

## MAURITIUS, A SPRINGBOARD FOR INDIAN BUSINESSES TO INVEST IN AFRICA

India and Mauritius share strong political, economic and trade relations. The two countries have entered into a new phase of economic cooperation following the revision of the DTAC in May 2016 and the resumption of CECPA talks in September 2016.

Eve FIDÈLE

**INDIA AND MAURITIUS** have a history of close economic and commercial relations. In financial year 2016-2017, India exported goods worth US\$ 883 million to Mauritius and imported goods worth US\$ 18 million from Mauritius. India's exports to Mauritius comprise largely petroleum products, and also pharmaceuticals, cereals, cotton, electrical machinery, apparel and clothing accessories. The main items of Mauritius' exports to India are iron and steel, precious/semi-precious stones and optical, photographic and precision instruments.

"However, there is considerable untapped potential," says Abhay Thakur, High Commissioner of India in Mauritius. "After the signing of DTAC amendment Protocol, talks on a Comprehensive Economic Cooperation Agreement (CECPA) commenced in September 2016 and are expected to be concluded by the end of 2017. CECPA will cover trade in goods and services, investment cooperation and wider business linkages to our mutual economic benefit and usher in a new phase of economic cooperation," he added.

Concerning the talks, Business chambers on both sides recently decided to revive the Joint Business Council. Both

### OCI card: opportunity for Mauritian entrepreneurs

As a special exception for Mauritius, India has liberalized its Overseas Citizen of India card scheme to cover all Mauritians of Indian descent and their spouses. Mauritian entrepreneurs can thus make use of this facility, since the holder of an OCI card can do business in India like any Indian citizen. In order to promote its thriving links with the diaspora in Mauritius, India had, in January this year, declared a special carve-out on OCI cards only for Mauritius.

parties are discussing various aspects like trade in goods, services, investment and general economic cooperation in the CEC-

PA framework and inputs from businesses on both sides will be very useful for the CECPA talks.

"India looks at Mauritius through the matrix of strong links of history, kinship and culture. Therefore, we are always happy to associate ourselves with priority projects of Mauritius," adds Abhay Thakur. Indeed, under the Special Economic Package (SEP) of USD 353 million, India is currently providing grant assistance to five major projects, namely, the Metro Express, the new Supreme Court building, a new ENT Hospital, social housing and supply of digital tablets to primary school children. India is also constructing the new building of the World Hindi Secretariat in Mauritius and is providing grant

