

Economic Development Board Mauritius

Freeport Value Proposition

2018



Mauritius at a Glance



Mauritius is on its way to achieving the high income country status

Mauritius in Figures

Top 10 Economic Sectors



Manufacturing
13.9%



Construction & Real Estate
10.1%



Tourism
8.0%



Logistics
6.3%



Healthcare
4.4%



Wholesale & Retail
12.0%



Financial Services
12.1%



ICT - BPO
5.7%



Education
4.8%



Agro-industry
3.5%

Competitive Platform to do Business

Occupation Permit

- Right to live and work in Mauritius



Taxation

- Homogenised 15% Corporate Tax
- Personal Income Tax at 15%
- No Capital Gains Tax
- Free Movement of Capital



Star up

- Start a business in 1 working day
- No minimum capital requirement
- 100% foreign ownership



Land & Property Acquisition

- Acquisition of property by non-citizen

Evolution of the Freeport Sector

1992

Declaration of the first Freeport zone at Mer Rouge over 5,000m².



2005

New Product Development – Foundation of the Seafood Hub



2010

Declaration of New Freeport Zone



2016

Shift towards high-value added activities.



Snapshot of the Freeport sector, 2017

MUR 7 billion



Cummulative investment since 1992



3,500

Total Employment



14,777 TEUs

Total container traffic



0.7%

GDP
Contribution



2.9%

Annual Growth Rate



Top Products

LPG, Fish, Sugar, Ethanol, General Merchandise

234 operators
in the Freeport Zone



760,817 tons

Annual total trade



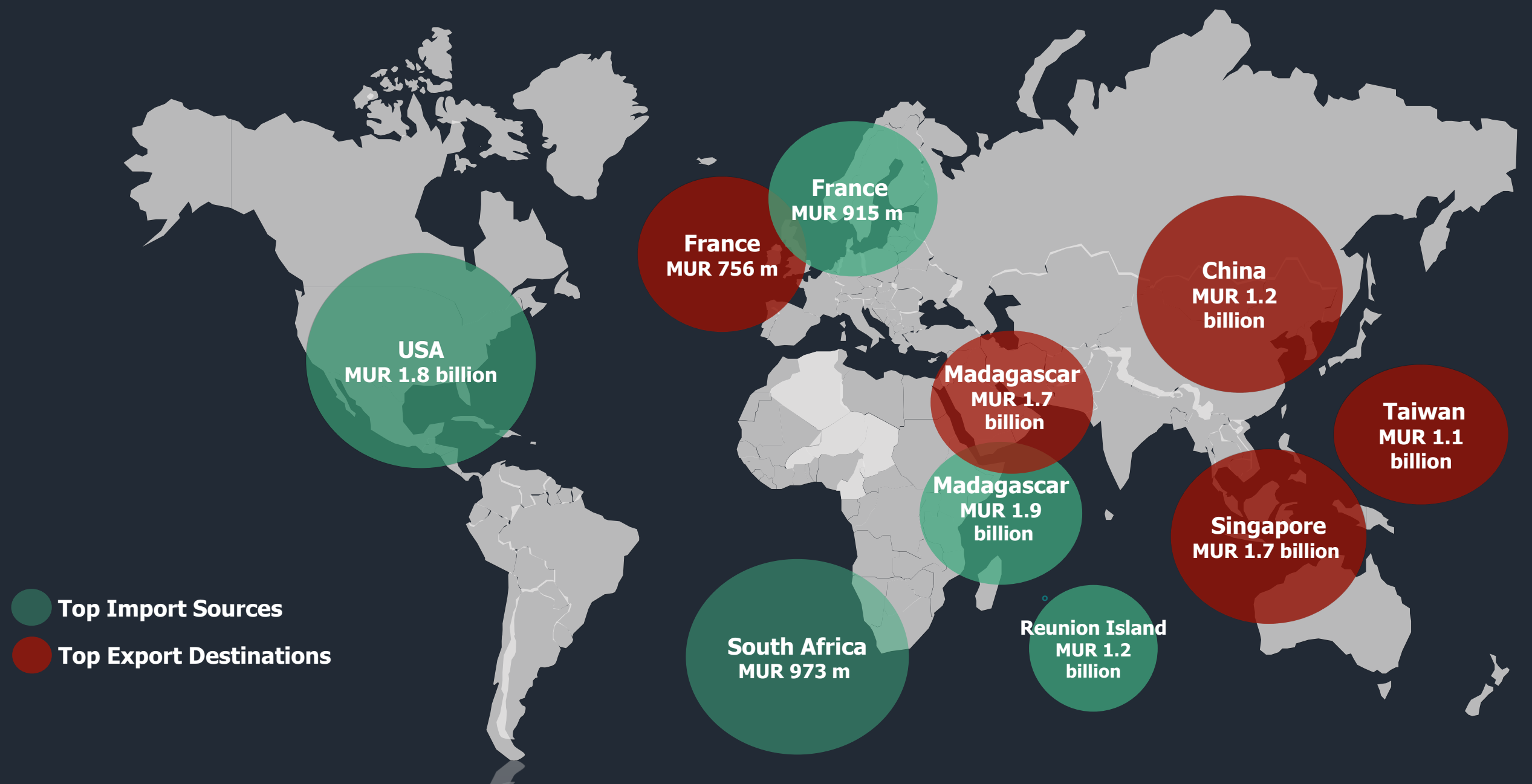
declared Freeport area is

76.76 Ha



With **6** third-party and **3**
private freeport developers.

Principal Trading Partners (2017)



Investment Opportunities



