

MCCI **Insights**

March 2017



The Challenges of Globalisation

THE MAURITIUS CHAMBER OF COMMERCE AND INDUSTRY



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The Challenges of Globalisation

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6, Adolphe de Plevitz Street,
Port Louis
Tel: (230) 203 48 30
Fax: (230) 208 00 76
Email: mcci@mcci.org
www.mcci.org

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Our unrivalled relevance



Amid the events unfolding at the international level, be it on the political or economic front, businesses worldwide are more than ever in need of a pillar which provides an unequalled support as well as an immaculate advocacy to allow their voices to be heard and taken into consideration.

Chambers of Commerce are ideally placed to play that important role. The admittance of International Chamber of Commerce (ICC) as an Observer at the United Nations General Assembly could not have come at a more opportuned time.

The new role for ICC means that business will have, for the first time, a direct voice in the UN system. The views and positions of the private sector will directly contribute to the work of the General Assembly, which reflects the vital participation the private sector will have in policy making at the highest level.

Representing the business community in all of its components, sizes and sectors is the chamber of commerce and industry. With a heritage spanning more than 400 years, chambers are in business to strengthen local businesses and the economic prosperity of their communities. Chambers are found in almost

every business community around the world, and have established a well-recognised global network and brand that has local relevance and impact. The Chamber Brand is recognised worldwide and is structured around the ICC World Chambers Federation which is a unique forum uniting more than 12,000 chambers from across the world into a truly global network.

The MCCI has recently been elected by its peers from over 130 countries to sit on the board of the World Chambers Federation General Council for the coming three years. This is an honour for our chamber and also an acknowledgement of the work it has been carrying out over the years. The challenge facing many chambers is how to stay relevant in an ever changing world. Indeed since its creation in 1850, the Chamber has adhered to some core principles which are still valid today and which we also see in the WCF Charter issued in 2015 during the ICC WCF congress namely that we are:

- Devoted to strengthening economic growth, prosperity and sustainability
- Advocating the interests of our business communities, especially the prominent role of small and medium-sized enterprises
- Aiming to promote a positive environment for business and to defend the rights of entrepreneurs
- Serving as a bridge between the private sector, governments and various stakeholders, active in economic development
- Extensively working and co-operating in regional and international networks to advance cross border and international trade

The history of the MCCI mirrors that of our country, its challenges and also its achievements. To stay relevant, we shall continue our efforts to :

- Make certain that business regulations and taxation are fair and efficient and do not place our businesses at a competitive disadvantage
- Ensure that business services delivered by Government agencies are delivered in an efficient and economical manner
- Promote the protection of intellectual and private property rights
- Be key players in raising skills for the leaders of tomorrow, preparing our youth for gainful employment
- Provide a lead role in the internationalisation of companies, through accompaniment, services and trade facilitation
- Help companies adapt to a changing environment, e.g. through the provision of economic and business information, innovation, R&D, e-commerce, Fintech and environmental solutions
- Continue to promote alternative dispute resolutions procedures through our well established MCCI Arbitration and Mediation Centre (MARC)

As an intermediary organisation representing and accompanying the business community, the MCCI is well poised to continue the journey it embarked upon some 167 years ago.



Améliorer constamment la qualité et l'efficacité de nos prestations

Ma mandature en tant que Président de la MCCI pour 2016-2017 tire à sa fin. L'Assemblée générale annuelle du 30 mars aura été une occasion pour moi de présider une rencontre cruciale pour notre institution.

La fin d'un mandat se traduit aussi par la présentation d'un bilan. Les initiatives et les activités menées par la MCCI pendant l'année écoulée sont présentées dans le Rapport du Président. Le document illustre parfaitement le volume et la qualité du travail accompli dans la poursuite d'une vision claire mais non moins ambitieuse. Il témoigne, par ailleurs, sans équivoque du degré d'importance accordé aux dossiers et questions que nous traitons, tant sur le plan local que sur le plan régional et international.

Incarnant son rôle de défense aux côtés des acteurs économiques du pays, la MCCI est à juste titre perçue, à son tour, comme un acteur primordial du développement des affaires. Nos adhérents voient aisément, au travers de nos diverses offres, la valeur d'un accompagnement et d'une assistance de qualité pour mieux affronter les nombreux défis qui conditionnent leur évolution.

Cela étant, à la MCCI nous avons la volonté de poursuivre notre ambition qui consiste à améliorer constamment la qualité et l'efficacité de nos prestations. Cela passe, notamment, par la mise en œuvre de nouveaux moyens pour diversifier nos services,

mais aussi pour insister sur notre rôle de plaidoyer et accentuer notre force de proposition.

Les intérêts de la communauté des affaires sont, et restent, au cœur de nos préoccupations et de nos actions. C'est en cela que nous pouvons fédérer, de manière concrète, autour de notre destin commun : le développement socio-économique du pays.

Cette préoccupation s'illustre par la participation de la MCCI au processus d'élaboration de la politique de développement à travers des propositions aux pouvoirs publics. Les récentes années ont été marquées par un renforcement des relations avec non seulement le gouvernement, mais aussi les agences de développement. Tout cela dans un cadre de dialogue convenu et cordial respectueux des spécificités et des exigences de chaque partie.

Ce souci permanent de servir mieux et plus confortablement la MCCI dans la notoriété qu'elle a graduellement acquise aux yeux de la communauté des affaires.

J'en profite pour remercier les membres du conseil d'administration et le Secrétariat de la Chambre de leur soutien, qui a été indispensable à la tenue de mon mandat et la conduite de la mission qui m'a été confiée.

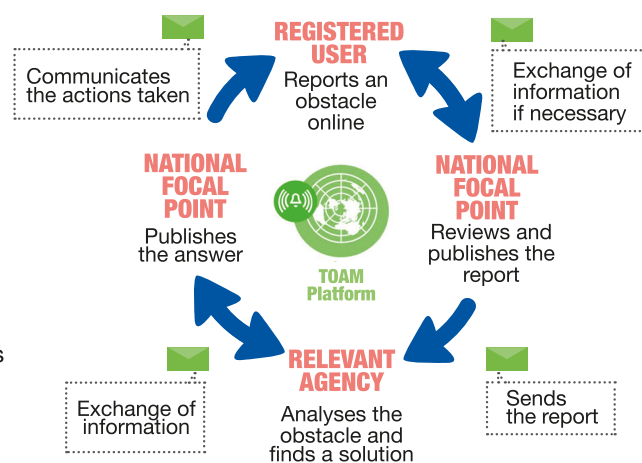
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- Alert Mechanism for timely updates



For more information, please contact the **National Focal Point**:

The Mauritius Chamber of Commerce and Industry

6, Adolphe de Plevitz street, Port Louis T: +230 203 48 30 / Fax: +230 208 00 76 E: toam@mcci.org

PARTNERS:

The Dangers of unravelling Globalisation

The year 2016 has constituted a major turning point for globalisation and trade. A number of significant developments have brought a new dimension to the global integration process.



Over the last decades, governments and international institutions have been working relentlessly to develop instruments and agreements promoting global integration and facilitating the movement of goods, services and factors of production. Companies have, in turn, developed business models based on comparative advantage leading to their operations being located in different parts of the world. With goods and services moving more freely, consumers

have enjoyed increased benefits by having access to a wider range of good and services at more affordable prices.

In 2016, the outcome of two major political events, namely the British vote to leave the European Union and the results of the US presidential elections – where one of the main themes of the campaign has been a review of the US trade policy – brought a new perspective.

For the first time, people sent out a strong message to their governments as to how globalisation had negatively impacted on their lives. This loud and powerful message can certainly not be ignored, especially when it comes from countries that have always strongly advocated for globalisation and that have (supposedly) benefitted significantly from the globalization process.



"After several decades of stability and predictability, the world now faces a sharp break in trade policy since the Second World War."

Gains from Globalisation

Today with globalisation, it is regarded as 'normal' when T-shirts are manufactured in Bangladesh, mobile phones assembled in China, or tea is grown in Kenya. Globalisation has led to specialisation with the world becoming a 'global factory'. Some countries have emerged as world suppliers of agricultural crops. Others have become part of the global supply chain with the design, manufacture and assembly of products being done in different parts of the world.

For services, it is even more complex as globalisation and rapid technological progress have led to an intricate and complex network of service providers and consumers within and across countries covering all service sectors, including financial, banking, tourism, distribution, health, etc.

Over the last decades, globalisation has led to economic and financial interdependence among nations. Companies have taken advantage of globalisation by manufacturing and supplying goods and services in different parts

of the world at the most competitive prices. These companies have maximized opportunities arising from globalisation including increasing capital mobility, access to finance, increased labour mobility, decreasing transport costs and trade openness. Moreover, technological innovations in the field of telecommunications, internet access and e-commerce have accelerated the globalisation process by bringing companies and people nearer and making it easier to do business.

Whether we like it or not, globalisation has now become a fundamental feature of the modern economy on which businesses grow and which has led to a rise in the standard of living and quality of life of consumers.

What happened in 2016?

The recent political developments in the UK and the US have sent a strong message to governments. There are strong perceptions amongst the population that the global integration process is, in some way, unfair to the people and workers. In the people's mind, globalisation is being seen as leading

toworkers losing their jobs in their home country because of delocalisation of industries, low-wage competition from emerging economies, or in the shape of cheap migrant labour taking the jobs of the locals.

With the strong message given by the population through their votes, governments feel now compelled to review or rethink their commitments for trade and economic integration.

After several decades of stability and predictability, the world now faces the greatest chance of a sharp break in trade policy since the Second World War. The year 2016 was a turning point with both the UK and the US announcing a review of some of their international trade commitments. Britain has indicated that they will initiate procedures to withdraw from the European Union and the US announced its withdrawal from the Trans-Pacific Partnership Agreement (TPP) and the likely review of the US Commitments in other trade agreements including the Northern American Free Trade Agreement (NAFTA).

At this stage, it is unclear how these two countries propose to disentangle from the trade and economic relations that they have built over decades. The global integration process based on free trade, movement of capital, access to financial markets and mobility of labour may be complicated to undo, even partially. The situation is complex and the global consequences are yet unknown given the high economic and financial interdependence among countries.

UK is one of Mauritius' major export markets under the Economic Partnership Agreement signed with the European Union. The future of the trade and economic relations between Mauritius and UK is highly dependent on the outcome of the discussions between UK and the European Commission as well as the priority list of the UK in negotiating FTAs with other countries. The British government has already outlined their main priorities for Brexit and they have indicated that they would request an "implementation phase" to help smooth Britain's exit from the EU, allowing sufficient time for businesses to adapt to a new trade and regulatory regime. Given the number of unknowns, a period of uncertainty is foreseen ahead of the future (new?) economic and trading relations between Mauritius and the UK.

Consequences

It is true that globalisation has shown some of its limitations, which include the unequal distribution of wealth within and among nations as well as its impact on local industries and employment. As a result, the political discourse aimed at 'putting the blame' on globalisation may appear as the only 'answer' to the people.

However, reversing the global integration process by reviewing international trade commitments, introducing protectionist policies or moving out of the global trading system could have more damaging consequences for countries. The effects would both be felt by the businesses in these countries themselves as well as by their trading and economic partner countries.

First, policy reversal would result in uncertainty and imply lack of predictability in the global trading system, which is prime condition for businesses to grow. Companies worldwide have developed their businesses based on the existing set of trade rules with flexibilities in competitively sourcing their factors of production. An abrupt reversal of policy in relation to global integration by some of the major economies is likely to have major repercussions on the world trading system.

Second, there is a high probability that other countries follow suit and review their commitments to international agreements as and when they want to. It may lead to countries abruptly introducing protectionist measures and irreversibly affecting countries that have developed export industries to integrate the global supply chain.

Third, there is also the likelihood of retaliation by countries being affected by new protectionist measures and this could, in turn, possibly lead to global trade wars.

If not managed properly by countries and international institutions, these new developments could have a 'domino effect' resulting in chaos and uncertainty and creating very unfavourable conditions for global trade and investment to take place.

It is 'over simplistic' to blame global integration for all the internal issues faced by countries including loss of competitiveness and increased flow of foreign goods and workers across their borders. The current wave of globalisation has, to a large extent, been accelerated by the rapid technological progress

"Reversing the global integration process by introducing protectionist policies or moving out of the global trading system could have more damaging consequences for countries."

with companies operating with virtually no borders. Slowing-down or reversing this process would be almost impossible and totally counterproductive.

Policy makers have probably focused more on providing the right conditions for global integration to take place and may have neglected to adequately address the adverse effects of global integration on the people. It is crucial to stress that the dangers of unravelling the global integration process are much higher than undertaking the prompt internal corrective actions at national level to address the concerns of the people and industries mainly regarding employment and competitiveness.

Closing borders is certainly not the solution as we all lose in the process. In the short-term, it may resolve some of the problems encountered at national level but, in the long term, it will lead to inefficiencies with companies losing their competitive edge over international competitors.

