

Japan-Mauritius Strategic Relations:
Major implications to growth and development for
Mauritius's national economies
「日本-モーリシャスの戦略的関係～産業界の視点から～」



Wednesday, 5 June 2019

UNIDO ITPO Tokyo, Economic Development Board of Mauritius

モーリシャス 投資・ビジネスセミナー

“Invest in Mauritius and through Mauritius to Africa”

Dr. Keiichiro Komatsu

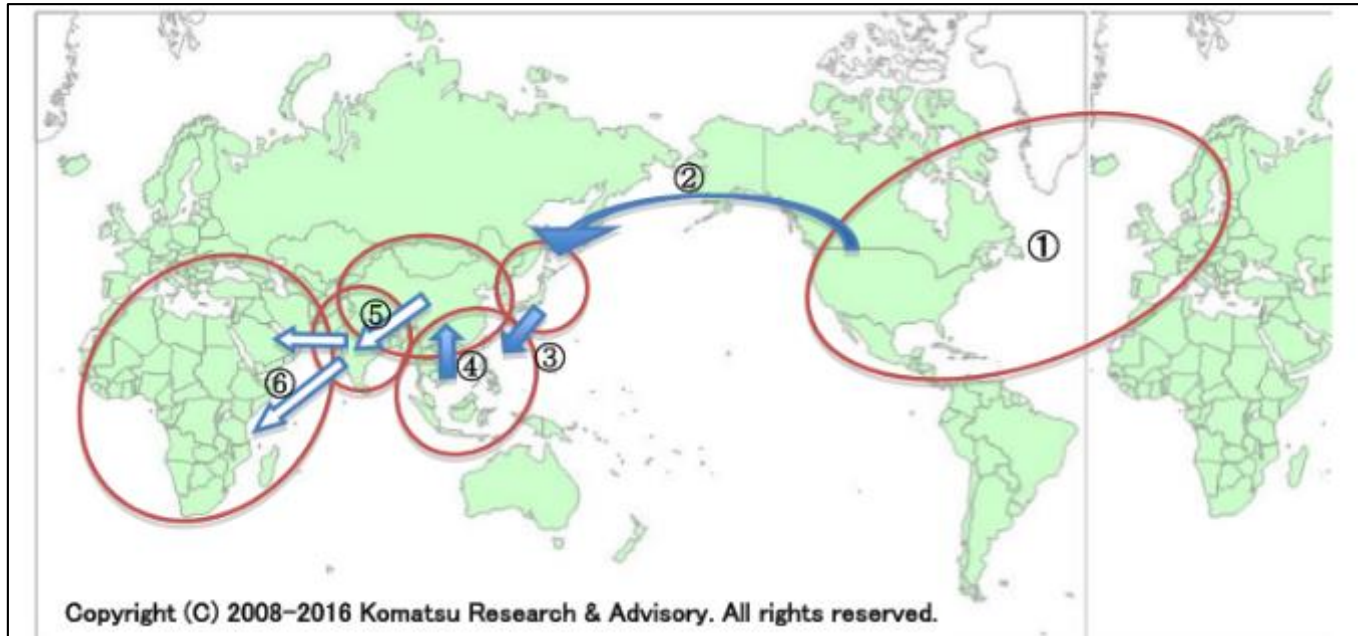
Principal, KOMATSU RESEARCH & ADVISORY

Today's Premise

- Focus on various factors that could influence the international situation as **facts, regardless of whether they could be beneficial or disadvantageous to Japan, the USA or Russia for example.**
- Use of old-fashioned dichotomies such as **“pro-American” and “anti-American”, “pro-Western” and “anti-Western”, or “right-wing” and “left-wing”** will be avoided.

Crises and Opportunities as seen from industrial structures

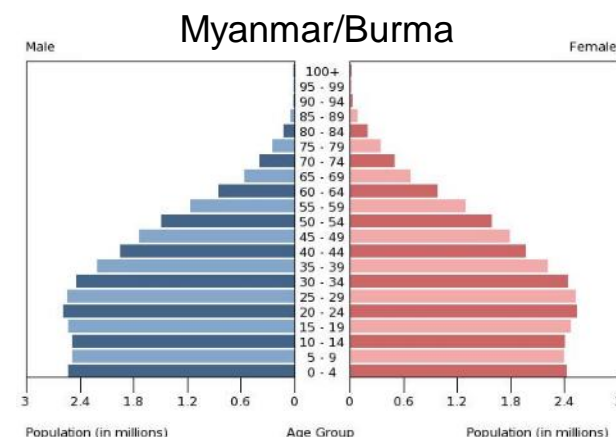
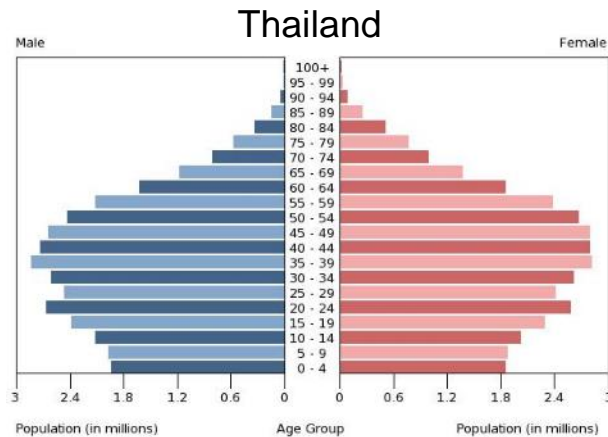
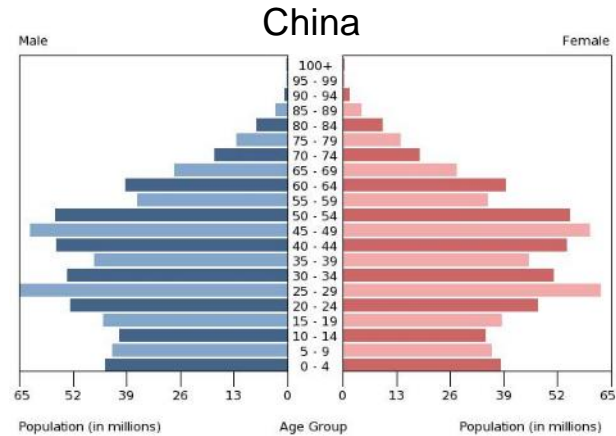
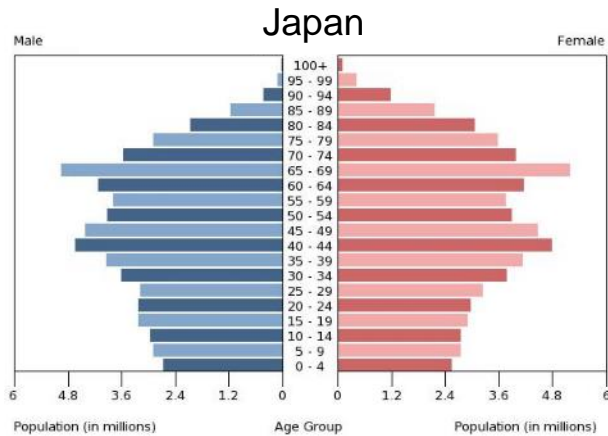
Shift in centre of economic growth (shifts happening over Centuries)



