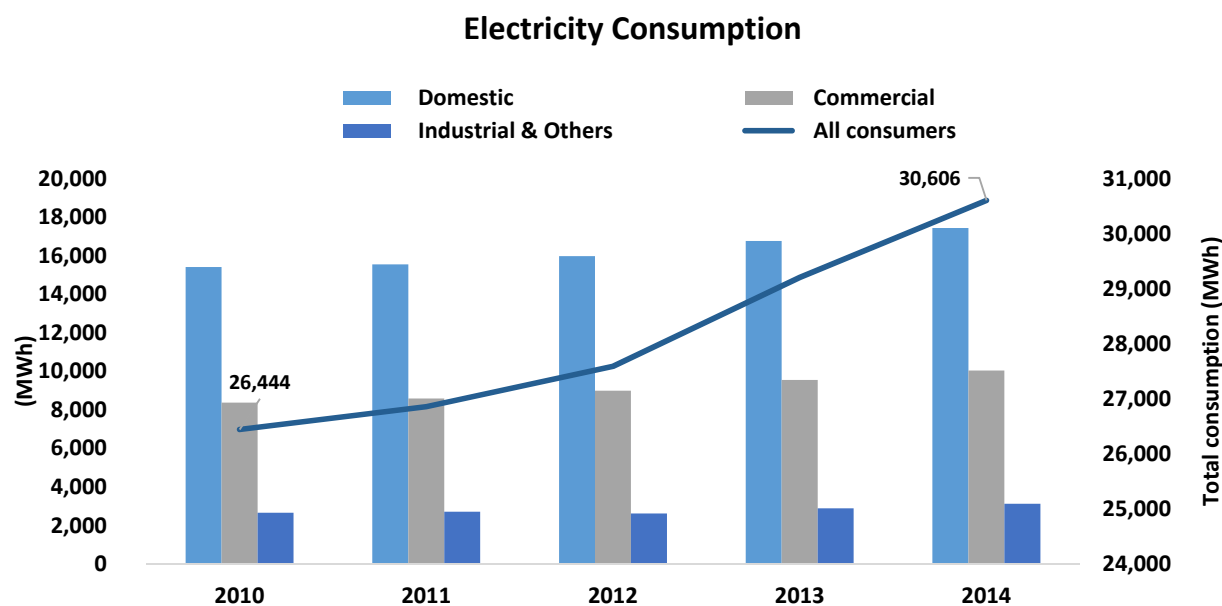


Source: Statistics Mauritius

## Energy

The number of electricity consumers increased from 12,166 in 2010 to 13,656 in 2014.

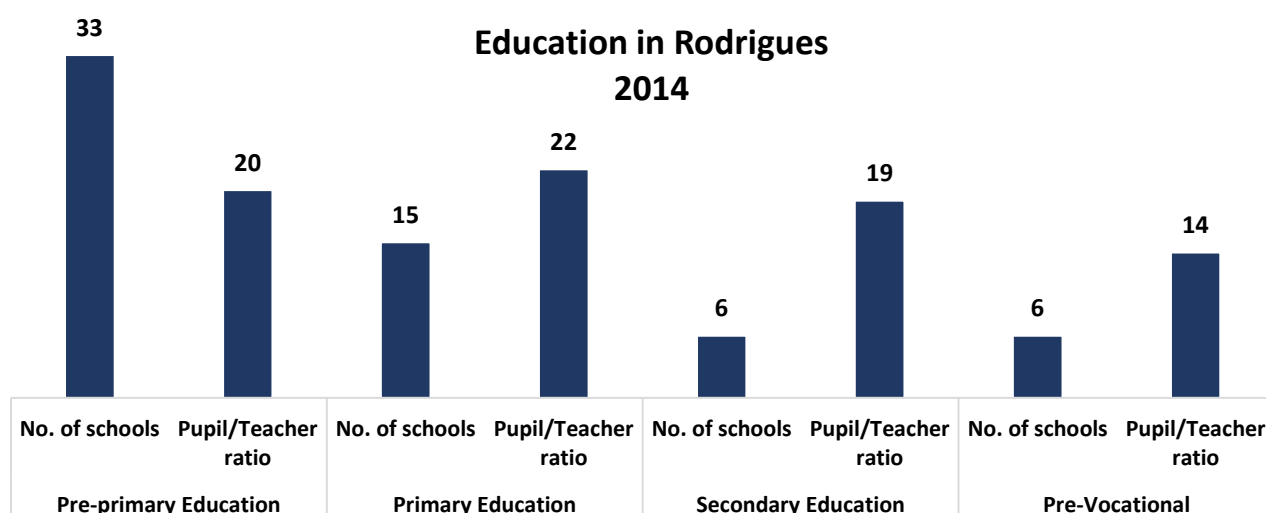
Total electricity consumed in Rodrigues was at 30,606 MWh in 2014, representing an increase of 16 per cent from 2011. Also, 57 per cent of energy produced were consumed by domestic users. Commercial users consumed 33 per cent and only 10 per cent was used for industrial purposes.



Source: Statistics Mauritius

## Education

Total enrolment in primary schools was at 5,079 pupils in 2014, while secondary students enrolled during the same period was 4,075.



Source: Statistics Mauritius

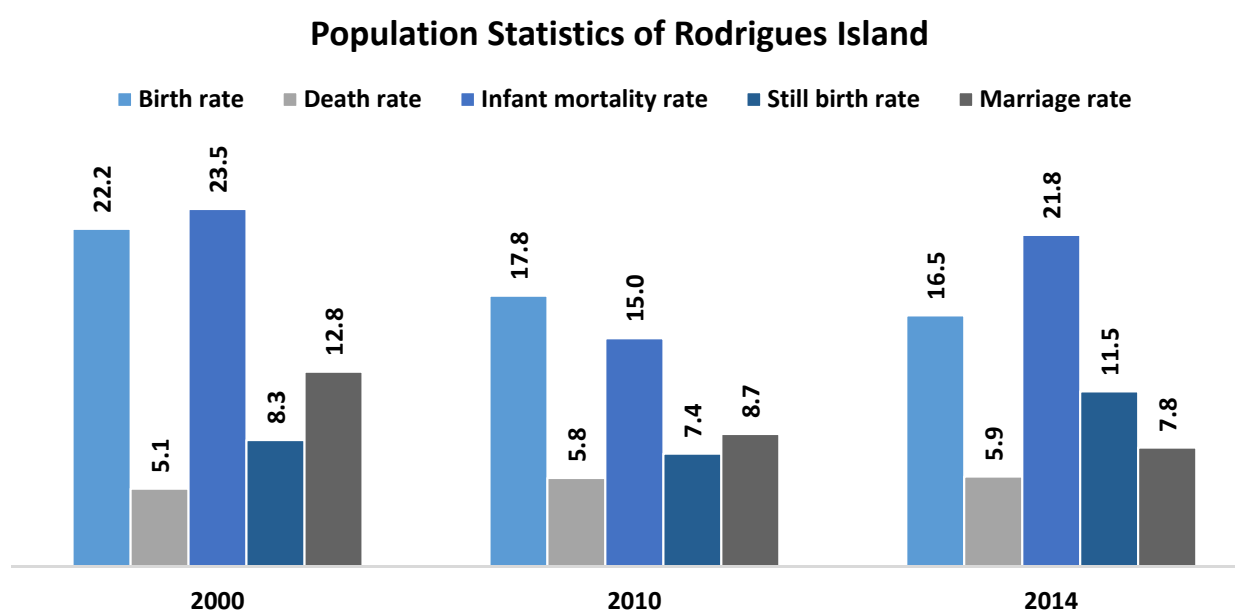
Pre-primary schools enrolled some 1,374 students and pre-vocational ones had 536 students in 2014.

In 2014, the pass rate for *School Certificate* was 73.0 per cent while that for *Higher School Certificate* was 69.2 per cent.

## Healthcare

As at end 2014, there was one hospital, two health centres, fourteen community health centres and one dental clinic. The public healthcare system offered 191 operational beds as at December 2014.

Birth rate and infant mortality rate decreased from 2000 to 2014. Fertility rate was estimated at 2.1 per cent in 2014.



