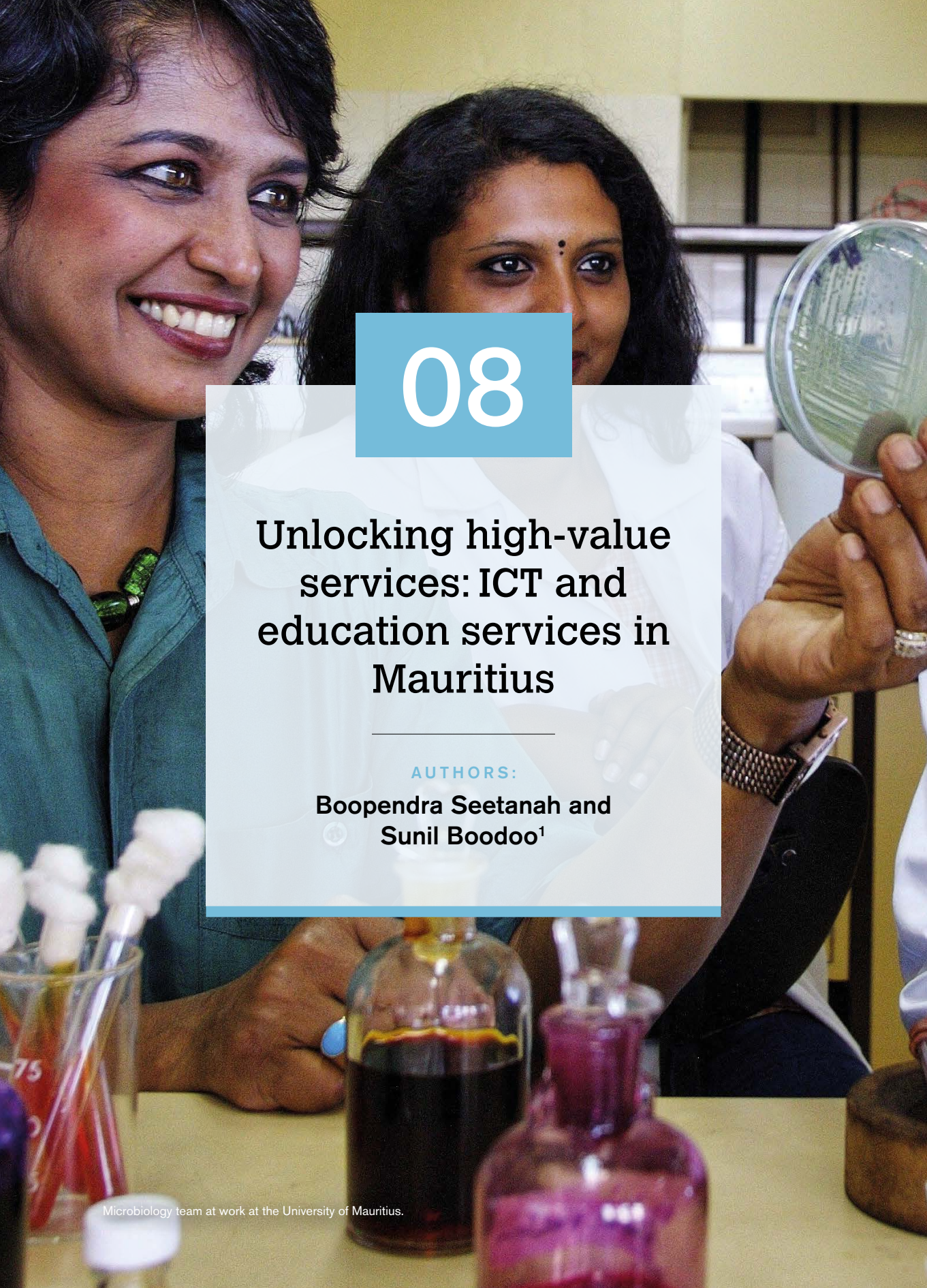


A photograph of two women in a laboratory setting. The woman on the left is smiling and looking towards the right. The woman on the right is holding a petri dish and looking at it. In the foreground, there are several glass bottles and test tubes containing liquids of different colors (red, yellow, purple).

08

Unlocking high-value services: ICT and education services in Mauritius

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Abstract

Mauritius is among the African economies with the highest economic growth in recent years. The country has transitioned to a knowledge-based services economy, attracting foreign direct investment (FDI) into key sectors such as financial services, information and communications technology (ICT) and business outsourcing. Strategic planning, solid institutions and effective public-private partnerships have facilitated this transformation. The island's export and investment strategy combines practical governance, distinct roles for promotion agencies, and an open regulatory environment, backed by favourable trade agreements and incentives for innovative, knowledge-driven enterprises. Mauritius emphasizes the cultivation of a skilled, flexible and multilingual labour force to enhance the competitiveness of its services sector.

This chapter evaluates the approaches, obstacles and prospects for advancing services exports and attracting FDI in Mauritius, with a focus on the education and ICT sectors. Although Mauritius has established itself as a regional hub for knowledge and digital services, the contribution of education and ICT to overall services exports remains modest. This is due to various challenges, including domestic skills shortages, limited technology adoption, small local markets, and constraints on trade facilitation. These limit international competitiveness and FDI inflows into these industries. To foster growth, the government has introduced targeted export development funds, branding initiatives and global partnerships, as well as educational reforms and ICT skills development programmes.

Key points

Main elements of Mauritius's promotion strategy:

- Dedicated institution for dual trade and FDI promotion through the Economic Development Board (EDB) established in 2018.
- Targeted trade and FDI promotion campaigns (including trade missions, branding campaigns and participation in international events and fairs) focusing on the services sector.
- Human capital and skills development initiatives through dedicated institutions undertaken to leverage the full potential of the information and communications technology (ICT) sector for export and economic diversification.
- Financial and fiscal incentives provide key support to Mauritius's investment promotion policy, such as unrestricted repatriation of profits, dividends and capital (tax free), reduced corporate tax, investment tax credit and easing of occupational permits.

Challenges addressed:

- Talent and skills shortages: to address the growing demand for skilled labour in the ICT sector, higher education institutions have increased student intake and expanded ICT-related degree options.
- Limited export market access: Mauritius has signed numerous preferential trade agreements to facilitate market access for businesses, enhancing both trade of goods and services, and attracting investment in the region.
- Infrastructure constraints: since 2010, the government has undertaken sustained

investment in ICT infrastructure (broadband, state-of-the-art business parks and data centres) to enhance ICT operations and attract global ICT/business process outsourcing (BPO) players.

Good practices:

- Coordinated approach: the EDB has brought a more coordinated approach to trade and FDI promotion of both goods and services, acting as a one-stop shop.
- Regulatory and policy gaps: authorities have sought to reduce regulatory and policy gaps, working closely with the private sector business associations and other stakeholders.
- Export development funding: establishment of an export development fund to expand ICT export markets by providing financial and non-financial support to export-oriented businesses.
- Sector-specific incentives and schemes such as for the export of ICT services, e.g., the Trade Promotion and Marketing Scheme, the Technology and Innovation Scheme, the Export Credit Guarantee Insurance Scheme and e-Export Directory.
- Targeted skills development and capacity-building initiatives undertaken to leverage the full potential of the ICT sector for export and economic diversification.
- Public-private partnership initiatives in the design of joint initiatives in export and FDI promotion, for instance, the establishment of a Digital Industries Academy (DIA) in 2023.
- Sector-specific branding campaigns to promote exports and attract trade and FDI in the ICT and education services sectors.
- Fiscal incentives and other support.

Introduction

With a population of 1.3 million, Mauritius faces several development challenges, including remoteness and limited natural resources. However, the country transformed from a predominantly low-income, monocrop, sugar-dependent economy (since independence in 1968) into an upper-middle-income economy with growing agro-industry, manufacturing, finance, ICT, and tourism sectors. As a result, per capita income grew from US\$ 260 in 1968 to US\$ 11,900 in 2024. Economic success is linked to several factors, including decisive policy measures, financial transparency, effective use of trade agreements, investment in human capital, political stability, efficient institutions,

robust public-private partnerships, and sustained efforts at economic diversification (Seetanah, Sannasee and Nunkoo, 2021; Oya, Ramtohum and Tandrayen-Ragoobur, 2025). Table 8.1 shows multiple solid key macroeconomic indicators over the past half-century.

Comprising nearly two-thirds of gross domestic product (GDP), the services sector drives the economy and employment, in particular in financial services, wholesale and retail trade, and tourism. In recent years, the island has strengthened its ICT sector and fostered the development of new growth areas, including in higher education, the ocean (or “blue”) economy, renewable energy, outsourcing and healthcare. However, the size of

Table 8.1: Mauritius: macroeconomic indicators, 1975–2024

	1975	1980	1990	2000	2010	2019	2020	2021	2022	2023	2024
Real GDP growth (%)	3.5	4.9	8.6	10.2	4.2	2.9	-14.5	3.4	8.7	5.0	4.7
Inflation (%)	14.7	42	13.5	4.2	2.9	0.4	2.6	4.0	10.8	7.1	3.6
Exports, goods and services (% of GDP)	50.1	50.5	64.1	60.1	51.2	44	36.8	38.5	49.5	47.5	46.2
Imports, goods and services (% of GDP)	56.9	60.6	71.2	60.4	62.2	51.8	46.5	53.8	63.1	57.6	57.8
Exports of goods (US\$ million)	298	1,249	3,446	4,398	5,743	5,747	4,681	5,019	5,784	5,658	2,391
Exports of services (US\$ million)					2,656	3,895	2,215	2,250	3,748	4,085	4,193
Government debt (% of GDP)	25.9	30.8	35.6	38.6	50.6	64.0	82.2	94.7	88.9	84.7	83.4
Unemployment rate (%)	8.5	21	9.3	9.1	7.3	6.7	9.2	9.1	7.7	6.3	5.8
FDI (US\$ million)	3.9	1.2	41.0	265.6	429.9	444.1	224.7	253.2	579.8	759.8	852.4

Source: Statistics Mauritius and WTO Stats.

these new sectors remains smaller than that of traditional services industries.

