

U.S. Country Commercial Guides



Mauritius 2020

Doing Business in Mauritius

Market Overview

Mauritius is a small island nation with a population of 1.3 million people. It has one of the most successful and competitive economies in Africa with Gross Domestic Product (GDP) of \$14.18 billion and per capita Gross National Income (GNI) of \$12,740 in 2019. According to the International Monetary Fund, real GDP growth for 2019 is estimated at 4 percent and projected to fall to negative 6.8 percent in 2020 due to the Covid-19 effect on the global economy. Mauritius consistently does well on the World Bank's Doing Business report and, for the 12th consecutive year, the 2020 report ranks Mauritius first among African economies (13th worldwide) in overall ease of doing business.

The most important sectors of the Mauritian economy are textiles, tourism, financial and business sevices, information and communication technology, seafood processing, real estate development, energy, and education/training. The government of Mauritius (GoM) is emphasizing innovation as the basis for long-term growth. Mauritius claims an exclusive economic zone (EEZ) of 2.3 million square kilometers and has aspirations for the ocean economy to play a significant role in its economic development. Before Covid-19, authorities planned to stimulate economic growth in five areas: Serving as a gateway for investment into Africa, increasing the use of renewable energy, developing smart cities, growing the blue economy, and modernizing infrastructure, especially public transportation, the port, and the airport. Due to the pandemic, however, the government's focus in 2020 will be to rebuild existing sectors. Economists predicted that tourism and manufactured exports would be the hardest hit sectors.

Most bilateral trade between Mauritius and the United States is from Mauritius to the United States, particularly textiles under the African Growth and Opportunities Act (AGOA). Total two-way trade between Mauritius and the United States was valued at \$444 million in 2019. Mauritian exports to the United States totalled \$357 million in 2019 and the United States is currently the second-largest export market for Mauritius, behind the United Kingdom, receiving 10.8 percent of total Mauritian exports. Mauritius' main exports to the United States are textiles and apparel, precious stones/jewelry, processed fish, live primates, sunglasses, and cane sugar. Mauritius imported \$87 million in goods from the United States in 2019. The principal U.S. exports to Mauritius include industrial/agricultural machinery, liquefied butane and propane, precious stones/jewelry, medical instruments, turkey, almonds, and aircraft parts. Mauritius' main sources of imported goods are India, China, South Africa, and France.

Mauritian exports are eligible for preferential access to markets of: i) the South African Development Community (SADC), ii) the Common Market for Eastern and Southern Africa (COMESA), iii) the Indian Ocean Commission (IOC – preferences to Madagascar only), iv) Europe (under the EU-East Africa Interim Economic Partnership Agreement), v) the United States (under AGOA), vi) Japan, Norway, Switzerland, the United States, and the Customs Union among Belarus, Kazakhstan and Russia under the Generalized System of Preferences (GSP), vii) Turkey under the Mauritius-Turkey Free Trade Agreement, and viii) Pakistan under the Mauritius-Pakistan Preferential Trade Agreement. The Mauritian government and the People's Republic of China completed negotiations for a free trade agreement in September 2018. The agreement has been signed by both countries but will not go into effect until ratified. Mauritius also signed an agreement with the UK in January 2019 to safeguard trade preferences it currently enjoys under the interim Economic Partnership Agreement (iEPA) with the European Union. The new agreement, known as the UK-ESA EPA, is expected to enter into force on January 1, 2021. Negotiations for a preferential trade agreement with Indonesia and a Comprehensive Economic Partnership Agreement (CECPA) with India are ongoing. Furthermore, Mauritius and four other countries in the COMESA region launched negotiations to broaden the iEPA in October 2019. The Continental Free Trade Agreement, which Mauritius has ratified, entered into force on May 30, 2019.

Market Challenges

There are no legal barriers for U.S. firms entering the Mauritian market, but the small size of the Mauritian market (1.3 million people) and the vast distance (10,000 miles) between Mauritius and the United States makes it a less common market for U.S. products. Additionally, U.S. firms entering the Mauritian market must contend with established European, South African, and Asian competitors.

The government controls key utility services, including electricity, water, waste water, postal services, and television broadcasting. The State Trading Corporation controls imports of non-basmati rice, wheat flour, and petroleum products, while the Agricultural Marketing Board controls imports of potatoes, onions, corn, and some spices that compete with locally grown produce. There are no laws providing a preference for Mauritian goods and services. However, some government tenders require local partners or importers or a minimum domestic content of 30 percent wherever possible. In the 2020 budget speech, the finance minister announced that quotas will be imposed to protect and promote the "Made in Mauritius" brand. He also announced that a minimum shelf space of 10 percent would be imposed in supermarkets for locally manufactured goods and a margin of preference of 20 percent would be offered on government procurement to all local manufacturing companies and 30 percent for manufacturing SMEs.

Market Opportunities

The best opportunities for U.S. firms are in renewable and clean energy, franchising, energy efficient building design and equipment, medical equipment and healthcare services, drugs/pharmaceuticals, safety/security equipment, the film industry, port handling equipment, ocean-related industries and services, hotel and restaurant equipment, agricultural/industrial machinery and technology, telecommunications and information technology, and consultancy services.

Agricultural and food sector opportunities include wheat, crude vegetable oil, corn/soybean for animal feed, bio-farming technology, food processing technology and seeds (potato, onion, and other vegetables).

Market Entry Strategy

- Partnering with a locally established agent or distributor is strongly recommended, especially when bidding for large government projects.
- The Embassy's Economic/Commercial Section offers a variety of services designed to help U.S. firms develop their market entry strategy and facilitate their export experience in Mauritius. Visit the Embassy website at https://mu.usembassy.gov/ and click on the Business tab.
- The Mauritius chapter of the American Chamber of Commerce helps both American and Mauritian businesses increase trade and investment. More information, including contact information, can be found on their website at http://amcham-mauritius.com/.
- Embassy Port Louis partners with the U.S. Commercial Service in Johannesburg, South Africa. For a more comprehensive list of commercial services available to U.S. businesses, visit their website at https://www.trade.gov/let-our-experts-help-0.

Leading Sectors for U.S. Exports and Investment

Agricultural Sectors

This is a best prospect industry sector for this country.

Overview

Mauritius is a net food importer, with an overall self-sufficiency ratio of less than 30 percent. Due to its limited size, the absence of economies of scale, and the comparative advantage of sugarcane in economic terms, Mauritius imports many of its essential food requirements. In 2019, food imports accounted for \$1.1 billion, representing 20 percent of total Mauritian imports. France was the leading source of Mauritian food imports with a market share of 14 percent, followed by South Africa (8 percent), India (8 percent), Spain (6 percent) and Australia (6 percent). Products imported included rice, meat and fish, certain fruits (oranges, mandarins, and grapes), pulses, milk and dairy products, fresh and frozen vegetables, coffee, tea and spices, cereals, oil, beverages, wheat, and food preparations. Mauritius also imports some items to produce animal feed, such as corn and oil cake and solid residues from soybean oil extraction, mostly from Argentina.

The government plans to promote the local production of food crops, agro-processing, and smart agriculture to improve food security in Mauritius. In the 2020-2021 budget, the government announced the development of a National Agri-Food Development Program that aims to reduce dependence on imports. It was also announced that a centralized land bank would be set up to supply land for agricultural production. Customs duty on imported sugar was increased from 80 percent to 100 percent. A major issue in Mauritius is the excessive use of pesticides by farmers. Over the past few years, the government has been supporting planters in a bid to promote organic farming.