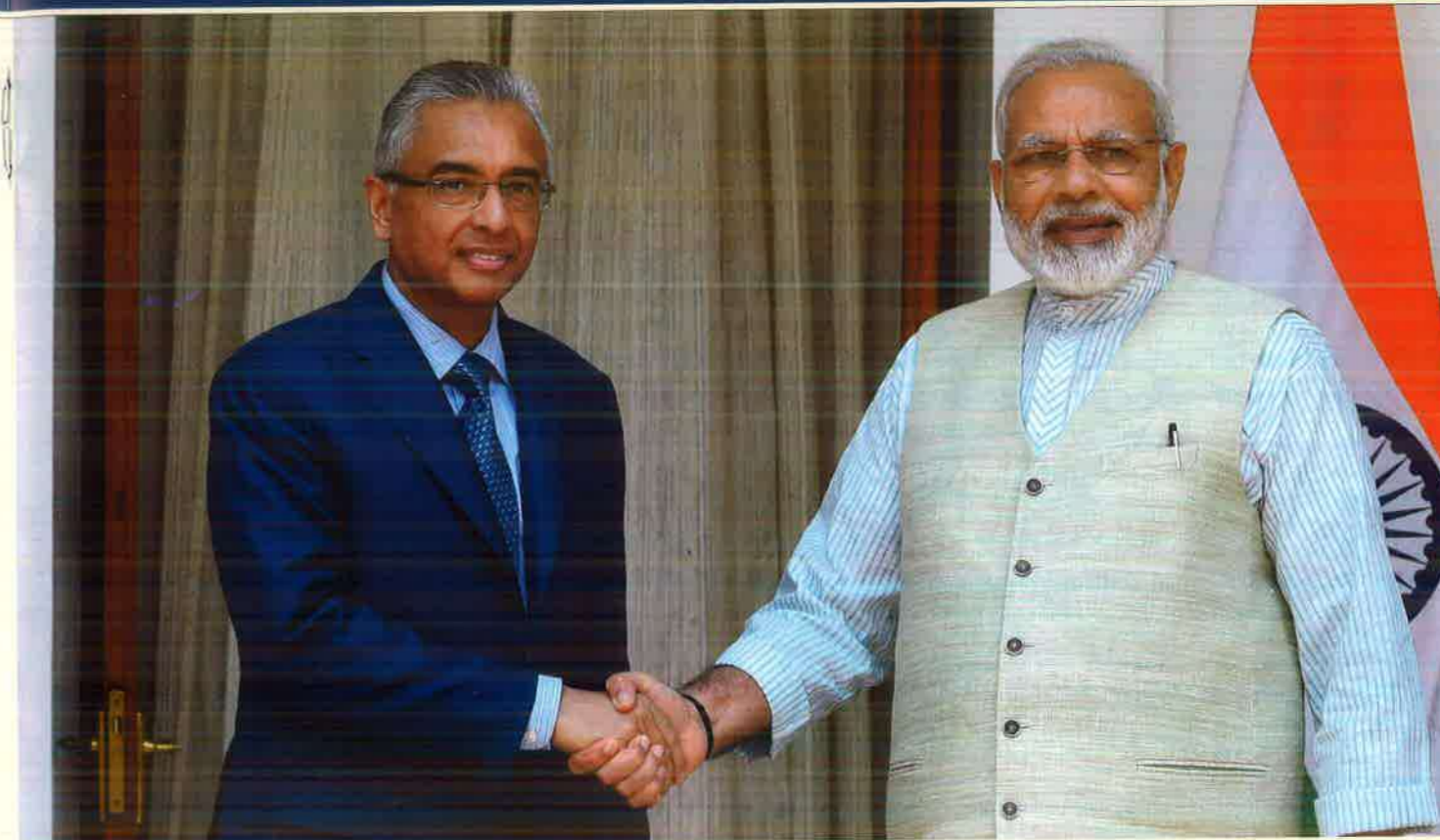
assistance for the construction of a new Civil Service College in Mauritius.

In addition, a USD 500 million line of credit was extended to Mauritius in May 2017 during the visit of Pravind Jugnauth to India. It will be used for a range of projects in areas like water, energy, health, housing and a new administrative building, in addition to any financing gap for the above SEP projects.

"India and Mauritius are now looking forward to comprehensive, multi-sectoral economic cooperation in a constructive and transparent manner, without any apprehensions of treaty abuse. The strategic location of Mauritius and our special and unique ties give Mauritius an advantage to act as a hub for Indian businesses planning to cater to African markets in areas such as financial services, pharmaceuticals and healthcare, bunkering hub, logistics and maritime services. Indian corporate sector will do its due diligence; clearly there is much benefit to be derived from a presence in Mauritius," points out Abhay Thakur.

### STRONG MUTUAL COOPERATION

Furthermore, some Indian Public Sector Enterprises are currently functioning in Mauritius. The Bank of Baroda, Life Insu-



rance Corporation of India and New India Assurance Corporation were the first to establish operations, followed by others which include India Handloom House, Telecommunications Consultant India Ltd, IndianOil (Mauritius) Limited (IOML), Mahanagar Telephone (Mauritius) Ltd and State Bank of India (Mauritius) Limited.