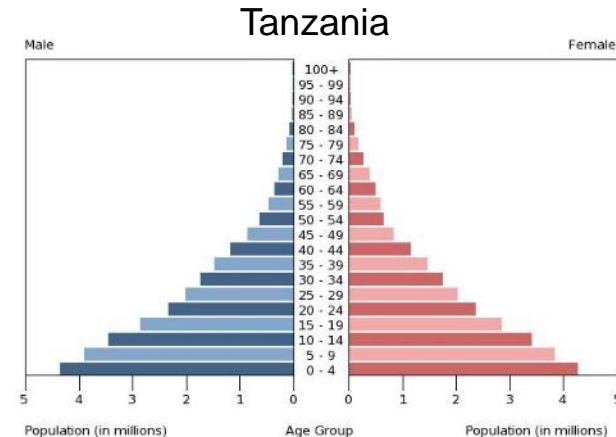
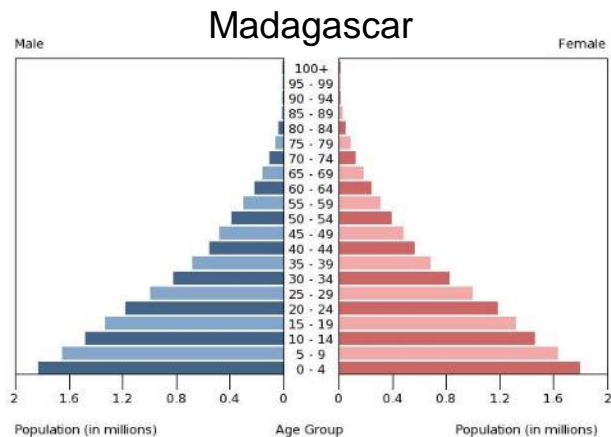
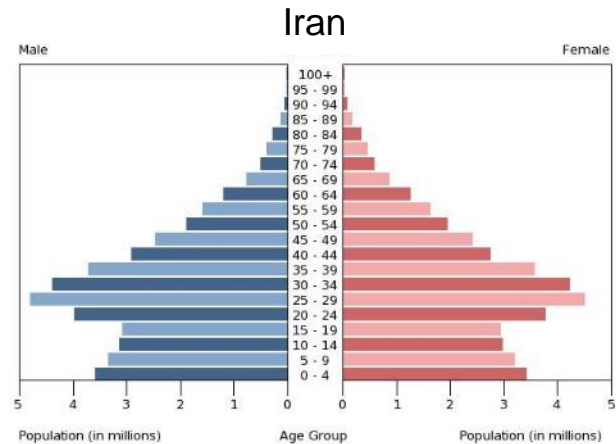
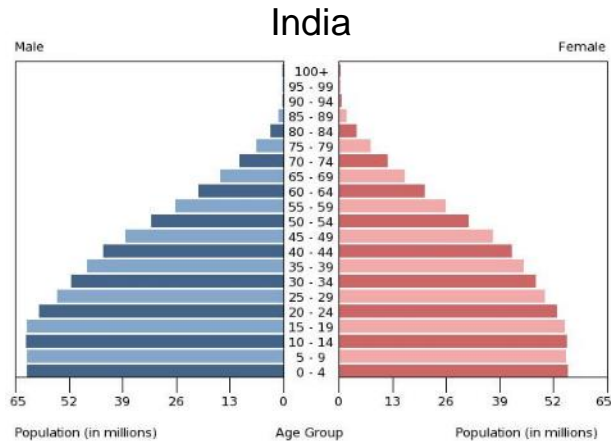
- ① Late 19th century to 1960s: Hegemony of the West
- ② 1960s to 1980s : Rapid economic growth of Japan
- ③ Late 1980s to 1990s : Rapid economic growth of South East Asia
- ④ 2000s : Rise of China
- ⑤ Late 2010s? : India develops into growth centre faster than China
- ⑥ Late 2010s? : Growth of Central and West Asia, Middle East and Africa

Era of the Atlantic Ocean region
↓
Era of the Pacific Ocean region
↓
Era of the Indian Ocean region?