Warehousing



Manufacturing,
Light Assembly &
Minor Processing



Labelling,
packaging and
repackaging



Vault Services



Sorting, Grading,
Cleaning and
Mixing



Ship Building and
Repairs

*Types of
activities
authorised*

Investment Opportunities - Logistics providers

Processing Units



Warehousing



Cold Storage



Office



Manufacturing



- ❑ **Private Freeport Developer** – Build, develop and manage its own infrastructural facilities, warehouses, cold storage, offices, processing units etc. to carry out its own freeport activities.
- ❑ **Prestataires de Services Logistiques 3P** – Build, develop and manage infrastructural facilities for rental to freeport developer or freeport operator to carry out freeport activities.

Availability of 33 Ha freeport zone near the airport for logistic service providers.

Incentives



Preferential Market Access (*SADC, AGOA, COMESA, IOC, FTA, PTA*)

Tax and duty exemptions on imports of goods, raw materials and equipment in Freeport zone.

100% Foreign Ownership

100%
Corporate tax exemption

Free repatriation of profits

Manufacturing geared towards the African continent

50% reduction on income tax for expatriates

Other Incentives

Freight Rebate Scheme

Exporters are eligible for a **refund of 25%** of the Basic Freight Cost to the maximum of USD 300 per 20-foot container and USD 600 per 40 -feet container exported to eligible Ports in Africa, Madagascar and Reunion Island

Conditions:

- ❖ Products wholly grown and produced in Mauritius.
- ❖ Goods exported under IOC, COMESA, SADC and EUR1 certificate.
- ❖ Managed by the Economic Development Board, Trade & Export Office



