

MAURITIUS-ROUTED GLOBAL INVESTMENTS INTO INDIA DIP BELOW 10 PER CENT

As a revision of the bilateral tax treaty hangs in balance, India's share of investments made by global companies through Mauritius has slipped to a historic low of less than 10 per cent.

On the other hand, global investments routed through Mauritius to Africa, Europe, Americas and some Asian countries have gone up, as per the latest official data compiled by the island nation's financial sector regulator FSC.

Negotiations to amend the Indo-Mauritius tax treaty have been hanging fire for a long time amid India's apprehensions that it is being misused to route unaccounted money and evade taxes.

While Mauritius says it has strict checks and balances in place, uncertainties over the tax treaty have adversely affected investment flows between the two nations.

Africa accounted for over investments made 2013, while India's share

In 2010, India's share was before declining to 23.25 further to nearly 15 per cent comparison, Africa's share rising from 30 per cent in 2011 and about 51 per



54 per cent of the total through Mauritius during fell to 9.28 per cent.

as high as 32.27 per cent, per cent in 2011 and cent in 2012. In has been consistently 2011, to over 40 per cent cent in 2012.

Financial Services Commission (FSC) is the integrated regulator for all non-banking financial services and global business sectors in Mauritius.

The data pertain to global business companies (GBCs), entities that are licensed to operate in Mauritius by the FSC.

Till a few years back, Mauritius was largely dependent on the Indian market, but the island nation adopted an African strategy after investment flows to India began slipping amid tax treaty apprehensions.

However, Mauritius says that India remains an important partner for Mauritius and it has been closely following policy developments concerning the two countries.

Late last year, FSC Chief Executive Officer Clairette Ah-Hen had said that some new investors are not exploring investment opportunities offered by Mauritius as a gateway to India due to tax pact-related concerns.



Last month, FSC's newly appointed Indian-origin Chairman Rajeshsharma Ramloll also said that a quick resolution of issues related to Indo-Mauritius tax treaty would not only benefit the two nations but also boost investor confidence and ensure certainty.

Stressing that Mauritius has taken many steps to address India's concerns, Ramloll had told PTI in an interview that the island nation was an economical as well as an efficient route for making investments into India.

During his India visit in May to attend Prime Minister Narendra Modi's swearing-in ceremony, Mauritius' Indian-origin Prime Minister Navin Ramgoolam had also said the island nation has decided to provide automatic exchange of tax related information with India.