Growth potential seen from demographic structure

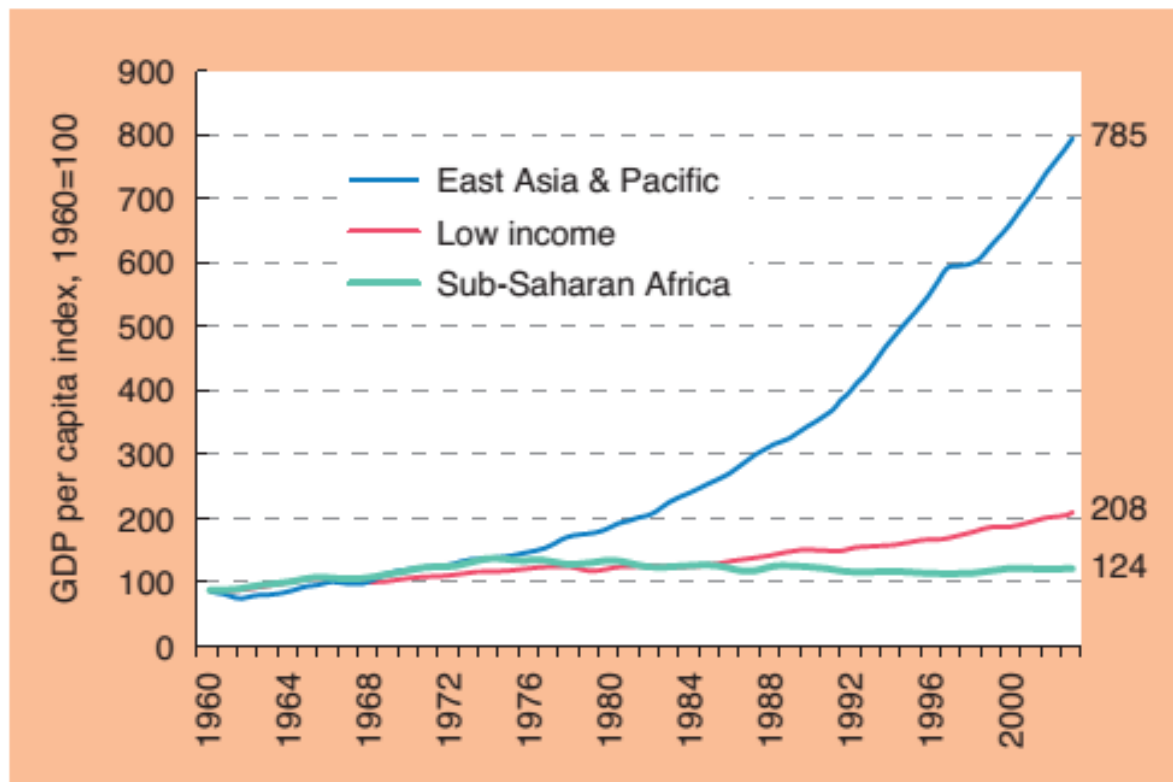


Growth potential seen from demographic structure



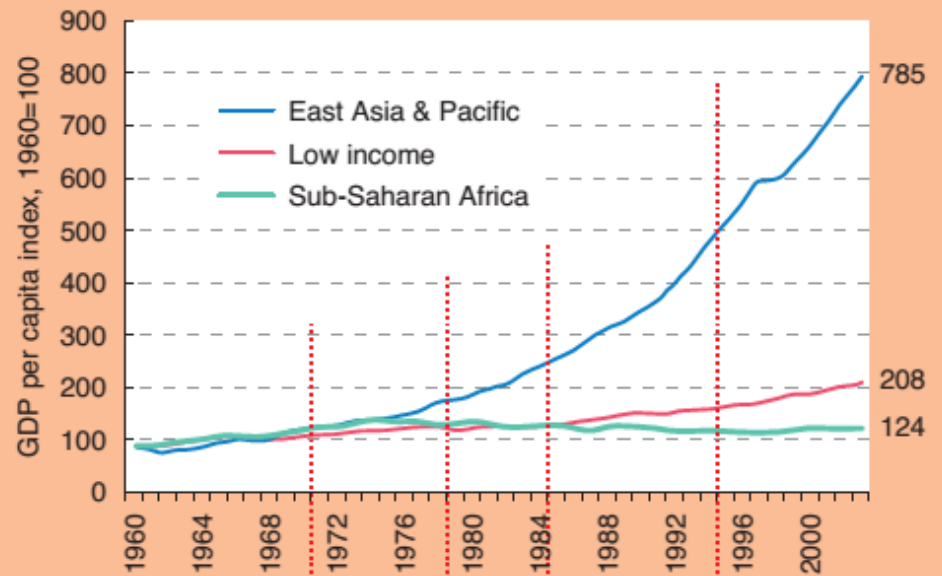
African region has not caught up with other regions in terms of economic development

Comparison of per capita income growth paths

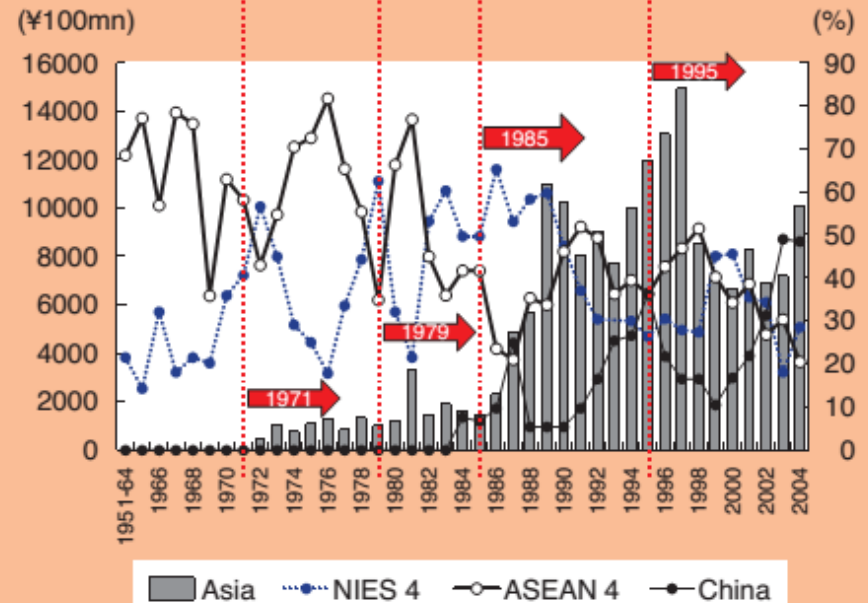


Source: Benno Ndulu et al., *Challenges of African Growth: Opportunities, Constraints and Strategic Directions* (The World Bank, 2007)

South East Asia's GDP per capita growth rate and the 4 waves of large-scale Japanese investment into the region match