Mauritius's trade policy transitioned from import-substitution to export-promotion policies. Relying heavily on goods exports (sugarcane and textiles) in the early post-independence period, the country has gradually diversified its export portfolio to include services exports, particularly after the phasing out of the preferential trade agreements in the 2000s (the Lomé Convention for Sugar and the Multifibre Arrangement for textiles).

Currently, the country relies significantly on services exports, particularly tourism, financial services and ICT, while promoting other sectors such as medical services and higher education. Export promotion and attracting FDI have been anchored in various strategies since Mauritius gained independence in 1968. The country has leveraged its strategic geographic location, a liberal trade regime, and a robust institutional framework to attract high-quality FDI and support services exporters. These policies have been a critical element in the island's economic success, supporting the country's diversification process since independence.

This chapter reviews services export and FDI promotion efforts, with an emphasis on recent trends. Firstly, it examines the services sector's impact on GDP, job creation, FDI inflows

and trade outcomes, with emphasis placed on the leading services export categories and target markets. Key performance metrics influencing export competitiveness – including institutions, skills, infrastructure and regulatory governance – are outlined for the primary service sectors. The chapter further presents strategy and coordination efforts between the public and private sectors, examining formal and informal service export strategies, goal setting, tracking, impact assessment systems and the functions of specialized government bodies and industry groups.

Strategies for attracting FDI include specialized agencies, national branding, special trade zones, market analytics, investor support services, private-sector collaboration, business connections, conflict resolution, investment support and the promotion of outward FDI. Initiatives for skills development are reviewed, with a focus on improving digital and language skills, and science, technology, engineering and mathematics (STEM) education, talent development programmes, support for female workers and entrepreneurs, and digital adoption among micro, small and medium enterprises (MSMEs). The chapter wraps up with essential findings and policy suggestions intended to enhance services export and FDI promotion strategies to foster sustainable economic growth.

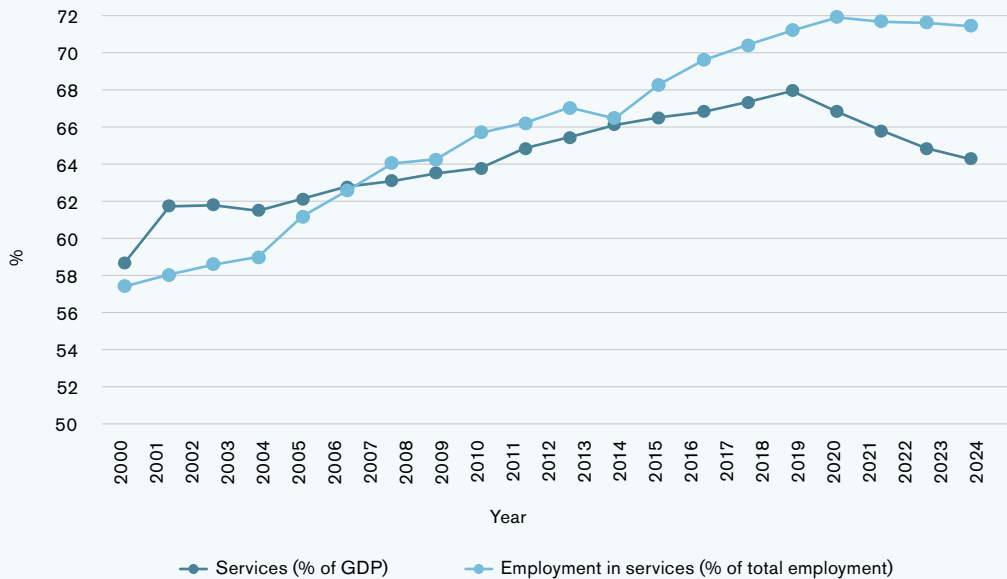
The role of services in the economy and trade of Mauritius

In 2024, Mauritius' economy was dominated by services, which generated around 70 per cent of GDP, followed by industry at approximately 25 per cent and agriculture, forestry and fishing at around 4 per cent. The services economy comprises many small and micro enterprises that create opportunities for economic participation, especially for women and individuals with limited resources. The sector's growth is linked to socio-economic advancement and poverty reduction. The increase in exports has enabled

Mauritius to shift from an agricultural economy to a more diversified, services-driven economy. Exports are a crucial element of Mauritius's economy and remain an essential driver of job creation and economic development.

The services sector accounted for 64 per cent of total exports (goods and services) in 2024. It also supplied more than 70 per cent of total jobs. Figure 8.1 shows a continuous rise in the importance of services for both output and employment. Given the recent decline in both the

Figure 8.1: Services share in GDP and employment, 2000–2024



Source: World Bank, World Development Indicators, 2025.

service sector's contribution to total GDP and its employment level, it is imperative to assess the potential challenges and opportunities facing the services industry.

Mauritius is a relatively stable and well-managed country in Africa. The robust legal and regulatory system, effective government and minimal corruption provide a solid foundation for sustained growth and investor trust (see Table 8.2). The nation's outstanding position in business convenience and democratic practices enhances its image as a secure and effective environment for operations. Furthermore, Mauritius's focus on education, knowledge development and digital connectivity reflects its commitment to building a knowledge-based, innovation-focused economy.

FDI inflows accelerated in the mid-1980s, partly due to the creation of the Export Processing Zone (EPZ) programme, which attracted investments primarily from Asia in sectors such as knitwear and clothing production. FDI levels remained unchanged in the early 1990s but accelerated

after expanding into additional sectors, primarily services.

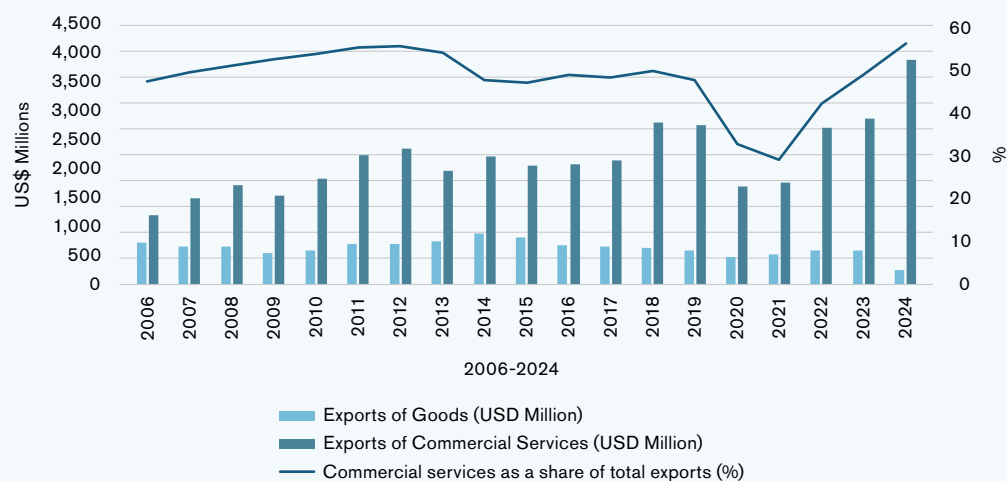
Commercial services exports exceeded goods exports from 2006 to 2024 (see Figure 8.2). This sector grew at an annual rate of 8 per cent reaching US\$ 4,193 million in 2024. Following a decline during the COVID-19 pandemic, commercial services exports recovered, accounting for 40 per cent of total exports in 2024, indicating robust growth and continued strength in the services sector. The development of the services sector is strongly associated with solid policy structures that promote economic openness, enhance the business environment and facilitate specific investments – elements evident in the nation's leading positions in Sub-Saharan Africa regarding the investment climate and economic freedom. Nonetheless, persistent structural weaknesses, such as a high dependence on tourism, limited diversification and susceptibility to external shocks, underscore the need for ongoing reforms and adjustments to global shifts.

Table 8.2: Mauritius: Key indicators on the legal framework, talent and connectivity

Area	Indicator	Unit	Value
Legal framework	Control of corruption	Score (-2.5 to 2.5)	0.45
	Government effectiveness		0.71
	Political stability and absence of violence/terrorism		0.78
	Regulatory quality		1.06
	Rule of law		0.81
	Voice and accountability		0.62
	Ease of Doing Business Index	Score (0 to 100)	81.5
	Global Peace Index	Ranking	3 rd in Africa
	Democracy Index	Ranking	3rd in Africa
Talent	Knowledge Economy Index	Ranking	63 out of 175 (1 st in Africa)
	Education Index	Ranking	63 out of 184 (2 nd in Africa)
Connectivity	Fixed broadband subscriptions	per 100 people	36.40
	Individuals using the Internet	Share of the population	80

Source: World Bank, World Development Indicators (2025).

Figure 8.2: Exports of commercial services and goods in Mauritius



Source: WTO Stats Portal.

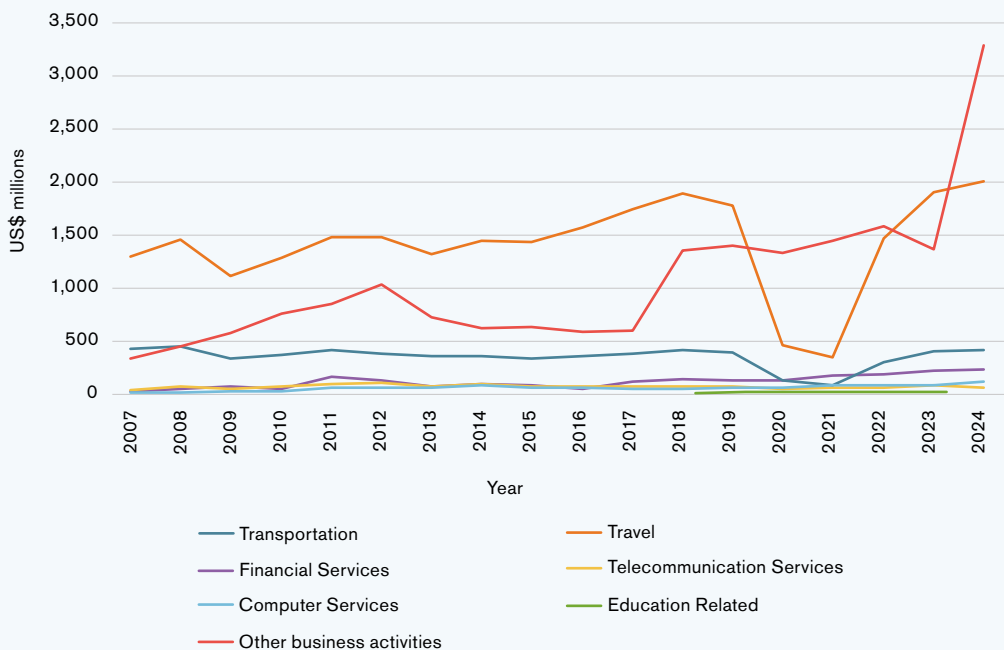
Mauritius has enhanced its attractiveness to FDI inflows, supported by targeted reforms, particularly amid the erosion of its prominence among leading multinational investors. The establishment of key firms in the ICT and financial services sectors, including Accenture, Huawei and Ceridian, led to the multiplication of shared services and regional headquarters established in the country. Exports in the services sector and FDI inflows further increased when Mauritius became part of the African Growth and Opportunity Act in 2000 and later signed the Comprehensive Economic Partnership Agreement (CEPA) with India. These frameworks opened multiple economic sectors, enhanced the intellectual property system and implemented strong investment protection and liberalization measures, including ratchet and standstill² obligations.

