

**Keynote Address by**  
**Dr. the Hon. Renganaden Padayachy,**  
**Minister of Finance, Economic Planning and Development**

**RCE Workshop**  
**“Integrity, Sustainability and Transparency**  
**in the Financial System”**

Monday 22 January 2024, Flic en Flac

*« Trust is not just a feeling.*

*Trust is a commitment to action, to belief, to hope. »*

**Klaus Schwab,**  
**Founder and Executive Chairman of the World Economic Forum**

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Mr Harvesh Kumar SEEGOLAM, Governor of the Bank of Mauritius  
and Chairperson of the RCE Governing Board

Dr Carmine DI NOIA, Director for Finance and Enterprise Affairs of  
the OECD

Dr Navin BEEKARRY, Director General of the ICAC

Mr Mardayah Kona YERUKUNONDU, Chairperson of the Financial Services Commission & First Deputy Governor of the Bank of Mauritius

Mrs Hemlata Sadhna GOPAL, Second Deputy Governor of the Bank of Mauritius

Members of the diplomatic corps

Members of the RCE Governing Board

Board Members of the Bank of Mauritius

Board Members of the Financial Services Commission

Representatives of the OECD

Members of the Press

Ladies and Gentlemen,

A very good morning to you all.

I extend a warm welcome to each of you to this 3-days conference on Integrity, Sustainability and Transparency in the Financial System.

Since the launch of the Regional Centre of Excellence, in 2019, following the Government of Mauritius and the OECD's agreement, the RCE has hosted 13 RCE-OECD workshops on a wide variety of themes for the African region.

These include African AI and Blockchain Policy, Financial inclusion trends, Corporate governance, Sovereign debt management, and Sustainable finance amongst others.

Moreover, the RCE has trained over 4500 participants from 120 countries.

Indeed, this demonstrates the dedication of the RCE & its Governing Board in facilitating the fruitful discussions that contribute to the socio-economic development not only of Mauritius, but also the Southern and the Eastern African region.

Today, we have with us my good friend Dr Carmine Di Noia, Director of Financial and Enterprise Affairs of OECD, as well as several key OECD speakers and international delegates.

I thank all of you for your presence here, in Mauritius.

Ladies and gentlemen,

During the next 3 days, we will look into the critical issues that will help to shape the economic trajectory of Mauritius and Africa.

Prosperity is for sure very much linked to economic growth.

And this growth will only be supported if we commit to further combat corruption, **champion** sustainable finance and promote responsible business conduct.

In Mauritius, this strategy, which has been ours over the recent years, has brought tremendous results.

The GDP growth, supported by record-high levels of investments and exports, is proven to be robust and consistent.

Mauritius has indeed registered an economic growth of 8.9% in 2022, 7.1% in 2023 and is projecting a 6.5% additional increase in 2024.

Going forward, our aim is to sustain a 5% GDP growth over the medium term.

Thanks to the real dynamism of the economy, unemployment has recently fallen to 6.3% and is expected to reach below 6% in the short term.

The same trend can be observed with respect to fiscal consolidation.

After a peak of 91.9% in 2021, the ratio of public debt to GDP has rapidly fallen to **79% in September 2023**.

This is already below the IMF debt anchored estimated at 80%.

In the coming years, we are committed to bring back the debt level below 60%.

Ladies and gentlemen,

A country's economic success is heavily influenced by its institutional and governance qualities as corruption lessens productivity and increments disparity.

Over the recent years Mauritius has successfully implemented major reforms to strengthen the integrity, sustainability, and transparency of our financial system.

According to the Control of Corruption Estimates of the World Bank, Mauritius has improved its position from a score of 0.2 in 2019 to 0.4 in 2022.

This positive trend is also demonstrated by the Corruption Perception Index's, from the Transparency International, ranking Mauritius in the top tier countries.

Furthermore, the Heritage Foundation economic freedom score for Mauritius stands at 70.6 in 2023.

The economic freedom 2023 report equally highlights an increase in rank, making Mauritius' overall global rank standing at 26 and still holding first in Sub Saharan Africa.

Through legislative reforms, robust regulatory frameworks, and concerted efforts to promote ethical conduct, we created an environment that fosters trust and confidence among market participants.

Because, as Klaus Schwab, Founder and Executive Chairman of the World Economic Forum very rightly pointed out a few days ago in Davos:

***“Trust is not just a feeling.***

***Trust is a commitment to action, to belief, to hope.***

***And to achieve this, we must rediscover and embrace the narrative that has driven humanity since its inception: acting as trustees for a better future.”***

Ladies and Gentlemen,

Building greater confidence has been a key feature of this Government.

