



## Innovation & Incentives to encourage exports

Innovation is important as it helps to achieve global competitiveness, higher value-added production and creation of better jobs. Budgetary measures announced to promote innovation are:

- Restructuring of the Mauritius Research Council into the Mauritius Research and Innovation Council (MRIC) to:
  - Have wider representations of the private sector and relevant stakeholders on its Board
  - To manage the National Innovation and Research Fund to finance research in public and private institutions
  - To set up a Mauritius Research Repository with open access to public
  - To integrate the Industrial Property Office
- Setting up of a Bio-Technology Institute under the aegis of the Ministry of Agro Industry and Food Security
- Promotion of academic research in all our universities through the injection of Rs 50 million in a Research Fund to be managed by the Tertiary Education Commission (TEC)
- Introduction of an Innovator Occupation Permit for innovative start-ups with a minimum operational expenditure of 20% for R&D purposes
- Accelerated depreciation of 50% per annum in respect of capital expenditure incurred on R&D
- Companies will be allowed to claim a double deduction in respect of qualifying expenditure on R&D. This will apply until income year 2021-2022
- Introduction of an Innovation Box Regime for Intellectual Property assets that are being developed in Mauritius. New companies involved in innovation-driven activities will benefit from a tax holiday of 8 years on the income derived from the totality of Intellectual Property Assets
- Introduction of an 8-year income tax holiday for new companies engaged in new growth poles like the manufacturing of pharmaceutical products, medical devices and high-tech products

## Concerning tax rebates and incentives to boost up exports, the following measures have been announced:

- The Speed to Market Scheme for the Textile and Apparel exports on the European markets extended to further address the threats from Brexit to Jewellery, Medical Devices, Fruits, Flowers, Vegetables and Chilled Fish.
- Profits of domestic enterprises derived from exports of goods will be taxed at the lower rate of 3%, instead of 15%. This will encourage them to expand their export capacity and seek new markets, especially the SMEs.
- Empowerment of Mauritas to provide full accreditation services to local exporters with the aim to reduce accreditation costs.
- Introduction of an 8-year income tax holiday to encourage the development of new growth poles for manufacturers of pharmaceutical, medical devices, and high tech products incorporated after 8 June 2017.
- Extension of the 8-year work permits policy for expatriate workers in export-oriented enterprises to all manufacturing activities.
- Elimination of Registration Duty and Land Transfer Tax on immovable property for the setup of qualifying high-tech manufacturing activities.
- Two 3D Printing Services to be setup at the National Computer Board to support manufacturing companies, start-ups, and students.

## Institutional Reforms

Provisions have also been made for the setting up of the Economic Development Board (EDB) will act as a one-stop platform to ensure an integrated approach for national and sectorial developments, the promotion of investments and exports and the e-licensing business platform. The Investment and Export Promotion arm of the EDB will include the integration of Enterprise Mauritius (EM), Board of Investment (BOI), Financial Services Promotion Agency (FSPA) and Mauritius Africa Fund (MAF).

