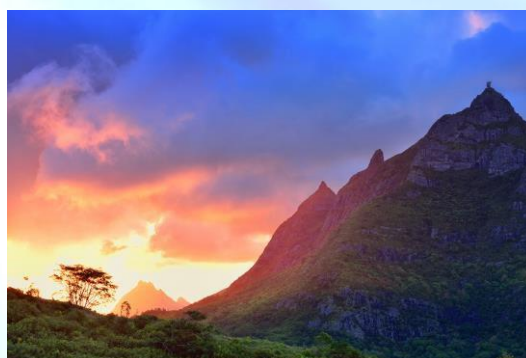




Republic of Mauritius

Ministry of Tourism

Annual Report on Performance of the Ministry of Tourism for the Financial Year 2017/2018



October 2018

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STATEMENT FROM THE MINISTER OF TOURISM



I am pleased to present the Annual Report for the Ministry of Tourism for the financial year 2017/18.

Over the last five decades, tourism has played a significant role in the socio-economic development of Mauritius. As a generator of employment, wealth, skills development and inclusive growth, tourism stands out as a star performer.

The tourism sector has done well over the last year in spite of the challenging global economic environment, thanks to a combination of resilient and harmonized policies, product development and aggressive marketing efforts. Last year, the sector accounted for 8% of GDP, 10% of total employment and 8% of investment.

Tourist arrivals increased steadily from 74,597 in 1975 to reach 1,341,860 in 2017. Tourism earnings attained a record figure of Rs 60.3 billion in 2017 compared to Rs 35 million in 1975.

The traditional tourism model, which focused on showcasing Mauritius as a high-end beach destination, must now be revisited. The forces of globalisation and digitalisation, climate change, technological disruption, geopolitical changes and the evolving profile of tourists are presenting new challenges to the tourism sector. In view of the unique and dynamic characteristics of the tourism industry, the sector needs to reinvent itself and embrace new business models that foster excellence, innovation, creativity, inclusiveness and sustainability principles.

For the first time in the history of the tourism industry, Mauritius hosted an International Conference on Digitalisation and Sustainable Tourism in May 2018 with the participation of some 400 delegates comprising 80 foreign delegates from 18 countries around the world including Ministers of Tourism and renowned speakers from the global travel and hospitality industry. The Conference provided a platform for participating countries to reflect on the challenges and opportunities of the tourism sector in the global age and share best practices. Stakeholders were exposed to the new trends reshaping the global tourism environment, and how technology could be leveraged to enhance the competitiveness of the destination.

Our marketing strategy is based on a combination of investments in our traditional markets as well as our emerging markets, with the overall objective of positioning Mauritius as a dream destination for everyone. Recognising that air connectivity is critical to the growth of the tourism sector for a long haul destination like Mauritius, we are encouraging additional airlift to the island with the overall objective of increasing our tourist arrivals. In addition, Mauritius has won a number of prestigious awards in recognition of the quality of our tourism product, excellence in service delivery and attractiveness of the destination.

My philosophy as Minister is that no tourism industry can prosper unless people develop a sense of belonging and ownership towards it. For this reason, we are placing great emphasis on sustainability in all our policies and strategies to foster an inclusive industry. The target is to maintain a 5% growth annually.

I would like to extend my appreciation to the Officers of my Ministry and all our partners, from both the public and private sectors, for their contribution to the success of the tourism sector. I am confident that they will strive harder to bring the sector to new heights.

***The Hon. Anil Kumarsingh Gayan, SC
Minister***

STATEMENT FROM THE SUPERVISING OFFICER



Tourist arrivals increased by 5.2% in 2017 to reach 1,341,860, which is above the UNWTO's long term forecast of 3.8% per year for the period 2010 to 2020. It is forecasted that in 2018, tourist arrivals would reach 1,395,000, representing an increase of 4.0% over year 2017.

It is also worth noting that tourism earnings increased by 7.9% in 2017 to attain Rs 60.3 billion, which is greater than the 5% growth registered for international tourist receipts in 2017.

The positive results achieved over the past three years clearly demonstrate that the sector is back on the growth trajectory after more than five years of stagnation.

Major events have been organised by the Ministry in collaboration with tourism sector stakeholders.

The International Conference on Digitalisation and Sustainable, which was organised on 23 and 24 May 2018, was the first of its kind for the sector. The theme "Digitalisation and Sustainable Tourism" was chosen to acknowledge the new challenges facing the tourism industry. High-level speakers and industry leaders gave presentations on a plethora of topics, relating to the theme, acknowledging that the new tourist is more informed and sophisticated than in the past due to emerging information technologies. The Conference was attended by some 400 foreign, including 80 overseas delegates from 18 countries from the African, European and Asian continents. At the end of the two-day conference, the Mauritius Declaration, which summarises a series of recommendations relating to the importance of digitalisation on the tourism sector and called upon the global community to endorse new technologies, was adopted.

The Ministry has also embarked on a project for "Transforming Tourism Value Chains in Developing Countries and Small Island Developing States (SIDS)". A two-day workshop on the theme "Transforming Tourism Value Chains in Developing Countries and Small Island Developing States (SIDS)" was held on 10 and 11 October 2017 by the Ministry, in collaboration with the UN Environment. The project "More Resource Efficient, Low Carbon Development", which aim is to reduce greenhouse gas emissions and increase resource efficiency within tourism value chains, particularly within the accommodation and food & beverages sectors.

Government representatives, industry partners and other utility providers provided inputs for the development of a National Action Plan with the aim of advancing towards a more sustainable and competitive tourism sector in Mauritius.

The Tourism Strategic Plan 2018-2021 was elaborated to consolidate, diversify, modernise and sustain the competitiveness of the tourism sector, based on the recommendations emanating from the Assises and extensive consultation with key stakeholders. The strategic plan articulates the policies, strategies, projects and programmes that would be implemented over a period of three years to respond to the emerging challenges and enhance the visibility and attractiveness of the destination.

With the elaboration of the Strategic Plan which aims at positioning Mauritius as a leading destination of the region, it is my ardent hope that the tourism industry continues to prosper and remain a key pillar of the Mauritian economy.

Mrs. C.R. Seewooruthun
Permanent Secretary

1.0 INTRODUCTION

The Annual Report has been prepared according to the guidelines issued by the Ministry of Finance and Economic Development and it gives an overview of the major activities carried out by the Ministry during the financial year 2017/2018. It also enables an assessment of the resource utilisation by the Ministry in achieving the set targets with a view to meeting Government objectives.

The Report is a mechanism that promotes transparency and accountability in respect of resources provided by the National Assembly and services delivered thereon, and also comprises information for tourism stakeholders and the public at large.

The Ministry is committed to delivering a quality service to its customers and creating an enabling environment for sustained tourism growth through the articulation of right policies and strategies.

1.1 INDUSTRY PERFORMANCE

The Tourism sector is a key pillar of the economy accounting for 8% of GDP, 10% of total employment and 8% of investment in 2017. Tourist arrivals in 2017 increased by 5.2% to attain 1,341,860 compared to 1,275,227 in 2016; with largest increases from Australia, Germany, Italy and Switzerland. Tourism earnings reached Rs 60.3 billion in 2017, representing an increase of 7.9 % over the year 2016. The hotel stock reached 112 hotels in 2017 representing 13,544 rooms which is indicative of massive investments injected in the sector over the years. Hotel occupancy rate reached 77 % in 2017 compared to 73% in 2016.

Tourist arrivals by markets

Tourist arrivals from Europe which accounted for 58.1% of total tourist arrivals reached 780,209 in 2017 representing an increase of 6.2% as compared to 734,506 in 2016. Arrivals from France, our leading market which accounted for 20.4% of total tourist arrivals and 38% of the European market, increased by 0.5% to attain 273,419 in 2017. The other major generating countries include the United Kingdom (+5.6%), Germany (+14.5%), Switzerland (+11%), Italy (+12%) and Russian Federation (+20%).

Arrivals from Africa, with a share of 22.5% of total tourist arrivals registered a growth of 3.4% in 2017 to attain 301,890 tourists as opposed to 291,890 in 2016. Impressive growth was recorded by the Republic of South Africa (+7.0%), Kenya (+7.4%) and Zimbabwe (+24.7%). With the operation of five weekly direct flights from Kenya by Kenya Airways, since September this year, it is expected that tourist arrivals from this market will increase sharply as from 2018 onwards. Kenya Airways began its operations in Mauritius as from June 2018 and under the current arrangement there are seven direct weekly flights to Mauritius.

Tourist arrivals from Asia, which constituted 15.8% of total tourist arrivals in 2017, grew by 1.5% to reach 211,380 compared to 208,233 in 2016. Arrivals from India increased to 86,294, representing a growth of 4.4% over the year 2016. China, however, which is a major source market, declined by 8.7% to reach 72,951 compared to 79,374 in 2016. The declining trend in arrivals from China will continue due to lack of air connectivity, economic slowdown arising from trade war between USA and China and depreciation of the Chinese currency.

Growth from Saudi Arabia (+62.5%), United Arab Emirates (+23.4%) and South Korea (+13.8%) was very encouraging. Tourist arrivals from Saudi Arabia are expected to grow exponentially with the operation of three direct weekly flights to Mauritius by Saudi Airlines since September 2017. Saudi Arabian Airlines (Saudia) began serving the Mauritius-Riyadh route with a short stopover in Jeddah with effect from 14 September 2017 with three weekly scheduled flights. The total flying time to Mauritius is 9 hours from Riyadh and 7 hours 20 minutes from Jeddah. For the period January to September 2018, tourist arrivals from the Saudi market have already reached 14,137.

Tourist arrivals from Oceania increased by 14.1% due to an increase in arrivals from Australia by 14.6% and New Zealand by 12%.