It is the role of governments to strike the right balance between openness and achieving their political, economic and social objectives.

The End of Laissez-faire?

Global economic growth stagnation and rising inequalities mark an end to laissez-faire economic policy. With a number of advanced economies envisaging a return to protectionist measures and trade barriers, Keynesian economic policy is back on the agenda.



The title of this article is borrowed from Keynes's short inter-war period essay calling for the end to laissez-faire. His seminal work is today more than ever relevant.

Today, countries such as the U.K, the U.S, and the E.U are making extensive and historic use of expansionary monetary policies to boost demand and investment. Most recently, with the U.K referendum on Brexit and the election of a new President

in the U.S, the two superpowers have signalled a new era of protectionism marked by tariffs on imported goods, and fiscal incentives for local industry. In a similar vein, China has embarked on a structural move away from its reliance on investment and export industries towards domestic consumption and services.

At the same time, novel approaches to welfare policy are being tested with a number of countries including Finland,

and most recently India, contemplating the introduction of a universal basic income. Under such a system, all citizens receive a minimum income from the Government to ensure that they enjoy a decent standard of living. In other parts of the world – Sub-Saharan Africa and the Middle East – health and education spending continue to be on the rise despite the global economic crisis.

The Trigger: Economic crisis of 2008

These countries are responding to the crisis of 2008, which came as a reminder to Governments and policy-makers worldwide of the dangers of laissez-faire economic policy. Nearly a decade after the crisis started, the global economic recovery remains weak, and economies are faced with high unemployment rates, lower productivity levels, rising income inequalities and a slowdown in global trade. Indeed, the share of exports in cross-border supply chains has been stagnating since 2007 whilst foreign direct investment as a percentage of global GDP has been declining.

The crisis of 2008 has, for many countries, been a reminder of the need for government intervention to combat poverty and reduce income inequalities. Indeed, as leading academics and world leaders met in Davos in January 2017, Oxfam released an unflattering report –

“The MCCI Commission on Economic Policy and Strategy, launched in February 2017, is a unique platform under which policy strategies are devised in a consensual manner for the economic development of Mauritius.”

the 62 richest people in the world own more than the poorest 50 percent of the world population. The report complements a new body of economic literature, including Thomas Piketty's 2014 book, *Capitalism in the 21st century*, which demonstrates empirically that the bulk of wealth generated in the world

economy goes to the wealthiest, and this inequality is accentuated by slower economic growth. Piketty makes a case for the introduction of a global wealth tax and a progressive income tax of up to 80 percent for those at the top of the ladder.

Diminished potential growth, under productivity, high unemployment, low levels of global demand, and rising income inequality are all remnants of an economic crisis with deep consequences.

The International Monetary Fund (IMF) thus highlights an urgent need for Governments to adopt a comprehensive, consistent and coordinated policy approach to reinvigorate sustainable economic growth and ensure a more even distribution of income and wealth.

Countries throughout the world today need to rely on all policy levers – monetary, fiscal and structural – to lift their growth prospects.



The first meeting of the MCCI Commission on Economic Policy and Strategy, chaired by Azim Currimjee, was held on 8 February 2017 at the seat of the MCCI.



The MCCI as the brainbox of new policy strategies for the Mauritian Economy

In Mauritius, the situation is similar, with economic growth below its potential, unemployment at nearly 8 percent, and domestic consumption growing at less than 3 percent since the crisis. In the last few years, the country has experienced a recede in its exports and imports of goods and services, albeit for 2014. On welfare, a recent World Bank report points to the growing gap between the rich and the poor – 50 percent of national income goes to the top 20 percent of the population. As one of the most liberalised economies in the world, Mauritius has been no exception to the effects of the global crisis and globalisation.

In this age of changing economic paradigms and policy strategies, the Economic Analysis and Industry Division of the MCCI pro-actively launched the MCCI Commission on Economic Policy and Strategy in February 2017. The Commission is a unique platform under which policy strategies are devised in a consensual manner for the economic development of Mauritius. Through such a Commission, an end to laissez-faire in Mauritius has the potential to be founded on evidence-based and systematic policy strategies to boost demand, enhance economic growth and improve the standard of living of all citizens.

RENEWING WITH THE KEYNESIAN EXPERIENCE

The economic situation of today is comparable to the famous Great Depression of 1929, which came as a wake-up call to economists to the failure of the “invisible hand” of the market to explain the causes of a severe worldwide economic collapse. The laissez-faire approach to the economy was neither able to provide policy solutions to boost production and employment nor resolve the dramatic number of poor people living in dire conditions. The British economist John Maynard Keynes argued that government intervention is necessary to achieve full employment and price stability.

Keynesian economic policy dominated the policy agenda till the 1970s with fairly successful results: high levels of prosperity in the world economy were maintained, and there was a growing trend of welfare states. Governments successfully adopted policies to redistribute income towards the poor, boost consumption and incentivise production. The world economy thrived as a whole and both income and wealth were distributed in a relatively equal manner.

Nonetheless, high inflation and slow growth prompted a monetarist approach to boosting economic growth with short-run expansionary monetary policies by Central Banks largely through interest rate cuts. In the decades that followed, and with renewed economic growth, the world economy gradually came back to a laissez-faire approach with minimal government intervention on the markets. At the same time, the welfare state receded, causing an ever-increasing gap between the rich and the poor.

The economic and social consequences of the post-1970s return to laissez-faire are most felt when the world economy is in stagnation, as is the case today. Undeniably, economies throughout the world are today operating in a post-2008 world environment with eroding global trade, low economic growth rates and rising inequalities. Increasing government intervention on the market and a return to protectionist measures indicates that we are at the dawn of a second end to laissez-faire macro-economic policy.

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THE MAURITIUS CHAMBER OF COMMERCE AND INDUSTRY

Mazdak Rafaty, our guest writer

Putting talents first

The global environment for Foreign Direct Investment (FDI) is rapidly changing. Through BREXIT and the US presidential elections, two of the major players in inward and outward FDI have started a trend, which is likely to have a global impact: protecting domestic markets and putting barriers to globalization as we know it.



The first direct consequences are already visible. Despite the current efforts of the UK Government to show that Brexit will not have any negative impact on the country's attractiveness for foreign investors, leading multinational corporations (MNCs) such as Airbus, Toyota and HSBC, are warning of the potential damage within their industries caused by uncertainty in the years to come. According to ING's Worldwide Investment Hotspots Report, this uncertainty will have an impact over the board-

ers of UK "because the multinationals are likely to adopt a 'wait and see' policy for the Western Europe until it becomes clear what the new trade and investment rules between the EU and the UK will be".

At the same time, the "America First" which Mr. Trump has introduced as centrepiece of his policy already has huge impact not only on the neighbouring countries such as Mexico, but also threatens to lead to a new conflict with China and even with European MNCs.

Many economic experts are discussing a "trade war" and the consequences it might have on the global economy. Thus, the overall FDI atmosphere is quite poisoned.

Implications for Mauritius

So what are the implications of this global trend for a FDI destination such as Mauritius? By optimizing its legal

“Mauritius (...) has much more to offer to global talents than most of its competitors.”

and the global insecurity will inevitably affect financial hubs such as Dubai, Singapore, Hong Kong and Mauritius. But instead of waiting for the “tsunami” to hit the land, the current challenges can be used to focus on new ideas to attract FDI from other, smaller but no less exciting sectors.

I have experienced Mauritius to be a peaceful, politically and ethnically stable heaven-like island with very friendly and hospitable people who are well educated in two internationally important languages, English and French. Furthermore, the country grants secure access to the African market, an emerging continent of strategic importance and with a growing middle class. Does not this sound like a heaven for start-ups and entrepreneurs? Although Mauritius has invested in its ICT and Internet infrastructure, it has not yet discovered the international Millennial population and does not have any recognition among the youngsters in its neighbouring countries or further away in Middle East and Europe. But exactly that generation can lead to the next step for Mauritius towards a service-oriented, well educated and regionally if not globally recognized hub for sustainable life and business.

Targeting the Millennials

Due to endless possibilities of the Internet, the global coverage of the social media and the flexibility of travelling around the globe in short time, the Millennials are able to simultaneously be active in different parts of the world, reach their audience and mobilise their peers more effectively than any generation before. They have a high sensitivity regarding social and economic sustainability and are willing to travel far to reach their goals. Their multidimensional flexibility is indeed a challenge for any destination, which is focusing on attracting these talents. But with the above-mentioned characteristics, Mauritius covers many of their needs issues of our times and has the potential to become a dream destination for many of them.

A holistic strategy focused on regional and global start-ups and young talents is urgently needed. It must not be limited to high-end educational and technological aspects but also has to include the “fun element” starting from a vivid night-life to globally echoing cultural events. Give the Millennials an unforgettable experience and they will take care of the

and physical infrastructure, Mauritius has succeeded in putting itself on the global FDI map as an effective and secure platform for MNCs targeting the African continent. The country has been benefiting from the rising interest of China and India in the African market, and has further developed other sectors such as tourism and trade to attract attention from European and US markets. But all these regions and countries are already in the epicentre of the above-described negative trend,



ABOUT OUR GUEST WRITER

Co-founder and Managing Partner of Ludwar International Consulting FZC, Mr. Mazdak Rafaty is an FDI specialist with more than 12 years of practical experience in the Middle East and Africa (MEA) Region. Holding a Master Degree in Economics, he serves as advisor to the Italian and German Chambers of Commerce and Industry on social-economic and business aspects in Iran. He is also a columnist of Financial Times FDI Magazine covering the Middle East & Africa Region.

global PR. Give those talents the opportunity to achieve their goals and they will create companies and jobs. A simple look at the Fortune 500 Most Valuable Companies shows what results can be achieved. Dubai has recognised this potential and has started to restructure its strict visa policies to attract talents from the Middle East and Africa Region. Mr. Trump's protectionist policies can also be seen as an opportunity to tackle one of the biggest issues in most developing countries known as “brain drain”. Maybe Mauritius can use this opportunity as it has much more to offer to global talents than most of its competitors.

Regional Integration in Africa

Towards a Continental Free Trade Area

The creation of a Continental Free Trade Area (CFTA) with free movement of goods, services, business people and investment, will help turn the African economies into a more coherent and more efficient larger market.



Regional integration in Africa is not a new phenomenon. Initiatives on the continent date back to when the Common Market for Eastern and Southern Africa (COMESA) set up its preferential trade area in 1981 and, well before that, the East African Community (EAC) in 1919. In recent years, African countries have vigorously pursued an integration agenda as a collective development and transformation strategy. African leaders are now more than ever keen to accelerate the process of regional integration through increased harmonization and convergence initiatives, such as the COMESA–EAC–SADC Tripartite Free Trade Area (FTA).

A combined population of 530 million people

This FTA brings together 26 African countries, with a combined population of 530 million people, and a total gross domestic product of US\$ 630 billion, representing over 50 per cent of Africa's economic output. This initiative has indeed galvanized interest of Africa's policymak-

ers towards a much broader agreement: The Continental Free Trade Area (CFTA). Accordingly, the African Union Summit, at its 18th Assembly held in Addis Ababa in January 2012, decided to fast-track the establishment of an African Continental Free Trade Area encompassing 54 Member States by an indicative date of 2017 and implement a comprehensive action plan to boost intra-African trade.

Deepening of the trade integration level

The CFTA may also help expand intra-African trade through better harmonizing and coordinating trade liberalization and facilitation regimes among the different Regional Economic Communities (COMESA, SADC, EAC, ECOWAS, etc) and may as well help to resolve the challenges of multiple and overlapping memberships in different regional trade agreements.

The objective towards creating a Continental Free Trade Area can be explained by a standard theory that posits

that regional integration will further increase trade in goods and services between the member countries, enhance economic growth and development and thus reduce poverty sooner than what multilateral trade would achieve. But trade integration in itself can take several forms, and the benefits derived depend on the levels of political and economic commitment of member countries. Crucially, these arrangements can move beyond a mere tariff-reducing exercise to a more ambitious form of economic integration, with provisions for common monetary and fiscal policy.

According to an empirical study¹, the deepening of the trade integration level in Africa could raise the share in total African trade from about 10.2 per cent to 15.5 per cent in 2022. With enhanced trade facilitation measures, the gains could double to reach 21.9 per cent. Moreover, most of the increase in trade from the removal of tariffs would be felt in the manufacturing sector, as intra-African trade consists significantly of products that have been manufactured locally.