Some high-visibility Indian-assisted projects in Mauritius are, among others, the Mahatma Gandhi Institute, the Jawaharlal Nehru Hospital, the Rajiv Gandhi Science Centre and the Rabin-dranath Tagore Institute. Prestigious symbols of recent Indian assistance include the Cyber Tower at Ebène and the Swami Vivekananda International Conference Centre. The Offshore Patrol Vessel Barracuda, built by an Indian shipyard under a Government of India Line of Credit, was commissioned into the Mauritian National Coast Guard during the visit of Indian Prime Minister Narendra Modi in March 2015. India also provides extensive capacity building and

training inputs to the Mauritian armed forces, besides carrying out regular joint patrolling/surveillance exercises in the Mauritian EEZ. India has also provided assistance in the setting up of Mauritius's National Hydro-graphic Unit.

During the visit of Pravind Jugnauth in India, in May 2017, both Mauritius and India agreed that effective management of conventional and non-conventional threats in the Indian Ocean is essential to pursue economic opportunities. Therefore, it is expected that the bilateral Maritime Security Agreement between the two countries will strengthen mutual cooperation and capacities. Mauritius and India have also agreed to further strengthen their wide-ranging cooperation in hydrography for a secure and peaceful maritime domain. India is thus supporting the National Coast Guard of Mauritius in augmenting its capacity through Project Trident. Decision has also been taken to renew the life of the Coast Guard Ship Guardian that

was provided to Mauritius under a grant assistance programme.

For Deven Coopooosamy, Partner - Client Relationship Corporate of Rogers Capital, it is very important for Mauritius and India to both understand and take advantage of India's strategic initiatives to preserve its influence in the Indian Ocean through the "Spice Route". India is aggressively catching up with growth in emerging African economies as in many sectors Africa is today where the Indian market was a few years back. Indian companies are finding an advantage in understanding the market and introducing products and technologies that suit local needs. "This is exactly where Mauritius, always known as the Star and Key of the Indian Ocean, fits in India's Africa Strategy. The Mauritius Board of Investment and the Financial Services Promotion Agency are playing a key role by working in close collaboration with extant bodies and forums but alongside promoting the creation of new cooperative platforms to show-

case the fundamental capabilities of Mauritius to Indian investors would definitely encourage trade between the two countries," he observes.

### INVESTMENT OPPORTUNITIES

"India is a huge market. Demand in India keeps producers and manufacturers in Canada, US, Europe and China busy. Mauritian entrepreneurs should come forward and take advantage of this huge Indian demand. Mauritius exports garments, special sugar, rum, medical devices, processed tuna, etc. to India. Mauritian entrepreneurs should diversify their export basket to India and also focus on increasing volume of exports. Investors can invest in sectors such as ICT, healthcare, education, construction and professional services. Institutional investors can use GIFT city as a platform," insists Abhay Thakur.

The CECPA help in exploring the viability of an India-Mauritius-Africa trade and investment corridor

