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Inward FDI in Mauritius and its policy context

by
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Formerly mono-crop dependent, Mauritius is today a diversified economy thanks in large part to inward foreign direct investment (IFDI). Before the 1990s, annual IFDI flows were not significant, amounting to an average of US$ 10 million in 1980-1989. It was only in the mid-1980s that IFDI flows began to increase rapidly. With the implementation of the Export Processing Zone Act, many investors from Asia established textile factories in Mauritius to benefit from preferential access to the European market. The Export Processing Zone (EPZ) attracted IFDI, of which roughly two thirds came from Asian economies. An open door policy and fiscal incentives undertaken by the Government in the 1990s have attracted large IFDI flows, in particular during the 2000s, from developed as well as developing economies, raising Mauritius' IFDI stock to US$ 2.6 billion in 2011. Today, Mauritius is among the region's most business-friendly economies.

Trends and developments

Country level developments

Mauritius' IFDI stock increased from US$ 658 million in 2001 to US$ 2,319 million in 2010, and further to US$ 2,583 million in 2011 (annex table 1). The ratio of inward FDI stock to real GDP has risen over the years. While the ratio was 2.2% in 1980, it rose considerably within ten years, to reach 6% in 1990; in 2010 it was at its peak, at 24%.[1] In 2011, the ratio was 23%.

Between 1985 and 1990, IFDI flows to Mauritius accelerated at an annual growth rate of 50%. This growth arose from investments in the EPZ that was established following legislation

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[1] Percentage ratios of IFDI stock relative to GDP obtained from UNCTAD statistics, available at: http://stats.unctad.org/fdi.

enacted in 1970, as well as in other sectors of the economy,[2] helping to shift Mauritius from its monocrop (sugar) dependence. The EPZ attracted many investors from Asia, who set up textile factories in Mauritius to benefit from preferential access of exports from the island to markets in Europe and the United States. However, it was not until 2000[3] that Mauritius recorded noticeably large IFDI flows, reaching, by 2006, over US$ 200 million – much higher than annual flows in preceding years that were well below US$ 100 million.[4] In 2010, IFDI flows amounted to US$ 430 million, the highest annual flows received thus far, but inflows fell to US$ 273 million in 2011 (annex table 2).

While manufacturing was the main sector attracting FDI in the 1980s and 1990s, this is no longer the case. With the opening of the Mauritian economy and economic diversification due to the phasing out of trade preferences on the European and US markets,[5] other activities have increasingly attracted FDI. In 2011, the tertiary sector accounted for the largest share of IFDI flows (annex table 3) with 69% of the total, out of which real estate activities comprised 38%, finance and insurance, 13% and accommodation and food services, 12%. Information and communication technology (ICT) accounted for only 1% of IFDI. In the secondary sector, construction has risen to become the second largest FDI recipient with 28% of total inflows in 2011, reflecting an increase in the industry's IFDI flows of over 29 times their 2008 value. Manufacturing and agriculture, forestry and fishing together received only 3% of total IFDI flows in 2011.[6]

While the traditional industries remain the major attractors of FDI and the linchpin of the country's economic growth, emerging and creative activities such as seafood and aquaculture, land-based oceanic industry (exploiting deep-sea cold water for air conditioning, water bottling, aquaculture, pharmaceuticals), ethanol production, spinning, renewable energy, environment, and clinical trials, among others, are being promoted to attract more FDI inflows.[7]

In 2010, the largest flows of FDI into Mauritius came from developed economies, especially European countries, led by the United Kingdom and France, and, to a much lesser extent, the United States, which together accounted for inflows of US$ 253 million (annex table 4). FDI from those economies was principally directed to real estate, tourism and banking. In 2011 too, inflows were mainly from developed economies, with Europe continuing to be the leading

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[2] The annual growth rate of FDI inflows in 1985-1990 is based on data from Central Statistical Office, Mauritius, available at www.statsmauritius.gov.mu.

[3] In 2000, the Board of Investment (BOI) was established as the leading state agency responsible for promoting and facilitating investment in Mauritius. Also in 2000, France Telecom purchased a 40% share of Mauritius Telecom as part of their strategic alliance.

[4] Based on data from UNCTAD statistics, available at http://stats.unctad.org/fdi.