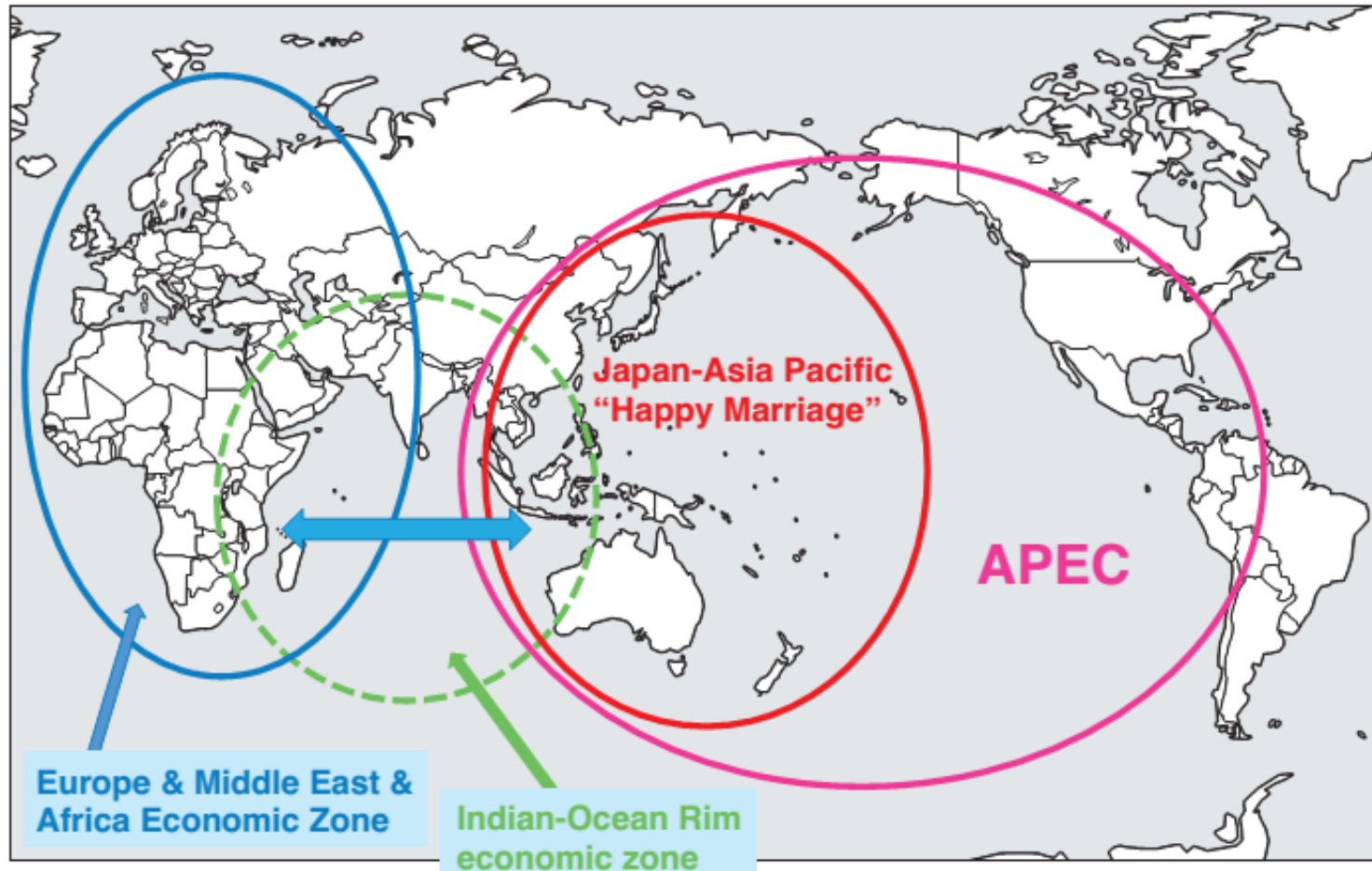
The 4 waves (red arrows) of Japanese FDI into Southeast Asia:



Source: created by KRA by combining graphs from (top) Benno Ndulu et al., Challenges of African Growth: Opportunities, Constraints and Strategic Directions (The World Bank, 2007) and (bottom) Kengo Ikemoto, "A perspective on achieving sustainable growth of the East Asia region" (Institute for International Policy Studies), IIPS Policy Paper 316], February 2006

Beginning of new business opportunities?

Creating an Indian Ocean Rim Economic Zone
to connect the Asia-Pacific to the Middle East & Africa



Source: KRA

Blue economy as powerful vehicle for the region

Objectives of Blue Economy:

- A vehicle to prevent future territorial disputes/conflicts over resources.
- Joint sustainable development and management of the Ocean.
- Free and safe navigation of the sea.



Regional economic integration is necessary.