Features of Regional Integration

Levels of Trade Integration	Free Trade among Member Countries	Common Trade Policy	Free Movement of Labour and Capital	Common Monetary and Fiscal Policies	One Single Government
Preferential Trade Area	NO	NO	NO	NO	NO
Free Trade Area	YES	NO	NO	NO	NO
Customs Union	YES	YES	NO	NO	NO
Common Market	YES	YES	YES	NO	NO
Economic Union	YES	YES	YES	YES	NO
Political Union	YES	YES	YES	YES	YES

Market diversification

For Mauritius, the market diversification strategy has always been a core element to boost exports of goods and services. One possible route to achieve market diversification is to increase participation in both bilateral and regional trade agreements. Mauritius' exports of goods to the African continent have been increasing over the years moving from Rs 9 billion in 2007 to reach Rs 17 billion in 2016, representing a 90 percent increase over the last ten years. The major markets being South Africa, Madagascar, Kenya and Seychelles. The western and northern Africa represented about Rs 1 billion worth of exports in 2016. Countries like Nigeria, Ghana, Cameroon, and Senegal were the major destinations.

Mauritius is therefore well positioned to exploit opportunities from enhanced market access on the African continent. Currently, the main products exported to the FTA countries under the COMESA and SADC agreements consist of garments, animal feed, refined sugar, wheat flour, printed materials of paper, soaps and detergents, PET bottles, and pasta, amongst others.

In order to generate an indicative

“Mauritius is well positioned to exploit opportunities from enhanced market access on the African continent.”

potential list of the products that can be exported to the Non-FTA countries (western and northern Africa), the International Trade Centre (ITC) Trade Map has been used. The ITC Trade Map offers a holistic approach in generating the potential products that can be exported to a specific country. Based on the current imports and demand of the country of destination and on the export performance of the country of origin, the ITC Trade Map reveals a list of products worth considering as potential export. The following map shows some of the products that are currently being manufactured in Mauritius and that can be exported to some selected non-FTA African countries, along with

some selected economic indicators. It is important to note, however, that the ITC Trade Map does not take into consideration elements such as pricing, purchasing power, freight and transit cost, air and maritime access, amongst others.

The Continental Free Trade Area will only generate full benefits when individual states display the political commitment to push through with the principles of integration that they have already agreed to. If the CFTA is incorporated with more flexible rules of origin than what already exist on the continent and is complemented with trade facilitation measures, all African countries would actually benefit positively in terms of both trade and real income. Finally, administrative burdens on cross-border trade and road blocks along trading routes, bribery and corruption, institutional and supply-side capacity, air and maritime access, as well as robbery and piracy, would all need to be tackled on a continental level. In line with the Africa Strategy, and taking into consideration future external uncertainties (Brexit, AGOA, Preference erosion) that may have an impact on Mauritius' export markets, the participation of Mauritius in the Continental Free Trade Area is not a matter of choice, it is rather imperative.

¹Mevel, S. and Karingi, S, 2012, “Deepening regional integration in Africa: A computer general equilibrium assessment of the establishment of a continental free trade area followed by a continental customs union.” From UNCTAD Policy Paper, 2015, “Building the African Continental FTA: Suggestions on the Way Forward.”

1. MALI

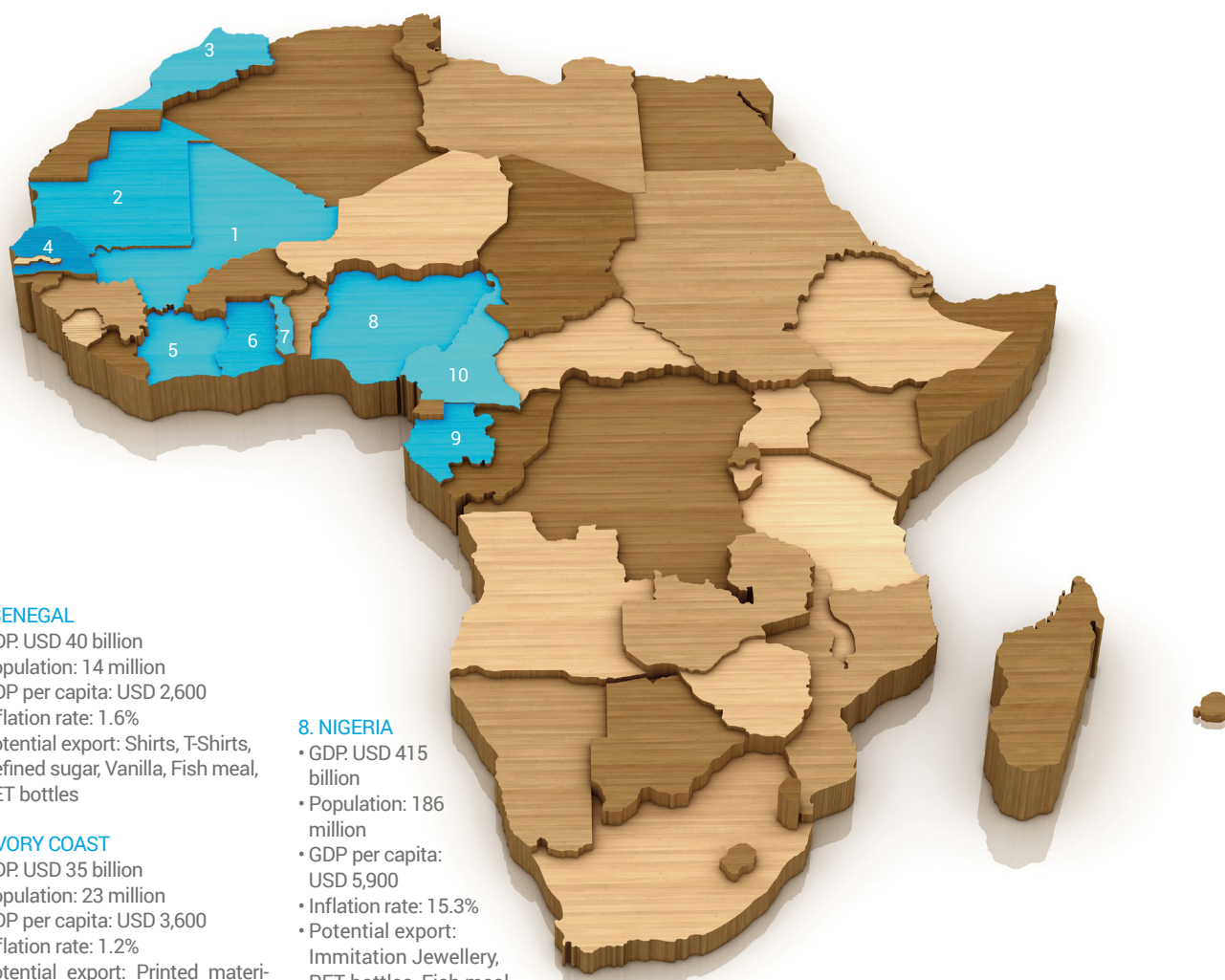
- GDP: USD 14 billion
- Population: 14 million
- GDP per capita: USD 2,300
- Inflation rate: 1.4%
- Potential export: Animal feed, Cosmetics, Imitation jewellery, Beer, Soft drinks, Aluminium profiles

2. MAURITANIA

- GDP: USD 5 billion
- Population: 3 million
- GDP per capita: USD 4,400
- Inflation rate: 3.5%
- Potential export: Medicaments, Animal feed, Soaps and detergents, Denim fabrics, Medical devices

3. MOROCCO

- GDP: USD 105 billion
- Population: 33 million
- GDP per capita: USD 8,400
- Inflation rate: 1.8%
- Potential export: Printed materials, Pullovers, PET Bottles, Denim fabrics



4. SENEGAL

- GDP: USD 40 billion
- Population: 14 million
- GDP per capita: USD 2,600
- Inflation rate: 1.6%
- Potential export: Shirts, T-Shirts, Refined sugar, Vanilla, Fish meal, PET bottles

5. IVORY COAST

- GDP: USD 35 billion
- Population: 23 million
- GDP per capita: USD 3,600
- Inflation rate: 1.2%
- Potential export: Printed materials, PET bottles, Medicaments, Cake decorations, Handbags

8. NIGERIA

- GDP: USD 415 billion
- Population: 186 million
- GDP per capita: USD 5,900
- Inflation rate: 15.3%
- Potential export: Imitation Jewellery, PET bottles, Fish meal, Animal feed

6. GHANA

- GDP: USD 121 billion
- Population: 26 million
- GDP per capita: USD 4,400
- Inflation rate: 17.8%
- Potential export: Refined sugar, Printed materials, T-shirts, Animal feed

9. GABON:

- GDP: USD 14 billion
- Population: 1.7 million
- GDP per capita: USD 19,300
- Inflation rate: 1.1%
- Potential export: Pasta, Fertilizers, Detergents, Rum, Iron tubes and pipes, Cosmetics

7. TOGO

- GDP: USD 4 billion
- Population: 7 million
- GDP per capita: USD 1,500
- Inflation rate: 2.2%
- Potential export: Wheat flour, Woven fabrics, Rum, T-shirts, Pasta

10. CAMEROON

- GDP: USD 30 billion
- Population: 24 million
- GDP per capita: USD 3,300
- Inflation rate: 2.4%
- Potential export: Refined sugar, Trousers, Animal feed, Pasta

Source: ITC Trade Map, World Fact Book (2016)

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COMESA Business Council

Azim Currimjee elected first Vice-Chairperson

The President of the MCCI, Azim Currimjee, was elected first Vice-Chairperson of the COMESA Business Council (CBC) at the 10th Annual General Meeting of the organisation in December 2016, in Lusaka. The CBC Board Chairperson in office Dr. Amany Asfour retained her seat for another two-year term.



The COMESA Business Council (CBC) is a business member organisation, and a private sector institution of the Common Market of Eastern and Southern Africa (COMESA), established as the Consultative Committee of the Business Community. It brings together a diverse group of businesses and Associations in the region, and is the recognized regional apex body of the Private Sector and Business Community in the COMESA region. It was established in 2005, with the objective of providing a platform for business services and linkages, policy advocacy and trade information and business intelligence. Its role is to address the pertinent constraints to business and competitiveness in the region and foster private sector participation in the regional integration agenda.

CBC Key Projects in 2017

In 2017, the CBC, under the leadership of the Board, will focus all its at-

tention on SMEs competitiveness as it explores and promotes opportunities to establish sustainable partnerships along the North-South Corridors and up-scale the CBC local Sourcing for Partnerships Project to the tripartite region. Other activities include speeding up the agendas of the Tourism Industry and building the ICT Business services working group to ensure positive alliances between ICT for enhanced business competitiveness.

Furthermore, building on the works already laid in the previous years in terms of business and policy advocacy, various ongoing activities include the operationalisation of the COMESA Business Visa, Professional Services Industry Work Group development and the Business Trader Index. Another focus will be on strengthening the voice of the private sector through Public Private Dialogues and National Business Seminars. These activities aim at enhancing the capacity of businesses in trade and regional integration.

In addition to policy advocacy, the CBC also focuses on the development and promotion of a viable and dynamic private sector by promoting the development of strong businesses. The major areas of the services provided will be in three categories: Information services, Business networking opportunities, and technical and productive capacity development for business.

The CBC has a supplier-distributor online platform known as CBC-BIZNET to help meet the market information gap and proffer a link between buyers and sellers. The aim of the portal is to provide buyers with access to credible information on suppliers in the region and also give them a platform to inform suppliers of their purchasing requirements including specific products, quantities, documentations/records, quality and standards-certifications. It will also provide suppliers with a marketing platform for their products.



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UCCI/OI

Pont régional entre les mondes institutionnels et économiques



Conseil Exécutif du PRCC-OI à la CCI d'Antananarivo – 27 Juin 2016

Fondée par les Chambres de Commerce et d'Industrie des Comores, de Madagascar, de La Réunion et de Maurice, l'Union des Chambres de Commerce et d'Industrie de l'Océan Indien (UCCIIOI) poursuit sa politique de développement pour mieux répondre aux besoins des opérateurs économiques de l'océan Indien.

Depuis 2007, soit deux ans après sa création, un rayonnement étendu aux territoires de Mayotte et des Seychelles permet à cette organisation de couvrir près de 100 000 entreprises.

L'UCCIIOI ne cesse de gagner en substance et de renforcer son statut d'ombrelle du secteur privé dans la sous-région. Déjà interlocutrice privilégiée de la Commission de l'océan Indien (COI) sur les questions relevant de la coopération économique, l'Union élargit depuis ces dernières années ses partenariats pour une meilleure synergie entre les diverses actions menées dans l'océan Indien en matière de coopération économique.

L'organisation régionale de coopération économique est de plus en plus sollicitée pour des actions visant au renforcement du secteur privé. Ainsi s'est-elle vu attribuer la maîtrise d'ouvrage du Programme de renforcement des capacités commerciales dans l'océan Indien (PRCC-OI) par l'Agence française de développement (AFD). L'UCCIIOI travaille également avec l'Organisation internationale de la Francophonie sur un programme d'actions sur les deux prochaines années dans le cadre du déploiement de la Stratégie économique et numérique de la Francophonie dans l'océan Indien. De plus, elle contribue à la définition du prochain programme régional européen dédié au développement du secteur privé et de la compétitivité régionale, porté par la COI.