The island's growth as a regional hub for FDI in the services sector is further corroborated by

a more than 40 per cent increase from 2015 to 2023 in the number of multinational parent companies with at least one affiliate in Mauritius, hence underscoring the country's importance as a focal point for FDI in key sectors including financial services, construction and ICT.

Digitally delivered services have significantly contributed to the growth of the country's services exports. Compared with traditional commercial services, digitally delivered services enable economies to access new markets with minimal physical infrastructure. When transmitted electronically via digital platforms, these can be a key driver of services exports, particularly for economies that promote knowledge-driven sectors and innovation. Digitally delivered services exports' expansion from 2007 to 2024, and in particular other business services, showcases the advancement in Mauritius's technological capabilities over the years (see Figure 8.3).

Figure 8.3: Commercial services exports of Mauritius by sector, 2007–2024



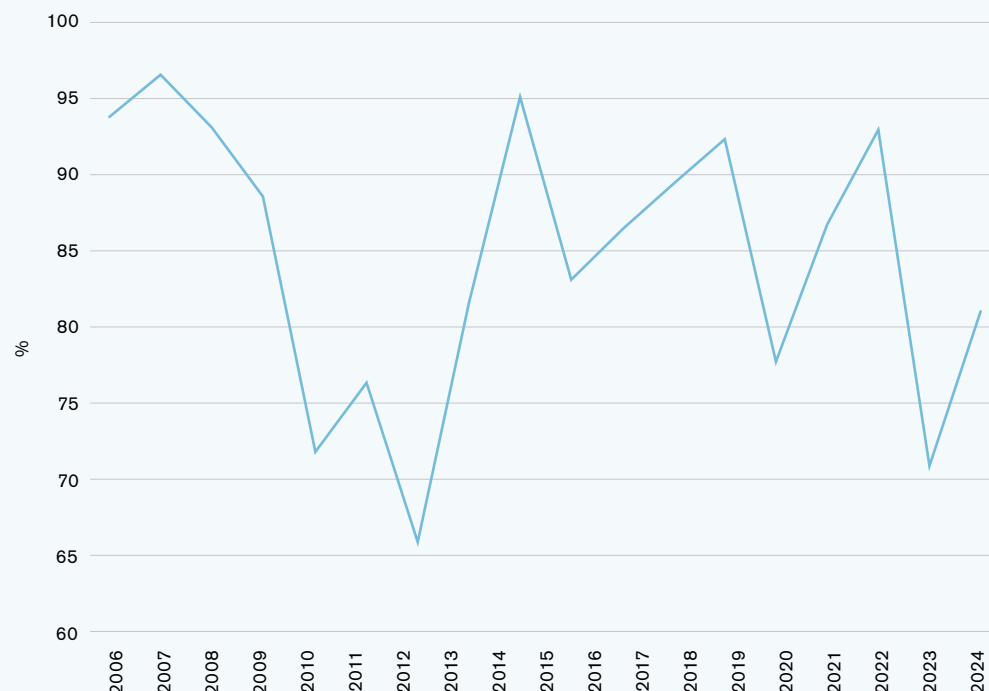
Source: WTO Stats Portal.

Computer and education-related services have to date contributed only marginally to Mauritius's total commercial services exports. Despite global technological advances and clear policy ambitions, Mauritius has yet to harness the full potential of these sectors for substantial export diversification or economic transformation purposes. Efforts to prioritize the robustness of the digital economy through investment in digital infrastructure and the implementation of policies to support innovation have received strong support from the government and relevant stakeholders. Likewise, the education sector has also shown promising growth as an emerging sector. Both sectors present substantial opportunities for diversifying Mauritius's export portfolio. To encourage these sectors' role in economic sustainability, ongoing

initiatives are fundamental to improving skills and institutional support.

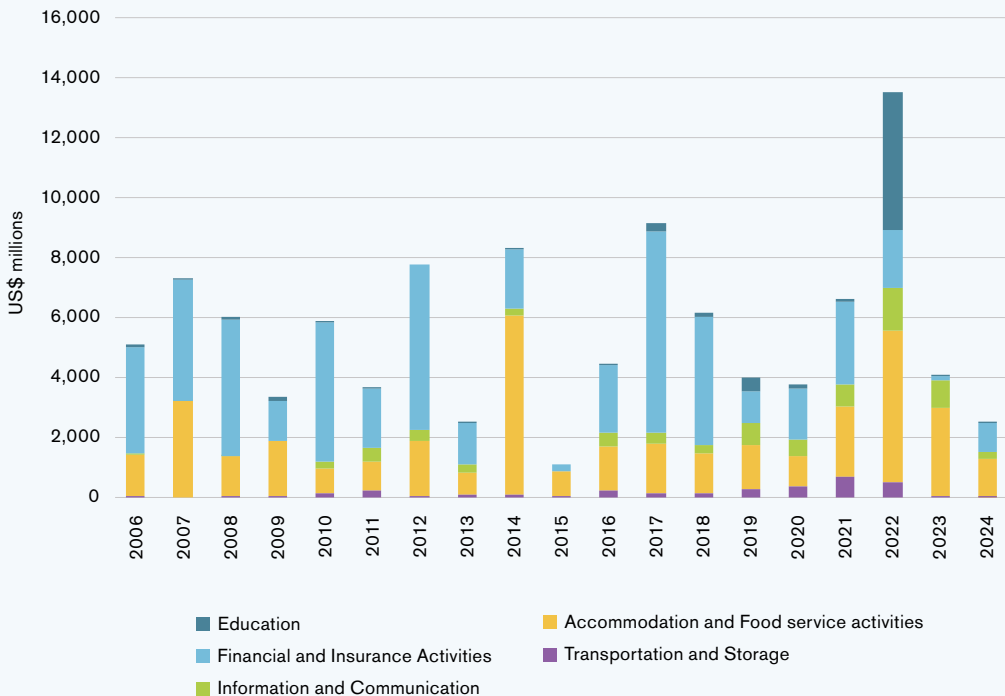
The services sector has long absorbed most FDI inflows (see Figure 8.4). As such, FDI has been a key driver of the country's economic diversification and growth. Over the years, finance and insurance, followed by real estate, have attracted the most FDI (see Figure 8.5). The latter were driven by various schemes, including the Integrated Resort Scheme, the Property Development Scheme and the Smart City Scheme. Construction and tourism also experienced increased FDI inflows. FDI in the ICT industry demonstrates the country's efforts to digitalize the economy. In the education sector, FDI inflows were low in most years, except in 2022, when the African Leadership University made a significant investment in the country.

Figure 8.4: Proportion of FDI inflows in the services sector in Mauritius, 2006–2024



Source: World Bank, World Development Indicators.

Figure 8.5: FDI inflows in selected services sectors in Mauritius, 2006–2024



Source: Bank of Mauritius, direct investment flows, 2024.

The ICT sector

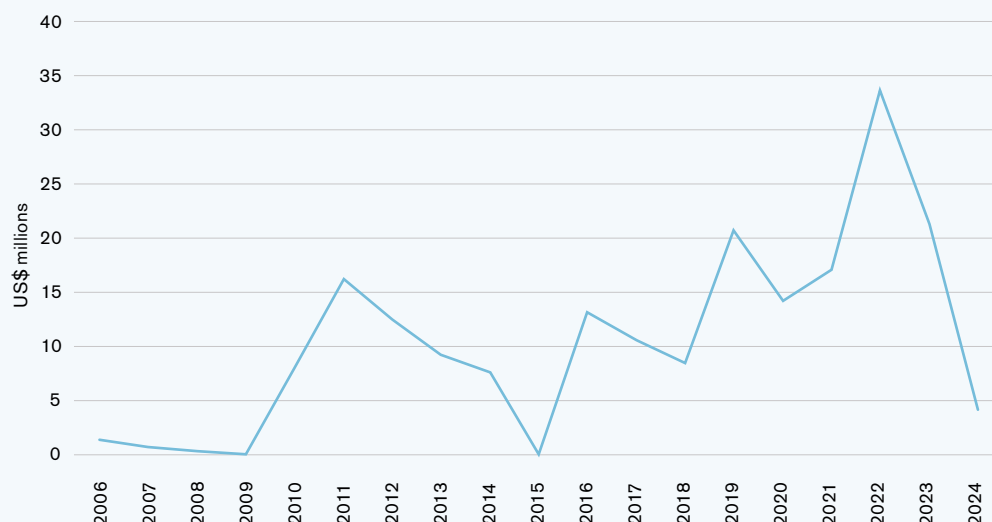
The ICT sector accounted for 5.6 per cent of GDP and employed around 33,000 professionals across 975 companies in 2024. This sector emerged in the late 1990s, partly due to the implementation of the National ICT Strategic Plan in 1998 and pro-competitive regulatory reforms in the telecommunications industry. The Plan included the ICT and BPO sectors.