Source: Statistics Mauritius

## LIST OF SELECTED INDICES

No	Index	Description	Global Rank	Africa Rank
1	World Bank Doing Business 2016	Measures improvements (usually simpler) in regulations for businesses and stronger protections of property rights.	32 out of 189 countries	1 <sup>st</sup>
2	Global Competitiveness Index 2015-2016	Measures the microeconomic and macroeconomic foundations of national competitiveness.	46 out of 140 countries	1 <sup>st</sup>
3	International Property Rights Index 2015 (International benchmark)	Ranks countries worldwide based on three factors: the state of their legal and political environment, physical property rights, and intellectual property rights.	34 of 129 countries	2 <sup>nd</sup>
4	Mo Ibrahim Index of African Governance 2015	Measures the quality of governance in African countries.	-	1 <sup>st</sup>
5	Press Freedom Index 2015 (Reporters without Borders)	Measures the degree of freedom that journalists, news organizations, and netizens enjoy in each country.	68 out of 180 countries	11 <sup>th</sup>
6	2015 Index of Economic Freedom (Heritage Foundation)	Measures the intensity of government regulations on wealth-creating activity.	10 out of 178 countries	1 <sup>st</sup>
7	Economic Freedom of the World 2015 (Fraser Institute)	Measures the degree to which the policies and institutions of countries are supportive of economic freedom.	6 out of 157 countries	1 <sup>st</sup>
8	Human Development Index 2014 (United Nations)	Measures human development as a composite statistic of life expectancy, education, and income.	63 out 188 countries	2 <sup>nd</sup>
9	Social Progress Index 2015	Measures social progress as a composite of three main variables: basic needs , foundations of wellbeing and opportunity.	36 out of 132 countries	1 <sup>st</sup>
10	Democracy Index 2014 - Economist Intelligence Unit	Measures the democratic process based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture.	Full Democracy 37 out of 167 countries	1 <sup>st</sup>
11	Mercer's 2015 Quality of Living Survey	Measures quality of living based on political, economic, environmental, personal safety, health, education, transportation and other public service factors.	82nd out of 230 countries	1 <sup>st</sup>
12	Global Information Technology Report 2016	Provides a comprehensive assessment of how prepared an economy is to apply the benefits of ICT to promote economic growth and well-being.	49 out of 139 countries	1 <sup>st</sup>
13	ITU (ICT development index) - UN Agency for International Telecommunication Union	An index published by the United Nations International Telecommunication Union based on ICT indicators including access, use and skills.	74 out of 155 countries	2 <sup>nd</sup>
14	Forbes Survey of Best Countries for Business 2015	The survey uses a composite of 15 socio-economic factors to rank business environment in countries.	37 out of 144 countries	1 <sup>st</sup>
15	The Travel and Tourism Competitiveness 2015	An index published by the World Economic Forum which measures the factors that make it attractive to develop business in the travel and tourism industry of individual countries.	56 out of 141 countries	2 <sup>nd</sup>

# APPENDIX I: PRODUCTIVITY & LABOUR FORCE

## Productivity

### Box 3: Types of Productivity

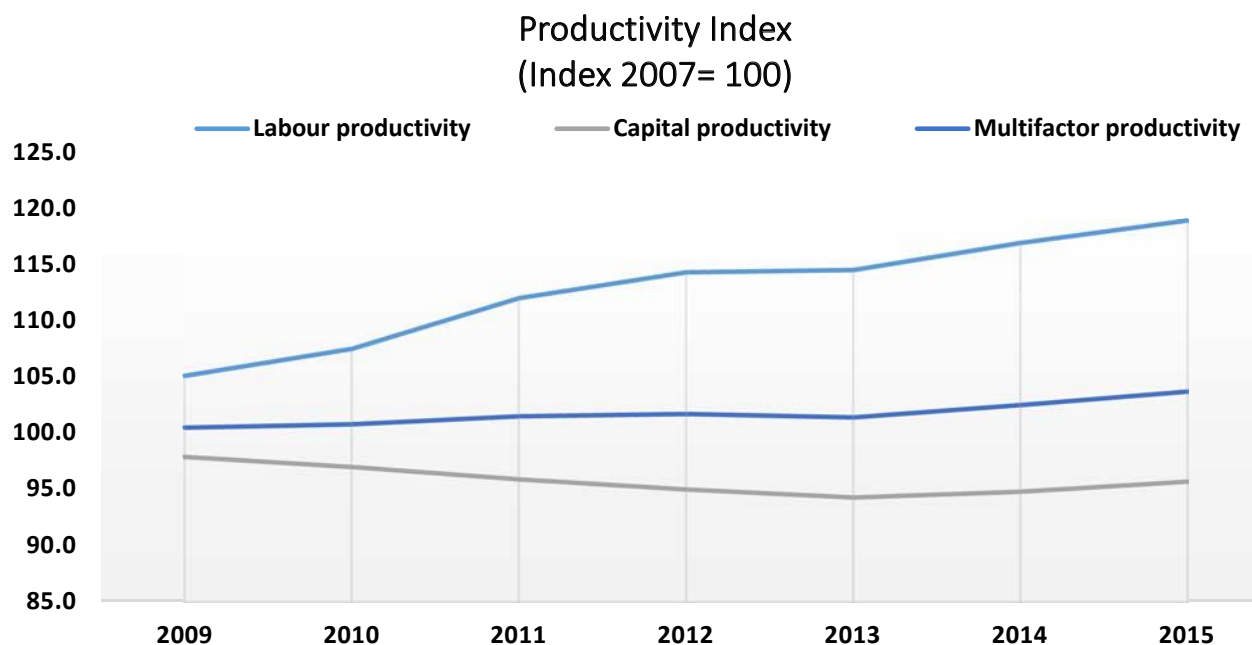
**Labour productivity** is conventionally measured as the ratio of real output to labour input.

**Capital productivity** is the ratio of real output to stock of fixed capital used in the production process.

**Multifactor productivity (MFP)** reflects many influences including qualitative factors such as better management and improved quality of inputs through training and technology. MFP index shows the rate of change in “productive efficiency” and is obtained as the ratio of output to multifactor input that is a weighted combination of labour and capital inputs.

During the period 2005 to 2015, labour productivity showed an average annual growth of 2.7 per cent and multi factor productivity increased by an average of 0.8 per cent annually.

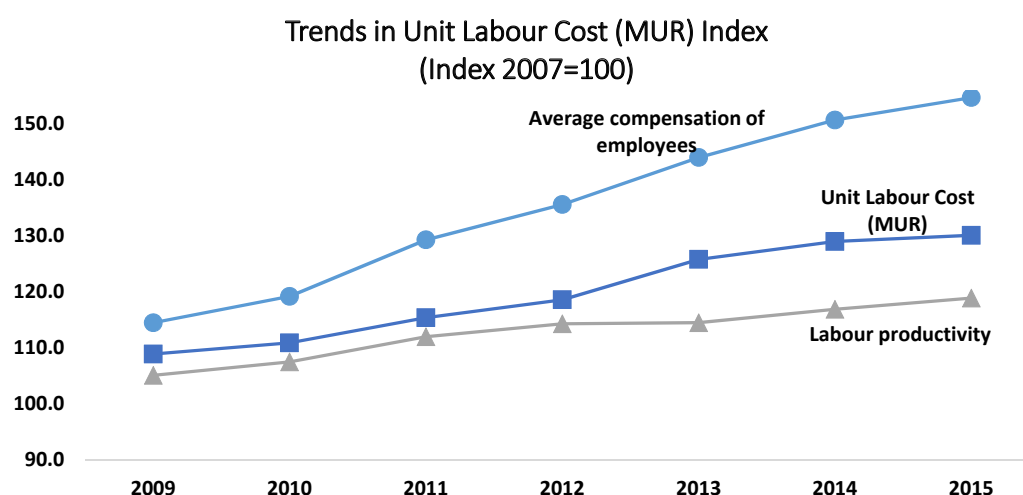
During the same period, capital productivity decreased by an average of 0.4 per cent per annum.



Source: Statistics Mauritius



Unit labour cost is affected by fluctuations in both average compensation of employees and labour productivity. In 2015, the unit labour cost, in rupees, for the economy rose by 0.9 per cent, after an increase of 2.5 per cent in 2014.



