

OFFICIAL OPENING OF THE
BAGATELLE – MALL OF MAURITIUS

ENL PROPERTY & ATTERBURY

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WEDNESDAY 19 OCTOBER 2011

10 00 HRS

SPEECH

BY

DR THE HON NAVINCHANDRA RAMGOOLAM, GCSK, FRCP
PRIME MINISTER

Colleague Ministers,
The CEOs of ENL Group, ENL Property and Atterbury,
Distinguished Guests,

The Espitalier Noel Group and their South African partner Atterbury need to be warmly congratulated for having met the one-year target for the opening of the Bagatelle Mall of Mauritius.

In fact, on 8 October last year, I addressed you for the One Year Countdown Ceremony and today we are pleased to witness the formidable transformation of this area.

This speaks volume about how businesses are transacted in this country. It means if you have properly planned your project, and you are determined – there is no reason why you won't succeed and on time as scheduled.

I commend the commitment and the seriousness of purpose of the promoters in the realisation of this important project, with an investment of more than Rs 3 billion for this first phase.

As our country continues on the path of progress and prosperity, our people have a legitimate aspiration to better quality, more sophistication and greater modernity. Bagatelle, from what I see, meets this aspiration.

It is an impressive achievement, both practical and aesthetic. I congratulate those who have contributed to its design and construction. I am happy that this shopping centre aims to become one of the Indian Ocean's premier shopping, lifestyle and entertainment centres and to provide our citizens and foreign visitors, with a congenial and comfortable environment for shopping and leisure.

This specific venture, combining Mauritian capital and Foreign Direct Investment, is yet another demonstration of my Government's strategy for furthering development.

Over the past five years, the real estate and construction sector has accounted for more than 38% of the total of Foreign Direct Investment in Mauritius. In 2010, the sector has realised an investment of Rs 22.4 billion, of which Rs 4.7 billion was FDI. It employs more than 58,000 people and accounts for 19% of our GDP.

Investment in the construction industry and in real estate is expected to expand at a rate of over 8% this year. This is particularly heartening given the dismal economic outlook internationally.

With the growth of the travel industry and the expansion of the middle class, retailing has become one of the largest industries in the world. It is in a permanent state of change. Several emerging economies have capitalized on this and are reaping the benefits of modern retailing.

Global shopping tourism is a \$ 34 billion industry and is the fastest growing retail channel after the internet. Shopping options have a significant influence on the choice of destinations. The Bagatelle project is in line with Government's commitment to further diversify our economy and our tourism market while ensuring world class development. It will definitely boost the attractiveness of our destination and help maintain our growth momentum.

Our target is to attract 200,000 brand conscious visitors, by 2014, and to generate an annual turnover of approximately Rs 20 billion by 2020. I am confident that the Bagatelle Mall, along with other commercial centres around the island, will play a major role in our endeavour of making shopping tourism a major pillar of our economy.

The contribution of wholesale and retail trade in our Gross Domestic Product has continued to grow over the years and is now over Rs 30 billion. Ten years ago, this was Rs 10 billion. In 2010, this sector grew by 4% compared to 1% in the preceding year.

We see, today, a rapid evolution that entails new supply chains and logistics management, better financial stewardship and a constant drive towards superior customer service. Companies are breaking new ground to live up to customers' expectations and to create even greater demands. The Bagatelle Mall is well placed to do this in Mauritius. It is a concrete demonstration of business confidence and of the economic health of Mauritius.

The opening of the Bagatelle Mall also reflects the creativity and risk-taking ability of our entrepreneurs. The "can-do" attitude of the business community is admirable, especially as I have said, at a time when the international economic environment looks even more challenging and difficult.

The latest World Annual Report, released some days back by the Fraser Institute of Canada, ranked Mauritius as the 9th freest economy in the world. You would not believe it when you see what some local commenters say. This has been achieved thanks to our collective efforts to transform our island into a better place to do business.

Because of the continuing financial crisis in Europe and the USA, we need to make even more efforts to facilitate business transactions, so that we can stay ahead of the curve.

That is the only way we can continue to attract the scarce Foreign Direct Investment.

We need to accelerate our pro-business reforms.

The strong partnership, between the Government and the private sector, has underlined our development so far. It is also key to our future. The Government will continue to play its part by putting in place an enabling regulatory framework, the physical infrastructure and a sound management of national finances.

A High-Level Project Monitoring Committee was set up in June, to support and accelerate the implementation of major projects. The Committee advises on policy clearance while ensuring institutional and inter-departmental coordination.

To expedite the implementation of private investment projects, estimated at some Rs 60 billion, the Committee reviewed 17 projects to address systemic issues and to remove procedural bottlenecks.

As the speed of response has far-reaching implications with regard to securing foreign capital and stimulating domestic investment, the Committee has looked into the interaction amongst various Ministries. As a result, they have significantly streamlined the overall process for project approval and clearance.

Projects totalling Rs 25 billion have already been cleared.

And we are constantly reviewing our legislation.

Only yesterday Parliament adopted the Limited Partnerships Bill to allow global funds to be registered as limited partnerships.

We must constantly revisit old concepts and old models of doing business to maintain our competitive edge. As a well-established democracy, with a liberalised economy, we must continue to invest in our people, upgrade our infrastructure and make our business climate more conducive to entrepreneurship. I am confident of our success if we work hard and with coherence and dedication.

And, it needs to be stressed: there is no contradiction between our aim of nurturing entrepreneurship and the social advancement of our people.

For a country to progress, we cannot do business as usual. Economic recovery demands leadership, vision and hard work.

It is our common ambition to hoist Mauritius into the league of high-income economies through inclusive and sustainable development with a focus on our people's welfare. We are on the right track but we need to ensure we do not sit on our laurels. Constant vigilance is the price of success. I am confident that our entrepreneurs will continue to play their part in the realisation of this national ambition.

I wish the Espitalier Noel Limited and the Atterbury Group continued success. I hope that both local and foreign visitors will draw maximum advantage from the new facilities available.

I thank you for your attention.
