



MAURITIUS BANKERS
ASSOCIATION LIMITED



NEWS ALERT



MBA 2021 Budget Memorandum

On Wednesday 21 April 2021, the Mauritius Bankers' Association Limited (MBA) met with the Minister of Finance, Economic Development and Planning, in the context of the pre-Budget Consultation exercise, and presented our 2021 Budget Memorandum. The theme for the MBA's 2021 Budget Memorandum is Preserving Investor Confidence and Boosting Growth.

In an economic context marked by the Covid-19 pandemic and uncertainty, especially regarding the tourism sector, the MBA's Budget Memorandum proposes concrete, achievable measures which would:

- preserve the stability of the financial services sector
- enable banks to further support key sectors of the economy
- boost growth
- help Government raise funding in a sustainable and cost-efficient manner

1. Preserving the stability of the Mauritius International Financial Centre

Given the importance of Financial Services as a key pillar of our exports sectors, the MBA recommends that Mauritius take all necessary steps to retain the jurisdiction's "investment grade" rating, provide regular official updates on the good progress made in implementing the FATF recommendations, and rapidly adapt to embrace forthcoming changes in international taxation.

2. Enabling banks to support economic operators

We suggest ways to enable our highly liquid banks to mobilise funding to further support economic operators and complement to the mission of the Mauritius Investment Corporation, based on mechanisms successfully put in place in major economies overseas. We also suggest five schemes to channel funding from banks, Angel Investors, Venture Capital Funds, Fintech investors, and international investment funds to Mauritian SMEs and startups.

3. Boosting growth

We recommend boosting growth by providing the market with greater visibility on the Tourism sector recovery plan, clear communication on the national economic recovery roadmap, and with targeted campaigns to rapidly attract FDI - in particular, effectively leveraging very recent trade agreements with India, China and the African continent, and devising an attractive, coherent framework for international professionals and investors to set up regional operating bases in Mauritius.

4. Financing the recovery

Our proposals include using the current environment to develop Capital Markets as a cost-efficient way of raising private sector funds locally and from the region while boosting economic activity, and Public-Private collaboration to build back better the future economy, for instance renewable energy generation and the development of the blue economy.

Finally, we propose a number of technical legislative amendments which would help improve operational efficiency, ease of doing business and financial crime compliance for banks and their customers.

