



Mauritius Freeport Authority

1st Floor, Trade & Marketing Centre
Zone #6, Mer Rouge,
Port-Louis.
Republic of Mauritius.

THE MAURITIUS FREEPORT

3-YEAR STRATEGIC PLAN

2002 – 2005

March 2002 - *Final Draft*

Mauritius Freeport Authority

Tel: +230 206 2500

✉ : mfa@freeport.gov.mu

Fax: +230 206 2600

Web Site: <http://www.freeport.gov.mu>

TABLE OF CONTENTS

ACRONYMS

1	FOREWORD BY THE CHAIRMAN	7
2	TERMINOLOGY.....	9
2.1	STRATEGIC PLAN.....	9
2.2	MISSION STATEMENT	9
2.3	STRATEGIC GOAL	10
2.4	STRATEGIC OBJECTIVE.....	10
2.5	STRATEGIC ISSUE	10
2.6	KEY PERFORMANCE INDICATOR (KPI).....	11
2.7	CORE STRATEGIES.....	11
2.8	ACTION PLAN.....	11
2.9	EFQM MODEL.....	12
3	INTRODUCTION.....	13
3.1	THE MAURITIUS FREEPORT 2002-2005 STRATEGIC PLAN.....	13
3.2	SEVEN STRATEGIC GOALS.....	13
3.3	SMART OBJECTIVES	14
4	THE MAURITIUS FREEPORT - PRESENT STRENGTHS.....	16
4.1	LEGAL FRAMEWORK – FREEPORT ACT 2001	16
4.2	INFRASTRUCTURE.....	16
4.3	VALUE-ADDED PORT	17
4.4	TRADERS EXPERTISE.....	17
5	MISSION, GOALS, & OBJECTIVES	18
5.1	MFA MISSION STATEMENT.....	18
5.2	STRATEGIC GOALS & OBJECTIVES	19
5.2.1	GOAL 1 - TRADE PROMOTION.....	19
5.2.2	GOAL 2 - REGULATION.....	19
5.2.3	GOAL 3 - LAND USE.....	19
5.2.4	GOAL 4 - STAKEHOLDERS.....	19
5.2.5	GOAL 5 - PEOPLE	20
5.2.6	GOAL 6 - PRODUCT AND MARKET DEVELOPMENT	20
5.2.7	GOAL 7 - ORGANISATION	20
6	STRATEGIC GOALS & OBJECTIVES DETAILED ANALYSIS.....	21
6.1	GOAL 1 – TRADE PROMOTION: DEVELOP MAURITIUS INTO A COMPETITIVE REGIONAL LOGISTICS AND MARKETING HUB	22
6.1.1	Introduction.....	22
6.1.2	Objective 1.1 – The Mauritius Freeport is an Attractive Source of Supply of Goods to the Region. 23	23
6.1.3	Objective 1.2 – The Mauritius Freeport is the Regional Distribution and Marketing Base for Foreign & Local Companies.....	26
6.1.4	Objective 1.3 – Shipping Lines use Mauritius as their Regional Transshipment Hub.....	31

6.1.5	Objective 1.4 – The Mauritius Freeport is a Logistics and Marketing Hub for Goods Sourced from the Region.	34
6.1.6	Objective 1.5 – The Freeport Facilities & Services are Known Locally & Internationally.	36
6.1.7	Objective 1.6 – Logistics Facilities & Services are Available at Competitive Prices in the Freeport.	39
6.2	GOAL 2 – REGULATION – MAKE OF THE MAURITIUS FREEPORT A WELL-REGULATED AND SEAMLESS TRADING ENVIRONMENT	42
6.2.1	Introduction	42
6.2.2	Objective 2.1 – Freeport Licensees abide by the Freeport Act 2001 and by all Local and International Legislations and Conventions.	43
6.2.3	Objective 2.2 – Systems are in Place to Identify, Detect and Prevent Illegal and Fraudulent Operations.	46
6.2.4	Objective 2.3 – Freeport Zones are Managed, Controlled and Administered Properly.	49
6.2.5	Objective 2.4 – Freeport Trade is Carried out in an Effective and Time Sensitive Environment.	53
6.3	GOAL 3 – LAND USE – ENSURE THE AVAILABILITY OF SERVICED LAND AT THE AIRPORT, WHILE OPTIMISING THE USE OF EXISTING FREEPORT LAND AT THE PORT	56
6.3.1	Introduction	56
6.3.2	Objective 3.1 – Serviced Land is readily Available at the Airport for New Infrastructural Development.	57
6.3.3	Objective 3.2 – The Freeport Offers a Conducive Environment for Investment in Infrastructure.	59
6.3.4	Objective 3.3 – Freeport Land is Judiciously Allocated for New projects.	61
6.4	GOAL 4 – STAKEHOLDERS – BUILD A STRONG FREEPORT COMMUNITY THROUGH PARTNERSHIPS AND COLLABORATIVE NETWORKS WITH OUR STAKEHOLDERS.	64
6.4.1	Introduction	64
6.4.2	Objective 4.1 - Lines of communications with Freeport Stakeholders are Open and Effective	65
6.4.3	Objective 4.2 - Close working relationships with port and airport institutions generate joint projects	69
6.4.4	Objective 4.3 - Networking with regional and international institutions leads to technical assistance and project funding.	72
6.5	GOAL 5 – PEOPLE - DEVELOP KNOW-HOW AND SKILLS IN THE FREEPORT SECTOR	75
6.5.1	Introduction	75
6.5.2	Objective 5.1 - The necessary skills, competencies and expertise in logistics management and international trade exist in the Freeport.	76
6.5.3	Objective 5.2 - Freeport licensees are conversant with information and communications technology (ICT).	78
6.5.4	Objective 5.3 - Freeport licensees adopt best management practices.	81
6.6	GOAL 6 – PRODUCT & MARKET DEVELOPMENT - DIVERSIFY THE BUSINESS PORTFOLIO OF THE MAURITIUS FREEPORT	84
6.6.1	Introduction	84
6.6.2	Objective 6.1 - new business opportunities are identified.	85
6.6.3	Objective 6.2 - The range of products marketed is continuously broadened.	88
6.6.4	Objective 6.3 - New facilities and services are offered.	91
6.6.5	Objective 6.4 - The Regulatory and Business Framework of the Freeport is aligned with the changing environment.	93
6.7	GOAL 7 – ORGANISATION - DEVELOP MFA INTO A WELL-GOVERNED ORGANISATION FOCUSING ON RESULTS, CUSTOMER SATISFACTION AND EMPLOYEE WELFARE	96
6.7.1	Introduction	96
6.7.2	Objective 7.1 – Leadership - MFA Board and management team are involved in ensuring the achievement of the organization's mission and in the development of values required for long-term success.	97
6.7.3	Objective 7.2 - MFA implements its mission via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes.	99

6.7.4	Objective 7.3 - MFA manages, develops and releases the knowledge and full potential of its people at an individual, team-based and organization-wide level in line with its mission.	102
6.7.5	Objective 7.4 - MFA plans and manages its external partnerships and internal resources in order to support its mission and the effective operation of its processes.	106
6.7.6	Objective 7.5 - MFA designs, manages and improves its business processes in order to generate increasing value for its customers and other stakeholders.	110
6.7.7	Objective 7.6 - MFA continuously meets the expectations of its external customers.	112
6.7.8	Objective 7.7 – Society Results - MFA demonstrates its social commitment, as a responsible and caring organization, in the development of its community at large.	115
6.7.9	Objective 7.8 – Key Performance Results - MFA achieves and improves its performance targets and overall business results in the Freeport.	118
7	RESOURCES FOR THE STRATEGIC PLAN	120
7.1	ESTIMATED CAPITAL BUDGET OVER NEXT 3 YEARS: 2002 – 2005	120
7.2	ESTIMATED MAN DAYS OVER 3 YEARS: 2002 – 2005	121
7.3	MFA NEW ORGANISATIONAL STRUCTURE	121
8	KEY EXTERNAL FACTORS	123
9	STRATEGIC REVIEW PROCESS.....	124
10	APPENDIX	125
10.1	DETAILED ACTION PLANS	125

ACRONYMS

AGOA	Africa Growth & Opportunity Act
BOI	Board of Investment
BPML-FSL	Business Parks of Mauritius Ltd - Freeport Services Ltd
CCAMLR	Convention for the Conservation of Antarctic Marine Living Resources
CBC	Commonwealth Business Council
CDE	Centre for the Development of Enterprise
CHC	Cargo Handling Corporation
COMESA	Common Market for Eastern & Southern Africa
CRET-LOG	Centre de Recherche en Economie des Transports & Logistique
EBAS	European Business Assistance Scheme
EFQM	European Foundation for Quality Management
EPZDA	Export Processing Zone Development Authority
FOM	Freeport Operations Mauritius Ltd
FDM	Froid des Mascareignes
IARW	International Association of Refrigerated Warehouses
IFLO	International Food & Logistics Association
ILO	Institute of Logistics
IOC	Indian Ocean Commission
ITC	International Trade Centre
IWLA	International Warehousing & Logistics Association
MEPZA	Mauritius Export Processing Zone Association
MFA	Mauritius Freeport Authority
MPA	Mauritius Ports Authority
MFD	Mauritius Freeport Development Ltd
MRC	Mauritius Research Council
OPIC	Overseas Private Investment Corporation
PMAESA	Port Management Association of Eastern & Southern Africa
PRIDE	Programme Regional Intégré de Développement des Echanges
SADC	South African Development Community
SAEF	South African Excellence Foundation
STDB	Singapore Trade Development Board
TIDS	Technology Improvement Diffusion Scheme
WEPZA	World Export Processing Zones Association
WTO	World Trade Organisation

1 FOREWORD BY THE CHAIRMAN

The Mauritius Freeport is at the crossroads.

The Mauritius Freeport Strategic Plan 2002–2005 is, therefore, a response to opportunities, challenges and threats facing the Mauritius Freeport.

We have witnessed the creation and gradual emergence of the Freeport over the last few years. We remember the launching of the Freeport with the first transactions of small operators exporting goods to Madagascar and the countries of Eastern & Southern Africa. Then came the developers and the installation of modern infrastructure.

Now, with the promulgation of the Freeport Act 2001, a new direction has been given to the Freeport sector. The role of the Mauritius Freeport Authority has been clearly defined. MFA has proposed a strategic plan with a view to charting the orientation of the development of the sector while aligning it on the broad strategies put in place for the growth of other economic sectors.

This strategic plan is a coherent set of seven goals, each pointing to objectives, strategies and actions which will be implemented over the next three years. All objectives will be measured by means of key performance indicators and MFA will carry out period reviews of the implementation process.

The Freeport business has been positioned in the context of its future development in relation to the changing business environment, markets, competitors and technology. The plan contains a unity of vision and a unity of goals, objectives, strategies and actions guided by this vision.

The Authority conducted, under the aegis of the Ministry of Finance and the World Bank, a two-day workshop in July 2001. Delegates and representatives of all the stakeholders of the Freeport sector were invited to either present papers or participate in panel discussion sessions. Their input and views on the Freeport sector were recorded and these are taken into account in the development of the sector's Strategic Plan 2002–2005.

On the other hand, a broad consultation process was launched to ensure that the plan receives the support of all parties concerned with the growth of the sector. In this context, a consensus has been reached regarding the seven goals to be pursued over the next three years.

Through trade promotion, Mauritius will be developed into a competitive regional logistics and marketing hub. Concerning regulation, the Mauritius Freeport will become a well-regulated and seamless trading environment. While ensuring the availability of serviced land at the airport and optimising the use of existing Freeport zones in the seaport area, MFA will judiciously allocate land for new projects.

A strong Freeport community will be built through partnerships and collaborative networks with all stakeholders. Furthermore, the people working in the whole sector will be provided with know-how and skills.

Undoubtedly the success of the Freeport depends on the development of new products and markets. Therefore, MFA will enhance the diversification of the business portfolio of the sector.

Finally, to achieve this plan, MFA will consolidate its management system through the adoption of the EFQM model which focuses on results, customer satisfaction and employee welfare.

This plan encompasses all the major concerns and issues relating to the growth of the Freeport sector. I am confident that all the strategic goals will be achieved within the time frame of the next three financial years and that a great spirit of cooperation will prevail among all the stakeholders.

K. Ramano

Chairman

Mauritius Freeport Authority

2 TERMINOLOGY

This section contains an explanation of recurrent key words in the Mauritius Freeport Strategic Plan 2002-2005.

The terms used in the Strategic Plan have been defined so as to ascertain a correct interpretation of the plan in its entirety. Not only a short definition has been given for each term, but its application in the Strategic Plan has also been illustrated. The order of the definitions corresponds to the methodology adopted in the construction of each of the chapters of the Strategic Plan dealing with the goal, the objectives, the strategic issues, the key performance indicators, the specific strategies and actions.

2.1 STRATEGIC PLAN

The Strategic Plan identifies and describes the strategic directions that MFA will take to fulfill its mission in the context of Freeport Act 2001.

The plan is consistent with the objective of the Government to develop Mauritius as a regional business hub. The Strategic Plan identifies issues that are critical to fulfill Government strategy for economic diversification and to meet private stakeholders' needs. Broad goals, corresponding objectives, strategic issues, key performance indicators, strategies and actions are specified therein. The Strategic Plan also identifies the resources needed in terms of human, financial and infrastructural resources.

2.2 MISSION STATEMENT

The mission statement is the broad enduring statement of purpose that describes what MFA does, for whom it does it, and how it does it.

It answers the question, "Why does the Mauritius Freeport Authority exists?" The mission is linked with MFA's overarching vision for the Mauritius Freeport, which is to develop the sector into a regional logistics and marketing hub.

2.3 STRATEGIC GOAL

A Strategic Goal is a broad long-term objective toward which the Mauritius Freeport Authority directs its efforts to further the development of the Freeport sector.

Achieving a strategic goal moves the Freeport closer to addressing and solving the corresponding strategic issues with which the sector is confronted. MFA has focused on seven strategic goals that are consistent with the Authority's mission. Since the achieving of each goal requires substantial commitment of resources and makes MFA even more accountable, it has been deemed fit to keep the number of goals manageable. Therefore, these seven goals will be achieved by meeting short-term and medium-term objectives on a three-year period.

2.4 STRATEGIC OBJECTIVE

A measurable, short or medium-term, target that is challenging but achievable and relating to a strategic goal.

Strategic objectives constitute the means of defining in quantifiable terms how a broad strategic goal will be achieved. Objectives are outcome-oriented, rather than output-oriented; they point to results. An objective can be used to assess whether a strategic issue is being correctly addressed; it can also be a factor to demonstrate how well resources are being used. Strategic objectives are not limited to the immediate scope of the Authority's or the sector's activities. They may embrace a national concern. More than one objective has been identified under each strategic goal. For the seven goals, there are a total of 31 strategic objectives.

2.5 STRATEGIC ISSUE

Strategic Issues are the most significant opportunities, threats, weaknesses or challenges that the Authority will be called upon to address for the next three years.

They are critical challenges or fundamental policy concerns that will determine and/or affect the success of the Freeport sector. The identification of the Strategic Issues has been the point of departure for the elaboration of the Strategic Plan.

2.6 KEY PERFORMANCE INDICATOR (KPI)

A quantitative or qualitative indicator used to assess performance under each objective.

KPIs are outcome based. They will give a clear indication of the progress achieved in the pursuit of each objective. Consequently, they will serve as indicators either to confirm the pertinence of the strategies chosen or to adopt new ones. Monitoring by means of indicators will allow the Authority to assess how successfully various targets are being met.

2.7 CORE STRATEGIES

A means or instrument to achieve a goal and its objectives.

A strategy comprises projects, programmes or series of actions that need to be taken to enhance the development of the sector as well as the efficiency of the Authority. While goals and objectives show what must be achieved, strategies show how the objectives will be achieved. Strategies are not in themselves operational, but they are the link between the strategic objectives and the action plan. A strategy may consist of a multiplicity of activities and tasks to be accomplished to achieve a single objective.

2.8 ACTION PLAN

A detailed management document developed by the Authority to identify what specific actions will be undertaken to meet the objectives and to achieve the strategic goals described in the Strategic Plan.

The action plan details the projects, programmes and initiatives for the implementation of each strategy. It also includes the scheduling of actions and the financial estimates for the overall 3-year budget, as well as the input in terms of man-days. The estimate of man-days indicates the staffing requirements for the duration of the plan.

The overall financial and human resources estimates are presented in Chapter 7, and the detailed action plans for each objective are presented in Appendix 10.1.

2.9 EFQM MODEL

European Foundation for Quality Management (EFQM) has defined a world-class model comprising nine criteria permitting the comprehensive assessment of companies' progress towards excellence, namely Leadership, Policy & Strategy, People Management, Resources, Processes, Customer Satisfaction, People Satisfaction, Impact on Society and Business Results. This model has been studied by MFA both in its original version and in the adaptation made by South African Foundation for Excellence (SAFE) for SADC countries.

For the strategic plan, the EFQM model has been adopted by MFA for the conduct of its business because of its concern to demonstrate excellence in its management process, in line with Goal 7. The objectives defined in this goal correspond with the underlying philosophy of the EFQM model for they emphasize quality in the organization.

For the Strategic Plan to succeed, the organization responsible for its implementation must operate according to management principles that have been proven. The implementation of the EFQM model is a logical sequence to MFA's pursuit of excellence.

3 INTRODUCTION

The Mauritius Freeport Authority's mission is to act as regulator and promoter for the development of the Mauritius Freeport. With the coming into effect of the Freeport Act 2001, MFA has developed a three-year strategic plan covering 2002 to 2005. It contains the objectives, strategies and action plans which will be implemented by MFA to achieve the seven strategic goals.

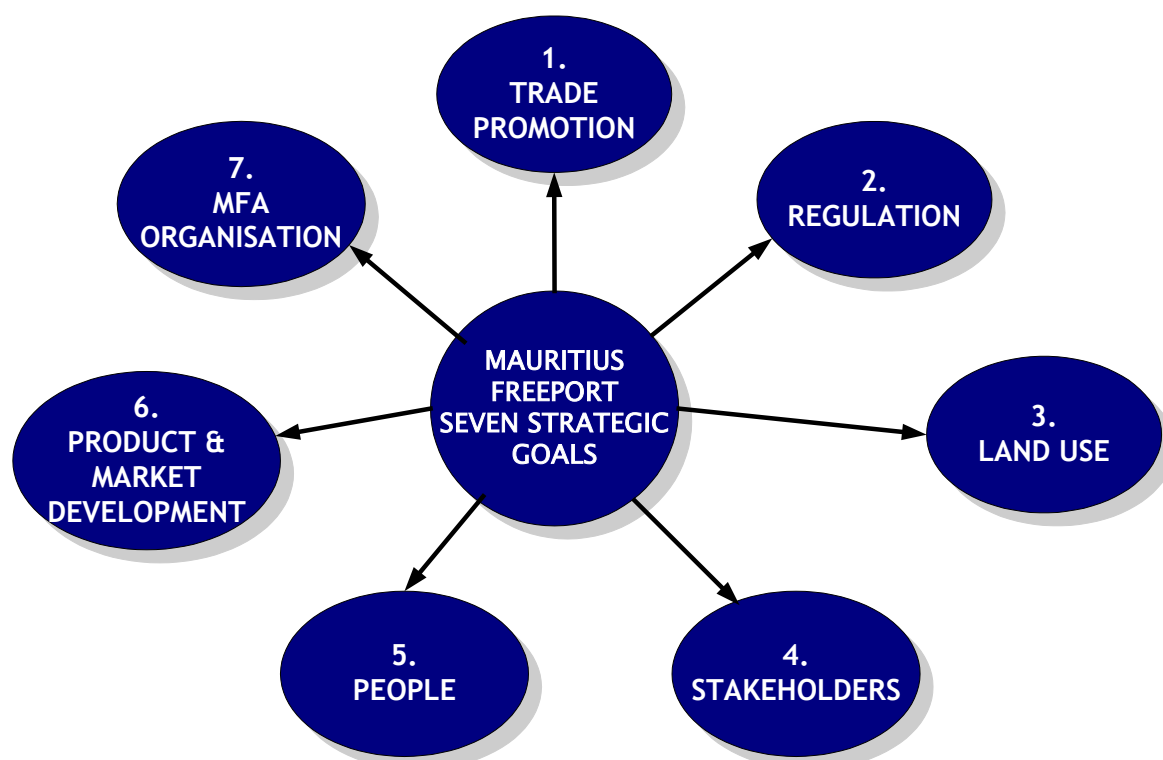
3.1 THE MAURITIUS FREEPORT 2002-2005 STRATEGIC PLAN

The elaboration of this plan has provided a framework for all stakeholders and MFA staff members to take a fresh look at the Freeport sector and to define the most relevant and rational approach to address specific strategic issues facing the sector.