Unit: USD Thousands	2017	2018	2019	2020 (Estimate)
Total Value of Local Agricultural Production	NA	NA	NA	NA
Total Exports	828,314	734,061	698,790	628,891
Total Imports	1,201,158	1,127,868	1,110,991	999,892
Imports from the U.S.	6,519	6,525	7,352	7,352
Total Market Size	-	-	-	-
Exchange Rates	35.30	34.62	36.04	40.00

(total market size = (total local production + imports) - exports)

Data Sources: i) Statistics Mauritius, ii) Embassy Estimates for 2019

Leading Sub-Sectors

Leading sub-sectors include:

- · Wheat
- · Crude edible oil
- · Corn and soybean residue for animal feed
- Processed foods and inputs for organic farming

. Agricultural processing technologies

Opportunities

Wheat

Mauritius traditionally imports wheat from France and Australia. In 2019, Mauritius imported 154,078 metric tons of unmilled wheat valued at \$44 million, mainly from France and Germany. Mauritius imported 50,000 metric tons of wheat from the United States for the first time in 2007-8 due to a poor crop in its traditional markets. There may be future opportunities here, but U.S. exporters would need to compete with French and Australian wheat, particularly in terms of price and freight availability. Les Moulins de la Concorde, the only flour mill in Mauritius, has shown interest in U.S. wheat, particularly the Hard Red Spring and Hard White varieties.

Crude Edible Oil

Mauritius imports 100 percent of its edible oil requirements, traditionally from Argentina. In 2019, Mauritius imported 23,095 metric tons of crude soybean oil, crude sunflower oil and palm olein, worth \$17 million. Of this, crude soybean oil accounted for 55 percent, sunflower oil comprised 17 percent, and palm olein amounted to 28 percent. There are two refineries for edible oil operating in Mauritius, which supply 90 percent of the market with refined edible oil. The remaining 10 percent is supplied by importers of refined edible oil and sold directly to supermarkets. The local refineries negotiate their purchase with large producers such as Nidera and Dreyfuss on a cash-against documents-basis. To get a share of this market, U.S. suppliers must compete with Argentina and South East Asian countries such as Malaysia and Indonesia on price and freight availability.

Corn/Sovbean Residue for Animal Feed

In 2019, Mauritius imported 118,961 metric tons of corn and 50,845 metric tons of oil-cake and other solid residues resulting from the extraction of soybean oil as inputs for its livestock feed factories. The total grain requirement valued at \$45 million is traditionally imported mainly from Argentina and Paraguay. The two animal feed factories in Mauritius have indicated that they would consider imports from the United States if they were competitive in terms of freight and price. U.S. trade associations, such as the U.S. Grain Council, would need to undertake long-term market development efforts with the local animal feed manufacturers.

Processed Foods and Inputs for Organic Farming

Food habits of Mauritians have been changing over the past few years with consumers placing more emphasis on quality and food safety. The range of organic products and convenience foods available in supermarkets is expanding. Furthermore, concerns about pesticides are driving consumers to buy branded bio products. This has led to a sharp increase in imports of processed foods. There are thus opportunities for more U.S. processed food products to enter the market if they can compete with imports from South Africa, China, Malaysia and Europe. Prospects also exist for procurement of organic farming inputs in light of incentives offered by Government to promote bio farming.

Agricultural Processing Technologies

As an upper-middle income economy looking to move into hi-tech and value-added activities, Mauritius has potential to tap into opportunities offered by agricultural processing technologies. The government is focused on revamping the agricultural and manufacturing sectors and has identified specialty processed foods and superfoods as potential areas for export growth. U.S. companies that manufacture agricultural equipment could find a market for their products, particularly in light of incentives like the investment tax credit of fifteen percent over three years for investment in high-tech machinery.

Biotechnology

This is a best prospect industry sector for this country.

Overview

The biotech industry in Mauritius is young but growing. Since 2014, several companies have operated at a dedicated BioPark with modern infrastructure for biotechnology research and development. Governmental organizations such as the Mauritius Research Council, the Center for Biomedical & Biomaterials Research, and the Food and Agricultural Research & Extension Institute support the budding biotechnology industry through their research. There are currently 25 companies employing about 1,275 people in the biotech sector (excluding medical devices and manufacturing of pharmaceuticals). These companies are involved in different types of activities such as clinical trials, breeding of primates for export, production of fish oil and manufacture of biofuels. The table below, updated as of 2020, provides further details on the industry in Mauritius:

Sub-Sector	Number of Companies	Company		
Red Biotechnology (Medical)				
Contract Research Organizations (Clinical Trials)	5	 Insight Research Centre International de Developpement Pharmaceutique (CIDP) CAP Research Centre D'Etude Clinique Clinear Research 		
Breeding for Contract Research	4	BiosphereLes TamariniersNoveprimBioculture		
Analytical Laboratories/Research Laboratories	4 Blue Biote	 Laboratoire International de Bio Analyse Quantilab Axonova Simplissima technology (Marine)		
Fish oil extraction & production and extraction of molecules from by-products for different applications	2	Marine Biotechnology ProductsBioseanergy		

Sub-Sector	Number of Companies	Company		
Grey Biotechnology				
Production of landfill gas for energy generation and conversion of organic waste into compost	1	• Sotravic		
White Biotechnology (Industrial)				
Production of ethanol	1	Omnicane		

Source: Economic Development Board

Leading Sub-Sectors

Leading sub-sectors include:

- Pre-clinical and clinical trials
- Breeding for pre-clinical trials
- Stem cell therapy
- Phytotherapy research and development
- Agro-industry applications
- Marine biotechnolgy

Opportunities

The government has indicated a commitment to develop the biotech industry. In August 2019, the new Industrial Property bill, which consolidates different elements of industrial property (patents, utility models, layout-designs of integrated circuits, breeder's rights, industrial designs, marks, trade names, and geographical indications) was enacted. The 2019 act also makes provision for Mauritius to adhere to the World Intellectual Property Organization (WIPO) administered treaties, such as the Patent Cooperation Treaty (PCT) for the international registration of patents, the Hague Agreement for the international registration of industrial designs, and the Madrid Protocol to facilitate the registration of trademarks. In the 2020-2021 budget, the government announced the following measures to promote biotechnology: (i) investment tax credit of 15 per cent over three years; (ii) double deduction on costs incurred to comply with international quality standards and norms, and (iii) exemption on registration duty for immoveable property acquired for development of activities related to the life sciences sector.

There are opportunities for:

- U.S. companies to export lab supplies and biotechnology equipment
- Setting up pre-clinical and clinical trial labs
- Research and development in plant-based and marine-based pharmaceuticals
- Research and development for agro-industry applications

Energy

This is a best prospect industry sector for this country.

Overview

The government's energy policy encourages the use of renewable and clean energy to reduce the country's dependence on fossil fuels and decrease greenhouse gas emissions. The government has announced plans to increase use of renewable sources of energy for electricity generation from the current 22 percent to 40 percent by 2030. It aims to do this through wind farms, solar energy, biomass, wave, and waste-to-energy projects. Bagasse (sugarcane waste) is currently the leading source of renewable energy (88 percent). Mauritius derives its other renewable electricity generation from hydro, wind, landfill gas, fuelwood, and solar.

The Central Electricity Board (CEB), which falls under the aegis of the Ministry of Energy and Public Utilities, is the sole agency for transmission, distribution, and sale of electricity in Mauritius. CEB currently produces about 48 percent of the country's total power requirement from four thermal power stations and 10 hydroelectric plants. The remaining 52 percent is purchased from independent power producers, mainly private generators from the sugarcane industry using bagasse and imported coal.

The government seeks international competitive bidding for most of its power projects and favors joint ventures between the local private sector and international firms. However, in 2017, the CEB Act was amended to allow CEB (Green Energy) Co Ltd, a wholly owned subsidiary of the CEB, to participate in power projects without having recourse to public procurement. The aim of CEB (Green Energy) Co Ltd is to promote the development of renewable energy, particularly solar energy.

