



# THE MAURITIUS **AGRO - INDUSTRY**



Moving Towards Technology-Based and High Value Activities



## Mauritius

Strategically located in the Indian Ocean at a crossroad with Asia, Africa and Australia, Mauritius is today recognised as a leading economy in the region. Over the years, the country has built itself a solid reputation as a secure and reliable investment hub. Its development model rests on key fundamentals, including economic democratisation, inclusive growth, the development of human capital and social mobility.

Endowed with a modern infrastructure which continues to develop, advanced communications network as well as appropriate legal framework to facilitate investment, Mauritius provides a conducive environment for businesses to set up, grow and flourish in a safe and stable setting.



# Mauritius

## AT A GLANCE

 <b>Population</b> 1,263,473 (2016)	 <b>Official language</b> English	 <b>Ease of Doing Business</b> 1st in Africa
 <b>Real GDP Growth rate</b> 3.5% (2016)	 <b>2016 Index of Economic Freedom</b> 15th Freest Economy	 <b>GDP per capita</b> USD 9600 (2016)

## Why Mauritius?

Economically stable, resilient and diversified, Mauritius is a low-risk environment in which to do business. Investors in the agribusiness sector will find a transparent regulatory environment.

- Harmonised tax rate of 15% for VAT, corporate and personal income
- No Capital Gains Tax
- No tax on dividends
- 100% foreign ownership
- Free repatriation of profits
- No foreign exchange control
- No import duties on equipment and raw materials
- Incorporation of company in 3 days
- One-stop shop for launching of business
- Access to international markets via a number of agreements including the EU (Interim Economic Partnership Agreement), the US (Africa Growth and Opportunity Act) and parts of Africa with (COMESA and SADC membership)
- Bilateral agreements for free trade with Turkey and preferential trade with Pakistan





# The Agribusiness Sector





Food security is a cause of global concern. Whilst almost no country is spared, the challenge of food security is particularly daunting for developing nations such as Mauritius which are net importers of food commodities. According to the Food and Agriculture Organisation, the world's population is estimated to reach 9.1 billion by 2050, 34% higher than today. In order to feed this growing population, it is predicted that food production will have to increase by 70%.

In Mauritius, the agricultural food sector has been meeting the food consumption requirements of the population with an overall self-sufficiency of 23%. Today, this sector represents 3.5% of the national economy, with sugar cane cultivation and sugar production as the prime activities.

In its endeavour to reduce dependency on food imports, Government has actively been encouraging agricultural and agro-industrial development to diversify the industry.





## The Mauritius Agro-Industrial Landscape

As a major agricultural legacy, sugarcane is undeniably the main agricultural activity that has led to the expansion of agriculture as one of the pillars that supported the Mauritian economy. It has, over the years, gone through phases of modernisation and diversification. Today, the sugar industry has successfully expanded into a cane cluster for the production of refined white sugar, special sugars, molasses, energy and ethanol.



At present there are around 60,000 hectares of land under cultivation. More than 80% of these land is dedicated to sugar cane cultivation and the remaining land is devoted to food crops and tea cultivation.



