

PQ B/275

PARLIAMENTARY QUESTION

The Honourable First Member for Port Louis South and Port Louis Central (**Mr Uteem**)

To ask the Honourable Prime Minister, Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development –

Whether, in regard to the Mauritius Africa Fund, he will, for the benefit of the House, obtain therefrom, information as to the (a) number of applications for funding received thereunder, indicating the number of successful applications and in each case the (a) quantum granted (b) nature of project and (c) country in which funds are to be invested?

REPLY

Madam Speaker,

The Mauritius-Africa Fund was incorporated in February 2014. The original mandate of the Fund included participation in the capital of Mauritian enterprises investing in viable projects on the African continent, up to a maximum of 10% of their capital.

With regard to the number of applications received for funding, I am informed that in August 2014, the Mauritius-Africa Fund invited, through public advertisements, Mauritian enterprises to express their interest in accessing the support and services of the Fund for investments in projects in Africa. In that connection, four prospective companies contacted the Fund to express interest but they did not make any formal application for funding.

Madam Speaker,

Since we took office in December 2014, this Government has adopted a completely new approach to our Africa strategy, which aims at having bigger impact on facilitation of Mauritian private sector investment in Africa. The mandate of the Mauritius-Africa Fund was, therefore, substantially reviewed to focus on the development of integrated projects in Africa under Government to Government framework.

In the execution of this new mandate, the Mauritius-Africa Fund has successfully negotiated and signed five MOUs to develop Special Economic Zones (SEZs), namely in:

- i. Senegal;
- ii. Cote d'Ivoire;
- iii. Ghana;
- iv. Madagascar; and
- v. Kenya.

In Senegal, the Mauritius-Africa Fund has invested fifty-one million Franc CFA, amounting to 3,733,200 Mauritian Rupees, for 51% of the shares in *Société des Infrastructures d'Affaires Atlantic S.A.* (SIAA), incorporated in Senegal. The Special Purpose Vehicle will manage 53 hectares of land near Dakar.

More than 31,000 square metres of building facilities were constructed during Phase I on 13 hectares of land in the Industrial Park of Diamniadio.

Phase I became operational in early 2018 and achieved 100% occupancy within a three months' period. Phase II will entail the construction of facilities over 250,000 square metres on the remaining 40 hectares of land.

In Cote d'Ivoire, the Mauritius-Africa Fund has successfully negotiated preferential access for Mauritian firms to invest in the construction of a Cyber Tower, twin administrative towers, a business hotel and an aqua park within the Technology Park in Grand Bassam.

In Ghana, the Mauritius-Africa Fund will invest 1,194,000 Ghanaian Cedis, amounting to around 9.8 million Mauritian Rupees, in the share capital of Ghana Smart City Ltd, a joint venture in which the Government of Mauritius holds 60% of shares and the Government of Ghana holding 40% of shares. The project will consist of the construction of a Technology and Innovation Hub in Central Accra and the development of a Technology and Business Park in Dawa.

Madam Speaker,

As I have previously said, where multilateral efforts are weak, bilateral arrangements can be a game-changer. That is why Mauritius is focusing on bilateral cooperation with key African countries. In this pursuit, my Government has intensified diplomatic relations with Mozambique, Madagascar and Kenya. Between January and March of this year, the Head of State of these three countries have effected State visits to Mauritius. In addition to nurturing further diplomatic ties, our talks have centred on cementing bilateral economic and business relations as well as creating the right framework for our economic operators to have a secured and conducive business environment to operate in these countries.

With Mozambique, I personally engaged into discussions with the President for the setting up of a regional value chain for Liquefied Natural Gas (LNG) that will comprise, firstly, strategic storage of LNG, secondly,

making Mauritius a reliable regional supplier of services and thirdly, establishing Mauritius as a trading platform for such products. An MOU between the State Trading Corporation and Empressa National de Hydrocarbonetos (ENH), the national oil and gas operator of Mozambique, will be signed shortly to provide the basis for collaboration in this venture. Furthermore, the bilateral talks also confirmed the commitment of the Mozambique Government to address business issues that our economic operators encounter on the ground.

With Madagascar, further to my talks with the President, the Malagasy Government has agreed to allocate an extent of 80 Hectares of land for the development of a textile city in Moramanga, near Antananarivo, along the main economic corridor connecting the capital to the port of Toamasina. A technical delegation is presently there to pursue discussions on this project. The visit of the President of Madagascar has also resulted in increasing air

connectivity through the operationalization of a 7th flight by Air Mauritius to Madagascar on a weekly basis.

And with Kenya, the State visit of the President has permitted the signing of an MOU laying down the general framework of collaboration between Mauritius and Kenya for the development of an Industrial and Technology Park in Naivasha. Furthermore, the interaction that the President of Kenya and myself had with the business community has provided once again greater certainty and predictability to our economic operators. I am pleased to inform the House that a number of our economic operators are expanding their activities in Kenya, namely, in insurance, financial services, agro-industry and professional services.

All the above initiatives, Madam Speaker, clearly demonstrate the greater impetus and drive that I am personally giving to our Africa Strategy. Not only are we developing greater synergies and economic cooperation with these key African countries, but I am also engaged in strategic discussions to create better regional maritime

connectivity. This in itself represents a solid backbone of our regional cooperation agenda. Intra-trade in Africa still remains low compared to the rest of the world and, therefore, I am personally favouring dialogues with friendly countries to see to it that the regional maritime service becomes a reality.

Madam Speaker,

One of the major hurdles faced in investing in African countries is accessing cost-efficient financing on the scale required for projects on the continent. Cognizant of this significant challenge, the Mauritius-Africa Fund is in the process of building an ecosystem to facilitate access to project finance.

The Mauritius-Africa Fund is investing one million US Dollars to acquire 50% of the share capital in the Africa Infrastructure Investment Holdings Company Ltd, a joint venture with the SBM Holdings. The joint venture Holding Company will provide the seed capital in a new dedicated Fund with the aim of raising up to 200 million US Dollars,

mainly for Mauritian companies to invest in infrastructural projects in Africa.

In addition, the Mauritius-Africa Fund, the State Bank of Mauritius, MAUBank Ltd and the Development Bank of Mauritius Ltd have all signed Memoranda of Understanding with the “Fonds Solidarité Africain (FSA)” to provide funding at concessional rates to Mauritian firms to invest in Africa.

I am further informed that discussions between the Mauritius-Africa Fund and other multilateral institutions are at an advanced stage. The Mauritius-Africa Fund is in the process of entering into a strategic partnership with the Africa Finance Corporation, a Pan-African multilateral development financial institution established in 2007. The African Development Bank is working closely with the Mauritius-Africa Fund and the local banking institutions for syndication of its financing instruments for the benefit of Mauritian enterprises. The Afreximbank is a potential investor in the Africa Infrastructure and Industrialisation

Fund. For the next fiscal year, the World Bank is allocating a budget for Technical Assistance that would enable the Bank to, as a starting point, provide Mauritius with advisory support on the design of the business model and value proposition to investors around the Special Economic Zones.

Madam Speaker,

My Government is committed to fulfilling its role as an enabler and as a facilitator for investment, business, and trade with countries on the African continent and in the Indian Ocean region.

In the furtherance of this commitment, the Mauritius-Africa Fund, together with the Economic Development Board, has, since 29th April 2019, launched a public invitation for Expression of Interest for Mauritian companies interested in implementing projects in six countries with which Mauritius has partnered to develop Special Economic Zones and has established special bilateral relationships.

I am informed that the advertisement for the Expression of Interest exercise can be accessed online through the website of the Economic Development Board.

P.K.J