

# More than just beaches and sunshine, Mauritius is investment friendly too

Mauritius may be perceived as the island of sugar cane and beaches, but since independence in 1968, this African country has focused its attention on innovation and development to create an investor friendly environment.



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“Over the past 49 years Mauritius has experienced a sustainable transformation, moving from a mono-crop agricultural base to a well-diversified economy. Today Mauritius is acknowledged as an innovation-driven economy,” says Ken Poonosamy, managing director of the Board of Investment.

Mauritius, is sub-Saharan Africa’s top-ranked economy and has achieved various rankings on international indices, the transformation has been noticed globally with Mauritius winning international accolades including being ranked first in Africa in the World Bank Doing Business in 2017, for the eighth year in succession, and topping the Mo Ibrahim Index of African Governance.

## Tax breaks

South Africa is seeing the benefit as a key trading partner. The country already accounts for some 14% of foreign direct investment, 7% of imports, 8% of exports and 8% of tourist arrivals into the island, To date there are over 300 South African investors in Mauritius and almost 2,000 South African citizens are working on island. The community is well served with more than 24 weekly flights between the two countries.

The government's strategy emphasises the development of the new economic pillars with high growth potential; Developing smart cities, growing the ocean economy, bunkering and transshipment, value-added manufacturing, healthcare and life sciences, seaport development and improved freeport services, high-precision engineering, professional services and the digital economy.

Income tax, corporate tax and VAT at a harmonised rate of 15%, dividends are tax free, the country doesn't charge capital gains tax, the foreign tax credit is 80%, it offers tax free dividends, has duty-free & VAT-free facilities for goods and equipment imported in freeport zones and offers tax holidays over eight years under its smart cities scheme. "We also offer an eight-year tax holiday for bio-farming projects, and a 10-year exemption from income tax on all income, inclusive of income from external sources, under the Mauritian diaspora theme," says Poonoosamy.

## **Stable environment**

He adds that political stability, transparency and the rule of law constitute the main stay of the country. Parliamentary democracy inspired by the Westminsterian model with free and fair elections held every five years is among its cardinal strengths.

"What many investors don't yet know is the ease in which business can be done in our country," says Poonoosamy. A company can be registered within two hours, and land bought in two days.

"We would like the world to know that there is an African country that offers a sound investment proposition, and Mauritius is it," he says.

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