In his 2020 budget speech, the finance minister announced the following projects: (i) setting up a 2 MW floating solar PV plant at Tamarind Falls reservoir, (ii) increasing the capacity of the solar PV farm at Henrietta from 2 MW to 10 MW, (iii) installing 1,000 solar panels on houses of low-income families, and (iv) commissioning a battery energy storage system of 14 MW. To promote the use of renewable energy, it was also announced that a Medium-Scale Distributed Generation Scheme for a maximum of 10 MW would be introduced to enable beneficiaries to produce electricity for their own consumption and sell the excess to CEB. Up to 25 MW of rooftop solar for residential and public buildings would be opened as well.

The GoM has also been undertaking legal and institutional reforms in the energy sector. In 2016, the government created the Mauritius Renewable Energy Agency (MARENA) to promote the use of renewable energy in Mauritius. Under a co-funding agreement between UNDP-Green Climate Fund and SADC-PPDF, MARENA has hired Estudios Energeticos Consultores S.A. to establish a "National Grid Code and Development of Standards, Funding and Incentive Strategy for Renewable Energy in Mauritius" by October 2020. The project will include recommendations on norms and standards for renewable energy technologies as well as standards for the accreditation of installers, technicians, and professionals in the sector. In 2016, the government officially launched the Utility Regulatory Authority (URA) to regulate electricity, water, and wastewater, but the entity was not fully functional until 2019. In August 2019, the URA launched its three-year strategic business plan with the assistance of the Africa Development Bank and the African Legal Support Facility. The Energy Efficiency Act provides for product labeling and importation of energy efficient equipment, and the Building Control Actof 2011 aims to improve energy efficiency in building design. In December 2018, the Smart Grid Roadmap for Mauritius was launched to help the CEB integrate new technologies in the power system that will enhance reliability, safety, and security.

Unit: USD Thousands	2017	2018	2019	2020 (Estimate)
Total Local Production	-	-	-	-

Total Exports	-	-	-	-
Total Imports (Equipment - Renewable Energy)	3,926	20,244	5,241	4,500
Imports from the U.S. (Equipment – Renewable Energy)	217	0	97	100
Total Market Size	-	-	-	-
Exchange Rates	35.30	34.62	36.04	40.00

(total market size = (total local production + imports) - exports)

Data Sources: i) Statistics Mauritius, ii) Embassy Estimates for 2020

Leading Sub-Sectors

- · Photovoltaic cells and technology
- · Solar energy technology for solar water heaters
- · Waste-to-energy plant for burning solid waste
- · Pumping of cold sea water for air conditioning
- Wind turbines
- · Liquefied Natural Gas (LNG) projects
- · Green building design services and equipment
- · Energy efficiency projects and energy audits

Opportunities

Solar Technology: Much of Mauritius receives almost year-round, intensive sunlight that makes solar photovoltaic (PV) energy an attractive energy option. To achieve the target of 40 percent renewable energy by 2030, Mauritius plans to commission six more solar farms. As of mid-2020, the total capacity committed for solar stood at 125.5 MWdc, of which 105 MWdc is owned by the private sector. The government's Home Solar Project, which includes the installation of 10,000 roof-top solar panels, was inaugurated in 2018. A loan of \$10 million from the Abu Dhabi Fund for Development and the International Renewable Energy Agency (IRENA) is being used to implement this project.

Waste-to-Energy: Mauritius produces about 500,000 tons of solid waste per year and its only landfill site is nearly full. Accordingly, in 2016 CEB issued a Request for Proposals for a 24 MW waste-to-energy project. In his 2018 budget speech, the prime minister announced plans for a 20-plus MW waste-to-energy project. A bid invitation was launched in 2018 but the tendering process for the project was unsuccessful. The project was announced once again in the 2019-2020 budget speech.

Wind and Wave Energy: The CEB has signed two Energy Supply and Purchase Agreements with two foreign firms for wind farm projects. The first project for 9 MW was completed in 2016 by French company Quadran in joint venture with a local partner. The second project of 29 MW, involving Indian firm Suzlon in joint venture with a local partner stalled amid legal problems and allegations of fraud. Preliminary research carried out by the Mauritius Research Council (MRC) shows potential for the development of offshore wind farms, as well as

wave energy, in the waters of Mauritius and Rodrigues. In 2015, Australian company Carnegie Wave Energy Ltd. signed a Collaboration Agreement with MRC to explore opportunities for commercial wave energy plants and experiments are ongoing. In 2016, the Embassy in collaboration with MRC organized a workshop on offshore wind energy with an expert from U.S. company General Electric. In 2017, MRC issued an Expression of Interest for consultants with experience in the development of offshore wind farms and has, to date, garnered 40 interested bidders. In 2018, Italy signed a memorandum of understanding to provide up to \$2.3 million to co-finance activities, including the promotion of tidal energy and the establishment of a pilot tidal energy project.

Energy Efficiency/Green Building: As part of a general move away from fossil fuel-generated energy, opportunities exist for energy efficiency, audit, management, and advisory projects targeting large energy consumers. The Building Control Act 2011 provides opportunities for consultancy services in designing "green" buildings and supplying related equipment and materials. Energy efficiency is now one of the main criteria in the design of public buildings and in rental of private buildings.

Battery Storage: In 2018, two grid-scale Battery Energy Storage Systems (BESS) of 2MW were installed, enabling high capacity storage of renewable energy. In the 2019-2020 budget speech, the prime minister announced that Mauritius will launch tenders for an additional 14MW in battery storage systems to stabilize the network. This was announced again in the 2020-2021 budget speech.

Deep Ocean Water Application (DOWA) Project: Deep Ocean Water Application (DOWA) projects are often known in the United States as "O-tech" or Sea Water Air Conditioning (SWAC). Local company Sotravic, through its subsidiary Urban Cooling Ltd, is developing a project to pump cold sea water from a deep ocean current into downtown Port Louis for air conditioning. Sotravic retained U.S. company Makai Ocean Engineering to carry out the feasibility study and the conceptual design of the project. In October 2016, Sotravic conducted offshore marine surveys to enable the company to proceed with the design and construction. In 2017, Urban Cooling obtained an Environmental Impact Assessment License for the project. In addition to air conditioning, Sotravic is considering the next phase of the project, which could involve using cold ocean water for bottling, aquaculture, seaweed cultivation, pharmaceutical, and cosmetic products.

Liquefied Natural Gas (LNG): In 2017, the Ministry of Energy issued an international call for proposals for consultancy services for a feasibility study for liquefied natural gas. In 2018, the Central Electricity Board launched a tender for the design, supply, installation, testing, and commissioning of a combined cycle gas turbine (CCGT) power plant. The project stalled due to financing issues. The governments of Mauritius and Madagascar have reportedly held high-level discussions in 2019 to discuss cooperation regarding the supply of LNG. In the 2019 budget speech, the prime minister announced the setting up of a regional value chain for LNG as well as partial financing for the CCGT project.

Partnering with Mauritian Firms in Africa: Several Mauritian firms are currently involved in or investigating renewable energy projects, particularly hydropower and PV solar farms, in Kenya, Rwanda, Burundi, Madagascar, and Ghana. U.S. firms could partner with Mauritian companies to implement energy projects on mainland Africa with the support of Power Africa. Launched in 2013, Power Africa is a market-driven, U.S. Government-led public-private partnership created to double access to electricity in sub-Saharan Africa. It offers private sector entities the tools and resources needed to do business in Africa's power sector. In 2016, the Electrify Africa Act institutionalized Power Africa. More information can be found via the Power Africa toolbox and <a href="https://doi.org/10.1001/journal.org/10.1001

Medical Equipment

This is a best prospect industry sector for this country.

Overview

Public hospitals are free in Mauritius, but there are also several private clinics. Mauritius' healthcare infrastructure includes five major regional public hospitals, four specialized public hospitals, two public district hospitals, 19 private clinics and hospitals, and 30 medical laboratories. At the end of 2019, there were 4,402 beds in both public and private facilities. In 2019, Mauritius imported close to \$28 million worth of medical equipment, mainly from Germany (14 percent), China (12 percent), the United States (12 percent), South Africa (11 percent) and Japan (7 percent). In 2019, there were six medical device manufacturers in Mauritius, employing about 806 people. Most local production is exported to France (53 percent), India (31 percent) and the United States (5 percent).