Starting with issues and feedback received from stakeholders during the July 2001 workshop, MFA has defined its mission statement and the seven strategic goals which will be pursued over the next three years.

3.2 SEVEN STRATEGIC GOALS

The strategic plan sets out seven strategic directions for the development of the Freeport sector in the coming three years:



The seven strategic goals are described as follows:

1. **Trade Promotion**

Develop Mauritius into a competitive regional logistics and marketing hub.

2. **Regulation**

Make of the Mauritius Freeport a well-regulated and seamless trading environment.

3. **Land Use**

Ensure the availability of serviced land at the airport while optimising the use of existing Freeport land at the port.

4. **Stakeholders**

Build a strong Freeport community through partnerships and collaborative networks with its stakeholders.

5. **People**

Enhance the competitiveness of the Freeport sector by developing know-how and skills.

6. **Product and Market Development**

Enhance the diversification of the business portfolio of the Mauritius Freeport.

7. **MFA Organisation**

Become a well-governed organisation focusing on results, customer satisfaction and employee welfare.

3.3 SMART OBJECTIVES

The strategic goals are challenging but they are clear and realistic. For each goal, a series of objectives has been set. These objectives are **SMART**.

First they are very **Specific** and they reflect accomplishments that are desired. For each objective a number of specific strategies have been defined to give a clear direction for the required actions.

Second, the objectives are also **Measurable**. Key performance indicators (KPIs) have been established to monitor whether the objectives are being achieved. As the plan is implemented, strategies may be reviewed.

Third, the objectives are challenging, yet **Attainable**.

Fourth, they are **Result-oriented**. Through the various programmes and actions that will be implemented, the emphasis is not on output but on outcome, that is quality and quantifiable results.

Finally, the objectives are **Time-bound**. They will be achieved within the time frame of the Strategic Plan that is the period covering 2002-2005.

The whole plan is action-oriented based on an examination of internal and external factors which may have an impact on the orientation of the sector. It explains the direction and the line of action the Authority will take. It also indicates the allocation of resources for achieving meaningful results over the next three years.

Appendix 10.1 contains tables for all the actions plans and an estimate of the required resources.

The elaboration of this plan has necessitated a long planning process. It includes the input and involvement of staff who will be called upon to carry out specific programmes and actions towards its timely fulfillment.

It has been an exercise that will allow MFA to become a learning organization, one that constantly monitors and assesses its activities and evaluates its performance, replicating those strategies that are most effective, and using a variety of sources both in-house and through other avenues like the monthly stakeholders meetings and the strategic review meeting to generate new initiatives in line with the Seven Goals.

The plan will also foster a greater awareness about MFA's strategic goals and it will promote alignment with the national vision of making Mauritius a regional business hub.

4 THE MAURITIUS FREEPORT - PRESENT STRENGTHS

This Strategic Plan is a map that charts the future orientation of the Freeport sector, based on its past achievements and its present assets.

4.1 LEGAL FRAMEWORK – FREEPORT ACT 2001

The Mauritius Freeport was created under the Freeport Act 1992. In October 2001, a new regulatory framework was established through the promulgation of the Freeport Act 2001. This Act has opened up new horizons for the development of the sector.

4.2 INFRASTRUCTURE

An investment flow of MUR 1.3 billion has been realised in the Freeport in terms of new infrastructural facilities and equipment. This development has transformed 45 hectares of bare reclaimed land, located adjacent to the Mauritius Container Terminal, into a prime economic zone for the enhancement of trade both regionally and internationally. Infrastructural investment consists of capital investment in dry and cold warehouses, an exhibition centre, a ship-yard, processing centres, and office facilities. Equipment include handling equipment and specialized related machinery for refrigerated warehouses.

The Mauritius Freeport presently provides over 70,000 m² of space as follows:

Developer	MFD	FOM	FDM	BPML			Total
Zone	Zone 5	Zone 7	Zone 8	Zone 1	Zone 6	Zone 9	
Area / hectares	30	8.5	0.8	2.4	6.6	1	49
Container Yard / m ²	4,500	10,000			4,500		19,000
Reefer Points	96	45			32		173
Infrastructure	MFD	FOM	FDM	BPML			Total
Dry Warehouses / m ²	18,000	6,100		12,500	15,000	2,500	54,100
Cold Rooms / m ²	6,000		1,500				7,500
Processing / m ²	3,900	2,000					5,900
Open Shed / m ²		500					500
Offices / m ²	3,000	500				400	3,900
Exhibition center / m ²		2,000					2,000
Total / m²	30,900	11,100	1,500	12,500	15,000	2,900	73,900
				Total BPML: 30,400 m2			

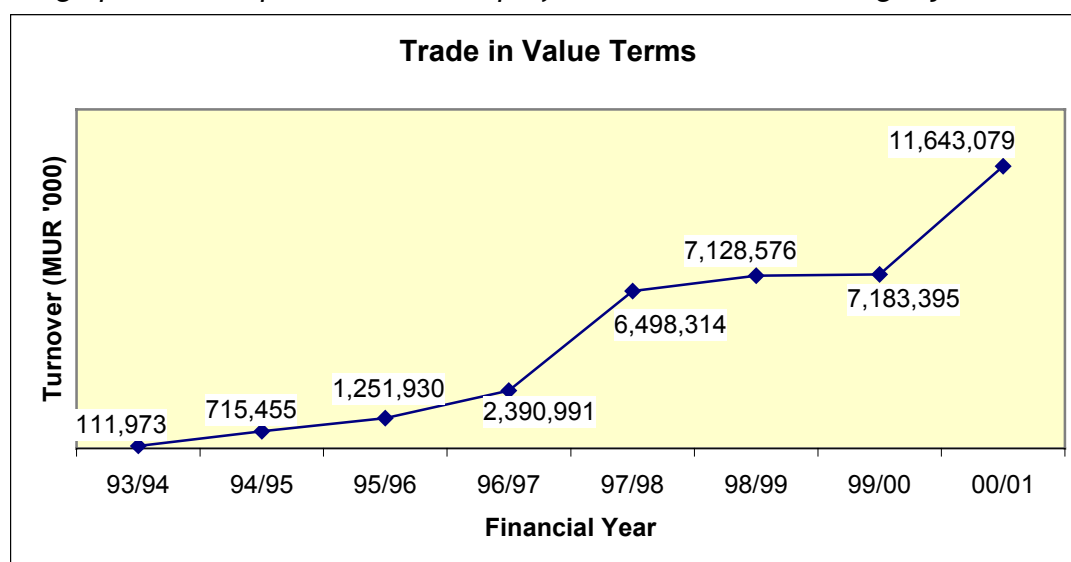
4.3 VALUE-ADDED PORT

The modernization of Port Louis harbour, the construction of a state-of-the-art container terminal equipped with Post-Panamax gantry cranes, the efficiency level of the port, together with the Freeport logistics platform constitute the foundation for the development of Port Louis as a value-added port.

4.4 TRADERS EXPERTISE

The community of active Freeport traders has generated a traffic volume in excess of 173, 000 tons, with a container throughput of 9,340 TEUs handled, representing a total turnover of Rs11.6 billion in FY2000/2001. The trade expertise and network developed over the last eight years by the traders constitute a major strength of the sector.

The graph below depicts the sector's performance over the last eight years.



5 MISSION, GOALS, & OBJECTIVES

5.1 MFA MISSION STATEMENT

The mission of the Mauritius Freeport Authority is a statutory one that is clearly defined in the Freeport Act 2001.

MFA's mission is:

- a) to promote and encourage Freeport trade, including transit and entrepôt trade and to position Mauritius as a logistics, marketing and distribution hub in the region;
- b) to regulate and control activities in the Freeport zones;
- c) to develop serviced land and to manage land use in the Freeport zones;
- d) to work out objectives, policies and strategies for the development of Freeport zones;
- e) to promote, coordinate and encourage locally and internationally, the development of the Freeport in Mauritius in collaboration with the port and airport authorities and other stakeholders; and
- f) to advise the Minister generally on any matter relating to the development of Freeport zones in Mauritius.

5.2 STRATEGIC GOALS & OBJECTIVES

5.2.1	GOAL 1 - TRADE PROMOTION
Develop Mauritius into a competitive regional logistics and marketing hub	
OBJECTIVES	
1.1 The Mauritius Freeport is an attractive source of supply of goods to the region. 1.2 The Mauritius Freeport is the regional distribution and marketing base for foreign & local companies. 1.3 Shipping lines use Mauritius as their regional transshipment hub. 1.4 The Mauritius Freeport is a logistics and marketing hub for goods sourced from the region. 1.5 The Freeport facilities and services are known locally and internationally. 1.6 Logistics facilities and services are available at competitive prices in the Freeport.	
5.2.2	GOAL 2 - REGULATION
Make of the Mauritius Freeport a well-regulated and seamless trading environment	
OBJECTIVES	
2.1 Freeport licensees abide by the Freeport Act 2001, and all local and international legislation and conventions. 2.2 Systems are in place to identify, detect, and prevent illegal and fraudulent operations. 2.3 Freeport zones are managed, controlled, and administered properly. 2.4 Freeport trade is carried out in a cost-effective and time-sensitive environment.	
5.2.3	GOAL 3 - LAND USE
Ensure the availability of serviced land at the airport while optimizing the use of existing Freeport land at the port.	
OBJECTIVES	
3.1 Serviced land is readily available at the airport for new infrastructural development. 3.2 The Freeport offers a conducive environment for investment in infrastructure. 3.3 Freeport land is judiciously allocated for new projects.	
5.2.4	GOAL 4 - STAKEHOLDERS
Build a strong Freeport community through partnerships and collaborative networks with our stakeholders	
OBJECTIVES	
4.1 Lines of communications with Freeport stakeholders are open and effective. 4.2 Close working relationships with port and airport institutions generate joint projects. 4.3 Networking with regional and international institutions leads to technical assistance and project funding.	

5.2.5 GOAL 5 - PEOPLE	
Develop know how and skills in the Freeport sector	
OBJECTIVES	
5.1	The necessary skills, competencies and expertise in logistics management and international trade exist in the Freeport.
5.2	Freeport licensees are conversant with information and communications technologies (ICT).
5.3	Freeport licensees adopt best management practices.
5.2.6 GOAL 6 - PRODUCT AND MARKET DEVELOPMENT	
Diversify the Business Portfolio of the Mauritius Freeport	
OBJECTIVES	
6.1	New business opportunities are identified.
6.2	The range of products marketed is continuously broadened.
6.3	New facilities and services are offered.
6.4	The regulatory and business framework of the Freeport is aligned with the changing environment.
5.2.7 GOAL 7 - ORGANISATION	
Develop MFA into a well governed organisation focusing on results, customer satisfaction and employee welfare	
<i>(based on the European Foundation Quality Model - EFQM)</i>	
OBJECTIVES	
7.1	Leadership MFA Board and management team are involved in the achievement of the organisation's mission and in the development of values required for long-term success.
7.2	Policy & Strategy MFA implements its mission via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes.
7.3	People MFA manages, develops and releases the knowledge and full potential of its people at an individual, team-based and organization-wide level in line with its mission.
7.4	Partnerships & Resources MFA plans and manages its external partnerships and internal resources in order to support its mission and the effective operation of its processes.
7.5	Processes MFA designs, manages and improves its business processes in order to generate increasing value for its customers and other stakeholders.
7.6	Customer Results MFA continuously meets the expectations of its external customers.
7.7	Society Results MFA demonstrates its social commitment, as a responsible and caring organization, in the development of its community at large.
7.8	Key Performance Results MFA achieves and improves its performance targets and overall business results in the Freeport.

6 STRATEGIC GOALS & OBJECTIVES DETAILED ANALYSIS

STRATEGIC GOAL 1
TRADE PROMOTION
DEVELOP MAURITIUS INTO A COMPETITIVE REGIONAL LOGISTICS AND MARKETING HUB

6.1 GOAL 1 – TRADE PROMOTION: DEVELOP MAURITIUS INTO A COMPETITIVE REGIONAL LOGISTICS AND MARKETING HUB

6.1.1 INTRODUCTION

It is the Government's objective to rethink its development strategy by laying greater emphasis on economic diversification and the development of international financial services and business activities, including insurance, banking and international transport and trade. Central to this strategy is the promotion of Mauritius as a regional trade centre to serve as a logistics and marketing base and transit point for sea/sea, sea/air and air/air transshipment of goods between Europe and Asia/Pacific and African countries. The ongoing development of the Mauritius Freeport as a regional logistics and marketing hub is part of this strategy.

The geographical, cultural, economic, and political proximity of Mauritius with the Eastern and Southern African countries constitute a major advantage for the positioning of the Freeport as a gateway for the promotion of two-way trade.

However, the overall logistics costs in Mauritius must be reviewed when compared to other Freeports in the region. To improve the profitability of Freeport companies and to encourage potential investors to use the Mauritius Freeport as a regional logistics platform, sea and airfreight rates applicable presently in Mauritius must be more competitive. Moreover, cargo will transit in Mauritius only if the quality and price of value-added services offered in the Freeport are competitive enough to offset additional transit costs.

The membership of Mauritius in regional blocs, namely COMESA, SADC and IOC, and the preferential access to the US market for African products under the Africa Growth and Opportunity Act (AGOA) all present business opportunities to be tapped into by the Freeport traders.

While the Third Party Freeport Developers will be involved in the direct marketing of their specific infrastructural facilities, the Mauritius Freeport Authority will be responsible for the overall promotion of the sector.

Logistics, Supply Chain Management and International Trade are very specialized activities and require that targeted and focused promotion strategies be developed by MFA. The Mauritius Freeport Logistics and Marketing Platform will play an important role as a complementary facility for investors operating in other economic sectors. In that context, MFA will provide the necessary marketing support to the Board of Investment (BOI) in the positioning of Mauritius as a preferred investment location to foreign investors.

6.1.2 OBJECTIVE 1.1 – THE MAURITIUS FREEPORT IS AN ATTRACTIVE SOURCE OF SUPPLY OF GOODS TO THE REGION.

6.1.2.1 STRATEGIC ISSUES

- a) Regional buyers are shifting their source of supply of goods from Europe and South Africa to the Far East. The Mauritius Freeport has only partly benefited from this change in trade pattern due to the limited range of products offered. Potential buyers from the region (Comoros Islands, Reunion Island, Madagascar, Mayotte) will be attracted to source more goods from the Mauritius Freeport if the range of products available is broadened.
- b) An increasing number of traders from Eastern and Southern African countries are importing a wide variety of goods from Jebel Ali Freeport at competitive prices. The Jebel Ali Freeport is known in the region amongst the trading community as a competitive source of supply of goods. Direct flights from Eastern and Southern Africa to Dubai are now operational. This is a decisive factor for increased trade between Dubai and regional countries.
- c) Trading with Africa is very challenging. Freeport traders often have to operate in a difficult financial environment due to tight exchange control, lack of credit facilities and heavy bureaucracy.
- d) Since its creation, the Mauritius Freeport's main target market has been the Eastern and Southern African region. However, Western Africa represents an important market potential that remains to be tapped into by the Freeport traders.

6.1.2.2 KEY PERFORMANCE INDICATORS

- 1. An increasing number of regional buyers come to the Mauritius Freeport to source their products.
- 2. An increasing number of Freeport operators export to the region.
- 3. An increasing volume of goods re-exported to regional countries.

6.1.2.3 CORE STRATEGIES

G1-01-S1: Improve the Freeport trading environment.

MFA will endeavour to provide the right environment in terms of infrastructure & services, sea and air connections, simplified procedures and financial support to Freeport traders so that they may provide goods at competitive prices and in the most flexible manner.

The following actions will be carried out to implement this strategy:

- Facilitate the setting up of an export guarantee scheme.
- Assess the impact of high interest rates on the development of Freeport trade and propose a reduction in the cost of financing.
- Study and recommend an accelerated drawback system.
- Assess the impact of air-freight costs on the development of sea-air and air-air activities.
- Carry out a study to identify problems and constraints faced by regional buyers and recommend solutions.
- Seek export lines of credit to enable the Freeport operators to give credit facilities to their customers.

G1-01-S2: Provide marketing support to Freeport traders.

One of the objectives of MFA is to assist Freeport traders by acting mainly as a facilitator so that incremental trade could be generated in the Freeport sector. In that context, overseas marketing support for Freeport operators will be provided by MFA through participation in trade fairs, facilitation of contacts with foreign buyers, undertaking of market surveys and provision of trade information.

The following actions will be carried out to implement this strategy:

- Organization of an international trade fair in the Mauritius Freeport for the promotion and exhibition of Freeport goods.
- Participation in selected regional trade fairs.
- Organisation of a trade mission in Ivory Coast and Senegal.
- Creation of a web-based Mauritius Freeport trade information counter. This e-counter will provide links to reference websites containing market intelligence and information on regional markets.
- Acquisition of trade information from international trade information centres and dissemination to Freeport traders.
- Development of a virtual Freeport market place for the online promotion of Freeport products.

G1-01-S3: Increase the variety of products within the Freeport.

In order to attract regional buyers to Mauritius, the Mauritius Freeport should be in a position to offer a broad range of products at competitive prices to these traders.

The following actions will be carried out to implement this strategy:

- Encourage local trading companies selling goods to regional buyers and exporting to the region to operate in the Freeport sector.
- Encourage foreign countries (India, Pakistan, Egypt, Malaysia and Thailand) to set up trading houses in the Freeport.
- Provide information and support regarding sources of supply and trade events to Freeport traders.

6.1.3 OBJECTIVE 1.2 – THE MAURITIUS FREEPORT IS THE REGIONAL DISTRIBUTION AND MARKETING BASE FOR FOREIGN & LOCAL COMPANIES.

6.1.3.1 STRATEGIC ISSUES

- a) With the liberalisation and globalisation of international trade, multinational and international trading companies are looking for new distribution centres in order to have easier access to their regional markets and improve their supply chain management system.
- b) European and Asian companies are already exporting to Africa. These companies could optimise their supply chain management and logistics costs by using the Mauritius Freeport as a distribution base in order to respond more quickly to their orders and in a more flexible manner.
- c) Some Eastern and Southern African countries such as Zimbabwe, Kenya and South Africa are facing economic and political instability. Regional headquarters of multinationals based in these countries are looking at the possibility of relocating their headquarters in an alternative location. The Government's strategy is to attract these regional headquarters to Mauritius by providing specific incentives.
- d) With the rapid development of Export Processing Zones in regional countries (Madagascar, Mozambique, Namibia, Botswana, Lesotho and Zimbabwe) and the need for EPZ to review their supply chain management, the Mauritius Freeport can position itself as the logistics hub for the storage and supply of raw materials to these EPZ companies and for the marketing of finished products.
- e) The Africa Growth and Opportunity Act (AGOA) is a major opportunity for the Mauritius Freeport. It will provide the possibility of converting Mauritius as the regional distribution hub for the supply of textile raw materials and accessories to Africa and for the marketing and export of textile finished products from the region to the American market. It is the Government's policy to take advantage of this opportunity and to position Mauritius as the regional textile hub.
- f) The Mauritius Freeport already handles a significant volume of frozen fish mostly for storage. However, there exists the opportunity to develop further value-added activities and broaden the range of seafood products handled.