The contribution of ICT services as a proportion of total services exports has steadily increased over the years from a contribution of 2.9 per cent in 2006 to 4.1 per cent in 2024. Despite various policy initiatives and significant expansion in the ICT sector, the contribution of ICT services to total services exports remains minimal. This

underscores the need to implement strategic measures to position the ICT sector as a key future export engine.

In 2022, FDI inflows to the ICT sector almost doubled (see Figure 8.6), rising from US\$ 15 million in 2021 to US\$ 30 million and declining to US\$ 20 million in 2023. The 2022 FDI peak inflow was partly attributable to robust government policy changes aimed at enhancing economic competitiveness and facilitating business operations. Despite a significant increase over the last 10 years (and a fivefold increase since 2006), FDI in this sector remained limited. Additionally, the share of ICT services in FDI was lower (3 per cent) than that in local investment (5.6 per cent) from 2018 to 2023.

Figure 8.6: FDI in the ICT sector, 2006–2024



Source: Bank of Mauritius.

The educational services sector

Education has been a catalyst for the country's economic growth, partly due to the government's commitment to human capital development. In 2024, the education sector accounted for approximately 4.5 per cent of GDP, a figure that remained relatively stable from 2006 to 2024, ranging from 4.1 per cent to 5.3 per cent. Since 2017, the sector has grown at an average annual rate of 3.5 per cent. With about 26,000 employees, it accounts for an estimated 5.2 per cent of aggregate employment. At present, there are 49 institutions of higher education in the country, 10 of which are publicly funded. These universities offer a range of programmes, from diplomas to PhDs, and over 3,000 international students enrol alongside more than 36,000 local students.

While education services exports increased from US\$ 4 million in 2018 to US\$ 13 million in 2023, they still account for a small share (0.3 per cent) of total services exports. Almost all education services exports involve international students traveling to Mauritius for in-person learning, rather than online or alternative delivery methods. Although the pandemic disrupted the education sector, the widespread adoption of digital technologies and innovative teaching methods enabled online learning. Furthermore, attracting international students, particularly from Africa and Asia, helped establish Mauritius as a regional education hub.

Various initiatives have improved access, equity and quality of higher education, whilst strengthening its alignment with global market

needs (Gokulsing, 2014; Knight and Motala-Timol, 2022). Government initiatives increased access to higher education, as evidenced by a rise in gross tertiary enrolment from 3 per cent in 1970 to nearly 50 per cent in 2024. Funding for technology transfers, research and international partnerships has established Mauritius as a growing knowledge hub. Over the years, Mauritius has aligned its higher education policies with global trends, emphasizing greater access, international collaboration and transnational educational initiatives, including staff and student mobility, joint degrees and overseas campuses (Knight and Motala-Timol, 2020; Gokulsing, 2014).

The internationalization of higher education

In recent decades, Mauritius has undertaken various initiatives to enhance the international reputation of its higher education sector. The sector's internationalization gained considerable momentum in the late 2000s, driven by a recognition that higher education was essential to improving student outcomes and equipping graduates for the global labour market. The government initiated several programmes to promote student mobility, foster international collaboration and establish partnerships with overseas universities (Matei, Iwinska and Crăciun, 2015). The Tertiary Education Commission was established to oversee the development of higher education in Mauritius, with internationalization as a key goal (Gokulsing, 2014). In 2010, the Ministry of Tertiary Education, Science, Research and Technology was established; in 2015, the government merged it with the Ministry of Education.

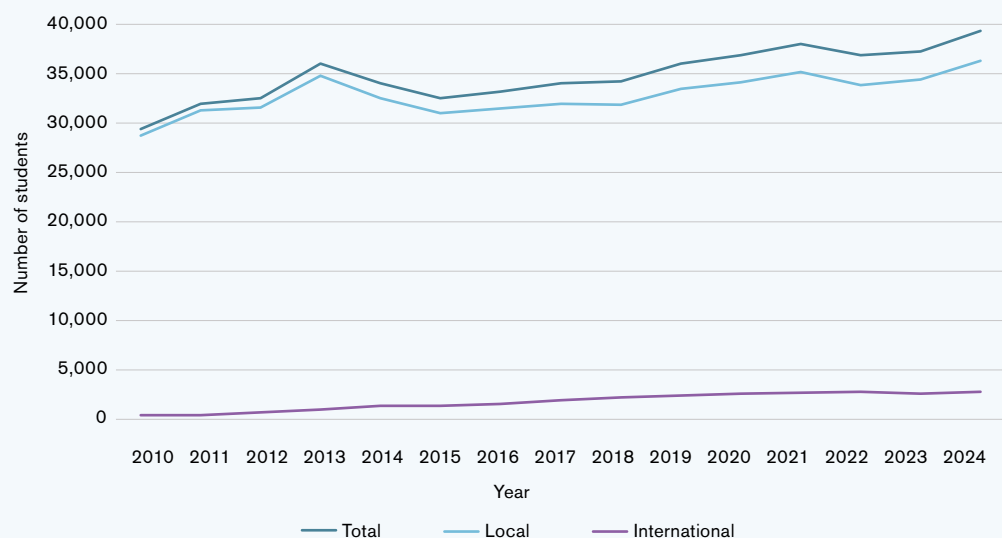
The current government, in place since November 2024, reaffirmed its commitment to promoting education. "The government is determined to position Mauritius as a global education hub in order to attract international students while positioning the country as a hub of academic distinction" (Government Programme 2025–2029).³ For this purpose, the government established a dedicated Ministry for Tertiary

Education, Science and Research in November 2024. Through creative policies, strategic actions and robust quality-assurance systems, the ministry seeks to improve the quality of higher education and boost its internationalization.

Higher education institutions in Mauritius have experienced a sharp increase in the number of overseas students. The enrolment of international students in the country climbed steadily from 2014 to 2024 (see Figure 8.7), rising from 1,200 to over 3,000 (Higher Education Commission, 2021, 2023, 2025). The main areas chosen by international students were medicine (35 per cent), information technology (14.4 per cent), administration/management (11.5 per cent), business/commerce/marketing (9.6 per cent), and law (4.8 per cent). They represented 8 per cent⁴ of all students enrolled in higher education institutions in 2024. Students from India account for 39 per cent, followed by Madagascar (20 per cent). Economies making up the "others" category primarily come from Africa (Kenya, Nigeria, Rwanda, South Africa, Tanzania, and Uganda). The Higher Education Summit, held in 2025, set a target to triple the number of international students over the next 10 years.

Partnerships with international higher education institutions contributed to enhancing the quality of education and research. Subsequently, collaborative programmes encouraged the transfer of knowledge and capacity among local institutions, thereby improving the overall academic environment (Gokulsing, 2014). Additionally, engagement with diverse cultures and global perspectives has enabled local students to develop competencies that are increasingly valuable in the international job market. This has positioned graduates of Mauritian institutions favourably for employability (Lopukhova, Makeeva and Zhuravleva, 2019). Another positive outcome has been the improvement of Mauritius's research capacity, with research collaborations contributing to a stronger research culture. This has enabled local organizations to engage in significant research that addresses regional challenges and contributes to global knowledge (Gokulsing, 2014).

Figure 8.7: Number of students enrolled in institutes of higher education, 2010–2024



Source: Higher Education Commission Annual Report, 2025.

Export and FDI promotion

Export and FDI promotion have been key to boosting services exports, as articulated in various National Development Plans (OECD, 2024). Since 2018, the EDB has promoted the island as an international trade and investment hub to achieve high-income status through sustainable growth (twin objectives).⁵ Tourism is promoted separately by the Mauritius Tourism Promotion Agency, established in 1996.

To promote services, the Board of Investment (BOI) created services clusters, including financial, ICT, medical tourism and knowledge-related services. Dedicated professional staff were recruited with the necessary profiles and each cluster had a budget earmarked for investment and export promotion efforts as well as its own cluster strategy. It should be highlighted that while Mauritius could use its preferential access to various markets as

a trade promotion tool, it could not do the same for services since it did not have preferential access for export of services. Instead, it promoted services by emphasizing Mauritius's attractiveness, particularly its openness, business-friendly environment, bilingual professional staff, business facilitation, and high-quality physical and soft infrastructure, including high-speed internet access.

Services export promotion was and still is undertaken through multiple initiatives, including roadshows, sector-specific investment in Mauritius and targeted markets, participation in international conferences, and publication and media coverage. However, Mauritius has over the last decades concluded several preferential trade agreements (PTAs)/free trade agreements (FTAs), thereby opening up market access on preferential terms covering almost two-thirds of the world population.

All these agreements now include comprehensive chapters on services, covering major sectors such as financial services, telecoms, professional services, tourism, distribution, transport and energy-related services. Henceforth, these preferential trade agreements are factored into all trade promotion activities, positioning Mauritius as an investment gateway for services providers, in particular targeting the African continent.

The country also leveraged its historically good State-Business Relationship (notably with the collaboration of the then Joint Economic Council (now Business Mauritius), the Mauritius Chamber of Commerce and Industry, and the Mauritian Export Association). These business associations play a key role in trade promotion and policies, market intelligence and capacity building for existing and potential exporters (Rojid and Seetanah, 2010).

Furthermore, the National Export Strategy (2017–2021) provided a cohesive framework to improve export competitiveness, strengthen institutional collaboration and encourage innovation and value added. It prioritized both established and new areas, including financial services, software development, scientific and medical products, cultural tourism and education. The Strategy focused on developing a knowledge-based economy and establishing Mauritius as a key hub for global trade.

Several measures were introduced to further encourage the export sector through the government's export incentives and schemes, although primarily related to the exports of merchandise (for instance reduced corporate tax, air freight export rebates and sea freight export subsidies through the Trade Promotion and Marketing Scheme (2017), introduction of an Export Credit Insurance Scheme (2015), the multiple-currency Exchange Rate Support Scheme (2018) and the SME (small and medium-sized enterprises) International Fairs Refund Scheme).

Mauritius has signed more than 45 bilateral Investment Promotion and Protection Agreements (IPPAs) to position the nation as an investment hub in Africa. In addition, the country has signed numerous preferential trade agreements to facilitate market access for businesses,

enhance trade of goods and services, and attract investment in the region.⁶ In trade in services, the island has negotiated specific commitments under the Protocol on Trade in Services of the African Continental Free Trade Area (AfCFTA). These commitments focus on five priority service sectors: financial, transport, communication, tourism, and business services. Mauritius also ratified the Southern African Development Community (SADC) Protocol on Trade in Services in 2015 (in force since 2022). This Protocol provides for the progressive liberalization of trade in all service sectors across the region, thereby creating a single market for trade in services. The country is also actively involved in COMESA-level trade in services negotiations.

