

High Commission of India
Port Louis

Budget 2015-16

Vishnu Lutchmeenaraidoo, Minister of Finance and Economic Development, presented the Government's maiden budget for 2015-16 on 23 March 2015. According to him, the main objectives of the Budget are:

- Steer the economy towards a path of high investment and high employment
- Secure long term sustainable development
- Achieve greater equality and social justice for all
- Promote transparency and good governance in the management of public affairs.

2. The budgetary provisions aim to operationalize the Alliance Lepep's measures announced in the last electoral campaign, including launching of several large developmental and civilian infrastructure projects and Smart Cities to boost investment and employment, and improve ease of doing business in Mauritius.

3. The budget also aims to consolidate and diversify both the product base and markets in the **Financial Sector**, through the reactivation of the Financial Services Promotion Agency, which will promote Mauritian offshore business activities in Africa. A Financial Services Institute will also be created to provide specialized courses, thereby taking care of the capacity building within the industry. The **ocean economy** is also mentioned as a new pillar of the Mauritian economy with the introduction of new **Petroleum Bill** to provide the legal and fiscal framework for the exploration and exploitation of hydro-carbon resources in the Mauritius Exclusive Economic Zone. On the **fiscal** front, there has been no change to any of the tax rates.

4. The national expenditure is proposed to be Rs 106.2 billion (including Rs 12.6 billion for capital budget) with revenue of Rs 98.8 billion (of which Rs 77.8 billion of tax receipts) leading to a budget deficit in 2015/2016 of 3.5% of GDP. Public sector debts will be 54.2% of GDP.

Major Sector wise highlights

Financial Services:

- Reactivation of The Financial Services Promotion Agency (FSPA) for effective promotion campaigns to diversify Global Business activities in Africa.

- Introduction of a Financial Sector Incentive Scheme to attract international Asset and Fund Managers to relocate their front-office operations in Mauritius.
- Setting up of a Financial Services Institute focused on the provision of training courses based on the actual needs of the industry.
- Full cooperation with Indian authorities to finalise discussions on outstanding issues relating to the **Double Taxation Avoidance Agreement**, following the recent visit of the Indian Prime Minister to Mauritius.

Gateway to Africa and beyond :

- Redefinition of the role of the Mauritius Africa Fund.
- Development of Special Economic Zones (SEZ) in collaboration with Madagascar, Ghana and Senegal and other African countries.
- Setting up a regional shipping line to expand regional trade and enhancing the role of ports in the region.
- Diversification of Global Business Activities in Africa through the reactivation of the FSPA for more effective promotion campaigns.
- Appointment of 8 Trade and Investment Managers to be posted in strategic cities around the World, including Beijing, Pretoria, Mumbai and Geneva.

Energy and Sustainable Development:

- Revival of the National Environment Commission, chaired by the Prime Minister
- Setting-up of a Mauritius Renewable Energy Agency to promote the development of renewable energies.
- Setting-up of the National Disaster Management Centre to ensure quick response to any major unforeseen event.
- Ban on plastic bags

Business Facilitation and Investment Climate:

- Granting of greater powers to the Fast Track Committee to expedite the approval process and facilitate the implementation of major investment projects.
- Abolition of 70 permits and licenses that have become obsolete and irrelevant.
- Automatic Renewal of some types of licenses and permits for upto 3 years, upon payment of fees, including through e-payment.
- Issuance of an omnibus permit for Operators in the tourism sector for their various activities.

ICT:

- Installation of a third **submarine cable** that will connect both Mauritius and Rodrigues to the rest of the World.

- Full broadband fibre connectivity on the island within the next 3 years.
- Extension of ICT Skills Development Programme to unemployed youths.
- Introduction of a Scheme allowing ICT companies which recruit a minimum of 100 employees, to bring in a quota of foreign qualified employees. This will encourage the global ICT players to set up business in Mauritius.
- Increase in the number of free WIFI hotspots from 15 to 350
- Funding of a National Innovation Programme to foster a new culture of research and development.
- Building of eight new ‘Smart Cities’

SMEs:

- Launching of a Small and Medium Enterprises Bank (SME Bank).
- Setting up a One-Stop-Shop which will provide under one roof, all the support, financing and information, as well as the delivery of all the permits and licenses that SMEs require
- Access to working capital will be ensured by the State Bank of Mauritius to young entrepreneurs.
- Operation of SMEDA on a fast track mechanism
- Exemption of SMEs from the payment of corporate tax for a period of 8 years.
- Creation of 7 additional SME Parks.

Ocean Economy:

- Introduction of a **Petroleum Bill** to provide legal and fiscal framework for exploration and exploitation of hydro-carbon resources in Exclusive Economic Zone for the ocean economy.
- Setting up of a National Ocean Council to ensure better coordination among all stakeholders both public and private to implement the Ocean Economy project.

Health Sector:

- Setting up a New Cancer Centre.
- Implementation of an e-health project.
- Construction of new state-of-the-art ENT Hospital.
- Implementation of round the clock services in several Mediclinics and Area Health Centres.
- Recruitment of 100 doctors on a full time basis and specialists on a sessional basis.
- Recruitment of 1,400 supporting medical staff – ranging from nurses to pharmacy technicians to health care assistants.

Education Hub:

- Use of Reduit, Montagne Blanche and Pamplémousses Campuses to house Polytechnics offering courses in Management, ICT, Tourism and healthcare
- Provision of tailor-made crash courses to unemployed graduates
- Greater emphasis on training workers geared towards the construction sector.
- Introduction of a Higher Education Bill to raise quality and meet international standards.
- Financing of Publicly Funded Tertiary Education Institutions to be dependent on performance.

Infrastructure:

- Construction of 1,700 low cost housing units for vulnerable families
- Construction of **flyovers and bridges** to reduce traffic jam.
- Feasibility study for operating a ferry boat between Pointe aux Sables, Port-Louis and Baie du Tombeau.
- Acquisition of 100 semi low floor **buses**.
- Creation of thirteen employment-rich **megaprojects** and eight of these projects will be designed on the ‘Smart City’ concept.
- Transformation of the Port Louis Harbour from a destination port to a **regional hub**.
- Development of a new masterplan focused on making the Port-Louis harbour a hub for bunkering, seafood, transshipment, cruise and petroleum and also a full fledged marina.
- Construction of a Hawkers Centre at the Northern Bus Terminal in Port-Louis.

Manufacturing:

- Setting up of an inter-ministerial Committee to look into the issue of tariff protection for sensitive local industries especially against dumping practices.
- Extension of the Freight Rebate Scheme to other ports and to all shipping lines.
- Support of Rs 442 million to the manufacturing sector to meet the challenges of global competition.

Rodrigues and Agalega:

- Acquisition of a new vessel for both merchandise and passenger transport to replace the Mauritius Pride.
- Extension of the Sir Gaetan Duval airport, Rodrigues. Air Austral will operate twice weekly flights on the Reunion-Rodrigues route as from May 2015.
- Installation of the undersea **fiber optic cable** linking Rodrigues to Mauritius and to the rest of the world.

- Set up of an SME ICT park for the ICT/BPO activities at Rodrigues.
- Provision of new training facilities for fishermen.
- Creation of a special training and placement scheme for Rodriguan graduates.
- Funding for the desalination of sea water.
- Construction of a new **airstrip and new jetty facilities in Agalega** with support from Government of India