6.1.3.2 KEY PERFORMANCE INDICATORS

4. An increasing number of foreign companies will locate their regional distribution activities in the Mauritius Freeport.
5. An increasing throughput in TEUs realised by foreign companies in the Freeport.
6. An increasing amount of FDI in the Freeport sector.
7. An increasing volume of textile raw materials and accessories imported in the Freeport and destined for EPZ companies in the region.

6.1.3.3 CORE STRATEGIES

G1-O2-S1: Develop the Mauritius Freeport as a seafood hub.

The seafood business represents a niche market which can be exploited successfully by the Mauritius Freeport. Therefore, the Mauritius Freeport should position itself as a world-class fish transshipment hub for seafood by providing additional facilities and encouraging more value-added activities in the Freeport. In addition, fishing vessels carrying out offshore ship-to-ship transshipment or using fishing ports in South Africa and Namibia will be encouraged to use infrastructure facilities and services provided by the Freeport.

The following actions will be carried out to implement this strategy:

- Promote the Mauritius Freeport as a seafood hub amongst operators in the fishing industry:
 - Promote the Freeport seafood hub in specialized seminars & conferences.
 - Participate in business forum related to the fish industry
- Seek technical assistance from a specialist for the implementation of EU norms and for the development of a business friendly procedure regarding veterinary services.
- Linkage with the Ministry of Fisheries to examine the possibility for foreign fishing companies which have been issued a licence to use cold store facilities in the Freeport.
- Develop an Internet based seafood e-marketplace.
- Organise a regional seafood conference in Mauritius.
- Identify problems related to the development of seafood activities in the Freeport and make recommendations to the relevant authorities.
- Encourage local companies involved in fish processing to use Freeport infrastructure.

G1-O2-S2: Develop the Mauritius Freeport as a textile logistics hub for the region.

The development of the textile industry in regional countries and the Africa Growth and Opportunity Act (AGOA) are providing the possibility of converting Mauritius as the textile hub for the region. In that context, the Mauritius Freeport can establish itself as a regional distribution hub for the supply of textile raw materials and accessories from Asia to Africa and for the storage and export of finished products to the American market.

The following actions will be carried out to implement this strategy:

- Presentations on the Freeport textile hub to regional textile companies and encourage freight forwarders to use the Mauritius Freeport as their consolidation platform for textile products.
- Participation in international textile exhibitions.
- Develop strategic partnership and collaborative networks with local textile associations (MEPZA, EPZDA, MIDA).
- Set up a Quality Control & Inspection Centre for textile goods destined for American and European markets.

G1-O2-S3: Encourage foreign companies exporting to Africa to use the Freeport for value-added activities.

COMESA preferential trade agreements represent a key selling point for the Mauritius Freeport. Foreign companies already exporting to Eastern and Southern African countries can benefit from the COMESA rules of origin by setting up a processing and warehousing unit in the Mauritius Freeport to carry out value-added activities.

The following actions will be carried out to implement this strategy:

- Carry out desk research to identify foreign companies exporting to the region.
- Organise targeted investment missions to Australia, South Africa and India jointly with Third-Party Freeport Developers.

G1-02-S4: Target traders operating in regional free zones.

Trading companies operating in regional free zones such as the Jebel Ali Freeport and the Singapore Free Zone are potential investors for the Mauritius Freeport since some of these companies are looking at the possibility of having a competitive distribution centre closer to Eastern and Southern African markets.

The following actions will be carried out to implement this strategy:

- Identify trading companies operating in regional free zones and assess their logistics and marketing needs.
- Organise a targeted investment mission in these regional free zones.

G1-02-S5: Encourage multinationals distributing goods locally to use the Freeport as a distribution base for the region.

In order to boost the position of the Mauritius Freeport as a regional distribution hub, the Freeport Act 2001 allows international companies to sell more than 20% of their re-export value on the local market as long as this figure does not exceed 20% after a period of three years. Such an incentive should be marketed to encourage multinationals distributing goods on the local market to use the Freeport as their distribution centre for the region.

The following actions will be carried out to implement this strategy:

- Assess the readiness of multinational companies to re-export their products in the region.
- Devise a tailor-made package of incentives and an investment charter in the Freeport for multinationals.
- Organise individual meetings with local representatives of these multinationals to promote the Freeport platform and its incentives.

G1-O2-S6: Encourage international freight forwarding companies and multimodal transport operators to use the Freeport.

A number of international freight forwarding companies and multimodal transport operators are already present on the African mainland and are providing services to companies in the region. These logistics companies must be encouraged to use the Mauritius Freeport for the warehousing and consolidation of their goods.

The following actions will be carried out to implement this strategy:

- Carry out a study to assess the freight forwarding business in the region.
- Encourage the freight-forwarding companies to attend the International Maritime & Logistics Convention to be organised in the Mauritius Freeport.

G1-O2-S7: Encourage Indian-Ocean islands traders to use the Mauritius Freeport as their trading base.

Trading and industrial companies operating in Indian Ocean islands such as Reunion Island can benefit from the advantages and incentives provided by Mauritius and the Mauritius Freeport to reduce their operating costs.

The following actions will be carried out to implement this strategy:

- Carry out trade missions in Indian Ocean islands to identify and attract companies to use the Mauritius Freeport.
- Organise presentations on the Freeport for the targeted companies.

6.1.4 OBJECTIVE 1.3 – SHIPPING LINES USE MAURITIUS AS THEIR REGIONAL TRANSHIPMENT HUB.

6.1.4.1 STRATEGIC ISSUES

- a) The development of transshipment activities is a critical factor for the success of the Mauritius Freeport. Transshipment has two positive effects. Firstly, it develops the feeder services of the port and secondly, it results in a reduction of freight costs. Presently, the infrequent shipping connections to the regional countries as well as the absence of a well-developed feeder network are major hindrances to the development of the Mauritius Freeport. Consequently Freeport operators and traders are more inclined to send their shipment directly from the sourcing country to their clients instead of availing themselves of the facilities of the Mauritius Freeport as a value-added distribution centre.
- b) Durban has a large domestic hinterland where it can fulfil the role of a regional hub. It is presently the main transshipment hub of the region. A key advantage of Durban is that freight charges from South East Asia to COMESA markets are generally lower via Durban than via Mauritius, and Durban offers faster transit times to COMESA countries. However, the Port of Durban is becoming very congested and has recently witnessed a number of strikes. Therefore, there is room for the establishment of a second transshipment hub in the region that could accommodate part of the transshipment traffic of Durban.
- c) In recent years, Government has brought about major reforms in the port sector with a modernization programme for the Port and the development of the Freeport at Mer Rouge. Investments in excess of MUR 3 billion have been made to upgrade the Port and Freeport infrastructure into an efficient and competitive platform for import and export activities. A modern container terminal equipped with Post-Panamax gantry cranes became operational in January 1999 and a world-class logistics platform in the Freeport is situated behind the container terminal at Mer Rouge. In order to enhance the transport and trade competitiveness of Mauritius, it is the Government policy to develop a feeder network in order to attract non-captive cargo which would increase the cargo base in Mauritius and thus reduce port handling charges.

6.1.4.2 KEY PERFORMANCE INDICATORS

8. An increasing number of containers transhipped in Mauritius.
9. A reduction in freight costs to the region.
10. An increasing number of feeder links from Port Louis to regional countries.
11. An increasing number of vessels calling at Port Louis.

6.1.4.3 CORE STRATEGIES

G1-O3-S1: Joint marketing strategies with MPA and CHC to attract shipping lines and fishing vessel operators in Mauritius.

The three institutions responsible to promote the integrated port and logistics platform namely MPA, CHC and MFA have adopted an integrated and common approach to promote such facilities. The main objectives of the joint marketing activities are to encourage transshipment services via Mauritius, develop feeder services and encourage shipping lines and fishing vessel operators to use Port Louis as their hub port.

The following actions will be carried out to implement this strategy:

- Collect & analyse information on port competition in the region.
- Organise joint promotion activities.
- Develop specific incentives for shipping lines and fishing vessel operators.
- Develop joint promotional tools: brochure, advertisement, and a joint promotional film.

G1-O3-S2: Development of regional feeder services.

The setting up of a reliable, efficient and competitive feeder shipping regional transport network is a key strategy which will help generate more non-captive cargo and trade volumes.

The following actions will be carried out to implement this strategy:

- Carry out a research study to develop a feeder network in the region.
- Organise an International Maritime Logistics Convention in Mauritius.

G1-O3-S3: Identify and develop new value-added services for shipping companies.

One of the strategies of the Port Authorities and MFA is to develop Mauritius into a maritime hub by providing new value-added services to shipping companies such as ship repairs, fuel bunkering activities and other ancillary services at the seaport.

The following actions will be carried out to implement this strategy:

- Develop ship repairs, fuel bunkering and other ancillary services in the Freeport.
- Set up an electronic platform to enhance collaboration and sharing of port-related information.

6.1.5 OBJECTIVE 1.4 – THE MAURITIUS FREEPORT IS A LOGISTICS AND MARKETING HUB FOR GOODS SOURCED FROM THE REGION.

6.1.5.1 STRATEGIC ISSUES

- a) The region is presently exporting a number of unprocessed commodities to Europe and the Far East such as cloves and other spices from Madagascar & Zanzibar, Vanilla from Madagascar and Comoros Islands, fish and sea foods from Tanzania, Madagascar & Mozambique, wood from Madagascar and Mozambique, precious stones from most African countries, as well as other products.
- b) The major trading houses in Europe and the Far East source a number of their products from Eastern & Southern African countries. These countries are not presently well equipped to provide adequate value-added activities such as sorting, grading, packing and labelling for their buyers. Furthermore, reliable and just-in-time delivery cannot always be ensured by producing countries.
- c) During the last two decades, the Mauritian business community has gained considerable business experience and has earned a reputation as a reliable service-provider vis-à-vis international buyers. Regional producers can take advantage of the expertise developed by Mauritian businessmen to access new markets.
- d) Mauritius enjoys political and economic stability. Major trading and agro-industrial companies interested in doing long-term business in the region can set up a base in the Mauritius Freeport for the sourcing and marketing of commodities.

6.1.5.2 KEY PERFORMANCE INDICATORS

- 12. An increasing volume of imports from COMESA, SADC and IOC countries.
- 13. A greater variety of goods sourced from COMESA, SADC and IOC countries.

6.1.5.3 CORE STRATEGIES

G1-04-S1: Develop linkages between regional producers and freeport operators.
--

The Mauritius Freeport has the required infrastructure, support services and expertise to become a value-added base for the storage, sorting, grading, processing and certification of commodities sourced from the region. In that context, the Authority will promote linkages between regional producers and Freeport operators.

The following actions will be carried out to implement this strategy:

- Carry out targeted promotion activities to encourage trading and agro-industrial companies to use the Freeport as a base for storage, grading, labelling, certification and trading for commodities produced in the region.
- Encourage partnership between regional producers and Freeport traders through an online database of suppliers of commodities accessible to operators.

6.1.6 OBJECTIVE 1.5 –THE FREEPORT FACILITIES & SERVICES ARE KNOWN LOCALLY & INTERNATIONALLY.

6.1.6.1 STRATEGIC ISSUES

- a) The Mauritius Freeport has not yet become the preferred source of supply for the regional traders. The level of awareness of many trading companies in the region about the logistics facilities and services the Mauritius Freeport has still to be improved. It is therefore important that the Mauritius Freeport be promoted aggressively as a competitive logistics and marketing hub in targeted markets.
- b) Local businessmen view the outsourcing of their logistics needs to the Mauritius Freeport as an expensive service. Consequently, the image of the Freeport, as a competitive distribution platform for the storage and the minor processing of goods, should be promoted.
- c) The promotional tools that are used by MFA should be constantly updated to reflect the latest changes in the sector.
- d) The main selling point of the Mauritius Freeport is its differentiated and modern infrastructure rather than mere fiscal incentives. Since appropriate infrastructure and services are now available in the Mauritius Freeport more inward missions should be organised by MFA in order to promote the Freeport logistics and marketing platform.

6.1.6.2 KEY PERFORMANCE INDICATORS

- 14. An increasing number of enquiries are received from potential operators.
- 15. An increasing number of foreign business visitors are visiting the Mauritius Freeport.

6.1.6.3 CORE STRATEGIES

G1-O5-S1: Create and develop a branding and image building of the Mauritius Freeport.

MFA in collaboration with the third party Freeport developers will develop a new branding for the Mauritius Freeport, which will create a positive image of the Mauritius Freeport and lead to a greater visibility of the sector. The awareness and image building of the Mauritius Freeport will be created amongst others through presentations on the Freeport and networking with international institutions. Formal and informal networks with external organisations will be encouraged and will represent a key factor in achieving marketing strategies.

The following actions will be carried out to implement this strategy:

- Develop a communication plan for the Freeport sector.
- Insert advertorials on the Freeport in international newspapers and magazines.
- Participate in international conferences and make presentations on the Mauritius Freeport.
- Develop strategic partnership with Mauritian embassies and consulates for the promotion of the Mauritius Freeport overseas.
- Appoint overseas representatives & agents to promote the Freeport in China, South Africa, India, Australia and Europe.

G1-O5-S2: Setting up of a one-stop shop system for foreign companies.

A one-stop shop system will be established by MFA for foreign companies in order to facilitate the investment process and to minimize bureaucracy. In that context, MFA will develop a working relationship between the various institutions involved in the granting of permits, licences or other clearances. Under this one-stop-shop system, specific support services will also be provided to potential foreign investors.

The following actions will be carried out to implement this strategy:

- Provide counselling services to potential foreign investors.
- Set up of a fast track for the processing of work permits for Freeport professionals in collaboration with the relevant ministries.
- Prepare info-pack containing all relevant information on the Freeport and on the Mauritian business environment.
- Organise inward visits for potential foreign investors.

G1-O5-S3: Production of promotional tools.

A number of promotional tools will be developed by MFA in order to be used as supporting tools for an effective promotion of the Freeport sector. These tools will contribute largely in creating the necessary awareness of the Mauritius Freeport and will provide key commercial information to potential investors.

The following actions will be carried out to implement this strategy:

- Production of a brochure on the Freeport.
- Production of a promotional video film on the Freeport.
- Production of a joint brochure.
- Production of a web site for the Freeport.
- Production of a documentary film on the Freeport.
- Production of a CD Rom on the Freeport.

6.1.7 OBJECTIVE 1.6 – LOGISTICS FACILITIES & SERVICES ARE AVAILABLE AT COMPETITIVE PRICES IN THE FREEPORT.

6.1.7.1 STRATEGIC ISSUES

- a) The Freeport traders exporting to the region are facing fierce competition from the Jebel Ali Freeport, which is exporting a wide variety of products at competitive prices to the African market. Moreover, African buyers are more inclined to source goods directly from Asia mainly because of the freight cost component. In that context, the availability of infrastructure facilities and services at competitive prices is a pre-requisite for the success of Freeport traders who are presently working on small profit margins.
- b) In a small economy like Mauritius, the limited number of players in an economic sector is an impediment to its development. For instance, there is an absence of competition at the airport with only one infrastructure provider. An open and fair competition, in terms of supply of infrastructure facilities and services to Freeport traders, is therefore critical for the growth of this sector.
- c) Only a few Freeport companies are presently offering logistics and other services in the Freeport Zone. In order for the Freeport operators to benefit from a wider range of logistics services at competitive rates, new service providers should be encouraged to operate in the sector.

6.1.7.2 KEY PERFORMANCE INDICATORS

- 16. Warehousing and logistics services rates are improving as compared to rates applicable in Jebel Ali Freeport and in Singapore Free Zone.
- 17. An increasing number of service providers (freight forwarding companies, banking institutions, shipping agents, etc) are offering services at competitive rates.

6.1.7.3 CORE STRATEGIES

G1-O6-S1: Carry out a competitive analysis & benchmarking.

In order to ensure that logistics facilities and services are available at competitive prices, one strategy will consist in assessing and benchmarking the competitiveness of services and infrastructure offered by the Mauritius Freeport vis-à-vis its main competitors. Furthermore, new services providers will be encouraged to operate in the Freeport so as to increase the range of services provided and improve the price competitiveness of these services.

The following actions will be carried out to implement this strategy:

- Carry out a comparative study to assess the competitiveness of services and infrastructure facilities offered by the Mauritius Freeport vis-à-vis its main competitors (Jebel Ali, Singapore Free zone, Port of Durban).
- Encourage Freeport developers to benchmark their products and services.
- Identify services which are not being provided by the Freeport platform & encourage providers to offer such services.
- Assess the impact of local inputs on the competitiveness of Freeport services & infrastructure facilities.

STRATEGIC GOAL 2

REGULATION

**MAKE OF THE MAURITIUS FREEPORT A
WELL-REGULATED AND SEAMLESS
TRADING ENVIRONMENT**

6.2 GOAL 2 – REGULATION – MAKE OF THE MAURITIUS FREEPORT A WELL-REGULATED AND SEAMLESS TRADING ENVIRONMENT

6.2.1 INTRODUCTION

Regulatory control should not be an impediment to trade development nor should it be compromised at the risk of jeopardizing the good repute of a sector. Thus, the right balance between regulatory control and trade facilitation should be struck in order to achieve sustainable development.

A well-regulated and seamless business environment can only boost business confidence. It acts as a strong enabler for sustainable development. This goal, therefore, purports to ensure that regulation is done intelligently, collectively with enforcement agencies, and in accordance with the provisions of the law while providing a conducive and business friendly environment for the effective conduct of business in the Freeport.

At the level of operational control, while the Authority and the Customs Department are responsible for the overall supervision of the Freeport sector, self-regulation has been introduced whereby third-party Freeport developers assume total responsibility for their business and remain fully accountable towards the authorities concerning the management and administration of Freeport zones falling under their respective control. The Authority therefore encourages third-party developers to improve their competencies, skills and know-how to ensure that the sector is well regulated.

The Authority also dedicates specific resources for the streamlining of trading operations and the elimination of bureaucracy to ensure that transactions are carried out in a business friendly and totally paperless environment.

6.2.2 OBJECTIVE 2.1 – FREEPORT LICENSEES ABIDE BY THE FREEPORT ACT 2001 AND BY ALL LOCAL AND INTERNATIONAL LEGISLATIONS AND CONVENTIONS.

6.2.2.1 STRATEGIC ISSUES

a) Credibility of the Mauritius Freeport

Reputable business operators are interested in carrying on trade in logistics hubs that enjoy a sound reputation. The Freeport Act 2001 provides specific requirements regarding the licensing of operators, the control and management of zones, as well as responsibilities and obligations of developers vis-à-vis the Authority. These requirements define the regulatory and control functions that the Authority must exercise over all licensees and permit holders within Freeport Zones in Mauritius. The challenge for MFA is to ensure compliance with the requirements of the Act so as to maintain the credibility of the Mauritius Freeport as a well-regulated and fraud-free logistics hub. These criteria are applied for the choice of logistics platforms by business operators.

b) Compliance to international conventions and laws

Trade operations by Freeport licensees necessitate compliance with the requirements of international conventions and regulations including commercial, administrative, legal import/export procedures and guidelines. As part of its regulatory functions, the Authority is therefore required to ensure that clear procedures are in place to meet the stipulations of these international conventions and regulations, especially those relating to illegal transshipment. It is therefore crucial that provisions of all international conventions ratified by Mauritius are respected.

c) Evasion of duties and taxes

A major concern for the Authority is the risk of duty and tax evasion by Freeport licensees. Another concern is that goods could be clandestinely removed from the Freeport without proper customs authorisation. Consequently, licensees must continually be apprised of the provisions of the laws and regulations that affect trade transactions.

d) Developers' Obligations and Responsibilities

The Freeport Act 2001 places more responsibility on third-party Freeport developers. They have therefore a major role to play in order to act as prudent, unbiased and responsible zone managers.

6.2.2.2 KEY PERFORMANCE INDICATORS

- The level of pilferage or unauthorised removal or loss of goods in the Mauritius Freeport is at 0%.
- Full compliance to the provisions of the Freeport Act 2001 by all Freeport licensees (Developers and operators).
- No infringement on international legislation and convention.
- No illegal operations are done in the Freeport.

