

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

1. Improving Investment Climate

1.1 Modernization of the judiciary

The e-judiciary project comprises of an electronic filing system and case management. It will contribute to enhance the business environment and make Mauritius as an attractive place to do business, thus increasing investor confidence in speedy and effective resolution of disputes.

1.2 Business Licensing Reform

1.2.1 Regulatory Impact Assessment Framework

Steering Committee chaired jointly by the Secretary to Cabinet and Joint Economic Council will provide a framework for Regulatory Impact Assessment that will enable policy makers to assess the impact of a regulation before it is adopted and enable to improve the performance of government regulation.

1.2.2 E-regulations platform

An e-platform will be hosted by the Board of Investment with a view to provide a process based licensing system and information to key stakeholders on the different sectors of activity including licenses issued by the different regulatory bodies.

1.2.3 Registration of Property

The procedure for registration and renewal of charges at the Registrar General's Office will be simplified and the time for submission of documents will be reduced implying faster and easier access to credit as well as ownership of property.

1.3 Representation of international institutions in Mauritius

UNIDO will be setting up an office in Mauritius.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

2. Creative Industries and Media

The Budget places large emphasis on the development of the Creative industries, as an engine of economic growth not only to promote artistic talent, but also the development of appropriate infrastructures. The following measures have been announced for implementation:

- 2.1 The shareholding structure of companies operating Direct to Home Satellite broadcasting in the region is being opened to 100 per cent provided that such companies do not operate on the local market.
- 2.2 The setting up of the Mauritius Symphonic Orchestra for the promotion of local musicians and artist.
- 2.3 The Ministry of Industry and Board of Investment to develop the necessary strategic framework to promote Mauritius as a film making destination. In this context, Rs 10 M has been earmarked for the project.
- 2.4 An international Development Grants scheme will be established to provide necessary market support to artists.
- 2.5 An online museum would be created to diffuse the local talents of our artists. This will also stand as an effective tool for reference and documentation. In the same effort, government will also support the creation of a Multi-media museum to exhibit the local history.
- 2.6 A National Performing Art Council would be set up to monitor the development of Performing Arts Groups capable of producing world class performance. In this connection, Rs 20 M will be allocated to this initiative.
- 2.7 The Plaza will be renovated and adapted to the requirements of a modern Opera House to be used for the organization of Opera and other performing arts. Necessary funds will be mobilized to upgrade the said facilities.
- 2.8 The Granary Building located at Port Louis waterfront would be converted into a 'Cultural and Artistic Boulevard' to providing necessary exhibition space, art gallery, music studio and others.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

3. ICT /BPO Industry

The ICT-BPO sector has enjoyed sustained average growth rate of 45 % over the past four years. Even against the backdrop of global economic downturn, the sector experienced a growth of 25% in 2009 with direct employment now in excess of 12,000.

In order to allow the ICT-BPO industry to surf the next wave of value-addition and sustain its organic growth, the following budgetary measures have been announced:

3.1 'Work from Home' BPO scheme

The NEF and BOI to set up a "Work from Home" BPO scheme to create opportunities for full time and part time employment, especially for women as well as for individuals with physical disabilities without the need to be in a cyberpark or intelligent building.

This new scheme will not only address to some extent the shortage of labour which the industry is facing at the moment but also more importantly will provide a new class of empowerment allowing unemployed graduates and students to earn subsequent revenue.

3.2 Creation of Human resource and Infrastructure capacity

To extend the training and placement programme by the IVTB and the Outsourcing and Telecommunications Association of Mauritius for SC and HSC holders. This programme is being scaled up and expanded to BPO and software development to cater for 2,000 trainees in the medium term.

This measure will address the need for skilled labour in the IT-BPO sector thereby supplying the industry with a labour pool equipped with the right technical and BPO skills. This measure will also support the positioning of the IT-BPO industry at the higher end of the value chain.

3.3 Increase in Bandwidth and Reduction in the price of telecom

The connection to the regional fibre cable "LION" and forthcoming connection to a 3rd international fibre optic cable will provide higher bandwidth capacity and redundancy thereby positioning Mauritius as a globally cost effective outsourcing destination. A local consortium with SIC as a partner is working on laying a third marine fibre optic cable to Mauritius which will substantially increase the bandwidth and lower the cost of connectivity.

This measure will also further lower down the price of international connectivity allowing the ICT-BPO industry to further flourish. Moreover, it also widens the circle of investment opportunities by enticing multinationals to host their data centres in Mauritius.