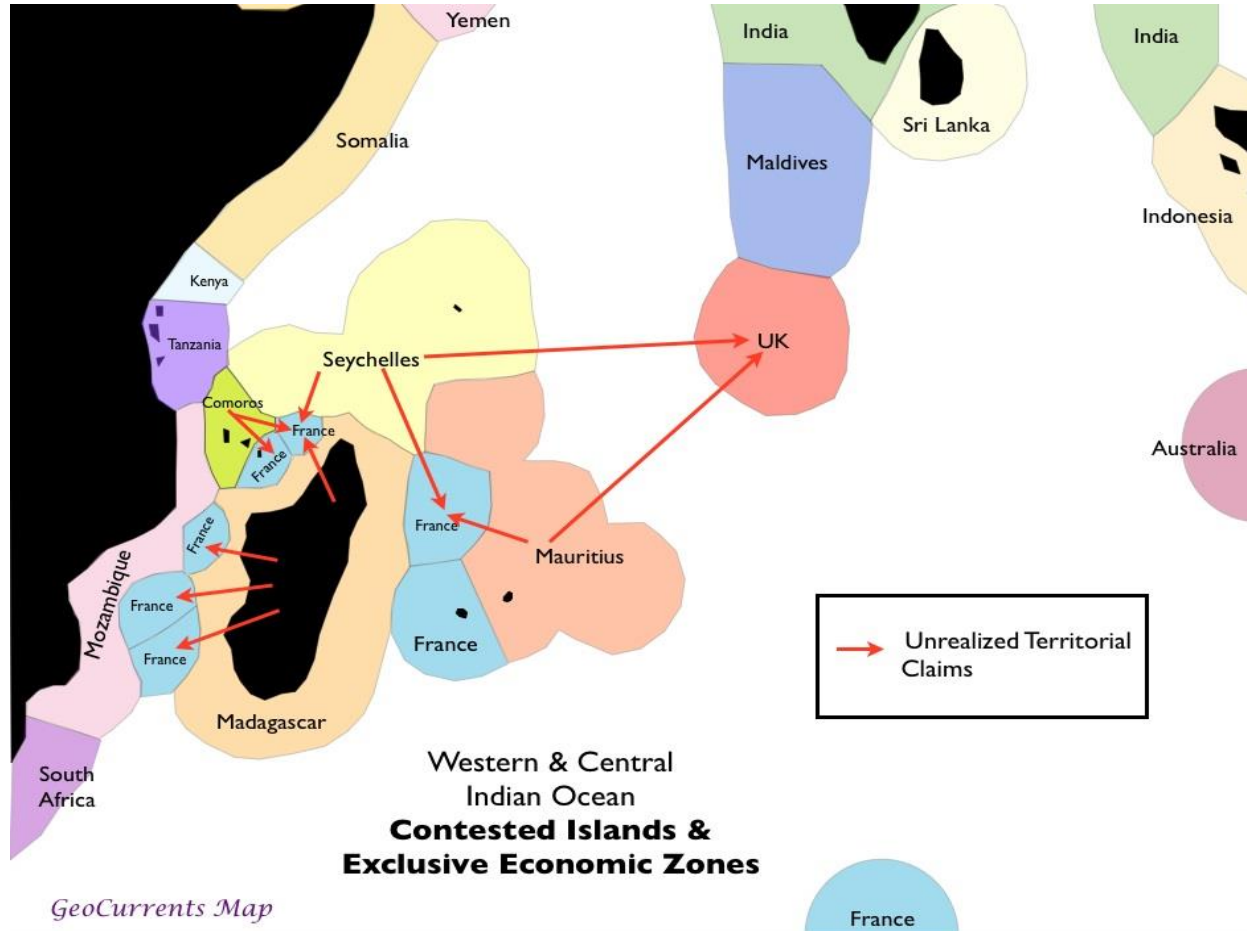
Indian Ocean M market concept?



Future of Indian Ocean

as a strategically important region

EEZ of Indian Ocean countries (west part)



TICAD VII in Japan is coming! (28-30 August 2019)

TICAD = Tokyo International Conference on
African Development from **1993**

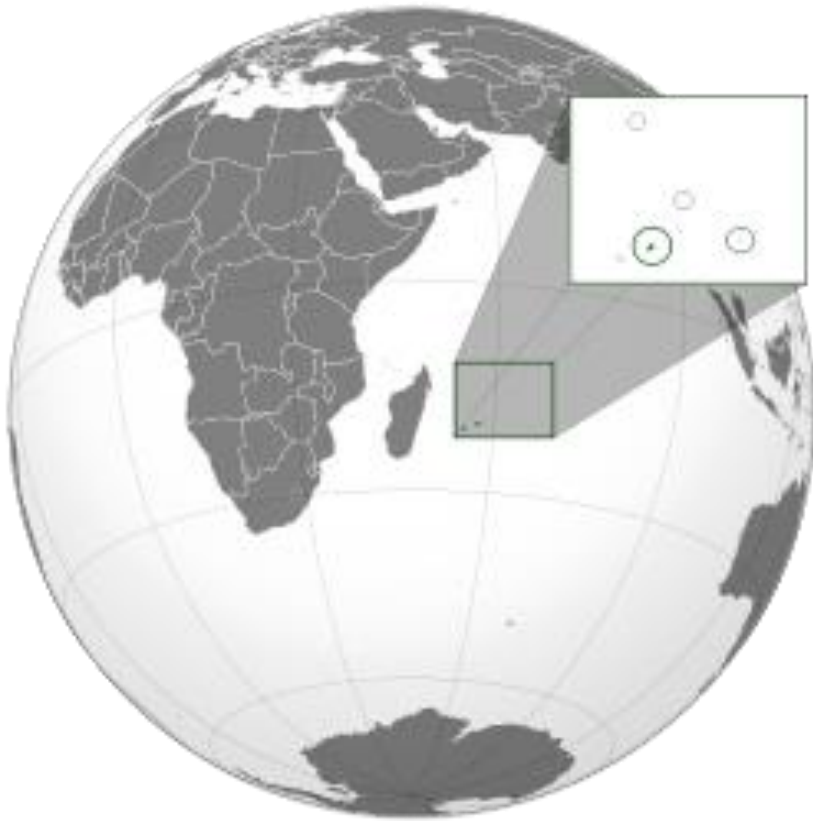
The main objectives of TICAD:

- 1) To promote high-level policy dialogue between African leaders and their partners
- 2) To mobilize support for African-owned development initiatives.

cf.

FOCAC = Forum on China-Africa Cooperation from **2000**

The world seen from Mauritius



Looking into Mauritian industrial conditions with sectoral examples Where are the opportunities for traders and investors?

- Good ICT infrastructure (more potential for Maritime cable and/or satellites)
- Financial Hub in the region
 - Stock exchange since 1989
- From the promotion of garment (in collaboration with the World Bank) towards a more diversified industrial structure
- Recent review of sugar cane industry
 - From traditional food industry to modern high-tech industry including electricity from bagasse, ethanol and bio-plastics
- An idea to propose: Potential of maximising multilingual workforce (English, French, Creole and other languages)

Let's look at the financial map from the South Pole

Indian Financial Network and the Southern Indian Ocean Rim Financial Network/Economic Zone