6.2.2.3 CORE STRATEGIES

G2-01-S1: Dissemination, easy accessibility of regulatory and operational guidelines

To ensure full compliance with the provisions of the Freeport Act, relevant guidelines, manuals and provisions of the law must be readily accessible to all licensees. The availability of these procedures, guidelines and manuals for online consultation by Freeport licensees is therefore a prerequisite for the good regulation of the sector.

The following actions will be carried out to implement this strategy:

- Conduct a review of guidelines, manuals, regulations, laws which are used by licensees.
- Prepare and update comprehensive operational guidelines, manuals, regulations and FAQs to be available on MFA's web site.
- Conduct an annual survey to assess effectiveness of guidelines, manuals, and regulations available and identify improvements to be brought to these documents.

G2-01-S2: Develop effective collaboration with Customs

The Customs and Excise Department is a privileged partner for the regulation and control of the Mauritius Freeport. It is therefore essential that excellent lines of communications, collaborative networks and full consultation in the decision-making process exist between MFA and the Customs and Excise Department. The signing of a memorandum of understanding, for example, between Customs and Excise Department and the Mauritius Freeport Authority forms part of an integrated strategy setting out closer collaboration between the two institutions with a view to reinforcing MFA's regulatory functions regarding the prevention of, and the combat against, fraud.

The following actions will be carried out to implement this strategy:

- Negotiate and sign a Memorandum of Understanding between MFA and Customs and Excise Department for the supervision of Freeport zones.
- Hold monthly meetings with Customs officers posted in all Freeport zones to identify issues, and areas for improvement in control and administration of Freeport Zones.
- Develop, jointly with Mauritius Customs, collaborative networks with regional Customs Authorities to prevent and combat illegal transshipment activities,
- Conduct training sessions on yearly basis with Customs officers on Freeport operations.

G2-O1-S3: Gathering of information on the development of Regulatory frameworks in other Freeport zones and International Conventions

The regulatory framework governing activities in the Mauritius Freeport is not meant to remain static. MFA staff should be well informed of the evolution of regulatory frameworks in other Freeport zones, and on all provisions of international conventions and agreements such as AGOA, COTONOU, COMESA, SADC, and CCAML. This can be attained through constant liaison with Government, local and regional authorities. Programmes under this strategy will include information sharing with other Freeport zones, liaison with World Customs Organisation, and participation in regional port conferences such as the Port Management Association of Eastern and Southern Africa.

The following actions will be carried out to implement this strategy:

- Collect, compile and maintain laws, regulations and guidelines of international Freeport zones.
- Participate in World Free Zones Forum.
- Joint participation with relevant institutions in forums for prevention of illegal transshipment.
- Participate in regional SADC/COMESA/PMAESA forums/seminars on trade regulation.

6.2.3 OBJECTIVE 2.2 – SYSTEMS ARE IN PLACE TO IDENTIFY, DETECT AND PREVENT ILLEGAL AND FRAUDULENT OPERATIONS.

6.2.3.1 STRATEGIC ISSUES

a) **Prevent Fraudulent and illegal practices within Freeport zones**

One of the major concerns of the MFA remains the safeguard of the integrity and reputation of the Mauritius Freeport as offering sound, well-regulated, and fraud-free logistics platforms for local and international traders and investors. MFA must ensure that illegal operations, prohibited activities such as falsified labelling, unauthorized processing activities, and the storage of prohibited goods are not carried out in the Mauritius Freeport. Furthermore, the adoption of system-driven and paperless processing systems should preclude risks of fraudulent or illegal trading activities.

b) **Availability of Resources**

MFA must possess the necessary resources in terms of equipment, systems, personnel and tools to effectively identify, detect, and prevent illegal and fraudulent operations. Proper information intelligence systems capable of detecting or tracing irregular business activities must be in place. Regular audits must also be performed in all Freeport zones.

c) **Illegal Transshipment Operations**

MFA has never failed in its role to prevent illegal transshipment operations. While there exists a strong economic rationale for transshipment operations, MFA has always aligned itself on Government policy in the matter of transshipment. This is evidenced by consultations and constant liaison with Government regarding tooth fish transshipment where concerns were raised over the use of the Mauritius Freeport as a hub for the transshipment of illegal, unregulated, and unreported catches of tooth fish. However, MFA will constantly review and improve its control systems in order to prevent any illegal transshipment operations, for example with the advent of the AGOA.

d) **Risk of Smuggling and Drug Trafficking,**

The lack of adequate and sophisticated systems to detect smuggling and illegal traffic going through the port and airport is a matter of great concern. Reports on Customs and Excise Department have stressed the need for Mauritius to acquire sophisticated non-intrusive X-ray systems to combat illegal trading activities. The Mauritius Freeport is not immune to such risks. Any case of smuggling or illicit traffic in the Freeport shall have damaging consequences for the Mauritius Freeport. This issue must be addressed by all parties concerned.

6.2.3.2 KEY PERFORMANCE INDICATORS

- Zero pilferage and no loss of goods.
- Availability of an on-line Freeport declaration Monitoring System.
- Inspection audits are carried out in every Freeport zone.
- No illegal transshipment operations are carried out in the Freeport.
- Fully automated Third-party Warehouse management systems (WMS) exist in all developers' zones.
- Secure on-line access to Third Party WMS by MFA.

6.2.3.3 CORE STRATEGIES

G2-O2-S1: Develop reliable and harmonized control systems in all Freeport zones
--

The provisions of the Freeport Act 2001 give a greater responsibility to third-party developers in the operational management, control and administration of Freeport zones. It is therefore imperative that proper systems be put in place in all Freeport zones to identify, detect, prevent, and report illegal activities in Freeport zones. All Freeport developers responsible for the management and control of Freeport zones must be well equipped with proper inventory, access control and security systems. The Authority sees the setting up of these basic systems as a prerequisite to minimize risks of fraud.

The following actions will be carried out to implement this strategy:

- Conduct research and survey of best practice warehousing and control systems available.
- Conduct assessment of existing control system available in Freeport zones.
- Prepare and review relevant procedures and guidelines on control systems to be implemented by developers.
- Prepare a control systems manual for Freeport developers.

G2-O2-S2: Develop and implement post-audit control plan

The development of a post audit inspection system that assesses the inventory, access and security control systems in all Freeport zones is important to identify weaknesses and shortcomings in the management and control systems so as to ensure that corrective and preventive measures are continually implemented to improve zone administration, control, and management. An important programme under this strategy will be third-party audits of systems in place in all developers' zones.

The following actions will be carried out to implement this strategy:

- Study and implement a secure on-line access to Freeport developers' warehouse management system and inventory system.
- Develop and Implement a Freeport Declaration Monitoring system.
- Prepare audit specifications and bids to carry independent audits in Freeport developers' zones.
- Carry out yearly review of post-audit system and propose corrective actions.

6.2.4 OBJECTIVE 2.3 – FREEPORT ZONES ARE MANAGED, CONTROLLED AND ADMINISTERED PROPERLY.

6.2.4.1 STRATEGIC ISSUES

a) **Poor administration and management of Freeport Zones**

Good governance and sound administration are essential to bring confidence in the business community, especially in the Freeport sector. It is, therefore, imperative that the Freeport is seen as a place where business is carried out efficiently, in a well-secured environment, and within the proper legal framework. While the legal framework has been defined, weaknesses exist in the administration and management of Freeport zones. Accordingly, the management and administration of Freeport zones should be carried out with professionalism through the use of modern techniques and latest information technology.

b) **Storage of goods under multiple trading and operating regimes**

Complete liberalization of Freeport facilities under the new regulatory framework to accommodate goods imported by local enterprises and EPZ companies raises issues as regard identification, traceability, and segregation for these products. The Freeport Act 2001 offers the possibility for the storage of goods under different régimes and categories. Freeport warehousing facilities can now accommodate goods imported by a Freeport licensee, EPZ goods imported by an Export Enterprise, and goods imported by a local enterprise. Sub categories under goods stored by a local enterprise include goods imported under suspended duty, goods meant for deconsolidation, as well as duty-paid goods sourced from the local customs territory by a local enterprise. The challenge for the MFA is to ensure that goods under different categories and regimes are properly segregated without the risk of wrong mix between goods of different categories.

c) **Loss of confidence by operators**

Freeport Developers are responsible and accountable to the Authority for all activities carried out within their respective zones. Non-compliance with stated requirements defined in the Act shall undermine the reputation of the Mauritius Freeport. In turn, this can impact the confidence of existing operators or potential ones desiring to use Mauritius as their regional distribution base.

d) Confidentiality of Information

Confidentiality of information is an important element in the choice of suitable logistics platform locations by business agents. Any unauthorised disclosure or use of confidential information by logistics providers affects business confidence, and thereby discourages existing and potential investors to use Mauritius as their logistics and trading hub. All stakeholders having access to these confidential business information, especially managers and administrators of Freeport zones, must be conscious of the importance of keeping business information in strict confidentiality.

e) Lengthy and bureaucratic procedures

Administrative clearances from local authorities and ministries are required for a number of Freeport trade operations relating principally to perishable and controlled products. A number of these clearances, namely clearances from VET services, phyto-sanitary certificates, are given without any clearly defined guidelines or criteria, thus rendering the clearance procedure arbitrary, time consuming, and inefficient. Proper guidelines should be established for the granting of clearance documents so as to provide timely clearances.

6.2.4.2 KEY PERFORMANCE INDICATORS

- All goods transacted in the Freeport zones are satisfactorily accounted for.
- Well documented control procedures exist.
- Security and Access control systems exist in all Freeport zones.
- Full compliance by Freeport developers of obligations under section 25 of the Freeport Act 2001.
- No complaints are received from customers operating in Freeport zones.

6.2.4.3 CORE STRATEGIES

G2-O3-S1: Develop a real-time online reporting system

The online reporting system with Freeport developers is an essential tool that will enable a proper reporting of discrepancies, irregularities, and non-compliance by operators with the law including submission of monthly returns and all official exchanges with the Authority.

The following actions will be carried out to implement this strategy:

- Study, define, and prepare requirements for Freeport Zone Performance reporting by Freeport developers.
- Develop and implement an on-line reporting system for Freeport Zone management and performance control.

G2-O3-S2: Encourage Freeport developers to adopt ISO practices and to affiliate with International Logistics Associations

International quality standards offer a framework within which an organization can be well organized, and managed. Similarly affiliation to international logistics organizations and associations such as the Institute of Logistics in the UK or the International Warehousing and Logistics Association in USA, shall enable the local logistics community, in particular the Freeport developers, to take stock of latest developments and best practices in the field of logistics and warehouse management.

Moreover, Freeport Developers should be fully trained on their responsibilities and obligations, on requirements as regards access, security and inventory control systems that are needed in Freeport zones. This may be in the form of seminars or workshops delivered by world-class recognised experts in the field of access control, security and inventory systems. Specialists from International Warehousing and Logistics Association (IWLA) or International Association of Refrigerated Warehouses (IARW) may be invited to share their knowledge and experience on warehouse management practices.

The following actions will be carried out to implement this strategy:

- Conduct assessment of quality systems in place in developers' zones and encourage affiliations to International standards and logistics institutions.
- Benchmark Freeport developers' product and services (infrastructure, Customer service, quality standards, management, human resources, and product pricing) offerings with similar international best-in-class companies.

G2-03-S3: Encourage and promote the establishment of clear guidelines
--

MFA must foster greater collaboration with local authorities and Ministries responsible for the issuance of clearance certificates. With the collaboration of the world specialists from the International Association of Refrigerated Warehouses/International Food and Logistics Organisation, a forum should be organized for exchange of views on this issue. This will lead to the establishment of proper guidelines for the issuance of clearance certificates.

The following actions will be carried out to implement this strategy:

- Review local guidelines and regulations affecting trade operations in the Mauritius Freeport.
- Liaise with local authorising government ministries and agencies for preparation of clear guidelines and streamline processes to facilitate the conduct of trade activities in the Mauritius Freeport.
- Prepare and organise seminar with international experts on guidelines, procedures and documentation for the storage of refrigerated goods, for light processing activities and for the control of rules of origin.

6.2.5 OBJECTIVE 2.4 – FREEPORT TRADE IS CARRIED OUT IN AN EFFECTIVE AND TIME SENSITIVE ENVIRONMENT.

6.2.5.1 STRATEGIC ISSUES

a) High Clearance Costs

Owing to non business-friendly procedures, clearing charges are high in Mauritius. Cumbersome and bureaucratic clearance formalities impact heavily on the logistics costs that a trading company has to pay. Every effort made to minimize cargo clearance formalities and the streamlining of procedures impact positively on clearance costs.

b) Limitations and reliance on TradeNet/CMS Clearance system

The Freeport Declaration Processing system is a strategic component to facilitate and streamline business in the Freeport. It is critical for three main reasons: (a) for the clearance of goods in and out of the Freeport zones, (b) for control and monitoring purposes by MFA, and (c) for the compilation of Freeport Trade Statistics. Declaration processing has been carried out through the TradeNet/CMS system since 15th October 2001. The adoption of TradeNet/CMS implies total reliability and dependability on a third-party system for Freeport declaration processing. As such MFA does not have a direct control to make modifications or add new functionalities according to its own specific needs and requirements to further improve and refine its declaration processing system. This can impact negatively on the development of the Freeport sector.

c) Paper-based processing system

MFA has endeavoured to provide a seamless trading environment to Freeport licensees. However, a number of processes within the MFA still remain paper-based. This constitutes a weakness that hampers the conduct of trade in a paperless environment in the Freeport.

6.2.5.2 KEY PERFORMANCE INDICATORS

- Freeport declaration processing is totally paperless,
- All forms processed, approved or exchanged between the Authority and Freeport licensees are done electronically.
- Returns are submitted to the Authority on time and in electronic form,
- No complaints are received by Freeport licensees on the TradeNet system for Freeport EDI Declaration submission & processing.

6.2.5.3 CORE STRATEGIES

G2-04-S1: Improve Declaration Processing system

With the collaboration of the Mauritius Network Services (MNS) and the Customs and Excise Department, MFA should refine and improve the Declaration processing system used by Freeport licensees. Furthermore, linkages between MFA internal licensing system with the TradeNet/CMS must be established to reduce the exchange of paper-based documents between Customs and MFA. To develop full collaboration with the MNS, MFA should become a shareholder of the Mauritius Network Services Ltd.

The following actions will be carried out to implement this strategy:

- Ensure that developers receive an electronic copy of the EDI Freeport declarations for goods to/from their respective zones.
- Study the shortcomings of the existing TradeNet system for effective & efficient Freeport declaration Processing, and propose recommendations for improvement to Customs and MNS.
- Implement Freeport Trade Performance Management System for the analysis and reporting of detailed Freeport Trade performance,
- Prepare and implement a Web-based Freeport Declaration Processing User Manual, and ensure that it is always updated.
- Disseminate Freeport Declaration Statistics through MFA's web site.

G2-04-S2: Eliminate paper-based processing systems

A number of processes, such as licensing system, preferential tariff forms, applications for work and residence permits that require interfaces between licensees, MFA, and other authorising agents, should be fully computerised.

The following actions will be carried out to implement this strategy:

- Conduct assessment and study of all paper-based processing systems at MFA and in the Freeport Sector, and recommend systems to eliminate them.
- Review and computerise the submission, processing, and approval of preferential tariffs for report Traders.
- Review and computerise the submission, processing, and delivery of Freeport licences and permits.
- Computerise the submission of returns by Freeport developers, forms for removal of samples, and authorizations for release of goods on the local market.

STRATEGIC GOAL 3

LAND USE

**ENSURE THE AVAILABILITY OF
SERVICED LAND AT THE AIRPORT,
WHILE OPTIMISING THE USE OF
EXISTING FREEPORT LAND AT THE
PORT**

6.3 GOAL 3 – LAND USE – ENSURE THE AVAILABILITY OF SERVICED LAND AT THE AIRPORT, WHILE OPTIMISING THE USE OF EXISTING FREEPORT LAND AT THE PORT.

6.3.1 INTRODUCTION

In positioning itself as a competitive regional logistics and marketing hub, the Mauritius Freeport has to target two distinct types of potential direct customers in terms of infrastructure requirements. The first type of customers is Freeport operators looking for readily available infrastructure, offered by Freeport developers, for the storage and processing of their goods. The second type of customers is potential developers looking for serviced land for the construction of logistics infrastructure and to operate as private or third-party developers.

The availability of infrastructure is a critical requirement for the development of the Freeport as a competitive source of supply of goods. This issue is covered under Goal 1, Objective 1.1.

Goal No. 3 therefore looks purely at the land issue and focuses on the availability of serviced land for new infrastructure, the incentives required to encourage investment and the necessity to have a strategy for the judicious allocation of land for new projects in the Freeport sector.

In fact the Freeport Act 2001 stipulates that the functions of the Authority are inter alia *“to control and manage the allocation of land in the Freeport zones, its use, development, operation and related matters”* and *“to develop land in the Freeport zones by providing infrastructure works and to lease such land to Freeport developers.”*

While there is sufficient serviced land at the port to cater for infrastructural development for at least the next three years, there is currently no serviced land available at the airport.

6.3.2 OBJECTIVE 3.1 – SERVICED LAND IS READILY AVAILABLE AT THE AIRPORT FOR NEW INFRASTRUCTURAL DEVELOPMENT.

6.3.2.1 STRATEGIC ISSUES

a) Airport based activities

Port-based Freeport activities have known a major boost since the availability of new infrastructure from the private developers, with total Freeport trade in value terms having grown from Rs 2.4 billion in 1997 to Rs 11.6 billion in 2001. The range of logistics facilities and services offered by the different developers is more conducive for business development and has attracted a variety of activities from a growing number of Freeport operators. While the opportunities for airport-based activities exist for the transit and customisation of high-value/ low-volume goods, the facilities currently available at the airport face two major weaknesses. First, only one developer is operating from the airport, and secondly the mere facilities of 2500 m² used are in fact the old airport terminal building and cannot offer much in terms of logistics facilities.

6.3.2.2 KEY PERFORMANCE INDICATORS

- Land earmarked for the development of the Air Cargo Village vested to MFA by FY 02/03
- Number of potential developers and projects identified for Air Cargo Village project

6.3.2.3 CORE STRATEGIES

G3-01-S1: Air Cargo Village

The mere 2500 metre square of warehousing space available at the airport is today inadequate to act as a support to the port based activities and to ensure the development of airport based activities. A whole new long term project has to be developed for that purpose, especially if the competitive advantage of Mauritius in terms of its proximity with the regional market and the market of high-value/ low-volume goods, are to be exploited. In fact the Airport Master Plan prepared by the *Aéroports de Paris* included a study of the present land use patterns and formulation of proposals for the location of various facilities, including airport-based activities such as Freeport operations. Land has already been earmarked for Freeport development as a result of the Master Plan. A multi-tenant strategy will

be used for the development of the Air Cargo Village. This entails that smaller plots of land will be gradually allocated to developers as and when the land is required for new projects. This will eliminate the risk of having too few developers having too much land and also a more efficient distribution of land to individual projects.

The following actions will be carried out to implement this strategy:

- Undertake feasibility study.
- Conduct demand survey.
- Carry out master planning.
- Promotion of the Air Cargo Village locally.

6.3.3 OBJECTIVE 3.2 – THE FREEPORT OFFERS A CONDUCTIVE ENVIRONMENT FOR INVESTMENT IN INFRASTRUCTURE.

6.3.3.1 STRATEGIC ISSUES

The positioning of the Mauritius Freeport as a value added logistics hub, the need for specialized infrastructure for processing activities and the setting up of the Air Cargo Village will all require important investment in infrastructure from both local and foreign investors. However, the Mauritius Freeport is in direct competition with other Freeports and free trade zones in the region which also offer investment possibilities to foreign investors. Moreover, unlike the export processing zones and offshore sectors where companies benefit from preferential market entry or double taxation agreement, Freeport traders operate in a fierce competitive environment without any safety net. The price competitiveness of the Freeport is therefore vital, hence the need to offer a conducive environment for investment.

