Government “Vision 2030” Strategy

for Ocean Economy:

Key Policy Objectives & Ongoing Projects

17 May 2017
Government Broad Vision for Ocean Economy

• Pooling all ocean–related activities under one roof (New Ministry)

• Setting Up of National Ocean Council as the driving force for the Ministry and at the Heart of all ocean–related projects & development

• Formulation of a National Ocean Policy Paper (defining clearly the short, medium and longer term strategy for the new ministry)

• Creation of a White Paper for the setting up of a National Ocean Act and a National Ocean Authority (unified regulatory body)

• Promote development of economic activities & job and wealth creation for the nation in a planned & environmentally sustainable manner
Summary of Ocean Economy Specific Objectives (1 of 7)

- Better exploit large Economic Hinterland (2.2 million km2 of ocean EEZ)
- Induce Investment in Ocean sector: Both Local (Public & Private) & FDI
- Fuel Economic Activities & Job Creation in Ocean sector
- Wealth Creation through GDP growth (move towards high income country)
- Democratise economy to meet Govt’s socio-economic objectives
- Make best use of financial aid and technical assistance from foreign institutions & friendly countries to develop the sector and gain stature/credibility
- Import new technology from abroad to boost economic activities
Optimize use of (or Review) Maritime Laws & Regulations to:

- Protect environment & combat pollution (maritime governance)
- Minimize risk of ecological damage & disasters (oil spills)
- Enhance safety & security for country (fire or poisoning)
- Gain/enhance international credibility & recognition (for Hub)
- Strengthen MRU position in International WHITE LIST (Fraud)
- Combat illegal activities (e.g. over–quota fishing; protected species; tourism activities, preserve MRU territory etc.)
Summary of Ocean Economy Specific Objectives (3 of 7)

But, at the same time:

- Need for Paradigm Shift as regards Maritime Laws & Regulations:
  - Use legislation to induce investment & economic activities (not deter)
  - Use legislation to increase ships coming to MRU (out of 30,000 p.a.)
  - Increase vessel surveys by the Flag state (target 10% as per IMO)
  - Implement Marpol Convention (e.g. increase surveillance on sewage disposal) to attract more ships to onshore MRU
  - Develop ancillary services to attract more ships calling to MRU
Summary of Ocean Economy Specific Objectives (4 of 7)

- Develop Mauritius as a **Regional Port & Shipping Hub**
- Extend port facilities from Pointe aux Sables to Baie du Tombeau
- **New Fishing Port** with Modern and world class infrastructure & facilities
- Attract more of the **30,000 ships** passing through Indian Ocean p.a (only 2,500 being captured today)
- Develop ship-related services such as water supply, hull inspection etc.
- Develop **Ship Repair services**, Dry docking and Hull Cleaning
- Develop the port as a **Bunkering Hub** for Bunker trade, refueling etc.
- Explore possibility of re-capturing **STS business** (LPG, Petredec etc.)
- Increase **transshipment activities** and promote regional maritime trade
Summary of Ocean Economy Specific Objectives (5 of 7)

- Increase MMTA intakes from 200 to 3,000 p.a. for cruise & cargo ships
- Explore Joint venture/partnerships to augment MMTA capacity
- Open up maritime training courses to private sector operators
- Promote courses for all levels (basic, cadet, engineering etc.)
- Develop MOI into credible research & development oriented institution
- Encourage projects and SMEs in Fisheries & Aquaculture sector (e.g. fish breeding & farming, pearl & oyster culture, algae farming etc.)
- Promote hiring of local employees in Fish processing plants
- Promote production of marine pharmaceuticals & biotechnology etc.
Summary of Ocean Economy Specific Objectives (6 of 7)

- Identify & promote sustainable projects and FDIs in marine renewable energy, DOWA, seabed exploration, and petrol & mineral extraction etc.

- Ensure proper legislative framework is in place to regulate and monitor abovementioned activities

- Ensure safe implementation of India funded projects in Agalega (port development, jetty and airstrip constructions) without undue environmental degradation of the island or its lagoon

- Optimise resources in Agalega (coconut trees, sandy oil, warm climate, abundant under-utilised labour) to generate economic activities and reduce financial dependency on MRU

- Promote Fish Processing & Cold Room projects in Agalega
Promote sea transportation (ferry) projects as an alternative and more ecological mode to traditional bus transportation (G. Bay to Flic en Flac)

Encourage PPP projects in the sector to protect St Brandon ecosystem

Ensure adequate capacity building, HR requirement and local manpower planning for this rapidly growing sector

Put in place a modern & effective “business facilitation” counter to act as “point of entry” and “one stop shop” for investors seeking to explore investment opportunities in the sector

Sewage dumping in MRU lagoon to be closely tracked and sanctioned
Key Ongoing Ocean Economy Projects