Arrivals from the American continent increased by 25.4% as a result of good performance of USA (+13.3%), Canada (+14%) and Brazil (+60%). It is forecasted that arrivals from USA will increase significantly as from next year with the operation of direct flight to New York by Kenya Airways.

Performance of Top Ten Markets

The top 10 source markets, with exception of China, recorded positive growth in 2017 with Germany, Switzerland and Australia recording impressive growth of the order of 14.5%, 11% and 14% respectively as illustrated in figure 1.1 below

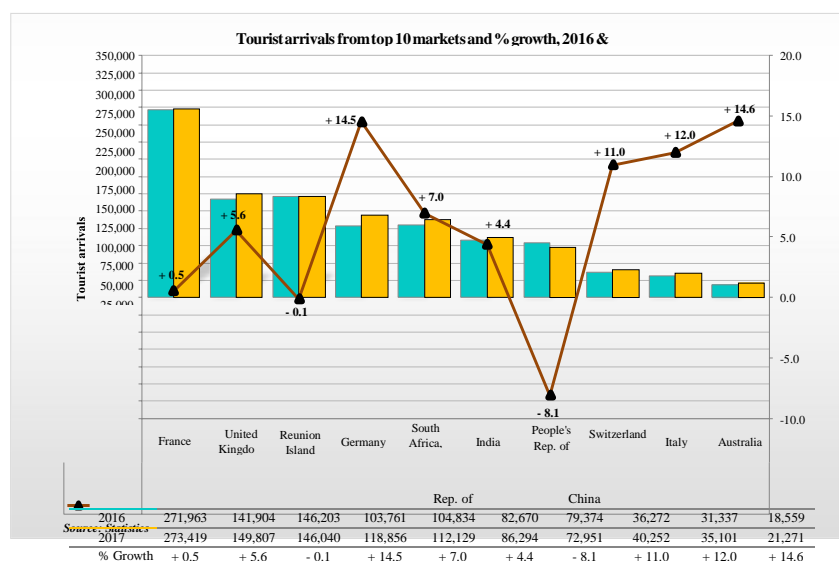


Figure 1.1 Tourist arrivals from top 10 markets and % of growth 2016 & 2017

After registering eight years of negative growth, Italy rebounded with a positive growth of 7.4% in 2016 and maintained its momentum with 12% growth in 2017. Likewise, Russia posted a positive growth of 20% after four years of negative growth.

Performance of New Markets

Tourist arrivals from the new markets have registered outstanding performance, particularly Netherlands (31.6%), Czech Republic (23.4%), UAE (23.4%), Poland (11.8%), Sweden (6.6%), Austria (5.7%) and Belgium (4.8%).

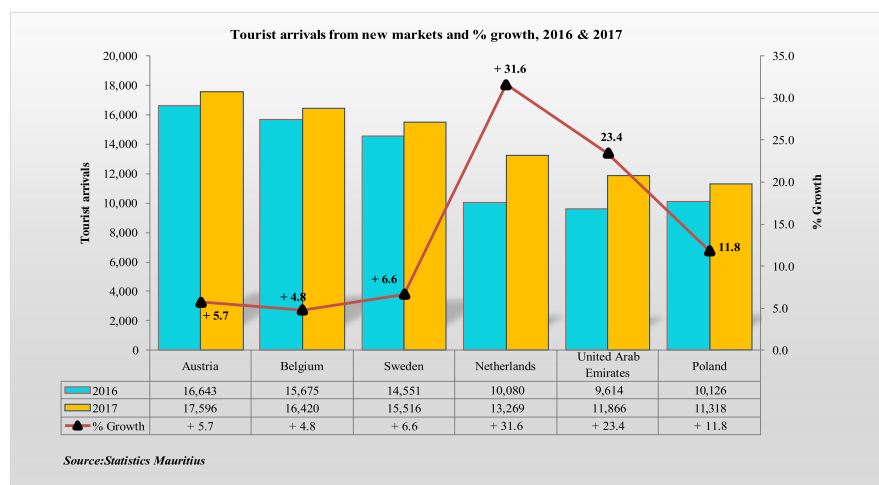


Figure 1.2 Tourist arrivals from new markets and % growth 2016 & 2017

Market Diversification Strategy

Mauritius is pursuing its market diversification strategy in an effort to enlarge its tourism source markets and reduce dependence on the Euro Zone. A more pronounced penetration in India, Russia, China, Saudi Arabia, South Korea, Kenya and Eastern Africa will be envisaged to rebalance tourism growth.

The Euro Zone which constituted 67% of our total tourist arrivals in 2009 has declined gradually to reach 58.1% in 2017. Conversely, Asia which stood at 7% in 2009 increased to 15.8% last year. The share of Africa which was 23% in 2009 reached 28% in 2016 and slumped slightly to 22.5% in 2017 mainly due to a slight decline in tourist arrivals from Reunion Island.

Airlift

The expansion of the tourism industry is largely dependent on air connectivity being given that Mauritius is a long haul destination. With the gradual opening of the sky since 2015, airlift has improved significantly. The number of seats available from different destinations to Mauritius increased by 7.9% in 2017 to reach 2,341,144 compared to 2,169,493 in 2016.

Overall performance of the Tourism Sector

After two consecutive years of double digit growth in 2015 and 2016, tourism growth was moderate with 5.2% in 2017.

The arrival of new airlines and injection of additional air seats capacity have greatly increased connectivity to the destination and helped to bridge the mismatch between air seat capacity and hotel rooms. The growth momentum will be pursued in 2018 with an expected growth of 5.1% in tourist arrivals.

1.2 STRUCTURE OF THE REPORT

This Report is divided into four parts. After the introduction, **Part I** outlines the vision, mission, roles and functions of the Ministry. It gives a brief overview of the structure of the Ministry in pursuance of its policy making and service delivery objectives. The parastatal bodies operating under its aegis and their key functions are also briefly presented.

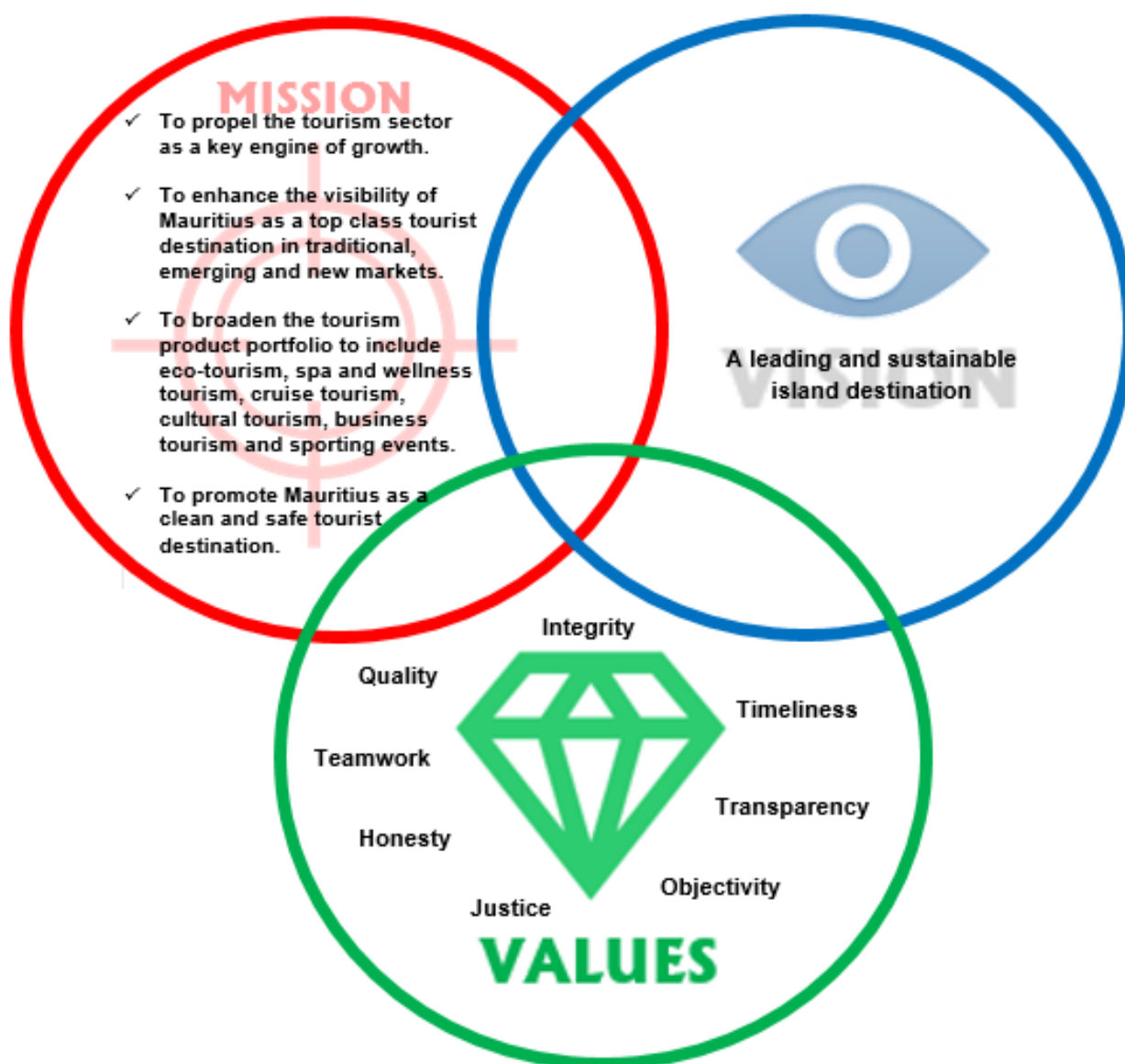
Part II describes the major achievements and challenges of the Ministry for the previous financial year. The status on the implementation of budgetary measures pertaining to the tourism sector and key actions of the Ministry is also highlighted.