6.3.3.2 KEY PERFORMANCE INDICATORS:

- Number of new investors/developers in the freeport
- Existing developers upgrade existing logistics facilities
- Amount of investment in infrastructure
- Profitability of Freeport developers

6.3.3.3 CORE STRATEGIES

G3-O2-S1: Offer of Investment incentives

While fiscal and investment incentives cannot be considered as a unique selling point, they remain today, a pre-requisite in attracting investment in the Freeport. Firstly, most competing locations offer investment opportunities in a tax-free environment. Secondly while fiscal incentives reduce direct revenue to the state, they increase the cost competitiveness of Freeport licensees and therefore help generate more trade and improve the economic impact of Freeport trade on the economy. Other investment incentives that must form part of the incentives package are 100% foreign ownership of Freeport companies coupled with flexible operational, legal and administrative procedures to enable the smooth delocalisation of international companies' operations in the Freeport.

The following actions will be carried out to implement the strategy:

- Yearly benchmarking study with other investment locations.
- Review package of incentives to be offered to different types of investors

G3-02-S2: Equilibrated supply and demand of infrastructure

While a wide range of infrastructure will enhance the competitiveness of the Freeport, it is important that there exists a balance between the different types of logistics services on offer and the demand for each type of facility. In cases where the demand for a specific facility is limited, exclusivity contracts can be signed with the respective developers.

The following actions will be carried out to implement the strategy:

- Yearly study to review demand in type and quantity of Freeport infrastructure.
- Allocate exclusivity contracts for specialized infrastructure.
- Construction schedules in Master Agreements for new investments

G3-02-S3: Stable investment environment

With massive investment made in infrastructure, the Mauritius Freeport must target investors looking for long-term investment opportunities and not foot-loose investors looking for quick benefits. However, one critical factor in attracting long-term investment is a stable investment environment, which can reassure the investor on his ability to operate profitably in the long term. For example, their ability to renew their operating licenses and work permits trouble free, their command of their variable factors of production such as wages and utilities costs all form part of the criteria for investment decisions. It is therefore important that the relevant authorities are sensitised with regard to the importance of these factors for the potential investors so that a more conducive environment to investment is created.

The following actions will be carried out to implement the strategy:

- Issue an initial, and renewable, three-year licence to developers.
- Identify all key investment incentives to potential investors (e.g. cost of utilities).
- Sensitise all relevant authorities regarding the need to maintain these key investment incentives.

6.3.4 OBJECTIVE 3.3 – FREEPORT LAND IS JUDICIOUSLY ALLOCATED FOR NEW PROJECTS.

6.3.4.1 STRATEGIC ISSUES

a) Scarcity of land

The success of the Mauritius Freeport as a transshipment hub is dependent on the proximity of its logistics infrastructure with the port and container terminal. However, all Freeport land at the port and airport have already been leased to the existing developers while new land, in the vicinity of the port area, which could potentially be converted into Freeport zones, is limited.

b) Land for Minor Processing Activities

There is a growing demand for minor processing activities to be carried out in the Freeport zones. In addition to creating value added activities, minor processing of goods imported into the Freeport might confer Mauritius origin to the finished goods so that the latter may enter the regional markets under preferential tariffs. However, processing activities occupy larger dedicated surface areas and their implementation in the Freeport must be carefully considered.

6.3.4.2 KEY PERFORMANCE INDICATORS

- Coverage Ratio ($\text{m}^2/\text{hectare of land}$)
- Traffic generated by project (TEU/m^2)
- Tonnage handled per m^3 of refrigerated warehouse

6.3.4.3 CORE STRATEGIES

G3-03-S1: Set an appropriate framework for light processing activities

The success of the any Freeport logistics platform relies on its ability to generate a maximum of traffic per unit of space utilised. On the other hand, the competitiveness of the Mauritius Freeport relies also partly on freight costs, which itself depends on the volume of traffic. With limited Freeport land, one of the critical success factors for the Freeport is to maximize the volume of container traffic per square metre of land. Processing activities, on the other hand, produce a slower turnaround of goods, thus contributing less to the development of the Freeport in terms of container traffic.

Specific criteria, namely in terms of TEU/m² generated, will therefore be used for the approval of Freeport projects involving processing activities.

The following actions will be carried out to implement this strategy:

- Carry out a study on the impact of processing activities on Freeport trade.
- Benchmark with other logistics platforms with respect to traffic generation by processing activities.
- Define the criteria for the approval of processing activities to be carried out in Freeport zones.

G3-O3-S2: Establish criteria for the selection and approval of specialised activities
--

New Freeport projects requiring dedicated infrastructure will be approved according to some specific criteria, such as the long term sustainability of the project and the amount of traffic that will be generated. Moreover the approval of all such projects shall be conditional upon the realisation of specific performance targets.

The following actions will be carried out to implement this strategy:

- Study with developers gap between supply and demand for infrastructure.
- Approve new projects requiring dedicated infrastructure according to criteria such as long-term sustainability and performance targets.

STRATEGIC GOAL 4

STAKEHOLDERS

**BUILD A STRONG FREEPORT
COMMUNITY THROUGH PARTNERSHIPS
AND COLLABORATIVE NETWORKS
WITH OUR STAKEHOLDERS**

6.4 GOAL 4 – STAKEHOLDERS – BUILD A STRONG FREEPORT COMMUNITY THROUGH PARTNERSHIPS AND COLLABORATIVE NETWORKS WITH OUR STAKEHOLDERS.

6.4.1 INTRODUCTION

Goal 4 identifies and addresses the issues that are linked to stakeholders. MFA is the focal point for the Mauritius Freeport and it is therefore imperative that MFA takes into account the views, ideas and concerns of stakeholders in the elaboration of the strategic plan.

Supply chain, which is itself a complex sequence of events and decisions that connect the source of supply with the end-consumer, involves various links. This end-to-end supply chain is managed through logistics. Acting as the focal point for the Mauritius Freeport in the chain, MFA thus has a very important role to play in interacting and communicating with all its stakeholders - whether within or outside the supply chain. MFA has to interact and communicate frequently with the stakeholders, which include the Ministry of Finance, the Board, Freeport licensees - i.e., the private developers & the traders, MPA, CHC, Customs Department, MNS, BOI, Customs House Brokers, freight forwarders, shipping agents, COMESA, SADC, PMAESA, and a number of other local and international institutions.

The globalisation of business warrants that potential investors have instant and reliable information to facilitate their decision-making process.

The business environment is always in a state of change whereby, on the one hand, new opportunities open up for Freeport companies and, on the other hand, threats become an impediment to their further growth. The Mauritius Freeport must adapt itself to the changing environment so that the opportunities are exploited and threats are overcome.

The different goals that are set out in this strategic plan for the further development of the Freeport sector will result in new stakeholders being identified with whom MFA will have to work closely.

Close collaboration with its stakeholders is therefore a prerequisite for MFA to identify these opportunities and threats so that necessary actions may be taken for the sector to remain competitive.

6.4.2 OBJECTIVE 4.1 - LINES OF COMMUNICATIONS WITH FREEPORT STAKEHOLDERS ARE OPEN AND EFFECTIVE

6.4.2.1 STRATEGIC ISSUES

- a) The different roles that MFA had to assume under the Freeport Act 1992 at times created conflicting situations that did not allow an easy communication with its stakeholders.
- b) As the focal point of the Freeport sector, MFA has the crucial responsibility of keeping an open communication so that stakeholders are all aligned, fully understand, share and participate in the strategies and actions for the development of the Mauritius Freeport.
- c) The success of the Freeport sector is linked with the profitability of the private developers and an increase in market base of traders. MFA thus has to be aware of the strengths of each developer and the difficulties they face in carrying out their business activities. Similarly, for the Freeport operators, it is important to gather information about their different markets.
- d) Like any business sector, the Mauritius Freeport has to evolve so as to adapt to the changes in the international environment. Thus the legal framework provided by the Freeport Act 2001 has to be continually reviewed through the contribution of all stakeholders.
- e) MFA also has to maintain an open and effective communication at the institutional level with stakeholders like Customs Department, MPA, CHC, Ministries, and other government bodies so that procedures that impact on Freeport operations are further streamlined.
- f) In the field of logistics, the flow of information among the stakeholders is a critical factor for the traceability and visibility of goods in the physical flow.
- g) An open door policy will greatly enhance MFA's capacity in addressing problems faced by stakeholders and either finding solutions or addressing the issue to the proper institution / organisation for prompt actions.

6.4.2.2 KEY PERFORMANCE INDICATORS

- An increasing number of issues are resolved
- Monthly meetings are organised with Freeport stakeholders
- A workshop for the review of the strategic plan is organised every year
- The MFA website is regularly updated to disseminate important, quality and useful information
- A newsletter for the Freeport sector is published quarterly
- Information is disseminated regularly to all stakeholders
- Developers provide monthly figures about the occupancy rate of their facilities and submit their annual financial performance
- The strategic plan is discussed and has the approval of MFA Board

6.4.2.3 CORE STRATEGIES

G4-O1-S1: Secure stakeholders participation in strategy formulation

MFA will maintain open communications with all its stakeholders to receive and share relevant and up-to-date information so that a two-way flow of information is maintained. Valuable inputs having been obtained from the private developers and operators for the strategic plan, MFA will organise a workshop to discuss the implementation of the strategies and actions of the plan with developers and operators. The strategic plan will also be communicated and distributed to all stakeholders and an annual review of the strategic plan will also be carried out.

The following actions will be carried out to implement this strategy:

- Develop a process to continuously gather feedback on the strategic plan.
- Carry out annual review of strategic plan with developers and stakeholders.
- Report annual review to Board.

G4-01-S2: Develop multi-communication channels with stakeholders

While different tools exist to communicate, MFA will encourage its stakeholders to use ICT for communications because of its various benefits such as rapidity, range and cost-effectiveness. The MFA website will be redesigned and constantly updated with latest information. An online complaints desk will be opened so that stakeholders can communicate problems encountered for solutions to be proposed by MFA. An online newsroom will also be available for issues/topics that impact on the Freeport may be discussed. A newsletter for the Freeport sector will also enable stakeholders to actively participate and contribute in its publication.

The following actions will be carried out to implement this strategy:

- Redesign and update MFA website with latest information.
- Email address is provided to Freeport licensees.
- Annual survey for effectiveness of MFA website is carried out.
- Develop an on-line complaints desk on MFA website.
- Online newsroom is developed for use as a discussion forum in the Freeport.
- Newsletter for the sector is published quarterly.
- An annual stakeholders survey for Goal 4 is carried out to evaluate the achievement of the Goal.

G4-01-S3: Develop forums to review operational issues

In its quest to be on the receiving end of, and also to share, valuable information, MFA will have regular meetings with its main stakeholders. These meetings will also provide the platform for stakeholders to raise issues that affect their operations.

MFA will also have regular meetings with institutional stakeholders such as MPA, CHC, Customs, firstly to discuss and resolve issues raised at meetings and also on the virtual platform and secondly to further streamline operational procedures.

Performance of private developers as providers of logistics services impact on the success of the Mauritius Freeport. The private developers will be required to submit monthly marketing and operational performance reports of their facilities. These reports will then be monitored and discussed with the private developers at individual meetings.

The following actions will be carried out to implement this strategy:

- Stakeholders Meeting is held every month.
- Meetings are held regularly with MPA, CHC, and Customs.
- Monthly operational reports of developers are reviewed.
- Half-yearly review individual meetings are held with developers to discuss their performance.

6.4.3 OBJECTIVE 4.2 - CLOSE WORKING RELATIONSHIPS WITH PORT AND AIRPORT INSTITUTIONS GENERATE JOINT PROJECTS

6.4.3.1 STRATEGIC ISSUES

- a) Collaboration between MFA and port and airport authorities for the development of the Mauritius Freeport is specifically mentioned in the Freeport Act 2001.
- b) In the Port and Freeport sectors, a common vision links MPA, CHC and MFA - that is to transform Port Louis into a regional hub port, and to make of Mauritius the logistics and distribution centre of the region.
- c) The Port and Freeport facilities have to be promoted as an integrated package of service offered by MPA, CHC and MFA so as to create the necessary synergy among the three organisations.
- d) Mauritius has an economic maritime zone that offers huge potential for the development of export-oriented seafood industry within the port area. The appropriate strategies will have to be developed and implemented together with the port authorities.
- e) Potential investors require information that allows them to carry out their cost-benefit analysis for using the Mauritius Freeport logistics platform. The information thus required includes among others warehousing costs; freight charges; port handling costs; shipping and air connections; inland transport costs; labour charges; utilities costs; and Customs duties and taxes on goods. The various communication channels for the sharing of information with the port and airport authorities must be established.
- f) The Airport Master Plan makes provision for the setting up of an air cargo village for Freeport activities. The development of the air cargo village will necessitate the collaboration of the airport authorities.
- g) Land locked African countries represent good business potential for the Freeport. However, a prohibitive factor for trade to develop through the Mauritius Freeport to these land locked countries is the lack of direct air links from between Mauritius and these countries.
- h) Economic activities in the Port and Freeport and air cargo sectors are invariably linked. It is imperative that linkages are created among these different sectors so that there is synergy in the development of each sector.

6.4.3.2 KEY PERFORMANCE INDICATORS

- The number of projects/activities which are generated.

6.4.3.3 CORE STRATEGIES

G4-O2-S1: Develop yearly agreements of co-operation with relevant authorities

The overall development of the Port and Freeport sectors rests within the joint ambit of the MPA, CHC and MFA. The three organisations have important and distinct roles to play in transforming Port Louis into a hub for increased Port and Freeport activities. The three organisations will be called upon to develop and sign a Memorandum of Co-operation that will be the official commitment for partnership. Thus the effort that the three organisations are putting in will result in a synergy among the three port-related institutions.

Similarly, MFA will seek to have a Memorandum of Co-operation with the airport authorities for joint projects such as the air cargo village, studies such as identifying new air routes between Mauritius and Africa for air cargo.

The following actions will be carried out to implement this strategy:

- Prepare a cooperation framework between MFA and port and airport authorities.
- Prepare action plans as per agreement of co-operation.

G4-O2-S2: Identify and implement projects through the agreement of co-operation

The agreements of co-operation will also provide tools to have joint action plans for project identification and implementation.

MPA, CHC and MFA have jointly set up a management committee for developing common marketing activities for the mutual benefit of the Port and Freeport sectors. Projects that have to be developed jointly will be identified. Some of the projects that have to be undertaken jointly by the three organisation include:

- Study on feeder services and transshipment traffic at Port Louis;
- Portal for the Port and Freeport sectors;
- Development plan for the seafood industry within the port area;
- Develop value-added services for the Port and Freeport operators.

It is equally important that projects, which are jointly identified, are implemented. Project management mechanisms will thus be developed for the implementation of the projects.

Technical committees will be set up for to ensure that projects identified by the management committee are implemented. The committee will provide regular progress reports to the management committee. Project management teams will be responsible to manage individual projects from start to finish and work closely with the technical committee for the successful implementation of these projects.

The following actions will be carried out to implement this strategy:

- Organise working sessions with port and airport authorities to identify joint projects.
- Develop project management mechanisms for implementation of projects.

6.4.4 OBJECTIVE 4.3 - NETWORKING WITH REGIONAL AND INTERNATIONAL INSTITUTIONS LEADS TO TECHNICAL ASSISTANCE AND PROJECT FUNDING.

6.4.4.1 STRATEGIC ISSUES

- a) There are many institutions worldwide, including government agencies, intergovernmental organisations, non-governmental organisations, international financial institutions, regional associations and private firms working to provide technical and financial assistance to the different sectors of economic activities in developing countries.
- b) As the focal point for the Mauritius Freeport, MFA has to network with institutions at the regional and international levels, which are themselves focal points for the national and sectoral development of trade and industry. Some of these regional institutions are COMESA, SADC, IOC, PMAESA, SAEF and STDB while at the international level they are the World Bank, MIGA, UNCTAD, EU, CDE, and Commonwealth Business Council.
- c) Since most of the institutions provide their technical and financial support at the institutional level, it will be MFA's role to network and develop partnerships with them.
- d) The Mauritius Freeport operates without any safety net. It is therefore imperative that changes that take place in its re-exports market do not adversely affect Freeport activities. Networking with the regional and international institutions can thus assist in minimising the impact through negotiation forum.
- e) Through networking MFA can have access to the wide array of databases of useful information that are available at these institutions. These databases can provide valuable and useful information for the development of the sector.
- f) The success of the Mauritius Freeport depends largely on the implementation of projects. Important factors for the implementation of the projects are the technical and financial resources. However, these resources are limited. The regional and international institutions can thus contribute to the development of the sector through technical assistance and project funding.

6.4.4.2 KEY PERFORMANCE INDICATORS

- MFA maintains regular contacts with the regional and international institutions
- New projects are submitted to the international institutions for assistance
- New projects are implemented with the support of the international institutions

6.4.4.3 CORE STRATEGIES

G4-O3-S1: Identify institutions that provide technical and financial assistance
--

There are many regional and international institutions such as the CDE, TIDS, PRIDE, OPIC, EBAS, CBC that provide their expertise in terms of technical and financial assistance for projects both at sectoral and micro levels.

MFA will focus on identifying the many institutions that can assist Freeport developers and operators in providing assistance. Moreover, MFA will provide its assistance in the preparation and submission of projects for assistance.

The following actions will be carried out to implement this strategy:

- Identify schemes for financial and technical assistance which are of interest to the Freeport sector and develop working relationships with the relevant institutions.
- Identify Freeport projects that can benefit from technical and/or financial assistance.
- Assist operators and developers in preparing project plan for submission for assistance.

STRATEGIC GOAL 5
PEOPLE
DEVELOP KNOW-HOW AND SKILLS IN THE FREEPORT SECTOR

6.5 GOAL 5 – PEOPLE - DEVELOP KNOW-HOW AND SKILLS IN THE FREEPORT SECTOR

6.5.1 INTRODUCTION

Winning organisations consider people to be their most valuable resources. Well-trained and motivated people are essential to the smooth running of any organisation. However, they need continuous training.

Logistics management is a fairly new concept in Mauritius. This activity has been picking up momentum since the creation of the Mauritius Freeport. Trained personnel will help raise the level of the local industrial and services sector to international standards. Training courses in specific fields will help develop a new generation of professionals to man the Freeport sector and ensure its overall efficiency.

Information and communications technology (ICT) constitutes a major enabling tool to enhance the competitiveness of the Freeport operators. A greater interaction and exchange of information in the Freeport community will be encouraged through ICT, namely via e-mail and the Internet.

It is important for private companies operating in the Freeport to harmonise their business practices so as to secure the confidence of their international counterparts and to increase their competitiveness. Freeport licensees will be encouraged to develop and maintain a customer-oriented approach in business and adopt best management practices, thus contributing towards the development of a quality and competitive Freeport community.

6.5.2 OBJECTIVE 5.1 - THE NECESSARY SKILLS, COMPETENCIES AND EXPERTISE IN LOGISTICS MANAGEMENT AND INTERNATIONAL TRADE EXIST IN THE FREEPORT

6.5.2.1 STRATEGIC ISSUES

- a) Today it is universally acknowledged that people constitute the greatest asset of a nation. The only difference-maker is people. How firms capitalise on their human resources differentiates them from their competitors. Enhancing the competitiveness of the Mauritius Freeport is highly tributary to the quality of its workforce at all levels, from operational staff to top executives.
- b) The rapid development of the Mauritius Freeport has induced greater demand for new skills and competencies in the Logistics and Transport sector, which is a relatively new sector in Mauritius. Today, supply chain management represents a key factor in the competitiveness of companies operating globally. However, qualified personnel in logistics are not available. This could hamper the further development of trade in the Freeport sector.
- c) Freeport companies are also facing a shortage of qualified professionals in international trade. Most of these companies are actively involved in international trade, but it has been noted they have neither a proper marketing strategy nor a clear marketing plan due to lack of skills and competencies in international marketing.

6.5.2.2 KEY PERFORMANCE INDICATORS

- Number of Freeport companies trained in logistics or possessing skills in international marketing will increase annually.