Unit: USD Thousands	2017	2018	2019	2020 (Estimate)
Total Local Production	24,079	26,857	30,438	31,960
Total Exports	25,870	30,129	34,403	36,123
Total Imports	23,812	26,887	27,960	30,756
Imports from the U.S.	2,951	4,221	3,451	3,451
Total Market Size	22,021	23,615	23,995	26,593
Exchange Rates	35.30	34.62	36.04	40.00

(total market size = (total local production + imports) - exports)

Data Source: i) Statistics Mauritius, ii) Economic Development Board, iii) Embassy Estimates for 2020

Leading Sub-Sectors

- · Cancer Center Equipment
- Ear, Nose, Throat (ENT) Hospital Equipment
- · Eye Hospital Equipment
- · Medical Imaging (MRI, CT and X-Ray) and Diagnostic Equipment
- · Surgical Equipment
- · Orthopedics Supplies and Artificial Parts of the Body
- Dialysis Equipment
- · Laboratory Equipment
- · Dental Surgery and Dentofacial Orthopedics
- · Healthcare IT Solutions

Opportunities

Mauritius has a well-developed health system. About 73 percent of the health needs of the population are catered by public health institutions and 27 percent by the private sector. Non-communicable diseases, such

as cardiovascular diseases, diabetes, cancer, and chronic respiratory diseases account for 85 percent of total mortality in Mauritius every year.

New cancer and ear-nose and throat (ENT) hospitals are currently under construction, with finanacial assistance from India. Bids for linear accelerators and other equipment for the cancer center are expected to be issued later this year. In the 2020-2021 budget speech, the finance minister announced that construction of a new eye hospital and a teaching hospital will begin in October 2020 and early 2021, respectively. The government budget also makes provision for new renal transplant unit, a new national laboratory, a warehouse for storage of medicines and a national laboratory information management system. All these projects will generate demand for a range of medical equipment and software.

In the past few years, the government of Mauritius has promoted shifts in the healthcare sector to develop high-value activities like hi-tech medicine, medical tourism, and medical education. In 2018, the most recent statistics available, Mauritius attracted more than 12,500 foreign patients for treatment in specialty areas such as cosmetic surgery and procedures, imaging, cardiology, fertility treatment, and ENT. The main source countries are Madagascar, France, Reunion, and Comoros.

There are potential opportunities for establishing:

- · Specialized diabetes research and treatment centers;
- · Specialized centers for elderly care and rehabilitative medicine;
- · Specialized centers for novel treatments stem-cell therapies;
- · Plastic reconstructive surgery clinics;
- · Clinics for dental surgery and dentofacial orthopedics; and
- · Convalescence and pain clinics providing specialized care to patients suffering from acute and chronic conditions.

The medical device manufacturing industry has also seen sustained growth over the last few years. Due to the preferential market access that Mauritius enjoys with the EU, leading medical devices manufacturers (mostly from France and Germany) have established operations here. The main items manufactured in Mauritius for exports include angioplasty catheters, stents, cardiovascular and oncology implants, artificial skin, ophthalmic implants, bone implants and substitutes, orthopaedic implants and dental implants. To attract more medical device manufacturing companies, the government offers a number of incentives, including tax holidays for eight years, three percent corporate tax on profits derived from exports, value-added tax on raw materials reimbursable on exports, investment tax credit of fifteen percent over three years for investment in hi-tech machinery, and air and sea freight rebate for exports.

Pharmaceuticals

This is a best prospect industry sector for this country.

Overview

As of mid-2019, there were 386 registered private drugstores and 33 registered pharmaceutical wholesalers in Mauritius. Pharmaceutical products can only be imported by wholesalers licensed by the Pharmacy Board, which operates under the aegis of the Ministry of Health and Quality of Life. Of the \$130 million of pharmaceuticals imported in 2018, the Health Ministry accounted for about 25 percent of the import value. The government purchases mostly generic medications through tenders issued throughout the year according to an established annual procurement plan. The private hospitals and drug stores tend to buy branded products through local wholesalers. In 2019, India remained the main supplier of pharmaceuticals to Mauritius, with 28 percent of the market, followed by France (15 percent), Germany (8 percent), United Kingdom (7 percent) and South Africa (6 percent). Imports from the United States in 2018 were one percent of the total, but some European imports originate from U.S. subsidiaries. Ajanta Pharma, an Indian company, is currently the only pharmaceutical-manufacturing company in Mauritius.

Unit: USD Thousands	2017	2018	2019	2020 (Estimate)
Total Local Production	4,731	4,686	4,578	4,500
Total Exports	32,192	33,541	31,250	31,000
Total Imports	113,574	130,260	144,569	159,026
Imports from the U.S.	1,620	2,782	1,948	2,000
Total Market Size	150,497	101,405	117,897	132,526
Exchange Rates	35.30	34.62	36.04	40.00

(total market size = (total local production + imports) - exports)

Data Source: i) Statistics Mauritius, ii) Economic Development Board, iii) Embassy Estimates for 2020

Leading Sub-Sectors

The main categories of pharmaceutical products imported into Mauritius:

- Non-antibiotic medicines
- · Vaccines (human and veterinarian)
- Antibiotics
- Anti-infective, antiretroviral and antihypertensive drugs
- · Cardiovascular drugs
- Cytotoxic drugs
- · Antidiabetics
- Renal drugs
- Opioids, antituberculosis, ophthalmic, dermatological and NICU drugs

Opportunities

Since Mauritius imports the majority of its pharmaceuticals, there are opportunities for U.S. products to increase their share of the market. Private pharmaceutical wholesalers represent the best export opportunities

since they import about 75 percent of the total pharmaceutical products in Mauritius. Government procurement tends to favor generic medicines. Some private clinics occasionally do their own procurement.

U.S. companies could also consider manufacturing pharmaceuticals in Mauritius for the African market. As a member of SADC and COMESA, exports from Mauritius to members of these organizations benefit from duty-free access, provided the rules of origin are met. The government offers a tax holiday of eight years, three percent corporate tax on profits derived from exports, investment tax credit for investment in hi-tech manufacturing, and air- and sea-freight rebates on exports for new companies involved in the manufacturing of pharmaceuticals.

Port Expansion and Bunkering

This is a best prospect industry sector for this country.

Overview

As the country's sole maritime gateway, Port Louis harbor plays a vital role in the national economy. It handles about 99.5 percent of the total volume of external trade, equivalent to 8.1 million tons of cargo annually, and directly contributes two percent to Mauritius' GDP. The Mauritius Ports Authority (MPA) regulates and controls the port sector and manages port infrastructure, related facilities, and equipment. The Cargo Handling Corporation (CHC) Ltd is responsible for the management of all port handling operations pertaining to containers and general cargo.

The government actively promotes the ocean economy and sees the Port as a potential container transshipment hub in the region. Since commencing operations in 1999, the container terminal has experienced steady growth in container trade as well as a moderate growth in transshipment trade. In October 2017, the new container terminal with an extended quay length of 800 meters and a dredged depth of 16.5 meters was inaugurated. As a result of the extension works, the capacity of the terminal increased from 550,000 TEUs (Twenty-Foot Equivalent Unit) to around 1 million TEUs. Port Louis is now one of the deepest ports in the southwest Indian Ocean, capable of handling container vessels with a draft of about 15.0 meters and a capacity of 12,000 TEUs.

To cater for container traffic beyond 2025, MPA has proposed the development of an island container terminal with a capacity of 1.5 Million TEUs. The project would, in effect, require the building of a manmade island just off the current container terminal. The MPA also plans to construct a breakwater structure to create a tranquil basin at the container terminal. The aim is to work towards a public-private partnership deal for both projects, which combined are valued at \$835 million.