**Fisheries & Aquaculture Sector**

- 21 Barrachois sites allocated + Promotion of Land–based aquaculture

- Negotiation finalised in 2017 with EU for Tuna quota/Derogation
  - 4,000T p.a.
  - Sustainable fishing concept
  - Assistance for better monitoring & surveillance of catches
  - Assistance/funding for ocean economy development

- Promotion of Banks Fishing & Financial subsidies for purchase of fishing vessels (small & semi–industrial) – Marine Finance

- Help & guidance provided by MAUBANK to new entrepreneurs

- Working in tandem with World Bank, BOI & MEXA to develop sector

- Several private sector projects & FDI: Grow Fish, UNIMA, Afrintex etc.
Key Ongoing Ocean Economy Projects

Education & Maritime Training for prospective Seamen (creating targeted 18,000 jobs/employability in 5 yrs)

- MMTA reduction in tuition & medical fees: Rs11,000 to Rs2,000
- Recourse to foreign lecturers by MMTA
- Re-organisation of MMTA with help of international experts
- License granted to private sector institution (Acropolis)
- AEL/DDS (private sector) offering DPA/CSO courses
- MSCL to enter training market shortly
- Maritime & Ocean Economy Courses offered by UOM
Key Ongoing Ocean Economy Projects

**Commercial Shipping Services (MSCL)**

- Mauritius Shipping Corporation Ltd (100% Govt Owned)
- Services to Rodrigues, Agalega, Reunion & Africa region (to be)
- **Turnaround Project under way & Development of New Activities**
  - FY 2009 ....... Rs –32m (loss)
  - FY 2010 ....... Rs –38m (loss)
  - FY 2011 ....... Rs –44m (loss)
  - FY 2012 ....... Rs –89m (loss)
  - FY 2013 ....... Rs –63m (loss)

  **Dec 2014 New Govt & New Board – Restructuring starts**
  - FY 2015 .... Rs 52m (profit)
  - FY 2016 ....... Rs 104m (profit)
  - FY 2017 ....> Rs 110m (profit) – expected

- Brand new vessel in the process of being acquired & Aggressive development of ship agency and ship-related new services
Key Ongoing Ocean Economy Projects

Port Development to Support Making of Regional Hub

- MPA’s New 5-yr Port Masterplan ready for implementation
- MPA has important projects in pipeline to increase port efficiency, attractiveness and competitiveness
- New Passenger Terminal, Fishing Quay & Petroleum Jetty
- BOMIN (4th largest Bunker trading company in world) already present in P Louis since Aug 2016
- Cargo Handling given policy instructions to increase port productivity to attract more business
Key Ongoing Ocean Economy Projects

Business Facilitation for Private Sector Investment

- Important projects already in pipeline:
  - Aquarium (FAIL Group) – land already allocated by MPA
  - Ship Building & Repair (CNOI) – land already allocated
  - Deep Ocean Water Application (DOWA) – urban cooling
  - GROW FISH, UNIMA & AFRINTEX (Aquaculture & Seafood)
  - Disaster & Risk Management
  - Ocean Energy (wave) Project (led by MRC)
  - Marine Pharmaceutical Project in North (with BOI)
  - Finalization of regulatory framework for Oil & Gas exploration and commercialization
  - Recycling, Refining & Commercializing used marine/ship oil (Virgin Oil Co.) … help reduce marine pollution in our lagoon
Major Challenges to be Addressed

(1) Re-organising Shipping/Ship Admin Dept: – Institutional Reform
   - Flag State Control under Merchant Shipping Act
   - Supervision, Control & Surveillance of Vessels
   - Not enough development orientated – or Progressive & Responsive
   - Still Conservative approach to supervision & control
   - Does not facilitate business development
   - Ship Registration so far failed to take off

(2) Maritime Governance, Marine Pollution and Disaster & Risk Mngt

(3) Sustainable development of ocean economy due to Conflicts

(4) Building a repository of quality data & statistics with help of MOI

(5) Rationing of funds by Govt: Short term results expected whereas development of ocean economy is a medium to long term journey

(6) Serious lack of high level competency to lead & drive Ocean economy projects (progressive and entrepreneurial approach)
Possible Venues for Help & Assistance to develop ocean economy … But ...

- Recourse to foreign expertise & consultants (But requires funding)

- World Bank – annual Economy Sector Work– But too theoretical and not enough results oriented & wants us to take loans from them (RAS)

- Commonwealth Secretariat (free)– preparing National Ocean Policy Paper, But undergoing re-organisation due to lack of funds

- Financial & Technical Assistance Package: African Package for Mauritius (USD 250 million) – But its a project in itself

- United Nations & Other Donor Countries – But only Restricted opportunities – mostly confined to environment protection & climate change projects
End of Presentation