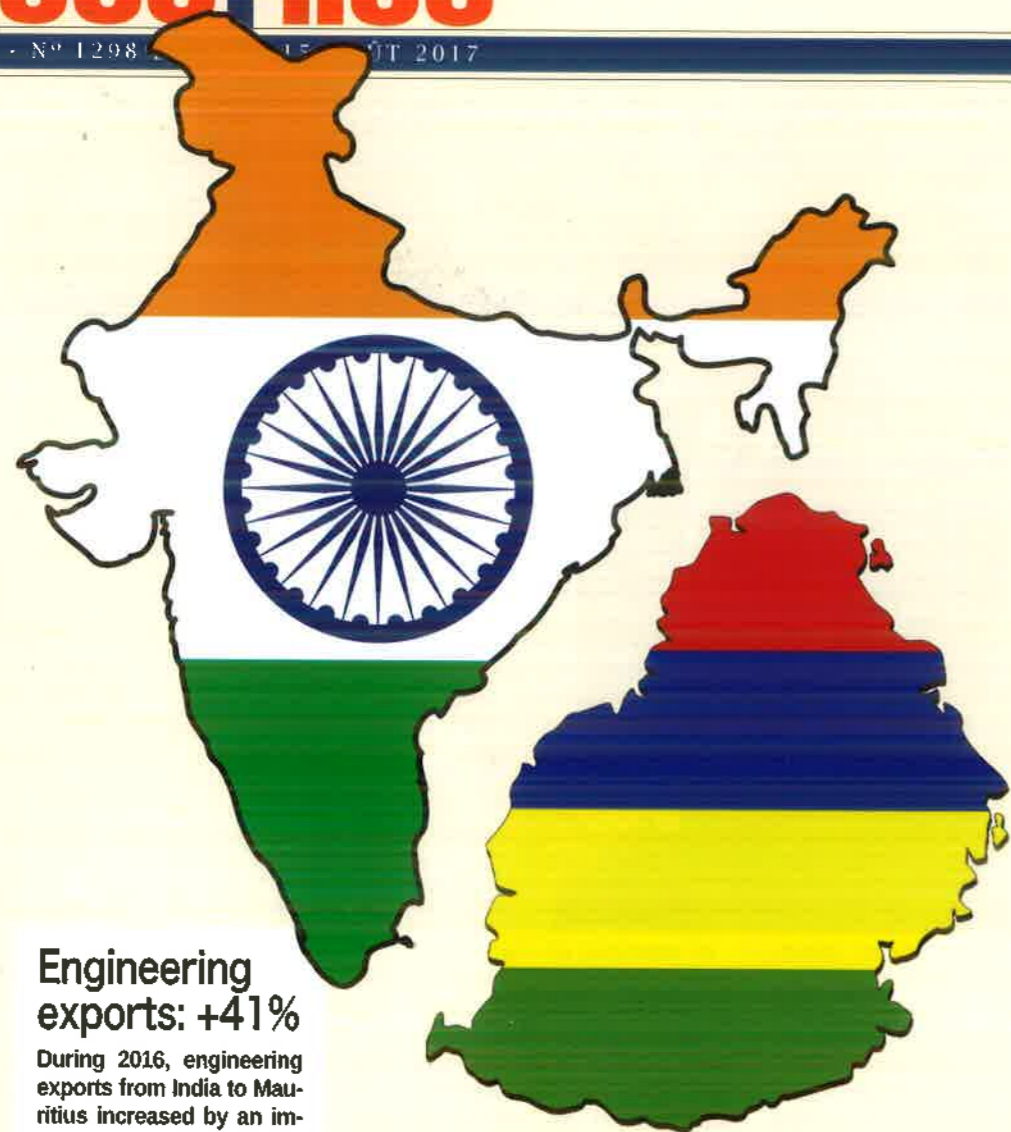
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India highlights that they have one of the most liberal and transparent policies on Foreign Direct Investment (FDI) amongst the major economies of the world. 100% FDI is allowed under the automatic route in all sectors/activities except in few areas which require prior approval of the Government. Foreign Institutional Investors (FIIs) are allowed to invest in India in the securities trade in both primary and secondary capital markets. FIIs must register with Securities and Exchange Board of India (SEBI) and shall comply with the Exchange Control Regulations of the Reserve Bank of India (RBI).

On the other side, Indian investors have a very wide array of interests in Mauritius, spanning across sectors such as POL (petroleum, oil and lubricants) bunkering, port development, tourism, healthcare & pharmaceuticals, ICT, infrastructure and financial services. Other potential sectors include blue economy, renewable energy, education, film & media.

According to the High Commission of India in Mauritius, Indian companies are keen to tap into the potential of Mauritius as a gateway to Africa. The revision of the DTAC and revival of the CECPA talks have attracted the attention of Indian companies looking to do more business with Africa. Besides consolidation of India-Mauritius bilateral economic cooperation, the CECPA would help in exploring the viability of an India-Mauritius-Africa trade and investment corridor.

