

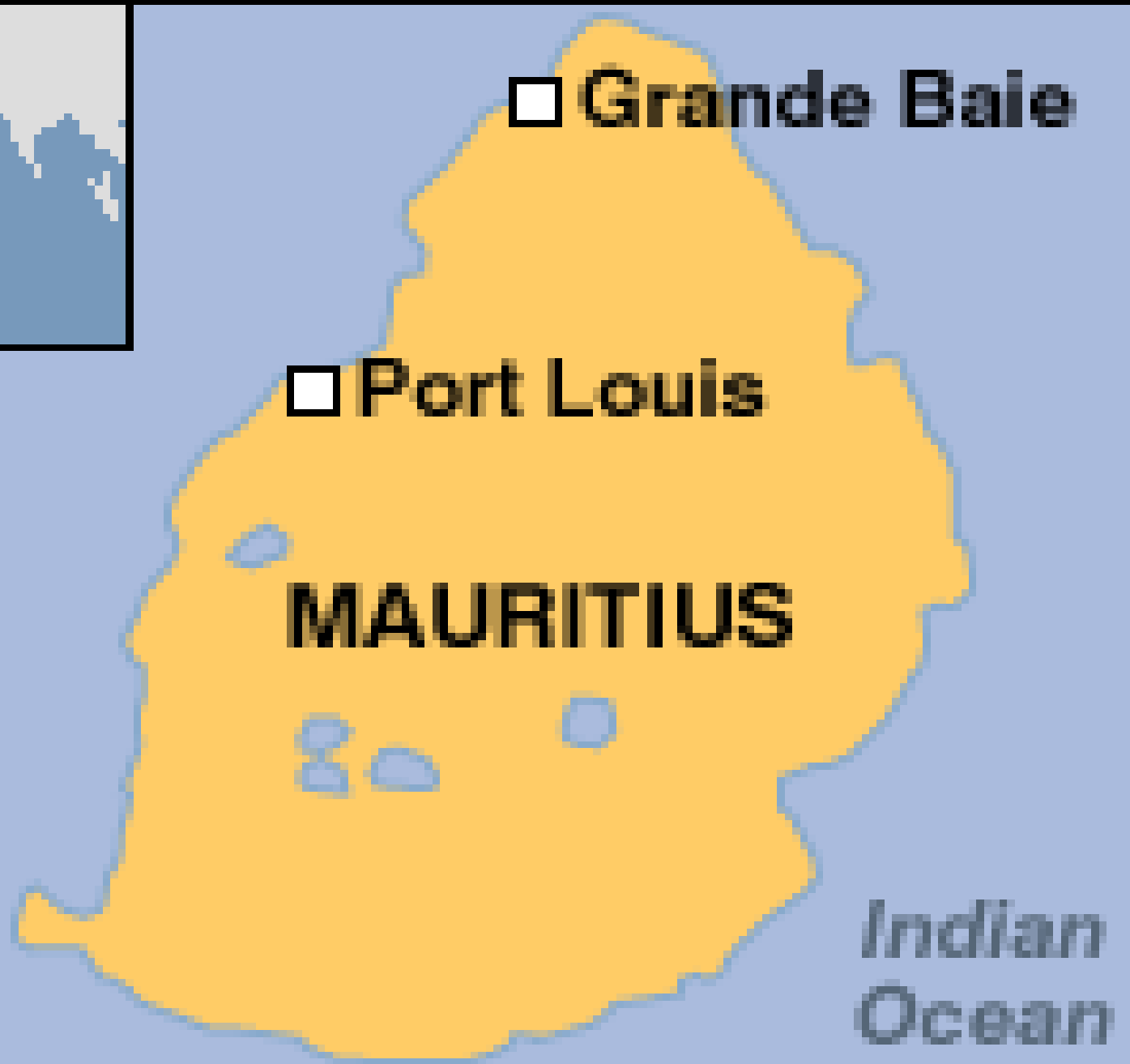
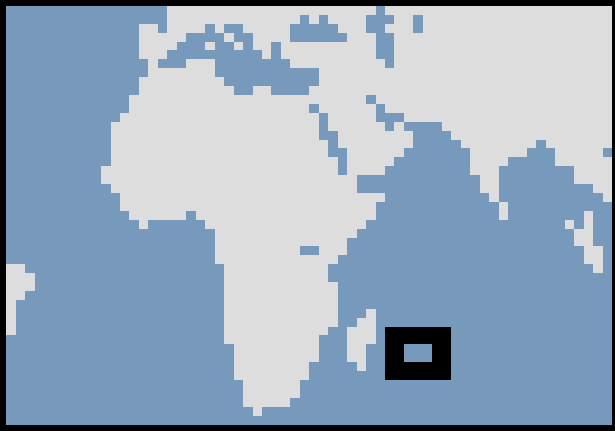
# Trade in ICT Services Mauritius case study