Port handling equipment is imported. Five gantry cranes were supplied by South Korea and the United Arab Emirates, and most of the forklifts, lifts, and skip hoists were imported from China, the United States, and France. In March 2016, the Cargo Handling Corporation issued an expression of interest for consultancy services for the procurement of two post panamax ship-to-shore cranes, six rubber-tire gantry cranes, and associated equipment. This equipment was acquired from China in 2017. The Cargo Handling Corporation has also recently upgraded the NAVIS operating system currently used for container handling and has invested heavily in security around the terminal. In the 2019-2020 budget, the prime minister announced that the Cargo Handling Corporation will acquire one additional ship-to-shore crane along with associated equipment at the cost of \$21.4 million. This equipment was acquired from China in 2019.

Unit: USD Thousands	2017	2018	2019	2020 (Estimate)
Total Local Production	-	-	-	-
Total Exports	1,771	332	1,972	1,700
Total Imports	37,098	14,724	26,680	15,000
Imports from the U.S.	539	286	126	100
			2.5	
Total Market Size	35,327	14,392	24,708	13,300
Exchange Rates	35.30	34.62	36.04	40.00

(total market size = (total local production + imports) - exports)

Data Sources: i) Statistics Mauritius, ii) Embassy Estimates for 2020

Leading Sub-Sectors

- Gantry cranes
- · Forklifts/trucks with handling equipment
- Loading and unloading machinery
- · Land reclamation equipment and services
- · Onshore and offshore bunkering
- Construction of an island container terminal and breakwater
- Container terminal technology

Opportunities

Island Container Terminal and Breakwater Structure

The Mauritius Ports Authority (MPA) has commissioned a techno-economic feasibility study on the construction of an island container terminal opposite the existing container terminal in order to cater for container traffic beyond 2025. In 2018, port operations were stopped for a total of 24 days because of cyclones and swells at berth. This caused losses amounting to about \$68 million for the trading community. The MPA looks to resolve this issue by constructing a breakwater structure. The consultancy contract for the Preliminary Technical Study and Design of Island Terminal and Breakwater Structure at Port Louis was awarded to Royal HaskoningDHV at the price of 1,494,253 euros in October 2017. The study was financed by a grant from the African Development Bank and was completed in January 2019. The Techno-Economic Feasibility Study carried out by Royal HaskoningDHV confirmed the feasibility of the project. According to the MPA, the government or the MPA will finance the basic infrastructure while the private developer will be responsible for constructing and equipping the berths.

Construction of Petroleum Jetty and Supply of Bunker Fuel

Mauritius is strategically located on the east-west route in the Indian Ocean, linking Africa and Asia, as well as Pacific Ocean shipping reached via the southern route around South Africa. This presents opportunities for offering bunkering services. A significant liberalisation of the Mauritian bunker market was undertaken in 2014 with government incentives provided through reduction and removal of charges and duties and an improved process for issuing of licenses and import permits. Bunkering services are carried out year round by six local suppliers, namely: Indian Oil (Mauritius) Ltd, Vivo Energy Mauritius Ltd, Total Mauritius Ltd, Engen (Mauritius) Ltd, Taylor Smith Bunkering, and Bomin (Mauritius) Ltd. Three grades of bunker fuel, namely MGO (DMA), IFO 180 cst (RME), and IFO 380 cst are currently available in Port Louis. The MPA has allocated land in the port area to private developers for the construction of additional storage facilities, which will increase the storage capacity from its current level of 145,000 metric tons to over 200,000 metric tons. In the June 2019 budget speech, the prime minister announced a series of measures to boost the bunkering sector. These include: (i) a four year tax holiday on income derived from bunkering of low sulphur heavy fuel oil; (ii) refurbishment of storage facilities to cater for low sulphur heavy fuel oil; and, (iii) allowing ship-to-ship bunkering.

The government plans to develop Mauritius into a petroleum and bukering hub and it has been announced that a petroleum jetty will be built in the north western part of the island. This will require the construction of tanks with a total storage capacity of 500,000 metric tons and a jetty of a total length of 600 meters with a draft of 20 meters.

Customs, Regulations and Standards

Trade Barriers

There is no known tariff or non-tariff discrimination against U.S. companies.

For more information and help with trade barriers please contact:

International Trade Administration Enforcement and Compliance (202) 482-0063 ECCommunications@trade.gov

Import Tariffs

Mauritius has a relatively streamlined trade regime and over the past several years the government has taken steps to liberalize trade by lowering import tariffs over a wide range of products. Import tariffs are levied as specific tariffs and advalorem tariffs. The advalorem tariffrates currently range from zero to 30 percent, while the number of tariff bands currently stands at five (zero, five, 10, 15, and 30 percent). Customs Duties are normally imposed on the CIF (Cost, Insurance, and Freight) value of imported goods. Vehicles, petroleum, alcoholic drinks, and cigarettes are subject to excise duties. With some exceptions, goods imported into Mauritius are also subject to a 15 percent Value Added Tax (VAT). The tariff rates for different types of goods are listed in the Customs Tariff Schedule.

Import Requirements and Documentation

Importers must submit the following documents:

- · Bill of lading/airway bill
- · Bill of entry
- Invoice
- Packing list
- · Insurance certificate (if applicable)
- · Certificate of origin (if applicable)

Other relevant documents/permits that may be required by government agencies (such as health, agriculture, veterinary services)

Exporters are required to submit the following documents:

- Bill of lading
- · Bill of entry
- · Invoice
- · Packing list
- · Insurance certificate (if applicable)
- Export permit (if applicable)
- · Certificates of origin for exports to the European Union, United States (under AGOA), countries of the
 - Common Market for Eastern and Southern Africa (COMESA), the Southern African Development
 - o Community (SADC), and the Indian Ocean Commission (IOC)

Guidelines for submission of applications for import permits as well as a list of goods subject to import permits are posted at the <u>Ministry of Industry</u>, <u>Commerce and Consumer Protection's web site</u>.

Labeling and Marking Requirements

Labeling and marking requirements are governed by the Legal Metrology Act.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the Export Administration Regulations; and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags",or warning signs, , and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check This is a best prospect industry sector for this country. Includes a market overview and trade data list of upcoming seminars and webinars or reference BIS provided online training.

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the BIS website or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the BIS website and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed. The Consolidated Screening List (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

The Mauritius Customs Department may authorize the temporary entry of goods for a period of six months where the importer furnishes adequate security to cover the duty and other taxes (if applicable) which would otherwise be payable. The importer may be exempted from furnishing security if the goods are covered by documents for temporary entry issued under a recognized international convention. For example, the ATA Carnet, an internationally recognized document for the temporary admission of goods under the Istanbul Convention, is administered by the Mauritius Chamber of Commerce and Industry. ATA Carnets do not cover perishable goods or goods for processing or repair. Additional information on the ATA Carnet system can be obtained from the Mauritius Chamber of Commerce and Industry.

Prohibited and Restricted Imports

Prohibited goods include ivory, tortoise shells and other endangered animal products, underwater fishing guns, certain second-hand motor vehicle parts and accessories, appliances containing chlorofluorocarbons, asbestos fibers, and publications/films/playable media of obscene character among others. A <u>detailed list of prohibited goods</u> is available online.

Restricted/controlled goods subject to an import permit include petroleum oils, rice, flour, syringes, drugs and psychotropic substances, firecrackers, arms and ammunition, and second-hand motor vehicles, among others. A <u>detailed list of restricted imports</u> is available online.

Customs Regulations

Customs regulations for Mauritius can be downloaded online.

Contact information for the Mauritius Customs Office: The Director, Mauritius Revenue Authority, Customs, New Customs House, Mer Rouge, Port Louis, Mauritius, Phone: +230 202-0500, E-mail: customs@mra.mu.