"India-Mauritius commercial relations today stand on a solid foundation, which will be further strengthened once the CECPA is in place. India has already accorded Most Favoured Nation (MFN+) status to Mauritius in its development assistance program and in tax matters, to give boost to bilateral trade and economic cooperation. Both countries need to diversify their trade



## Engineering exports: +41%

During 2016, engineering exports from India to Mauritius increased by an impressive 41%, compared to 2015. Overall, engineering trade between the two countries increased to \$87 million, realizing a growth of nearly 31% in comparison with the preceding year 2015. This is reflective of the growing trade and economic relations between India and Mauritius.

baskets and focus on increasing volumes. In this context, there is a tremendous scope for Made-in-India, Value-added-in-Mauritius products," he added.

Mauritius has, effectively, a potential to become a hub for Indian businesses planning to do business in Africa, especially Eastern Africa. Mauritius is member of SADC and COMESA, which

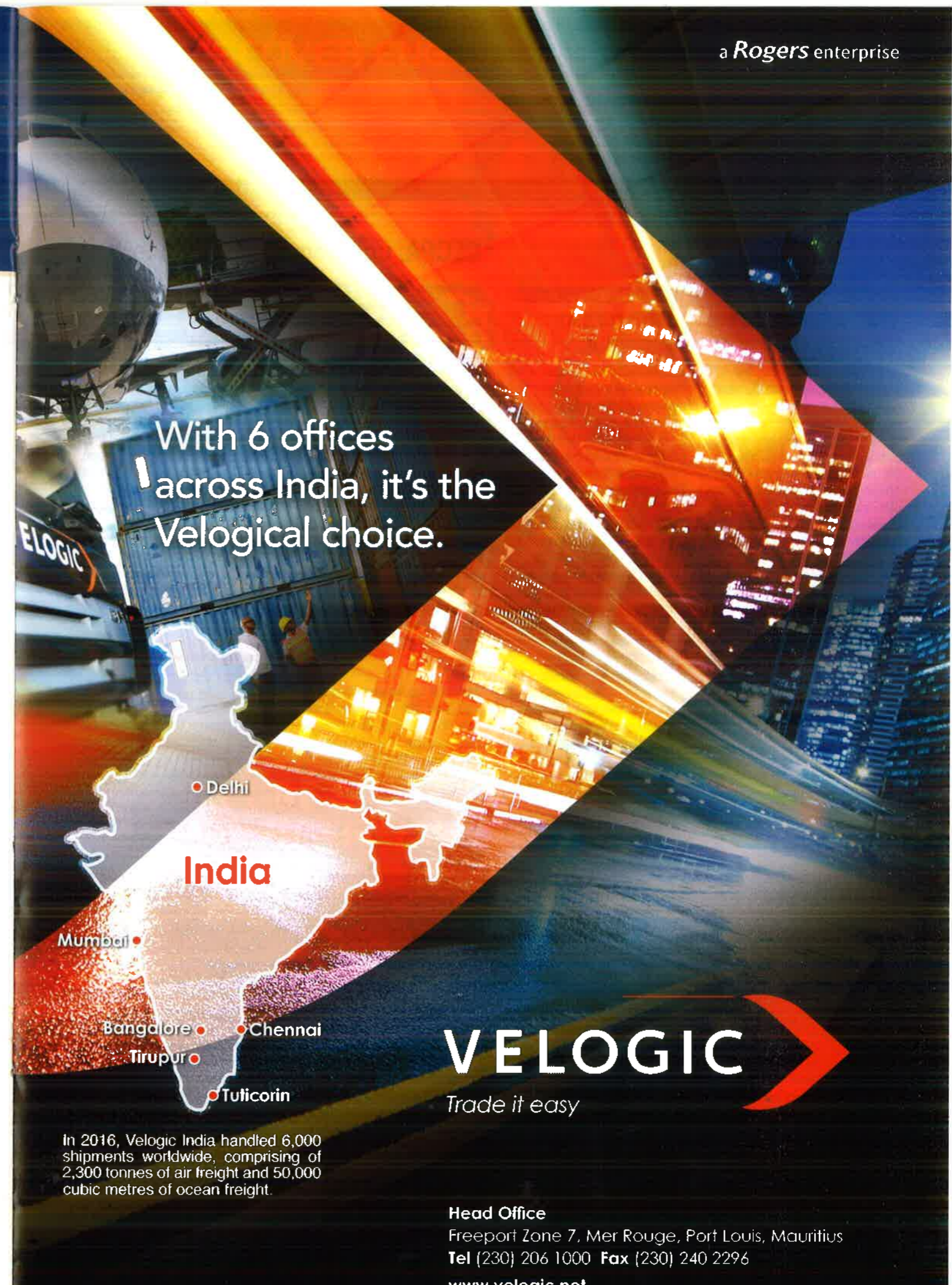
allow duty free transportation of goods from Mauritius to Eastern and Southern Africa. Transportation of goods from Mauritius to coastal African cities can at times be easier than internal transportation between them. Businesses based in Mauritius can gain access to special economic zones in Africa and enjoy an easier business travel regime. Hence, it could make sense for Indian companies to have an industrial base in Mauritius to cater to the demand of the African market.

