

Mauritius is beginning to build a reputation for offering more than just an idyllic honeymooners' holiday destination, as it emerges as a BPO destination to rival Sri Lanka and the Philippines, says Nicolette Allen

MAURITIUS

It has long been considered an ideal getaway destination for those in search of a luxury holiday, but in fact, it seems Mauritius is capable of offering a lot more than that to those based in UK and other countries in the European continent.

Situated off the coast of Africa, east of Madagascar, Mauritius has a population of 1.28 million people. Following a history of colonialism by the Dutch, French and then the British, the island finally developed a prosperous economy based on sugar production and exports under the French and achieved independence from the British in 1968.

Acting as a melting pot of some of the world's oldest civilisations, including Europe, Africa, China and India, the country is a powerful example of peace and social unity in a thoroughly multi-cultural society. Mauritius is often described as a safe and peaceful place to live, and work. Furthermore, there is freedom of the press with the presence of dozens of daily and weekly publications throughout the country.

Mauritius has maintained enduring political stability since its early days as an independent nation, with a government that is democratically elected every five years. Its Constitution is based on the Westminster Parliamentary model.





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All of these factors are contributing to making the country an ever more attractive prospect for businesses looking to outsource abroad. To achieve this aim, the Board of Investment (BOI), the official Investment Promotion Agency of the Government of Mauritius, was set up to spread the word about the island's many assets.

The BOI maintains it has "put at the disposal of the international business community a personalised range of services to attract international investments and talents to the country". To this end it has worked to develop partnerships with the private sector by improving the investment climate and encouraging innovation.

CURRENT ECONOMIC STATUS

The Mauritian economy has registered a healthy GDP growth (in excess of five per cent, per year) in recent years. The composition of the GDP in Mauritius is gradually shifting from manufacturing and agriculture towards services: the services sector accounted for 61 per cent of the \$4.4bn GDP of the country in 1997, but by 2008 its share had increased to 70 per cent of the country's \$8.6bn GDP.

Rising tourism revenue is a key driver of this increasing share of services, but in addition to the influx of holidaymakers, Mauritius has now managed to attract a total of more than 32,000 offshore entities, many aimed at commerce in India, South Africa, and China. Investment in the banking sector alone, for example, has reached over \$1bn.

Furthermore, the services sector is gradually expanding outwards into areas including information and communications technology, financial services, hospitality and property development. Offshore financial services as well as tourism, agriculture and manufacturing have been identified as future pillars of the economy. There is also a conscious effort by the Government to grow the services economy with a focus on ICT.

So, how wide has the offshoring sector already spread in the country? The Mauritian IT/BPO industry currently employs around 12,000 people and has attracted a number of large global companies to its sand-covered

shores. This industry has grown rapidly at a rate of up to 45 per cent, per year. The country has identified IT/BPO as a key pillar for its economic growth and is focusing on ambitious plans for growth in this sector. It is aiming to create a total of 29,000 jobs by 2011, according to a 2009 Everest Group report, ('Mauritius as an Emerging Location for Delivery of Offshore Services').

Furthermore, Mauritius has put in place several enabling initiatives to support the growth of the sector. These include setting up infrastructure parks, talent development initiatives, and investor-friendly business policies. The country is emerging as one of the lowest-cost offshore destinations in the IT and BPO sectors, with telecommunications costs expected to reduce further thanks to the upcoming introduction of the country's second fibre-optic cable.

SIZE ISN'T EVERYTHING...

It's quality over quantity when it comes to Mauritian resources. While the island has a small labour pool of around 9,000 tertiary graduates annually, it also has access to alternative talent pools, including school leavers for example, that have proven highly effective for BPO in the past. Furthermore, the wider talent pool increasingly tends to view IT and BPO career paths as highly attractive in comparison to other sectors.

Perhaps most strikingly, Mauritius offers distinctive advantages in the quality of its resources' bilingual skills in both French and English. The country therefore offers strong opportunities to serve French-speaking markets such as France, Africa and parts of Canada, across both voice and non-voice functions.

English, meanwhile is the language of instruction in schools and universities in Mauritius; it is also the country's official language for conducting business. As a result, the quality of written English tends to be better than that of spoken. Written English skills can be widely leveraged for non-voice operations; there are however some challenges with spoken English skills, in certain areas.

Given these overall multi-lingual strengths though, the BOI has indicated that the talent pool in Mauritius would

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be sufficient to accommodate four to six new companies per year, with a moderate scale of around 500 full-time employees.

The country doesn't just offer staff for business process outsourcing though; Mauritius also has a host of professionals, most of whom qualified from internationally recognised institutions and world-class professional bodies. These include chartered accountants, financial analysts, corporate lawyers, tax specialists, business consultants, IT engineers, and architects to name a few. Recently too, the Government of Mauritius enacted legislation encouraging young foreign professionals to set up in the country.

LOCATION AND INFRASTRUCTURE

A further string to Mauritius' bow is its location, seeing as the country benefits from a convenient time zone that makes same-day transactions possible from the US, through Europe and the Middle East, to Australasia.

The country has several structural advantages, too. Mauritius is able to offer stability, investor-friendly policies, and a strong, stable infrastructure. It boasts a well-developed digital network infrastructure and high-bandwidth international leased lines through its SAFE fiber-optic cable. Some of its advanced services include

the introduction of WiMAX and HSDPA technology and 3G mobile networks, and furthermore, its second fibre optic cable will connect Mauritius to France and the UK, amongst other destinations, in 2011, in a move which is expected to further bring down costs and increase availability.

Mauritius remains an ICT conducive environment too, with the highest penetration of internet users in Africa (estimated at 14.5 per cent for 2008 with a total of 185,000 internet subscribers). Following the growth of the telcoms sector, the number of connected lines in the country has grown to over 364,500 in 2008 from 65,000 in 1991 with a fixed line penetration of 28.7 per cent for the country's population. E-banking and e-governance are prevalent.

The words of one satisfied customer go a long way towards summing up the benefits this paradise island has to offer as an offshore destination. Patrice Despax, head of Orange Business Services, says: "In less than a year and a half, Orange Business Services has been able to reach a headcount of more than 200 to ensure technical support for our numerous international and French customers.

"We have found it possible to support new and advanced technologies from Mauritius. We can develop high level skills and work in French and English, in an environment made more favourable with modern telecommunications facilities and infrastructure," he concludes.



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MAURITIUS: KEY STATISTICS

POPULATION SIZE: 1.28 MILLION

GOVERNMENT: PARLIAMENTARY REPUBLIC

CAPITAL CITY: PORT LOUIS

GRADUATES PER ANNUM: 9,000 TERTIARY

LANGUAGES SPOKEN: FRENCH, ENGLISH

TIME ZONE: GMT + 4 HOURS

SPECIALIST OUTSOURCING SECTOR: IT, BPO