

**BANK OF MAURITIUS
AND
THE ECONOMIC DEVELOPMENT BOARD
UNDER THE PATRONAGE OF THE
MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT**

**INTERNATIONAL CONFERENCE ON
DIGITAL ECONOMY AND DIGITAL BANKING**

OPENING CEREMONY

**SPEECH BY THE HON PRAVIND KUMAR JUGNAUTH
PRIME MINISTER**

MONDAY 31 OCTOBER 2022 AT 1000HRS

(HON PRIME MINISTER TO ARRIVE AT 1010HRS)

VENUE: LE MERIDIEN HOTEL, POINTE AUX PIMENTS

Mr. Mathias Cormann, Secretary General OECD,

Colleague Ministers,

African Ministers of Finance,

The Governor, Bank of Mauritius,

Governors and Executives of Central Banks,

Members of the Diplomatic Corps,

**Chairperson and Members of the Economic
Development Board,**

The CEO of the Economic Development Board,

Private Sector Representatives,

Distinguished Guests,

Ladies and Gentlemen,

Good Morning.

I am very happy to join you this morning at this International Conference on Digital Economy and Digital Banking. It is a valuable opportunity to discuss how to enhance the contribution of digitalisation to our African economies.

I am also pleased to extend a special welcome to Mr Mathias Cormann, Secretary General of the OECD¹. I thank you for choosing Mauritius as your first African country for an official visit.

I have to acknowledge the role that the OECD has played in matters regarding taxation, AML/CFT issues, and investment. Mauritius is proud to be associated

¹ OECD: Organisation for Economic Cooperation and Development

with such a prestigious institution for this international conference.

Ladies and Gentlemen,

Nurturing cooperation with international institutions has always featured high on our agenda. In particular, we have brought a new dynamism to our engagement with the OECD over the last few years.

In March 2019, the Regional Centre of Excellence of the OECD was inaugurated in Mauritius, with the objective of delivering capacity building programmes, conducting research on topical areas, and advising on minimum standards that need to be introduced regionally.

Mauritius also actively participates in several OECD working groups such as those on Global Minimum Tax, Taxation of Multinational Enterprises, Aggressive Tax Planning, the Blockchain Committee, the Committee on Financial Markets, and the Anti-Bribery Committee.

Mauritius is also party to several OECD led international standards and norms. Our country today is signatory of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, the OECD Common Reporting Standard on automatic exchange of tax information, the Common Reporting Standards of the OECD, Multilateral Instrument on the Tax-Treaty related BEPS² measures, the OECD Forum on

² BEPS – Base Erosion and Profit Shifting

Harmful Tax Practices, and the Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy.

Our Government is committed to adhering to the best standards and norms so as to substantiate our claim of being a jurisdiction of substance, which is so important for investors and investments.

Ladies and Gentlemen,

You have seen a few moments ago a video which has shown the impressive transformation of Mauritius from a monocrop low income economy to a diversified one which today stands on the brink of entering the league of high income economies.

Many have tried to find explanations about the underlying factors of this success story - the Mauritian Miracle - as some have called it.

Innovative policies, affordable labour, and preferential market access have all contributed to our development experience. But some other factors have come into play as well.

The undaunted resolve of our people and farsightedness of past leaders who created the right institutions and adopted the right policies to drive economic success, have had a major impact on our development path.

Decade after decade, we have evolved and adapted our institutional and regulatory frameworks to meet the stringent exigencies of global standards.

Mauritius has always demonstrated its unflinching commitment to international standards which aim to stamp out criminal activity such as money laundering, terrorist financing and proliferation financing.

In a record time, Mauritius has exited the FATF list of countries under increased monitoring, the UK blacklist and the EU list of high-risk jurisdictions. The decision of FATF, UK, and EU further enhances confidence and trust in Mauritius as an International Financial Centre.

Moreover, the Mauritian laws are inspired by international best practices. We allow the acquisition of property and guarantee the protection of property as well. We secure the right of access to independent courts of law and protect investors and their investments. Moreover, there is no discriminatory treatment between local and foreign investments.

Ladies and Gentlemen,

It is not a matter of chance that Mauritius consistently ranks first in Africa in a number of international indices on good governance. It is a matter of taking the right decisions at the right time and ensuring that the Mauritian people and businesses are the ultimate beneficiaries.

The success of Mauritius is a reminder of what can be achieved even in the face of adversity.

In this respect, Mauritius is a development model for the African continent.

It is with great enthusiasm that I note that so many Ministers, Governors, and high-level dignitaries from Africa have come here today.

Indeed, Mauritius has since always been a proud member of the African family, and despite our constraints, we have time and again renewed our commitment to partner with African economies.

This is why our Government has constantly been honing an Africa strategy which has the overarching objective of positioning Mauritius as a platform of choice linking international investors and Development Financial Institutions to the opportunities that exist in Africa.

We firmly believe, as an African country, that we have the ability to be to the rest of the continent, a business hub enabling growth and investments. To this end, we are constantly striving to consolidate our credentials as an international financial centre of good repute and mitigate risks to help capital flows into the rest of Africa to support growth and development.

According to a recent report by Capital Economics, some USD 80 billion of investments have been structured from Mauritius into Africa, supporting 4.2 million jobs in mainland Africa.

The investment mediated by Mauritius further supports tax revenues for African Government amounting to USD 6 billion per annum.

Investors are indeed comforted by our network of Bilateral Investment Treaties and Double Taxation Avoidance Agreements, including with several African economies. To date, we have signed 23 Double Taxation Avoidance Agreements and 24 Investment Promotion and Protection Agreements with African countries.

These are crucial for tax neutrality and risk mitigation to provide the most conducive environment for cross border trade and investments between Mauritius and mainland Africa.

The organisation of this International Conference on Digital Economy and Digital Banking should be taken in the light of our strategy.

Digital economy holds significant potential for African economies. In fact, the World Economic Forum has estimated that Africa's digital economy could contribute as much as USD 180 billion to the region's growth by the mid-decade.

Today, however, only 39% of the African population is using the internet. Africa remains the least connected continent in the world.

57 % of Africans do not hold any kind of bank account, including mobile money accounts, according to BPC Banking Technologies.

This is a disquieting state of affairs. But it is also synonymous with a tremendous opportunity for investors.

Before concluding, let me express the hope that this event paves the way for a deeper collaboration between the OECD and Mauritius. I believe this is possible, and necessary.

I also wish to reiterate the keen interest of Mauritius in becoming a member of the OECD. This is a vision that I spelt out back in 2018 during my participation at the first edition of the OECD Blockchain Policy Forum.

Mauritius will continue working towards becoming more integrated with the OECD and being the springboard to promote the adoption of OECD Standards and values in our part of the world.

I wish you all fruitful deliberations and a continued pleasant stay for our guests from abroad.

I thank you for your attention.