29 Enterprises (2017)

Speed to Market Scheme

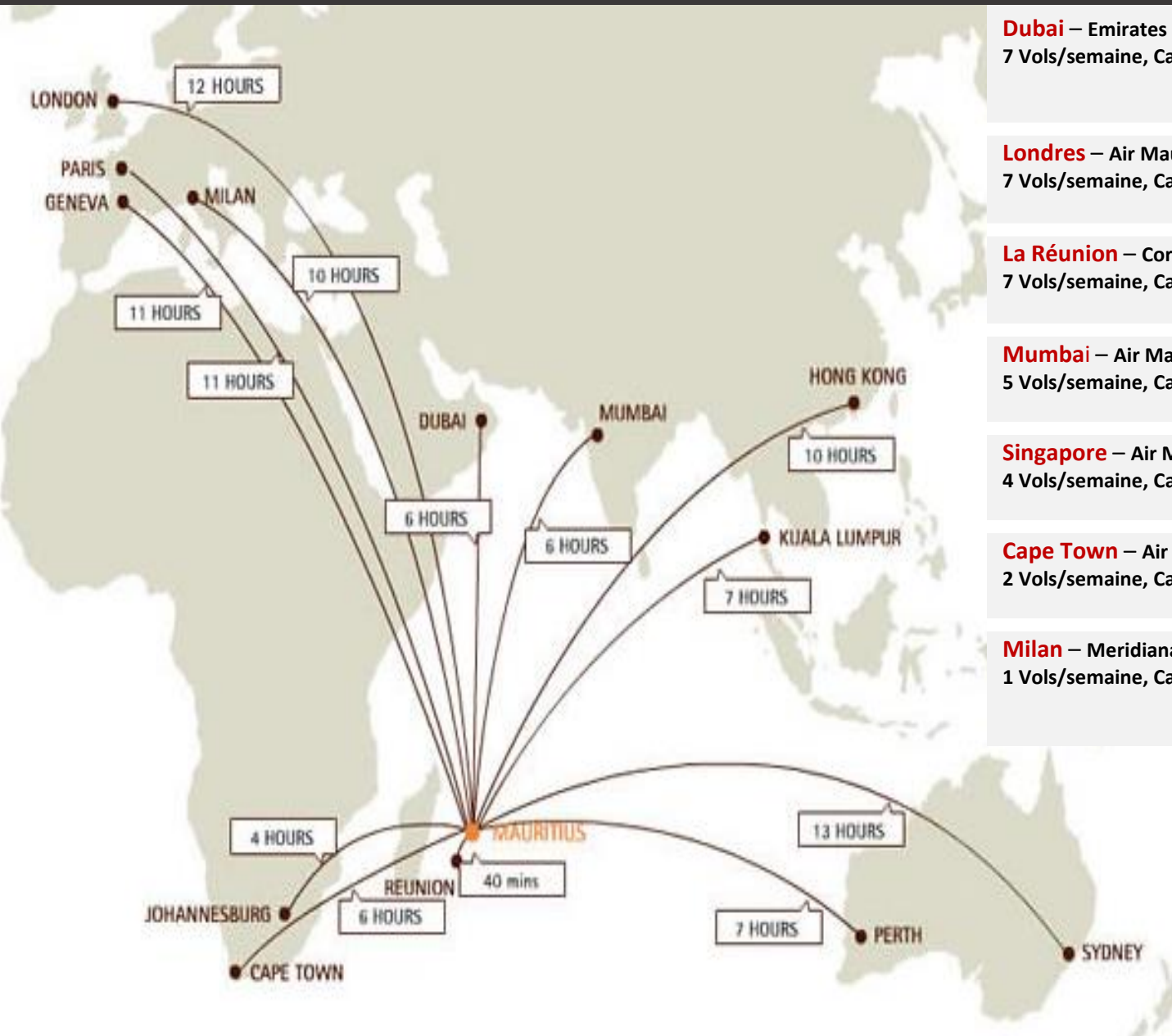
A **refund of 40%** on Air Freight Cost with regards to export to European Countries for manufacturing companies in Textile, Jewellery, Medical devices, Chilled Fish, Fruits, Flowers, Vegetables, articles of leather, footwear, watches and fabric plush toy.

- ❖ Valid for 2 years
- ❖ Managed by the Economic Development Board, Trade & Export Office



64 Enterprises (2017)

Indicative Air Freight Cost



Dubai – Emirates
7 Vols/semaine, Cargo rates: USD 1.7- 6.40/kg

Londres – Air Mauritius, BA, Thompson Airways
7 Vols/semaine, Cargo rates: USD 1.02/kg

La Réunion – Corsair Fly, Air Mauritius, Air Austral
7 Vols/semaine, Cargo rates: USD 1.20/kg

Mumbai – Air Mauritius
5 Vols/semaine, Cargo rates: USD1.0/kg

Singapore – Air Mauritius
4 Vols/semaine, Cargo Rates: USD 1.00/kg

Cape Town – Air Mauritius
2 Vols/semaine, Cargo Rates: USD 1.20/kg

Milan – Meridiana Fly
1 Vols/semaine, Cargo Rates: USD 1.02/kg

Johannesburg – SFA, Air Mauritius, Corsair
7 Vols/semaine, Cargo Rates: USD 1.20/kg