Part III summarises the financial performance of the Ministry in terms of expenditure under the different Headings/Sub Headings.

Part IV analyses the trend and challenges facing the tourism sector and that may impact on the policy orientation of the Ministry. The strategic directions of the Ministry over the next three years are defined.

ABOUT THE MINISTRY

2.1 VISION, MISSION, VALUES AND STRATEGIES



STRATEGIES

- To intensify the visibility of the Destination
- To improve accessibility to the Destination
- To enhance Attractiveness of Mauritius
- To foster Sustainable Tourism development

2.2 ROLES AND FUNCTION OF THE MINISTRY OF TOURISM

The Ministry of Tourism is responsible for the formulation and implementation of strategies and policies for the harmonious and sustainable development of the Tourism Sector and the promotion of leisure for the benefit of the citizens and tourists. The Key functions of the Ministry are to:

- 1 • Assist in tourism planning through the development of tourism policies and preparation of long-term plan.
- 2 • Support the development and upgrading of tourism structures and infrastructure
- 3 • Work in close collaboration with all its stakeholders, including international organisations, for the development and promotion of sustainable tourism.
- 4 • Appraise and monitor tourism projects.
- 5 • Elaborate and implement standards, norms and guidelines for tourism activities.
- 6 • Formulate legislation to regulate the tourism sector.
- 7 • Create awareness on the importance of sustainable tourism development and support enterprises in their drive to be environmentally compliant.
- 8 • Prepare and provide statistical data and information on tourism matters.
- 9 • Make leisure and recreational activities accessible and affordable to the population at large.
- 10 • Develop schemes to promote the welfare of the employees of the tourism sector.

2.3 OVERVIEW OF THE MINISTRY

There are two sections within the Ministry of Tourism which are namely the Technical Section and the Administration Section. The Technical Section has been split into three distinct units – the land-based, sea-based and leisure units.



The land-based unit deals with projects, policies and programmes relating to the accommodation sector, restaurants, night clubs and private clubs, eco-tourism and signage programme, amongst others. The unit also develops guidelines and regulations relating to the accommodation sector.



The sea-based unit deals with projects and policies pertaining to nautical activities and also works out guidelines and regulations pertaining to sea-based activities and pleasure craft.



The Leisure Unit is responsible for promoting leisure and recreational activities for the citizens and tourists and is supported by officers of the Leisure Events Cadre. The unit organises leisure activities at national level, provides assistance in terms of logistic support to other leisure-oriented organisations and collaborates with other Ministries and Departments for the organisation of leisure activities.

2.4 ABOUT OUR PEOPLE

The Permanent Secretary is the Administrative Head and Accounting Officer of the Ministry. She is assisted in her duties by a Deputy Permanent Secretary, three Assistant Permanent Secretaries and officers of the Technical Cadre, namely Tourism Planner Cadre, Leisure Events Cadre, Financial Operations Cadre, Human Resources Cadre, Procurement & Supply Cadre as well as Officers belonging to the General Services grade.

She is responsible for the overall administration and general supervision of the different sections of the Ministry and translating Government policies and programmes into action. The Ministry of Tourism is currently manned by 84 staff. The organization chart of the Ministry is at Appendix I. There are also two Interns employed under the Service to Mauritius Programme to provide support to the Ministry and expose them to the world of work to enhance their employability on the labour market. One Health and Safety Officer from the Ministry of Civil Service and Administrative Reforms serves the Ministry on a part time basis and two CISD officers are posted to the Ministry on a full time basis.

The workforce of this Ministry comprises professional competencies and is committed to meeting various targets and challenges that have been set in the Government Programme and Tourism Strategic Plan 2018-2021. The staff distribution is illustrated in figure 2.1.

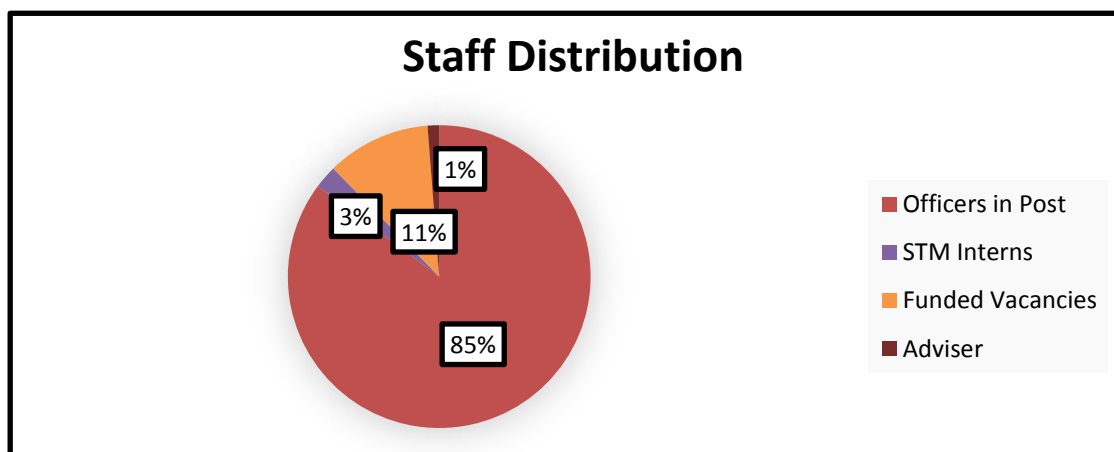


Figure 2.1 Staff distribution

2.5 STAFFING POSITION

	Staff	In Post	Contact Details	
1.	Permanent Secretary Mrs. SEEWOORUTHUN Devi Chand Anandi Rye	1	Phone : 211-6159 Fax : 211-0058 Email : dseewooruthun@govmu.org	
2.	Deputy Permanent Secretary Mr. MOOLYE Rechad	1	Phone : 211-5168 Fax : 211-8162 Email : rmoolye@govmu.org	
3.	Acting Director Tourism Mrs. SANSPEUR Lalita	1	Phone : 210-3805 Fax : 208-6776 Email : lsanspeur@govmu.org	
4.	Principal Tourism Planner Mr. KOWLESSUR Venee	1	Phone : 210-4174 Fax : 208-6776 Email : vekowlessur@govmu.org	
5.	Manager, Human Resources Mr. PHOOLCHAND Tarasingh	1	Phone : 211-7930 Ext. 222 Email : tphoolchand@govmu.org	
6.	Manager, Financial Operations Mr. RUCHCHAN Rudradeo	1	Phone : 211-7930 Ext. 211 Email : rdruchan@govmu.org	
7.	Assistant Manager Procurement and Supply Mrs. HOSENBUX Beebee Safinah	1	Phone : 211-7930 Ext. 210 Email : bhosenbux@govmu.org	
8.	Assistant Permanent Secretaries Mrs. MOORABY Ishrat Bibi Ms. BANARSEE Purvashee	2	Phone : 211-7930 Ext. 224 Email : imooraby@govmu.org	
			Phone : 211-7930 Ext. 225 Email : pbanarsee@govmu.org	
9.	Senior Tourism Planner Mrs. NARAYANEN Sharmila Mr. PURUSRAM Rishi	2	Phone : 211-7930 Ext. 348 Email : snarayanan@govmu.org	
			Phone : 211-7930 Ext. 347 Email : rpurusram@govmu.org	
10.	Senior Leisure Events Officer Mrs. GHUNOWA-RAMLALL Ummeeta	1	Phone : 210-9644 Fax : 210-6225 Email : uramlall@govmu.org	
Other Staff		In Post	Other Staff	In Post
Tourism Planner		8	Office Management Executive	2
Tourism Enforcement Officer		1	Office Management Assistant	5
Leisure Events Officer		2	Management Support Officer	16
Principal Financial Operations Officer		1	Confidential Secretary	3
Financial Officer/Senior Financial Officer		1	Word Processing Operator	3
Procurement and Supply Officer/ Senior Procurement and Supply Officer		1	Receptionist/Telephone Operator	1
Human Resources Executive		1	Head Office Auxiliary	1
Office Auxiliary		8	Driver	4

2.6 MAIN LEGISLATIONS



The legal framework governing the Tourism Sector comprises the:

- Mauritius Tourism Promotion Authority Act 1996;
- Tourism Employees Welfare Fund Act 2002; and the
- Tourism Authority Act 2006

These legislations together with promulgated regulations provide the regulatory framework in relation to activities within the tourism sector with a view to ensuring that international standards are complied with and to sustain the development of Mauritius as a high end and safe tourist destination.

2.7 OVERVIEW OF PARASTATALS UNDER THE AEGIS OF THE MINISTRY

The Ministry has three parastatal bodies to better promote the destination, regulate tourism activities and cater for the welfare of tourism employees. The roles and functions of each body is briefly highlighted.



MAURITIUS TOURISM PROMOTION AUTHORITY (MTPA)

The MTPA was set up under the Mauritius Tourism Promotion Authority Act 1996 as a parastatal body. Its objects are as follows:

- (a) Promote Mauritius abroad as a tourist destination
- (b) Provide information to tourists on facilities, infrastructures and services available to them in Mauritius
- (c) Initiate such action as may be necessary to promote co-operation with other tourism agencies
- (d) Conduct research into market trends and market opportunities and disseminate such information and other relevant statistical data on Mauritius and
- (e) Advise the Minister on all matter relating to the promotion of tourism

MTPA's role is to enhance the image of Mauritius as a prime holiday and up-market destination by consolidating our traditional markets, penetrating emerging markets and exploiting niche segments in new markets.

