

CYBER-ISLAND

# Big effort to tout for technology business

John Reed reports on the drive to fill the gap left by fading industries

Cybertower One, the showpiece of Mauritius's Ebene Cybercity office park, looms alongside the motorway running south through sugar cane fields from Port Louis, the country's capital.

The 10-storey block's tenants include Infosys, the Indian information technology group, and Accenture, the technology-outsourcer which employs about 600. Construction on Cybertower Two is under way nearby.

The \$60m development is the most visible sign of Mauritius's government-led drive to make the island a hub for IT and business process outsourcing (BPO). Mauritius is touting its good telecommunications infrastructure, educated French- and English-speaking population and a raft of investment incentives as it seeks to draw more international companies to what it sometimes calls "the cyber-island".

"We are one of the only really bilingual countries in the world," says Etienne Sinatambou, minister of IT and communications. "You can have the same engineers doing work for the anglophone and francophone market."

The sector employs about 4,000 people, a number Mr Sinatambou expects to at least double within five years, helping to make up for job losses in the declining sugar and textile industries.

Foreign investors in the sector are being offered a tax holiday to 2012, duty-free import of office cars and equipment, and fast-tracking of visa and work permits



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Accenture, believed to be the biggest foreign company in the sector, employs about 450 people in BPO and another 150 in IT, serving clients in mostly French-speaking countries. In BPO, the company is offering transactional

and better-known destinations, from India to South Africa and francophone north Africa. Some business people who applaud the idea warn that it has many built-in limits.

Chief among these is Mauritius's small size. With a population of just 1.2m, the country

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thing we don't have, it's scalability," says Mr Sinatambou. However, he notes, Mauritius is looking to tackle the problem by opening up to foreign experts.

The country's "scheme to attract professionals for emerging sectors" grants skilled

tius's cyber-ambitions.

"There's lots of goodwill, when you look at the details there's work to be done," says Tim Taylor, chief executive of Rogers, a Mauritian group that operates an English-language

through sugar cane fields from Port Louis, the country's capital. The 10-storey block's tenants include Infosys, the Indian information technology group, and Accenture, the technology-outsourcer which employs about 600. Construction on Cybertower Two is under way nearby.

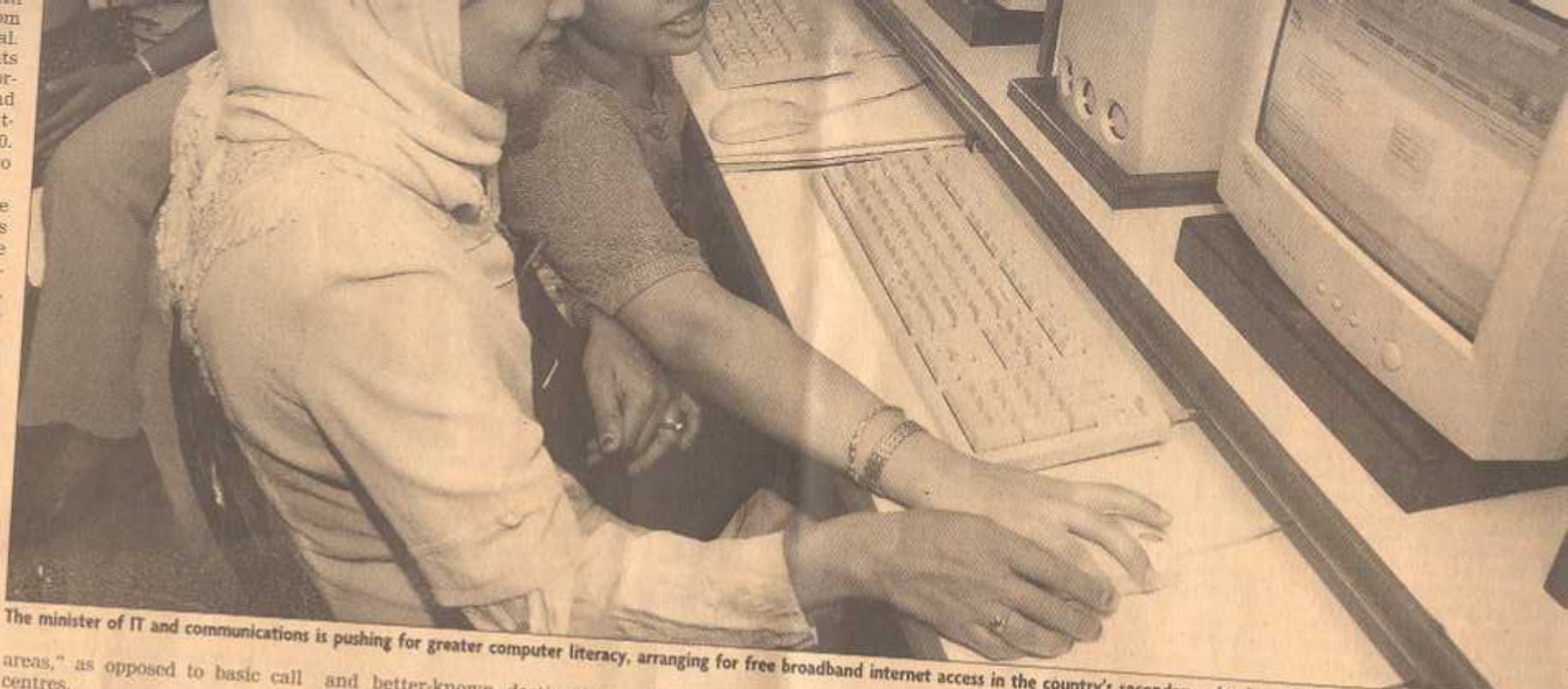
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Foreign investors in the sector are being offered a tax holiday to 2012, duty-free import of office cars and equipment, and fast-tracking of visa and work permit paperwork, among other sweeteners.