Established in 2001 under the Investment Promotion Act of 2000, the BOI was created as a one-stop shop to attract, facilitate and retain FDI in Mauritius. Operating under the then Ministry of Finance and Economic Development, the BOI provided advisory, licensing and facilitation services to both domestic and foreign investors and contributed to legislative and regulatory reforms to improve the investment climate. Initially focused on manufacturing and textiles, the BOI progressively expanded its mandate to services – ICT and financial services, in line with the government's strategy to position Mauritius as a services-oriented economy and a regional business platform for investment in Africa.

FDI promotion centred on showcasing Mauritius's ease of doing business, political and economic stability, and strong governance framework, including through targeted promotion missions at home and abroad. In subsequent years, the BOI was restructured as the Economic Development Board, consolidating investment and export promotion functions to scale up services-sector FDI, job creation and services exports.

The Export Processing Zones (EPZs) Act of 1970 marked a foundational step in Mauritius's export and FDI promotion strategy. The EPZ regime offered a comprehensive incentive package, including reduced corporate tax rates, duty-free imports of machinery and raw materials, full export rights, preferential financing, and the free repatriation of profits and dividends. These

incentives were particularly effective in attracting investment to the textile sector during the 1980s, when preferential access to European markets under trade agreements further strengthened export performance. By the late 1980s, EPZ firms accounted for nearly two-thirds of total FDI inflows, generating substantial gains in exports and employment. The incentive framework was subsequently revised under the Industrial Expansion Act of 1993 to reflect evolving development priorities.

Financial and fiscal incentives remained central to Mauritius's investment promotion policy beyond the EPZ phase (Hanson, Tang and Muguto, 2018). In 1992, the Mauritius Freeport was established to position the country as a regional trade and logistics hub, offering incentives for light processing and re-export activities, particularly towards African markets. During the 1990s, additional measures – including preferential offshore regimes, full liberalization of foreign exchange, and eased bank lending constraints – supported the rapid expansion of the global financial services industry and tourism, notably high-end hotels. In the 2000s, Mauritius further diversified its FDI strategy towards higher value-added sectors through targeted schemes such as the Information and Communication Technology Scheme, the Integrated Resort Scheme, and the Freeport Act of 2004, reinforcing the transition toward a more services- and knowledge-oriented economy.

To streamline business processes, the government passed the Business Facilitation Act in 2006 and a total of 26 statutes have since been modified. These factors, together with the nation's attractive tax structure (including a flat corporate tax of about 15 per cent, no capital gains tax, a reduction in registration duty from 13.2 per cent to 5 per cent, and free profit repatriation), are considered crucial to attracting FDI.

The authorities have introduced multiple stay permits to attract foreign investors and facilitate FDI in Mauritius. For instance, foreigners are eligible for a residence permit by making a qualifying FDI contribution to carry out business or by investing in approved residential property. A 20-year Permanent Residence Permit can

be granted with an investment of at least US\$ 375,000 in a qualifying sector, and residency for as long as the property is owned is also permitted with US\$ 375,000 invested in a G+2 (ground + 2 floors) property.

Foreign nationals may work and reside in Mauritius under three categories with an Occupation Permit, which is a combined work-and-residence permit, as investor, professional or self-employed. Legislators have been streamlining the process for foreign nationals to purchase real estate and obtain company licences and, to achieve this, the authorities have consolidated the Building and Use Permit and the Occupation Permit. Furthermore, in recent government budgets, measures were implemented to enhance the country's economic and trade environment by lowering the minimum salary threshold for professional Occupation Permits, digitizing the application process, and introducing an e-licensing platform. For other fiscal incentives, see Box 8.1.

ICT services exports promotion

Export promotion initiatives for the ICT sector started with the formation of Mauritius Telecom in 1988. The government transferred the operations of the fixed-line telephone network and related assets from the Department of Telecommunications to a new government-owned company, Mauritius Telecom. This transfer was enacted under the Telecommunications (Transfer) Act 1988, which separated the operational functions of the government department into a corporate entity. This played a crucial role in building infrastructure and enhancing connectivity (together with other operators).

Mauritius acceded to the World Trade Organization (WTO) in 1995 and undertook specific commitments under the General Agreement on Trade in Services in the financial services, tourism and telecommunications sectors. In telecommunications, Mauritius committed to gradually liberalizing the sector and ending its telecom monopoly in 2004. However, this goal was achieved as early as 2000, with access for international services providers ensured by the commitments.

Box 8.1. Mauritius: Key fiscal investment incentives

- 100% foreign ownership and unrestricted repatriation of profits, dividends and capital.
- Tax-free dividends and no capital gains tax.
- Reduced corporate tax rate (3 per cent) for companies engaged in global trading activities.
- Accelerated depreciation on the acquisition of plant, machinery and equipment.
- Imported equipment is exempt from customs duty.
- Annual allowance of 100 per cent on the capital expenditure for the acquisition of a solar energy unit.
- Investment tax credit of 5 per cent over three years on the cost of new plant and machinery.
- 5-year tax holiday for companies collaborating with the Mauritius Africa Fund for the development of infrastructure in special economic zones.

Source: Mauritius Trade Easy (2025), <https://www.mauritiustrade.mu/en/market-intelligence/explore-markets/mauritius/investing2>.

A significant step towards liberalizing Mauritius's ICT industry was taken when France Telecom took a 40 per cent stake in Mauritius Telecom. The cooperation improved service quality and significantly modernized the telecommunications infrastructure by introducing foreign technology, funding and expertise. In accordance with the WTO reference paper on pro-competitive regulatory disciplines, Mauritius also pledged to incorporate regulatory principles into its laws. Mauritius is notable as the only African nation to have ratified the first and second WTO Information Technology Agreements in 1997 and 2015, respectively, which eliminated tariffs on all computer hardware and software products, as well as telecommunications, which had previously reached a high of 80 per cent. Together, these pledges have helped to establish ICT as a new economic pillar and to position Mauritius as a regional information technology (IT) hub.

The National ICT Policy (NIP) (2007–2011) provided further impetus to the government's vision of making ICT a central pillar of the economy and transforming Mauritius into a regional ICT hub. Recognizing the limited domestic market, the NIP explicitly targeted export-led growth for ICT and IT-enabled services

(ITES). Another goal was to shift the ICT sector towards high-end, export-oriented services. Foreign ICT companies were encouraged to establish development centres in Mauritius to serve the export market in areas such as software and mobile application development, BPO and ITES, digital marketing and consulting, cybersecurity, cloud computing and fintech. The government has invested in a resilient telecommunications infrastructure, including submarine cable networks for international connectivity. In this way, a conducive legal framework has been enacted to facilitate e-commerce and ensure data protection and cybersecurity.

Key actions included establishing an Export Development Fund, managed by the Economic Development Board, to expand ICT export markets by providing financial and non-financial support to export-oriented businesses. Financial support comprised services such as term loans, project finance, and innovative trade finance solutions to support working capital, capital expenditure, while non-financial support included advisory services, project preparation facilities, bank guarantees, and relay facilities and de-risking instruments, among others.

The EDB also introduced sector-specific incentives and schemes (through an Export Development Certificate) to support and promote the export of ICT services. These include, i) the Trade Promotion and Marketing Scheme; ii) the Technology and Innovation Scheme to encourage investment in technology; iii) the Export Credit Guarantee Insurance Scheme; and iv) the e-Export Directory, which is a platform created by the EDB to connect Mauritian services providers (including ICT) and manufacturers with international buyers and investors, enhancing global visibility for local businesses.

The above schemes were further supported by funding from the Mauritius Research and Innovation Council (MRIC) for innovation, research and commercialization with a view to developing high-end ICT services. For instance, the innovation and commercialization schemes provide funding ranging from Mauritian rupees (Rs) 1 million to Rs 10 million (US\$ 21,500 to US\$ 215,000) to support innovation and bring new ideas to market.

In 2018, the Ministry of Technology, Communication and Innovation developed the Digital Mauritius 2030 Strategic Plan to foster the adoption of emerging technologies (including artificial intelligence, blockchain and fintech) and to enhance export capabilities. The strategic plan focused on cultivating a creative, efficient and sustainable public sector while promoting an environment that encourages business growth. The plan prioritized digital government, ICT infrastructure, innovation, talent management and cybersecurity.

The National Export Strategy (2017–2021) was a comprehensive State initiative to boost exports and position the country as a strategic trade hub. It identified seven high-potential sectors for export growth, including ICT and software development. The main elements of this Strategy aimed at strengthening export sectors, improving the business environment, fostering innovation, enhancing exporters' capacity, and building institutional support. The Strategy proposed enhancing ICT export potential focused on innovation by encouraging technological and skills development. As a result, the Digital Industries Academy was established in 2023,

serving as a central industry training platform to address skills shortages and create a national talent pool. Furthermore, through specific schemes established by the Mauritius Research and Innovation Council, incubators were set up in high-growth sectors such as software development and ICT.

The EDB also implemented a comprehensive branding strategy (2021–2022) to promote Mauritius as a world-class outsourcing and BPO destination. It leverages digital platforms and runs targeted campaigns to attract foreign clients and communicate its value proposition to a global audience. Mauritius regularly features at major international events to connect with decision-makers and showcase its capabilities. The EDB has specific strategies to position Mauritius as an ideal hub for businesses to access the African market. Recent missions have explored opportunities in West African economies, such as the Ivory Coast and Togo, particularly in digital solutions for e-government, logistics and mobile banking.

Through the International Trade Centre SheTrades Mauritius hub, the EDB organizes export promotion missions for women-led businesses, including those in the ICT and related sectors. Support (through the International Fairs Refund Scheme) was extended for Mauritian participation in international ICT trade fairs and exhibitions. Such schemes provide logistical support and reimburse participation costs for international fairs, including booth fees, airfare and accommodation, helping ICT firms showcase their products and services to a global audience. In 2024, the EDB assisted five startups to showcase artificial intelligence (AI), fintech and big data at the Africa Tech Festival⁷ in South Africa.