Paris – Air Mauritius, Air France
7 Vols/semaine, Cargo Rates: USD1.02/kg

Zurich – Edel Weiss
1 Vols/semaine, Cargo Rates: USD 2.00/kg

Perth – Air Mauritius
4 Vols/semaine, Cargo rates: USD 1.57/kg

Shanghai – Air Mauritius
3 Vols/semaine, Cargo Rates: USD 1.71/kg

Munich – Condor
2 Vols/semaine, Cargo Rates: USD 1.02/kg

Madagascar – Turkish Airline, Air Madagascar, Air Mauritius
6 Vols/semaine, Cargo rates: USD 1.50/kg

Indicative Shipping Rates and Lead Times - Regional

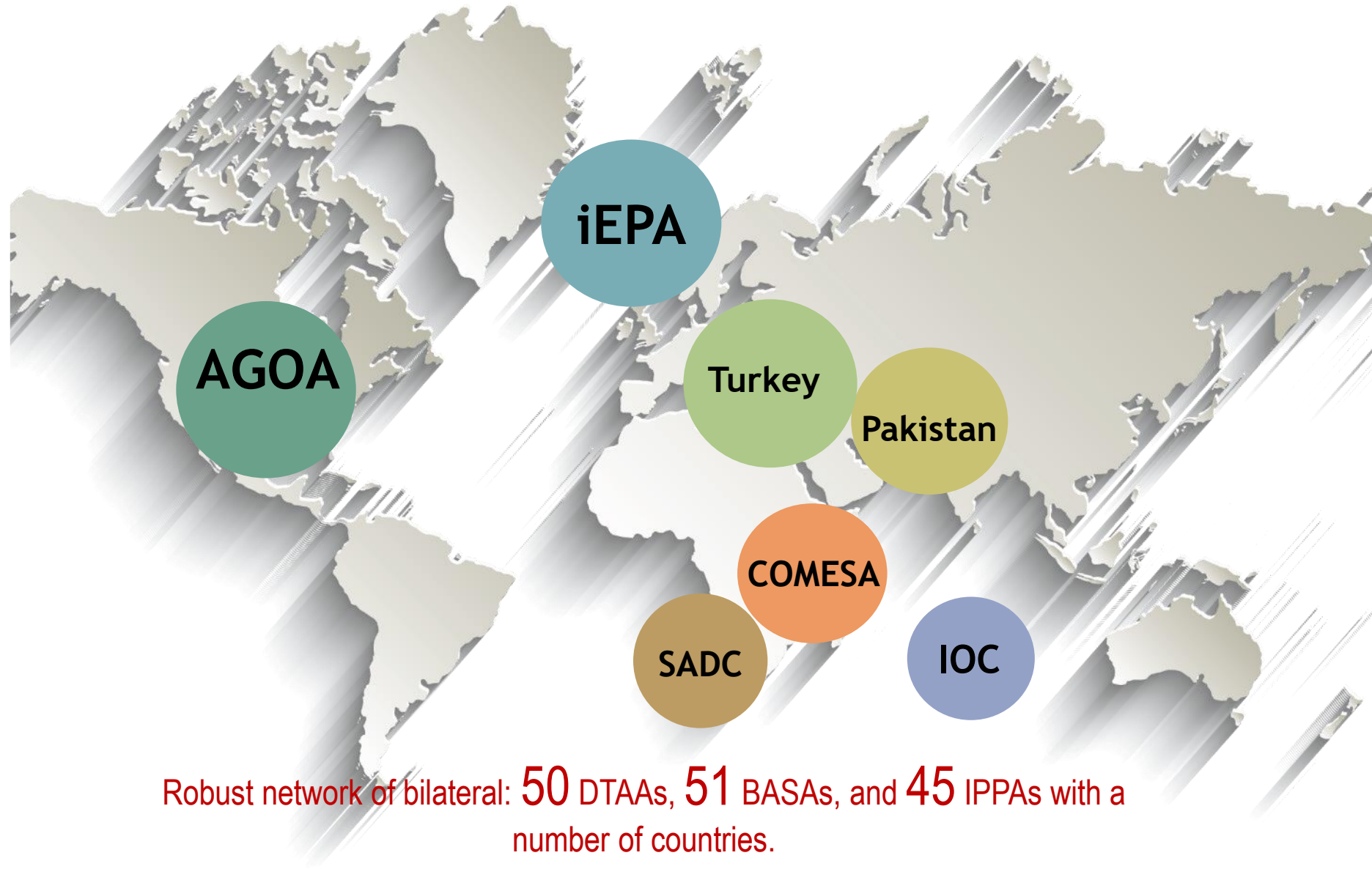
Port of Loading	Destination	Currency	20ft	40ft	Transit Approx (Days)	Frequency
From Mauritius to Regional Destination						
Port Louis, Mauritius	Durban, South Africa	USD	500	950	5	hebdomadaire
	Mombasa, Kenya		725	1400	26	
	Dar Es Salam, Tanzania		1037	2022	18	
	Beira, Mozambique		749	1473	12	
	Maputo, Mozambique		750	1076	8	
	Toamasina , Madagascar		450	850	3	
	Pointes des Galets		416	737	2	
	Port Victoria , Seychelles		950	1850	9	

