



Republic of **Mauritius**

OPENING CEREMONY
OF THE
IOR-ARC ECONOMIC AND BUSINESS CONFERENCE

CHAMAREL BALLROOM – LE MERIDIEN HOTEL
POINTE AUX PIMENTS

THURSDAY 04 JULY 2013

11 45 HOURS

SPEECH

BY

DR THE HON NAVINCHANDRA RAMGOOLAM, GCSK, FRCP
PRIME MINISTER

Hon Shri Anand Sharma, Minister of Commerce & Industry of the Republic of India,
and Chairperson of the IOR-ARC,
Hon Ministers and Heads of Delegation,
Secretary General of the IOR-ARC,
Excellencies of the Diplomatic Corps,
Distinguished Delegates,
Ladies and Gentlemen,

I am delighted to be here this morning to open the first IOR-ARC Economic and Business Conference. This is a landmark event and we are proud to co-host it with India.

The distinguished presence in our midst of prominent personalities from the public and private sectors, clearly demonstrates the significance of this Conference.

In a way it vindicates the innovative approach that we adopted by involving, from the very beginning, governments, business and the academia, as partners in our pursuit of greater cooperation among the countries of the Indian Ocean Rim. It was important to develop a synergistic relation in a world witnessing unprecedented changes and a tectonic shift in the global geo-political and economic landscape.

Ladies and Gentlemen,

In March 1997, I opened the first Ministerial session of the Indian Ocean Rim Association for Regional Co-operation. That meeting laid the foundations of our cooperation. Since then the membership of our Association has increased to 20. And in 1998 I appointed Mr Kailash Ruhee, who had a long experience as a Minister, as the first Director General of the IOR. He served until 2000, by a stroke of coincidence he is today my Chief of Staff.

In 2010 we adopted a new Charter to revitalise the Association and to give it new goals as well as the means to deliver on its objectives. In the same year, my Government decided to provide new premises for the IOR in the smart business environment of Ebène City.

We have thus enlarged the scope of our cooperation. Our strong and constant commitment has started to yield positive results. The full functioning of the flagship

project "*the Regional Centre for Science and Transfer of Technology*", the entry into operation of the *Fisheries Support Unit* and the imminent establishment of the *Maritime Transport Council* are noteworthy in this respect.

Now that our Association has consolidated its institutional base, there is a need to focus on concrete deliverables.

The organization of this Economic and Business Conference on the theme "Deepening Economic Linkages for Balanced, Inclusive and Sustainable Growth" comes at an opportune time.

Underlying this theme is the explicit recognition that development models based on unfettered market forces are not in line with the aspirations of people everywhere. Economic efficiency and social justice are two sides of the same coin.

In spite of the crisis affecting many developed countries, most of our member states are experiencing positive growth. The challenge is how to make this growth sustainable and inclusive and, more importantly, how to make the most of available opportunities through joint and coordinated action.

As I mentioned earlier, the global economic environment is not the same as in the 1990's.

The world economic outlook continues to be bleak and shrouded in uncertainty. Global economic growth was a meagre 2.5% in 2012 and the prospects for 2013 are not bright.

Europe, particularly the euro zone, is in recession. Growth in the emerging economies has decelerated. The US is on a more positive track but sustainability remains an issue.

World trade too is expected to remain subdued in 2013 after sluggish growth of only 2% in 2012. This is below the average of the last 20 years. Growth in FDI too slowed in 2012.

Despite this alarming trend of the global economy, the performance of the IOR-ARC region is honourable. Our region's GDP is expected to reach a new high of 9 trillion US dollars in 2016. In 2011, it was just 6.5 trillion US dollars.

This feat is a demonstration of our resilience to external shocks and our commitment to accelerate growth. For growth is essential in bridging the gap between the haves and haves-not with each of our countries.

We are to-day at a crossroads. We have to devise the right strategies to avail of latent opportunities and they are huge.

This Conference is an opportunity for our Association to formulate a new trade and investment agenda for the region.

Ladies and Gentlemen,

We are witnessing a proliferation of Free Trade Agreements across the world on top of the 300 that already exist. The Trans-Pacific Partnership Negotiation and the recent decision of the EU and US to negotiate a Trade and Investment Partnership will change the landscape of the world trading system.

Can we afford to be marginalised within the emerging trade and economic configuration that will characterise the 21st century global trade and economic architecture? Of course not – Going on as before is not an option.

There is still some hesitation, in certain quarters, in respect to the goal of an IOR-ARC Free Trade Area. This is understandable because some countries are already members of other Free Trade Agreements. But, in my view, this does not prevent us from exploring the best possible arrangements that will foster trade and investment in a structured manner and with clear commitments. Perhaps, we can initially adopt a variable geometry approach. What is important is that we must get the ball rolling and be bold in our endeavour.

Ladies and Gentlemen,

The IOR-ARC region is home to some of the world's richest agricultural and natural resources and is endowed with huge mineral wealth. The transformation of these resources should facilitate the setting-up of partnerships and joint ventures in key stages of value chains within the region. Deep-sea mining for rare-earth elements, which are widely used in electronics, aviation and defense manufacturing, is taking prominence. There is a growing interest to conduct mining operations on the Southwest Indian Ocean Ridge.