Port Louis (Mauritius) to Perth (Australia) = 6 hours flight

Different agricultural practices in Mauritius and South Africa



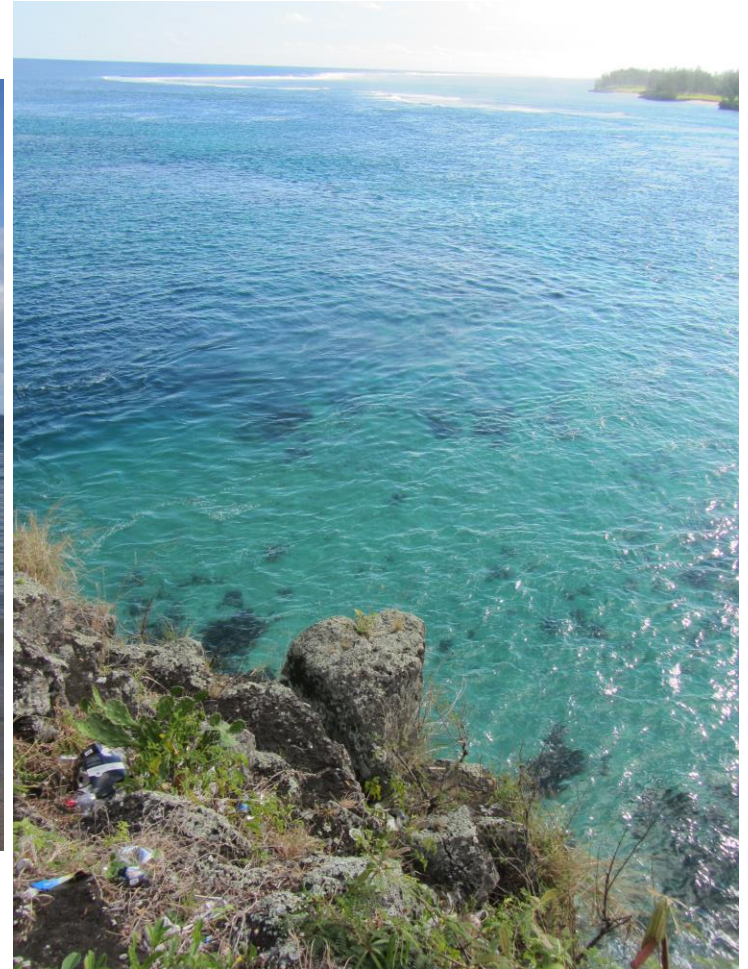
Sugar cane field with irrigation system in Mauritius
Photo Source: KRA, 19 June 2018, Port Louis



Controlled burning in South Africa
(Photo Source: KRA, 21 August 2018, Kwazulu-Natal)

And.....of course, tourism!

Mauritius is a well-known world-class tourist destination



World-class Resorts



(Photo Source: KRA)

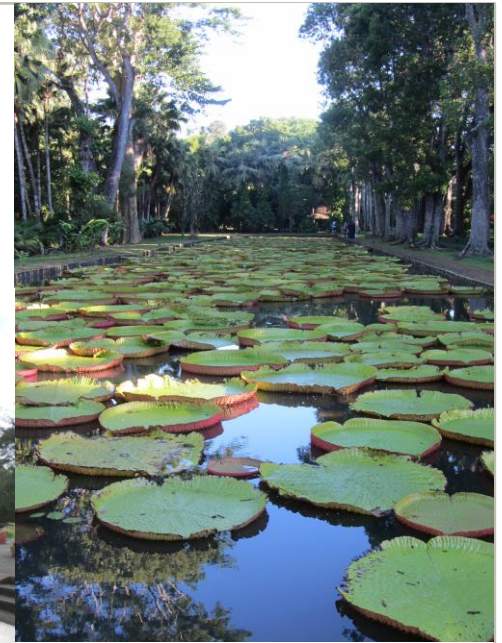




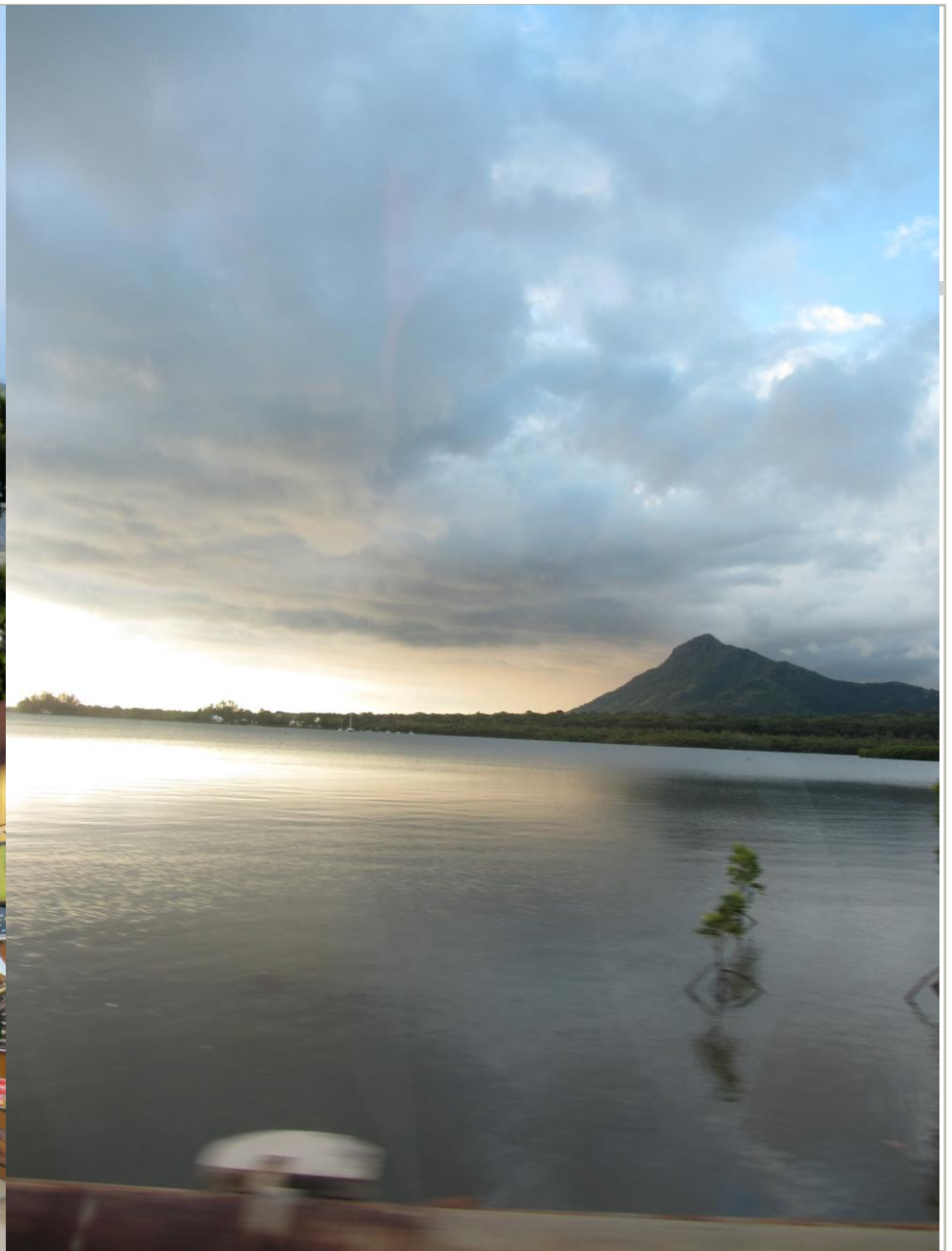
(Photo Source: KRA)