## DTAC: SLOWDOWN IN INVESTMENTS

The Protocol for amendment of the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and

capital gains between India and Mauritius was signed on 10 May 2016. The Protocol tackles treaty abuse and round-tripping of funds attributed to the India-Mauritius treaty, curb revenue loss, prevent double non-taxation, streamline the flow of investment and stimulate the exchange of information. It also improves transparency in tax matters and will help curb tax evasion and tax avoidance. "Statistics show that there is no slowdown in investments due to the revision of India-Mauritius DTAC. Contrary to apprehensions, after DTAC revision, Mauritius has moved to a more stable footing as a jurisdiction that enjoys exceptional, MFN+ treatment from India in tax matters," explains Abhay Thakur.

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Deven Coopposamy recalls that the India-Mauritius DTA was signed in August 1982 and became effective in December 1983. It was framed with the aim of strengthening the flow of investments between the two countries and also to allow Indian corporates to use Mauritius as a trading and investment platform to access Africa through the membership with the main African trading blocks. However, with the opening of the Indian economy in 1992, Mauritius has over the years emerged as its largest source of FDI and this valued mechanism has served both countries very well for the past 33 years.

*"Nevertheless, any bilateral agreement between two countries are subject to renegotiation over the years. The long-awaited revision of the DTA, which happened in May 2016, has helped to bring clarity, certainty and transparency in tax matters which are among the key ingredients in investment strategies. In addition, it has given Mauritius a competitive edge as the preferred jurisdiction for debt investments into India over Singapore and Netherlands. At Rogers Capital, while we are still busy in structuring and setting up global business companies investing/trading in India, we are now seeing an increasing amount of interests from our Indian clients to structure their African businesses through Mauritius in various sectors ranging from infrastructure, pharmaceuticals, renewable energy to fast consumable goods. In my opinion, despite the amendment to the DTA, Mauritius will still continue to remain as a vibrant and strong international financial centre of substance for both inbound and outbound trading and investments for India,"* highlights Deven Coopposamy.

In March 2017, during the Travel & Tourism Seminar – Know India – held in Mauritius, Abhay Thakur noted that the people of Mauritius and India maintain very

## Indian entrepreneurs/investors in Mauritius

Concerning the opportunities for Indian entrepreneurs/investors in Mauritius, Deven Coopposamy points out that India is among the leading countries in the IT sector in the world. Taking into account the improvement in infrastructure relating to ICT in Mauritius, this can definitely be earmarked as a big support, particularly in the software development and database management. **"In addition, renewable energy, notably the solar, wind and ocean wave, is another sector which Mauritius could capitalize on with the expertise of India. The Health sector also remains untapped. The government of Mauritius should look at future opportunities in India to boost the health sector in Mauritius, especially through negotiations and exchanges with the private sector so that clinics can provide advanced treatment to people of Mauritius in the ease of their own country,"** he said.

close contact and frequently travel to each other's countries.