Grâce à ces soutiens, l'UCCIIOI parvient à plaider davantage en faveur d'un meilleur environnement des affaires dans la sous-région, tout en menant des actions de terrain à destination des entre-

“Cartographie régionale pour centraliser l'information économique”

prises. L'enjeu est de mettre en évidence l'intérêt pour les opérateurs économiques de saisir des opportunités dans les îles voisines et de s'inscrire dans des partenariats régionaux pour gagner en compétitivité à l'international.

A travers le PRCC-OI, les Chambres de Commerce et d'Industrie travaillent conjointement à la mise en place d'outils dans le but de mieux guider les porteurs de projets à dimension régionale. Le lancement d'une plateforme numérique dédiée aux affaires dans l'océan Indien est prévu au début de l'année prochaine. D'autres services sont en cours de développement, notamment la centralisation de l'information économique dans une cartographie régionale en ligne, des bulletins d'intelligence économique réguliers sur des secteurs et des régions stratégiques ou encore l'accompagnement de projets de certification à l'export. Autant de dispositifs pour permettre aux entreprises de mieux saisir les nombreuses opportunités qui se situent juste aux portes de leurs territoires.



« LES EXPERTISES MAURICIENNES AU SERVICE DE LA RÉGION »

« Maurice est un réel moteur pour la construction d'une économie régionale. Le dynamisme économique mauricien n'est plus à prouver. Le pays dispose de nombreuses expertises qui peuvent profiter aux îles de la région. De plus, ses relations solides avec les pays des continents africains et asiatiques constituent un atout certain. Ce positionnement pourrait permettre à nos opérateurs de mieux s'insérer dans ces marchés stratégiques, notamment, en instituant des consortiums sur la base de leurs complémentarités. »

ISABELLE CHEVREUIL
Présidente de l'UCCIIOI

**Ambassador K.V. Bhagirath, Secretary-General
of the Indian Ocean Rim Association:**

“Disparity in the capacities of Member States is a challenge, as well as an opportunity”

Ambassador K.V. Bhagirath must be particularly excited about assuming duties as Secretary-General of the Indian Ocean Rim Association (IORA) as the latter turns twenty. All the more so as the milestone event gives him the opportunity to look back and better prepare for the future.



**This year marks the 20 years of
existence of IORA. What have
been the main accomplishments
of the Association?**

Firstly, it is with great pride that I have to say that our association now comprises 21 Member States, 7 Dialogue Partners and 2 Specialised Agencies. It is in itself an achievement to have been able to regroup diverse countries on a single platform to create common ground for regional economic co-operation.

Furthermore, six priority areas were identified at the 11th Council of Ministers, in Bengaluru, India in November 2011 to promote the sustained growth and balanced development of the region such as: Maritime Safety & Security, Trade & Investment Facilitation, Fisheries Management, Disaster Risk Management, Academic, Science & Technology and Tourism & Cultural Exchanges. The six priority areas were further enhanced at the COM in Perth, Australia, in 2014 where Women Economic Empowerment and Blue Economy were identified as two cross-cutting and focus areas of the Association.

With the contribution of each Member States, the Association has suc-

ceeded in organising different work programmes and workshop to assist Member States with their development. It is worth to note that some of the IORA sectoral events have been held at Ministerial level, including in Tourism, Renewable Energy, Trade and Blue Economy.

The IORA Secretariat has also deepened links with Dialogue Partners and the private sectors, which is believed to play an important role in technology and human resource development in the Indian Ocean rim region.

IORA has further approached international and regional organisations for collaboration. Recently, IORA has been granted Observer Status at the United Nations, UNCTAD and the African Union which is a great achievement. Formalisation of cooperation is under process through work plans or MOUs with these institutions.

How does the Association plan to celebrate this anniversary marking event?

To commemorate that milestone, a Leaders' Summit and other related meetings are scheduled to take place from 5-7 March 2017 in Jakarta, Indonesia. It is the first time that IORA is organising such a summit, and two important documents will be endorsed, namely the IORA Concord and the IORA Action Plan 2017 – 2021, both of which will pave the way to a peaceful and safe Indian Ocean through sustainable socio-economic development of the region. In addition, the Association is also considering an anti-terrorism declaration to be approved by the Leaders of IORA.

Creating a common ground for regional economic cooperation is one of the main objectives of IORA. How has the IORA contributed to achieve this goal over the past 20 years, considering that each member state has a different level of development?

The disparity in the capacities of Member States is a challenge, as well as an opportunity for IORA. The IORA is confident that in the perceived challenge lies the solution. In order to overcome the difficulties posed by socio-economic disparities separating its Member States, the Association has introduced a programme known as the IORA Sustainable Development Programme (ISDP).

The ISDP is a project intended to serve the needs of the least developed Member States of the IORA, and the project proposals are formulated by

Member States that are covered under this program. It is a development instrument to strengthen the capacities of the less developed IORA members which fosters regional cooperation and forge new partnership with IORA Member States especially with a focus on employment generation and poverty alleviation.

The IORA Sustainable Development Programme is funded by the IORA Special Fund which would provide 90% of the funding for the project which should not exceed a maximum amount of US\$60,000, with the remaining 10% to be the responsibility of the host Member State. To date, four ISDP events have been held in Bangladesh, Tanzania, Madagascar and Comoros respectively. Other ISDP events are in process with other LDC Member States. IORA is now embarking on the second phase of this program.

There are also different meetings that are held each year such as the Council of Ministers, Committee of Senior Officials, meeting of the working groups such as WGTI, IORAG and IOR-BF. Delegates from each Member State attend these meetings as often as collectively decided. Since the Association works on a consensus basis, each Member State has the right to voice out its views and provide its inputs with regards to the matters being discussed. Moreover, through workshops, delegates from each Member State come together on a common platform to provide their expertise in different areas to other countries.

Talking about the IORA Business Travel Card, how does the IORA plan to find a common ground for the free movement of business people, taking into consideration that this project will involve 21 different member states?

The proposal for the establishment of an IORA Business Travel Card (IBTC) is on the agenda of the Association. The private sector made it clear that improved access to IORA Member States is a critical requirement for effectively boosting intra-regional trade and investment in IORA.

There are many benefits that can be reaped from the IORA Business Travel Card. Firstly, it will allow multiple short term entry to IORA Member States, and IBTC holders would not be required to get visas to travel to participating IORA member states. It would provide for fast-track entry and exit through spe-

“The IORA Secretariat has also deepened links with Dialogue Partners and the private sectors, which is believed to play an important role in technology and human resource development”

“IORA Member States are committed to developing a common vision that would make this sector a driver for balanced economic development in the Indian Ocean Rim region.”



CAREER HIGHLIGHTS

Ambassador Bhagirath is from the Indian Foreign Service which he joined in 1979. He was elected Secretary-General of Indian Ocean Rim Association during the IORA Council of Ministers' Meeting in November 2011 and assumed charge on January 1, 2012. He is a student of History from St. Stephens College, Delhi University and Jawaharlal Nehru University, New Delhi. During his diplomatic career spanning over three decades, he has undertaken assignments in the Middle East, Latin America, Europe and Africa, with postings in Damascus, Syria from 1981 to 1983, Havana, Cuba from 1989 to 1993, London, United Kingdom from 1993 to 1997, Mauritius from 1997 to 2001, Paris from 2004 to 2007, and Dar es Salaam, Tanzania from October, 2007 to 2011.

cial lanes at major airports. There would also be expedited border crossings in Member States and expedited visa process/scheduling of visa interviews, etc. In view of some complex issues on the proposal, it was agreed by IORA Member States that further discussions will be required on experts' level.

What are the challenges that IORA is facing in carrying out its flagship projects?

IORA faces many challenges in carrying out its flagship projects. Member States of IORA are diverse in their levels of development and respective social and economic capabilities and capacities. Their social and economic indicators have huge variations. While some of them are G20 members, others are situated at the other end of the economic spectrum. While our Member States are at very different stages of development, they also have different set of rules and regulations. Each Member State also has a different agenda and priorities are different; each would want to concentrate more on a priority area that is more important and relevant to their State.

For example, the Blue Economy is gaining increasing interest in Member States and is also recognised as the top priority for generating employment and ensuring sustainability in business and economic models in the Indian Ocean. With the new challenges that the Blue Economy sector is facing, IORA is striving to promote this important sector as a driver for sustainable development, research and development, investment, technology transfer, with capacity building being crucial so as to explore the full potential of the oceans for the socio-economic benefit of the region. So, IORA Member States are all committed to developing a common vision that would make this sector a driver for balanced economic development in the Indian Ocean Rim region.

Furthermore, for the implementation of flagship projects, the IORA requires experts, research and development, technology and most importantly funding. This is why the IORA is exploring potential collaboration with relevant stakeholders, including its Dialogue Partners, regional and international organisations, private sectors, and research institutions, among others.

Highlight “IORA Member States are committed to developing a common vision that would make this sector a driver for balanced economic development in the Indian Ocean Rim region.”



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Georges Fischer, Chair of the World Chambers Network:

“MCCI is the perfect illustration of the hub role of Mauritius”

Talking to MCCI Insights, Georges Fischer shares his views about the challenges faced by Chambers to continue to demonstrate relevance in the 21st Century marked by technology-driven marketplace.



Chambers' role and activity are questioned almost everywhere. What challenges are they facing?

The main challenge is that companies are more and more sensitive to the “pay-back” on the amounts they invest. Or, whether public or private, CCIs have historically been perceived as institutions, mainly because their most visible – and valuable – activity is, and has always been, advocacy...where direct results, efficiency and impact are difficult to estimate. This activity must

remain; but Chambers have, at the same time, to change this perception and develop their portfolio of services, to switch from institutions to full service centres.

A great number of them are already walking along this track, emphasizing their value proposition, and you may note that, now, they often present “member benefit” packages, instead of just proposing membership. The new wording is not just a gimmick; it shows the change of mindset.

How does that switch translate into reality?

Mainly through acquiring a new and strong DNA: customer orientation.

On one hand, Chambers have always thought in terms of activity, meaning “their activity”. Today, one can see two evolutions in the way they present their results: firstly, measuring customer satisfaction through systematic and aggregated surveys, like the one MCCI has just launched and, secondly, trying to measure

"The strongest assets (Chambers) have are not material, they are their brand and their network."

the impact for customers served... and for economy in general. To illustrate this, let's think about conducting a delegation abroad: the usual approach is to indicate how many travels have been organised with how many companies. Now, satisfaction is measured after each travel and generates an aggregated satisfaction index; next step is to figure out how many contracts have been signed in the following months and for what amount.

On the other hand, difficulty for Chambers is that they still have to "think ahead": answering demands...but looking and responding to needs. This is particularly true for the information technology turn, and MCCI understands it: see the example of VAT refunding or its new training centre.

What is the unique stronghold that nobody can dispute to Chambers?

The strongest assets they have are not material, they are their brand and their network.

Who can pretend having a brand which is notorious all over the world, focused (everybody relates CCI with business, trade, business information, international trade...) and neutral (especially in international trade, where Chambers promote export and import, contrary to national agencies)? Moreover, who can pretend to have a brand which holds such a trust content attached to it? As an example, you can look at all those arbitration and mediation centres; most of them are run by or with Chambers, as they are perceived as being the guarantors of a fair and neutral procedure.

The second asset is just as important: Chambers are the only bodies who have a real network everywhere in the world. If you add the trust content mentioned above, you have, de facto, a network of trusted third parties dedicated to facilitate international trade. This is the case for instance for certificates of origin and ATA Carnets: when a company pays for such a service and complains that it is too expensive, it forgets

that it doesn't pay for the stamp but for the confidence attached to the fact that this stamp is issued by a Chamber and that this confidence will speed up the processing by the customs.

In the same way, CCIs are linked on the Internet through the World Chambers Network (www.worldchambers.com) dedicated to creating trust tools in the international electronic trade. A first tool is available: ChamberTrust, allowing local companies to be verified by a Chamber for their objective information displayed on their website and thus bringing the first layer of trust to those who meet them on the Internet. ChamberTrust is open in Mauritius and so will be soon the second tool, Chamber-eVault, a secure electronic safe to store electronic documents.

Except for those tools already quoted, is MCCI playing a role in networking?

You can say so. MCCI is the perfect illustration of the hub role of Mauritius.

Let me give you just two examples among others: first, a new project, financed by the French Development Agency (AFD) to the Francophone-African CCIs Association (CPCCAF), is launched to strengthen economic relations among Indian Ocean islands; of course Mauritius is part of it and I hope you'll keep your readers informed of the project's progress and outputs.

And if you want a significant sign of the importance of MCCI, let me remind you that the Secretary General of the Chamber, Mr. Raju Jaddoo, has been elected to the Global Council of the World Chambers Federation.