[5] Mauritius was granted preferential access to the large markets of the European Union and United States with the implementation of the Multi Fiber Arrangement in 1974. However, since 2005, the textile and clothing sector has been fully integrated into normal GATT rules; in particular, the quotas came to an end, and importing countries will no longer be able to discriminate between exporters. The phasing out of the Multi Fiber Arrangement has substantially eroded the margin of preference Mauritius had enjoyed over its traditional competitors. The EPZ has thus been hit by fierce competition in the marketplace from low-cost producing countries.

[6] Percentage shares are based on the data in annex table 3.

[7] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," March 2011, available at www.state.gov/eb/res/othr/2011.

source. FDI flows from Europe to Mauritius fell considerably in 2011, but their share in total flows rose to 60%, in comparison with 56% in 2010 and 41% in 2008, although it was lower than in 2006 (74%). Investment from developing economies also fell considerably between 2008 and 2009 and again in 2011; the United Arab Emirates (UAE), South Africa and East Asia were the main sources of FDI from developing economies in 2010-2011 (annex table 4). Moreover, Chinese investment in the construction and textile industries has been particularly important for the Mauritian economy during the past decade.

Mauritius is attractive as an FDI destination because it is among the most successful and competitive economies in the African region, with high economic and trade openness, monetary freedom and good governance. According to the World Bank's 2011 *Ease of Doing Business Report*, Mauritius ranked 23rd out of 175 countries for ease of doing business; it ranks first in Africa, even leading South Africa by 12 positions.[8] Similarly, the Fraser Institute's Economic Freedom survey ranked Mauritius 9th out of 141 countries globally and first in Africa in 2011.[9] The 2011 Economic Freedom Index ranked the country 12th out of 182 countries and first in Africa.[10]

Situated in the Indian Ocean between Africa, Asia and Australia, Mauritius offers a strategic location as a business platform for both regional and other international trade. Mauritius is often used as an export platform by United States' companies to capture regional markets through Mauritius' membership in the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), which offer preferential access to a market of 400 million consumers.[11] Mauritius' active global business sector, formerly known as the offshore sector, also acts as a major route for foreign investors into the South-Asian sub-continent, creating the basis for a market-seeking motivation for investments in Mauritius. Mauritius is among the largest offshore sources of FDI flows to India, with an estimated investment of US$ 43 billion during April 2000-September 2010, accounting for 42% of total FDI inflows to the latter country during that period.[12]

Though Mauritius is not rich in natural resources, it has been successful in attracting investors into the economy. The main driver of IFDI flows to Mauritius remains its bilingual (English and French) human capital. Mauritius is one of few countries in Africa where the population is well educated and trained, with an adult literacy rate of 87% in 2009.[13] This is one of the reasons why investors with an efficiency and/or human-resource-seeking motivation for IFDI prefer Mauritius to other African countries.[14] Furthermore, the Government has invested in the continuous

[8] The World Bank, *Doing Business 2011: Making a Difference for Entrepreneurs* (Washington, D.C.: The World Bank, 2010), available at http://www.doingbusiness.org/rankings.

[9] James D. Gwartney et al., *Economic Freedom of the World: 2011 Annual Report* (Vancouver, B.C.: Fraser Institute, 2011), available at http://www.fraserinstitute.org.

[10] Terry Miller and Kim R. Holmes, *Highlights of the 2011 Index of Economic Freedom: Promoting Economic Opportunity and Prosperity* (Washington, D.C.: The Heritage Foundation, 2011), available at www.heritage.org.

[11] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.

[12] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.

[13] Data on adult literacy rates are from http://www.indexmundi.com/facts/mauritius/literacy-rate.

[14] Mauritius, Board of Investment, *Newsletter*, Issue No. 32, (July 2011), available at:

improvement of the infrastructure of the economy in order to encourage investment. The development of the ICT sector is one example of the Government's eagerness and efforts to promote investment in the economy.[15] FDI in the ICT sector rose to around US$ 2.5 million in 2010, from US$ 1.5 million in 2006.[16] India took a pioneering role in the development of Mauritius' ICT sector through large FDI flows and a US$100 million line credit facility.

It should be highlighted that the government's vision and determination throughout the years with respect to laws (both domestic and foreign) and bilateral or multilateral agreements has contributed significantly to induce IFDI. These laws and agreements include the Industrial Relations Act (1973), The Lomé Convention (now succeeded by the Cotonou Agreement), the Economic Partnership Agreement (concluded between the European Union, Mauritius and three other African countries), the United States African Growth and Opportunity Act (more specifically the island's insistence to be granted the Third Country Fabric status), and the Business Facilitation Act (2006),[17] amongst others.