6.5.2.3 CORE STRATEGIES

G5-01-S1: CARRY OUT A SECTORAL TRAINING NEEDS ANALYSIS

A training needs analysis will be carried out in order to assess the existing skills, knowledge and levels of competence of the employees in the Freeport sector. This study will identify areas where training is required.

The following actions will be carried out to implement this strategy:

- Appoint a consultant for the Training Needs Analysis.

- Carry out survey on training needs among Freeport licensees.
- Devise training plans on a yearly basis according to survey.

G5-01-S2: ORGANISE SEMINARS AND TRAINING

Learning being a continuous process, a policy of continuous development will be implemented. Seminars and training programs will be organised with the aim of upgrading and enhancing the knowledge and skills of Freeport companies engaged in the development of the Freeport.

The following actions will be carried out to implement this strategy:

- Organise seminar on logistics on a yearly basis.
- Conduct training courses on international trade practices.
- Induction training courses to be given to new licensees.
- Organise training courses for service providers.

G5-01-S3: DEVELOP PARTNERSHIPS WITH TRAINING INSTITUTIONS

The Mauritius Freeport Authority as a facilitating body in the development of the Mauritius Freeport has to take the lead to provide the required courses for Freeport companies. In this context, the Authority will organise training courses in partnership with Mauritian institutions, namely the Mauritius Chamber of Commerce and Industry (MCCI) and the Customs Department on specific issues related to logistics and international trade. The Authority will also develop partnerships with international experts in logistics, such as CRET-LOG and Port of Singapore Institute, to conduct seminars for Freeport licensees.

The following actions will be carried out to implement this strategy:

- Develop collaboration with international experts in logistics for training.
- Invite specialists from CRET-LOG and Port of Singapore Institute to conduct training sessions.
- Conduct short training courses in partnership with local institutions on specific themes (rules of origin, export procedures).

6.5.3 OBJECTIVE 5.2 - FREEPORT LICENSEES ARE CONVERSANT WITH INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

6.5.3.1 STRATEGIC ISSUES

- a) New technology and fast access to information are transforming the business landscape bringing unparalleled opportunities and change. The availability of, and fast access to, relevant business information is a major factor to achieve competitiveness in the Freeport sector.
- b) The emergence of the Internet economy is now forcing organisations to rethink their way of doing business and is becoming one of the main engines of growth. The Internet is having a profound effect on global trade and it is changing the traditional way of doing business. It opens up access to a wealth of information and most traders now prefer to access online databases in order to find the latest available information.
- c) Freeport licensees should be conversant with modern information and communications technologies in order to be able to exploit these business opportunities. The Internet, as a tool for promotional activities, allows direct communication channels to be established between business partners. The possibility of displaying product catalogues on the Internet will create attractive prospects for the promotion of new products for the Freeport companies.
- d) The Freeport sector is operating more and more in a paperless environment with the streamlining of its operational processes. Consequently, Freeport companies must be prepared to use information technology in order to increase their operational efficiency.

6.5.3.2 KEY PERFORMANCE INDICATORS

- Number of Freeport companies having an e-mail address.
- Number of Freeport companies having a web site.
- Number of Freeport companies having computerised their internal management systems.
- Number of Freeport companies promoting their products or services through the Internet.
- Number of employees in Freeport companies who are computer literate.

6.5.3.3 CORE STRATEGIES

G5-02-S1: DEVELOP COMMUNICATION SYSTEM WITH FREEPORT LICENSEES

Seminars and conferences will be organised in order to show to small and medium-size businesses how they can use the growing information sector to give them a competitive edge. Communication will also be encouraged through e-mail between Freeport companies, developers and MFA.

The following actions will be carried out to implement this strategy:

- Undertake study to assess level of computerisation of Freeport companies.
- Organise seminars and conferences for Freeport companies on ICT.
- Encourage Freeport companies to have an e-mail address and a web site through personalised mailings.
- Communicate with Freeport companies and developers through e-mail.

G5-02-S2: FOSTER THE USE OF INTERNET

In the face of increasing customer demands and the urgency to be innovative, the Authority will motivate companies to promote their products and services through the Internet.

The following actions will be carried out to implement this strategy:

- Organise training sessions on online marketing for Freeport companies.
- Encourage Freeport operators to develop their company web site and to make use of e-mail.

G5-O2-S3: ENHANCE OPERATIONAL EXCELLENCE

Computerisation is a long-term solution to improve Freeport developers' management practices. Freeport developers will be encouraged to use a warehousing management software system in order to streamline their business operations and increase productivity. Furthermore, MFA will secure the electronic communication with developers through an electronic signature.

The following actions will be carried out to implement this strategy:

- Warehousing management system to be used by Freeport developers.
- Computerise submission of returns and application forms for Freeport licence by developers.
- Secure electronic communication with developers with electronic signature.

6.5.4 OBJECTIVE 5.3 - FREEPORT LICENSEES ADOPT BEST MANAGEMENT PRACTICES

6.5.4.1 STRATEGIC ISSUES

- a) Today's business environment is extremely demanding. Organisations are faced with an ever-quicken pace of change. Customer and market demands must be met if businesses are to achieve sustained success.
- b) On the other hand, customers are now demanding quality. This encompasses a wide range of concepts, namely delivery-time, promptness, relevance and accuracy of information, consistency in the level of service, ability in proposing solutions, respect of contracts, mutual trust and a host of other ideas.
- c) The mastery and implementation of all these quality-related concepts require a good understanding of norms and standards, which have to be complied with. Freeport companies are fully aware that in order to maintain their competitiveness, they should adopt international quality standards.
- d) Best management practices will help Freeport licensees bring the best out of their people to significantly enhance their business performance.

6.5.4.2 KEY PERFORMANCE INDICATORS

- An increasing number of Freeport licensees adopting best management practices, such as ISO and TQM.

6.5.4.3 CORE STRATEGIES

G5-03-S1: PROMOTE BEST PRACTICES

Quality management will transform the attitude and approach of the company and thus maximize its competitive advantage. The Authority will encourage Freeport companies to adopt quality standards, carry out customer satisfaction surveys on a regular basis, and also adopt good management practices. A code of ethics will also be implemented for Freeport licensees and MFA will encourage private developers to implement a strategic planning system.

Training courses will be organised to give Freeport licensees the know-how for the implementation of management systems. The aim of the training sessions is to

provide Freeport licensees with the necessary skills in order to improve the level of service they provide.

The following actions will be carried out to implement this strategy:

- Encourage the implementation of quality standards (ISO) among Freeport licensees through seminars.
- Customer satisfaction surveys to be carried out by private developers and results to be communicated to MFA.
- Implement a code of ethics for Freeport companies.
- Motivate Freeport developers to implement strategic planning.

STRATEGIC GOAL 6

PRODUCT & MARKET DEVELOPMENT

**DIVERSIFY THE BUSINESS PORTFOLIO
OF THE MAURITIUS FREEPORT**

6.6 GOAL 6 – PRODUCT & MARKET DEVELOPMENT - DIVERSIFY THE BUSINESS PORTFOLIO OF THE MAURITIUS FREEPORT

6.6.1 INTRODUCTION

The Mauritius Freeport is not a static sector but is in constant evolution. It operates in a highly competitive business environment that is subject to regional and global forces and fluctuations. To maintain its comparative advantage and ensure its long-term success, the Freeport must constantly adapt itself to this highly sensitive climate.

This will depend, in part, on its capacity to broaden the range of its activities, products and markets by anticipating and keeping abreast of the needs of the sector. Therefore, product and market development constitutes one of the most important strategic goals in this Strategic Plan for the Mauritius Freeport.

Like all products, Freeport products have a measurable life cycle with phases of growth, maturity, and decline. Freeport products must not become obsolete. New ones will replace those whose life cycle is on the decline. It is therefore important that the Freeport products and markets are constantly assessed for their relevance to demand.

The business portfolio of the Mauritius Freeport may be presently categorized as follows:

1. The types of Freeport activities authorised under the Freeport Act 2001, such as warehousing and storage, labelling, packing, minor processing, simple assembly and ship repairs.
2. The variety of products marketed by Freeport traders such as textiles, food, fish, chemicals, commodity products and hardware products.
3. Logistics facilities and services offered by Freeport developers such as cold room facilities, processing units, offices, exhibition centre, reefer container points, third party logistics, Garments on hangers and facilities for the storage of containers.
4. The targeted markets namely regional and international markets.

To stay competitive, MFA will constantly analyze the business portfolio of the Freeport sector in order to develop the right strategies for introducing new products, new Freeport activities as well as new logistics facilities and services. The challenge of this objective will be the conversion of concepts and ideas into marketable products.

6.6.2 OBJECTIVE 6.1 - NEW BUSINESS OPPORTUNITIES ARE IDENTIFIED

6.6.2.1 STRATEGIC ISSUES

- a) New business opportunities must be identified and new activities carried out in the Freeport. New lines of re-export products must be introduced in the Freeport and new markets targeted and tapped.
- b) The success of the Freeport can be jeopardized by the concentration and dependency on a few export markets (e.g. Madagascar) and line of re-export products (e.g. fish). Therefore, there is a need to diversify the markets and broaden the line of re-export products.
- c) Markets for Freeport services and products have been traditionally identified through buyer/seller meetings, investment missions and participation in trade fairs. However, the number of missions was insufficient to develop the critical mass for the accelerated development of the sector.
- d) In this context, market intelligence and market research analysis are vital for the penetration of new markets and the development of products. MFA must be in a position to collect marketing data and analyse them with a view to identifying new business opportunities and develop appropriate strategies.
- e) Through the two main regional blocs, namely COMESA and SADC representing a market potential of more than 425 million consumers as well as a trade importation potential of more than USD 80 billion, there is a big scope for the development of new business opportunities.

6.6.2.2 KEY PERFORMANCE INDICATORS

- New Freeport activities will be included in the Freeport sector.
- New markets will be identified and tapped.
- There will be an increase in the number of Freeport operators due to new business opportunities.
- There will be an increase in re-export turnover due to new business opportunities.

6.6.2.3 CORE STRATEGIES

G6-01-S1: Design and implement a Market Research Framework

With the globalisation of the international economy, the availability of timely and relevant trade information is now a major factor for competitiveness. The collection and analysis of marketing data constitute a critical element for devising appropriate marketing strategies. In order to identify new business opportunities, it is imperative that MFA put into place a market research framework which consists of defining the market research objectives, developing the research plan, collecting of information, analysing the information and presenting the findings. These findings will facilitate and assist MFA in identifying new business opportunities.

One of the core elements of the market research framework will be the setting up of a Marketing Information system (MARKIS). It will be tailored to provide useful and relevant information by using market intelligence and market research data.

The following actions will be carried out to implement this strategy:

- Define a market and product research process
- Set up a marketing information system.
- Identify and develop market research themes.
- Recruitment of a market research analyst.

G6-01-S2: Comparative analysis with other Ports and Freeports

In order to position itself as a major player in the region as well as identify new business opportunities in terms of new activities, products and markets, it is important that the Mauritius Freeport benchmarks itself with other Ports and Freeports with respect to services and prices. By analysing and evaluating the performance of its competitors in the same area of activity as well as the facilities and services they are offering, the Authority will be in a better position to develop the right strategies to compete favourably.

The strengths and weaknesses of the Mauritius Freeport will be more clearly defined through a comparative analysis of its activities with those of other Ports and Freeports.

Moreover, in line with the development of Mauritius as a textile and seafood hub, the facilities and services offered in Walvis Bay in Namibia and Jurong in Singapore, will be studied. As regards the textile hub, the services offered at the

Freport of Duisburg, the largest textile finishing and distribution centre of Europe will be looked into with a view to implement same in Mauritius.

The following actions will be carried out to implement this strategy:

- Carry out a comparative study on the marketing and business development of the Jebel Ali Freeport.
- Study Duisburg Textile distribution Centre- model.
- Carry out a research study on leading seafood hubs, namely Walvis Bay (Namibia) and Jurong port (Singapore)

6.6.3 OBJECTIVE 6.2 - THE RANGE OF PRODUCTS AND MARKETS TARGETED IS CONTINUOUSLY BROADENED

6.6.3.1 STRATEGIC ISSUES

- a) One of the main functions of the Mauritius Freeport Authority is to promote the Freeport sector. Being a customer-oriented organization MFA must always work in the interest of its customers while facilitating the exports of products to their respective markets.
- b) The range of products marketed must be continuously broadened. It is the role of MFA to ensure that the Freeport operators are always informed of new products that can be exported to these markets.
- c) The Freeport evolves in a competitive and changing business environment. The re-export potential of existing Freeport products must be assessed on a regular basis in order to develop the right strategy for the introduction of new products.
- d) MFA should be constantly aware of the demand requirements of the regional and international buyers and satisfy the customers by ensuring that the products are available in the Freeport. Regional and international buyers should perceive the Freeport as the only attractive source of supply in Mauritius for the products they want to purchase.

6.6.3.2 KEY PERFORMANCE INDICATORS

- There will be a database on the evolution and market trend of Freeport products.
- There will be an increase in the volume and range of products purchased
There will be an increase in re-export turnover
- New markets will be tapped for the re-export of new products

6.6.3.3 CORE STRATEGIES

G6-O2-S1: Develop Market Intelligence Support

In the promotion of the Freeport, MFA has an important role to play as a trade facilitator in assisting Freeport companies to market their products. Accordingly, MFA will conduct market surveys in new and existing markets in order to identify new products that can be marketed in the Freeport. Market surveys will also be conducted on specific products in order to evaluate their market potentials, e.g. seafood, textile accessories, spices, auto spare parts, commodity products, electronic parts and accessories.

The following actions will be carried out to implement this strategy:

- Conduct Market surveys in South Africa to identify markets for new products.
- Conduct Market surveys in Reunion and Madagascar to identify markets for new products.
- Conduct Market surveys on the potential of seafood products in Far East, e.g. Singapore and Hong Kong.
- Conduct market surveys in Western African region.
- Conduct market surveys for textile accessories in Madagascar and Botswana.

G6-O2-S2: Develop a Research Network

In order to fulfill its role as a regional distribution centre, the Mauritius Freeport must be in a position to supply a wide range of products. Apart from MFA's own efforts to carry out marketing research in order to identify products that have good re-export potential in the Freeport, MFA must collaborate and network with national and international organizations and institutions which can assist and contribute towards strengthening the market research process.

The following actions will be carried out to implement this strategy:

- Develop collaborations in the research field with local and international organisations and institutions involved in product lines promoted in the Freeport.
- Implement a memorandum of cooperation with the University of Mauritius and MFA in the field of international trade and market research and carry out joint research activities.

G6-O2-S3: Involvement of stakeholders in the Innovation Process

With the objective of continuously bringing innovation and creativity in the Freeport sector, MFA will share the results of its market studies with major stakeholders and trade specialists of the University of Mauritius involved in market research studies. The synergy developed between MFA and the stakeholders will largely contribute towards identifying demand for new products.

The following actions will be carried out to implement this strategy:

- Preparation and circulation to stakeholders of a market research analysis report on new products and new potential markets.
- Organisation of brainstorming sessions with stakeholders on new products to be marketed in the Freeport and new potential markets.

6.6.4 OBJECTIVE 6.3 - NEW FACILITIES AND SERVICES ARE OFFERED

6.6.4.1 STRATEGIC ISSUES

- a) The Mauritius Freeport must consolidate its position as a modern integrated logistics platform by offering the widest range of customer-oriented logistics services.
- b) The existing facilities and services offered such as cold room facilities, processing centres, offices, reefer points, storage of containers, third party logistics services, clearing and forwarding, garments on hangers must be assessed on a regular basis to meet customers' requirements.
- c) In order to improve and innovate the integrated logistics platform, new facilities and support services must be offered in the free port zones at both the Port and airport. Presently, there is an absence of support services in the Freeport Zones such as insurance, banking as well as a conference and convention centre to complement the existing Trade and Exhibition Centre.
- d) Furthermore, the logistics platform will be greatly improved if the following services were offered: real-time warehousing management and order processing modules, round the clock connectivity to inventory stock management, bar coding facilities, and I.T support services.

6.6.4.2 KEY PERFORMANCE INDICATORS

- There will be an increase in the type of facilities and services offered.
- There will be an increase in the number of service providers due to new facilities and services offered.
- There will be an increase in re-export turnover due to new facilities and services.

6.6.4.3 CORE STRATEGIES

G6-03-S1: Develop an Integrated Logistics Network for Research

Taking into consideration that logistics facilities and services are the backbone of the Mauritius Freeport and that the success and competitiveness of the sector depend largely on the efficiency of these logistics facilities, continuous research should be done in the field of logistics. By keeping abreast with the latest development in logistics, MFA will fulfill its objective of being a modern and innovative logistics platform. Therefore, it is important that MFA develop an integrated logistics network for research.

The following actions will be carried out to implement this strategy:

- Implement a memorandum of Cooperation with the following Port Institutions namely Port du Havre, Port of Antwerp and Port of Singapore to collaborate with MFA on research in transport and Logistics.
- Develop collaborations in the research field with logistics organizations and associations namely Bolero, International Warehousing and Logistics Association (USA) Institute of Logistics (U.K), International association of Ports and Harbours.

G6-03-S2: Assess the impact of E-Commerce in the Freeport

Pursuing its objective to become a modern and integrated logistics platform, MFA must take into account the emergence of a new electronic trade environment on the global scene. Electronic commerce is rapidly gaining precedence over traditional trading practices worldwide and will drastically affect the way in which international trade will be conducted in the coming years. Therefore, MFA should anticipate the impact that e-commerce could have on its logistics platform both at regional and international level.

The following actions will be carried out to implement this strategy:

- Conduct a study to assess the e-readiness of Freeport operators in terms of ICT penetration in the freeport sector and in the utilisation of e commerce for Freeport trade.
- Study e-commerce facilities and services offered in other Freeports.

6.6.5 OBJECTIVE 6.4 - THE REGULATORY AND BUSINESS FRAMEWORK OF THE FREEPORT IS ALIGNED WITH THE CHANGING ENVIRONMENT

6.6.5.1 STRATEGIC ISSUES

- a) The Freeport must function efficiently. Freeport development and activities must be carried out without unnecessary legal constraints.
- b) The Freeport legal framework should be harmonized with the legislation of other national economic sectors in order not to impede Freeport development.
- c) Legislation and Freeport business practices should take into account regional and global changes in the business environment to enhance growth.
- d) The Mauritius Freeport Authority is the only authorized body to regulate and administer the Freeport sector. Therefore it is important that the Freeport legislation and business framework are monitored closely in order to align itself with the changing business environment.

6.6.5.2 KEY PERFORMANCE INDICATORS

- A reduction in the number of constraints caused by conflicting pieces of legislation for different regimes and sectors.
- Number of operators in full compliance with national and international trade laws and conventions

6.6.5.3 CORE STRATEGIES

G6-04-S1: Continuously assess the regulatory and business framework of the Freeport
--

The legal and business framework governing the Mauritius Freeport should evolve so as to be in line with the dynamic development of the sector. In order to remain competitive and keep abreast with the development of international trade, the regulatory and business framework should be studied and assessed regularly.

The following actions will be carried out to implement this strategy:

- To conduct an annual study to identify external business factors that affect the regulatory and business framework of the Freeport.
- Organise an annual workshop with Freeport stakeholders to discuss the recommendations of the study.

G6-04-S2: Assessment of International Trade Conventions

In its role of promoting international trade, the Mauritius Freeport Authority should study the implications and benefits derived from the various international trade conventions. The Mauritius Freeport can improve its trade performance if it exploits the benefits and advantages that may be obtained through the trade protocols. These trade protocols can have a positive impact on the development of trade in the Freeport.

The following actions will be carried out to implement this strategy:

- Assess the impact of the Cotonou Agreement and AGOA on the Mauritius Freeport.
- Examine the implications of the provision of Trade in Services of WTO on the development of the Mauritius Freeport.
- Assess the impact of regional trade protocols namely SADC and COMESA on the Mauritius Freeport.