Indicative shipping rates and lead times- International

Port of Loading	Destination	Currency	20ft (EUR)	40ft/40HC (EUR)	Transit approx. (Days)	Routes
From Europe to Mauritius						
La Spezia, Italy	Port Louis, Mauritius	EUR	1,000	1,950	19	Via King Abdullah
Antwerp, Belgium			900	1,750/1,750	23	Direct
Hamburg, Germany			900	1,750/1,750	33	Via Le Havre
Genoa, Italy			1,000	1,950	19	
London Gateway, UK			900	1,750/1,750	30	Via King Abdullah

Preferential Market Access

- ❖ Africa Growth & Opportunity Act (AGOA)
- ❖ Interim Economic Partnership Agreement (iEPA)
- ❖ Common Market for Eastern and Southern Africa (COMESA) & Southern African Development Community (SADC)
- ❖ Indian Ocean Commission (IOC)
- ❖ Mauritius- Turkey (FTA)
- ❖ Mauritius – Pakistan (PTA)



Robust network of bilateral: **50** DTAAs, **51** BASAs, and **45** IPPAs with a number of countries.

Principal Logistic Providers

Mr. Hans Herchenroder
Chief Commercial Officer

T: (230) 206 2000 | E: hans.herchenroder@mfd.mu
W: www.mfd.mu (Zone 5)



Mauritius Freeport Development Ltd

Ms. Farzana Mouratsing
Key Account Manager - Sales

T: (230) 206 1000 | E: farzana.mouratsing@velogic-mu.com
W: <http://www.velogic-mu.com/> (Zone 7)



Freeport Operations (Mauritius) Ltd

Hans Mungtah
Assistant Marketing Manager

T: (230) 206 2739 | E: info@bfslmauritius.com
W: www.bfslmauritius.com (Zone 1, 6, 9)



BPML Freeport Services Ltd

Mr Gino Severe
Director

T: (230) 249 2600 | E: gino@mauri-china.com
(Zone 18)



**Mauri-China Freezone
Development Ltd**

Ms. Emilie Oliver
Property Sales & Marketing Manager

T: (230) 212 3251 | E: eoliver@omnicane.com
W: www.omnicane.com (Zone 24)