The corporate players

Many foreign multinational enterprises (MNEs) are present in Mauritius. Some of the important foreign affiliates in Mauritius include Nestlé's Products (Switzerland) Ltd. in the industrial sector, and Courts Ltd. (United Kingdom), International Motors Company[18] (France) and PricewaterhouseCoopers (United States) in the tertiary sector.[19]

At present there are two major US MNEs with affiliates in Mauritius's export-oriented manufacturing sector: Mauriden Ltd. and Mazava. Initially involved in diamond cutting and polishing, Mauriden's affiliate now concentrates on the production of jewelry for its duty free shops in Adamas.[20] More recently, in July 2009, Mazava Athletics Performance Wear Ltd. started producing sportswear in Mauritius. Another important foreign affiliate in the country is Apollo-Blake, a joint venture between US (20%) and South African (80%) investors, which started operating in 2008 as a business process outsourcing company focusing on customer relationship management services and working mainly with United States-based customers.[21]

As a result of the Government's determination to establish Mauritius as a cyber-island,[22] several foreign MNEs have started joint ventures with Mauritian partners in the ICT sector. One such example is MIC-USA Inc., a joint venture of Millicom International Cellular with the local

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http://www.investmauritius.com/Newsletter_July11/.
[15] Mauritius, Board of Investment, *Annual Report 2007*, available at: http://www.investmauritius.com/Resources4.aspx#Annual.
[16] Ibid.
[17] Business Facilitation Act (2006) published by BOI, Mauritius, available at: www.gov.mu/portal/goc/assemblysite/file/bill1806.pdf.
[18] Sales Division.
[19] Based on information obtained by the author from the Board of Investment, Mauritius.
[20] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 Investment Climate Statement – Mauritius," op. cit.
[21] Ibid.
[22] UNCTAD, *Investment Policy Review: Mauritius* (New York and Geneva: United Nations, 2001).

company Emtel Ltd for the provision of cellular phone services in Mauritius.[23] Other leading global players, including Accenture (headquartered in Ireland), Orange Business Services (France), InfoSys (India), Hinduja (India), Huawei (China), and TNT (United Kingdom), have started business process outsourcing activities, call centers, disaster recovery and business continuity centers, and software development in Mauritius.[24]

Some of the major foreign affiliates that entered the Mauritian economy in 2011 included those of CSS Corp (United States), HP (United States) and VWR (United States).[25] These companies are engaged in the information and communication services industry. VWR, in partnership with Answerplus, a business process outsourcing company in Mauritius, employed over 50 professionals with different linguistic capabilities and competencies, while CSS Corp employed around 12 telecom engineers in 2011.[26] FDI in the ICT sector has generated the most employment (amounting to 25,000 in 2011) in Mauritius, as compared to IFDI in other activities.[27]

The largest cross-border mergers and acquisitions (M&As) in Mauritius by foreign MNEs in 2010 and 2011 are listed in annex table 5. Notable acquisitions include that of Kaddy Plus Supermarkets by Shoprite Holdings Ltd, a South African food distributor and grocery store chain, and of United Africa Feeder Lines by DAL Deutsche Afrika-Linien, a German company involved in deep sea foreign transportation of freight.

Effects of the recent global crisis

Mauritius has been affected to quite some extent by the global financial and economic crisis of 2008-2009. Its effects were transmitted to Mauritius through the advanced economies that were severely affected, due to the heavy dependence of the Mauritian economy on FDI, tourism, trade, and remittances.[28] The main trading partners of Mauritius have been the EU economies and the United Kingdom in particular. With the severe impact of the crisis on these important markets, Mauritius had to bear the direct consequences in terms of a fall in exports; exports to the United Kingdom fell from US$ 658 million in 2007 to US$ 461 million in 2010.[29] Total exports from Mauritius fell by 7.7% between January and September 2008[30] and showed a slight growth of 4.9% during 2009-2010.[31] Two of the main industries affected were textiles and tourism.[32] The