The Digital Champion Scheme offers a 25 per cent refund on investments (minimum Rs 500,000 or US\$ 10,750) in new technologies and equipment for SMEs in the ICT sector. The initiative was introduced in the 2024–2025 national budget to encourage digital transformation, boost innovation and advance entrepreneurship within the ICT sector.

The EDB's "Mauritius Expo" virtual exhibition platform promotes locally manufactured products

and services, including BPO and emerging technologies such as AI and fintech, to increase the visibility of Mauritian enterprises in new markets, whilst content marketing reinforces these points. Firms such as Talenteum provide detailed online resources that outline the advantages of outsourcing to Mauritius for specific markets. These materials address cost reduction, talent quality and legal structures.

To further enhance exports, the EDB launched its Virtual Platform for IT Services in 2023 to connect Mauritian companies prepared for export – especially in the services and ICT sectors – with global buyers, distributors and investors around the clock. It serves as an international platform for Mauritian products and services, providing complementary exposure for Mauritian companies to broaden their market presence and enhance their reputation worldwide. The platform features virtual booths to display products and brands; networking tools for online meetings, chats, and appointment scheduling to engage potential buyers; and global matchmaking, linking companies with an international database of potential buyers and distributors, enabling virtual events and business-to-business matchmaking.

The Digital Transformation Blueprint 2025–2029 aims to create a digitally prepared nation and modernize the country through digital initiatives. The strategy seeks to establish Mauritius as an “Intelligent Island” and a frontrunner in AI implementation in the region. A key component of this plan is the creation of a National AI Strategy to enhance the export of ICT services by integrating advanced technologies across sectors. Unveiled in May 2025, the blueprint outlines a people-oriented, ethical and inclusive strategy for integrating AI across the public and private sectors to drive economic growth and enhance services.

As part of broader efforts to promote Mauritius as a technology and AI hub in the region and to foster exports, companies with a Robotic and Artificial Intelligence Enabled Advisory Services licence have been eligible for an 80 per cent partial tax exemption on their income from 2024, subject to meeting substance requirements. Companies and services targeted are, i) companies providing

automated wealth management and investment advice (robo-advisors); ii) firms developing innovative technology solutions to comply with regulatory requirements or operate within the insurance sector (RegTech and InsurTech); and iii) companies providing financial advisory services through AI-enabled algorithms (AI developers).

Recognizing the importance of the ICT sector for economic and export diversification, the government has since 2010 undertaken sustained investment in ICT infrastructure (broadband and data centres). Investing in ICT infrastructure is a crucial strategy for attracting global ICT and BPO players (eventually boosting exports in this sector), who require robust and reliable connectivity to operate effectively.

The country has invested substantially in a robust telecommunications infrastructure, including the South Africa Far East, LION/LION2, EASSy, WACS, METISS,⁸ and the more recent T3 submarine fibre-optic network, which provides the high-speed access required for ICT exports. Another project, the T4 cable, is underway to further increase capacity and enhance connectivity with India and Singapore. Indeed, an enhanced fibre network is crucial to the development of the digital economy across 5G, cloud services, e-commerce and fintech. Deployment of 5G networks in Mauritius began in 2021.

The government has also encouraged the development of state-of-the-art business parks and data centres to enhance ICT operations and foster a data-driven economy. The most successful technology park in Mauritius, Ebène Cybercity, was originally established to attract companies in the ICT sector. It has since expanded to host more than 45 office blocks for a wide range of businesses (including major financial institutions, offshore companies, ICT and consulting firms) and employs more than 30,000 people.

Whilst the island already hosts several data centres, including some certified Tier IV facilities that provide high-availability infrastructure for business continuity, a new Data Technology Park (Côte d'Or Data Technology Park) is currently being implemented and is planned to feature state-of-the-art infrastructure to encourage rapid development and innovation through a dozen

specialized centres. It is intended to serve as a platform for big data analytics and other data-intensive services and to attract investments in high-value-added sectors such as AI, fintech, blockchain and cybersecurity.

FDI promotion in the ICT sector

The EDB has implemented targeted marketing, promotion and branding campaigns to attract FDI to the ICT sector. These include trade missions, branding campaigns and participation in international events and fairs to raise the country's profile as an outsourcing hub, forge new trading partnerships and attract foreign investment in the ICT sector. The EDB also promotes the country's strategic advantages, including a highly skilled, bilingual workforce, robust IT infrastructure and a favourable business environment. Strategic marketing campaigns were conducted in France, India, South Africa and the UK to attract ICT/BPO and digital services operators.

Several memorandums of understanding have been signed with technology companies, including Huawei, to exchange know-how and innovation. In particular, foreign companies were targeted to establish centres in Mauritius for software development, disaster recovery and cloud services, among other activities, leading to investment in Mauritius by well-known global firms such as Accenture, Infosys and Oracle.

Various preferential tax regimes provide reduced tax rates and specific tax holidays for certain activities, including in the ICT sector. ICT companies may qualify for an 80 per cent tax exemption (subject to prescribed conditions) on specific foreign-source income streams. This measure was recently extended to companies with a Robotic and Artificial Intelligence Enabled Advisory Services licence.

Several tax holidays have been introduced to incentivize innovation and investment in the ICT sector, particularly for new and existing companies developing intellectual property (IP). For instance, the 2021 Premium Investor Certificate scheme promotes the emergence of pioneering industries, innovative sectors and first movers. It offers several incentives (upon

recommendation by a Technical Committee and approval by the Minister) to companies investing over US\$ 11 million in strategic sectors such as ICT, including exemptions and preferential rates. The 2019 Regulatory Sandbox Licence facilitates investment in innovative projects for which there is no legal framework or adequate provisions under Mauritius's current law. The EDB works closely with relevant regulators to provide a suitable framework for these initiatives.

To facilitate the establishment of electronic platforms and their ancillary operations in Mauritius, the authorities introduced the Mauritius E-Commerce Scheme in 2020, which offers a five-year tax exemption. The initiative provides e-commerce businesses with assurance of a positive business environment and establishes Mauritius as the premier platform for internet entrepreneurship.

Dedicated incentives related to occupation permits were also introduced to enhance the country's attractiveness. The Innovator's Occupation Permit, a combined work and residence permit whereby foreigners with innovative projects can live and work in Mauritius (for up to 10 years and renewable), is one of them. It allows entrepreneurs to live and work in Mauritius by submitting an innovative project to the EDB for approval or registering with an accredited incubator through the National SME Incubator Scheme (NSIS).⁹ Permits for ICT professionals are fast-tracked, and they also benefit from a lower income eligibility threshold than other professionals.

The Central Electricity Board, in consultation with the Outsourcing and Telecommunications Association of Mauritius (OTAM), launched the ICT Sector Carbon Neutral Renewable Energy Scheme in 2024 to support the ICT sector's goal of achieving carbon neutrality and to increase the island's attractiveness for FDI in the ICT sector. The programme allows eligible ICT companies to invest in renewable energy generation and sell surplus electricity back to the national grid at a preferential rate, thereby optimizing their utility costs.

Higher education services export and FDI attraction measures

In 2010, a dedicated Ministry of Tertiary Education, Science, Research and Technology was created to promote the internationalization of higher education and position the country as an educational and knowledge hub in the Indian Ocean. Since then, government strategies have focused on expanding access to higher education, with a gross tertiary enrolment rate¹⁰ reaching nearly 50 per cent in 2024 (the highest in Sub-Saharan Africa), demonstrating both domestic capacity and export potential. As a result, Mauritius has invested significantly in higher education infrastructure and research facilities.

Several initiatives and programmes were introduced to support this sector and promote the education industry's services exports. Some examples around regulations and quality assurance include the following:

- The 2017 Higher Education Bill and Quality Assurance Authority established a robust regulatory system, including a Higher Education Commission and a Quality Assurance Authority, to uphold high standards, foster quality and instill confidence in higher education.
- The establishment of branch campuses by esteemed international universities (including Middlesex University, the University of Central Lancashire, Université Paris-Panthéon-Assas, and Curtin University) has increased its appeal to international students.
- Alignment of its education system with global standards through the Mauritius Qualifications Framework. This alignment facilitates credentials recognition and improves the mobility of students and graduates.

In the 2025–26 budget, the government announced that its strategy for tertiary education will comprise initiatives in research, science, innovation, and workforce transformation. The government is determined to position Mauritius as a global education hub to attract international students and establish the nation as a centre of academic excellence. A powerful and comprehensive branding and marketing campaign under the banner "Study in Mauritius" will be launched.

The EDB actively promotes Mauritius as a regional education hub through targeted international marketing campaigns and strategic partnerships with prestigious foreign universities and institutions. Central to this effort is the Study in Mauritius campaign, which highlights the country's competitive advantages, including an affordable and well-regulated higher education system under the Higher Education Act, a bilingual (English-French) learning environment, internationally recognized academic and professional qualifications, and a stable, secure, and multicultural society. These attributes – combined with modern infrastructure, quality student support services, diverse programme offerings, and streamlined visa and scholarship procedures, particularly for African students – are designed to attract international students primarily from Africa and Asia.

Since 2013, the government has operated the Mauritius-Africa Scholarship Scheme (MASS) to provide scholarships to students from across Africa. Students from African Union member nations can apply for full-time scholarships at Participating Financial Institutions in Mauritius (based on merit). This initiative aims to increase enrolment from the continent and strengthen Mauritius's reputation as a knowledge hub. The MASS Edition 2024 included 40 new grants, raising the total number of available scholarships to 92.

In addition to fast-tracking the admission of international students, there has been a sustained effort to streamline the student visa process, making it faster and more efficient. The scheme also allows international students to work part-time while studying, enhancing Mauritius's appeal as a study destination. Moreover, foreign students who have completed at least an undergraduate degree at a tertiary institution in Mauritius are eligible to apply for a Young Professional Occupation Permit, as provided under the Economic Development Board Act 2017 and the Immigration Act 1970.