Source: Statistics Mauritius

## Labour Market

### Overview of the Mauritian Labour Market, 2015

Age group (Years)	Labour Force <sup>26</sup>			Activity Rate			Unemployed <sup>26</sup>		
	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes
16 - 19	9,900	6,100	16,000	25.3	16	20.7	3,600	3,200	6,800
20 - 24	36,000	28,500	64,500	75.3	59.6	67.5	6,300	8,100	14,400
25 - 29	35,900	29,400	65,300	91.1	74.8	83	3,100	4,800	7,900
30 - 34	40,700	29,400	70,100	94.9	67.3	80.9	1,600	3,900	5,500
35 - 39	46,300	31,900	78,200	96.7	66.9	81.8	1,400	2,500	3,900
40 - 44	39,900	27,000	66,900	96.1	65.7	81			
45 - 49	41,500	25,800	67,300	92.6	57.7	75.2			
50 - 54	42,900	23,900	66,800	91.6	50.5	71.1			
55 - 59	34,900	17,500	52,400	87.5	42.1	64.3	3,500	4,300	7,800
60 - 64	16,400	8,500	24,900	50.9	24	36.8			
65+	8,900	3,300	12,200	17.7	4.8	10.2			
<b>Total</b>	<b>353,300</b>	<b>231,300</b>	<b>584,600</b>	<b>74.8</b>	<b>46.6</b>	<b>60.4</b>	<b>19,500</b>	<b>26,800</b>	<b>46,300</b>

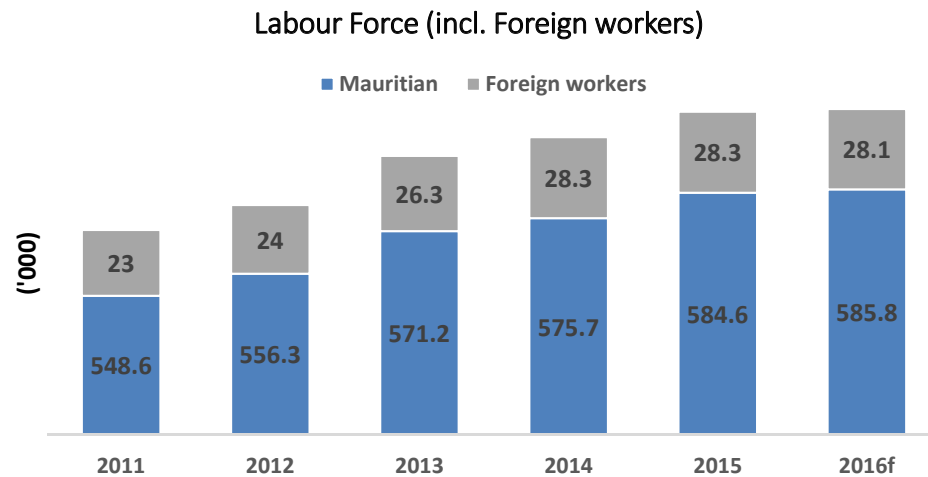
Source: Statistics Mauritius

<sup>26</sup> Figures in the table do not account for foreign workers.

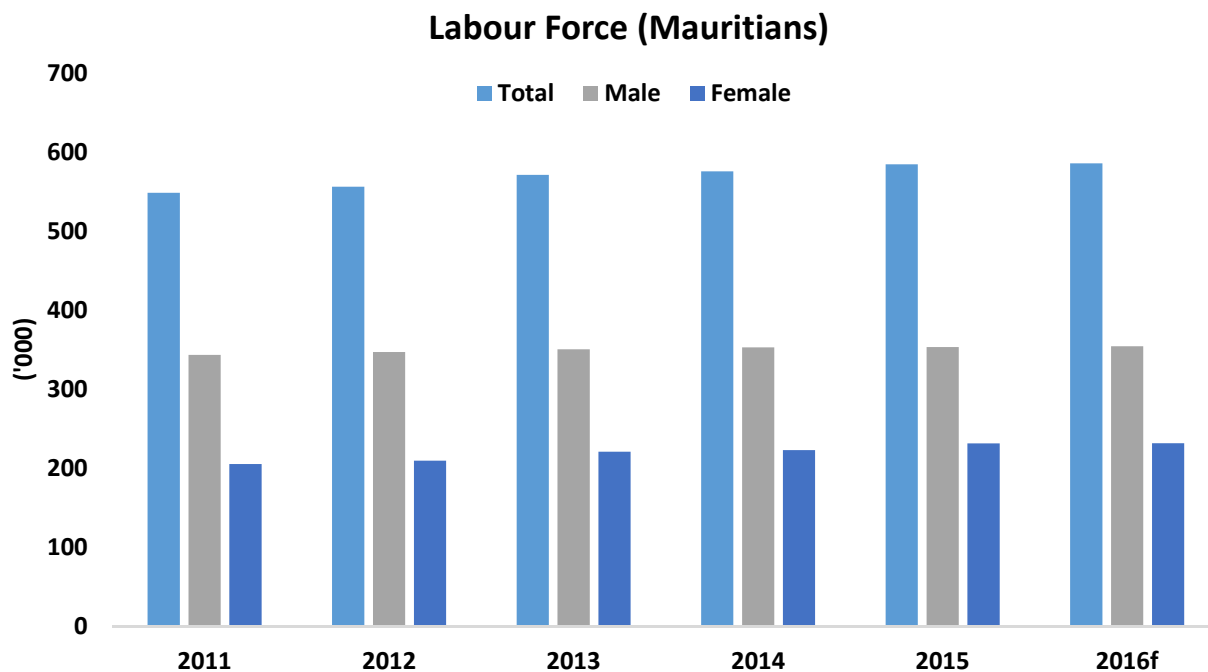
## Labour Force

The total labour force<sup>27</sup>, including foreign workers, for the year 2015 is estimated at 612,900, representing a year-on-year increase of 8,900.

From 2014 to 2015, the Mauritian Labour force increased by 9,900, while the number of foreign workers remained unchanged.



Source: Statistics Mauritius



Source: Statistics Mauritius

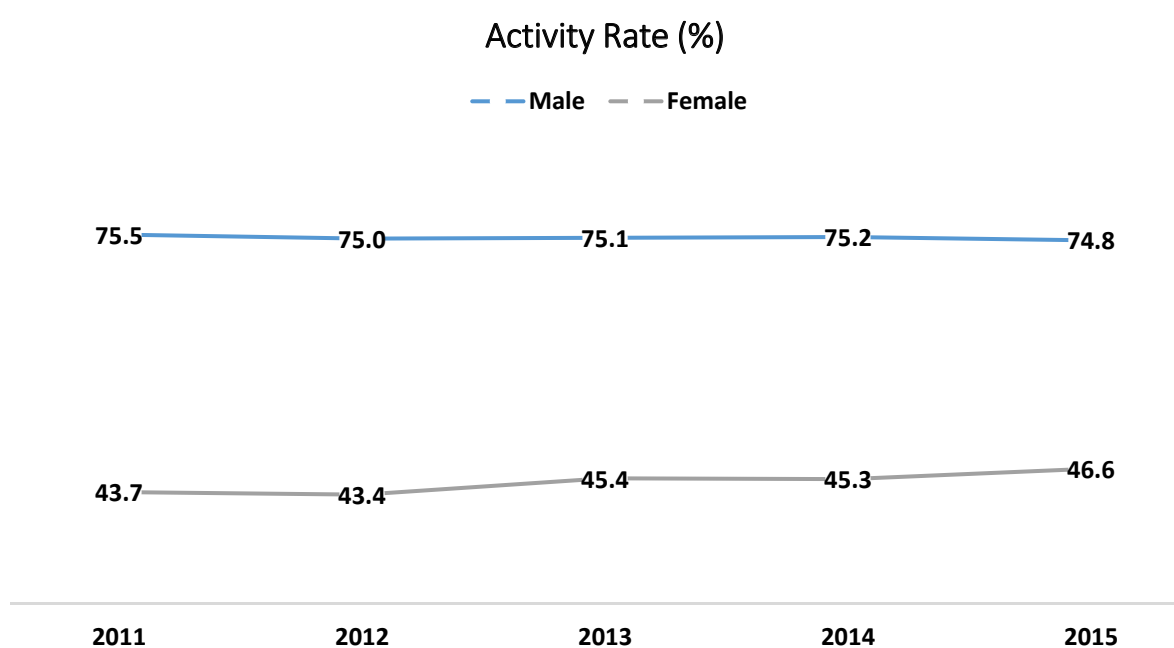
<sup>27</sup> Labour force or the active population is made up of employed and unemployed population.