Not only are both India and Mauritius growing rapidly as attractive tourist destinations globally, but also that tourist exchanges between them are intensifying bilaterally. Globally, total foreign tourist arrivals into India in 2016 were 8.89 million, a growth of 10.7% over the arrivals in 2015 (8.03 million).

Similarly, total foreign tourist arrivals into Mauritius in 2016 was 1.27 million, a growth of 10.8% over the arrivals in 2015 of 1.15 million. So, both India and

## CECPA: uplifting bilateral trade

For Deven Coopposamy, Partner - Client Relationship Corporate of Rogers Capital, when the India-Mauritius Comprehensive Economic and Commercial Partnership Agreement (CECPA) will be finalized by the end of 2017, it will be likely to uplift bilateral trade and strengthen economic cooperation. **"The CECPA will help in exploring the viability of an India-Mauritius-Africa trade and investment corridor. It is also proposed that a Mauritius-India Infrastructure Development Fund be set up for the mutual benefit of both countries and for investment in the region. Both countries want to work towards a Triangular Cooperation (India-Mauritius-Africa) that can leverage on Mauritius wide network of bilateral and multilateral cooperation arrangements in the region. This will enable both India and Mauritius to tap new markets and promote greater cross-border investments in Africa. By doing so, India will be able to emerge as a key partner in the government's New Africa Strategy,"** he said. It is to be noted that India invested as much as 16% of its outward FDI, valued at \$70 billion, in Africa, in 2013. Other areas of collaboration will be in the field of film making, with the emergence of a Mauritian Film Industry on the agenda; a further boost to the ICT sector with new value-addition investment. A Pharmaceutical Village is also in the pipeline, with the objective to cater for local needs and that of the region.

Mauritius tourist arrivals grew by well over 10% last year. Bilaterally, the number of Indian tourists coming into Mauritius in 2016 was 82,670, a growth of 14.6%, while the number of Mauritian tourists going to India in 2015 was 32,533, a growth of 16.4%. So the number of Indian and Mauritian citizens travelling to each other's countries is also growing well, in the range of 15%.

Notwithstanding the 5,000 km distance that separate Mauritius and India, with growing prosperity in India and Mauritius, and growing propensity to travel, tourism is definitely one sector where both sides can and are doing more. Recent initiatives by Government of India like the e-Tourist Visa facility and the special dispensation for Mauritius for OCI (Overseas Citizen of India) cards would go a long way in further facilitating tourism exchanges between the two countries. Some of India's special schemes are of great interest to Mauritians, who either seek spiritual rejuvenation through pilgrimage in India, or wish to re-discover their umbilical connect with India, or go for wellness treatment.

So, India offers a Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) scheme which aims at providing a complete religious and spiritual tourism experience. It covers sites such as Amaravati, Srisailem and Tirupati in Andhra Pradesh, Gaya and Patna in Bihar, Kanchipuram and Vellankani in Tamil Nadu and Trimbakeshwar in Maharashtra. Under the Swadesh Darshan scheme, thirteen thematic circuits have been identified including the North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit and Heritage Circuit. Air Mauritius is already flying to four destinations in India – New Delhi, Mumbai, Chennai and Bangalore – and it has been agreed to add Kolkata and Hyderabad. There is also interest in connecting to Goa as well.

The Indian High Commission has encouraged Mauritian travel companies to further develop their contacts with their Indian counterparts in order to utilize all the various avenues and options available.

## Rogers Capital

### A dedicated team for the India Desk

**THE FINTECH ARM** of the Rogers Group, Rogers Capital's common purpose is to combine world-class financial expertise with cutting edge technology to provide sophisticated solutions to businesses, institutions and individuals in their evolution towards a better tomorrow. Rogers Capital believe that by blending the expertise of their three business segments, Corporate, Technology and Financial services, they can forge a new dynamic while harnessing the power of technology to change the financial and business industry, making it more agile, efficient and trustworthy.