Dr M K Oolun

ICT Authority – Mauritius

# Presentation outline

- Mauritius ???
- Mauritius commitments
- White paper in telecoms
- Policies adopted
- The policy review process
- The NICTSP 2007
- ICT sector turnover
- Key drivers
- The way forward



# Country Profile - 1



- **A volcanic island of lagoons and palm-fringed beaches in the Indian Ocean, has a reputation for stability and racial harmony among its mixed population of Asians, Europeans and Africans.**

# Country Profile - 2



- **Full name:** The Republic of Mauritius
- **Population:** 1.26 million
- **Capital and largest city:** Port Louis
- **Area:** 2,040 sq km (788 sq miles)
- **Major languages:** English, French (both official), Creole, Indian languages
- **Major religions:** Hinduism, Christianity, Islam
- **Life expectancy:** 69 years (men), 76 years (women)
- **Monetary unit:** 1 Mauritian rupee=100 cents (1USD = 32MUR)
- **Main exports:** Sugar, clothing, tea, jewellery
- **GNI per capita:** US \$5,260 (World Bank, 2006)
- **Internet domain:** .mu
- **International dialling code:** +230

# GATS commitment of Mauritius

- Voice telephone services
- Packet-switched data transmission services
- Circuit switched data transmission services
- Telex services
- Telegraph services
- Facsimile services
- Private based circuit services
- Electronic mail
- Voice mail

# December 1997 – White paper in Telecom

- Government expressed its determination to ensure the widest participation in the formulation of any policy bearing in mind the nation's interest and the will to push Mauritius forward as an info-communications hub in the region.

# The policies proposed in the White Paper evolve around the need: (1)

- For a revised legislative mandate in order that Mauritius can fulfill its commitments under the WTO Agreement on Telecommunications.
- For the expansion and upgrading of the national telecommunications infrastructures.
- To devise an approach to the new business environment in order to take advantage of the potential economic benefits of open international competition, in terms of investment and entrepreneurial dynamism.



# The policies proposed in the White Paper evolve around the need: (2)

- To achieve better access to private capital for needed expansion and development.
- To consider the impact of the privatisation of Mauritius Telecom on its employees.
- To provide the whole community (both in Mauritius, Rodrigues and the Outer Islands) with access to an affordable universal service.
- To create an environment propitious for Mauritius to become the information, financial and services hub in the region.

# Principles - 1

- Regulation
  - responsibility of the regulator is therefore to ensure that operators feel the pressure to meet the needs of users (e.g., affordability, interconnection, availability and quality of service)
- Private Sector Participation
  - *Local Entrepreneurs*
  - *Strategic Equity Partners*
  - *Financial (or Portfolio) Investors*

# Principles - 2

- **Market Entry and Competition**
- **Information Sector Promotion**
  - Falling costs mean that remoteness is less important.
  - Mauritius being small can move more rapidly to acquire and disseminate the most recent computer-based technological innovations.
  - The highly educated workforce are capable of being trained in the required new disciplines and skills.
  - in the past few years Mauritius has, with a considerable measure of success, concentrated on developing its banking and financial services; these sectors are the main users of ICT.