These emerging sectors offer clear prospects for entrepreneurs of the IOR-ARC region. I am confident that during your business-to-business meetings, the Indian Ocean region will come up with successful ventures.

Trade and investment promotion have always been a priority for the IOR-ARC. This Conference will give a boost to the forging of new partnerships in sectors such as fishing, tourism, and ICT.

Ladies and Gentlemen,

In March 2012, Mauritius concluded an agreement with Seychelles for the joint management of an additional 396,000 square kilometres of maritime zone over the Mascarene Plateau region in the Indian Ocean. This agreement extends the Continental Shelf of Mauritius to 2.3 million square kilometres, an area larger than the combined land mass of France, Germany, Italy, Spain and the United Kingdom. This potentially offers economic opportunities that are waiting to be explored.

Mauritius is actively implementing policies and coordinated investment plans to achieve its economic potential as an ocean state and to give an additional impetus to the ocean industry. We intend to make the ocean industry a pillar of the Mauritian economy.

My Minister of Foreign Affairs, Regional Integration and International Trade will chair a panel on this theme later in the day.

Ladies and Gentlemen,

Each one of us has unique sets of resources and strengths and we should exploit our complementarities for mutual benefit. We must take account of the potential of Africa, the centre of much attention these days. I would like to point out that some of the most buoyant countries in Africa are members of our Association.

The recent Sub-Saharan Africa outlook report of the International Monetary Fund has projected a 5.4 percent growth for the region in 2013 and 5.7 percent in 2014. This is very encouraging. I believe that Indian Ocean countries need to actively develop trade and strengthen economic relations with emerging Africa, which everybody recognises as the next pole of economic growth and development globally.

We need to enlarge our economic cooperation and deepen integration, to harness foreign investment, create jobs and foster higher economic growth. In this regard, the business sector has a leading role to play.

Government and the private sector have different but complementary roles.

The Governments of our member States must act together to create an environment in which the private sector investment is profitable.

This is the way to unleash the competitive dynamics of our region.

To do this we must not only be countries where the rule of law prevails, where property rights are respected. We must also provide political stability and have strong institutions.

These are crucial for economic success.

Some of us are already among the top twenty countries on the World Bank Ease of Doing Business Index. Through peer-to-peer learning and the structural sharing of knowledge and experience, we can considerably improve the business environment of all member states.

I propose that serious consideration be given to quickly implement an ambitious IOR-ARC Business Facilitation Programme.

We may also consider enhancing intra-private as well as public-private sector dialogue possibly through a Business Services Forum. The intention is to involve the business community in an active and structured manner in the implementation of our agenda.

Mauritius offers a conducive, efficient and reliable platform for structuring investment to Africa. Mauritius has extensive Investment Promotion and Protection Agreements, a modern legal and corporate infrastructure, a pool of professionals with in-depth knowledge and a strategic location between Asia, Africa and Australia.

My Government has embarked on an ambitious project to establish Mauritius as an International Arbitration Centre – the first of its kind in the region with a Permanent Representative from The Hague. Our aim is to offer a modern and attractive

jurisdiction for international arbitration which is now acknowledged as an essential corollary of cross-border investment flows.

In 2011, Mauritius signed a joint venture agreement with the London Court of International Arbitration, for the creation of a state-of-the-art international arbitration centre. The Mauritian International Arbitration Centre is now fully operational.

All our efforts are starting to translate into practice, with an increasing number of parties adopting Mauritian arbitration clauses in their contracts.

We have recently won the bid to host the 2016 Congress of the International Council for Commercial Arbitration, which will see this biennial gathering of the world's pre-eminent arbitration practitioners held, for the first time in its 50-year history, in Africa.

Ladies and Gentlemen,

Our common developmental goals constitute a solid rationale for us to expand and strengthen mutually beneficial ties among the business communities in the IOR-ARC region. The Indian Ocean Rim has the potential to be one of the highest growth regions this century, bringing together some of the world's most dynamic economies. The rapid development of our economies has opened up new opportunities for economic cooperation which this Conference will identify and explore. We, as Governments, need to play our role as facilitators, providing the right macro-economic environment and institutional set-up for business to thrive. In this context, we welcome the setting up of a Committee of Ministers responsible for Trade and Investment.

Ladies and Gentlemen,

During the last two years, India, as chair of the IOR-ARC, has exerted much effort to drive cooperation in our region. I seize this opportunity to thank the Government of the Republic of India for its support to our Association and also for its significant contribution to the fight against the scourge of piracy in our region.

I must here acknowledge the dynamism that the IOR-ARC has displayed under the stewardship of His Excellency, Mr Bhagirath as Secretary General.

Distinguished Guests,

Ladies and Gentlemen,

I wish you success in your deliberations and invite you to make the maximum of the networking opportunity that this Conference provides. I am confident that this Conference will go a long way in strengthening the relationship between our countries and in developing exciting new avenues of collaboration.

I now have much pleasure to declare open this first IOR-ARC Economic and Business Conference.

I thank you for your attention.