As a conclusion, what would you say to non member companies?

There are two populations: those who know how to take advantage of their Chamber and its services and those who don't. If you don't belong to the first category, your competitors do!



CAREER HIGHLIGHTS

Georges Fischer is the chair of the World Chambers Network since 1998, and senior advisor, Digital strategy committee, to the World Trade Centres' Association in New York. Mr. Fischer served as Director for international networks and partnerships of the Paris Chamber of Commerce and Industry on international institutional cooperation, funding, export facilitation (certificates of origin, ATA carnets) and networks management (EEN, ASCAME, CPCCAF, WCF, WCN, WTC).

He has directed projects for the Paris CCI, Francophone - African CCI's association, UN and others. He is a Co-founder and senior advisor for Next @ction (Paris and St. Stail, France) and has extensive experience in ICT consultancy, e-strategy & e-international trade. He is the founder of Fischer Corporate Consulting International (Paris, France).

Mr. Fischer has taught strategy, finance and project management for MBAs at HEC and ISC who major in entrepreneurship, and MBAs at Novancia Business School.

Mr. Fischer is Chevalier in the Ordre du Mérite.

Arbitration and Mediation

Taking MARC to new Heights

The MCCI has deployed a new development plan for MARC for the coming years. The aim is to provide an even more efficient and effective service to the business community while coping with new requirements.

Further to a major strategic development and re-branding exercise in 2013, MARC has been evolving promisingly during the past three years with a marked rise in the number of arbitration cases.

Following a strategic planning exercise in collaboration with international partners, MARC has started to implement a series of measures this

year, namely a new governance structure and new support services. These include the launch of a revised version of the MARC arbitration rules, and the organization of a series of events and seminars targeting practitioners in Mauritius as well as in the region.

In this context, Mr. Neil Kaplan has been appointed as the President of the MARC Court.

The new MARC Governance Structure will add more layers of good governance to MARC's current internal procedures for the management of arbitration and mediation cases. It will comprise the MARC Court, the MARC Advisory Council and the MARC Permanent Secretariat.



From right to left, Mr. Richard Naimark, Senior Vice-President of the ICDR, Mrs. Lim Seok Hui, Chief Executive Officer of SIAC and of SIMC, Mr. Roger Wakefield, Member of the Management Committee of AFSA, Mr. Fidèle Masengo, Secretary-General (Ag.) of KIAC, and the moderator, Mr. Barlen Pillay of the MARC Permanent Secretariat, panelists at the MARC Conference held in May 2016 on 'Arbitration: It's Time for Africa'



Mr. Neil Kaplan addressing the audience during a seminar organized in Mauritius by the MCCI.

Enhance the neutrality and transparency

The MARC Court will work in collaboration with the Permanent Secretariat to enhance the neutrality and transparency of decision-making processes related to appointment and procedural issues. It will also rule on the admission of arbitrators and mediators on the MARC Panels.

The MARC Court is aligned on international best practices and standards, and is part of an endeavour to better meet the needs of the growing community of users of arbitration and mediation.

A MARC Advisory Board comprising international experts is also part of the new MARC governance structure. The MARC Advisory Board will be consulted on matters relating to MARC's development policies and best practices as well as on projects and initiatives to further the development of ADR methods as effective trade and business facilitation tools.

Involving the legal and business community at grass root level

MARC has always endeavored to work in close collaboration with the legal and business community. The setting up of the MARC Commission for Strat-

"Institutional Arbitration is about administering privatized justice, and the responsibility it entails is significant. At the MCCI, our aim is to ensure that users of MARC services benefit from a flawless, ethical and efficient service delivery"

egy and Development in 2014 aimed to reinforce consultation and coordination between economic players, legal practitioners, public authorities and other stakeholders in the field of ADR with a view to optimizing the use of ADR methods to facilitate the resolution of trade disputes, and eventually for better trade and investment in Mauritius and

the region. Since its setting up, various sub-committees have been established to work in specific areas, such as enhancing ADR best practices in the construction sector, identifying training needs in the field of arbitration, promoting the use of mediation for employment related disputes and introducing a legal framework for private mediation in Mauritius.

The MARC Commission has since its creation operated as an excellent forum for discussions on major issues being faced at grass root level by law practitioners as well as users of ADR services in various sectors of the economy. The MARC Commission will continue to operate, alongside the newly created structures, as a forum of consultation and discussion with a view to improving the practice of ADR in Mauritius and the region.

Institutional Arbitration is about administering privatized justice, and the responsibility it entails is significant. At the MCCI, our aim is to ensure that users of MARC services benefit from a flawless, ethical and efficient service delivery, whether in terms of control of time limits, compliance with agreed procedures, service and exchange of documents, costs control, support to the arbitral process and tribunal. We endeavour to continue working in this direction so that the community of users of ADR services find in MARC the winning solution to their conflicts, disputes and business issues.



marc

MCCI ARBITRATION &
MEDIATION CENTER

Issues, Disputes, Conflicts?
Talk to us!

WE WORK IT OUT

Neil Kaplan, President of the MARC Court: “Mauritius is well placed to play its role as a neutral venue”

Neil Kaplan, CBE QC SBS was recently appointed as the President of the MARC Court. In an exclusive interview to MCCI Insights, Mr. Kaplan reminisces on his career as a lawyer and arbitrator, and gives some advice to the rising generations of young arbitrators.

“Arbitrators must not look over their shoulders and worry what some enforcing court might do or say. Do what you think is right and fair and, in most cases, the court will not interfere.”

Mr. Kaplan, you are a leading personality in the legal field, renowned for your work as a counsel, judge and arbitrator. Could you tell us more about what drew you to this field?

I have been involved in dispute resolution since 1965, but arbitration only became really relevant to me once I arrived in Hong Kong in 1980. Precisely at that time, HongKong was thinking of changing its arbitration law and I was asked by the Attorney General to be involved on behalf of the Government. He then set up a steering committee to investigate the viability of setting up an arbitration centre in the country. I was asked to serve on that committee and when the Hong Kong International Arbitration Centre (HKIAC) was set up I became a Board member and chair of the panel selection committee. In 1991, I became Chair of HKIAC, a post I held for 13 years. From 1980 onwards, I acted as counsel in arbitrations and from 1990, I became the judge in charge of the Arbitration List. This coincided with the coming into force in Hong Kong of the Model Law, and so I was one of the first judges to be able to develop this new jurisprudence. It had always been clear to me that arbitration had an important part to play in the commercial development in Asia simply because many court systems in the area were not experienced enough to deal with the disputes that arose. In addition, the perennial fear of hometown justice made arbitration a no brainer. All this accounts for the substantial development of arbitration centres in the Asia Pacific region.

As the newly appointed President of the MARC Court, what is your vision for the development of arbitration in Mauritius and the region?

Arbitration is linked to trade. Trade in Africa is increasing. China has shown great interest in the region. Arbitration is needed, and it seems to me that Mauritius is well placed to play its role as a neutral venue. I believe users will have confidence in Mauritius as a user-friendly venue and MARC has an important role to play.

What according to you are the main challenges arbitration must contend with today as an alternative mode of dispute resolution?

We hear all the time that cost and speed are crucial issues and indeed they are. But excessive speed can cause in-

justice. Arbitrators have to try to control cost and they should be doing this with the parties from the beginning. Although everyone wants to win their arbitration it is important that both parties feel that they have had a fair hearing and that they appreciate why they won or lost. Much criticism has been made of arbitrators showing too much due process paranoia. I think there is some force in this. Arbitrators need to be fair but at the same time they need to enforce their own rules. They must not look over their shoulders and worry what some enforcing court might do or say. Do what you think is right and fair and, in most cases, the court will not interfere. You cannot worry about what a rogue court might do.

You have more than 30 years of experience as a practitioner of arbitration. What advice could you give to practicing arbitrators and to young lawyers aspiring to become arbitrators?

The best experience is to work with a practising arbitrator as an arbitral clerk. This way you can see what to do and what not to do as well as seeing how arbitrators work. Acting as Arbitral Secretary is also excellent experience. Attend the relevant conferences, join young ICCA and similar organisations in your region. Write as often as you can. Be in the right place at the right time. Never underestimate luck.

What are your passions in life, besides law and arbitration?

My passions outside the law are art, reading, music, wine and family. As to art I have been interested in the subject since at least the late 1950's because my uncle owned the Kaplan Gallery in the West End of London. I often worked there in the holidays. I sold several paintings for what seems very little now but then it would have bought a house! He introduced me to Rembrandt and I always wanted to own an etching knowing that however successful I might be I could never afford a painting! In 1984 I was acting for a major building company in Hong Kong and the owner invited the team working on the case to a charity ball. He bought everyone a raffle ticket and there was one left over which he gave to my then wife. That ticket won the star prize – a car. As we didn't need another car we sold it and with the proceeds went to London to buy my first Rembrandt etching. Since then I have built up a large collection of them and this has given me great excitement and interest.



CAREER HIGHLIGHTS

A prominent personality in the field of alternative dispute resolution, Neil Kaplan has been practicing as a full-time arbitrator since 1995. He has garnered decades of experience from being involved in hundreds of arbitrations cases, whether as a co-arbitrator, sole arbitrator or chairman.

These arbitrations have included a wide range of commercial, infrastructural and investment treaty disputes under the rules of the International Court of Arbitration (ICC), the Hong Kong International Arbitration Centre (HKIAC), the London Court of International Arbitration (LCIA), the United Nations Commission on International Trade Law (UNCITRAL) and the International Centre for Settlement of Disputes (ICSID) to name but a few. Mr. Kaplan has also presided over ad hoc arbitrations as well as bilateral investment treaty cases administered by the Permanent Court of Arbitration of The Hague.

Called to the Bar of England and Wales in 1965, Mr. Kaplan has practiced as a barrister, Principal Crown Counsel at the Hong Kong Attorney General's Chambers and served as a Judge of the Supreme Court of Hong Kong in charge of the Construction and Arbitration List.

In June 2001 Mr. Kaplan was awarded a CBE for services to international arbitration. In 2007 he was awarded the Silver Bauhinia Star by the Chief Executive of the Hong Kong Special Administrative Region. As a result of his contribution to the development and growth of arbitration in Hong Kong, Mr. Kaplan is often described as "the father of Hong Kong arbitration".

The MCCI is honoured to work with a person of such a standing and ability as that of Mr. Kaplan and feels confident that the President of the MARC Court will play a pivotal role in the latter's continued growth and success.

Electronic Certificate of Origin: A Reality

The Electronic Certificate of Origin (eCo) system is being constantly upgraded to better serve members of the business community. But some challenges still remain.



The MCCI conducted various information sessions to sensitise the business community of the use of the enhanced version of issuing the Certificate of Origin. The new version of its online system for issuance of Certificate of Origin was launched on the 20th February 2017.

With its new electronic features, the eCO is now fully secured to prevent forgery. The process is streamlined as the delivery of CO is made at the operator's premises.

Millions of certificate of origins (COs) are issued every year facilitating trade around the world. Since as early as 1898, Chambers of commerce have been issuing non-preferential CO, which is important international trade document attesting that goods in a particular export shipment are wholly obtained, produced, manufactured or processed in a particular country and certify that the country of origin of a particular product does not qualify for any preferential treatment.

As in most countries, Chambers of commerce are the key agents in the delivery of Cos. In Mauritius, the MCCI plays an important role in this domain and is the competent authority to issue COs.

In 2010, the MCCI introduced an on-line system for the issuance of CO, allow-

ing the operators to submit an online application with all supporting documents. However, the delivery of CO is made at MCCI's office.

In response to requests from operators, the MCCI has enhanced this year the existing system by developing the following features:

- signing electronically the certificate of origin
- generating a secured certificate
- printing the certificate on pre-printed paper at the operator's office
- providing operators and users the possibility to verify the authenticity of the certificate through a secured website

Fully secured, the system enables the operators to save time, reduce costs and increase transparency in the process.

Whilst this second phase has greatly relieved the operators, the system is being constantly upgraded to better serve members of the business community.

However, sending an electronic certificate of origin (eCO) directly to the customs or importers still remains a challenge. Some aspects and characteristics of the eCO must be considered in a digital process:

- protection of the integrity and confidentiality of the eCO details
- increasing the level of acceptability of eCO in the CO chains
- adopting standards for the issuance of eCO

The MCCI, being member of the ICC World Chambers Federation, works in such a way to follow the WCF's International Certificate of Origin Guidelines, which establishes the standard procedures for issuing and attesting COs by Chambers. This set of international standard rules and procedures reinforces the trust and integrity of the CO Chain, not only benefiting traders but also Customs administrations.



Why are **Certificates of Origin** important?