In June 2025, the Ministry of Tertiary Education, Science and Research convened all stakeholders in the sector to its Higher Education Summit to discuss the findings and recommendations of various groups on key issues.¹¹ The deliberations

have culminated in the National Higher Education Strategy 2025–2035, focusing on digital transformation, research excellence, internationalization and industry engagement. The Internationalization Strategic Pillar is of particular interest, as the government views it as essential not only for economic and export diversification but also for attracting global talent, enhancing research collaborations, and promoting academic excellence. Recommendations include:

- i) attracting more international students through simplified visa procedures
- ii) the introduction of the “Study in Mauritius” initiative
- iii) an enhancement of the Mauritius-Africa Scholarship Scheme (MASS)
- iv) a revisit of the student working permit programme.

This Strategy aims to attract a critical mass of foreign students. It emphasizes global partnerships, for instance, recruiting international higher education providers (primarily from Europe, India and the United Kingdom) and fosters academic partnerships to offer joint and dual degrees, ensuring that programmes align with international standards and provide internationally recognized qualifications. International quality assurance benchmarking, mutual recognition of accreditation and degrees, the Micro-credentials Framework, a National Credit Value and Transfer System, and enhanced industry engagement are also essential components of the plan.

The government has made continuous efforts to support research collaborations and innovation. Through the Higher Education Commission and the MRIC, several research and innovation funding schemes have been established since 2010, including a grant scheme for collaboration with the private sector, other stakeholders, international institutions and foreign universities. Universities have also introduced numerous funding schemes for research and internationalization purposes.

Moreover, these universities have been highly sought after for initiatives such as Erasmus+, and have facilitated numerous exchanges of staff and students, with all their accompanying benefits.

Mauritius has also introduced several sector-specific incentives and FDI marketing promotion efforts for foreign investment in higher education. Examples include:

- Full foreign ownership of education businesses.
- A 15 per cent corporate tax rate, tax-free dividends, no capital gains tax.
- An eight-year tax holiday for primary, secondary and tertiary educational institutions.
- VAT exemptions on IT systems, related materials, plant and machinery and equipment, and construction for educational projects, making it financially attractive for investors.
- Land conversion tax exemption for the construction of a purpose-built building for the provision of education.

Capacity building and skills development initiatives

Since 2010, several skills development and capacity-building initiatives have been undertaken to leverage the full potential of the ICT sector for export and economic diversification. These were led by the EDB, the Mauritius Digital Promotion Agency (MDPA), and the National Computer Board (NCB).

Digital literacy and ICT education have been introduced at an early stage of schooling in the country. The NCB and MDPA, set up in 2023, aim to attract talent through awareness campaigns and in coordination with the private sector. Both the NCB and the MDPA also prepare the national ICT upskilling programme and run multiple capacity-building programmes:

- A Digital Proficiency Course, a comprehensive programme for citizens (including children) to gain essential digital skills in areas such as online communication, data analysis and cybersecurity.
- The Children Innovative Learning and Design programme, which implements coding and robotics education in primary schools to foster interest in science and engineering (STEM subjects).
- The Digital Lab on the Go mobile lab initiative provides interactive demonstrations of emerging technologies, including virtual reality, Internet of Things, and 3D fabrication, directly to communities.
- Regular boot camps and events to encourage girls to pursue careers in STEM subjects in support of the annual International Girls in ICT Day.
- The National Learn-AI School Innovation Challenge, launched in September 2025 by the Ministry of Education and Human Resources, and the Ministry of Information Technology, Communication and Innovation, which aims to spark Grade 12 students' interest in technology and equip them to become solution architects for national challenges. In 2025 it attracted 650 participants from 72 secondary schools and received 94 innovative project submissions.

The government has also trained the general population through the Universal ICT Education Programme (UIEP) since 2006. This provides an internationally recognized Internet and Computing Core Certification course to establish a benchmark for digital literacy (over 250,000 people have already been trained under the UIEP). The Community Empowerment Programme is designed to enhance community access to ICT tools and the internet through free wifi hotspots in public places and "Learning Corners," thereby encouraging participation in the country's socio-economic development. Finally, an empowerment programme for unemployed beneficiaries provides free, targeted training to enhance basic ICT skills and increase employment prospects.

More recently, the Digital Transformation Blueprint 2025–2029 also provides additional

support for skills development and capacity building, particularly in AI. For instance, to build the necessary skills, AI policy guidelines, and a proficiency programme will be introduced in schools. A mandatory AI module will also be implemented in all public higher education curricula. An AI platform, "mytGPT for Education," has also been piloted for students and teachers. Additionally, through the "AI For All" booklet, the government is building capacity and raising public awareness about AI among the general population. This initiative aims to make AI accessible and understandable to all Mauritians. For professionals, the strategy will include capacity-building programmes and upskilling initiatives to ensure the workforce is equipped with the necessary AI-related skills.

To address the growing demand for skilled labour in the sector and align with the government's vision, higher education institutions have increased student intake and expanded ICT-related degree options. The University of Mauritius, the premier and largest state university in Mauritius, established a dedicated faculty, namely the Faculty of Information, Communication and Digital Technologies, in 2017, with government support. The faculty, which began with approximately 800 registered students, has grown to over 2,000 students to date, offering approximately 10 undergraduate and postgraduate programmes, as well as doctoral studies.

In addition, in the recent 2024/2025 national budget, the University of Mauritius and the University of Technology, Mauritius were asked to significantly increase their student intake to meet growing labour demand in this sector. The Human Resources Development Council (HRDC) and the University of Mauritius are collaborating with industry partners to offer specialized, fully funded programmes that guarantee employment upon completion (for instance, the MSc in Applied Software Technologies with Accenture).

In addition, the HRDC organizes roundtables and studies to link industry with education/training providers to align programmes with evolving technological demands and bridge the skills mismatch, and the council is facilitating and funding other specialized courses (e.g., MSc

in AI and MSc in Financial Technologies) with universities of the island. This includes a sustained effort to expand faculty capacity and output to align with national economic goals. Since July 2024, AI-related training courses have been eligible for a 90 per cent refund for employers contributing to the HRDC training levy (up to diploma level).

The new National Higher Education Strategy aims at enhancing the quality of higher education and research and supporting sectors such as software development (among others), identified in the National Export Strategy as having high export potential. The Strategy aims to develop a workforce ready to meet the demands of export-oriented industries, making the higher education sector a crucial component of the Export Strategy.

Another initiative is the EDB's Digital Industries Academy (DIA), established in 2023 through a public-private partnership. The DIA addresses the shortage of specialized skills in the ICT/BPO sector and is building a national talent pool. The academy operates a Training and Employment Scheme that includes a refund programme for employers, covering 25 per cent of training costs for new recruits and their first month's salary, to support trainees' employability. It also offers courses (in collaboration with Polytechnics Mauritius Ltd.) in soft skills, including communication, customer service, leadership, business English/French and professional ethics, to enhance youth employability in the BPO/ICT industry.

Furthermore, the DIA also extends such collaboration to the private sector. For instance, in 2023, approximately 350 participants completed a training programme in advanced AI, ICT and cloud computing offered by the DIA in partnership with Huawei and Polytechnics Mauritius.

Other incentive schemes administered by the EDB include the NSIS and the Innovation and Commercialization Scheme. Both support startups and foster an innovative culture. The MRIC also provides research funding schemes (which include a component of capacity building) in identified core areas (including ICT) to assist research

and development. One relevant scheme is the Collaborative Research and Innovation Grant Scheme, whose objective has been to improve Mauritius's competitiveness through collaboration between research and industry since 2020. Local companies in partnership with a local research/tertiary education institution are encouraged to fund innovative, collaborative research and development projects with commercial potential.

Numerous skills development and capacity-building initiatives have been implemented to support the education sector's internationalization agenda and achieve the goal of becoming a regional education and knowledge innovation hub. This requires a highly qualified academic community and strong research capacity to enhance the study destination's quality and attractiveness. With respect to capacity building and skills development in the higher education sector, initiatives focus primarily on upgrading qualifications and enhancing research at higher education institutions; such initiatives have been undertaken primarily through the Higher Education Commission (HEC).

Several support actions have been initiated, including increased access to doctoral and postdoctoral programmes at universities in Mauritius. The number of doctoral students increased from 496 (1.3 per cent of total enrolment) in 2019 to over 600 in 2024 (approximately 2 per cent of total enrolment). Moreover, various doctoral scholarships were introduced to increase enrolment, the most significant being the Higher Education Commission MPhil/PhD scholarship scheme. Thirty-three such scholarships were awarded in 2024, bringing the total to 103 doctoral students currently receiving HEC scholarships. This excludes around a dozen MASS scholarships and a few HEC Postdoctoral Research Fellowships. Individual higher education institutions in Mauritius are also actively encouraging their academic staff to pursue PhD programmes, often fully subsidizing the cost of this training.

In addition to the above, the HEC provides several other capacity-building schemes. For example, the Research Fellowship scheme for academic staff in publicly funded higher education provides

partial funding to academic staff of public higher education institutions in Mauritius to enable them to spend 8–12 weeks at a university or research institution overseas to advance their research capacity. The fellowship is intended to assist local researchers in pursuing and fostering international research collaborations. Moreover, under the international faculty recruitment scheme, universities are funded to bring over international faculty members for a period up to one year, in a bid to enhance the quality of teaching, share best practices, trigger cross-fertilization of research ideas, and engage in sustained collaborations (over a dozen international faculty members have benefited from this scheme since its creation).

As such, the Nobel Laureate Scheme aims to provide a platform for eminent Nobel Prize Laureates from around the world to share insights in their fields, stimulate interest among the higher education community, and interact closely with and inspire their Mauritian counterparts. Universities have also facilitated international teaching mobility agreements with partner universities, partly through the Erasmus+ programme, for over a decade.

Other research schemes enhance the country's research, provide a platform for research dissemination and networking, facilitate participation in capacity-building workshops, and incentivize research. Examples include the

HEC Research Publication Incentive Scheme, the Scheme for International Conferences/Workshops, the Individual Research Support Scheme, the Interdisciplinary team-based research scheme, and the recently introduced Centres of Excellence scheme. The latter promotes research production and capacity building for young scholars. The HEC also provides separate funding to publicly funded higher education institutions to cover the costs of conferences/workshops and other events that contribute to capacity building in the sector. The new National Higher Education Strategy 2025–2035 also prioritizes investment in professional development through capacity building.