TITLE	CONTACT DETAILS
Director	Mr. BUNDHUN Arvind Phone: 203–1934 Fax: 212–5142 Email: arvind@mtpa.mu
Deputy Director	Mr. HAULDER Vijaye Phone: 203–1925 Fax: 212–5142 Email: vijaye@mtpa.mu



TOURISM AUTHORITY (TA)

The TA was set up as a corporate body under the Tourism Authority Act 2006 to sustain the development of Mauritius as a high quality and safe tourist destination.

The objects of the Tourism Authority are to:

- Promote the sustainable development of the tourism industry;
- Foster and encourage the conduct of activities in the tourism industry in a responsible manner in order to preserve the integrity of the Mauritian Destination;
- Coordinate, support and interact with the organisations and institutions which promote the tourism industry;
- Foster research for the effective implementation of tourism policies;
- Promote public understanding and interest in the tourism industry;
- Develop and implement tourism and tourism related projects;
- Promote coordination and cooperation between the public sector agencies and the private sector organisations engaged in the tourism industry.

The Tourism Authority's role is to regulate the tourism sector and ensure that tourism activities are conducted in an orderly and sustainable manner.

TITLE	CONTACT DETAILS
Director	Mrs. MAUDARBOCUS – BOODOO Khoudijah Phone: 203 – 2611 Fax: 213 – 1738 Email: khoudijah@tourismauthority.mu
Administrative Officer	Mrs. MAGON Marie Burverly Phone: 203–1000 Fax: 213–1738 Email: bmagon@tourismauthority.mu



TOURISM EMPLOYEES WELFARE FUND (TEWF)

The TEWF was set up under the Tourism Employees Welfare Fund Act 2002 to cater for the economic and social welfare of employees of tourism enterprises and their families.

The objects of the Tourism Employees Welfare Fund are to set up welfare schemes/projects and carry out such other activities as considered desirable for promoting the welfare of employees of tourism enterprises and their families.

The Fund currently operates 15 schemes consisting namely of educational grants, social grants and soft loans to assist employees in improving their quality of life and meeting the educational expenses of their children. It also organises training programmes and leisure activities for the benefit of its members.

TITLE	CONTACT DETAILS
Secretary	Mr. GOORAPAH Soobeeraj Phone: 211 – 4343 Fax: 213 – 5462 Email: tewfund@intnet.mu
Programme Welfare Officer	Mr. UPPIAH Sivasankara Phone: 211 – 4343 Fax: 213 – 5462 Email: tewfund@intnet.mu

2.8 GENDER STATEMENT

The Ministry commits to promote gender equity, equality, social justice and sustainable tourism development. Tourism policies, strategies and development of standards, norms and guidelines for all tourism stakeholders as well as the formulation of regulations for tourism promotion and development adopt a gender sensitive approach in the democratization process of the tourism industry.

2.9 TRAINING AND DEVELOPMENT

Training and Development is an important component of the Human Resource Management and is part of the overall strategy to nurture a culture of performance in the Public Service. It is critical for organizational development and competitiveness since it produces a positive change in the functioning of the organization and enhances productivity.

The staff of the Ministry is provided with regular training to keep them abreast of new skills, trends and techniques. The Officers benefit from both generic and specific trainings. The objectives of the generic training programmes are mainly to increase the employees' sense of responsibility and accountability. Specific training programmes, on the other hand, aim at improving the officer's technical competencies and knowledge.

Overseas trainings offered by international organizations are mostly extended to technical cadres as well as officers of parastatals operating under the Ministry. These trainings (workshops/seminars/conferences) purport to upgrade the technical skills, abilities and competencies of the officers. The international exposures help the trainees to broaden their horizon and establish networking with their counterparts of other countries. Several training courses have been carried out to sensitize the staff on health and safety issues. Courses on stress management have also been carried out for the welfare of the staff.

During the financial year 2017/2018, 91 officers followed training courses as shown in Table 1 below:

Table 2.1: Training courses

Training/Workshops	No. of Staff
Local	68
Overseas	23

All vacancies in the departmental grades have been filled or reported to the Public Service Commission. All forthcoming vacancies that are likely to arise from retirement or otherwise are closely monitored and proactive action is taken.



Course followed by officers in China

ACHIEVEMENTS OF THE MINISTRY

3.1 TOURISM IN FACTS AND FIGURES

The growth of the tourism sector has been sustained over the year 2017. An increase has been observed in both tourist arrivals (5.2%) and tourism receipts (8.5%).





The low season strategy for the period May to September 2017 led to a 5% increase in tourist arrivals over the corresponding period in 2016. In 2018, for the same period, an increase of 6.2% has been recorded .



An e-Licensing System is fully operational at the Tourism Authority since January 2018. During the financial year 2017/2018, 961 applications were received online and 102 application fees were paid online.



A total of 618 new licenses have been issued as at June 2018, comprising 118 Tourist Enterprises licences, 150 Pleasure Craft licences, 243 Skipper licences and 107 Tourist Accommodation Certificates.

3.2 REKINDLING OF LOW SEASON



The performance of the low season months is critical to the sustained growth of the tourism sector as there is excess capacity during that period. Since 2015, the Ministry has been implementing various marketing initiatives to address the seasonality dilemma and transform Mauritius into an all year round destination.

The “Mauritius 365” campaign launched to make Mauritius appealing during the low season has succeeded to boost tourist arrivals during the off peak months. As a matter of fact, tourist arrivals increased by 13% in 2015, 9% in 2016 and 5% in 2017 during the low season.

3.3 HOTEL CLASSIFICATION

In 2016, a hotel accommodation system was introduced to uphold the quality image of the destination and reinforce tourist confidence and satisfaction by ensuring value for money.

The hotels are assessed on the basis of 600 criteria grouped under 27 sections, guest reviews, social media monitoring services and mystery shopping. Only hotels that score a minimum of 80% under each section are awarded a star rating by the Star Rating Committee which consists of industry professionals from the public and private sector.

All the hotels have been reassessed during the financial year 2017/2018 and as at date 103 hotels which satisfied the established criteria have been graded in the different categories as shown in Table 3.1 below:

Table 3.1: Hotel Classification

Star Categories	Number of hotels
5 Star Luxury	7
5 Star	27
4 Star Superior	4
4 Star	24
3 Star Superior	10
3 Star	20
2 Star	9
2 Star	2
TOTAL	113

During the financial year, 3 hotels have been reclassified as guesthouse by the Star Rating Committee as they did not meet the requirements of a hotel.

3.4 INTERNATIONAL CONFERENCE ON DIGITALISATION AND SUSTAINABLE TOURISM



The Ministry of Tourism hosted an International Conference on Digitalisation and Sustainable Tourism at Le Meridien Hotel, Pointe aux Piments on 23 and 24 May 2018 in the context of the 50th Anniversary of the Independence of Mauritius. The conference, which was the first of its kind organised since the existence of the tourism industry, was attended by 400 delegates, including 80 overseas delegates from 18 countries.

It brought together high level policy makers, including Ministers of Tourism, CEOs of Tourism Boards, Tourism Professionals, private operators, Industry Associations, Trade Unions, academics and experts to reflect on the challenges and opportunities of digitalisation for the tourism industry and share the best practices driving the global tourism industry. The United Nations World Tourism Organisation was represented by Dr Dirk Glaesser, Director of Sustainable Development of Tourism Programme. The conference was officially opened by the Hon. Pravind Kumar Jugnauth, Prime Minister of Mauritius.

During the two-day conference, high profile speakers from renowned international institutions and industry leaders made presentations on the following topics during the six plenary and three breakout sessions and highlighted new trends reshaping the global tourism environment.



PLENARY SESSIONS:

- Digitalisation and Sustainable Tourism: Opportunities and Challenges
- Technology Transformation and Tourism
- Enhancing Destination Competitiveness through Technology and Innovation
- Fostering Sustainable Tourism Development in the Digital Era
- Redefining Destination Marketing Strategy in the Digital Era
- Future orientation of the Tourism Industry

BREAKOUT SESSIONS:

- Sustainable Tourism Accreditation and Certification
- Harnessing the potentials of digitalisation for tourism development
- Tourism and the Sustainable Development Goals (SDGs)

At the end of the conference, the Mauritius Declaration on Digitalisation and Sustainable Tourism was adopted. The Declaration summarises the key recommendations that emerged during the Conference and a copy is at Appendix II.

In the margins of the Conference, a Tourism Award Night was organised on 23 May 2018 to reward the employees of the tourism industry for long standing service, the best tourist guide, e-innovator and sustainable tourism initiatives.



3.5 CORAL PLANTING AT TROU AUX BICHES

Coral reefs are under constant threats from coral mining, agricultural and urban runoff, pollution, sea level rise, greenhouse emissions and global warming. Human activities such as boating and diving

also impact adversely on coral reefs.

General estimates show that approximately 10% of the world's coral reefs are dead and about 60% are at risk due to human activities and climate change.

Coral reefs are of strategic importance as they:

- i. protect coastlines by absorbing wave energy;
- ii. provide habitats and shelter for marine organisms;
- iii. provide nitrogen and other essential nutrients for marine food chains;
- iv. assist in carbon and nitrogen fixing;
- v. help in nutrient recycling;
- vi. enhance water quality and clarity inside the lagoon; and
- vii. provide spawning sites for fish and marine fauna.

Coral farming is a viable method for restoring degraded reefs. It is the process whereby fragments of corals are collected from the local reefs and raised in nurseries until mature and then installed at the restoration sites.



In this context, a Coral Planting ceremony was held on Thursday 24 May 2018 at Trou aux Biches as a side event of the conference to highlight the importance of corals to the sustainability of the marine ecosystem. All Ministers and Heads of Delegations participated in this ceremony.

3.6 GREENING THE TOURISM VALUE CHAINS IN DEVELOPING COUNTRIES & SMALL ISLAND DEVELOPING STATES

The UN Environment, in collaboration with the Ministry of Tourism, have embarked on the implementation of the “Transforming Tourism Value Chains in Developing Countries and Small Island Developing States (SIDS) to accelerate more resource efficient, low carbon development” project Mauritius.