## Activity Rate

In 2015, activity rate<sup>28</sup> of Mauritians increased by 0.5 per cent year-on-year to reach 60.4 per cent.

Male activity rate decreased from 75.2 per cent to 74.8 per cent while female activity rate increased from 45.3 per cent to 46.6 per cent.

As at first quarter of 2016, activity rate of the population stood at 58.8 per cent.



Source: Statistics Mauritius

## Employment

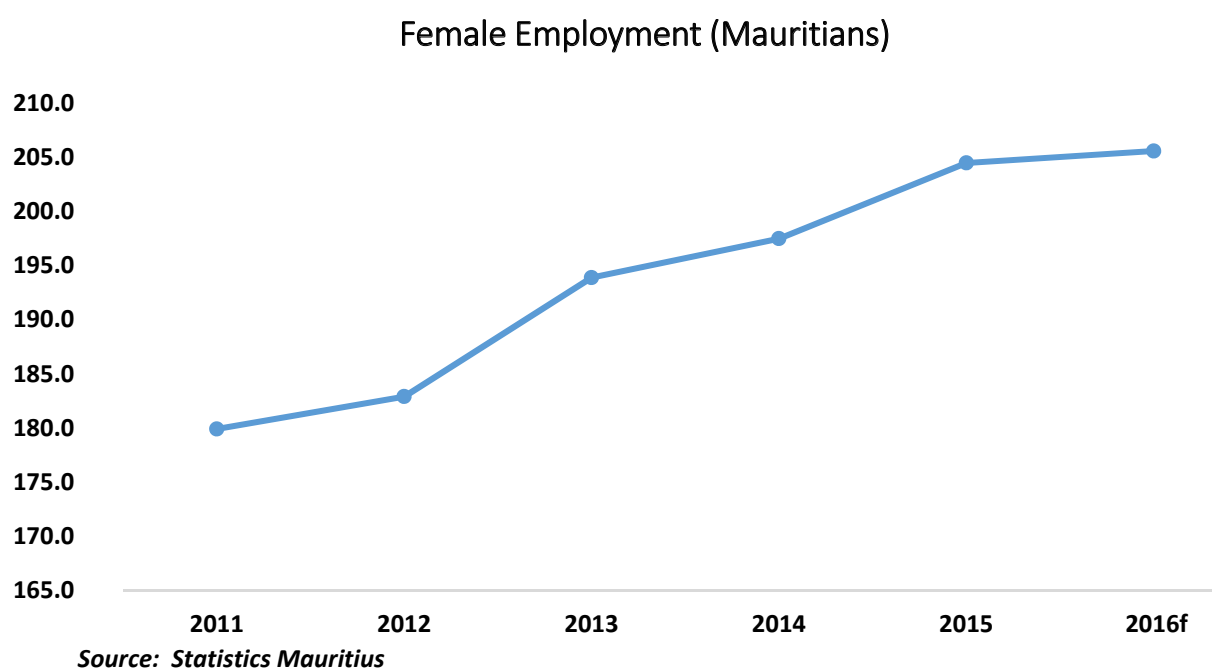
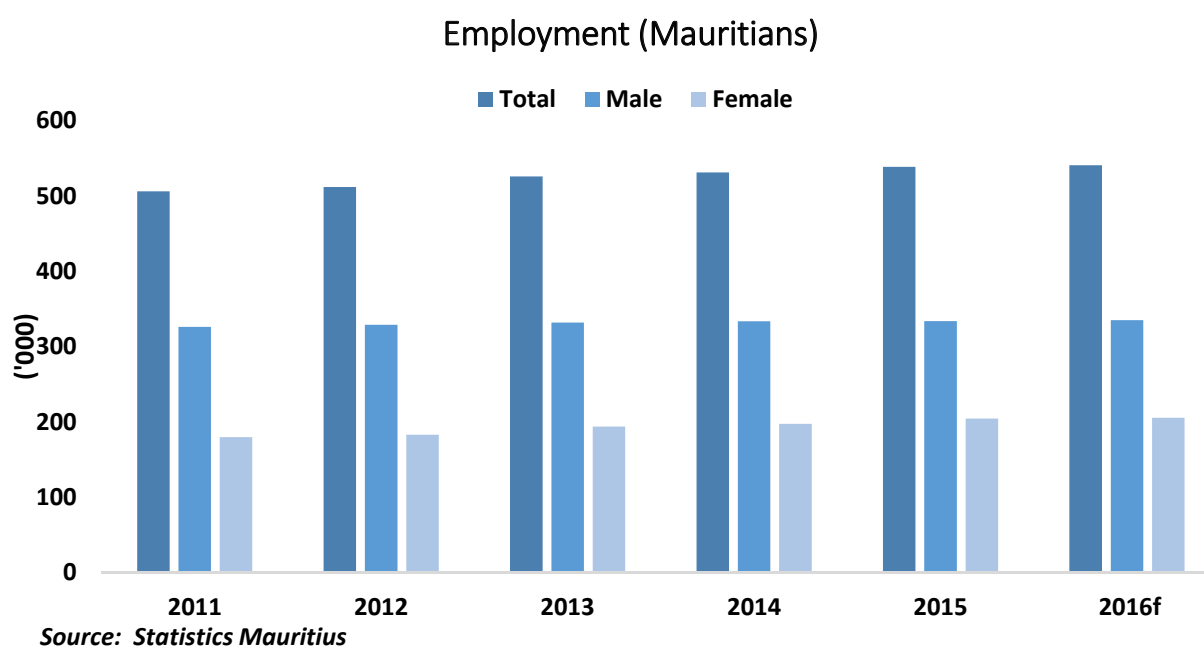
For the year 2015, the total number of employed Mauritians<sup>29</sup>, was estimated at 538,300 (333,800 males and 204,500 females), compared to 530,900 (333,400 males and 197,500 females) in 2014.

<sup>28</sup> Activity rate is the ratio (%) of labour force to population aged 16+ (active and inactive population).

<sup>29</sup> The employed population consists of Mauritians aged 16 years and above (16+) who have worked for pay, profit or family gain for at least one hour during the reference week of a month. It includes those who are temporarily absent from work for reasons such as leave with pay, leave without pay and temporary disorganisation of work (bad weather, breakdown of equipment, lack of order, etc.).

Employment of Mauritians is estimated at 528,200 at the first quarter of 2016 compared to 529,100 at the first quarter of 2015.

Employment of Mauritians is expected to increase<sup>30</sup> by 2,200 to reach 540,500 for the year 2016.



<sup>30</sup> It is to be noted that this increase represents the net change in employment level, i.e. the combined effect of employment creations and losses during the period under reference.