3.4 Shoring up the SME Sector and Enabling Technopreneurship Programme

A MUR 10 million venture capital fund for the financing of the Technopreneurship Programme has been announced.

The Technopreneurship Programme aims at providing support to young graduates and entrepreneur in the technology sector to develop technology products for the global market. These young graduates and entrepreneurs would benefit from the guidance and tutorship of industry captains in the sector, commonly known as business angels under the programme. The BOI would provide institutional support to the project.

The Technopreneurship Programme aims at empowering young graduates and entrepreneurs in the technology sector whilst setting the base for the creation of new generation of entrepreneurs in Mauritius, the “Technopreneurs”.

3.5 Land Based Oceanic Park

The LBOI is the newest emerging sector of the Mauritian economy. The LBOI Park will initially host Green Data Centres using the Sea Water Air Conditioning (SWAC) technology for cooling purposes. The park will also accommodate downstream business operators in aquaculture, water bottling, pharmaceutical processing and other business sectors. These operators will optimise on the use of the unique properties of the pure, nutrient rich deep sea water for the production of high end products.

The LBOI project is expected to provide a boost to the technology sector in Mauritius through its Green Data Centres concept. Primarily, this new sector is due to generate some 1500 jobs.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

4. Maurice Ile Durable (Mauritius Sustainable Island)

The Budget addresses policies to mitigate the impact of climate change and to promote a sustainable green Mauritius. The following measures have been announced:

To sustain Green Mauritius, Government will:

- Accelerate the pace of progress on the road to Maurice Ile Durable;
- Focus on high tech, low carbon, renewable energy, and green quality living Mauritius; and
- Entwine the agenda for investment in public infrastructure, with the vision of Green Mauritius so that the investment in the physical fabric enriches the environment.

The measures announced with regard to the above include:

4.1 Building Eco Friendly Infrastructure

- In 2010, Public Sector Investment is increased to Rs 24 billion;
- The investment will go toward 12 projects to improve flow of traffic and include:
 - widening of roads,
 - upgrading of existing roads,
 - construction of link roads,
 - construction of grade separated junction,
 - construction of ring road;
 - construction of Harbour Bridge,
 - implementation of Bus Rapid Transit (BRT) System
- Modernisation & expansion of airport estimated at Rs 13.5 billion including a new passenger terminal, new runway and new taxiway;
- Expansion of Mauritius Container Terminal berth to 16.5 metres depth estimated at Rs 3.5 billion;

- Increase in capacity of Fort Victoria generation plant by 30 MW estimated at Rs 2 billion;
- Investment in a new 100 MW power plant using environmentally friendly technology that is affordable;
- The Local Infrastructure Fund is being maintained to finance market fairs in the country;
- Introduction of a Terminal Expansion Fee

4.2 Energy Efficiency

- Development of a National Grid Code for Small Independent Power Producers (less than 50 KW capacity) using clean, renewable and local energy sources.
- Abolishment of customs duty on fluorescent kit, LED fixtures, including street lighting lamps.
- Provision of a subsidy of Rs 32 million to the CEB to provide each household with up to 6 energy saving bulbs at a cost of Rs 30 each.
- Introduction of an Energy Efficiency Act introducing a regulatory framework for labelling household electric appliances on the basis of their energy efficiency.
- Replacement of street lighting with energy saving lamps.
- Energy audits in public buildings, manufacturing establishments, small & medium hotels and restaurants.
- Imposition of carbon taxes on energy inefficient appliances.
- Setting up an Energy Efficiency Management Office by the Ministry of Renewable Energy

4.3 Green Buildings

- Government will work out a green performance framework for new and existing public buildings.
- Energy Efficiency Management Office to provide to the public prototype designs for homes to promote green buildings.

4.4 Solar Energy

- Revamping of the solar water heater programme. Government will provide a subsidy of Rs 5,000 per unit to 50,000 households.

4.5 Environment

- Setting up of a Climate Change Unit at the Ministry of Environment.

- Upliftment and embellishment works to cover river banks, cleaning, planting and greening of public recreation spaces estimated at Rs 240 million.
- Rehabilitation, reprofiling and upgrading of public beaches and the establishment of a Lagoonal Water Quality Index estimated at Rs 38 million.
- Levy on chemicals covered under the Dangerous Chemical Control Act.
- Replacement of 600 buses by more energy efficient ones.