The project was launched by Hon. A. K. Gayan SC, Minister of Tourism during a two day workshop held at Ravenala Attitude on 10 and 11 October 2017. The overriding objective of the project is to reduce greenhouse gas emissions and increase resource efficiency within the tourism value chains,

particularly within the accommodation and food and beverages sectors.

The Project is led by UN Environment and implemented by the Travel Foundation with support from the Ministry of Tourism, Waste and Resources Action Programme (WRAP) and Technical University of Denmark (DTU). Following a survey conducted within the accommodation sector in Mauritius, WRAP and DTU submitted a report on the results of the hotspot analysis.

Proposed areas of intervention comprised business value chains solutions and interventions like sharing of best practices and site visits, cross functional training, sustainable purchasing and value chain initiatives, improving operational practices, on-site energy management and efficiency and other National Level Solutions and Interventions.



These proposals were discussed during a second workshop held on the 11th and 12th of June 2018 at Sofitel Mauritius L'Imperial Resort & Spa. The workshop was an ideal platform where government representatives, industry partners and other utility providers provided inputs for the elaboration of a National Action Plan to foster a more sustainable and competitive tourism sector in Mauritius.

3.7 TOURISM SIGNAGE

The Tourism Signage Project which started in 2007 with technical assistance from the Singapore Tourism Board is still on-going. The project consists of the installation of directional and information panels of international standards and icons from the World Tourism Organization around the island with a view to:

- increasing the visibility of the inland tourist attractions as well as guiding tourists and visitors on excursions.
- providing more information to the tourists and Mauritians; and
- creating more economic opportunities in remote areas.

To date, some 400 panels, both directional and information panels have been installed around the island.



These panels have been subject to wear and tear and damages due to accidents or acts of vandalism and need to be maintained to ensure that both the directional signs and information panels are kept in good state at all times to serve the purpose of guiding the tourists. During 2017-2018, the Ministry completed the maintenance and upgrading of some 69 panels installed from Albion to Rivière des Galets; and from Curepipe to Mahebourg.

3.8 PROMOTIONAL ACTIVITIES

During the last financial year, MTPA conducted several marketing campaigns in traditional, emerging, new and regional markets. This has greatly contributed to enhance the visibility of the destination and increased tourist arrivals. As a matter of fact, tourist arrivals increased by 5.2% and tourism earnings by 8.5 % in 2017.

The MTPA has in the course of the financial year 2017/2018 carried out the following marketing activities:

- * Participation in 18 overseas tourism fairs
- * Organization of 25 roadshows
- * Organization of 30 FAM trips
- * Organization of 25 press trips
- * 120 press releases in key markets
- * Organization of 8 events of international dimensions with the participation of tourists

3.9 BUSINESS FACILITATION

In the spirit of business facilitation, the Tourist Enterprise Licence in respect of hotel, guesthouse, tourist residence and domaine have been replaced by a Tourist Accommodation Certificate (TAC). The TAC constitutes an omnibus permit which combines all activities (restaurant, beauty parlour, health and fitness, spa and wellness, boat house, shops, boutiques and bar) operated by a hotel, guesthouse, tourist residence and domaine. Accordingly, operators are now required to pay a single operating fee for all their activities as opposed to a Tourist Enterprise Licence fee in respect of each activity.

The IT Infrastructure of the Tourism Authority has completely overhauled and replaced by a new IT platform where the public can apply and obtain a licence online and effect payment thereof electronically. This measure will greatly improve service delivery by the Tourism Authority and reduce cost of doing business for tourism operators in line with the measures announced at paragraph 202 of Government Programme 2015-2019.

3.10 TOURISM ONLINE PLATFORM (E-LICENSING)

The Tourism Online Platform was launched in May 2017 on a pilot basis and became fully operational as from 03 January 2018. The Tourism Operators can apply and effect payment of application fees online. During the financial year 2017/2018, 961 applications were received online by the Tourism Authority and 102 application fees were paid online via the SBM gateway.

3.11 LICENCES

During the financial year 2017/2018, the Tourism Authority issued 618 new licences as follows:

Table 3.2: Licences 2017/2018

LICENCE TYPE	Total
Tourist Enterprise Licence	118
Tourist Accommodation Certificate	107
Pleasure craft licence (Commercial)	7
Pleasure craft licence (Private)	143
Skipper	243

The Tourism Authority which has the mandate to monitor the activities of hoteliers, pleasure craft operators and other tourism operators to ensure that they comply with established norms, standards, conditions of their licence and guidelines, carries out regular inspections and visits. During the financial year 2017-2018, 5,054 inspections were effected and 436 contraventions were established.

3.12 FESTIVAL INTERNATIONAL KREOL 2017

The Ministry of Tourism hosted the 12th edition of the Festival International Kreol from 17 to 26 November, 2017 under the theme ‘Kreolite-Linite’, with emphasis on creativity and innovation to highlight the evolution of our rich diversity and culture culminating into an authentic Mauritian identity over the last 50 years since our independence.

In Mauritius, the Creole language, spoken and understood by the majority of the population, is a unifying and uniting element aiding the goal of “Mauritianism”. This was particularly pertinent on the eve of the 50th anniversary of the independence of our republic and the reason why the theme "Kreolite-Linite" was chosen for the 12th edition of FIK.

The list of activities organised is as follows:

- Sware Poezi
- Final Konkour Teat an lang kreol
- Segal Lontan
- Bal Rann Zariko
- Regat ek Festival Kiliner
- Spektak Dans - Frer Joseph
- Espas Artistik
- Konferans
- Sware Konser (4 Main Concerts)
- Sware Tipik
- Plantasion Zarb



One of the main events is the Konferans which was opened by Hon. Pravind K. Jugnauth, Prime Minister of Mauritius and the chief guest was Hon. Maurice J. L. Loustau-Lalanne, Minister of Tourism of Seychelles who graced the audience with their presence and the honoured guests were welcomed by an assemblage of personalities such as Presidents of Kreol associations, “Mama kreol”, ravanniers, Segga dancers, and hostesses, who together underlined the important role of the Kreol language in the making of the Mauritian nation.

3.13 PATROL CRAFT



The Tourism Authority has in April 2018, purchased a patrol craft to reinforce monitoring of sea-based activities and to ensure that the activities are carried out in a safe and orderly manner.

3.14 CALENDAR OF EVENTS

A comprehensive Calendar of events highlighting some 24 events organised at national level was drawn up in consultation with the stakeholders and was uploaded on the website of the Ministry of Tourism, Government Online Centre, the MTPA, the AHRIM, the Tourism Authority and the Ministry of Arts and Culture. As at date, 274,876 hits were recorded on MTPA’s website.

3.15 EMBARKATION POINTS

The Ministry of Tourism has, in collaboration with the National Coast Guard and the Tourism Authority, established a list of 44 Embarkation points by way of regulations, around the island to ensure that pleasure craft activities are conducted in an orderly manner and that there is no over concentration of pleasure crafts at any location. Moreover, the publication of the embarkation points empowers the National Coast Guard to better enforce the condition pertaining to embarkation points and sanctions illegal operations by pleasure craft operators.

3.16 NEW GUIDELINES

During the financial year 2017-2018, two new guidelines have been introduced to regulate the activities of tour operators and travel agents. Two other guidelines are currently being finalised; namely

- * Guidelines for Recreational Scuba Diving; and
- * Guidelines for Rental Agency for Kitesurf.

3.17 ACHIEVEMENTS OF TOURISM EMPLOYEES WELFARE FUND

The Tourism Employees Welfare Fund (TEWF), which caters for the welfare of the tourism employees, has during the financial year 2017/2018:

- (i) provided soft loan to the tune of Rs 26.7 million to employees of the tourism sector to assist them in improving their quality of life and meet the educational expenses of their children;
- (ii) organised five outdoor activities (hiking, island tours, mountaineering and local visits) and several sports activities (football tournament, mixed volleyball competition and mixed petanque festival) to cater for the leisure needs of the tourism employees and their families. More than 5000 employees benefited from the activities.
- (iii) organised several competitions among the employees of the hotels to instil a culture of excellence, namely , housekeeping competition, cocktail competition, pastries chef competition, ice carving demonstration, front office competition, table dressing competition and chef challenges ; and
- (iv) 72 students of the employees of the tourism sector benefited from scholarship amounting to Rs 714,000.

3.18 BIKING TRACKS



Two Biking Tracks at Moka and Albion were completed in 2017 by the Tourism Authority.

3.19 GIS CHART

The Ministry has, with the assistance of the Hydrographic Unit of the Ministry of Housing and Lands, drawn up a GIS chart to map all nautical activities requiring sea space inside and outside the lagoon. This chart will help to better plan sea-based activities to avoid conflicts among sea users. Sites for helmet diving, parasailing, flyboard, jetpack, seabreachers and floating jetty have already been plotted on the chart so far.

3.20 AWARDS

In recognition of the quality of its tourism product, excellence in service delivery and attractiveness, Mauritius obtained several prestigious awards:



2018 Meilleur Office de Tourisme Etranger
Travel d'Or™ 2018



2018 Top Ten Overseas Travel Destination and Top Ten
Island Tour Destinations by Ctrip (China)



2018 Best Spa Destination (Africa): India



2018 Best Island Destination (India)



Lonely Planet - Best in Travel 2018 Top 10 Countries



Indian Ocean's Leading Honeymoon
Destination by World Travel Market 2017



Meilleure destination touristique étrangère 2017 sur les
réseaux sociaux en France by We Like Travel



Best luxury holiday destination by Travel Bulletin Star
Awards 2017



Most beautiful hotels in the Indian Ocean by JT Touristik
(ITB 2017)

Best Destination 2016 by the luxury trade magazine
Luxus Insider (ITB 2017)

3.21 PROMOTION OF LEISURE ACTIVITIES

In line with the policy of the Government to develop, democratise and decentralise leisure activities, the Ministry organised 12 leisure activities targeting some 285, 000 participants during the financial year 2017/2018.