Sugar cane  
\* 52,387 hectares



Tea  
\* 574 hectares



Food crops  
\* 8,137 hectares

## Area Harvested (2015)

## Snapshot of the Sector



GDP Contribution

3.5 %



Investment

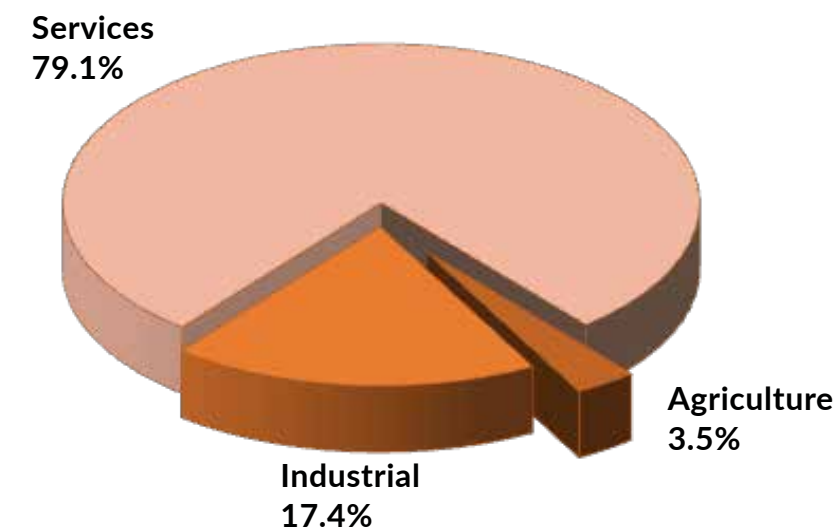
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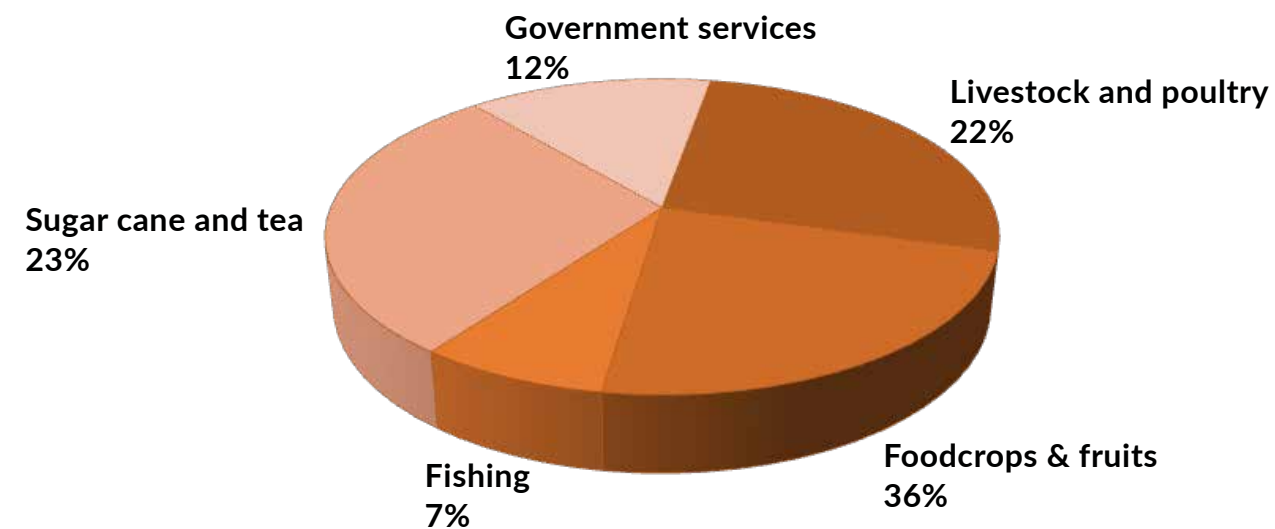
Employment

45,300

## Agriculture's Contribution to Economy (2015)



## Breakdown of Agricultural Activities





# Opportunities for Investment



Mauritius's geographic positioning and counter-seasonality to the Northern hemisphere offer several strategic advantages including pest and disease free production as well as quarantine and monitoring regime that help preserve a reputation for high quality production.

The new agro-industrial landscape is today geared towards enhancing food security through investments in *technology-based production and high-value activities*.

## Sugar Sector projects

In 2015, the production of refined and special sugars amounted to 366,000 tonnes. Mauritius is the largest exporter of special sugars to the European Union.

1

Refining raw sugar from the region

2

Transformation into high value added sugar-based products

3

Partnership between local operators and foreign investors for expansion in Africa





**Non-Sugar Sector**



# Agricultural Biotechnology



Agricultural Biotechnology is one of the areas in agribusiness which is gaining momentum worldwide. It can today be considered as an emerging technology in the Mauritian context and has far reaching prospects in Mauritius in the long term. New demands triggered by environmental degradation and climate change, in conjunction with population growth, may well provide an added impetus for the application of biotechnology to food and food crops in the future.