4.6 Water

- Investment of Rs 10 billion in water sector over 5 years which includes:
- Construction of Bagatelle Dam estimated at Rs 3 billion;
- New Dam at Riviere Des Anguilles in the South estimated at Rs 2.5 billion;
- Improving water distribution in the South estimated at Rs 850 million;
- Improving reliability of distribution network, through replacement of pipes, estimated Rs 640 million.

4.7 Land Based Oceanic Eco-Park

- Setting up of Green Data Centres using Sea Water for Air-Conditioning;
- Other downstream activities in the Eco-Park include amongst others aquaculture, water desalination and bottling and pharmaceuticals.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

5. Agro-industry and Seafood

Agro-industry is an important component of the growth equation. The following measures have been announced to strengthen the sector:

5.1 Agro-Industry

- Setting up an agricultural production and marketing information system by Agricultural Research & Extension Unit (AREU).
- Scheme to provide technical assistance for the design and implementation of projects related to high-tech sheltered farming. 90 percent of the investment costs on soft terms, with a moratorium on payments for three years will be advanced.
- Scheme to assist sugar co-operatives to obtain the Fair Trade accreditation from the EU. Government will advance the funds on soft terms for 75 percent of the costs of consultancy and the application fee of Rs150, 000.
- Leasing Equipment Modernisation Scheme (LEMS) is being extended to cover heavy duty agricultural equipment such as harvesters, tractors and other transport equipment.
- 200 arpents will be allocated across the country for five separate and well defined food security clusters namely livestock, potatoes, onions, bananas and food crops. 2 arpents in each cluster will be earmarked to accommodate common facilities such as storage and processing areas.
- Setting up of a Cane Democratisation Fund to hold 35 percent stake in the various companies engaged in milling to refining, distillery, ethanol and all activities engaging the conversion and marketing of cane into its final products.

5.2 Seafood

- The Food Security Fund is financing the purchase of fibre glass boats for off lagoon fishers.
- The Fishermen Investment Trust is funding activities which were previously inaccessible for artisanal fishermen, including fish farming in cages, integrated fish culture projects in barachois and purchase of boats for off lagoon fishing in Mauritius and in Rodrigues.

5.3 Maritime Zone Surveillance

- An Offshore Patrol Vessel from India at a cost of Rs 1.8 billion to improve surveillance of the Exclusive Economic Zone (EEZ) and territorial waters.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

6. Financial Services Sector

In order to remain competitive globally, it is important that Mauritius continues to be innovative to maintain its competitiveness. The main budget measures to strengthen this sector include:

6.1 Introduction of Foundations

Private Foundations have become popular across the globe, especially in civil law jurisdictions where the 'trust' concept is less well known.

The introduction of an innovative and competitive Law on Private Foundations to give the necessary boost to Mauritius in this segment of activity and will help to further promote Mauritius as a platform for wealth management services, succession and estate planning, tax planning, charitable vehicles as well as pension and art funds in civil law jurisdictions.

6.2 Equivalence Jurisdiction

The FSC is to seek recognition of Mauritius as an equivalent jurisdiction with other leading financial centres to expand the scope of our financial platform and to market its products globally. Such recognition will facilitate the distribution of Mauritian domiciled funds in jurisdictions which recognizes our IFC.

6.3 Study on fiscal regime of Funds

To undertake a study on the fiscal regime for Mauritian domiciled funds to assess the competitive position of the Mauritian IFC *vis a vis* other leading and competing financial centres.

This study will allow the identification of new structures for funds that needs to be introduced in Mauritius to give the necessary boost to the Mauritian IFC. Norms as set by international bodies like the OECD, will be considered when undertaking this study for the effective development of internationally acceptable and transparent products.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

7. Manufacturing sector

To allow economic recovery to take hold the Additional Stimulus Measures until December 2010 is being maintained. Direct support to SMEs and large enterprises facing temporary difficulties due to the crisis will be provided so as to protect jobs and enterprises. The measures announced include:

7.1 Stimulus Package

- The Saving Jobs and Recovery Fund is being scaled to end 2010.