Standards for Trade

Overview

The Mauritius Standards Bureau (MSB) is the national body that develops standards for the manufacturing and service sectors, while the Mauritius Accreditation Service is the sole agency for providing accreditation to certification bodies in Mauritius. Accreditation in Mauritius is a voluntary process. Mauritius is open to internationally recognized best practices and collaborates with regional bodies such as COMESA and SADC, international bodies such as the OECD and UN, as well as developed economies like the United States, the UK, Australia, New Zealand, and the European Union to develop and adopt standard best practices.

Standards

The MSB is mandated to develop standards, provide metrology, calibration, testing, and quality assurance services to the manufacturing and service sectors. It publishes a work program of its standards development activities in January and July of each year. The website for the Mauritius Standards Bureau is http://msb.intnet.mu/English/Pages/default.aspx.

Testing, inspection, and certification

The Mauritius Accreditation Service (MAURITAS) is the sole authority in Mauritius for granting accreditation to conformity assessment bodies involved in calibration, testing, inspection, and certification. MAURITAS benchmarks its level of services with international guidelines and standards.

The MSB is currently the sole product certification body in Mauritius. MSB certification enables companies to use the MSB mark to demonstrate that their products and processes meet Mauritian standards. The license for use of the mark for products and processes is valid for two years (renewable), during which the MSB conducts

regular surveillance visits. Mauritius has signed a Mutual Multilateral Recognition Agreement with the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF).

Accreditation in Mauritius is voluntary. A list of accredited entities in Mauritius is available at http://www.mauritas.org/entities.php.

Publication of technical regulations

Draft standards are published in the Government Gazette and a 60-day period is allocated for public comments. The minister in charge of industry may, by public notice, transform a standard into a technical regulation after consideration of any written objection filed with the MSB. Contact information for the MSB is provided below.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO on proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated website are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

Mauritius Standards Bureau, Villa Road, Moka, Mauritius, Contact: Acting Director, Tel: +230 433-3648, Fax: +230 433-5150, Email: msb@intnet.mu.

<u>Ministry of Industrial Development, SMEs, and Cooperatives</u>, 8th floor, Air Mauritius Center, Port Louis, Mauritius, Contact: The Permanent Secretary, Tel: +230 201-1068, Fax: +230 201-3289.

<u>The Embassy's Economic/Commercial Section in Port Louis</u>, Mauritius can be contacted via email at: <u>bheenicks@state.gov</u>; Phone: +230 202-4430 or +230 202-4465.

Trade Agreements

Mauritius is a beneficiary of the Generalized System of Preferences (GSP) offered by Japan, Norway, Switzerland, the United States, and the customs union of Belarus, Kazakhstan, and Russia. Mauritius is a Free Trade Agreement member of the Common Market for Southern and Eastern Africa (COMESA) and the Southern African Development Community (SADC). The Indian Ocean Commission (IOC) groups Comoros, Madagascar, Mauritius, Reunion, and Seychelles together to promote diplomatic, economic, and commercial ties between the islands. At present, only products traded between Mauritius and Madagascar and which meet the IOC Rules of Origin enjoy duty free access. Mauritius has a free trade agreement with Turkey and a Preferential Trade Agreement with Pakistan. Mauritius is also eligible for trade preferences with the European Union under the Interim Economic Partnership Agreement.

In March 2018, Mauritius signed the agreement establishing the Continental Free Trade Agreement, which entered into force in May 2019. The Mauritian government and the People's Republic of China completed negotiations for a free trade agreement in September 2018. The agreement has been signed by both countries but will not go into effect until ratified. Mauritius also signed an agreement with the UK in January 2019 to safeguard trade preferences it currently enjoys under the interim Economic Partnership Agreement (iEPA) with the European Union. The new agreement, known as the UK-ESA EPA, is expected to enter into force on January 1, 2021. Negotiations for a preferential trade agreement with Indonesia and a Comprehensive Economic Partnership Agreement (CECPA) with India are ongoing. Furthermore, Mauritius and four other countries in the COMESA region launched negotiations to broaden the iEPA in October 2019.

Mauritius has been a member of the World Trade Organization (WTO) since 1995.

The United States and Mauritius signed a <u>Trade and Investment Framework Agreement</u> (TIFA) in September 2006. This provides a formal mechanism to address bilateral trade issues and helps to strengthen and expand trade and investment relations between the two countries.

Mauritius is eligible for trade benefits under the African Growth and Opportunity Act (AGOA), which provides duty and quota free access to the U.S. market for over 6,000 products from eligible Sub-Saharan African countries. Additional information on AGOA can be obtained online. Export of apparel from Mauritius to the United States made from fabric imported from any country is duty free under the AGOA Third Country Fabric Provision. In 2015, the United States renewed AGOA until September 30, 2025. In July 2020, the World Bank upgraded Mauritius to high-income status, but added that it would likely demote Mauritius in July 2021 due to the economic effects of the Covid-19 pandemic. High-income status triggers AGOA graduation after a two-year grace period.

Licensing Requirements for Professional Services

Professionals are required to register with appropriate bodies before they can practice in Mauritius. The list below provides links that detail the licensing requirements for certain professional services:

- 1. Medical Practitioners: http://www.medicalcouncilmu.org
- 2. Accountants: https://www.mipa.mu
- 3. Engineers: http://www.crpemauritius.com/files/index.php
- 4. Architects: As per the Professional Architects' Council Act 2011
- 5. Quantity Surveyors: http://www.pqsc.mu
- 6. Law Practitioners: Requirements stipulated in the <u>Law Practitioners Act</u>

Selling US Products and Services

Distribution & Sales Channels

Goods are distributed through the standard channels of importers, wholesalers, retailers, and supermarkets. Mauritius has a wide range of retail outlets, ranging from high-end shopping centers to family-run corner stores. Distribution of goods is relatively uncomplicated once goods arrive on the island given Mauritius' size: 42 miles north to south, 28 miles east to west. A four-lane motorway links the airport in the extreme southeast with the capital and principal seaport, Port Louis, on the west coast, before terminating in the extreme north at Grand Baie. Port Louis has a permanent population of only 120,000, but it is the island's business and commercial center. Ebene, a district just south of Port Louis along the four-lane motorway, has developed over the past decade into a major business center where a number of global financial institutions have set up regional headquarters. There are four other major towns, stretching south east from Port Louis along the main motorway to the airport and the majority of the country's population lives in this urban area.

Local agents and distributors represent a wide range of products or companies in Mauritius. For products that require servicing, qualified personnel and a reasonable supply of parts are essential. The Embassy can help U.S. firms identify an agent or distributor through our International Partner Search or Gold Key Service. Interested parties must apply through the U.S. Commercial Service at the American Consulate in Johannesburg, South Africa. For additional information, please visit our Embassy website or the U.S. Commercial Service Sub-Saharan Africa site.

A company incorporated in Mauritius can be 100 percent foreign-owned with no minimum capital requirement. The <u>Business Facilitation Act of 2017</u> allows businesses to incorporate a company and register a business with the <u>Corporate Business Registration Department</u> in less than two hours and to start operations in less than one day. Application for incorporation and registration is available <u>online</u>. Foreign companies typically organize as a private limited company. After obtaining a certificate of incorporation, foreign companies must register with the <u>Economic Development Board (EDB)</u>, the government's business facilitation and investment promotion agency. The EDB can also assist with occupation permits (work and residence permits combined) and offers other services to investors.

Franchising in Mauritius is predominantly, but not exclusively, in the fast food sector. U.S. franchises such as KFC, Pizza Hut, and McDonald's have been operating in Mauritius for several years, alongside South African franchises such as Nando's, Steers, Debonair Pizza, Spur, and Ocean Basket. Coca-Cola and Pepsi products are produced locally by Phoenix Beverages and Quality Beverages, respectively. New U.S. franchises that have established operations in Mauritius include Subway and Domino's Pizza. Many of the resorts and hotels present in Mauritius, such as Holiday Inn, Hilton, Marriott International, and Intercontinental, also operate under franchise agreements.