Mauritius has about 100 companies in the sector, ranging from basic call centres to outsourcing of more complex business processes. Infosys has a disaster recovery unit, and Microsoft a regional office in Mauritius. "Over the last six months, we have seen a very interesting change in the type of investment project we see," says Silka Cuttaree-Gujjala, head of the BPO secretariat at Mauritius's Board of Investment. "We see investors coming more into value-added



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"With the people we have, we are very comfortable that we can grow the foundation of our business," says Jean-Pierre Bokobza, managing director of Accenture Mauritius. The company plans to increase the operation's headcount to 1,000, he says.

For the government, the logic of fashioning a cyber-island is a powerful one as it struggles to chart an uncertain economic future. However, in looking to lure coveted jobs in IT and BPO, it is competing with many larger

and better-known destinations, from India to South Africa and francophone north Africa. Some business people who applaud the idea warn that it has many built-in limits.

Chief among these is Mauritius's small size. With a population of just 1.2m, the country produces only about 1,500 IT graduates a year.

Even for lower-skilled call centre jobs, the small size of the country's labour force means that it lacks what industry figures call "scaleability" - the ability to hire many new employees at one go to serve a fast-growing client.

"We produce many boys and girls who know language and maths but what is missing is training in IT," says Pierre Dinan, an independent economist. In spite of heavy investment in training in recent years, Gérard Garrioch, president of the

Mauritius Employers' Federation, a business lobby group, estimates that the country is "probably catering to 25 or 30 per cent of our need for skilled labour."

**"You can't even dream of having any importance in the IT sector if you don't provide your teenagers with skills"**

Accenture says it has addressed the problem by cultivating relationships with local business schools and rotating in employees from the UK, France, India and elsewhere.

Government officials acknowledge the problem. "If there's one

thing we don't have, it's scaleability," says Mr Sinatambou. However, he notes, Mauritius is looking to tackle the problem by opening up to foreign experts.

The country's "scheme to attract professionals for emerging sectors" grants skilled foreigners and their families three-year residence and work permits and the right to buy property.

The drive to attract skilled migrants represents a significant shift for a country that has in the past been wary of opening its doors too wide to foreigners. It is doubly important given the government's related ambition to make Mauritius a "knowledge hub" by attracting universities to set up offshore degree programmes.

Companies say the government is heading in the right direction, but warn that persistent red tape in areas such as work permits could hold back some of Mauri-

tius's cyber-ambitions.

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Others say that the quality of English in Mauritius needs improvement. Many islanders speak it haltingly, even though it is their country's official language. In 2004 David Snoxell, Britain's outgoing high commissioner, warned that English was "declining badly" in favour of French, the most-spoken foreign tongue.

Some companies have also complained about the cost of telecoms services, which, until a recent liberalisation, were monopolised by incumbent provider Mauritius Telecom. In 2002 Mauritius was connected to the