3.22 STATUS ON IMPLEMENTATION OF BUDGETARY MEASURES 2017/18

Paragraph 111:

“Government will give a voucher that will entitle a tourist to a Rs 200 discount on a minimum purchase of Rs 1,000 of Mauritian handicraft products. This should increase expenditure per tourist while at the same time giving a boost to Mauritian handicraft.”

The 1st phase of the project was launched on 15 November 2017 and MTPA printed 750,000 vouchers for a total cost of Rs 1.8 million. The vouchers were distributed to the tourists on arrival at the airport by officers of the MTPA and were redeemable at the following outlets:

- ☐ SMEDA Craft Shop, SSR International Airport (Departure Lounge);
- ☐ Mauritius Duty Free Paradise Shop (MDFP), SSR International Airport;
- ☐ Caudan Craft Market, Port Louis;
- ☐ Mauritius Postal Museum, Port Louis; and
- ☐ Arts & Crafts Manufacturers Association of Mauritius Shop, Kiosk 25, Flacq Market Centre

As at end of June 2018 300,000 vouchers were distributed and a total of 1,619 vouchers were redeemed by SME Mauritius Ltd.

The project did not take off due to the following constraints:

- Rs 200 for a minimum purchase of Rs 1,000 was meaningless for the tourists as it represented only around EUR 5/USD 6 and was not attractive for them;
- the number of outlets where the vouchers could be used was very limited;
- the hologram took much time to be finalised;
- a proper marketing strategy was not in place;
- the quality and presentation of the Mauritian handicrafts are not appealing to the tourists; and
- the local artisans are facing stiff competition from imported handicraft products, mainly from China, which are being sold in the shops at much lower prices.

Most of the tourists refused to take the vouchers. Some tourists, who did take the vouchers, were disposing of them at the airport itself or left them at their hotels.

SME Mauritius Ltd which has the mandate of development and promotion of the handicraft sector should review this project and devise appropriate marketing strategies.

3.23 STATUS ON IMPLEMENTATION OF KEY ACTIONS 2017/18

The status of the Key Actions and Key Performance Indicators (KPIs), pertaining to the Ministry of Tourism which were included in the Budget 2017/2018, is shown below:

Table 3.3: KPIs 2017/2018

Key Actions	Key Performance Indicators	Targets 2017/18	Achievement as at 30 June 2018
Maintain Mauritius as a prime holiday and up-market destination	Tourist arrivals (million)	1.38	1.36
Sustain the visibility of the destination	Fairs/Workshops/ Road shows	40	32
	Online campaigns	30	25
	Major Events	40	15
Improve and diversify tourism product	Number of tourism signage panels maintained and upgraded	50	74
	Number of cycling tracks constructed	2	2
Facilitate orderly and sustainable conduct of nautical activities.	Number of skippers trained	1,600	500
Increase participation in leisure activities	Number of participants in organised leisure activities (actual 2016: 240,000)	255,000	285,000

3.24 RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES & GOOD GOVERNANCE

(i) COORDINATION COMMITTEE ON SEA-BASED TOURISM PROJECTS

A Coordination Committee comprising representatives of key Ministries and Departments was set up in March 2017 under the chair of the Acting Director of Tourism to inter-alia, look into the proper planning and judicious management of nautical activities in our lagoon. It also advises the Minister on policies and measures for the sustainable development of the sea-based sector and act as a one-stop shop for conveying clearances on sea-based tourism projects. The Committee meets on a monthly basis. During the financial year 2017/2018, the Committee had nine meetings to:

- (i) review embarkation points throughout the island;
- (ii) peruse the recommendations contained in the Master Plan for management and zoning of lagoon for the tourism sector; and
- (iii) Examine some 10 sea-based projects from promoters and make recommendations to the Minister thereon.

The Coordination Committee has set up two sub-committees to delve in depth on issues pertaining to parasailing and helmet diving activities.

(ii) TECHNICAL COMMITTEE ON MONITORING OF HOTEL PROJECTS

The Technical Committee on monitoring of Hotel Projects follows up on projects that have been approved by different Ministries which date back to 2006. The main function of the committee is to review progress of different hotel projects and report on the bottlenecks impinging on the implementation of any project.

Regular meetings are held with the Ministry of Environment and Sustainable Development and the Ministry of Housing and Lands. The Ministry liaises with the promoters on a quarterly basis to update the database of hotel projects.

As at to date, the following hotel development projects have been approved:

- Clear Ocean Ltd – LOI issued on 31 March 2017 for a 5-star Hotel at St Felix with a total project value of USD 330 M.
- KPMM (Mauritius) Ltd –LOI issued on 23 March 2017 for a 5-star Hotel at Bel Ombre with a total project value of USD 85 M.

- United Properties Ltd – LOI issued on 24 August 2017 for a 4-star Hotel at Caudan, Port Louis with a total project value of Rs 1.6 B
- Jin Fei Economic Trade and Cooperation Zone Co. Ltd – No objection letter issued on 31 August 2017 to BOI for a 5-star Apart Hotel under Invest Hotel Scheme with a total project value of Rs 2.7 B.
- Generess Hotel Ltd – LOI issued on 18 May 2017 for a 4-star Hotel at Baie du Tombeau with a total project value of Rs 80 M.
- Plaisance Business Hotel Ltd – LOI issued on 20 July 2016 for a 4-star Hotel at Plaisance with a total project value of Rs 350 M.

(iii) AUDIT COMMITTEE 2017/2018

The Ministry has set up an Audit Committee to review the control and governance processes throughout the organisation. It also advises the Accounting Officer on corrective measures to minimise risk of abuse and malpractices. Moreover, the Audit committee follows up on the recommendations made by the National Audit Office in its Management letter and the report of the Internal Controller.

The Committee is chaired by a senior official of the Ministry and meets on a monthly basis. During the last financial year, the Audit Committee met on four occasions to:

- a) Review progress in implementation of corrective actions proposed in the management letter of the Director of Audit; and
- (b) Identify areas and control systems that need to be strengthened to avoid to any further queries in the future.

There was no adverse comment on the Ministry in the last report of the Director of Audit.

(iv) OCCUPATIONAL SAFETY AND HEALTH COMMITTEE

The Ministry has set up an Occupational Safety and Health Committee to look into issues relating to safety, health and welfare of employees at work and promote a working environment which is safe and without health risk.

The Committee, which is chaired by the Deputy Permanent Secretary, meets every two months to examine the grievances of the staff, formulates projects for enhancing the working environment and examine issues affecting the health and safety of officers. During the financial year 2017/2018, the Committee had 4 meetings.

Sensitization programme has been organised to sensitize the officers on safe use of computers, provisions of the Occupational Health and Safety Act and techniques for managing stress at work.

(v) GENDER CELL

The Ministry has set up a Gender Cell under the chair of the Deputy Permanent Secretary to look into the issues relating to gender mainstreaming in policies, strategies and Programmes. The Gender Cell had three meetings during the last financial year and organised a workshop on 13 June 2018 under the theme “showcasing women’s contribution to and exploring opportunities in the tourism sector”.

The objective of the workshop was to highlight the contribution of women to the tourism industry and brainstorm on the challenges faced by women in the sector to join the leadership level. Some 80 women entrepreneurs as well as key stakeholders in the different segments of the tourism business participated in the workshop.

(vi) ANTI-CORRUPTION COMMITTEE

An Anti-Corruption Committee has been set up under the chair of the Deputy Permanent Secretary, for an effective implementation of the Public Sector Anti-Corruption Framework. 2 Meetings have been held during the financial year 2017/2018.

A Corruption Prevention Review has also been conducted for the Leisure Unit of the Ministry and the work sessions are being conducted in order to have a Corruption Prevention Review for the Sea-based Unit and the Procurement Section. The Integrity Pledge of the ICAC has also been signed by all the staff of the Ministry.

FINANCIAL PERFORMANCE OF THE MINISTRY

4.1 FINANCIAL HIGHLIGHTS

As per the budget estimates, Tourism has only one vote under its control, namely: 3-1 Tourism.

4.2 ANALYSIS OF MAJOR CHANGES

The overall budgetary allocation of the Ministry of Tourism has been increased from Rs 727 million in the financial year 2016/2017 to Rs 747 million in the financial year 2017/2018 partly due to an increase of Rs 10 million in the grant to the Mauritius Tourism Promotion Authority for destination promotion campaigns in emerging markets and partly due to an increase in the provision for capital projects from Rs 5 million to Rs 22 million allocated to the Ministry for the Zoning of Lagoon project and renovation of Citadel.

4.3 STATEMENT OF REVENUE AND EXPENDITURE

91 % of Expenditure under vote 3-1 has been incurred under Grants which are provided to the Mauritius Tourism Promotion Authority and the Tourism Authority.

Table 4.1: Statement of revenue 2017/2018

STATEMENT OF REVENUE 2017/2018			
Revenue Rs Million	2016/2017 Actual Rs 000	2017/2018 Estimates Rs 000	2017/2018 Actual Rs 000
Property Income	-	-	-
Sales of Goods and Services	-	-	-
Fines, Penalties and Forfeits	-	-	-
Miscellaneous Revenue	-	100,000	98,000
Total Revenue from Property Income, User Fees and Other Sources	-	100,000	98,000

The pie chart below gives a graphical distribution of the expenditure incurred during the last financial year.