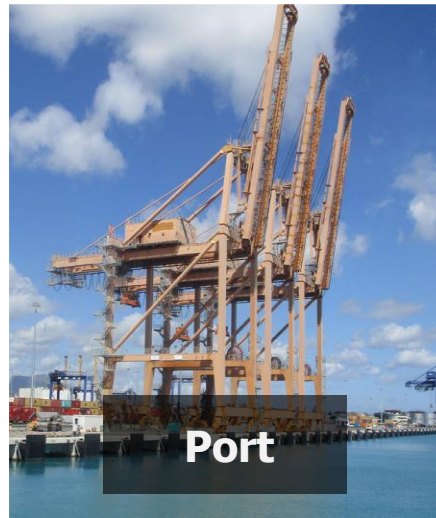


Trade Park Mon Tresor

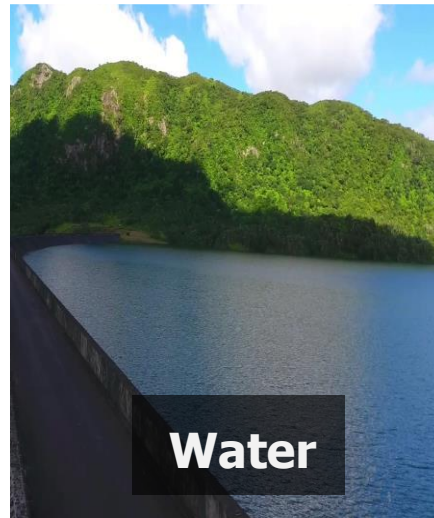


Road

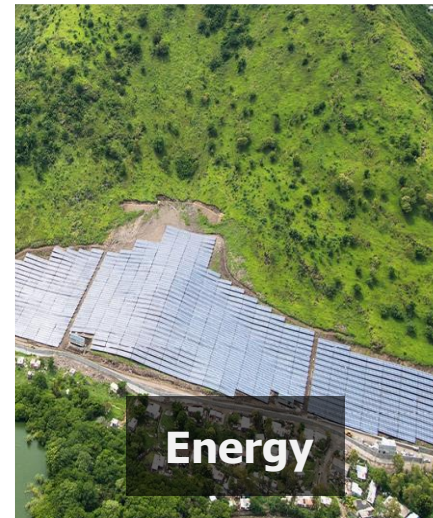
State-of-the-Art Infrastructure



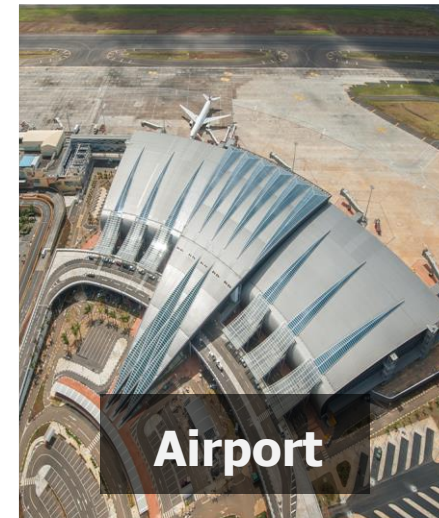
Port



Water



Energy



Airport

Start up Cost

Registration of Comapny	: USD 71
Freeport Developers	: USD 5,714 (Eq. MUR 200,000)
Freeport Operators	: USD 571 (Eq. MUR 20,000)



Higher Managemen:	USD 2,800 +
Manager	: USD 700 – 1,300
Engineers	: USD 700 – 1,000
Technician	: USD 250 – 500
Salaire Minimale	: USD 230



Indicative Cost

Rental Cost

The cost of warehousing, manufacturing and office facilities is in the range of **USD 5-8 per sq. metre per month**, depending upon space, services and facilities required.



Water consumption - Tariff 31 industrial	
First 100 m3	: USD 0.70/m3
Next 150 m3	: USD 0.39/m3
All additional cubic metres	: USD 0.51/m3
Minimum Charges/month	: USD 12.85