Direct marketing is limited to a few products. Some companies sell cosmetic, health, and house cleaning products directly to consumers through visits to households or offices. Overseas shopping by mail order and internet is increasingly used by the younger generation and expatriates but is not popular due to the small size of the island and the high cost of shipping goods internationally.

Joint ventures are used mostly for construction and engineering projects and management of shopping malls. Foreign architects must enter into a joint venture with a Mauritian architect or firm to work on local projects. All contractors and consultants, whether local or foreign, must register with the <u>Construction Industry Development Board</u> to be able to offer construction services in Mauritius. Local companies manufacture a number of products under license, ranging from beverages to toiletries. The foreign and local firm must negotiate the licensing agreements and royalty arrangements.

eCommerce

E-commerce in Mauritius is limited, but its use is on the rise particularly after the covid-19 outbreak which led to confinement for almost two months. The main obstacle is that the speed and bandwidth required for modern e-commerce transactions are lacking in some of the more remote areas. To address this limitation, the country has upgraded to fiber-broadband with speeds between 10MB and 30MB. There are a number of companies that invested in e-commerce platforms for services such as finding tourism deals or searching for gardeners or housekeepers. Examples include marideal.mu, priceguru.mu, and mychauffeur.mu. While in the past many Mauritians used websites more for gathering information than for purchasing, this has changed during the confinement as companies switched to online platforms to sell their products. Many smaller Mauritian businesses, however, still prefer to use Facebook to reach their target market.

Banking is fairly sophisticated and, while cash payments remain the norm, payment by debit/credit cards is popular, gradually replacing cash payment in malls, supermarkets, and restaurants. Internet banking and mobile banking applications are increasingly used by consumers. According to Bank of Mauritius statistics, the number of internet banking transactions decreased by 6 percent between April 2019 and April 2020, but the number of customers using Internet banking increased by 7 percent for the same period. Major banks in Mauritius have been investing heavily in mobile banking since 2011. The number of mobile banking transactions increased by 33 percent between April 2019 to April 2020.

Selling Factors & Techniques

Effective advertising, competitive pricing, prompt delivery, and reliable after-sales servicing are important for success in the Mauritian market. Companies wishing to introduce new products into the Mauritian market require market research to identify potential customers, buying patterns, and preferences. In general, food products, especially prepared/processed food, must be adapted to local tastes and conditions. Companies should consider local cultural and religious preferences when developing a marketing strategy. To cater to the Muslim community (17 percent of the population), provision should be made for halal processing. Many Hindu Mauritians (48 percent of the population) do not eat beef and pork.

Trade Financing

Methods of Payment

Mauritius has a well-developed financial system. Payments for import transactions are generally made through letters of credit, depending on the exporter's payment experience with the buyer. The terms of payment as well as the currency of payment should be clearly specified. An open account can be a convenient method of payment if the buyer is well established and has a favorable payment record. For new customers, it is advisable to do a credit check through the U.S. Department of Commerce's International Company Profile service. To apply for this service, interested U.S. firms should contact their nearest Export Assistance Center.

Banking Systems

Banks in Mauritius provide a wide range of services. Besides traditional banking facilities, they also offer card-based payment services, such as credit and debit cards, internet banking and phone banking facilities. Banks also offer specialized services such as fund administration, custodial services, trusteeship, structured lending structured trade finance, international portfolio management, investment banking, private client activities, treasury, and specialized finance. The international banks offer a wide range of global banking and financial services to corporate, institutional, and private clients.

A list of banks operating in Mauritius, including their profiles and the latest edition of the Code of Ethics and Banking Practice, is available at the website of the <u>Mauritius Bankers Association</u>.

Foreign Exchange Controls

There are no foreign exchange controls in Mauritius.

US Banks & Local Correspondent Banks

There are no U.S. banks in Mauritius, although several of the leading banks have a large network of correspondent banks based in major cities around the world, including New York.

Protecting Intellectual Property

Intellectual property rights (IPR) in Mauritius are protected by the 2014 Copyrights Act and the 2019 Industrial Property Act of 2019. In August 2019, the <u>new Industrial Property bill</u>, which consolidates different elements of industrial property (patents, utility models, layout-designs of integrated circuits, breeder's rights, industrial designs, marks, trade names, and geographical indications) was enacted. The 2019 act also makes provision for Mauritius to adhere to the World Intellectual Property Organization (WIPO) administered treaties, such as the Patent Cooperation Treaty (PCT) for the international registration of patents, the Hague Agreement for the international registration of industrial designs, and the Madrid Protocol to facilitate the registration of trademarks.

In 2017, the Copyright Act was amended to redefine and better safeguard the interests of copyright owners and to put in place a new regulatory framework for the Mauritius Society of Authors (MASA). MASA is responsible for collection of copyright fees and for administering the economic rights of copyright owners. Amendments to the Copyright Act can be accessed on the Supreme Court website: https://supremecourt.govmu.org/layouts/CLIS.DMS/Legislations/SearchLegislations.aspx.

Mauritius is a member of WIPO and party to the Paris and Bern Conventions for the protection of industrial property and the Universal Copyright Convention. The Industrial Property Act complies with the WTO's Trade Related Aspects of Industrial Property Rights (TRIPS) agreement. A trademark is initially registered for 10 years and may be renewed for another 10 years. A patent expires 20 years after the application filing date. While IP legislation in Mauritius is consistent with international norms, enforcement is relatively weak. According to a leading IPR law firm, the authorities will normally only take action in cases where the IPR owner has an official representative in Mauritius because the courts require a representative to testify that the products seized are counterfeit or otherwise legally problematic. The Customs Department requires owners or authorized users of patents, industrial designs, collective marks, marks or copyrights to apply in writing to the Director General to suspend clearance of any suspicious goods. Once an application is approved, it remains valid for two years. Further details on the documents required to apply can be obtained on this link.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on Protecting Intellectual Property and Stopfakes.gov or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

IP Contact for Mauritius

Smita Bheenick

4th Floor, Rogers House, John Kennedy Street, Port Louis

Tel: 2024430

Email: bheenicks@state.gov

Selling to the Public Sector

Project Financing

Many infrastructure projects are financed by institutions such as the World Bank, the African Development Bank, the European Investment Bank, the French Agence Française de Développement, the Kuwait Fund, and the Arab Bank for Economic Development in Africa. Some are funded through bilateral assistance from France, India, China, Germany, and Japan. These sources fund a broad portfolio of projects, including port and airport upgrades, sewage treatment, road, bridge and dam construction, energy, telecommunications, hospital and housing construction, and sports facilities. Mauritius is eligible for the programs of both the U.S. International Development Finance Corporation, which replaced the Overseas Private Investment Corporation (OPIC) in December 2019, and the Export-Import Bank of the United States (Ex-Im Bank). The U.S. Trade and Development Agency also provides grant funding for feasibility studies spanning a wide variety of sectors.

U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)

Major government contracts are handled through an autonomous <u>Central Procurement Board</u>. Government procurement regulations are available online. The Procurement Policy Office runs the <u>public procurement system</u>. The GoM publishes tender notices in the Government Gazette and local media, as well as on the Central Procurement Board's website. The Embassy monitors tenders open to foreign participation and forwards them to the U.S. Department of Commerce, which in turn disseminates them to the U.S. business community through U.S. Export Assistance Centers. Successful foreign bidders generally work with local partners in pursuing major contracts. Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

Multilateral Development Banks and Financing Government Sales

Price, payment terms, and financing can be significant factors in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with the MDBs is the <u>Guide to Doing Business with the Multilateral Development Banks</u>. The U.S. Department of Commerce's (USDOC) International Trade Administration (ITA) has a Foreign Commercial Service Officer stationed at each of the five different Multilateral Development Banks (MDBs): the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank. Learn more by contacting the Advocacy Liaison for World Bank; Advocacy Liaison for African Development Bank or the Advocacy Liaison for European Bank for Reconstruction and Development

- World Bank
- African Development Bank
- European Bank for Reconstruction and Development

Advocacy

U.S. Companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy Center for Foreign Government Contracts and for additional information.