Customs

- ✓ **Traceability and security** of the goods entering a country ensured
- ✓ **Taxes and duties applicable** determined upon the goods
- ✓ **Rely on Chambers expertise** in certification rules and procedures



Chambers

- ✓ Issued by **Chambers of Commerce**
- ✓ **Expertise** in globally accepted certification rules and procedures
- ✓ Recognised as **credible trusted third parties** and **legitimate authority**



Exporters

- ✓ Easier and faster **Customs clearance**
- ✓ **Productivity gains** for companies

FACILITATING TRUSTED WORLDWIDE TRADE



Food Traceability enabled by GS1 Solutions

With Mauritius recently facing major challenges in the food sector namely food scares and consumers' consequent request for transparent information, introducing food traceability on a national level becomes vital, and GS1 Traceability Solutions make it possible.

Massive food scares in Mauritius, created by the recent foot-and-mouth disease and salmonella cases, had devastating effects on various fronts: loss of consumer trust, plummeted consumption, brand reputation damage and considerable economic impact.

To address these challenges, Food Traceability – from farm to fork – is more than ever vital in Mauritius and GS1 Traceability Solutions play a key role.

Traceability: Full supply chain visibility

Traceability is the capability of tracing goods along the supply chain, from the source of raw materials up to the final consumer.

Traceability therefore provides access to information about the product: where it is coming from; where its components or ingredients come from, how they were processed, who was involved, where they are destined and where they are currently located.

Food Traceability: Today's fundamental need

In the event of food scares and ultimately food product recalls, an effective traceability system – which enables stakeholders and other parties to quickly identify the cause and remove affected products from the supply chain – helps minimise the related risks to consumers and limit the damage to brand reputation and negative economic impact.



"An effective traceability system helps minimise the related risks to consumers and limit the damage to brand reputation and negative economic impact."

An efficient and effective food traceability system is also important because it is:

An essential tool for all trading partners:

- The efficiency in product retrievals makes traceability a crucial tool for consumer safety.
- Traceability has also become a legal requirement in certain sectors and countries, for example the European Food Law and the US Food Safety Modernisation Act.
- Traceability allows easier detection of counterfeited products, making it more difficult for them to reach points of sale.

A strategic advantage

Having product traceability processes is a long-term strategic investment:

- With better access to information about the flow of products and transactions in their supply chains, companies and their logistics service providers can optimise transport and logistics processes to enable more accurate replenishment, optimised fleet management, easier collaboration and reduced paperwork.
- Traceability is fundamental in supporting marketing strategies to build customer trust and maintain brand reputation.

Traceability systems benefit all actors: trading partners, consumers as well as authorities.

How GS1 Traceability Solutions contribute to efficient Traceability

- GS1 standards: a common language for all:

Unlike isolated internal traceability systems which are applicable to only one specific organisation or one of part of the value chain and which are not compatible with each other, traceability solutions built upon GS1 standards are interoperable and give the visibility needed as products move between operators.

Interoperability between traceability systems ensures that, for example, if a manufacturer applies a logistics label with barcodes, the latter are readable by any carrier, logistic provider and retailer so that they do not assign another label.

This is possible with GS1 standards as businesses adopt the same language to: uniquely identify their products, logis-





tics units, manufacturers, growers, locations, capture information about batch number, lot number, manufacturing date, expiry date with EAN, GS1 QR Code, GS1 DataMatrix among others; and share information electronically with trading partners along the supply chain.

- Collaboration with key global stakeholders:

GS1 is engaged with inter-governmental bodies such as the OECD and the World Customs Organisation amongst others. Moreover, GS1 has a long-standing partnership with ISO with many GS1 standards recognised by ISO.

Furthermore, several requirements of

GS1 Global Traceability Compliance fulfil the traceability requirements of main global standards namely HACCP, ISO, IFS, BRC, GLOBALG.A.P amongst others.

As such, GS1 traceability solutions provide one single traceability process that meets all compliance needs of the above standards. Companies already adopting those standards can easily meet GS1 Traceability requirements to ensure effective food safety management, both within their organisations and across the supply chain.

The Mauritian Context

GS1's contribution to meeting in-

creasing regulatory requirements, consumer expectations, and international safety standards is today clearly recognised by key players and government around the world.

Accordingly, as a first step to introduce traceability in Mauritius, GS1 Mauritius members have been closely assisted to assign their Global Location Number. GS1 (MAURITIUS) LTD will sustain this momentum to further support its members and relevant stakeholders to implement traceability to increase visibility across the supply chain whilst providing customers with trusted information.

DID YOU KNOW?

- The benefits of an integrated traceability process based on supply chain visibility could represent approximately US\$3 billion (€2.7 billion) in savings to the fresh foods industry as a whole, according to GS1 US estimates.
- According to a 2016 report from research and insights firm IRI, food supply chain transparency is more important than ever to consumers, and retailers that embrace transparency have the opportunity to grow sales up to 25% faster than the average pace.

Source: GS1 Annual Report 2015-2016

¹ Organisation for Economic Co-operation and Development.

² International Organisation for Standards.

³ Hazard Analysis and Critical Control Points.

⁴ International Featured Standards.

⁵ British Retail Consortium.

⁶ G.A.P stands for Good Agricultural Practice, and GLOBALG.A.P is the worldwide standard that assures it.

⁷ Information Resources, Inc.



Nouveau Panier de Yoplait

Plus gourmand - Plus onctueux - Naturellement bon



SME Sector

Reaching New Heights

Following last year's successful launch of the MCCI SME Marketplace on www.mcci.org, the MCCI is actively pursuing its initiatives to support this business segment, which is expected to become a dynamic driver of inclusive economic growth and development over the next coming years.

It is worthy to note that more than half of the MCCI membership comprise SMEs, and our institution is leaving no stone unturned to support this segment whose potential is yet to be unleashed. The MCCI provides a number of services which are relevant to SMEs and has even adapted them to meet the expectations of the SME community. For instance, GS1 (Mauritius) Ltd, the only authorised organisation to issue GS1 Barcodes in Mauritius, has reviewed its fees structure to introduce categories to align with the legal definition of micro, small and medium companies. As such, operators in these categories benefit from attractive packages which can be found on the SME Marketplace. Another example is the special Mediation Packages for SMEs provided by the MCCI Arbitration and Mediation Center (MARC) whose offers are also available on the SME Marketplace. The packages offered by MARC are meant to provide SMEs a healthier,

more transparent and confidential framework for dispute resolution by helping them sort out their commercial disputes privately through the assistance of a MARC mediator within the framework of the MARC Mediation Rules.

Moreover, in September last year, the MCCI signed a Memorandum of Understanding (MoU) with the Small and Medium Enterprises Development Authority (SMEDA) with the aim of promoting our local handicraft operators on www.taxfreeshopping.mu, the dedicated portal of the MCCI for Tax Free Shopping in Mauritius and associated services. The project entitled 'Creative Mauritius' is set to launch in the first semester of this year and will showcase the savoir-faire and talents of our local artists with tourists visiting Mauritius. It will provide the small and medium handicraft operators, duly registered with SMEDA, a wonderful opportunity to showcase their products to

a hardly accessible market. Each of the selected operators will thus benefit from a webpage of their own on the portal, with a full description of their crafts, products, contact details and geographical locations so that tourists interested in buying their products can reach out to them directly, with no need for them to have a commercial outlet.

In the training field, an agreement was signed between the MCCI, the University of Mauritius (UoM) and the Association Universitaire de la Francophonie, with the support of the Ministry of Education and Human Resources, Tertiary Education and Scientific Research, to establish a Centre of Excellence for entrepreneurship through a restructured Institut de la Francophonie pour l'Entrepreneuriat (IFE). The IFE, which will bring together stakeholders from the public and private academia as well as the business



From Left to right : Mr. Parama Valaydon, Chairperson of SMEDA Board, Mr. Azim Currimjee, Hon. Soomilduth Bholah, Minister of Business, Enterprise and Cooperatives, Mr. V. Allymootoo Putchay, Permanent Secretary, Business and Enterprise Division, Mr. P. Servansingh, Managing Director of SMEDA, and Mr. Raju Jaddoo



"The MCCI provides a number of services which are relevant to SMEs."

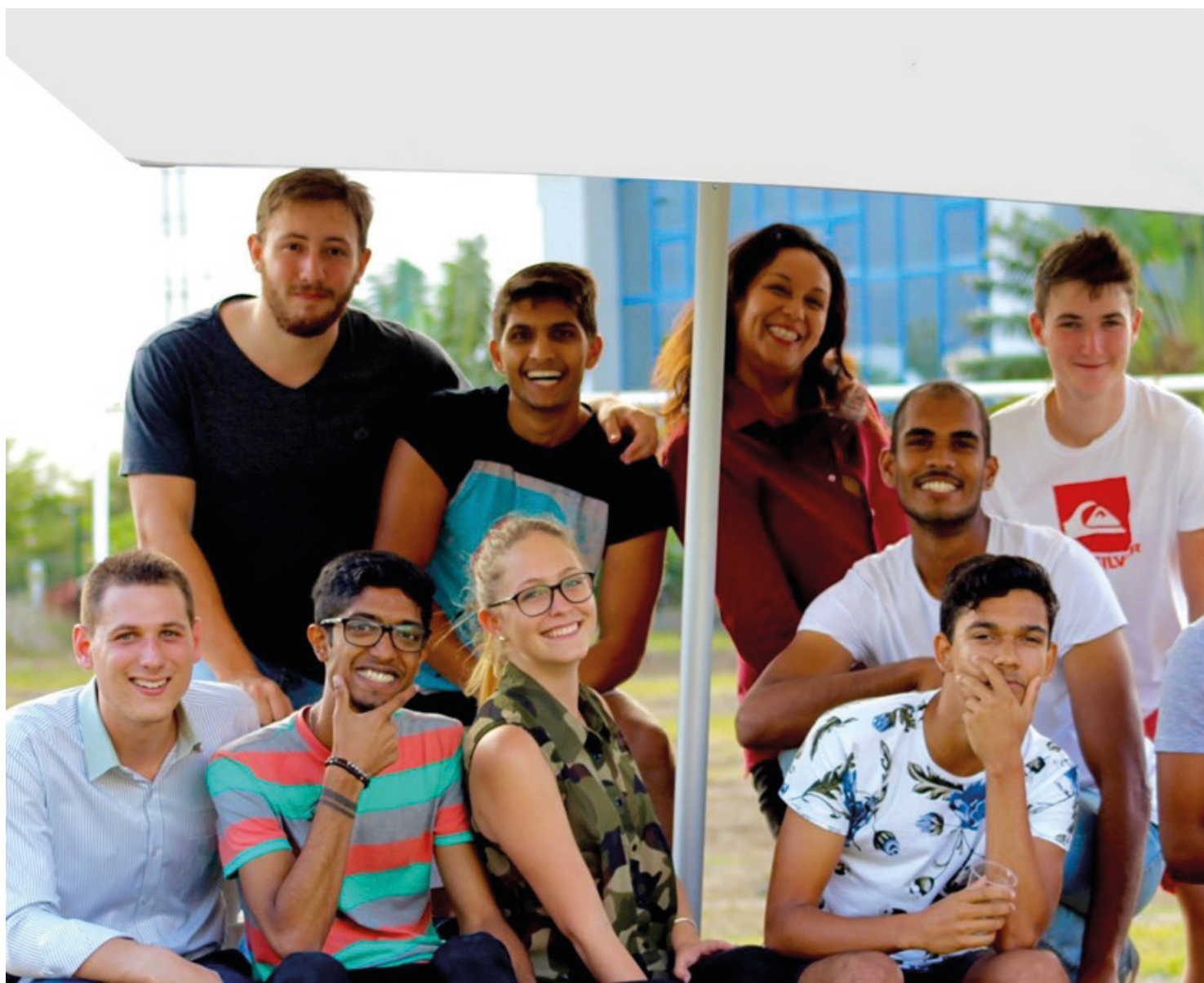
community, is expected to serve not only the country but also the Indian Ocean region and the African continent. The IFE will feature in the International SME Innovation and Technology Fair 2017 scheduled on 12-14 May 2017 during which it will present its entrepreneur-oriented academia to a public of existing as well as aspiring entrepreneurs and students.

The International SME Innovation and Technology Fair 2017 will no doubt be the limelight event for SMEs this year. The MCCI, who is the private official partner of the event organised by the SMEDA, under the aegis of the Ministry of Business, Enterprise and Cooperatives, is actively involved in the steering committee, along with other partners. The fair, a first of its kind, seeks a novel approach to support SME innovation initiatives and promote investment and partnerships through various activities. It will connect foreign and local technology providers with a view to promoting investment and collaboration. The event will also focus on effective linkages and public private partnership to facilitate the transfer of technology, know-how and skills to Mauritian and overseas enterprises through the showcasing and eventual acquisition of technological know-how and tools to assist our SMEs. In parallel, the event will, inter alia, host professional workshops and conferences, introduce an entrepreneur-oriented academia through the IFE and open up new opportunities to an aspiring population of entrepreneurs to undertake a business venture through innovative channels.