7.2 SME Sector

- The Mauritius Business Growth Scheme (MBGS) will be launched and will provide support services to SMEs. A cost sharing mechanism with a grant element will be offered to make the services attractive.
- The MBGS will be linked with the revamped SME Partnership Fund to finance start-ups.
- The MBGS will develop a scheme to encourage the emergence of High Potential Start Up companies (HPSU) that use technological innovation. The scheme will finance feasibility studies and the cost of patent filing and registration.
- The Mauritius Post Cooperative Bank is providing micro-credits up to Rs 40,000 for individual entrepreneurs and up to Rs400,000 for a group.
- The Leasing Equipment Modernisation Scheme (LEMS) is being expanded to cover all productive equipment, including goods vehicles, for SMEs regardless of sector.
- SMEs with turnover below Rs 3 million which are not VAT registered will be provided 100 percent financing for leased equipment excluding VAT.
- 100 arpents of land from the sugar industry will be allocated to set up Industrial Areas where SMEs can lease the land to construct their industrial buildings, within a set time period. Each site will cover 5 arpents and 10 sites will be developed by the Ministry of Housing and Lands. At least one third of the 100 arpents will be set aside for SMEs run by women
- Industrial estates at the Terre Rouge and La Tour Koenig sites will be ready early next year. The size of these units ranges from 100 to 200 square metres.

- Rs 20 million have been set aside in the SJR Fund to develop a scheme to be run by the SMEs to provide a permanent exhibition space on a rotational basis.
- The DBM will relax conditions for assistance to SMEs with turnover up to Rs 5 million and its existing clients with turnover up to Rs 15 million. This scheme is being extended to all SMEs in difficulty, regardless of the crisis.
- SMEs will continue to benefit from the cost sharing for participation in trade fairs through SEHDA.
- Sole proprietors, companies, cooperatives partnerships, and sociétés with an annual turnover of up to Rs 10 million can benefit from a scheme for the setting up of factoring for SMEs to obtain the working capital they need to fulfil orders, as large firms sometimes request 90 days or even 120 days credit.
- An SME portal will be established, under the Mauritius Business Growth Scheme, to provide information on service providers.
- The ceiling on booster loans at the DBM has been raised from Rs 100,000 to Rs 150,000.

7.3 Manufacturing

- To support large enterprises in Export and Domestic Oriented Manufacturing, the LEMS is being expanded to include these types of companies. The SJR Fund is setting aside Rs 500 million for this purpose.
- The Export Credit Scheme is expected to be operational by early 2010.
- A Science, Technology and Innovation Fund will be set up to finance market oriented research projects and support creativity with regard to invention and innovation.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

8. Knowledge Hub

Mauritius has attracted several internationally recognised tertiary education institutions such as Apollo Bramwell Nursing School, Birla Institute of Technology, École de Médecine Louis Pasteur, Vatel and JSS Academy. Additional measures have been announced to promote the sector:

- 8.1 Rs. 1.3 Billion to improve primary and secondary school infrastructure
- 8.2 Rs. 95 million earmarked towards centralizing all open and distance learning under the Open University of Mauritius.
- 8.3 The NEF to finance the training and placement programme.
- 8.4 Board of Investment in collaboration with the Regional Multidisciplinary Centre of Excellence, the World Bank and IMF's AFRITAC South will be running a Development Programme geared towards enhancing capacity of African states. A first programme will be hosted for 14 countries.
- 8.5 Expansion of Leasing Equipment Modernisation Scheme (LEMS) to cover all productive equipment, including goods vehicles, for SMEs regardless of sector.

Overview of 2010 Budgetary measures per sector

The following measures have been announced in the 2010 budget:

9. Tax Policies

The following tax policies have been announced:

- Companies listed on the stock exchange with minority foreign shareholding will be allowed to acquire immovable property without prior approval.
- Tax deduction for payment of royalties to non-residents at source has been increased to 15% instead of 10%. This will be considered as final payment.
- The move to the fiscal year on a calendar year basis has altered the deadline for submission of tax returns to 2 working days before the end of the year instead of 31st December.
- Procedures with respect to registration and renewal of charges at the Registrar General's Department have been simplified and the delay for submission of documents has been reduced.
- The tax rate for betting on foreign football matches has been increased from 2% to 8% to be on par with betting tax on horse racing.

9.1 New Tax Threshold

- Income tax thresholds have been increased for the following:
 - From Rs 240,000 to Rs 255,000 for taxpayers with no dependents
 - From Rs 350,000 to Rs 365,000 for taxpayers with one dependent
 - From Rs 410,000 to Rs 425,000 for taxpayers with two dependents
 - From Rs 450,000 to Rs 465,000 for taxpayers with three dependents

The special allowance allocated to retired taxpayers over normal tax payers raised by Rs 5000. The new thresholds are as follows:

- From 285000 to Rs 305000 for retired tax payers with no dependents
- From 395000 to Rs 415000 for retired tax payers with one dependent

9.2 National Residential Property tax

Threshold for payment of NRPT has been raised to Rs 400,000