Under the leadership of our Prime Minister, the Hon. Pravind Kumar Jugnauth, Mauritius has come a long way since the last Mutual Evaluation Report of 2018 and the exit from the FAFT Grey List in October 2021.

The Government as well as key institutions such as the Bank of Mauritius, the FSC and the ICAC remain highly committed to continue the fight against financial crime.

The work has therefore not stopped after the delisting of Mauritius as we are actually doubling our efforts to sustain the AML/CFT reforms.

Indeed, Mauritius is now compliant or largely compliant on all the FATF Recommendations, resulting in boosting investor's confidence in our country.

Ladies and gentlemen,

The recent cyclone Belal that our country has experienced just a week ago is another concrete reminder of what climate change is about.

And as you are aware, Mauritius needs an amount of USD 6.5 billions by 2030 to finance its Climate agenda, both in terms of mitigation and adaptation.

Against this background, transitioning to the realm of sustainable finance, the global landscape is shifting towards environmentally conscious practices.

In the recent years, we have embarked on a sustainable finance journey, reflecting a collective commitment to responsible and ethical financial practices.

As a result, the Global Sustainable Investment Alliance investment review 2022 reveals a 20 per cent increase in sustainable investments globally, excluding the US data.

And while we examine the trends and developments shaping this landscape, we must recognise the pivotal role played by policymakers, financial institutions and responsible investors in steering us towards a more sustainable and inclusive economic trajectory.

On this front, the Government of Mauritius is actively developing policies and incentives to promote green and inclusive finance.



A few months ago, on 1st September 2023, we have launched the Mauritius Sustainable Finance Framework to allow the issuance in the near future of our very first ESG sovereign bond.

In line with the Mauritius Vision 2030, the Sustainable Finance Framework details the process of issuance and reporting of Green, Social, Sustainable, Thematic and Sustainability-Linked Financing instruments.

From green bonds to impact investing, the financial instruments at our disposal are evolving to align with environmental, social and governance principles, **ensuring** that capital flows contribute not only to economic growth but also to the well-being of our communities and the preservation of our environment.

As we engage in insightful conversations and learn from the experiences shared by experts in the field, let us remain mindful of the challenges that lie ahead.

The pursuit of sustainable finance requires a collaborative effort, transcending borders and sectors.

It demands a shared vision for a resilient and equitable financial ecosystem that empowers individuals, support businesses and safeguards the natural resources that sustain us all.

Ladies and Gentlemen,

Exploring the landscape of responsible business conduct, Mauritius adopted the Equator Principles; a benchmark for the financial industry for determining, assessing and managing environmental and social risks in projects.

Through the embrace of these principles, financial institutions in Mauritius ensure that the projects they finance and advise on are developed in a socially responsible manner, reflecting sound environmental management practices.

Mauritius also implemented the Corporate Social Responsibility (CSR), which was made mandatory under the Finance Act.

According to this law, all companies are required to devote per cent of their profits to CSR or invest these funds in social and environmental projects.

Since then, businesses in Mauritius must contribute to a CSR Fund.

More recently, Mauritius has embarked on a landmark project with the support of the OECD in view to completely review its corporate governance principles.

I therefore take this opportunity to thank the OECD for its much appreciated cooperation.

Our commitment to keep upgrading its framework earned Mauritius the reputation of a reliable and transparent financial hub, attracting investments from across the globe.

**Allow me to highlight that after having recorded the best FDIs performance in 2022 with an amount of Rs 28 billions, Mauritius is expected to have closed the 2023 years with an historic FDIs figure of Rs 35 billions.**

The benefits of embracing integrity, sustainability, and transparency in our financial system are undeniable.

They lay the foundation for sustained economic growth, social inclusivity, and environmental preservation and attract foreign investments, enhance competitiveness, and create an environment conducive to innovation and entrepreneurship.

By embracing these principles and ensuring the proper implementation of these initiatives, we unlock the full potential of our financial system and drive Mauritius towards a prosperous and sustainable future.

It is paramount that we ensure the highest standards of integrity, sustainability, and transparency to maintain the trust and stability required for our country's economic growth.

A strong synergy between financial institutions, regulatory bodies, and the government is imperative to create an environment that encourages and rewards integrity practices, sustainable initiatives, and transparency.

Only then, can we build a financial system that not only weather economic storms but also fosters inclusive growth and societal well-being.

Ladies and Gentlemen,

I am hopeful that, the RCE-OECD workshop series will contribute to your enrichment in knowledge and encourage efficient initiatives for the prosperity of our people, our economy and its future.

Ending on these words, I hereby declare this workshop open.

Thank you.