[23] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.
[24] Ibid.
[25] Ibid.
[26] Mauritius, Board of Investment, *BOI Newsletter,* Issue No. 27, (February 2011) available at: http://www.investmauritius.com/Newsletter_Feb11/.
[27] Mauritius, Board of Investment, *Jewel of Africa*, E-Newsletter, Issue No. 42 (May 2012) available at: http://www.investmauritius.com/Ezine_May12/.
[28] Bank of Mauritius, "Financial stability report," February 2009, Issue 2.
[29] Mauritius Central Statistical Office, Digest of External Trade Statistics, Year 2008, available at www.gov.mu.
[30] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.
[31] Mauritius Central Statistical Office, *Digest of External Trade Statistics, Year 2010*, available at www.gov.mu.

textile industry of Mauritius registered a negative growth of 0.7% in 2009, while growth in tourism fell from 12% in 2007 to 1.3% in 2008.[33] Moreover, the construction industry experienced a considerable slowdown in growth, from 11.8% in 2007 to 4.3% in 2010.[34] IFDI flows in the manufacturing sector fell from US$ 6.1 million in 2006 to US$ 1.3 million in 2011; however, IFDI in construction continued to rise (annex table 3).

Total IFDI flows fell as MNEs pulled back their investment plans due to uncertain economic conditions.[35] IFDI flows to Mauritius between January and September of the financial crisis year 2008 were around US$ 240 million, compared to US$ 300 million for the same period in the previous year.[36] Although IFDI flows in 2008 as a whole exceeded those in 2007, they fell in 2009 by about a quarter of their 2008 value (annex table 2). Domestic investment, on the other hand, rose to US$ 1,874 million in 2009, from US$ 1,727 million in 2006.[37] This was due to more investment in the public sector with the building of roads, health infrastructure such as clinics and hospitals, and schools and universities.[38]

The policy scene

Aiming at positioning Mauritius among the top business-friendly locations in the world, the Government of Mauritius has implemented several policies. Investment in Mauritius is regulated by the Business Facilitation Act (2006)[39] and the Investment Promotion Act (2000),[40] and investment regulations are consistent with the WTO's Agreement on Trade-Related Investment Measures.[41] The Government of Mauritius does not discriminate between local and foreign investment, and foreigners are allowed to own 100% equity in a local company.[42] Reform strategies have been designed to remedy fiscal weakness, open up the economy, improve the business climate, facilitate business, and mobilize FDI and expertise.[43] The Board of Investment acts as a facilitator for the different types of investment taking place in Mauritius and guides

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[32] Verena Tandrayen-Ragoobur, "Facing the global financial crisis: policy lessons and recovery from small Mauritius," *International Research Journal of Finance and Economics*, no. 66 (May 2011), available at: http://www.eurojournals.com/finance.htm.

[33] Board of Investment, Mauritius, *Invest Mauritius Newsletter*, Issue No. 40 (March 2012), available at: http://www.investmauritius.com/Newsletter_Mar12/.

[34] Data from the Central Statistical Office, Mauritius, available at www.statsmauritius.gov.mu.

[35] Tandrayen-Ragoobur, op. cit.

[36] A. Mohamudally-Boolaky and J. Ramlall, "The impact of the global financial crisis on the Mauritian financial services sector." Paper presented at the International Research Symposium in Service Management at le Meridien Hotel, Mauritius, August 24-27, 2010.

[37] Data are primarily from World Bank National accounts data, 2009.

[38] Tandrayen-Ragoobur, op. cit.

[39] Board of Investment, Mauritius, *Annual Report 2006-2007,* available at: www.investmauritius.com/Resources4.aspx; Business Facilitation Act (2006) op. cit.

[40] Mauritius, Board of Investment, *Annual Report 2006-2007,* op. cit; Investment Promotion Act (2000) published by BOI and available at: www.gov.mu/portal/goc/telecomit/files/invest.pdf.

[41] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.

[42] Ibid.

[43] Mauritius, Board of Investment, *Invest Mauritius: BOI Newsletter,* Issue 37, (December 2011), available at: http://www.investmauritius.com/Newsletter_Dec11/.

investors through the necessary procedures.[44] Furthermore, Mauritius offers several business incentives, such as a low corporate and income tax of 15% and tax-free dividends.[45]

As noted, in the 1980s, FDI inflows were mainly concentrated in the EPZ sector. However, with the diversification and the expansion of other economic sectors, IFDI flows increased in other activities as well. FDI brought in new products, production methods, new challenges, and management techniques to the economy.[46] The provision of incentives, especially fiscal ones, has been an important foundation for promoting investment. For example, there have been more investments in the export sector and the tourism and hospitality sector due to the incentives provided in those sectors.[47]