Mauritius is also actively focusing on skills development for its higher education staff to align with the integration of AI. The Technology-Enabled Learning project, in collaboration with the Commonwealth of Learning, aims to digitalize the higher education sector by developing online and Open Educational Resources courses, building capacity for online facilitation, and integrating AI guidelines into teaching and learning. Overall, Mauritius is taking proactive steps to equip its higher education staff with the skills needed to harness AI and achieve its internationalization goals, while acknowledging and addressing existing policy and infrastructure challenges.

Conclusions and recommendations

Mauritian policymakers have long recognized services exports (including digitally delivered services) and FDI as key drivers for economic development. Since independence, numerous support policies and incentives have successfully promoted services trade and FDI. Mauritius has made considerable progress in creating a business-friendly environment and negotiated numerous free trade agreements, including services chapters, which offer significant market access opportunities. Enhanced efforts should continue to support and encourage exports and FDI, particularly in the services sector.

To enhance services exports and FDI, regulatory and fiscal incentives need to be complemented by marketing and promotion efforts, especially given Mauritius's remoteness and characteristics as a Small Island Developing State. The EDB has made notable progress in attracting FDI and expanding services exports. However, Mauritius's full investment and services export potential remains underutilized, particularly given its recent PTAs, which offer significant market access. The EDB is responsible for developing and articulating a coherent strategy aligned with the nation's development priorities to stimulate investment and

promote exports, with specified objectives. This entails prioritizing activities, allocating resources where needed, and assessing impact to ensure targets are met. There is also a need to implement a system of key performance indicators and monitor and evaluate results.

Although the EDB responds to investors on a case-by-case basis, offering information on collaboration with local suppliers and partners when requested, exploring the implementation of a more formally organized matchmaking platform for foreign investors and local partners, and implementing systematic follow-up would add greater value.

There is a need for greater institutional coherence and coordination among the EDB, sectoral ministries and other stakeholders. Creating a high-level coherence and coordination platform that unites key stakeholders from the public and private sectors to deliver a national strategic action plan in a coherent, synchronized manner is desirable to inform strategic decisions that position Mauritius as an investment hub in the region and a provider of services.

While roadshows and investment and trade promotion activities are helpful as traditional tools, the EDB could consider adopting a project-based approach, especially for investment promotion. Investors must be informed about Mauritius's business-friendly climate and available incentives. However, a more focused and targeted approach would be to design and sell projects in priority sectors identified in the national development plan to potential investors. This will require recalibrating the EDB's expertise to focus on project development.

Mauritius has opened up market access opportunities in around 100 sectors/sub-services sectors in the COMESA and SADC regional markets, the AfCFTA, the China FTA, the Comprehensive Economic Cooperation and Partnership Agreement with India, and the Comprehensive Economic and Trade Agreement with the United Arab Emirates, while also in the process of finalizing an Economic Partnership Agreement with the European Union. This

combined market provides a consumer base of over 5 billion people, representing a GDP of approximately US\$ 50 trillion. Services exports under these agreements have not grown as expected, partly due to limited awareness, both domestically and abroad, of the trade opportunities they offer. Services providers are also not fully aware of the procedural requirements for accessing the benefits on offer. In this context, national campaigns on market access for services exports under these FTAs could unlock export opportunities.

Export opportunities and market intelligence should be improved through market surveys, and matchmaking exercises should be undertaken. Investment and trade promotion agencies in the target economies, as well as Mauritius's embassies and missions abroad, are expected to play an essential role in this. A database for each potential export market, detailing available opportunities, must be developed, widely shared and regularly updated.

Economic diplomacy has yet to be optimally leveraged to fully explore export and investment opportunities. One of the key mandates of diplomats posted abroad is to promote Mauritius as a service provider, not only in sectors such as ICT and financial services, which have reached a high degree of maturity due to their significant contribution to GDP and employment, but also in emerging ones such as the higher education sector.

Another concern is the lack of technical assistance to help small services firms develop the information base and the capacity to export. They need company-level counselling and advisory services to help them develop export capacity, meet market requirements, and become export-ready. This requires developing and implementing a national, coordinated capacity-building strategy based on a comprehensive needs assessment. As such, focusing on the supply side by supporting the development of the services sector and improving the quality and standard of the services provided is advisable. This can be done in collaboration with other relevant institutions, such as the

National Productivity and Competitiveness Council, particularly for SMEs.

There is also a need to implement a robust system for recording statistics on the export of services, classified by the four modes of supply, as well as at a higher level of subsector disaggregation. This is crucial for effective monitoring and marketing, as well as for informing policy decisions.

ICT exports and FDI

ICT exports and foreign direct investment are expected to further contribute to the island's development. Investments remain key not only in digital infrastructure and technology but also in other associated capital projects, such as electricity.

The talent shortage remains a significant challenge, even as universities and other institutions have substantially increased enrolment. Although there are existing programmes to attract talent for new and emerging technologies, where the market is limited, there is a need to increase awareness among companies in the ICT field. Consequently, mutual recognition of qualifications to facilitate the movement of professionals could help attract foreign talent in emerging technologies.

Marketing and promotion are other key drivers of exports and foreign direct investment. Traditional approaches, such as trade shows and product displays, may be less suitable for services. Services trade and FDI require more targeted promotion strategies, such as digital marketing, networking and participation in international service platforms. These marketing and promotion tools rely on precise, pertinent market data for these services sectors.

Higher education exports and FDI

Collaboration between the government, educational institutions and industry stakeholders should be strengthened to develop a unified recruitment strategy and strengthen the country's standing in higher education. For this purpose, a collaborative committee comprising all relevant stakeholders could enhance Mauritius's status as

a knowledge hub in an organized and effective manner. A Higher Education Development Advisory Council could be established to advance a shared vision for positioning Mauritius as an educational hub.

A cohesive branding initiative to attract international students is essential as the country intensifies efforts to boost exports in this area. This must feature a unique logo, tagline and promotional materials that emphasize the special advantages of studying in Mauritius. Additionally, simplifying visa and right-to-work applications and developing a centralized digital platform for international student admissions, visa processing and housing could help.

Despite the establishment of accreditation and quality assurance frameworks, concerns remain about their consistency and effectiveness. Robust quality-assurance accreditation processes are essential to attract international students and institutions that prioritize globally recognized, accredited programmes. Despite efforts by the Higher Education Commission, MRIC and certain research-oriented universities, research resources and financial support remain insufficient. This limitation obstructs the nation's ability to engage in global research partnerships and attract international researchers. Creating a dynamic research environment and allocating resources for research infrastructure and funding are essential for improving Mauritius's international academic reputation. The Ministry of Tertiary Education, Science and Research will conclude its strategic plan for higher education (projected to be in mid 2026), after the Higher Education Summit (held in 2025), which will address these concerns.

Mauritius encounters fierce competition from renowned regional educational destinations such as Australia, Malaysia and South Africa. These economies have well-established educational frameworks that attract international students. To remain viable, Mauritius must keep focusing on improving the quality of its higher education services with a view both to boosting educational exports and inward FDI as well as supplying its labour market with the skills required for sustained competitiveness.

Endnotes

- 1 Excellent research assistance from Ms Kilvanee Mootooperian is acknowledged.
- 2 A standstill obligation is when a party commits to not making the market more restrictive than it is at the time an agreement is signed. A ratchet obligation means that if the party later liberalizes further, that extra openness becomes locked in and cannot be rolled back below the new level. These clauses are common in trade and investment agreements because they create predictability for investors and trading partners.
- 3 <https://govmu.org/EN/programme/Documents/Government-Programme-2025-2029.pdf>.
- 4 The share of international students to total students in higher education institutions is around 8 per cent in Mauritius compared to 6.5 per cent in South Africa, 9 per cent in Malaysia, 25 per cent in the United Kingdom, and 30 per cent in Australia.
- 5 The Mauritius Export Development and Investment Authority (MEDIA), founded in 1985, was the first organization promoting trade and investment. In 2001, investment functions were transferred to the newly established Board of Investment (BOI). Following the abolition of MEDIA in 2004, a new public-private agency, Enterprise Mauritius (formerly the Mauritius Industrial Development Authority, MIDA), assumed responsibility for promoting exports. In 2018, the Economic Development Board (EDB) of Mauritius was established in 2018 under the Economic Development Board Act of 2017, following the merger of BOI, Enterprise Mauritius, and the Financial Services Promotion Agency.
- 6 The nation signed agreements with China (the Mauritius–China Free Trade Agreement) in 2021 and the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India in the same year. It also joined the Indian Ocean Rim Association (IORA) in 1995, the Southern African Development Community (SADC) in 2012, the Common Market for Eastern and Southern Africa (COMESA) in 2014, the East African Community (EAC)-COMESA-SADC tripartite agreement in 2015, and the AfCFTA in 2019. The Mauritius–United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA) has recently entered into force, marking a significant step toward strengthening bilateral economic and trade ties between Mauritius and the UAE. The European Union and Mauritius have finalized a Deep and Comprehensive Economic Partnership Agreement (DCEPA) and implementation is already in the initial stages.
- 7 <https://edbmauritius.org/event/africa-tech-festival-2024>.
- 8 South Africa Far East, LION/LION2, EASSy, WACS, and METISS refer to major submarine cable systems that connect African countries to each other and to global internet networks, increasing bandwidth, reducing connectivity costs, and improving digital access.
- 9 The NSIS (operational since 2017) is meant to promote innovative businesses through a nurturing and training process in a conducive environment provided by accredited incubators driven by the private sector. It has produced over 50 successful startups and had 65 ongoing projects as of the end of 2024, many in the ICT sector.
- 10 The gross enrolment ratio in tertiary education is the ratio of total enrolment in higher education as a percentage of the population of the five-year age group following on from secondary school.
- 11 This effort was preceded by two initiatives that contributed to a road map for the future of higher education, research and innovation. First, in May 2023, the Higher Education Commission organized the “Futures of Higher Education” to develop a strategic plan for the subsector over the next decade. This effort complemented the “2022 Assises de la recherche” initiative, led by the Mauritius Research and Innovation Council.

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Interviews

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