Figure 4.1 Expenditure 2017/2018

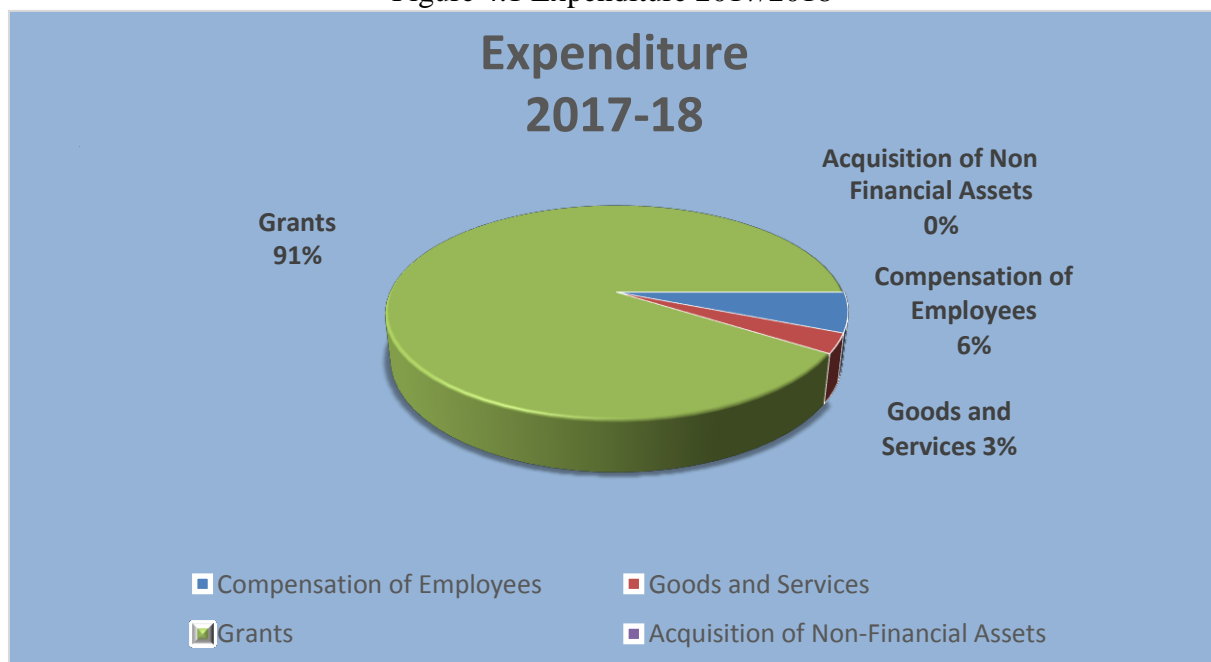


Table 4.2: Statement of expenditure 2017/2018

STATEMENT OF EXPENDITURE 2017/2018			
Statement of Expenditure			
Head/Sub-Head of Expenditure Rs Million	2016/2017 Actual Rs 000	2017/2018 Estimates Rs 000	2017/2018 Actual Rs 000
Compensation of Employees	41,995	45,570	38,916
Goods and Services	27,541	22,685	22,121
Subsidies	0	0	
Grants	650,141	656,745	631,925
Social Benefits	0	0	
Other Expense	0	0	
Acquisition of Non-Financial Assets	127	22,000	3,747
Acquisition of Financial Assets	0	0	
TOTAL	719,804	747,000	696,709

WAY FORWARD

5.1 TRENDS AND CHALLENGES

Today, the Tourism Sector is called upon to evolve in a highly volatile and hyper competitive environment. The situation has been further complicated with the emergence of low cost destinations, rising cost of fuel adversely impacting on cost of air travel, changing patterns of travel and changing tastes of tourists.

5.2 TRENDS

The global tourism environment is being reshaped by the following emerging trends:

- Exponential global tourism growth over the past six decades. Globally, some 350 million new international tourist arrivals are expected by 2020 and, by 2030, arrivals would reach 1.8 billion.
- Growth of tourist arrivals from emerging economy destinations fast outpacing arrivals from advanced economy destinations.
- Rising middle class with propensity to travel.
- Growing Chinese outbound tourist leading the pack. China's outbound tourist reached 120 million in 2017 as a result of constant rise of personal incomes and living standards. This figure is expected to reach 200 million by 2020.
- Increasing demand for eco-friendly destinations.
- Emergence of LGBT tourists with propensity to travel three times more than conventional tourists and with high spending power.
- Millennials looking for adventure.
- Emergence of cost conscious travellers following the international financial and economic crises.
- Growing demand for all-inclusive packages.
- Baby boomers with disposable income for overseas travel.
- Rise of Festival tourism with a market value estimated at 2.3 trillion Euros in 2016.

5.3 CHALLENGES

The traditional tourism model which focussed mainly on high end beach resorts and served the industry over the past 50 years is now being challenged and exacerbated by a number of internal and external factors. Internally, the lack of skilled manpower and heavy indebtedness of the sector are hindering the full potential of the industry in terms of expansion and job creation.

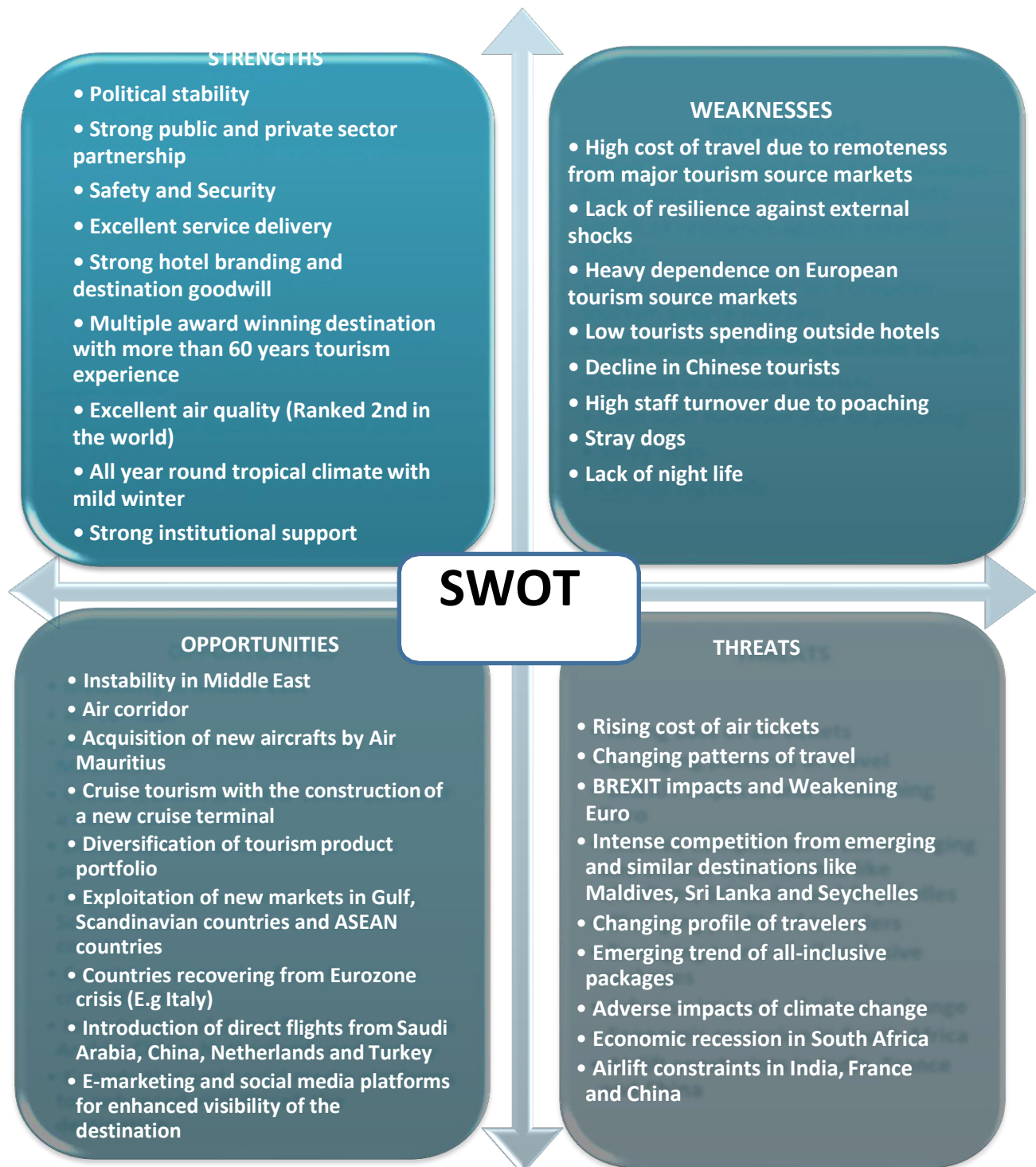
On the external front, the tourism sector is exposed to intense competition from similar island destinations like Maldives, Seychelles and Sri Lanka, shrinking demand from European source markets, including Brexit impact and high cost of travel due to the remoteness of Mauritius from its source markets.

Over and above, the destination is confronted with the following specific challenges that call for concerted action from all tourism stakeholders.

- (i) **CLIMATE CHANGE** which is impacting adversely on the coral reefs and beaches, our core tourism assets.
- (ii) **INCLUSIVE TOURISM DEVELOPMENT** that takes on board the demand and expectations of every stakeholder to avoid “tourism phobia”.
- (iii) **SEASONALITY DILEMMA** which is still a matter of concern and results in impeded growth over a calendar year period.
- (iv) **LACK OF AIR CONNECTIVITY** which debars the tourism operators from exploiting the full potential of emerging and new markets.
- (v) **HYPER-CONNECTIVITY** which has altered the entire travel and tourism value chain and heightened competition.
- (vi) **LOW TOURIST SPENDING** outside hotel accommodation.