STRATEGIC GOAL 7

ORGANISATION

**DEVELOP THE MAURITIUS FREEPORT
AUTHORITY INTO A WELL-GOVERNED
ORGANISATION FOCUSING ON
RESULTS, CUSTOMER SATISFACTION
AND EMPLOYEE WELFARE**

6.7 GOAL 7 – ORGANISATION - DEVELOP MFA INTO A WELL-GOVERNED ORGANISATION FOCUSING ON RESULTS, CUSTOMER SATISFACTION AND EMPLOYEE WELFARE

6.7.1 INTRODUCTION

In order to build a solid foundation for trade in the Freeport for all operators, to help operators enhance their competitiveness, and to ensure access to new products and markets, the Authority must be committed to world-class management, quality service, and customer satisfaction.

To ensure that the Mauritius Freeport becomes a world-class logistics hub, the Authority has to be a leader in organisational and internal performance reforms. To achieve these results requires breakthrough thinking and accomplishments—in customer service, support for our partners, market development, technology both internal and external, workforce planning and development, financial integrity, and strategic planning and performance measurement.

To become a high-performance organization, the Authority must become “results and accountability driven.”

This will happen when MFA will:

- Identify its customers and meet their needs
- Set goals and improve its performance measurement systems to track progress
- Determine how best to work with its partners to reach program goals
- Continually seek new ways to provide services more efficiently and with higher quality
- Identify best practices in international trade and logistics management, and disseminate the information to its customers and partners.

During the past few years, MFA has made much progress in transforming itself into a high performance organization. But more remains to be done. The objectives in Goal 7 identify critical management processes that need ongoing attention or further development for the Authority.

To succeed, organizations need to establish an appropriate management system regardless of their sector, size, structure, or maturity. The EFQM Excellence Model is a practical tool to help organizations achieve this by measuring where they are on their path to Excellence. It helps organizations to understand the gaps, and allows them to stimulate solutions. The Authority shall reference its overall business performance against the EFQM model in order to achieve Business Excellence.

6.7.2 OBJECTIVE 7.1 – LEADERSHIP - MFA BOARD AND MANAGEMENT TEAM ARE INVOLVED IN ENSURING THE ACHIEVEMENT OF THE ORGANIZATION’S MISSION AND IN THE DEVELOPMENT OF VALUES REQUIRED FOR LONG-TERM SUCCESS

6.7.2.1 STRATEGIC ISSUES

- a) To be successful in promoting and achieving business efficiency and effectiveness, the MFA Board, the Director-General and the whole management team, as leaders of the organization, must be role models of a culture of excellence, while demonstrating a genuine commitment in the achievement of MFA’s mission.
- b) Within each and every function in the organization and at all levels, changes of attitude, based on commitment, dedication, professionalism and teamwork, may be required to achieve business excellence. On the other hand, MFA’s management must demonstrate its support and recognition for its people.
- c) The government has requested all government bodies, especially parastatal bodies to introduce good governance concepts and principles in their board framework. It is crucial to distinguish between the responsibilities of the board and of management, and to situate the responsibility of the Director General in his responsibilities to support the board in its function.
- d) Formal communication and information channels between the board, management, employees, customers, partners and other MFA must exist.
- e) Transparency and full accountability must be ensured at all levels of the organization.

6.7.2.2 KEY PERFORMANCE INDICATORS

- No negative comments from the Director of Audit on the overall management of the organization.
- No negative comments from the Board of MFA on the management system.
- Increasing percentage of employees satisfied with MFA’s management system.

6.7.2.3 CORE STRATEGIES

G7-01-S1: Innovative Leadership-based Management System
--

MFA will adopt a management style that fosters innovation and creativity, and that motivates employees to work together effectively. Empowerment of employees based on their attitudes, abilities and participation will be encouraged. A project management-based approach will be adopted for team-building and to ensure clear deliverables and results.

A Corporate Governance Policy Framework that will set the standards for board members and management executives at MFA will be implemented.

Controls, systems and techniques will be designed and implemented to ensure that MFA's management structure is always aligned with its mission and is continuously enhanced to achieve its strategic goals.

The following actions will be carried out to implement this strategy:

- Develop and implement a Corporate Governance Framework at MFA.
- Organise training sessions on management techniques, emotional intelligence, team-building, and leadership.
- Adopt a project management approach with self-managed teams.
- Carry out an organization-wide management audit & review every six months.

6.7.3 OBJECTIVE 7.2 - MFA IMPLEMENTS ITS MISSION VIA A CLEAR STAKEHOLDER FOCUSED STRATEGY, SUPPORTED BY RELEVANT POLICIES, PLANS, OBJECTIVES, TARGETS AND PROCESSES

6.7.3.1 STRATEGIC ISSUES

- a) The Freeport community encompasses a wide range of stakeholders with different interests and objectives. The success of the Freeport sector is directly linked to a proper alignment of its stakeholders towards achieving common goals. MFA must ensure that its policies and strategies are based on the present and future needs and expectations of its major stakeholders.
- b) MFA's policy definition and strategic management must be based on relevant and comprehensive information from performance measurement, research, learning and creativity related activities. The deployment and utilization of cost-effective and efficient information resources are therefore essential in the formulation process of policies and strategies for the development of the Freeport.
- c) International trade and supply chain management have been undergoing major changes in the last years, and will continue to witness more changes in the years ahead. This changing environment has a significant impact on the Freeport sector. MFA must therefore continuously evaluate the relevance and effectiveness of existing policies and strategies, in order to constantly realign and improve the Freeport's strategy with the changing global environment.
- d) No policy or strategy can achieve its desired goal unless it is properly communicated and implemented. MFA must ensure that policies and strategies are cascaded to all levels of the organization as well as to all Freeport stakeholders.
- e) Policy and strategy can be successfully implemented only if they are deployed through an efficient and effective framework of processes.

6.7.3.2 KEY PERFORMANCE INDICATORS

- Percentage of projects, programs or action plans implemented within the planned time frame and the budget allocated.

6.7.3.3 CORE STRATEGIES

G7-02-S1: Strategic Planning Framework

Strategic Planning is neither a 'once-for-all' event nor a rigid and fixed process. In a continuously changing environment, the Strategic Planning process is dynamic. The plan must be regularly reassessed, reviewed and updated. MFA will implement a systematic strategic planning and review process to ensure that MFA is fulfilling its mission properly.

The following actions will be carried out to implement this strategy:

- Develop a Freeport Strategic Planning Model in line with the expectations of the Freeport stakeholders.
- Prepare a Freeport Strategic Planning Handbook.
- Organise training sessions on Strategic Planning Management.
- Prepare and implement a Communication Plan to disseminate Freeport's Strategic Plan.

G7-02-S2: Benchmarking System

MFA will implement a benchmarking system to continuously assess MFA's and the Freeport performance with other "best-in-class" organizations. Benchmarking is a cost effective way of introducing best practices to MFA. Benchmarking is a collaborative learning process among a group of companies to focus on specific operating practices, compare measures and results and identify improved processes within their organizations.

The following actions will be carried out to implement this strategy:

- Identify and study potential 'best-in-class' organizations in Trade Promotion, Logistics, International Trade and Freeport business.
- Develop partnerships, alliances, exchange programmes with selected organizations.
- Organise seminars & training sessions on 'best practices' and benchmarking tools & techniques.

G7-02-S3: Total Quality Management and Self-Assessment.

MFA will implement a Total Quality Management (TQM) system, based on the European Foundation Quality Model (EFQM) to achieve business and organizational excellence. TQM is a business approach that focuses on improving MFA's effectiveness, efficiency and responsiveness to the Freeport customers' needs by actively involving its people and other stakeholders.

Results are the milestones of achievement and progress. They must be continuously measured, assessed and monitored. This will be done through the implementation of the Self-Assessment system. Self-assessment is a comprehensive, systematic and regular review of MFA's activities and results referenced against the EFQM business excellence model. The process of self-assessment will constitute a comprehensive "health-check" for MFA. As well as reviewing the direction of MFA, self-assessment rigorously evaluates the current status of MFA's processes and the achieved performance levels.

The following actions will be carried out to implement this strategy:

- Organise training on EFQM model for MFA management team.
- Carry out a self-assessment exercise to evaluate MFA's present situation.
- Appoint an external consultant to assist in implementing the EFQM model at MFA.
- Implement the EFQM model at MFA.

6.7.4 OBJECTIVE 7.3 - MFA MANAGES, DEVELOPS AND RELEASES THE KNOWLEDGE AND FULL POTENTIAL OF ITS PEOPLE AT AN INDIVIDUAL, TEAM-BASED AND ORGANIZATION-WIDE LEVEL IN LINE WITH ITS MISSION

6.7.4.1 STRATEGIC ISSUES

- a) Following the promulgation of Freeport Act 2001, MFA was split into two distinct entities with the transfer of 75% of employees from the former MFA to a new organization. The new MFA is now a very lean and flat organization with a limited number of employees. The organizational structure must be reviewed completely to both cater for the new role of MFA and to provide to the employees opportunities for long-term growth.
- b) The key differentiation between good and poor organizations is the quality of people they employ and the extent to which those people are motivated and committed to making an effective contribution to achieve business excellence. MFA must ensure that the quality of its people is always maintained at the highest standard.
- c) The quality of the work environment of MFA has been instrumental in the high motivation level of MFA employees. It is crucial to continuously maintain and further improve the work environment of MFA to sustain employee morale and performance.
- d) MFA employees have always worked in a climate of trust that is challenging, invigorating, and that fosters self-motivation, self-assessment and self-confidence. It is vital to sustain this type of work atmosphere if MFA wishes to fulfill its mission.
- e) The fulfilment of the strategic plan of an organisation depends on the capability of its resources. The continuous development of all employees at all levels of the organization must be ensured.
- f) Employee turnover has always been very low at MFA, and employee loyalty very high. MFA is also a team of young professionals, highly skilled and capable. To maintain this situation, it is important to have and sustain an attractive reward system, linked to employee productivity and overall performance.

6.7.4.2 KEY PERFORMANCE INDICATORS

- The employee satisfaction index, in relation to the working conditions at MFA, is at least 80%.
- The employee stability index, which is the number of employees exceeding one year of service over the total number of employees one year ago, is at least 90%.
- The level of absenteeism at MFA is less than 1% annually.
- The budget allocated to training of employees is increased each financial year, and represents an increasing percentage of MFA's total salaries expenditure.

6.7.4.3 CORE STRATEGIES

G7-O3-S1: Human Resources Planning & Development.
--

Concern for people at MFA means attracting, retaining, developing and motivating its employees, while developing an appropriate organizational culture. A Human Resources Planning and Development system will therefore be implemented to forecast and meet the HR needs of the organization in achieving its strategic goals and to gain the commitment of MFA employees through discussion and negotiation of both individual and team targets.

Processes will be developed to maximize employees' contributions and will comprise continuous learning and development opportunities for all employees at all levels. Employee Development requirements will be based on multiple sources of feedback, such as attitude surveys, results and achievements, training evaluation, peer and management appraisal.

The following actions will be carried out to implement this strategy:

- Prepare and implement a MFA Employee Handbook.
- Implement an Employee Feedback process.
- Carry out an Employee Attitude Survey.
- Implement a Human Resource Planning & Development process in line with MFA's strategic goals.
- Implement a Human Resource Planning & Development Software System.

G7-03-S2: Learning Organisation.

The capability of MFA to achieve its business strategies depends largely on the capability of its employees. Innovative employee education and training programs and practices must be implemented to cultivate a workforce that is flexible, optimally trained, and capable of adapting to changing technology. Training of MFA people will ensure the right combination of 'specialist know-how' and the broader skills and attitudes needed to match the changing demands of the Freeport sector. The use of Internet-based training and other methods that enable self-development will be encouraged.

The following actions will be carried out to implement this strategy:

- Carry out an organization-wide Training Needs Analysis.
- Develop and implement an organization-wide Training Plan.
- Implement Internet-based online training programs for self-development.
- Set up an internal multimedia learning centre (interactive video programmes, magazines, books, etc) for self-training.
- Develop & implement a Media Library Management Database System.

G7-03-S3: Employee Performance Management and Reward System.

A flexible, competitive and performance-oriented rewards environment that allows the Authority to recruit, manage, and retain a high quality and diverse workforce is developed by FY 2003.

It is also important to maintain a participatory and constructive relationship between employees and management that increases job satisfaction, uses innovative techniques to resolve issues, and engages in collaborative efforts to find better, more efficient ways to accomplish work.

A Performance Appraisal and Management system will be implemented to link rewards and benefits to objective performance measurements and results. Performance will be measured and managed within agreed framework of objectives and competence requirements in line with MFA's strategic goals.

The following actions will be carried out to implement this strategy:

- Adopt a broad-band graded pay structure to enhance flexibility and to reward lateral career development.
- Devise and implement attractive employee benefits policies and practices to increase commitment of employees and retain high-quality employees.
- Implement a performance appraisal & management system to link individual and teamwork performance with remuneration.
- Implement an Employee Reward & Benefits Database Management software system.

6.7.5 OBJECTIVE 7.4 - MFA PLANS AND MANAGES ITS EXTERNAL PARTNERSHIPS AND INTERNAL RESOURCES IN ORDER TO SUPPORT ITS MISSION AND THE EFFECTIVE OPERATION OF ITS PROCESSES

6.7.5.1 STRATEGIC ISSUES

- a) MFA is a para-statal body governed by the Freeport Act 2001, and is as such a non-profit making organization. MFA has to ensure that sufficient funds are available for the realization of its business goals and for the proper delivery of its services.
- b) The income of the Authority consists of Freeport licence fees, rental of land and sale of storage forms. This income is applied for the financing of the salaries of employees and administration expenses. The ratio of expenses over income indicates the extent to which the expenses of the Authority are financed by self generated income. This ratio must be maintained at a reasonable level for the Authority to become financially self-sufficient.
- c) In the context of the new mission and role of MFA under the Freeport Act 2001, the major business processes and interactions between the Authority and the Freeport licencees have to be reengineered and fully automated to enhance our customer service level. The process for the collection, analysis and dissemination of Freeport trade data and performance has still to be further improved.
- d) The Authority has implemented a high performance ICT infrastructure and deployed a number of information systems for improved communication, collaboration and streamlined information flow within the organization. However, MFA can still further optimize the exploitation of the ICT infrastructure available at TMC to the benefit of the Freeport sector.
- e) The objectives of individual employees and teams must be continuously aligned with MFA's mission and strategic goals.
- f) MFA equipment, office infrastructure and assets are managed and utilized to optimum effect in the implementation and realization of its strategic business goals.
- g) MFA has to interact with a number of local institutions in different sectors for the proper delivery of its services to the Freeport community. Presently this interaction is not properly structured and is not organized efficiently.

6.7.5.2 KEY PERFORMANCE INDICATORS

- No negative comments are received from the Director of Audit following the audit of MFA's accounts at the end of the financial year.
- The ratio of self-generated income to recurrent expenses must be greater than 1.
- All expenses, purchases and disbursements are made within the approved operating budget estimates and the variances authorized.
- MFA's annual report is ready and available at latest one month after the MFA's audited accounts have been certified.
- The customer satisfaction index with the ICT services provided by the Authority is at least 80%.
- At least 80% of the business transactions and information exchange between the Authority and its customers is done electronically.

6.7.5.3 CORE STRATEGIES

G7-04-S1: Integrated Financial Management System.
--

An integrated financial management system, implemented around a Core Financial System linked to key functional administrative systems, such as Freeport Licensing, Freeport Trade Performance and project financial monitoring will be implemented. This integrated financial management system will depend on a standard set of largely off-the-shelf software, and will comply with relevant accounting and the government financial system standards. The system will provide on-line, real-time financial reporting and information needed by staff and the Board to make sound financial decisions.

The following actions will be carried out to implement this strategy:

- Identify, acquire and implement a Financial Software package adapted to the needs of MFA.
- Develop interfaces to link the Core Financial System with MFA's key information systems.
- Design and implement an on-line, real-time financial reporting system.
- Train MFA management staff on the Financial System.

G7-04-S2: Financial Performance Management System

At the beginning of each financial year, a detailed income and expenditure budget is submitted by management and approved by the Board. The budget will encompass forecast income and estimated expenditure for all items, projects, services of the Authority. A Financial Performance Management System will be set up for the proper monitoring of the Authority's financial performance and to keep the organization in line with the approved financial parameters.

This system will comprise an internal accounting control system, financial analysis reports from the Accounting Software System, and a set of financial indicators to measure the Authority's financial soundness, comparisons between budgeted and actual results, trend analysis and other financial tools.

Management will hold a monthly meeting to review the financial performance of the organization and take appropriate steps to correct deviations and to continuously improve MFA's financial management.

The following actions will be carried out to implement this strategy:

- Prepare and implement an Accounting Policies and Procedures manual.
- Set up an Internal Financial Audit Committee to regularly review MFA's financial system, procedures and budgetary performance.
- Define a set of financial indicators and financial analysis reports to measure and monitor MFA's financial healthiness.
- Carry out an internal financial audit three times a year.

G7-04-S3: Strategic Information Systems Framework.

To enhance MFA's overall customer service and to improve the organisation's internal efficiency, a number of strategic and business information systems must be designed, developed and deployed.

MFA will implement a strategic Information Systems Framework, outlining the major ICT projects, for the realization and support of MFA's strategic business goals. The framework will also take into account the ICT infrastructure, resources and training required by the Authority.

A Customer Feedback System will be designed and implemented to monitor customer satisfaction for ICT services and systems provided by MFA. This feedback system will include both internal customers, namely MFA employees at end-users and external customers, namely the Freeport licencees.

The following actions will be carried out to implement this strategy:

- Prepare a comprehensive Corporate Information Systems Plan.
- Design, Develop & Deploy the business information systems and projects.
- Prepare & implement a corporate-wide ICT Training Plan.
- Prepare and implement an ICT Policies and Procedures Manual at MFA.
- Implement an Assets and Equipment Management System.

G7-O4-S4: Partnership Management.

MFA will work across its organizational boundaries to deliver services shaped around the Freeport customers' needs by developing and managing external partnerships with other government and private organizations. Barriers to closer working relationships with these organizations will be identified and overcome. Common initiatives and actions, beneficial to all parties, will be encouraged and further developed.

Strategies for developing and enhancing partnership management have elaborated in Strategic Goal 4 (Stakeholders).

6.7.6 OBJECTIVE 7.5 - MFA DESIGNS, MANAGES AND IMPROVES ITS BUSINESS PROCESSES IN ORDER TO GENERATE INCREASING VALUE FOR ITS CUSTOMERS AND OTHER STAKEHOLDERS

6.7.6.1 STRATEGIC ISSUES

- a) MFA is an organization which has been initially built along functional and hierarchical lines, as most existing organisations, rather than with a process focus. This results in the organisation built round functional departments such as Marketing, Operations, Administration, IT and Accounting.
- b) Each department operates its own processes, some of which are parts of organisation-wide processes that deliver services to MFA customers. Most of these processes have evolved piecemeal over time. Few have been designed as end-to-end processes, focused on meeting customers' needs and on adding value.
- c) Few people understand how the whole process works and its importance to the organisation. People working "in the process" often do not understand their full role or the impact of their actions.
- d) Processes are often inefficient or are not cost-effective due to the amount of resources consumed or required to operate these processes.
- e) There is no evidence of a systematic way to design, manage and improve the organisation's processes.

6.7.6.2 KEY PERFORMANCE INDICATORS

- MFA's organisational processes are all clearly identified and classified.
- Each process has been assigned to a Process owner, who is responsible and accountable for the management of the process.
- Each process has a specific set of performance indicators to regularly monitor its efficiency and effectiveness for the organisation.
- All MFA employees are trained on Process Management and Process Improvement techniques.

6.7.6.3 CORE STRATEGIES

G7-O5-S1: Process Management Framework

MFA will adopt and implement a process management framework and continuous improvement approach.

The excellence of results achieved by MFA is determined by how well MFA management designs, operates and continuously improves the organisation's processes. The Process Management framework serves as a high-level model designed to encourage MFA to see its activities from a process viewpoint as opposed to a functional viewpoint. The greatest advantage of process orientation is that it helps MFA employees understand how things are really done in the organization, revealing problems, bottlenecks and inefficiencies that could remain hidden in a typical organization that is function-oriented.