<b>Top Contributors to Total Employment (including foreign workers)</b>					
<b>Industry group (000s)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Manufacturing	107.5	107.4	110.9	112.2	111.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	90.2	91.6	95.2	96.6	100
Construction	47.9	48.2	48.3	46.6	46.3
Agriculture, forestry and fishing	43.4	43.2	44.2	44.9	45.3
Public administration and defence; compulsory social security	40.2	39.8	40.6	41.5	41.7
Accommodation and food service activities	37.8	38.4	39.6	40.4	41.2
Transportation and storage	30.6	31.2	32.4	33	33.4
Education	31.4	31.9	32.2	32.2	32.8
Administrative and support service activities	26.2	26.4	27.3	28.4	28.4
Human health and social work activities	19.7	19.9	19.9	20	20.7
Information and communication	16.7	17.7	18.5	19.1	19.5
Financial and insurance activities	12.4	12.9	13.4	13.8	13.9

*Source: Statistics Mauritius*

## **Unemployment**

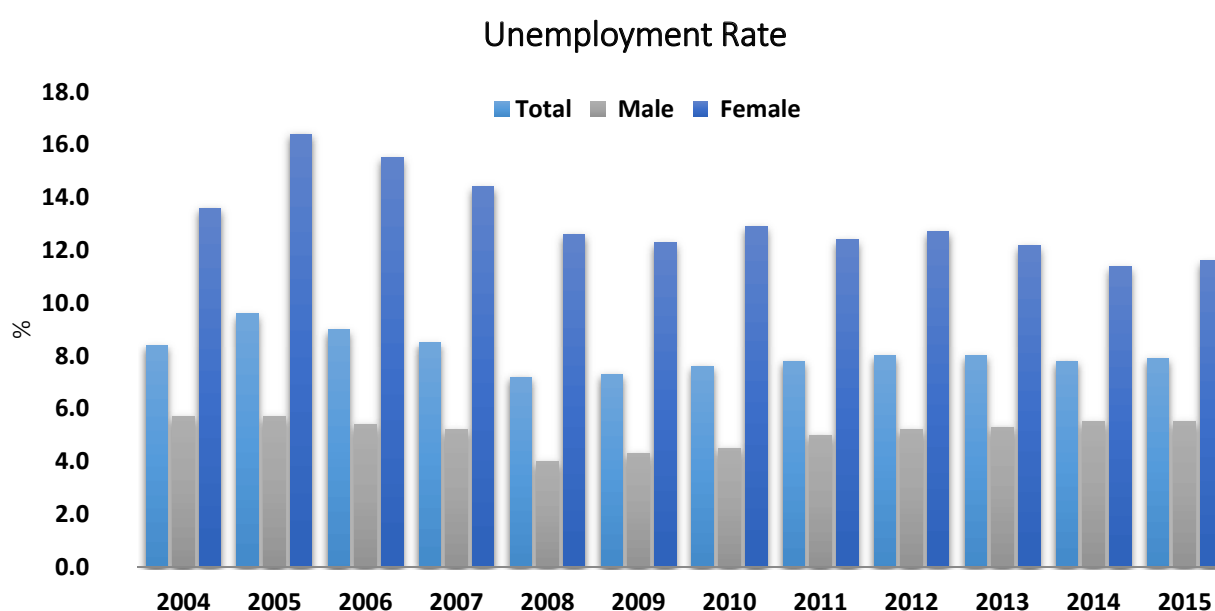
In 2015, 46,300 people were looking for jobs<sup>31</sup>, representing an increase of 1,500 (100 males and 1,400 females) from 2014.

The unemployment rate<sup>32</sup> in 2015 was estimated at 7.9 per cent compared to 7.8 per cent in 2014.

<sup>31</sup> *Unemployed population comprises all Mauritians aged 16+ who are not working but who are looking for work and are available for work during the reference period.*

<sup>32</sup> *Unemployment rate is the ratio (%) of unemployment to Mauritian labour force.*

There were 43,500 job seekers as at the first quarter 2016 and the unemployment rate was estimated at 7.6 per cent, which is lower than the 8.7 per cent observed in the first quarter 2015. Unemployment rate for year 2016 is projected at 7.7 per cent.



Source: Statistics Mauritius

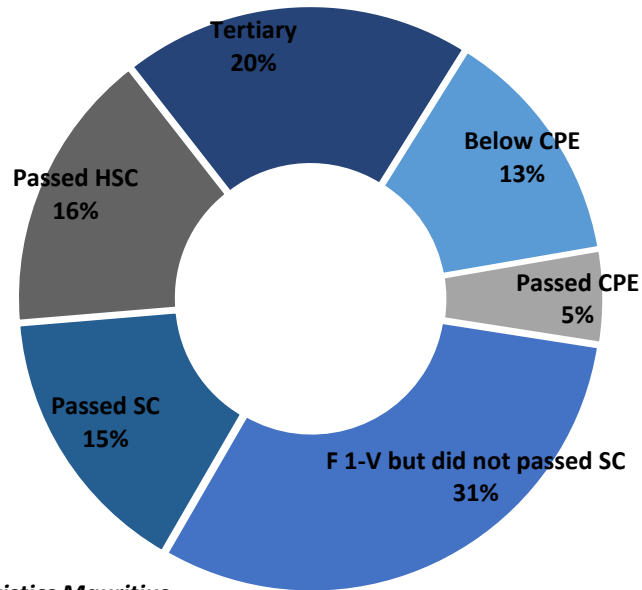
Duration of unemployment	Male	Female	Both sexes	Male	Female	Both sexes
Up to 5 months	10,700	9,700	20,400	11,500	11,800	23,300
6 to 12 months	5,900	9,200	15,100	5,300	8,900	14,200
13 to 24 months	1,800	3,600	5,400	1,900	3,700	5,600
25 & More	1,000	2,900	3,900	800 <sup>33</sup>	2,400	3,200
<b>Total</b>	<b>19,400</b>	<b>25,400</b>	<b>44,800</b>	<b>19,500</b>	<b>26,800</b>	<b>46,300</b>

Source: Statistics Mauritius

<sup>33</sup> Estimates have been worked out from data collected at the CMPHS. They are inevitably subject to sampling variability since they are based on information collected from a sample of households rather than all households. Figures should be used with caution as they are based on few observations.

## Educational attainment of Jobseekers

Educational attainment of Jobseekers in 2015



Source: Statistics Mauritius

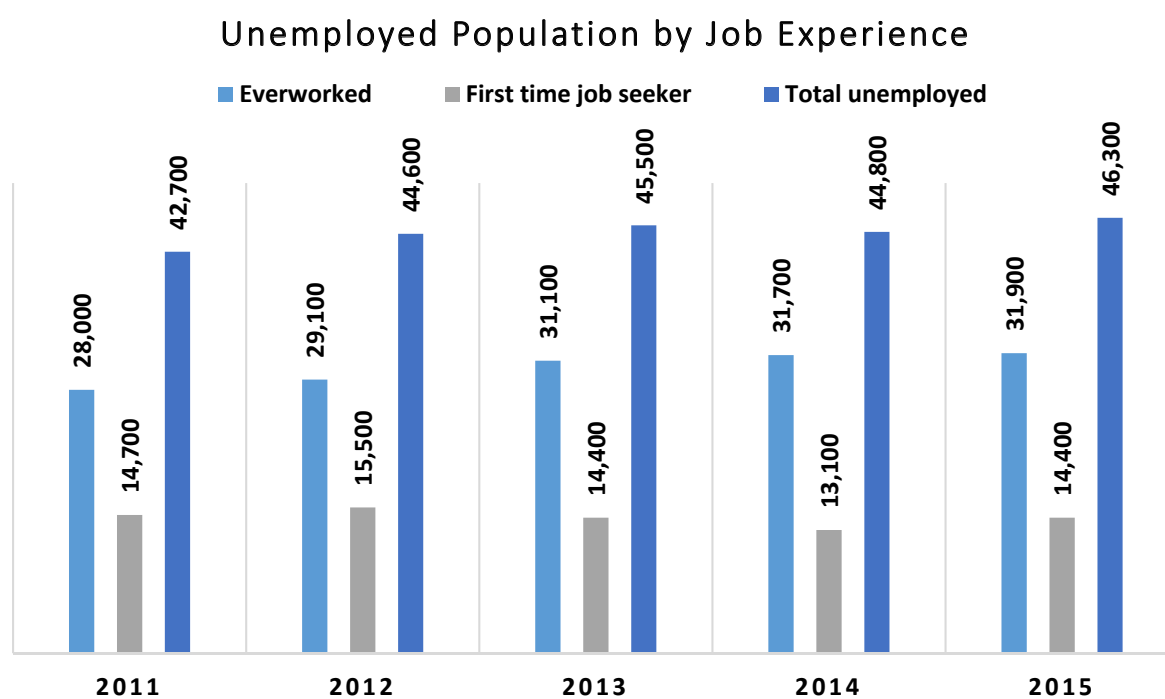
Around 6,200 (13 per cent) had not reached the Certificate of Primary Education (CPE) or equivalent and a further 14,300 (31 per cent) had not completed the Cambridge School Certificate (SC) or equivalent.