According to the World Bank, 32 out of the 33 sectors covered by the Bank's *Investing Across Borders* indicators are fully open to foreign investment in Mauritius.[48] The only exception is the television broadcasting industry. To promote IFDI flows, several business-facilitation measures have been put in place. For example, the Business Facilitation Act (2006) has established a licensing process for starting a business that allows businesses to operate within three days of incorporation.[49] Furthermore, occupation permits are delivered to foreign investors, entrepreneurs and professionals within three working days.[50] With the abolition of foreign exchange control in 1994, there is no need for approval of the repatriation of profits.[51]

As of June 1, 2012, Mauritius had signed 36 bilateral investment treaties (BITs) – agreements for the protection and promotion of investment – with the following countries: Barbados, Belgium and Luxembourg, Benin, Botswana, Burundi, Cameroon, Chad, China, Comoros, Czech Republic, Finland, India, Indonesia, France, Germany, Ghana, Guinea, Madagascar, Mauritania, Mozambique, Nepal, Pakistan, Portugal, Republic of Congo, Republic of Korea, Romania, Rwanda, Senegal, Singapore, South Africa, Swaziland, Sweden, Switzerland, Tanzania, United Kingdom, and Zimbabwe.[52] Agreements with the following countries are awaiting signature: Ethiopia, Lesotho, Kenya, Malawi, Qatar, and Uganda.[53] Mauritius has also concluded 43 double

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[44] Mauritius, Board of Investment, information available at www.investmauritius.com.
[45] US Department of State, Bureau of Economics, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.
[46] Mauritius, Board of Investment, *Invest Mauritius: BOI Newsletter,* Issue 37, (December 2011), available at: http://www.investmauritius.com/Newsletter_Dec11/.
[47] The Mauritius Chamber of Commerce and Industry*, Economic Review and Outlook 2011,* available at: www.mcci.org.
[48] The World Bank, *Investing Across Borders 2010: Indicators of Foreign Direct Investment Regulation in 87 economies* (Washington, D.C.: The World Bank Group, 2010) available at http://www,iab.worldbank.org.
[49] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 Investment Climate Statement – Mauritius," op. cit.
[50] Ibid.
[51] Ibid.
[52] UNCTAD IIA databases, "Country-specific lists of bilateral investment treaties," available at http://unctad.org/en/Pages/DIAE/International%20Investment%20Agreements%20(IIA)/Country-specific-Lists-of-BITs.aspx.
[53] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," March 2011, available at http://www.state.gov/e/eb/rls/othr/ics/2011/157323.htm.

taxation treaties, with countries such as China, France, India, Pakistan, Tunisia, and the United Kingdom, as of June 1, 2011.[54]

As noted above, Mauritius' participation in regional agreements and organizations such as SADC and COMESA, as well as in international agreements, helps it to continue to attract investment and foreign demand in various industries, especially in the services sector. One example is the country's adherence to the international regulations and standards of the International Organization of Securities Commissions, which increases investor confidence in the Mauritian financial services sector.[55] Furthermore, information technology enabled services and business process engagements are encouraged thanks to the compliance of Mauritius with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.[56]

Conclusions

IFDI flows to Mauritius are expected to continue to increase in the years to come. The openness of the economy, competitive human capital that stands out within the region and the Government's actions to promote investment continue to act as drivers to attract increasing investment. IFDI flows from Europe have historically played a leading role in the Mauritian economy. However, Asian and Middle-Eastern investors are also making large investments now, thanks to the business policies that the country has adopted.

The Mauritian domestic market is expanding because of the country's high rate of GDP growth and improving standard of living. According to UNCTAD's *World Investment Prospects Survey 2009-2011*, MNEs are more likely to give priority to developing countries as destinations for their FDI.[57] These factors strengthen the expectation that, in the sub–Saharan region of Africa, Mauritius will continue to attract increasing flows of FDI.

Additional readings

Macias, José B. and Isabella Massa, "The effects of slowing private capital inflows on growth." Results of an ODI research presented in preliminary form for discussion and critical comment, Working Paper 304, Overseas Development Institute, London, June 2009.

Mauritius, Board of Investment, "Mauritius: your investment and business hub," *Board of Investment Newsletter*, Issue No. 37, various issues.