5.4 SWOT ANALYSIS

A SWOT analysis of the sector revealing the internal strengths and weaknesses as well as the opportunities and threats emanating from the external environment is briefly highlighted in the matrix below:



5.5 STRATEGIC DIRECTION

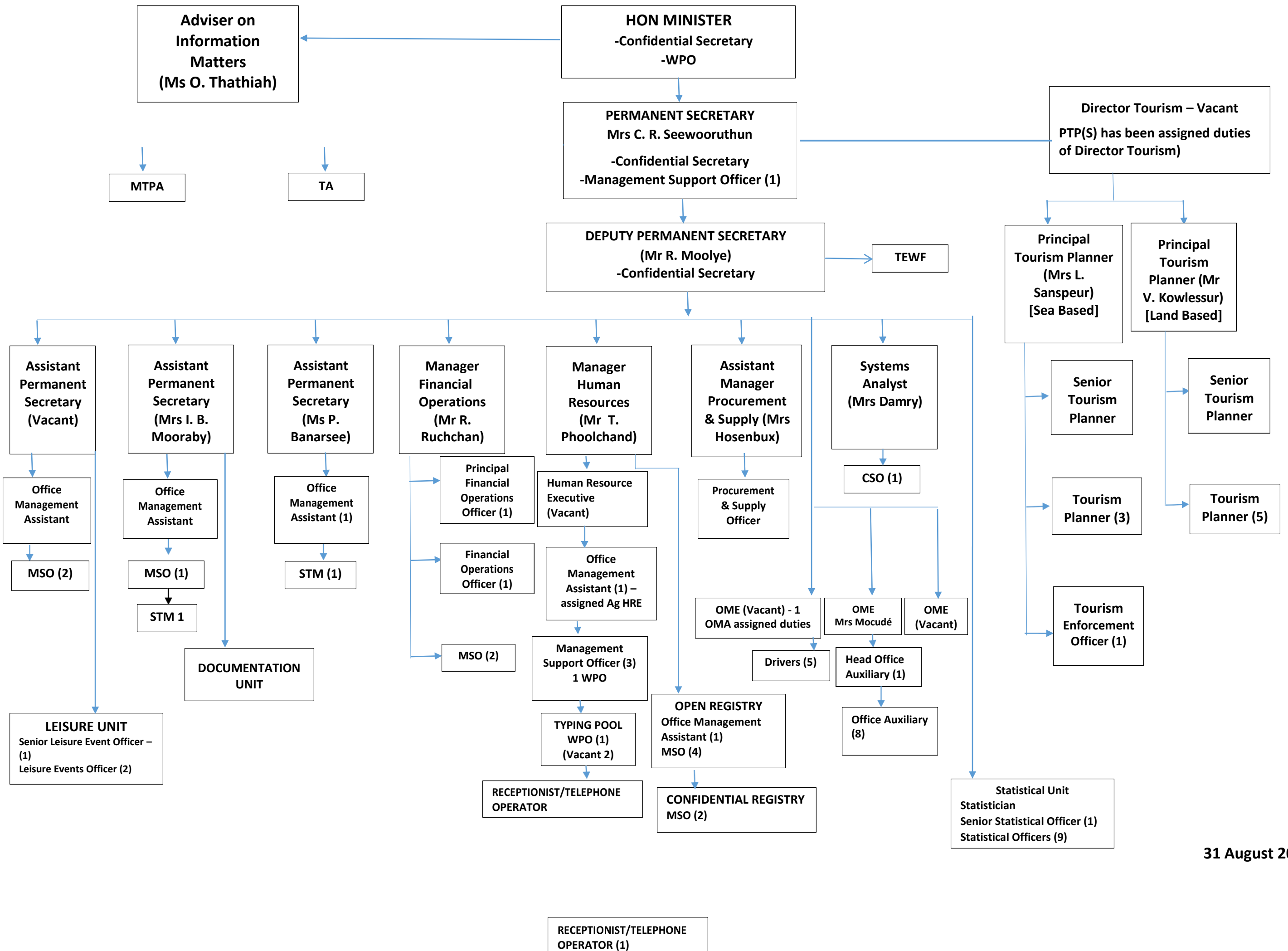
In line with Government vision to transform Mauritius into a high income nation, the tourism strategies and policies have been revisited and re-oriented along the following directions with a view to enhancing the contribution of the tourism sector to the socio-economic development of the country.

- **Pursue growth in tourist arrivals at an average annual rate of at least 5%.**
- **Promote the authenticity of our tourism products and instil a renewed sense of place which will be achieved through tourists' experience of our wildlife; vibrant heritage, unique local assets, local cuisine.**
- **Consolidate and reinforce the image of Mauritius as a leading, all year round island destination.**
- **Accelerate market diversification strategy to reduce dependence on Euro Zone.**
- **Broaden tourism product portfolio to cater for changing profile of travellers.**
- **Mainstream eco-friendly practices in tourism development.**
- **Establish Mauritius as a festive and vibrant destination in the Indian Ocean.**
- **Maintain attractiveness of Mauritius as a top class destination.**
- **Ensure the sustainable conduct of nautical activities.**

5.6 CONCLUSION

The successful implementation of the forgoing policies and strategies will not only sustain tourism growth but also ensure the long term viability of the sector.

APPENDIX I - MINISTRY OF TOURISM – ORGANISATIONAL CHART



31 August 2018

APPENDIX II



Mauritius Declaration on Digitalisation and Sustainable Tourism, Le Meridien, Pointe aux Piments, Republic of Mauritius, 24 May 2018

PREAMBLE

Acknowledging the economic potential of tourism whereby the tourism sector accounts for 10% of global GDP, 10% of total employment worldwide and 7% of the world's exports, equivalent to USD 1.4 trillion in 2016. International tourist arrivals have increased from 25 million in 1950 to 1.322 billion in 2017 and tourism receipts attained USD 1.2 trillion. It is forecasted that by 2030 international tourist arrivals would reach 1.8 billion;

Taking note that for many countries, especially developing and small island economies, tourism is a major economic pillar and an important source of foreign currency earnings. Governments across the world are leveraging tourism as an engine of economic growth and a driver for economic diversification;

Recalling the UN Conference on Small Islands Developing States (the SAMOA Pathway 2014) recognition that sustainable tourism represents an important driver of sustainable economic growth and decent job creation, which strongly supports Small Island Developing States.

Recalling the Conference of Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2015 (the "Paris Agreement") for the need to improve transparency in emissions reporting, strengthening resilience of countries with a view to reducing the vulnerability to climate change;

Bearing in mind that all stakeholders need to acknowledge that sustainable tourism implies, inter-alia, a. the optimum use of environmental resources; b. respect for the socio-cultural authenticity of the host communities; c. viable, long term economic operations; and d. the provision of socio-economic benefits including stable employment;

Considering that tourism is one of the driving forces of global economic growth;

Re-affirming that tourism must adopt sustainable consumption and production, develop and implement tools to monitor sustainable impacts and to promote local culture and products;

Further re-affirming that especially for small island developing states, coastal and maritime tourism rely on healthy marine ecosystems and the promotion of an integrated coastal zone management aiming at our priorities for a sustainable Blue Economy;

Taking note that the General Data Protection Regulation (“GDPR”) of the European Union is coming into force on 25 May 2018 and recognising its implications in the tourism industry;

Recognising that the rapid progress in Information Communication Technology and the fact that digitalisation of the tourism sector is impacting destinations by bringing new challenges and opportunities to host countries, private providers and customers;

Being aware of a new generation of tourists (Gen Y –Millennials and Gen Z) which will constitute 50% of travel by 2025 and the need for host destinations and its tourism organisations to embrace new technology at all levels of the tourism value chain;

Acknowledging that information technology provides several opportunities to promote sustainable tourism by allowing destinations: a. to develop evidence-based policies; b. to better manage their resources through the use of ICT platforms; and c. to improve the timely measurement of the impacts of tourism;

Being conscious that digital adaptation is indispensable for destination promotion and management in order to respond to the ever ending consumer demands and needs;

Further recognising digitalisation as an opportunity for businesses to reinvent their service products and towards this end to initiate actions for training and acquiring new skills;

We, the delegates, gathered at Le Meridien, Pointe aux Piments, launch the following appeal:

1. to create a Working Group on Digital Platforms aimed at identifying, analysing and proposing a balanced approach, exchanging best practices and helping in developing regulatory framework and policies to create a level playing field for tourism service suppliers;
2. to promote and diversify sustainable tourism by including the development of ecotourism, agro-tourism, medical tourism and cultural tourism;
3. to ensure that there are necessary national regulatory and policy frameworks that require the tourism industry to protect the privacy of visitors;
4. to ensure compliance with the General Data Protection Regulation of the European Union, the Travel and Tourism Industry shall take proper steps in collecting consumers’ data with their explicit consent and protecting same during any transfer from Europe to any countries;
5. to acquire adequate and coordinated support from tourism operators to keep policy-makers and regulators aligned on recent developments thereby narrowing the gap between innovation and regulation;
6. to ensure the transition of the workforce by reskilling current employees through training;
7. to consider the rigorous application of “Green ICT” techniques to ensure minimal environmental impact being given that a connected world together managing the resulting data will in itself impose an environmental load;
8. to optimise the use of geoinformatics technologies for the conservation and promotion of cultural heritage;
9. to establish an Indian Ocean Agency on “Climate Change and protection and conservation of the biodiversity”; and
10. to invite International Organisations to provide financial and technical support to developing countries and small island economies to fully embrace Information Communication Technology in sustainable tourism.

Adopted on 24 May 2018 in Pointe aux Piments, Republic of Mauritius.

APPENDIX III – STAFF OF THE MINISTRY OF TOURISM