Business Travel

Business Customs

Business customs are like those in Europe and the United States. For men, normal business wear is suit and tie. The coastal areas are warmer than the central plateau region year-round. During the cooler months – June through September – an additional layer may be needed if travelling in the center of the country. Humidity can be quite high during summer – November through April – especially in the capital city and the coastal areas. Lunches and cocktail receptions are common business functions.

Travel Advisory

For the latest travel advisory on Mauritius, please click here.

Visa Requirements

Visas are not required for U.S. citizens, but travelers must have an onward or return ticket. Immunization certificates are not required unless the traveler arrives from an infected area. Mauritians traveling to the United States require visas. Visa applicants should go to the following links:

- <u>State Department Website</u>
- <u>U.S. Embassy Port Louis Consular Section</u>

U.S. companies that require travel of foreign businesspersons to the United States should be aware that security evaluations are handled via an interagency process and therefore cannot be rushed in most circumstances.

Currency

The currency in Mauritius is the Mauritian rupee – Rs or MUR.

1Rupee = 100 cents

The Central Bank website provides consolidated indicative exchange rates:

https://www.bom.mu/markets/foreign-exchange/consolidated-indicative-exchange-rates

Most businesses accept credit and debit cards such as Mastercard and Visa. Banks around the country can exchange currency. Money changers are also available in the cities. ATMs on the Cirrus network are available in banks and most shopping centers. Money wiring services such as Western Union and Moneygram are also available.

Telecommunications/Electronics

Mauritius' telecommunications infrastructure has not kept pace with recent technological advances, but reliable international mail, telephone, fax, e-mail, and internet services are available and are generally more reliable than the rest of the region. Speed and bandwidth of internet connectivity, though improving, are currently inadequate for many modern commercial requirements. However, Mauritius is planning to install a new submarine cable and is increasing the number of free Wi-Fi hotspots from 15 to 350. More than 300,000 households now have access to fiber optic connectivity in the island.

The power supply is 220-240 volts and the plug types used are type C, E, F and G (British).

Transportation

Direct flights connect Mauritius to several international destinations. Regular flights serve France, the UK, South Africa, Kenya, Tanzania, Mozambique, India, China, Malaysia, Singapore, Australia, the United Arab Emirates, Turkey, and Seychelles. There are no direct flights between Mauritius and the United States. U.S.

travelers typically transit Paris, London, Johannesburg, or Dubai. It is also relatively easy to travel around the island by taxi or rental car. In general, taxi fares must be negotiated before setting out. Traffic drives on the left. Port Louis is a 50-minute drive from the airport and easily accessible from other parts of the country except during the morning and evening rush hours, when traffic can be slow.

Language

The official language is English, but French and Mauritian Creole are used in everyday life. Most business executives are bilingual in English and French. Several Asian languages (Hindi, Urdu, and Mandarin) are also spoken, but usually only at religious or cultural events.

Health

Mauritius has no major health hazards. It is considered malaria-free. Vaccination is not required unless the traveler arrives from an infected area. While hospitals and clinics within the public health system are adequate and free, foreign visitors must pay out-of-pocket for their health needs and are advised to secure health coverage before traveling here. There are several private facilities, such as Wellkin Hospital and Fortis Darne. Please consult this <a href="https://link.pipeline.com/li

Local Time, Business Hours and Holidays

Local Time and Business Hours: Local time is four hours ahead of Greenwich Mean Time and nine hours ahead of Eastern Standard Time. Business hours are as follows:

- Government Offices open 0900-1600, Monday through Friday
- Banks open 0900-1500, Monday through Friday and some banks remain open until 1700 on Fridays
- Businesses open 0830-1630 Monday through Friday and usually 0900-1300 Saturday

There are 15 Mauritian public holidays. The following are fixed: New Years, January 1 and 2; Independence Day, March 12; Labor Day, May 1; Assumption, August 15; Arrival of Indentured Labor, November 2; and Christmas, December 25. The remaining holidays are religious festivals whose dates vary. The American Embassy is closed on American and local holidays.

Temporary Entry of Materials or Personal Belongings

No duty is levied on apparel and personal effects of a passenger arriving in Mauritius. The following link provides updated information on other allowances and concessions offered to travelers: https://www.mra.mu/index.php/customs1/travellers/allowances

Investment Climate Statement (ICS)

EXECUTIVE SUMMARY (full report here)

Mauritius is an island nation with a population of 1.3 million people. The Government of Mauritius (GoM) claims an Exclusive Economic Zone (EEZ) of approximately 2.3 million square kilometers. Mauritius has a stable and competitive economy, with a gross domestic product (GDP) of USD 14.22 billion (2018) and per capita gross national income (GNI) of USD 12,050 in 2018. According to the International Monetary Fund, real GDP growth for 2019 is estimated at 4 percent and projected to fall to negative 6.8 percent in 2020 due to the Covid-19 effect on the global economy. The inflation rate decreased from 3.2 percent in 2018 to 0.5 per cent in 2019. The unemployment rate decreased from 6.9 percent in 2018 to 6.7 percent at the end of 2019. According to the World Bank's 2020 Ease of Doing Business Index, Mauritius ranks first in Africa and 13th worldwide, out of 190 countries.

Since achieving independence in 1968, Mauritius has made a remarkable economic transformation from a mono-crop economy (sugarcane) to a diversified economy driven by export-oriented manufacturing (mainly textiles), tourism, financial and business services, information and communication technology, seafood processing, real estate, and education/training. Before Covid-19, authorities planned to stimulate economic growth in five areas: Serving as a gateway for investment into Africa, increasing the use of renewable energy, developing smart cities, growing the blue economy, and modernizing infrastructure, especially public transportation, the port, and the airport. But 2020 will, like most countries, focus on rebuilding existing sectors whose customers disappeared due to the pandemic. Economists predicted that tourism and manufactured exports would be the hardest hit sectors.

Government policy in Mauritius seeks to promote trade and investment. The GoM has signed Double Taxation Avoidance Agreements with 46 countries and jurisdictions and maintains a legal and regulatory framework that keeps Mauritius highly ranked on "Ease of Doing Business" and good governance indices. In recent years, Mauritius has been especially intent on attracting foreign direct investment from emerging economies like China and India, as well as courting more traditional markets like the United Kingdom, France, and the United States. The GoM, which is currently finalizing bilateral trade agreements with both India and China, promotes Mauritius as a safe, secure place to do business due to its favorable investment climate and tradition as a stable democracy. Corruption in Mauritius is low by regional standards but there remains room for improvement improve in terms of transparency and accountability. A recent commercial dispute between a U.S. investor and a parastatal partner that has turned into a criminal investigation, for instance, has raised questions of governmental impartiality.

Political Environment

Mauritius has a long tradition of political and social stability. Civil unrest and political violence are uncommon. Free and fair national elections are held every five years with the last general elections held in November 2019. Those most recent elections took place without incident. The incumbent prime minister, who as finance minister in January 2017 was appointed prime minister when his father resigned (in accordance with the constitution), won the elections.

Crime rates are low but petty and violent crime can occur. Visitors should keep track of their belongings at all times due to the potential for pickpocketing and purse-snatching, especially in crowded and tourist areas. Visitors should also avoid walking alone, particularly on isolated beaches and at night, and should avoid demonstrations.

For additional information on the political and economic environment of the country, please click on the link to the U.S. Department of State <u>Countries & Areas</u> website.