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[54] UNCTAD IIA databases, "Country-specific lists of double taxation treaties," available at http://unctad.org/en/Pages/DIAE/International%20Investment%20Agreements%20(IIA)/Country-specific-Lists-of-DTTs.aspx.
[55] US Department of State, Bureau of Economic, Energy and Business Affairs, "2011 investment climate statement – Mauritius," op. cit.
[56] Ibid.
[57] UNCTAD, *World Investment Prospects Survey, 2009-2011* (New York and Geneva: United Nations, 2009), available at www.unctad.org.

Useful websites

Mauritius Board of Investment Reports, available at: www.investmauritius.com.

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Statistical annex

Annex table 1. Mauritius inward FDI stock, 2001-2011

(US$ million)

Economy	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Mauritius	658	690	752	763	805	910	1,249	1,632	1,889	2,319	2,583
Memorandum: comparator economies											
Malawi	419	391	410	562	767	1,017	1,315	2,584	821	961	939
Madagascar	143	181	259	257	250	744	1,773	2,787	3,948	4452	5,359
Kenya	937	964	1,046	1,092	1,113	1,164	1,893	1,989	2,129	2262	2,618
Zimbabwe	1,242	1,268	1,272	1,280	1,383	1,423	1,492	1,544	1,649	1754	2,202

Source: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/.

Annex table 2. Mauritius: inward FDI flows, 2001-2011

(US$ million)

Economy	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Mauritius	-26	32	62	11	42	230	357	396	267	443	320
Memorandum: comparator economies											
Malawi	60	40	66	108	52	72	92	9	60	140	56
Madagascar	93	61	95	95	86	295	773	1,169	1,066	860	907
Kenya	5	28	82	46	21	51	729	96	141	133	335
Zimbabwe	4	26	4	9	103	40	69	52	105	105	387

Source: UNCTAD's FDI/TNC database, available at: http://stats.unctad.org/fdi/.

Annex table 3. Mauritius: sectoral distribution of inward FDI flows, 2006-2011

(US$ million)

Sector/industry	2006	2007	2008	2009	2010	2011
Agriculture, forestry and fishing	0.81	0.57	15.54	-	-	5.99
Manufacturing	5.78	8.41	5.16	14.78	2.01	1.83
Electricity, gas, steam and air conditioning supply	0.55	-	-	-	0.06	0.03
Construction	0.37	1.40	2.36	6.43	41.05	70.91
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.32	1.19	3.59	8.86	3.97	0.71
Transportation and storage	0.42	-	0.49	0.29	3.49	0.12
Accommodation and food service activities	44.13	99.08	46.82	56.32	26.57	19.61
Information and communication	1.36	0.57	0.27	-	7.48	2.57
Financial and insurance activities	114.73	126.03	158.54	41.75	147.57	55.74
Real estate activities	54.32	118.70	157.17	131.07	108.72	155.09
of which - IRS/RES/IHS[a]	39.21	86.71	91.60	63.14	64.58	113.50
Professional, scientific and technical activities	-	-	-	-	12.84	7.35
Education	1.74	0.93	2.57	3.81	0.57	0.14
Human health and social work activities	0.07	0.90	4.16	4.42	86.80	-
Arts, entertainment and recreation	-	-	-	-	1.96	0.10
TOTAL	**230.61**	**357.78**	**396.68**	**267.72**	**443.11**	**320.18**

Source: Bank of Mauritius, *Annual Report, 2011*, available at: www.bom.intnet.mu). Data in Mauritian rupees have been converted to US dollars using the average exchange rate for the respective years.

[a] IRS stands for Integrated Resort Scheme; RES stands for Real Estate Scheme; IHS stands for Invest-Hotel Scheme**.**

Note: '-' denotes negligible.