The aim today is to position Mauritius as an exporter of agricultural inputs (both in animal and crop based segments) in the region.

# Food Processing



The rising growth in the global food industry can be attributed to favourable economic & cultural transformation, change in lifestyles and needs of consumers as well as their willingness to experiment with different cuisines, tastes and new brands. Today, there is an increase in awareness and concern for wellness and health, high protein, low fat, wholegrain and organic food.

The worldwide consumption trend is driven towards packaged and ready-to-eat foods.

There are several opportunities for food processing in Mauritius. The transformation of agricultural products and livestock into products for intermediate or final consumption constitutes one of the options which can be considered.





## Dairy

## Bio-farming

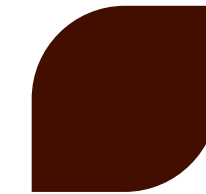
The local dairy sector produces about 5 million litres of milk on a yearly basis which represents only 5% of the total requirements. The remaining 95% of the dairy products consumed today are imported.

With the market being relatively underserved, promoters have the opportunity to produce and supply the local market. Joint ventures with existing dairy producers and land owners are encouraged.

The rising concern of consumers on the negative impact of agro chemicals has led to an increase in demand for safe fruits and vegetables which are produced sustainably.

In line with the Government's policy for bio-food production, farmers are encouraged to eliminate use of synthetic agro chemicals and shift to environmentally friendly production approach.





## Technology-based farming

Today, coupled with high-value production, promoters are being encouraged to adopt technology based farming for crop production. Techniques such as hydroponics, aquaponics and vertical farming are options that can be considered.

Although the produce is more expensive than traditional farming methods, there is considerable demand in the local and regional market for fruits and vegetables produced through hi-tech systems.





# They Chose Mauritius

Aadicon Biotechnologies Ltd is the unique agricultural biotech project in Mauritius and is engaged in production of Organic Certified BioFertilizers, Bio Control Agents & Bio Pesticides for sustainable agriculture and production of Bovine Quality Frozen Semen for Genetic Development of Cattle Breeds.

Our mission: “To be the leader in the global Agro industry, delivering high quality agricultural biotech products and services to satisfy global customers in a profitable, sustainable and ethical manner.”

“Mauritius is endowed with a ‘Foot and Mouth Disease (FMD) Free’ status which very few countries in the world enjoys. The Government’s encouraging attitude towards new technology is very positive and reassuring for new entrepreneurs. We believe that Mauritius has the potential to emerge as a leader to demonstrate agricultural biotechnology project in Africa”.

**Mr. Deepak Yardi**  
**Managing Director**  
**Aadicon Biotechnologies Ltd**

Vita Rice Ltd has been established to produce, process and market premium low glycemic index rice, branded Mighty Rice, domestically and for export.

“Vita Rice’s ethos is to grow healthy rice and to contribute to food security. Mauritius was identified as a country which is politically and economically stable. With the strong support of the BOI and the Mauritian government, within a short timeframe Vita Rice has been able to successfully grow rice on a commercial scale in a country which had never commercially grown rice before. We are one of the few companies in the world which have control over the whole supply chain from breeding, growing, processing, packaging, marketing and distribution. The BOI has assisted Vita Rice to navigate a pathway to commercialisation.”

**Mr. Mick Bartlett**  
**Chief Operating Officer**  
**Vita Rice Ltd**

Mauristea Investment Company Ltd specialises in the cultivation, production and sales of tea.

“With our unique KUANFU tea brand, we have invested in Mauritius mainly due to its unique location, environment, and climate. Our vision is to make the KUANFU brand well recognized both locally and internationally. We are grateful to the government particularly to the Board of Investment for their continuous support and guidance.”

**Mr. Hailun KUANFU**  
**Director**  
**Mauristea Investment Co Ltd**



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