Equipped with international desks – French, South Africa, India and China desks –, as well as representative offices in South Africa, Singapore and Seychelles, Rogers Capital provide a dedicated and highly professional team to ensure seamless service. With a skilled workforce of more than 300 and 3,000 clients collaborating with them, Rogers Capital expertise includes, among others, Corporate Services (Corporate Administration, Tax Advisory & Compliance, Fund Administration, Captive Insurance Manage-

ment, Actuarial Services, Accounting & Payroll Outsourcing); Financial Services (Investment Advisory, Family Offices, Listing Services); Technology Services (Cloud & Digital solutions, Infrastructure & Mobile solutions, Data Centre & Outsourcing solutions, Connectivity solutions, Business solutions).

*"We believe we have a unique value proposition for our clients, as regards the complementarity of the various components that constitute Rogers Capital today. The extensiveness of our offerings combined with depth of capabilities is a key differentiator, especially when it comes to substance. Notwithstanding our traditional fiduciary offerings, we are one of the leading systems integration providers in Mauritius and in the Indian Ocean region with proven expertise and credentials into the fields of software engineering, cloud services, digital transformation, infrastructure management, connectivity and disaster recovery management. We also provide high value services in the areas of corporate finance, captive insurance and outsourcing. The hosting of such*



**Deven Coopoosamy,**  
Partner - Client Relationship  
Corporate of Rogers Capital

*capabilities under one roof maps very well with the requirements of an international customer base that is demanding on quality, breadth and depth. Besides, the three other sectors of the wider Rogers Group - Hospitality, Logistics and Property bode also well for the provision of comprehensive and quality services to such a clientele,"* explains Deven Coopoosamy.

Rogers Capital believe that tailor-made client services is a must and in line with their strategy. The company has assigned a team to handle the India Desk to provide a comprehensive suite of services for companies evaluating the India option or for those who already have a presence in India. The India Desk consists of specialists who have hands-on experience in India and expert knowledge of its business/regulatory environment.

Together with the support from the existing strong network of Rogers Capital in India, the India Desk is well equipped to deliver optimal solutions to clients. This India Desk is the primary point of contact for all Indian investors and business persons for both Indian inbound and outbound activities. It is dedicated to Indian assignments locally and internationally and regroups individuals with extensive experience in international and Indian business. The India Desk also delivers services, as needed, based on Indian statutory requirements and provides assistance internally and externally as required.

## Life Insurance Corporation of India

### Settling Rs 1 Million claims every day

**THE LIFE INSURANCE CORPORATION** of India came into existence on 1<sup>st</sup> September 1956 with the objective of spreading life insurance more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost. From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing

its own past records. In its 60 years of existence, LIC has grown from strength to strength, be its customer base, agency network, branch office network, new business premium, and has a significant role in spreading life insurance widely across the country.

*"Mauritius branch of Life Insurance Corporation of India is serving the people of Mauritius since 1956 and celebrated last year 60 years of our service. LIC Mauritius branch settles Rs 1 Million claims every day; thus total claims of Rs 365.59 Million were settled last year ending March 2017 locally,"* explains Anil Kumar, Manager (Marketing) LIC of India,

Mauritius Branch. The total asset of LIC is Rs 11,936.04 billion and its investment in Indian government and social security is more than Rs 8,000 billion.

*"LIC of India is the world largest insurance family with more than 209 million of Individual and 120 millions of Group policies round the world in 14 countries. If we compare the numbers, LIC family stood at world's third largest family after China and India. With this huge customer base, LIC is settling two claims every three seconds round the clock 24 x 7 (21.57 million claims settled by LIC across the globe in 2015-16),"* adds Anil Kumar.



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Based in Mauritius, the Rogers Capital India Desk offers an array of bespoke professional services to companies evaluating the India option or for those who already have a presence in India. In line with best practices and protocols used in India, namely in Corporate Administration, Tax Services, Fund Administration and Business Development in general, our India Desk is well equipped to capitalise every opportunity. This innovative and unique approach is brought to you by a dedicated team of high-calibre professionals having an extensive business network in India and internationally. Contact us for more information.

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