# POLICY IMPLEMENTATION SCHEDULE - 1

- The major milestones in the policy implementation schedule are:
  - 1998 - Completion of initial phase of privatisation of Mauritius Telecom
  - 2005 - Markets must be open to full competition
- Policy implementation over the 1997-2007 time frame will be in three phases:
  - **short-term**
    - From 1997 through year-end 1998
      - new legislation
      - establishment of the new Mauritius Telecommunications Authority
      - establishment of the new Telecommunications Advisory Council
      - intensive initial policy and regulatory decision-making
      - intensive activity toward the initial partial privatisation of Mauritius Telecom.
      - opening up of some additional services to competition;

# POLICY IMPLEMENTATION SCHEDULE - 2

## – medium-term

- From 1999 to 2004
  - gradual sector liberalisation
  - the advent of competition across other market segments

## – longer-term

- From 2005 and beyond
  - full compliance with WTO obligations.

# Responsibilities - 1

- The National Computer Board (NCB) has been assigned the key role of integrated Programme Management for the NITSP and has the general function to promote the sector.
- The Industrial and Vocational Training Board (IVTB) now the Human Resources Development Council (HRDC) is mandated to plan, co-ordinate and to regulate all vocational training efforts.
- The University of Mauritius will continue to offer undergraduate courses in electrical engineering and computer science.

# Responsibilities - 2

- The MTA (now the ICTA) is the independent regulator with the mandate to regulate the ICT and postal sectors
- The CIB has the mandate to provide project management support for the computerisation of the Ministries and manages the GOC
- The CISD is responsible for the development of IT solution for the Government
- MITT oversees the sector

# Policy Review

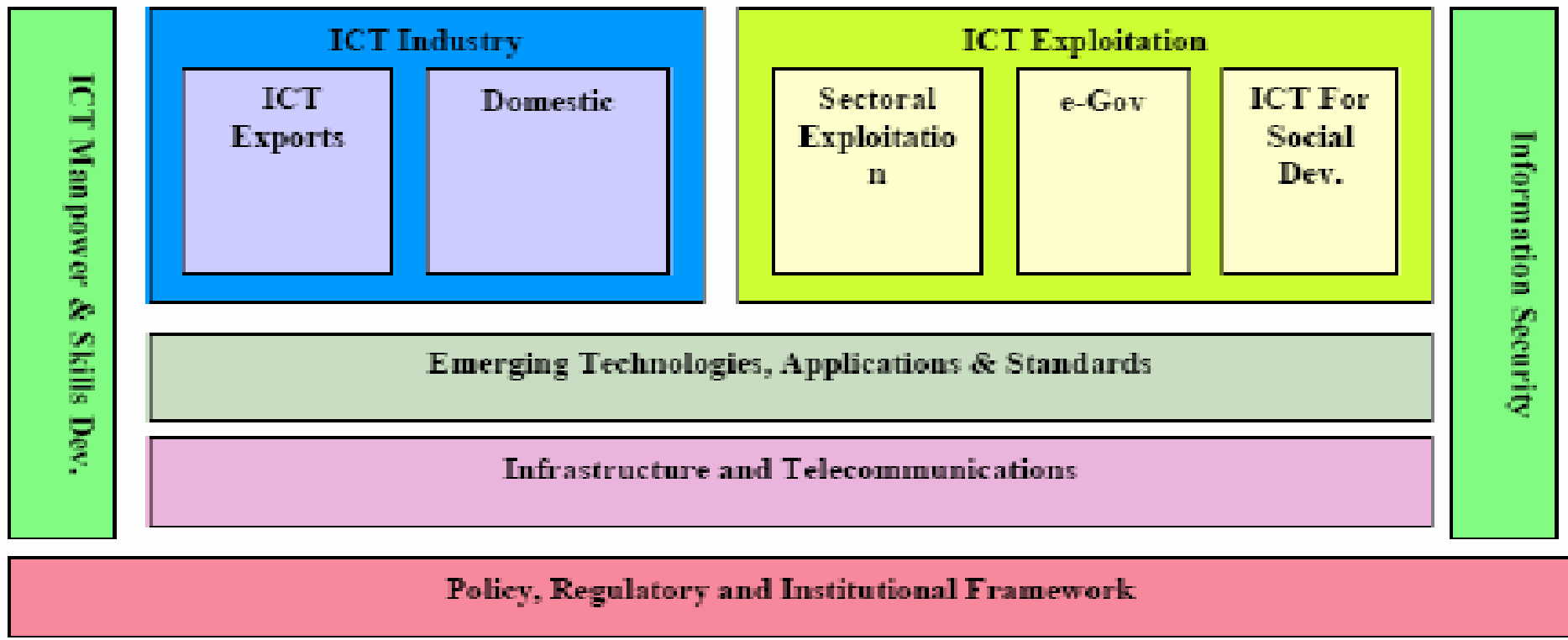
- The characteristics of the telecommunications sector make it imperative for relevant policies to be reviewed regularly thus making the process of policy making exercise a dynamic one.