Hindu Temple



Botanical Garden

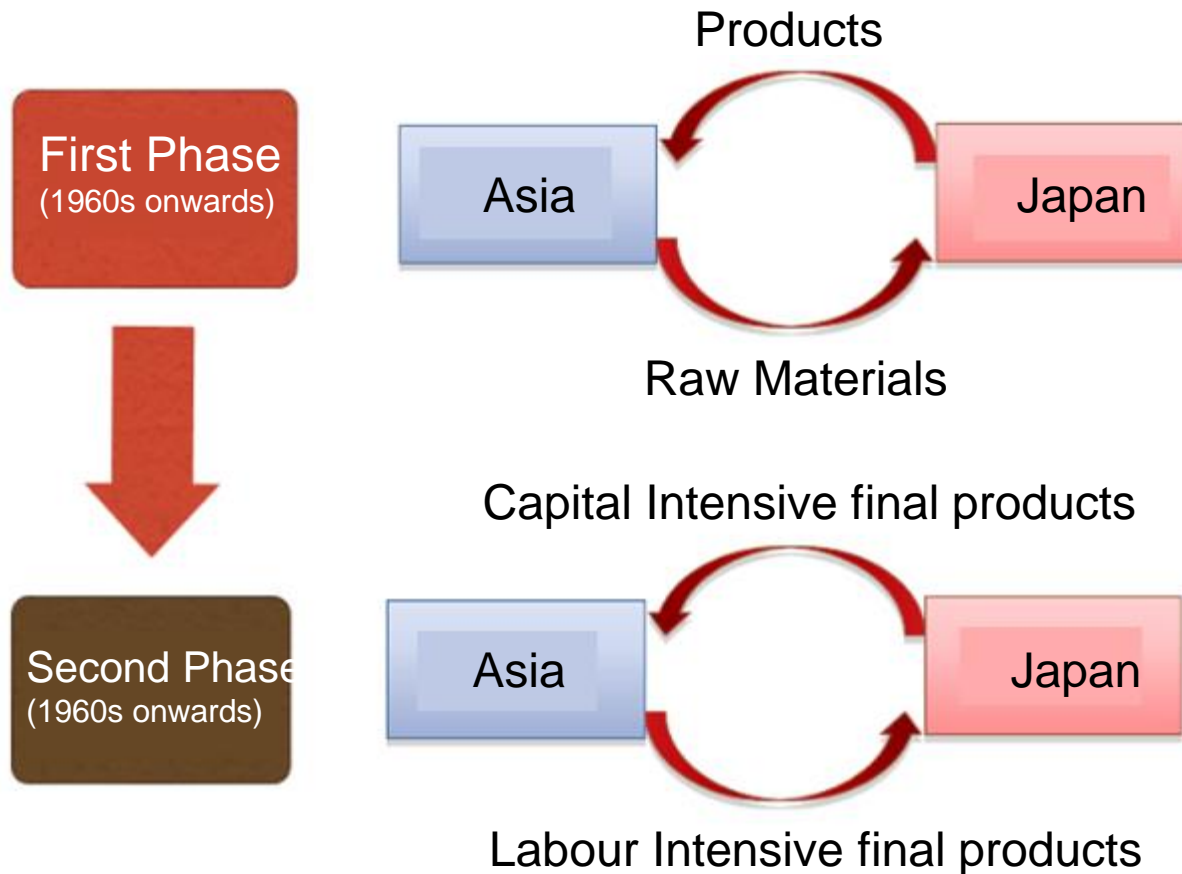


(Photo Source: KRA)