The SME landscape is expected to achieve more buoyancy this year as the Ministry of Business, Enterprise and Cooperatives has commissioned a 10-Year Master Plan for the SME sector in Mauritius. The Master Plan provides recommendations to make SMEs a key driving force of the country's productive apparatus and has established several targets to do so. These include raising SME's contribution to GDP currently from 40 per cent to 52 per cent; raising SME's share of total national employment from 55 per cent to 64 per cent; increasing current exports from less than 3 per cent to about 18 per cent, and increasing the value addition from Rs 175 billion to 388 billion. The Master Plan mentions measures to increase export business, higher productivity and a greater participation of entrepreneurs in high value activities such as healthcare, bio-farming, green energies, ICT and a range of technology-intensive business. The MCCI, as the traditional private sector partner, will fully look forward to collaborating in these projects for the best interest of the SME business community.

MCCI Business School, une tradition d'excellence

Pionnière de la formation professionnelle à Maurice depuis plus de 30 ans, la MCCI Business School a formé à ce jour plus de 3 000 cadres occupant des postes de responsabilité tant à Maurice qu'à l'étranger.



La stratégie de développement de la MCCI Business School répond avant tout à un besoin : accompagner la réussite des entreprises en dotant le marché du travail de compétences de qualité.

Première institution privée à Maurice, la MCCI Business School forme chaque année plus de 300 jeunes en fin de cycle secondaire ainsi que des professionnels aspirants à une revalorisation de leurs compétences pour une évolution de carrière réussie. Ces derniers ont la possibilité d'intégrer un programme de formation de qualité aboutissant à un diplôme reconnu internationalement.

La MCCI Business School propose une riche palette de formations permettant aux jeunes et aux professionnels de développer des compétences et des aptitudes qui leur permettent d'être tout de suite employables et opérationnels en entreprise. Des programmes comme l'Informatique, la Gestion, le Marketing, la Communication, la Banque, la Finance, le Management International, le Commerce International, l'Intelligence Economique et le Tourisme s'inscrivent dans une logique de formation œuvrant à aider les étudiants à travailler sur des études de cas ainsi qu'être en stage en entreprise, les connectant aux réalités et aux besoins du secteur. Par souci d'efficacité opérationnelle, la MCCI Business School investit constamment dans la revalorisation de ses processus. Le renforcement du système de management de la qualité s'est traduit par une nette amélioration du taux de réussite aux divers examens.

Les formations classiques : BTS, Licence et Masters

La MCCI Business School propose des formations diplômantes de niveau BAC+2 (BTS : Brevet de Technicien Supérieur) à BAC +5 (Masters). Ces formations, de reconnaissance internationale, sont sanctionnées par des examens nationaux français. Parmi nos partenaires, nous comptons l'Académie de la Réunion et le Lycée La Bourdonnais pour les BTS, l'Université de Poitiers pour la Licence de Gestion et les Masters, et l'Université d'Angers pour la Licence de Tourisme. Les formations permettent d'accéder à des études de haut niveau à un moindre coût, sans que l'étudiant ait à se déplacer à l'étranger.

Toujours soucieuse de proposer des modèles de formations à la pointe de l'innovation, la MCCI Business School a été le premier centre d'études supérieures à introduire la formation en alternance. Menée en collaboration avec des institutions bancaires et des entreprises TICs, cette formule permet à l'étudiant d'alterner son parcours académique avec une activité professionnelle en entreprise. Une centaine d'étudiants ont opté pour cette formule de formation.

Forte de son expertise, la MCCI Business School a aussi développé un modèle de formation pour les professionnels désirant gravir les échelons dans leurs métiers respectifs. Un mode de formation continue à des heures adaptées à leur emploi du temps.

Projets de développement

Fidèle à son engagement sur la qualité, la MCCI Business School a signé plusieurs accords de partenariat afin de développer des filières de formation pour renforcer les liens régionaux et promouvoir l'éducation au sein de la région et à l'international.

Un accord de partenariat a été signé avec l'Agence Universitaire de la Francophonie et l'Université de Maurice en vue de relancer l'Institut de la Francophonie pour l'Entrepreneuriat (IFE). L'objectif est d'en faire un centre d'excellence sur l'entrepreneuriat à Maurice, dans la région de l'Océan Indien, ainsi qu'en Afrique. L'IFE agit comme un moteur de développement des capacités des jeunes et contribue à l'amélioration des performances principalement dans le secteur des PME.

La MCCI a aussi signé un accord avec la Chambre de Commerce et d'Industrie de la Réunion (CCIR) dans le but de renforcer la coopération dans le domaine de la formation, notamment en faveur des métiers nouveaux tels que l'énergie renouvelable et le développement durable.

La MCCI Business School favorise aussi des formations sur des sujets plus pointus. Elle a ainsi organisé, en collaboration avec le gouvernement australien, une session de formation à l'intention de participants mauriciens et des pays de l'Océan Indien, intitulée 'Aid for Trade Course for SMEs in Indian Ocean States'. La formation était animée par des experts en commerce du Economic Development Services Pty Ltd et de l'Institut International du Commerce d'Australie.



Mauritius as a tax-free shopping destination

Latest figures released by MCCI Tax Tourist Refund show that Mauritius has a huge potential of growth as a major regional tax-free shopping destination as it develops into an aviation hub in the Africa-Asia corridor.



Last year marked the 20 years of MCCI Tax Tourist Refund service. Since, the TTR Network saw a significant growth in terms of store participation, reaching over the 1000 outlets mark. The number of outlets on the MCCI Tax Free Digital Platform (www.taxfreeshopping.mu) has also doubled to more than 400. By enhancing the experience of tax-free shopping and making it easier for tourists to claim refunds, the MCCI has played a major role in promoting the country as a tax-free shopping destination.

In 2016, visitors from more than 170 different nationalities have made tax-free purchases in a Tax Tourist Refund shop. Despite an 11% drop in tourist arrivals, China retained its number one position with a 26.4% share.

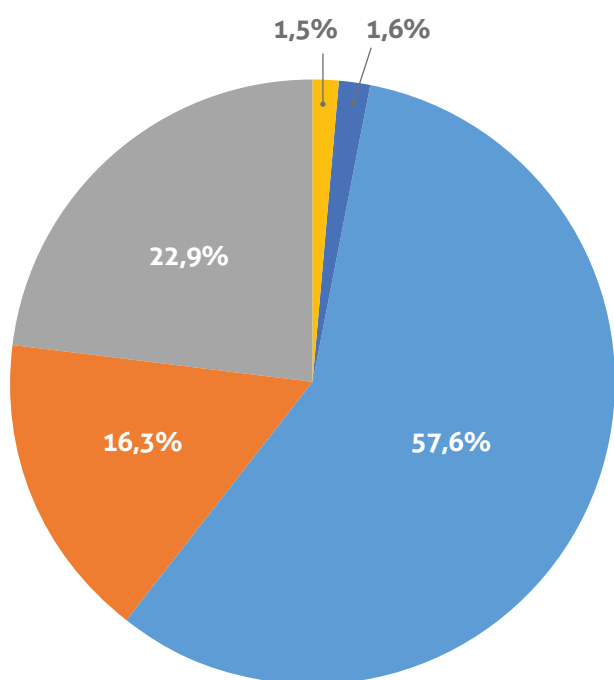
The Top Five country ranking is given in Table 1. France and Germany improved their shares with the latter climbing two places. South Africa, fourth in terms of tourist arrivals, lost two places to 7th place.

Table 1 - Top Five countries with the highest % share in tax free shopping.

Ranking (2016)	Country	Share (2016)	Share (2015)	Ranking (2015)
1	CHINA	26.4%	28.6%	1
2	FRANCE	20.1%	17.5%	2
3	REUNION	12.6%	14.5%	3
4	UNITED KINGDOM	4.8%	5.1%	4
5	GERMANY	4.3%	3.3%	7

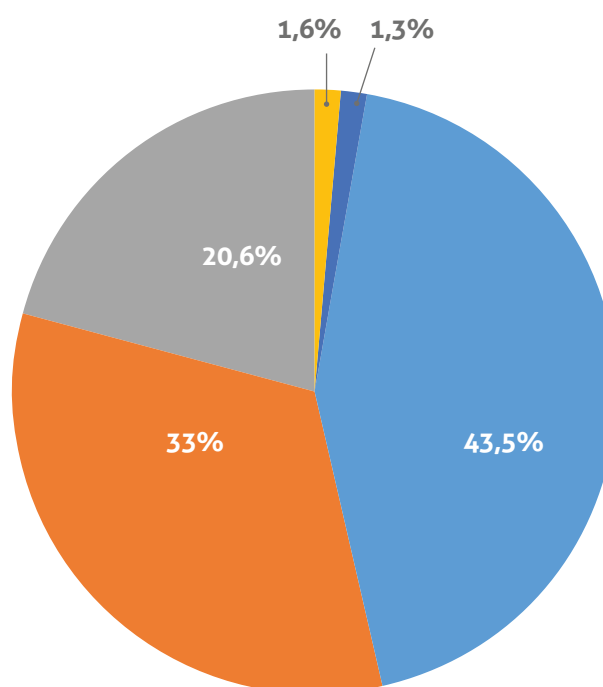
Source: MCCI

Figure 1: Tourists by continent 2016



Source : Statistics Mauritius

Figure 2 : Share of tax free shopping by continent



Source: MCCI

■ Europe
 ■ Asia
 ■ Africa
 ■ America
 ■ Oceania

European tourists maintained the largest share of tax-free shopping registered in 2016 at 43.5%. It is worth noting that though only 16.3% of tourists come from Asia they, namely Chinese spend more in tax-free shopping compared to Africans and even Europeans on an individual basis – as shown in Figures 1 and 2.

More flights, new opportunities

Increasing tourist arrivals usually means increased Tax Refund transactions. This proved to be the case with the introduction of new and additional flights to Mauritius (Austrian Airlines, Lufthansa, Turkish Airlines, Air Asia, TUI Airlines, Edelweiss, Evelop and Euro-wings) which contributed to a 4% share in tax-free shopping even though its value of tax-free shopping is relatively low for low-cost airlines.

2016 figures show that diversification of our tourist market has a positive impact on tax-free shopping, the more so when there is a drop in purchases from South African tourists. Clearly, if Mauritius develops as an aviation hub with

“With the Asia-Africa corridor, we need to develop stopover packages and have shopping possibilities close to the airport with opportunities for transit passengers to make purchases tax-free.”

the Asia-Africa corridor, there is a great potential for a regional tax-free shopping destination. To increase substantially tourist spend in Mauritius, the proper infrastructure, the right product mix and the proper price together with an aggressive marketing would be needed. Equally there is a need to tackle the issues of lack of high luxury brands, the high margins resulting from commission to transporters and the all-in package in hotels that restrains shopping propensity in the traditional channel.

With the Asia-Africa corridor, the authorities need to develop stopover packages and have shopping possibilities close to the airport with opportunities for transit passengers to make purchases tax-free either by moving physically by dedicated shuttles or by online shopping. The latter could also be a solution for hotel-locked tourists.

Our tax-free shopping digital portal (www.taxfreeshopping.mu) has already more than 400 shops providing a wide range of products with geo-localisation. MCCI is continuously gearing itself up in terms of technology to face the new challenges as the country emerges as a tax-free shopping destination.



La Chambre de Commerce et d'Industrie de Maurice
forme les professionnels de l'île Maurice depuis bientôt 30 ans.

DES FORMATIONS QUI VOUS OUVRENT LES PORTES DES ENTREPRISES

*Des diplômes reconnus internationalement,
délivrés par des institutions de renom.*



BTS, Licence et Masters

- Management
- Informatique
- Communication
- Marketing
- Banque
- Commerce International
- Tourisme

Inscriptions Ouvertes

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☎ 454 89 50

✉ info@mccibs.ac.mu

🌐 www.mccibusinessschool.org

📍 MEF -MCCI Building, Cybercité d'Ebène

Establishing an E-Waste Management System in Mauritius

Growing national concerns over the significant increase in the amount of e-waste generated in Mauritius annually and its hazardous nature has prompted the Government to partner with MCCI to set-up an E-waste Management System in Mauritius.



© Yassen Kauppaymuthoo

Electrical and Electronic waste (E-waste) is one of the fastest growing solid waste streams around the world today. Mauritius is no exception.

E-waste is classified as hazardous waste mainly due to the presence of heavy metals, including lead, mercury, arsenic, cadmium and flame retardants. The negative health and environmental impacts of e-waste make an E-Waste Management System an absolute necessity in Mauritius.

Public-Private Partnership

Following the recommendations of a study conducted by the European Union in 2013 and further to extensive consultations as well as based on extended producer responsibility principle, Government has decided to partner with the MCCI on this vital project.

Subsequently, a Memorandum of Understanding was signed in February 2016 between the Ministry of Environment, Sustainable Development and Disaster and Beach Management and the MCCI for the setting up and operation of an E-Waste Management System in Mauritius.