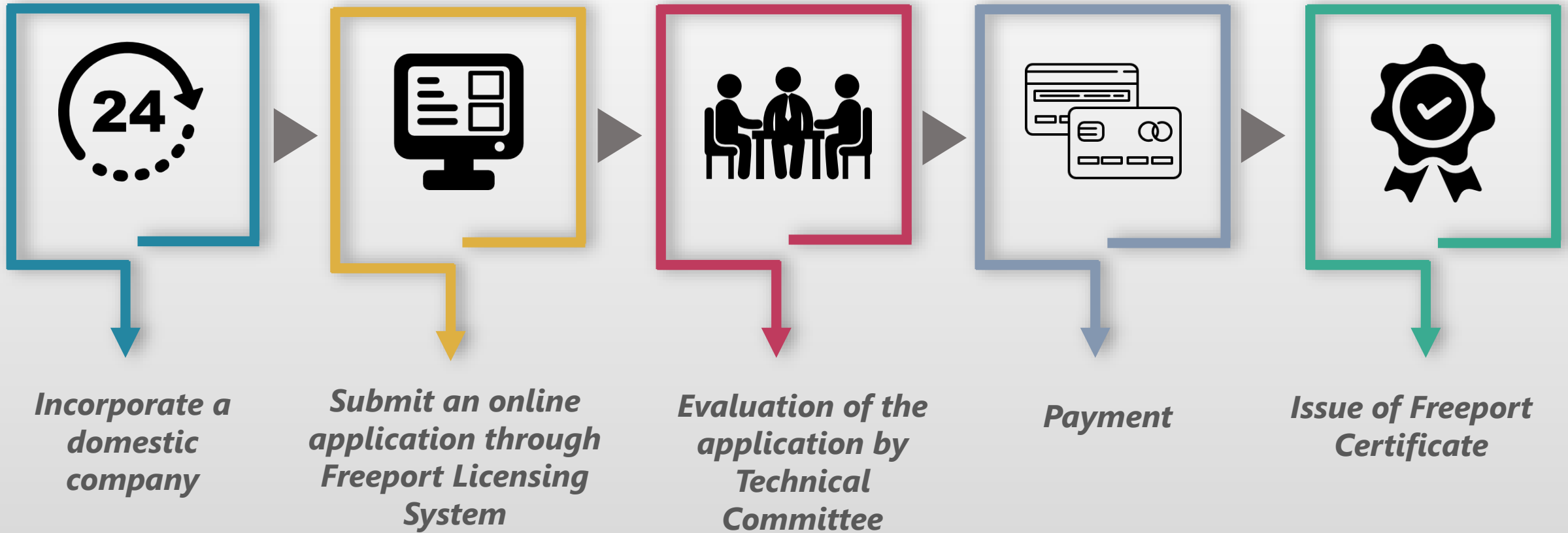


Electricity consumption - Freeport Tariff	
Tariff 340 high and low voltage	: USD 0.011/kWh

Labour Cost

Utilities

Licensing Procedures



Economic Development Board | Regulator & Facilitator

To establish a Freeport company , an application for Freeport Certificate should be submitted online (<http://www.eregulations.mu>). Annual license fees applicable:
Freeport operators - **MUR 20,000** | Freeport Developers - **MUR 200,000**.



An Open economy to invest, live, work & retire



Investor

- Minimum investment of USD 100,000
- Transfer of High-Tech Equipment considered as part of minimum investment



Professional

- Basic monthly salary > USD 1,700
- ICT sector > USD 850



Innovative Investor

- Minimum investment of USD 40,000
- At least 20% investment in R&D



Permanent Residency in Mauritius for 10 Years

- OP Holders – After 3 years and applicable turnover/salary conditions
- Investors with initial investment exceeding USD 500,000 in a Qualifying Activity



Self Employed

- Minimum investment of USD 35,000



Retired

- Minimum age of 50
- Monthly transfer of USD 2,500
Possibility to acquire residential properties
- Acquisition of Life Rights in Residential Care Homes



Acquisition of Property

- Any OP Holders:

Acquisition of apartments of at least G+2 structure - Value > USD 171,500 (MUR 6 million)

Acquisition of Residential properties in Property Development and Smart City Schemes

- Acquisition of Luxurious Residential Properties in PDS, Smart City and Invest Hotel Schemes

> USD 500,000 – Residency Permit (Until such time the buyer owns the property)

< USD 500,000 – No Residence Permits, but stay under Business/Tourist Visa

A low-angle, upward-looking photograph of several tall skyscrapers against a clear blue sky. A large white commercial airplane with red accents is flying across the upper portion of the frame. The buildings feature a mix of glass facades and concrete structures with visible pipes and scaffolding. The entire image is framed by a thick black border.

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