Educational attainment of Jobseekers	2015		
	Male	Female	Both sexes
Below CPE	2,800	3,400	6,200
Passed CPE	1,000	1,400	2,400
F 1-V but not passed SC	6,900	7,400	14,300
Passed SC	2,700	4,400	7,100
Passed HSC	2,700	4,600	7,300
Tertiary	3,400	5,600	9,000
<b>Total</b>	<b>19,500</b>	<b>26,800</b>	<b>46,300</b>

Source: Statistics Mauritius

Jobseekers with tertiary education					
	2011	2012	2013	2014	2015
Certificate	1,800	2,400	2,600	2,500	2,400
Diploma	900 <sup>34</sup>	1,400	1,600	1,700	2,100
Degree & above	2,700	2,900	3,300	3,600	4,500
<b>Total</b>	<b>5,400</b>	<b>6,700</b>	<b>7,500</b>	<b>7,800</b>	<b>9,000</b>

Source: Statistics Mauritius



Source: Statistics Mauritius

### Youth Unemployment

In 2005, the youth unemployment rate<sup>35</sup> was around 26.1 per cent. It dropped to 19 per cent in 2008, before rising again to reach 26.3 per cent in 2015.

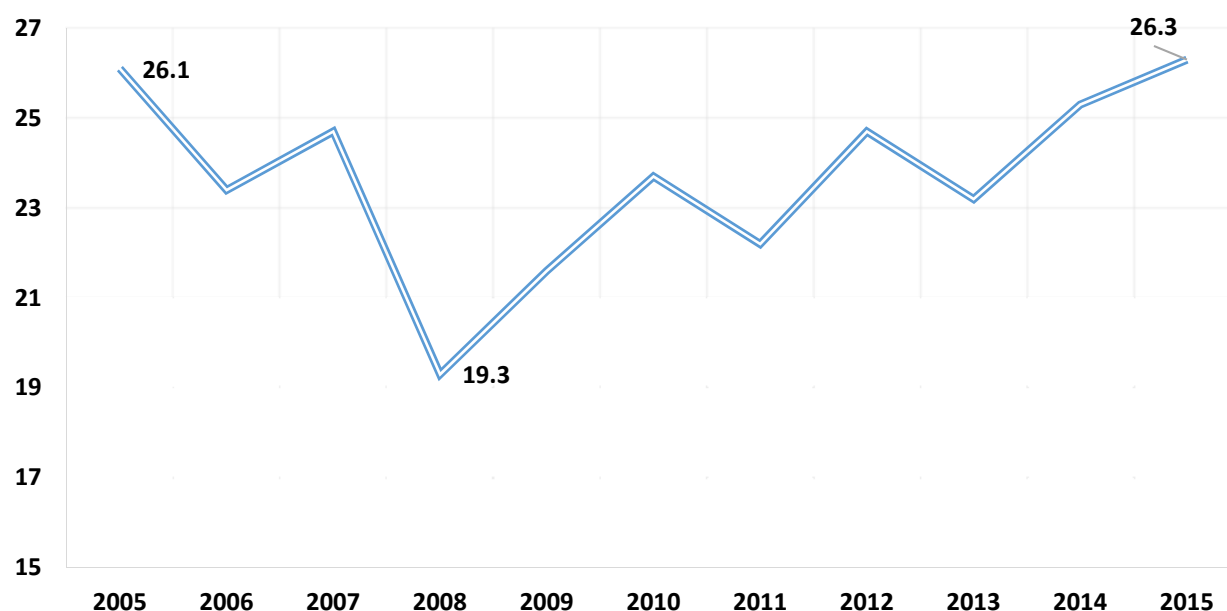
<sup>34</sup> Estimates have been worked out from data collected at the CMPHS. They are inevitably subject to sampling variability since they are based on information collected from a sample of households rather than all households. Figures should be used with caution as they are based on few observations.

<sup>35</sup> The youth population is defined as those people aged between 16 and 24 years. The youth unemployment rate is the proportion of the youth labour force that is unemployed.



For the first quarter of 2016, 43 per cent of job seekers were aged between 16 and 24 years.

Trend in Youth unemployment rate, %



Source: Statistics Mauritius

Youth (16-24 years) Unemployed and Unemployment rate by sex						
	Unemployment			Unemployment Rate (%)		
	Male	Female	Both sexes	Male	Female	Both sexes
<b>2010</b>	8,000	9,200	17,200	19.2	29.6	23.7
<b>2011</b>	7,500	8,700	16,200	17.8	28.2	22.2
<b>2012</b>	8,400	10,100	18,500	19.4	32	24.7
<b>2013</b>	7,900	9,700	17,600	17.6	31.2	23.2
<b>2014</b>	9,000	10,500	19,500	19.7	33.3	25.3
<b>2015</b>	9,900	11,300	21,200	21.6	32.7	26.3

Source: Statistics Mauritius

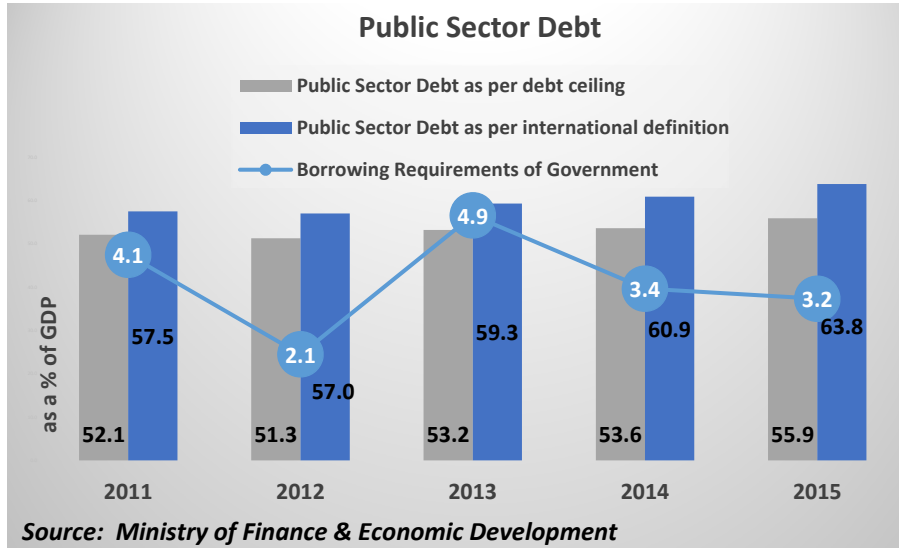
## Vacancies

<b>Number of vacancies notified in the Press and in the EIC<sup>36</sup> in the top sectors</b>					
<b>Industrial Group</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Manufacturing	10,285	10,165	9,522	10,769	6,201
Construction	5,620	6,129	3,348	5,654	4,895
Wholesale & retail trade; repair of motor vehicles, motorcycles & personal and household goods	3,484	3,419	2,524	2,850	2,973
Hotels & restaurants	3,152	2,219	1,635	1,641	2,040
Real estate, renting & business activities	3,736	4,146	3,931	4,270	5,231
Information technology	2,124	1,318	1,767	980	1,334
<i>source: Ministry of Labour, Industrial Relations and Employment</i>					

<sup>36</sup> EIC: Employment Information Centres

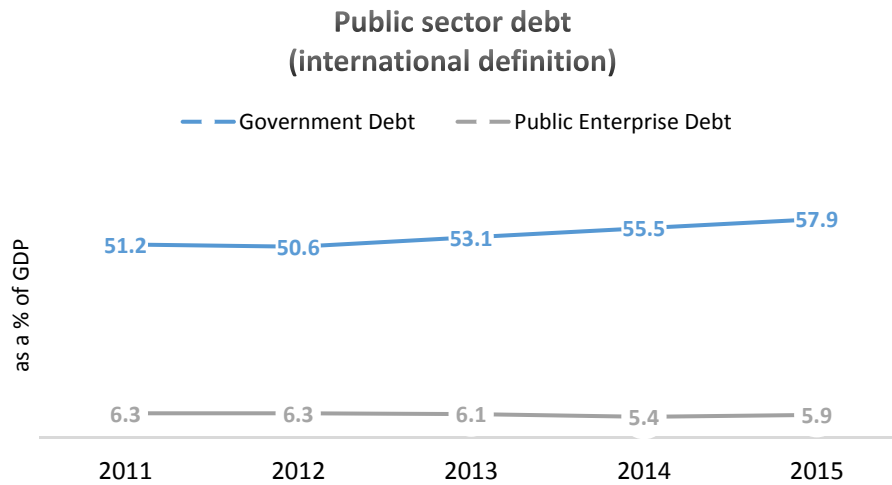
# APPENDIX II: PUBLIC DEBT

## Overview



For the purpose of debt ceiling, the following have to be considered:

- Debt of public enterprises is discounted as per guidelines set within the *Public Debt Management Act 2008*;
- Long term debt liabilities with regards to the *IMF Special Drawing Rights (SDR)* are excluded from budgetary central government external debt;
- Government securities issued for mopping up excess liquidity are excluded.