Process Management is useful to:

- Reduce lead times;
- Decrease costs;
- Improve internal efficiency;
- Improve overall quality;
- Increase customer and employee satisfaction;

Process orientation also contributes to a better understanding of the ultimate goal and output of the company and the individual's role in it. But most important is the notion that the processes and their output are the real interface with MFA's customers. Modeling and analyzing the business processes will enable MFA to develop the organization and improve its effectiveness and quality of work.

The following actions will be carried out to implement this strategy:

- Train MFA staff on Process Management and Improvement tools & techniques.
- Map MFA business processes and determine each process boundaries.
- Assess the strategic relevance of each business process to MFA's strategic goals.
- Implement process innovation by removing non-value activities or by using IT as an enabler.
- Build ownership and accountability within each process.
- Implement a Process Measurement system for continuous monitoring and improvement

6.7.7 OBJECTIVE 7.6 - MFA CONTINUOUSLY MEETS THE EXPECTATIONS OF ITS EXTERNAL CUSTOMERS

6.7.7.1 ISSUES

- a) Customer service is not just a slogan, it is a necessary focus for MFA. As a para-public organization, MFA has the obligation to provide services to the satisfaction of all its customers.
- b) The effectiveness and efficiency of the Customer Service delivery process at MFA must be continuously re-assessed and improved to ensure the overall satisfaction of the customer and a sustainable quality of service by MFA.
- c) Access to information and services provided by MFA must be easy, simple and cost-effective for all customers. On the other hand, the cost of delivery of a service for MFA to its customers must be regularly monitored and kept in line with MFA's budget.
- d) In any business, whether for profit-making or non-profit making organizations, the customer is always the focal point. MFA must ensure that its customer requests and expectations are properly reflected in its business strategies and actions.

6.7.7.2 KEY PERFORMANCE INDICATORS

- At least 90% of customers will agree that MFA services and information are of high quality, timely and accessible.
- MFA employees will meet the organisation's customer service standards.
- Customer calls, queries and requests for information will be answered at most within 24 hours.
- There is a decreasing percentage of customer complaints about MFA's services each year.

6.7.7.3 CORE STRATEGIES

G7-06-S1: Customer Service Charter

MFA will elaborate and implement a Customer Service Charter which will set the standards for customer service at MFA. The customer service charter will provide the guidelines and service level to be respected by every employee of MFA.

The following actions will be carried out to implement this strategy:

- Identify all MFA services delivered to external customers.
- Set minimum standards to be met by staff for each customer service.
- Compile all customer service standards in a Customer Service Charter.
- Communicate MFA Customer Service Charter to both MFA staff and MFA customers.
- Train MFA staff on Customer Service.
- Design and implement a Customer Service measurement system to monitor customer service level.

G7-06-S2: Customer Account Management.

MFA will develop a Customer Account management system to allocate a specific portfolio of customers to each MFA employee, who shall become the Customer Account manager. The Customer Account manager will be responsible to ensure the overall satisfaction of his/her customers. This will allow MFA become closer to the realities of its customers, to better understand their problems, and to better service them.

The following actions will be carried out to implement this strategy:

- Identify all regular MFA external customers.
- Arrange the customers into groups according defined criteria.
- Designate Customer Account managers for each portfolio of customers.
- Communicate to customers their respective Account Manager.

G7-06-S3: Customer Feedback Management.
--

MFA will develop a comprehensive, reliable system for receiving and acting on customer feedback, including customer complaints. Early detection of customer dissatisfaction will help to implement process improvements for corrective action. Customer feedback will also be input in MFA's strategic review process to help MFA fine-tune its actions and services to the expectations of its customers.

The following actions will be carried out to implement this strategy:

- Carry out a Customer Satisfaction Survey annually.
- Implement a Customer Complaint System.
- Develop and implement an on-line, internet-based Freeport Customer Newsgroup.
- Organise focus groups meetings with Freeport association, the Developers and other major customers.
- Encourage on-site visits by MFA staff to customers' place.

6.7.8 OBJECTIVE 7.7 – SOCIETY RESULTS - MFA DEMONSTRATES ITS SOCIAL COMMITMENT, AS A RESPONSIBLE AND CARING ORGANIZATION, IN THE DEVELOPMENT OF ITS COMMUNITY AT LARGE

6.7.8.1 ISSUES

- a) The Mauritius Freeport has a significant and important role to play in the diversification and modernization of the Mauritian economy, while also contributing to enhance regional trade and cooperation through the setting up a distribution and logistics platform for the region.
- b) The major Freeport zones and the head-office of MFA is situated in the Port area at Mer Rouge. The Port area is considered as an environmentally-sensitive area with the presence of high-risk and polluting facilities such as the Fort George power station, the Coal unloading and storage facility, the gasoline storage tanks, and the Mauritius Chemical and Fertilising processing and storage plant.
- c) The main access road to the Freeport area and to MFA head-office goes through the Roche Bois community, which is considered as a '*région défavorisée*' and a potentially high-risk area. This region has already witnessed serious social upheavals.
- d) The Freeport area is also located just behind the Container Terminal. Container trucks use the same road, through Roche Bois, to access the Container terminal or the Freeport zones. This results in a high traffic of heavy vehicles in this area.
- e) The Mer Rouge area has been developed from reclaimed land, and as such does not yet have a green environment. Considerable landscaping and creation of green spaces have to be done to transform Mer Rouge into a green and environmentally friendly area.
- f) MFA, as a socially responsible organisation, must also ensure that an ethical managerial behaviour, which conforms not only to law but also to a broader set of moral and ethical principles common to society, is maintained at all levels throughout the organisation and in the overall Freeport sector.

6.7.8.2 KEY PERFORMANCE INDICATORS

- No of jobs created in the Freeport sector
- Wealth creation by the Freeport sector in the national economy
- Increasing number of regional countries making use of the Mauritius Freeport distribution and logistics platform
- Increasing number of foreign companies operating in the Mauritius Freeport
- Increasing contribution by MFA stakeholders' to MFA's social fund annually
- No complaints are received from the local neighbouring community due to the Freeport business.

6.7.8.3 CORE STRATEGIES

G7-07-S1: Coordinated Social Development Plan
--

MFA will elaborate and implement a coordinated social development plan jointly with the main Freeport stakeholders. The main objectives of the plan will be :

- a) To transform the Freeport area into a green and environmentally friendly area;
- b) To support the development of the local neighbouring community;
- c) To minimise health risks, pollution, accidents and other hazards in the Freeport area;
- d) To develop the Freeport sector as an ethical place for doing business.

The major components of the plan will include amongst others:

- the consolidation of MFA's present social fund;
- the development of a social partnership with the main stakeholders in the local community;
- a Code of Ethics for MFA and the Freeport sector;
- a long-term programme for sustainable environment development in the Freeport area;
- education and training programmes for the local community;
- sponsorship programmes;
- targeted programmes for the young and elder people.

The following actions will be carried out to implement this strategy:

- Consolidate MFA social fund by creating awareness and attracting more donors.
- Develop a social partnership with the stakeholders in the local community.
- Elaborate, implement and communicate a Code of Ethics for MFA staff and for the Freeport sector.
- Implement targeted programmes (training, sponsorship, assistance, sports) for the local community.

6.7.9 OBJECTIVE 7.8 – KEY PERFORMANCE RESULTS - MFA ACHIEVES AND IMPROVES ITS PERFORMANCE TARGETS AND OVERALL BUSINESS RESULTS IN THE FREEPORT

As the apex organisation for the regulation and promotion of the Freeport sector, MFA must ensure that the Freeport sector as a whole performs well, while ensuring that as an organisation, it also achieves its own performance targets. The key performance results of MFA are therefore structured around the three main following categories:

6.7.9.1 OVERALL PERFORMANCE INDICATORS OF THE FREEPORT SECTOR

1. Total Freeport trade turnover, measured by the value of goods imported into and exported from the Freeport
2. Total Freeport trade volume, measured by the number of containers imported into and exported from the Freeport
3. Total Freeport trade turnover by Product group
4. Total number of Freeport licencees operating in the Freeport
5. Labour force in the Freeport sector, measured by the number of people working directly in the Freeport sector
6. Percentage growth of Freeport container traffic over the overall port container traffic
7. Total number of Freeport declarations for import and export
8. Total number of storage permits, for local enterprises using Freeport facilities

6.7.9.2 PERFORMANCE INDICATORS FOR THE FREEPORT DEVELOPERS

9. Financial performance of the Freeport Developers
10. Trade performance of the Freeport Developers (trade performance by type of activity, trade volume, no. of customers, occupancy rate, warehousing turnover cycle, no of declarations, etc)
11. Customer Satisfaction Index

6.7.9.3 PERFORMANCE INDICATORS FOR MFA

12. Financial performance of MFA (income v/s expenditure)
13. Customer Satisfaction Index
14. Employee Satisfaction Index
15. Stakeholders Satisfaction Index.

The above set of 15 performance indicators will be used to measure and monitor the business results of the Freeport sector as a whole as well as those of the Freeport developers and of MFA.

This set of indicators will be published every three months and disseminated to the overall Freeport community.

7 RESOURCES FOR THE STRATEGIC PLAN

MFA's success in achieving its strategic goals and objectives will depend on the resources available to support them.

The key resources which are critical to the implementation of the Strategic Plan are:

- (i) Financial Resources to fund the identified strategies, and
- (ii) Human Resources to carry out the necessary tasks.

7.1 ESTIMATED CAPITAL BUDGET OVER NEXT 3 YEARS: 2002 – 2005

The Capital Expenditure budget required to finance the Strategic Plan over the next three financial years, 2002/2003 - 2003/2004 and 2004/2005, has been estimated at **Rs 64.5 million**, with the following distribution:

Strategic Goal			Estimated Budget for 3 Years (MUR)	% of Total Est. Budget
Goal 1	Trade Promotion	6 Objectives 18 Strategies	37,375,000	58 %
Goal 2	Regulation	4 Objectives 10 Strategies	6,500,000	10 %
Goal 3	Land Use	3 Objectives 6 Strategies	3,700,000	06 %
Goal 4	Stakeholders	3 Objectives 6 Strategies	1,190,000	02 %
Goal 5	People	3 Objectives 6 Strategies	4,415,000	07 %
Goal 6	Product & Market Development	4 Objectives 9 Strategies	5,520,000	09 %
Goal 7	Organisation	7 Objectives 15 Strategies	5,800,000	09 %
TOTAL		30 Objectives 70 Strategies	Rs 64,500,000	100 %

As shown in the above table, 91% of the estimated capital budget will be dedicated to finance the various 55 strategies for the overall promotion and development of the Freeport sector, whereas 9% of the budget will finance the 15 strategies for the development of MFA into a more modern and efficient organisation to service the Freeport community.

7.2 ESTIMATED MAN DAYS OVER 3 YEARS: 2002 – 2005

The effort in terms of man-days to be delivered by the staff of MFA to implement the Strategic Plan over the next three financial years has been estimated at 6,350 man-days.

The timely implementation of the Strategic Plan, to achieve the 30 Strategic Objectives, will necessitate additional staff.

MFA therefore plans to recruit five additional professional staff, namely a Market Research Analyst, a Systems Analyst, a Compliance Officer, a Management Systems Analyst and a Confidential Assistant.

7.3 MFA NEW ORGANISATIONAL STRUCTURE

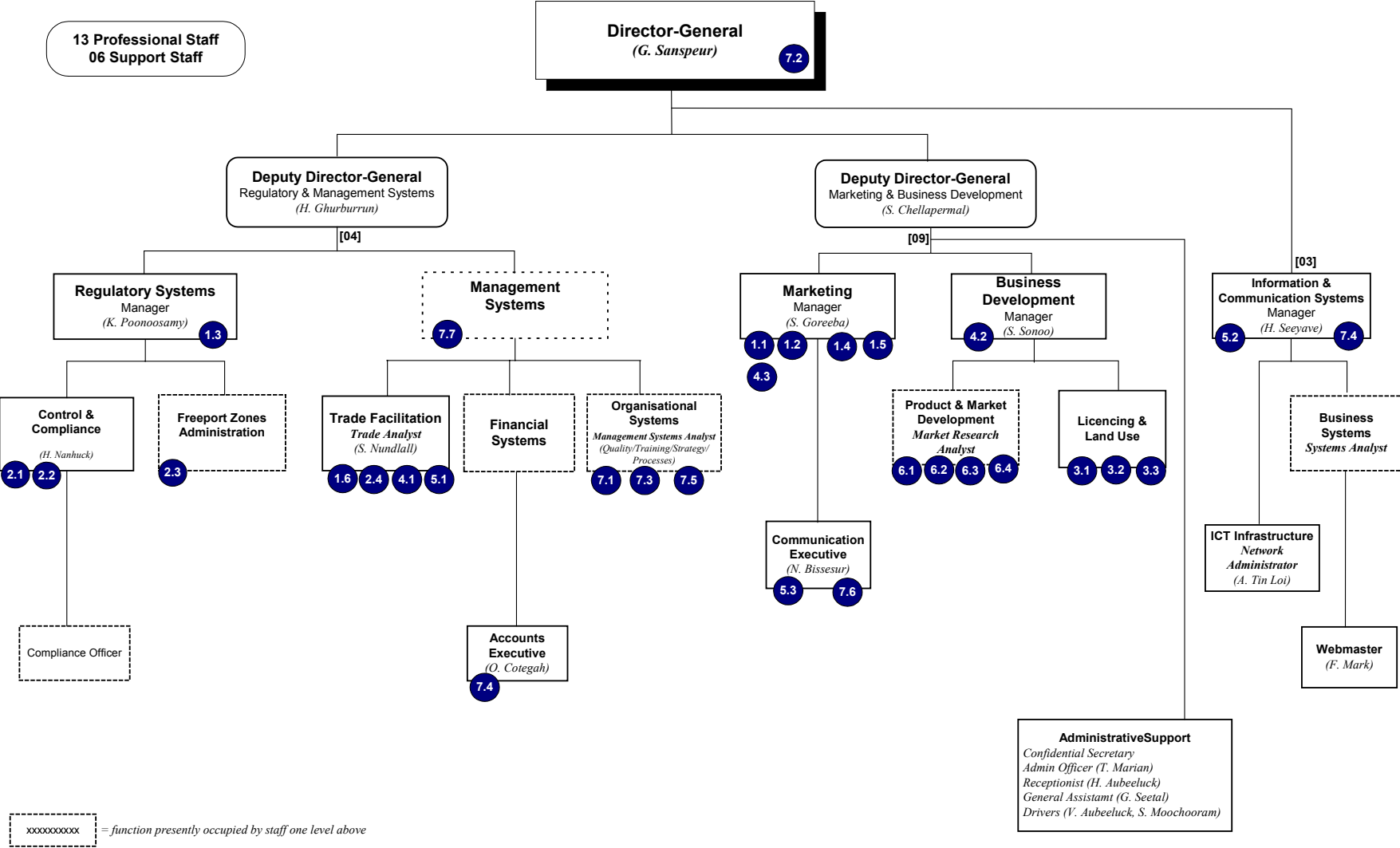
MFA has re-engineered its organisational structure and job profiles to be able to meet the challenges in the implementation of the Strategic Plan and to be more efficient in its day-to-day management of its activities.

MFA is now structured around its two major roles, namely as Regulator and Promoter of the Freeport sector. Each of these two essential roles of MFA necessitates different sets of skills, competencies and supervision. Consequently, two main units, each under the direct management of a Deputy Director-General, have been created for these two specific roles of MFA. Each Strategic Objective has been specifically assigned to staffs, who will be responsible and accountable for the proper and timely implementation of the allocated objectives.

Furthermore, the success of this Strategic Plan will depend largely on the capability of MFA to manage information, to continuously streamline processes, to provide efficient customer service and to minimise costs. This will only be achieved through the strategic investment and deployment of innovative information and communications technology (ICT) systems. Therefore, given its strategic nature, a dedicated ICT unit under the direct supervision of the Director-General has been created to support both MFA and the sector.

The detailed new organisational chart is presented on the next page.

Mauritius Freeport Authority - New Organisational Structure - March 2002



8 KEY EXTERNAL FACTORS

Although the Mauritius Freeport Strategic Plan 2002-2005 has been elaborated on goals, objectives and programmes which have been carefully developed, its success is nonetheless partly dependent on partnerships with direct stakeholders, public and private institutions, financial institutions, regional and international organizations. To achieve its mission of transforming Mauritius into a competitive regional logistics, marketing and distribution hub, the Mauritius Freeport Authority may have to cope with certain external factors which are largely beyond its control.

These external factors include:

1. **The economic and political instability of the countries in the region**

The main market of the Mauritius Freeport is made up of the Eastern and Southern African countries and regional islands. However, some of these countries do experience occasional economic and political upheavals. This may have a negative impact on the purchasing power of these countries, on the availability of foreign exchange and on the smooth movement of goods.

2. **Non-tariff barriers**

The advent of globalisation may induce individual countries to protect their local industry through the enforcement of non-tariff barriers. These may be a serious hindrance to the development of regional trade. In addition, cumbersome administrative procedures, red-tapism, unforeseeable changes in the business environment pose a threat to intra-regional trade development.

3. **Freeport dependence on other trade-related institutions**

The Freeport can perform only if it receives full support from the key institutions which regulate and promote trade.

4. **Volatile fiscal and investment climate**

In the context of globalisation, any review of fiscal and other investment incentives granted to Freeport operators may have an adverse effect on the development of the Freeport sector.

5. **Increase in logistics costs**

Any increase in the cost of transport, port dues, port handling charges, warehousing rates and service charges shall impact negatively on the total logistics costs and therefore undermine the competitiveness of Mauritius as a regional logistics and marketing hub.

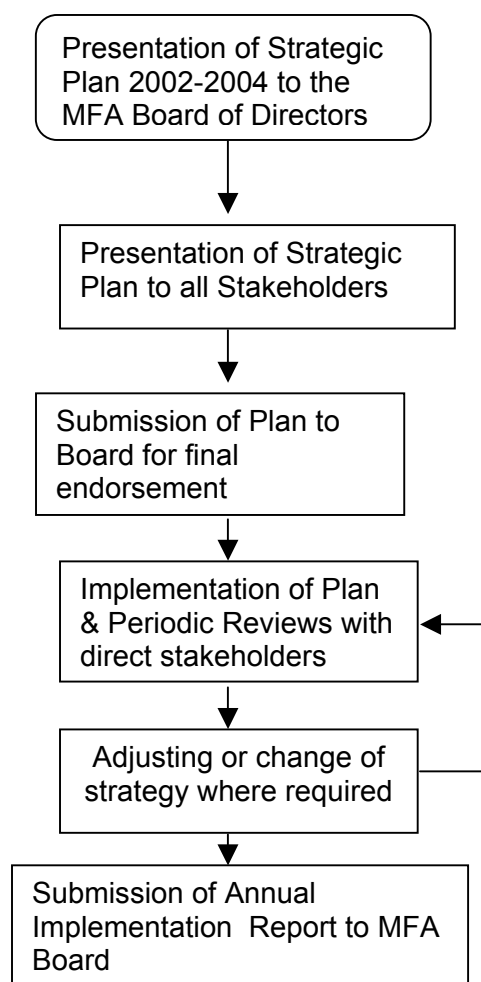
9 STRATEGIC REVIEW PROCESS

The Strategic Plan 2002-2005 will be reviewed on a regular basis both in the light of the monitoring reports submitted by the process-owners and the feedback received from various stakeholders.

Once the plan is officially endorsed by the MFA Board and the implementation gets under way, all process-owners will be reporting on the progress of the various activities and programmes defined in the action plan under their responsibility.

Furthermore, through an open line of communication with all direct stakeholders, the results of the implementation of the strategies for the development of their respective business will be compiled by MFA for inclusion in its quarterly and half-yearly implementation reports.

Following the various intermediate reports, should circumstances so warrant it, strategies may be changed to allow MFA to steer its plan to its successful conclusion.



10 APPENDIX

10.1 DETAILED ACTION PLANS