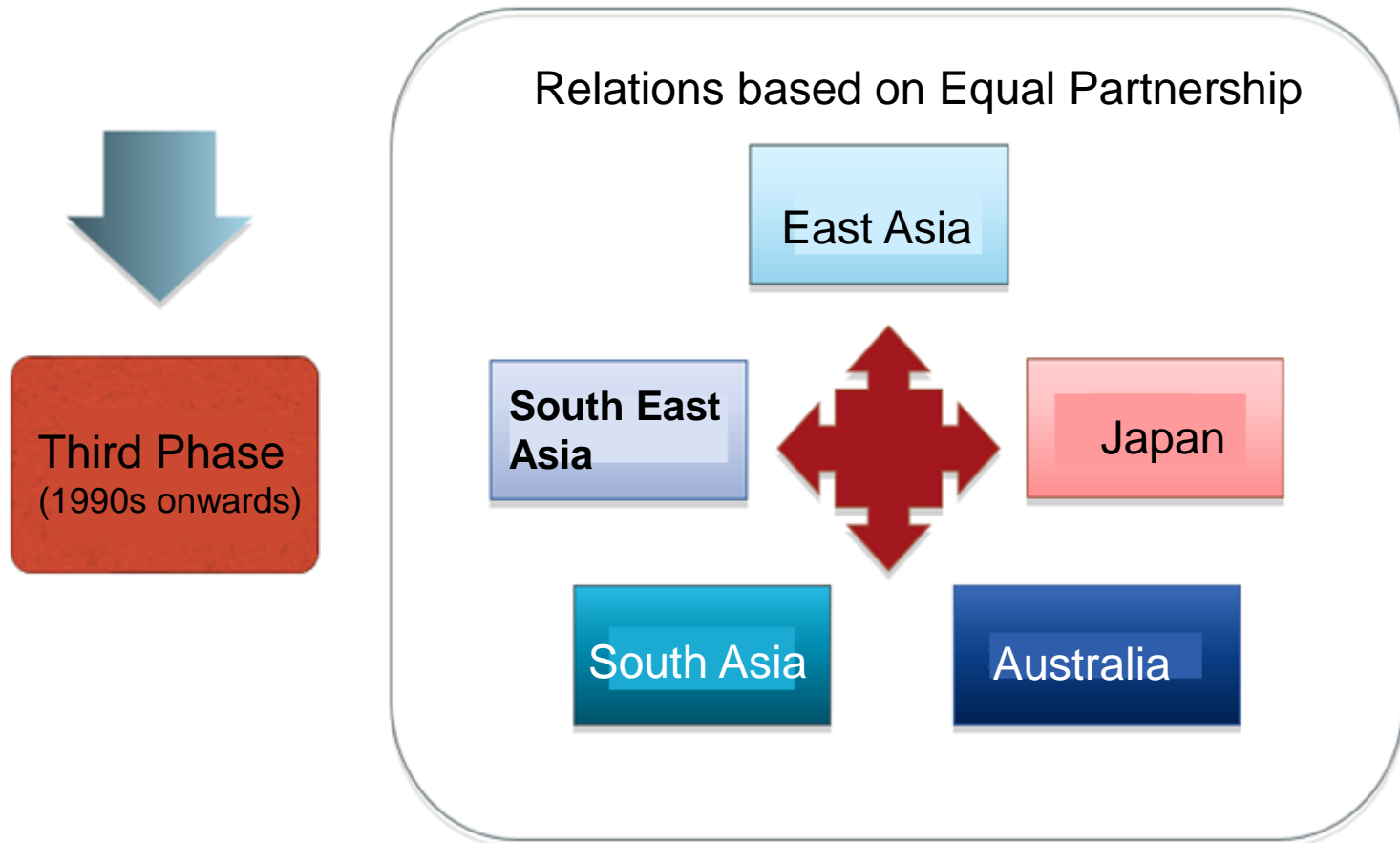
A wide-angle photograph of a person kitesurfing on the ocean. The person is in the lower center, holding onto a kite that is visible in the sky to the left. The sky is filled with large, white, fluffy clouds, and the ocean is a deep blue-grey color. The horizon is visible in the distance.

Thank you for listening!
We hope to see you in Mauritius.

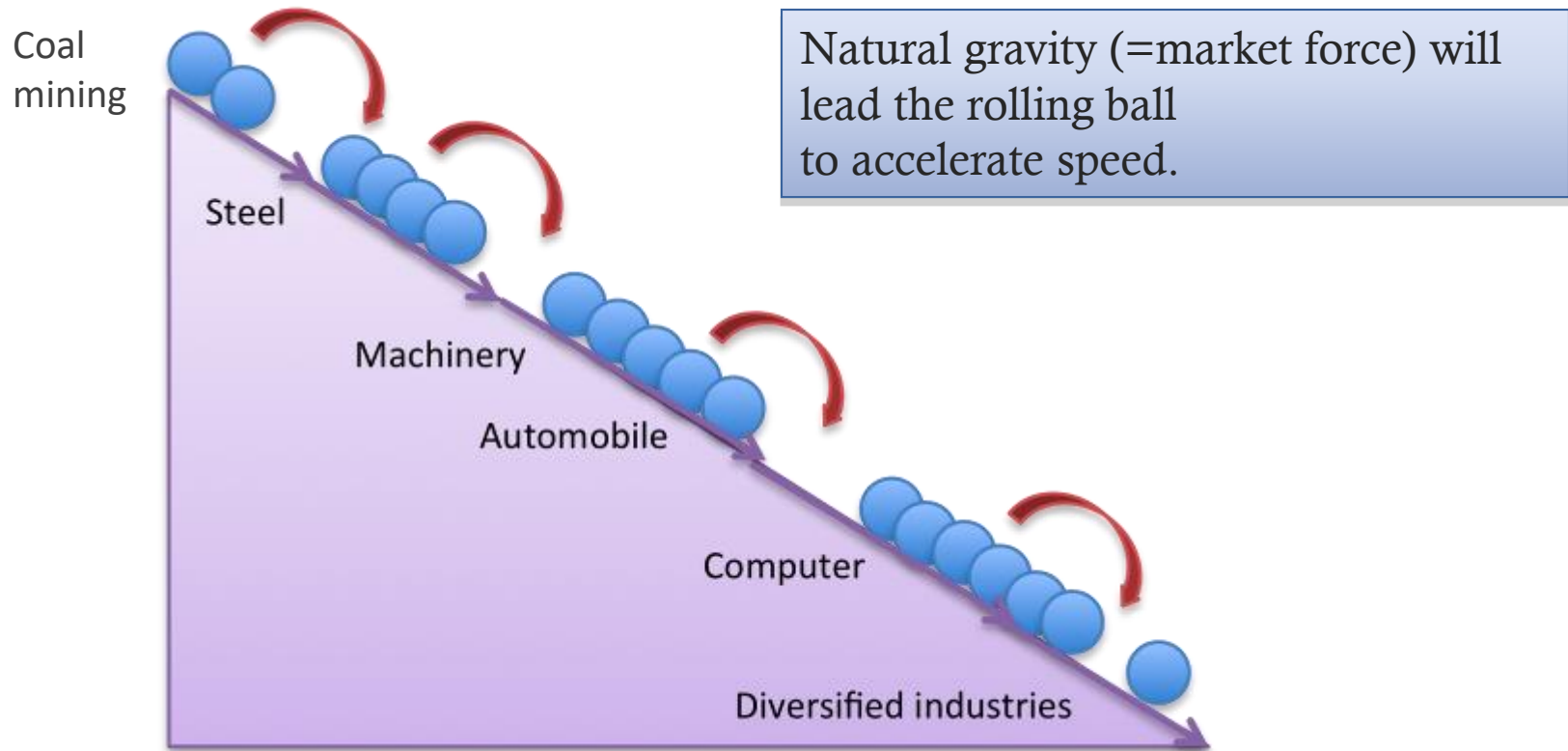
Japanese industries entering the South East Asian market (First and Second Phases)




Japanese industries entering the South East Asian market (Third Phase)



Lesson from Japan's successful policy for industrial development after WWII



 Solution to Africa's industrialisation?

A possible case: an LDC national economy in co-operation with Japan

