Financing for Sustainable Tourism development
AGENDA

1. Mauritius Model of Sustainability – A case study
2. Lessons Learnt
3. Financing Possibilities - Towards furthering sustainability
- Continuity in policy making favoured the expansion of the industry
- Enlisting private sector to own the implementation space
- Clear demarcation in responsibilities of the State and Private Sector
- Equitable sharing of the pie: Common man a shareholder too
TOURISM INDUSTRY - Sustainable policy support to Tourism

**Government Policies**
- Tourism Policy
- Opening of Air corridor
- Blue Economy
- SME Scheme
- Environmental Friendly development

**Private Sector Initiatives**
- Expansion of the industry
- Creation of employment
- Environmental friendly development
- Socio Economic Development

**Financial Institution**
- Project Financing
- Hotels
- SME financing

**Foreign Investments**
- Investments
- Properties
- Business
- Offshore
The financial market has been dedicating 14% of their financing to the Tourism industry.

**Type of Financed:**
- Hotels
- Transport services
- IRS/ERS
- SME
- Traders

**Sector-wise Distribution of Credit to the Private Sector:**
- Tourism: 14%
- Construction: 31%
- Financial and Business Services: 12%
- Traders: 11%
- Personal: 10%
- Manufacturing: 8%
- Agriculture and Fishing: 7%
- Others: 6%
- Transport: 1%
## TOURISM INDUSTRY — Direct and Indirect Contribution to the economy

<table>
<thead>
<tr>
<th>Induced Spending of Direct and Indirect employees</th>
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<tbody>
<tr>
<td>Food and Beverage</td>
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<td>Household goods</td>
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</tbody>
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### Indirect

- Other industry in the economy
  - Agriculture
  - Fishing
  - Manufacturing
  - Government
  - Transport
  - SME

### Direct

- Tourism Sector
  - Hotels
  - Airline
  - Food and Beverages
  - Transport
  - Leisure
  - Attraction
  - SME and retailing industry

### Direct Contributors

The tourism sector directly employs around 30k employees.

Added to that, SME’s (handicraft makers, Boat operators, tour operators, etc.) & Micro-entrepreneurs (hawkers on the beach selling shells, semi-precious stones etc.) are active partners ensuring the sustainability of the industry.
TOURISM INDUSTRY – Direct and Indirect Contribution to the economy

### Induced

- Spending of Direct and Indirect employees
- Food and Beverage
- Recreation
- Clothing
- Housing
- Household goods

### Indirect

Other industry in the economy

- Agriculture
- Fishing
- Manufacturing
- Government
- Transport
- SME

### Indirect Contributors

The sector also contribute indirectly to other industries.

The Agricultural, Fishing, Manufacturing, Transport and SME are other sectors are key sectors who indirectly benefits from the inflow of tourism. Key players in the tourism industry are dependent on them to service their customers.
TOURISM INDUSTRY — Direct and Indirect Contribution to the economy

Induced Sectors

The direct and indirect contributors of the industry boost other industries through their spending's.

Since the emergence of this sector, many regions around the hotels have developed into larger villages. Alongside, small business expansion have also been noted.
Tangible outcomes

Tourist arrivals have been expanding consequently, rising from 18K at 1970, to 103K in 1977 and then to 1,775K in 2016.

Gross earnings from tourism raised from less than MUR 18M in 1970 to MUR 14.2Bn in year 2000 to reached MUR 55.8Bn in 2016.
Sustainability works!

The Mauritius model shows that:

- Adaptive policy framework
- Independent Private Sector Implementation
- Backed with stable financing options from banks, retained capital and FDI

Makes sustainable Tourism an economic reality.
Concluding thoughts on financing sustainable tourism

- Preferential Financial support to agriculture
- Preferential Financial support to handicraft products
- Financial support for renewable energy & water, theme parks and other activities
- Sharing the pie builds all-round solidarity for sustainability
Financing for Sustainable Tourism development

THANK YOU
QUESTIONS