Source: Ministry of Finance & Economic Development

#### Box 4: Public Debt Management Act

The Public Debt Management Act 2008 defines public sector debt as any debt incurred through the raising of loans, issue of securities, overdrafts or any other means by Government – both central and local, Rodrigues Regional Assembly, public enterprises and agencies.

The Act also sets out the objectives of the public debt management strategy, which are:

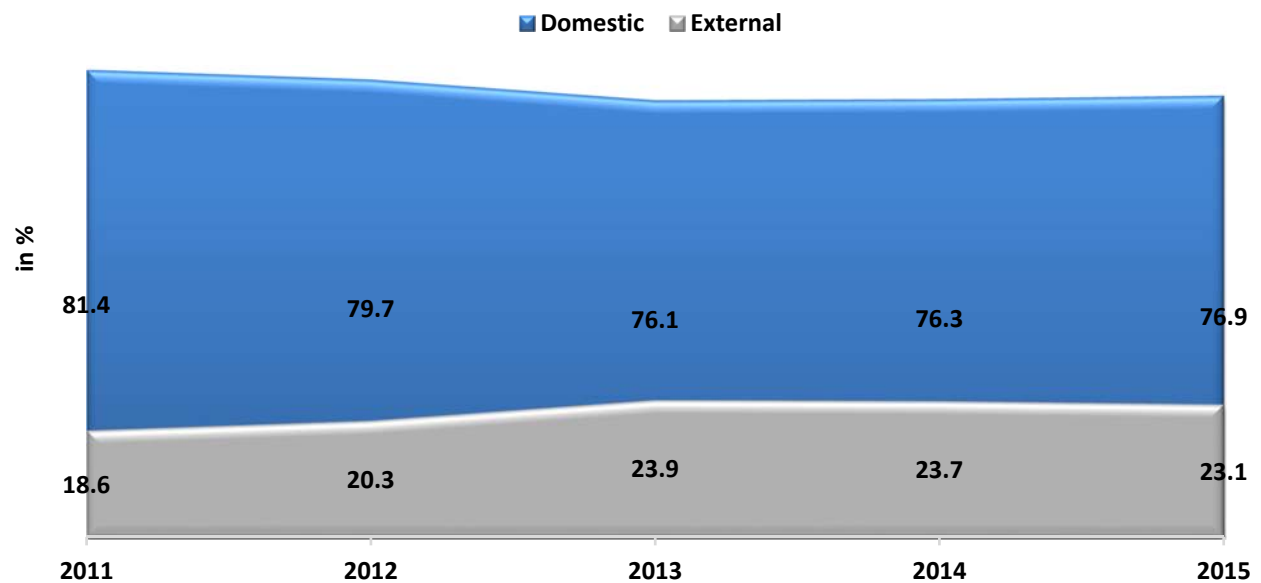
- meet the borrowing needs of Government in a manner that avoids market disruption;
- minimise the cost of the debt portfolio within an acceptable level of risk; and
- support the development of a well-functioning market for Government securities.

In addition, the Act stipulates that total outstanding amount of public sector debt shall, at the end of each fiscal year, not exceed 60 per cent of GDP at current market prices for that year. Also, it requires that the level of public debt be reduced to 50 per cent by end 2018. However, these requirements do not apply in the following circumstances:

- in the case of natural disasters or other emergencies where exceptional expenditure is required;
- when a large investment project in the public sector is deemed to be timely and prudent; or
- when a fiscal stimulus is required to boost economic development.

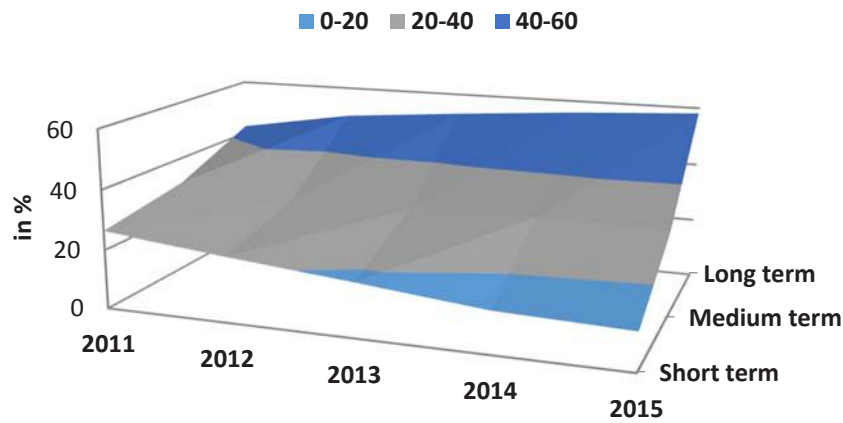
## Composition and Structure

### Composition of Government Debt



Source: Ministry of Finance & Economic Development

### Maturity Structure of Government Domestic Debt



Source: Ministry of Finance & Economic Development

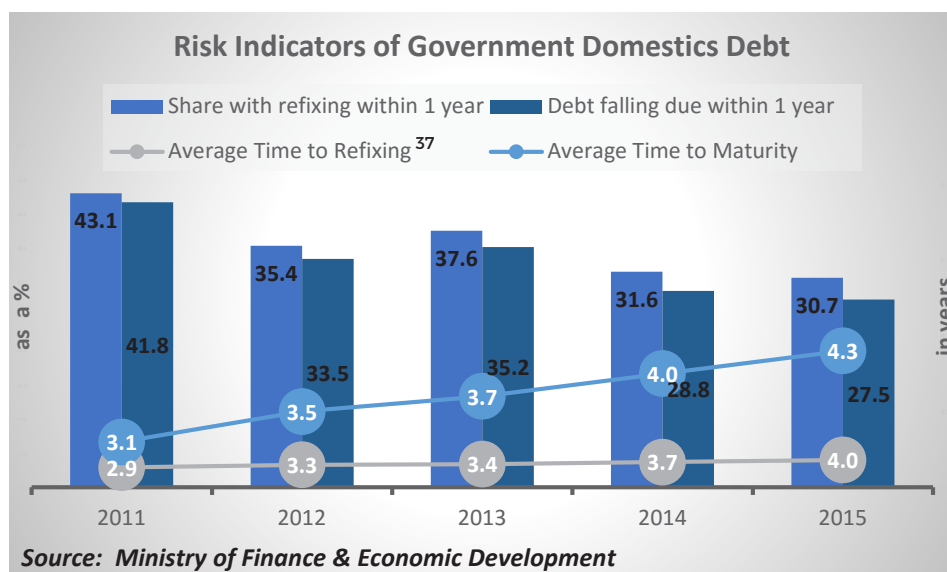
The share of short-term debt was reduced from 26.3 per cent in 2011 to 12.7 per cent by end-2015.

In parallel, the share of medium-term debt was brought down from 31.1 per cent in 2011 to 29.1 per cent by end 2015.

### Risk Management

Over the past years, the risk profile of the public debt portfolio has steadily improved.

Average time to maturity of Government domestic debt rose from 3.1 years to 4.3 years during the five year period 2011 to 2015.