In this context, a consultancy exercise has been jointly commissioned by the MCCI and the Agence Française de Développement (AFD) to assist the MCCI for the setting up and operation of an economically sustainable and effective E-Waste Management System in Mauritius.

On the other hand, the introduction of an Advanced Recycling Fee at the importation of electrical and electronic goods announced in the last budget will be effective this year.

The E-Waste Management System is expected to be fully operational this year.

MAURITIUS - FACTS AND FIGURES

Over the last few decades, consumption of electrical and electronic products has been soaring significantly in Mauritius. These products include large and small household appliances, Information Technology (IT) and telecommunication equipment, lighting equipment, electrical and electronic tools, medical devices, toys, and leisure and sports equipment.

This increase in consumption has led to a steady growth in the amount of e-waste generated in the country over the past years – a trend which is expected to grow.

Mauritius - Facts & figures



Electrical and electronic products imported annually: 20,000 tonnes



E-waste generated annually: 8,000 tonnes (approx.)



Remaining: stored on the premises of consumers/ illegally dumped in the environment



E-waste dismantled / exported or disposed at the landfill: Less than 5%

MCCI Business Club

Crystal Lagoons presents its Innovative Beachfronts



The last edition of MCCI Business Club welcomed Crystal Lagoons, a multinational water innovation and technology company.

Crystal Lagoons' concept and technology allow building and maintaining crystal clear lagoons of unlimited dimensions, at very low costs in places previously unthinkable: inland areas, urban areas amongst others.

During the presentation, Alastair Sinclair, Regional Director for Africa, apprised participants of how this environment-friend-

ly innovative concept uses minimum amount of water, energy and chemicals. This state-of-the-art concept also allows real estate value creation by adding immense value to projects through increased sales velocity and property values.

The event was well attended by architects, operators in the real estate development sector, construction sector as well as public officials. The presentation was followed by a networking cocktail where participants had a golden opportunity to experience this unique concept through virtual reality.

Proudly presents

Container Office

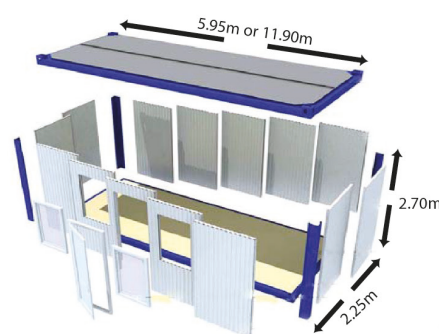
New and Fully Equipped



1. These container offices are popular as offices in mining field, exploration project, Temporary construction field, etc. Usually these buildings are made of one separate container or several containers connection.

2. Size & Living

Higher than a normal cargo container to accomodate people & structure with a healthy human living environment.



3. All galvanized steel material

Portable container office can be chosen in many colours for its appearance. The frame of container office includes roof frame, column and base which are all galvanized steel anti-corrosion and rust proof.

5. Flexibility mobility

It can be moved by crane or forklift. It is designed with two forklifts holes on base and four lifting points in the top corners.



Transportable on any flat rack container lorry. Hence, easily moved from one site to another.

6. Light and reliable structures

The steel structure is strong and firm, wind resistance capacity more than 220-280km/h seismic resistance capacity > grade 8 Complete galvanized steel frame, anti rust and especially for seaside and high humidity area.

2nd floor, Cnr Farquhar & Dr. Sun Yat Sen Streets,
Port-louis, 11602, Republic of Mauritius
Tel: (230) 242 2014 ; Fax: (230) 241 0833
Email: info@silverlineservices.com
Website: www.silverlineservices.com

Incoming Missions

Business

Turkey



TIM

A B2B meeting between Mauritian and Turkish business people was organized on Friday 3 June 2016 at Maritim Hotel. The Turkish delegation, led by Recep Burak Sertbaş, comprised members of the Turkish Exporters Assembly (TIM) who were on Business Tour in the region.



DEIK

B2B meetings were organized between Turkish delegates and their Mauritian counterparts on 18 August 2016 at the seat of the MCCI. The meeting was set up in the context of a seven-day visit of the high-level delegation from the Foreign Exchange Relations Board of Turkey (DEIK).

Pakistan



B2B meetings between Pakistani and Mauritian business people were organised by the MCCI and the Board of Investment (BOI) on 21 October 2016.

The event saw the participation of about 15 Pakistani business delegates, led by S.M. Muneer, Chief Executive of Trade Development Authority of Pakistan (TDAP).

The event was organised following the business exchanges that took place during the official Mauritian delegation, led by Her Excellency Dr. Ameenah Gurib-Fakim to Pakistan in April 2016.

India



The Mauritius-India Business Meet took place at Voilà Hotel, Bagatelle on the 6 February 2017. The event was organised jointly by the MCCI, the Confederation of Indian Industry and the Indian High Commission.

Indian and Mauritian operators present were from different sectors, mainly from ICT, Agriculture and Food Processing, Healthcare and Education, Construction and energy.

Dignitaries



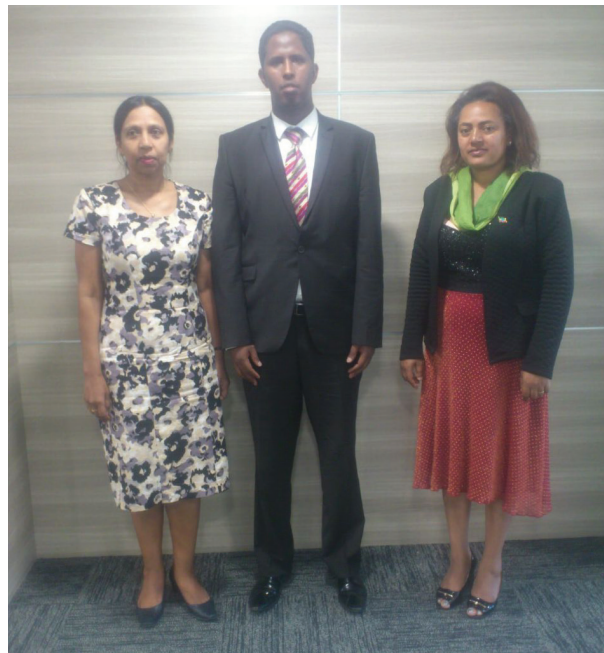
Union of Comoros

The MCCI was honoured to welcome, on the 14 July 2016, a Comorian business delegation led by HE Azali Assoumani, the President of the Union of Comoros. During his speech, the President expressed the wish that both Mauritian and Comorian operators must strengthen their business partnership to promote trade and investment between the two islands.



Kingdom of Belgium

The ambassador of the Kingdom of Belgium to Mauritius with residence in Tanzania, His Excellency Paul Cartier, paid a courtesy call to the MCCI, on 26 July 2016. He was accompanied by Mr. Ruben Payen from the Honorary Consulate of the Kingdom of Belgium.



Republic of Zimbabwe

HE Mr. Mustafe Dek Abdisalam, the Ambassador of the Federal Democratic Republic of Ethiopia to Mauritius, with residence in Zimbabwe, accompanied by Mrs. Almaz Gebeyaw, First Secretary of the Embassy, paid a courtesy visit to the MCCI on Wednesday 26 October 2016.



Switzerland

The Honorary Consul General of Switzerland, Mr. Adrian Wehli, paid a courtesy call to the Secretary General of the MCCI, Mr. Raju Jaddoo, on Thursday 27 October 2016 at the seat of the MCCI. He was accompanied by Mrs. Anita Dietiker, Counsellor – Director Swiss Business Hub Southern Africa.



Egypt

HE Mrs. Aya Saad Mohamed, Ambassador of Egypt to Mauritius, and Mr. Raju Jaddoo, during her visit to the MCCI on 13th December 2016.



Botswana

Mr. Azim Currimjee, received the visit of a high-level delegation from Botswana, led by Hon. Vincent T. Seretse, Minister of Investment, Trade and Industry on Monday 28th November 2016.



Czech Republic

The new Ambassador of the Czech Republic, H.E. Michal Král (middle), paid a courtesy visit to Mr. Raju Jaddoo, on Friday 11 November 2016. He was accompanied by Mrs. Anna Sykova (far left), Consul at the Embassy of the Czech Republic in Pretoria, and Mr. Gulshan Jugroo (right), Honorary Consul of Czech Republic.



Nouveau Tara Olive Spread

Un air de Provence

Goûtez au nouveau Tara Olive Spread et découvrez sa texture et son goût raffinés. À base d'huile d'olive, cette margarine plus allégée est pleine de bienfaits grâce aux omégas 3 et 6. Tara Olive Spread, pour une consommation saine au quotidien... et de délicieuses tartines au goût d'olive !



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Outgoing Missions



South Africa

In the context of the 1st Session of the South Africa-Mauritius Joint Working Committee meeting held in Pretoria on Thursday 1 September 2016, a Memorandum of Understanding was signed between the MCCI and the South African Chamber of Commerce and Industry (SACCI).

Areas of cooperation included in the MoU comprise the manufacturing sector, renewable energy and maritime connectivity.

The signing parties: Mr. Alan Mukoki, Chief Executive Officer of SACCI, and Mr. Raju Jaddoo.



Turkey

A Mauritian business delegation, co-led by Raju Jaddoo, and Heerun Ghurburrun, Advisor of the Paris Office of BOI, participated in the Turkey-Africa Business Economic Forum (TABEF), which took place on the 2 and 3 November 2016.

Focusing on the theme "Financing African Investment Projects: Infrastructure, Transportation and Energy", the forum brought together hundreds of participants, including a large number of delegations from the African continent.

In the same context, a Mauritius Business Forum was organized by the MCCI, Board of Investment and Foreign Economic Relations Board of Turkey (DEIK), on 1st November 2016 in Istanbul with the aim of apprising business people present of the numerous business scopes available in Mauritius, and also through Mauritius to Africa.

HE Recep Tayyip Erdogan addressing the house during the official opening of TABEF 2016.

Pakistan

In the context of the official mission of the President of the Republic of Mauritius to Pakistan in April 2016, a business delegation, including the Secretary-General of the MCCI, Raju Jaddoo, and the President of the Mauritius-Pakistan Joint Business Council, Shehzad A. Ahmed, also accompanied HE Dr. Ameenah Gurib-Fakim, in view of strengthening business relations between the two countries. Separate meetings were held with representatives of the private sector institutions, during this mission.



Indonesia

The MCCI participated at the 22nd IORBF, held on 13th of October 2016 in Jakarta.

The creation of the IORA Comprehensive Economic Partnership Agreement (IORA-CEPA) and IORA Business Travel Card (IBTC) have been approved by representatives of Member States present.

The 22nd IORBF was attended by participants of both the public and private sectors of IORA Member States. Mauritius was represented by Faeza Ibrahimsah, Manager of the Communications and Promotion Division of the MCCI.

Working sessions/Presentations



Conseil Général de Mayotte

A delegation from the Conseil Général de Mayotte, led by Fatima Souffou, 1st Vice-President of the institution, had a working session with representatives of the MCCI in Port Louis on 8 June 2016. The meeting was chaired by Azim Currimjee and focused on the various avenues of cooperation between Mauritius and Mayotte that can exist through the INTERREG V Indian Ocean 2014-2020 programme which contributes to the implementation of the Europe 2020 Strategy which strives for a smart, sustainable and inclusive growth.



IORA

Business opportunities available in the IORA region and especially in Iran were discussed during a presentation session held on 29 September 2016 at the MCCI. Mr. Mazdak Rafaty, an expert on foreign investment in Iran and the Gulf countries, unveiled the hidden story usually stereotyped related to investment procedures in Iran. Mr. Firdaus Dahlan, Director of IORA Secretariat, who was also present, delivered a presentation related to the business benefits and challenges that are faced by the IORA countries. He underlined that Mauritius, through its ideal positioning in the Indian Ocean, can seize this opportunity to develop itself into both a logistical and business hub to open up trade into the African countries



Seychelles

The President of the MCCI, Azim Currimjee and the President of the Seychelles Chamber of Commerce and Industry, Wilson Nancy, have reviewed the Memorandum of Understanding signed between the two organisations in 2014 during the courtesy visit of the latter at the seat of the MCCI on 5 December 2016. Provisions are now made for a greater cooperation between our business people in the tourism sector, training and in the ocean economy.



BADEA

A meeting between two representatives of the Arab Bank for Economic Development in Africa (BADEA) and members of the MCCI was held at the seat of the MCCI on Wednesday 7 December 2016.

Legend: Dr. Hesabelrasoul Abbas Elbashir, Chief, Trade Finance and Private Sector Division of the institution, and by Mr. Wadi Abdurahim Yousuf, Principal Engineering Expert delivered a presentation to show up a new window of operations of BADEA dedicated for the promotion and development of the private sector in Africa.

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