# The reviews

- 2001 – replacement of the TA 98 by the ICT Act 2001 to bring in convergence issues
- 2003 – bringing forward the liberalisation date
- 2004 – NTP 2004 to revise previously set targets
- 2006 – Elaboration of the NICTSP

**Vision**  
Make ICT the 5<sup>th</sup> pillar of the economy and  
Mauritius a regional ICT hub



Source: NCB website <http://ncb.intnet.mu>

# Incentives for SME

- Ministry for SME
- Fast-track loan disbursement to kick off business
- Incubator scheme
- Promotion and marketing support by Government

# ICT sector turnover

	2000	2001	2002	2003	2004	2005
<b>Total Turnover of ICT sector (Rs Million)</b>						
<b>IT Turnover (Rs Million)</b>	<b>2,595</b>	<b>2,579</b>	<b>2,647</b>	<b>4,049</b>	<b>8,919</b>	<b>9,492</b>
Hardware	2,053	1,959	1,844	3,109		
Software	90	110	135	197		
Services	452	510	668	743		
<i>of which training</i>	52	60	38	58		
<b>Distribution of IT Turnover (%)</b>						
Hardware	79%	76%	70%	77%		
Software	3%	4%	5%	5%		
Services	17%	20%	25%	18%		
<b>Communications (Rs Million)</b>	<b>5,250</b>	<b>6,300</b>	<b>6,850</b>	<b>6,768</b>	<b>8,132</b>	<b>10,195</b>
<b>Total Turnover of ICT sector (Rs Million)</b>	<b>7,845</b>	<b>8,879</b>	<b>9,497</b>	<b>10,817</b>	<b>17,051</b>	<b>19,687</b>
<b>Export Turnover of ICT sector (Rs Million)</b>					1,616	1,788
<b>Export Turnover as a % of Total ICT Turnover</b>					9.50%	9.10%
<b>% Contribution of value added to GDP</b>					5%	-
<b>ICT Intensity (ICT Expenditures as a % of GDP)</b>					11%	-
<b>Annual Growth Rate</b>		13.18%	6.96%	13.90%	57.63%	15.46%

Source: derived from CSO and ICTA basic data

# Present facts – March 2007 (1)

- Indicators:
  - Fixed density = 28%
  - Mobidensity = 53%
  - Broadband = 11%
- Services:
  - Triple play since Nov 2005
  - M-banking Dec 2006

# Present facts – March 2007 (2)

- Support to other sectors
  - Tourism
    - Increase by 33% in incoming rate in the first quarter of 2007 with 12% increase in revenue
  - Financial

# Key drivers for sector development

- Political will
- Clearly defined policy
- The Regulatory environment which should be compliant with the Regulatory state model (stability, continuity, perpetual and adaptive nature)
- The PR

# Way forward

- Call centres and BPO currently in place
- KPO is the emerging sector
- BPV is also setting the stage
- Regulatory reform in line with the 'Reform Continuum Model' – evolving business model of ICT regulators towards achieving deregulation of the sector



**Thank You very much for  
your kind attention**

**Dr M K Oolun**

**Executive Director – ICTA Mauritius**

**Contact: [oolun@icta.mu](mailto:oolun@icta.mu)**