Annex table 4. Mauritius: geographical distribution of inward FDI flows, 2006 – 2011a/

(US$ million)

Region /economy	2006	2007	2008	2009	2010	2011
Total world	**230.6**	**357.8**	**396.7**	**267.7**	**443.1**	**320.2**
Developed countries	175.8	258.4	199.4	188.4	252.6	200.8
Europe	170.5	184.5	162.5	167.5	248.4	193.0
European Union 27	149.5	142.8	130.2	148.8	227.8	179.1
Belgium	1.5	11.7	2.6	1.2	2.9	3.1
Luxembourg	1.1	2.2	7.3	2.0	8.1	1.7
France	16.7	36.5	40.5	71.0	50.8	111.4
Germany	5.7	1.8	6.0	0.8	0.1	0.3
United Kingdom	122.0	87.1	71.0	45.4	147.2	59.3
Switzerland	18.7	40.0	21.1	13.6	18.8	1.7
Other	2.3	1.6	11.2	5.0	1.9	12.3
North America	5.3	73.9	36.9	20.9	4.2	7.8
United States	5.2	73.9	36.9	20.6	4.2	7.8
Developing economies	53.8	99.3	197.3	79.3	190.5	119.4
Africa	9.5	34.9	67.0	32.2	64.2	85.4
Reunion	4.0	17.9	1.7	6.0	4.3	2.9
South Africa	1.2	15.5	49.2	15.5	46.7	73.5
Other	4.2	1.5	16.2	10.7	13.2	9.1
Latin America and the Caribbean	1.5	0.8	19.2	3.7	2.2	6.0
South America	-	-	15.6	0.1	-	6.0
Central America	0.4	-	0.3	1.0	0.2	-
Asia and Oceania	42.9	63.6	111.1	43.5	124.2	27.9
Asia	42.2	61.3	110.4	43.5	124.1	22.8
West Asia	31.9	39.9	32.6	11.6	10.7	12.5
United Arab Emirates	3.6	39.9	29.4	11.6	10.7	12.5
South and East Asia[a]	7.8	20.8	73.9	29.7	111.8	10.3
South Asia	6.7	19.0	66.7	9.7	91.7	3.4
East Asia	1.2	1.8	7.1	19.9	20.1	6.9
Unspecified	**1.0**	**0.1**	-	-	-	-

Source: Bank of Mauritius, *Annual Report* (2011), available at www.bom.intnet.mu. Data in Mauritian rupees have been converted to US dollars using average annual exchange rates obtained from the International Monetary Fund (http://www.imf.org).

Note: Some countries have been grouped to avoid indirect disclosure.
Figures may not add up to totals due to rounding.
'-'denotes "not available."

[a] Excluding FDI in GBC1s (a company resident in Mauritius that is permitted only to conduct business outside Mauritius). These companies mostly operate in offshore zones in Mauritius where there are double taxation agreements.

Annex table 5. Mauritius: main M&A deals, by inward investing firm, 2010-2011

Year	Acquiring company	Home economy	Target company	Target industry	Announced transaction value (US$ million)	Shares acquired (%)
2011	Shamika2Gold Inc	Canada	MIG International Mining Group	Gold ores	0.88	85
2011	Shoprite Holdings Ltd	South Africa	Kaddy Plus Supermarkets(2)	Grocery stores	-	100
2011	Colas SA	France	Gamma Materials Ltd	Ready-mixed concrete	-	50
2011	DAL Deutsche Afrika-Linien	Germany	United Africa Feeder Lines	Deep sea foreign transportation of freight	-	100
2011	Religare Global Ast Mgmt Inc	United States	Investment Professionals Ltd	Investment advice	-	40
2011	Sakthi Auto Component Ltd	India	Sakthi Auto Mauritius Ltd	Investors, nec	-	100
2010	Asian Hotels(North)Ltd	India	Darius Holdings Ltd	Hotels and motels	136.06	53
2010	Standard Chartered Private Eq	Hong Kong (China)	Seven Energy Ltd	Crude petroleum and natural gas	47.50	-
2010	Kinnevik New Ventures AB	Sweden	Bayport Management Ltd	Security and commodity services, nec	40.00	27
2010	Africa Finance Corp	Nigeria	Seven Energy Ltd	Crude petroleum and natural gas	20.00	-
2010	TA Global Bhd	Malaysia	Quaywest Ltd	Offices of holding companies, nec	-	100
2010	Future Capital Holdings Ltd	India	Anchor Investment & Trading	Investment advice	-	100
2010	Adani Enterprises Ltd	India	Trident Trade and Investments	Investors, nec	-	100
2010	Adani Enterprises Ltd	India	Pride Trade and Investments	Investors, nec	-	100
2010	Adani Enterprises Ltd	India	Ventura Trade and Investments	Investors, nec	-	100
2010	Adani Enterprises Ltd	India	Radiant Trade and Investments	Investors, nec	-	100

Source: The author, based on Thomson ONE Banker, Thomson Reuters.

Note: '-' denotes "not available."