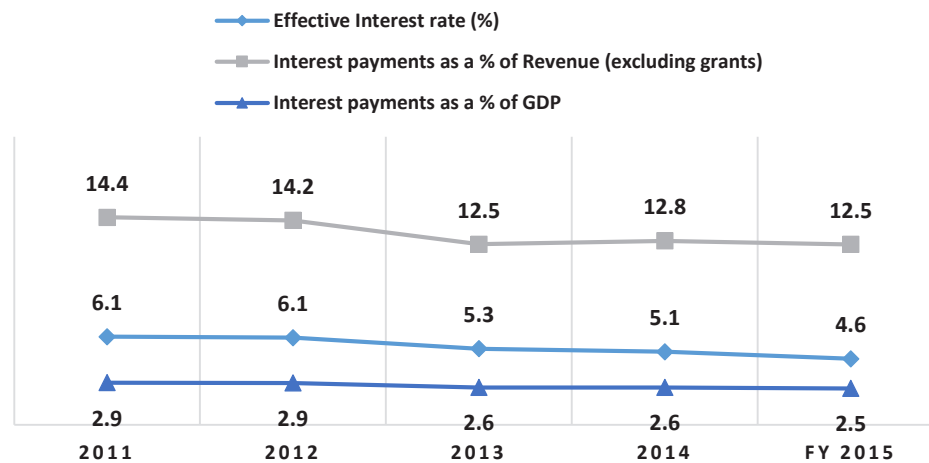
Source: Ministry of Finance & Economic Development

<sup>37</sup> The average time to refixing is a measure of weighted average time until all the principal payments in the debt portfolio become subject to a new interest rate.

The share of short-term debts, that is those due within 1 year, fell from 41.8 per cent in 2011 to 27.5 per cent in 2015.

External public debt comprises mostly of bilateral and multilateral loans with an average maturity of seven years.

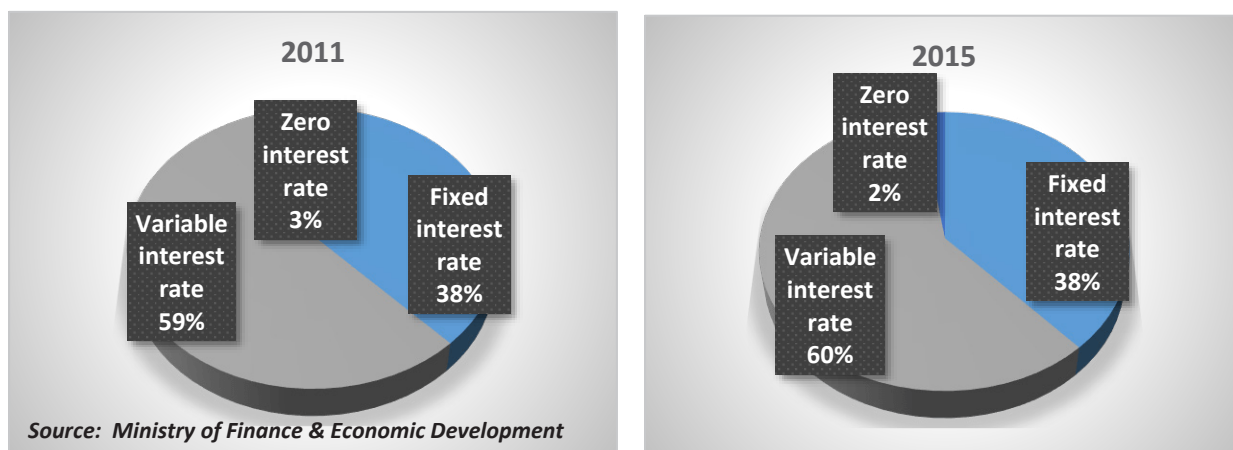
### Cost Indicators of Public Debt



Source: Ministry of Finance & Economic Development

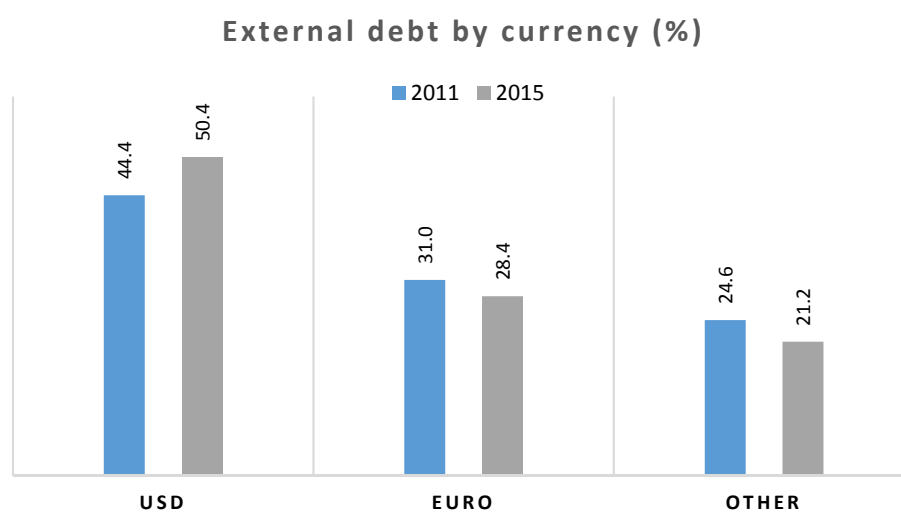
The cost of public debt portfolio decreased from 2011 to 2015. This was reflected in declines in the effective interest rates as well as interest payments as a percentage of GDP and as a percentage of revenue, excluding grants.

### PUBLIC SECTOR EXTERNAL DEBT BY INTEREST RATE



Source: Ministry of Finance & Economic Development

The currency composition of Government external debt broadly reflects the currency composition of export proceeds of the island economy.

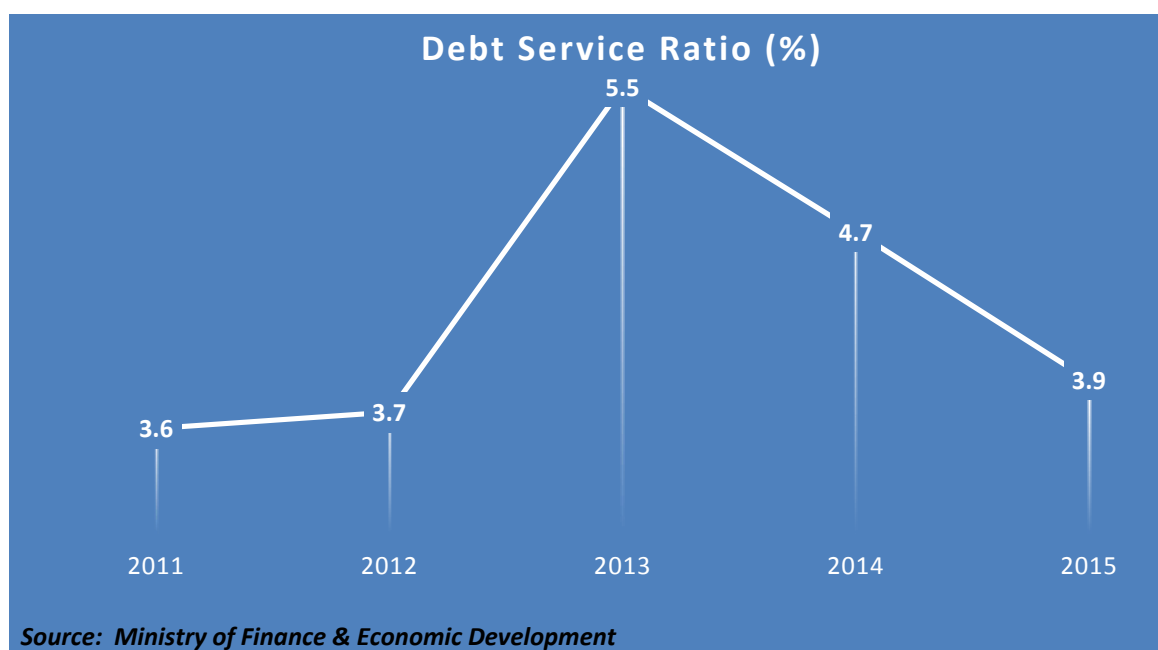


Source: Ministry of Finance & Economic Development

## Debt Service Ratio

After a high of 5.5 per cent in 2013, debt service ratio<sup>38</sup> fell to 3.9 per cent in 2015.

The increase in 2013 is primarily attributable to a change in the methodology used for the computation of external debt levels of the private sector.



Source: Ministry of Finance & Economic Development

<sup>38</sup> Debt service ratio is computed as the ratio between total external debt servicing and exports of goods and non-factor services. Total external debt includes external capital and interest repayments of government, public enterprises and the private sector.