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TAGS: OVIP (ALBRIGHT, MADELEINE K.), ETRD, MARR, EINV
SUBJECT: SECRETARY'S DECEMBER 10 ROUNDTABLE DISCUSSION
WITH MAURITIAN BUSINESS LEADERS

1. (U) CLASSIFIED BY DEPUTY EXECUTIVE SECRETARY NEAL
WALSH FOR REASONS 1.5 (B) AND (D).

2. (U) DECEMBER 10, 2000, AMBASSADOR'S RESIDENCE,
VACOAS, MAURITIUS

3. (U) PARTICIPANTS:

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U.S.:

THE SECRETARY

EVELYN LIEBERMAN, UNDER SECRETARY FOR PUBLIC DIPLOMACY

WENDY SHERMAN, COUNSELOR

DR. SUSAN RICE, ASSISTANT SECRETARY FOR AFRICAN AFFAIRS

RICHARD BOUCHER, ASSISTANT SECRETARY FOR PUBLIC AFFAIRS

MARK ERWIN, U.S. AMBASSADOR TO MAURITIUS

ADMIRAL WALTER DORAN, JCS

NOTETAKER

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MAURITIUS:

SHEILA BAGUANT, SHELTER FOR WOMEN IN DISTRESS
SANJIV BHASIN, HONG KONG AND SHANGHAI BANK
ROBERT BIGAIGNON, PRICE WATERHOUSE COOPERS
RANDALL BUDAY, DHL (MAURITIUS) LTD.
BASHIR CURRIMJEE, CURRIMJEE JEEWANJEE AND CO.
ARNAUD DALAIS, CONSOLIDATED AND INVESTMENTS ENTERPRISES,
LTD.
RAJ MAKOOND, JOINT ECONOMIC COUNCIL
VIJAY POONOOSAMY, AIR MAURITIUS
MUNI REDDY, STATE COMMERCIAL BANK
KAILASH RUHEE, DE CHAZAL DU MEE (ANDERSEN WORLDWIDE)
SIR RENE SEEYAVE, HAPPY WORLD GROUP
TIM TAYLOR, ROGERS AND CO., LTD.
ADOLPHE VALLET, CONSTANCE SUGAR ESTATE
MAURICE VIGIER DE LA TOUR, AMERICAN CHAMBER OF COMMERCE
AND MARKETING DIRECTOR FOR FLOREAL KNITWEAR
DANIELLE WONG, THE MAURITIUS EXPORT PROCESSING ZONE
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ASSOCIATION (MEPZA)

4. (C) SUMMARY: THE SECRETARY PARTICIPATED IN A
FRANK AND WIDE-RANGING DISCUSSION WITH TOP MAURITIAN
BUSINESS LEADERS DECEMBER 10, EXPLORING WAYS IN WHICH THE
U.S. AND MAURITIUS CAN COOPERATE TO INCREASE TRADE AND
INVESTMENT BETWEEN THE U.S. AND AFRICA. ALL AGREED THAT
MAURITIUS HAS THE HUMAN RESOURCES, REGULATORY FRAMEWORK,
AND INFRASTRUCTURE TO SERVE AS A REGIONAL COMMERCIAL
AND FINANCIAL HUB; WHAT IS NEEDED MOST NOW IS TO RAISE
MAURITIUS' PROFILE IN THE U.S. THE SECRETARY WARNED THAT
THE MAURITIAN GOVERNMENT'S EMPHASIS ON ITS DISPUTE WITH
THE UK OVER THE SOVEREIGNTY OF THE CHAGOS ARCHIPELAGO AND
THE U.S. MILITARY BASE ON DIEGO GARCIA THREATENED TO
CREATE THE WRONG IMAGE OF MAURITIUS IN THE U.S. END
SUMMARY.

BUSINESS IS OUR BUSINESS

5. (C) THE SECRETARY AND A/S RICE EMPHASIZED THE
IMPORTANCE THE CLINTON ADMINISTRATION HAS PLACED ON
DEVELOPING THE USG'S RELATIONSHIP WITH AFRICA. BOTH THE
AFRICA GROWTH AND OPPORTUNITY ACT (AGOA) AND THE
SECRETARY'S ANNUAL VISITS TO THE CONTINENT DEMONSTRATE
COMMITMENT TO THIS OBJECTIVE. ONE MESSAGE THAT THE
SECRETARY STRESSED ON HER CURRENT TRIP WAS THAT THE USG'S

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IMPROVED TIES TO AFRICA REMAIN A PERMANENT FEATURE OF ITS FOREIGN POLICY. THEY ALSO PAID TRIBUTE TO LATE COMMERCE SECRETARY RON BROWN, CITING HIS EFFORTS TO RAISE AFRICA'S CONFIDENTIAL

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PROFILE IN THE U.S.

6. (C) WITH RESPECT TO AGOA, THE SECRETARY ASSURED HER AUDIENCE THAT THE LAW WOULD BE FULLY IMPLEMENTED BY THE END OF THE MONTH. SHE ALSO STRESSED THE IMPORTANCE OF FITTING AGOA INTO THE DEVELOPING REGIONAL TRADING GROUPS AND ARRANGEMENTS THAT WOULD CREATE A NEW WORLD TRADING SYSTEM. A/S RICE EMPHASIZED THAT AGOA'S MARKET ACCESS PROVISIONS WERE ONLY PART OF THE EQUATION, AS THE LEGISLATION MANDATES HOLDING A U.S.-AFRICA ECONOMIC COOPERATION FORUM NEXT YEAR, AND DIRECTS EXPANSION OF EXIM BANK, OPIC, AND TDA PROGRAMS IN AFRICA, WHICH ARE ALREADY OCCURRING. IN ADDITION, USTR IS PROVIDING AFRICAN COUNTRIES WITH TECHNICAL ASSISTANCE TO BETTER ENABLE THEM TO PARTICIPATE IN THE WTO, WHILE USAID IS THE CHANNEL FOR MULTI-MILLION DOLLAR TECHNICAL ASSISTANCE PROGRAMS FOR SADC AND COMESA.

MAURITIUS' ACHIEVEMENTS AND POTENTIAL

7. (C) THE SECRETARY PRAISED MAURITIUS AS A MODEL OF DEMOCRATIC GOVERNANCE, ECONOMIC DEVELOPMENT, SOCIAL COHESION AND REGIONAL INTEGRATION. SHE DECLARED HER CONFIDENCE IN MAURITIUS' ABILITY TO TAKE ADVANTAGE OF THE OPPORTUNITIES CREATED BY AGOA AND REGIONAL INTEGRATION, AND ASKED THE ASSEMBLED BUSINESS LEADERS FOR THEIR VIEWS ON HOW THE U.S. AND MAURITIUS COULD WORK TOGETHER FOR MUTUAL BENEFIT. THE RESPONSES FOCUSED ON THE FOLLOWING THEMES:

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A DYNAMIC REGIONAL PLAYER

8. (C) MAURITIUS IS ALREADY A DYNAMIC, PRO-ACTIVE REGIONAL PLAYER, WITH SIGNIFICANT INVESTMENTS IN MADAGASCAR, TANZANIA, MOZAMBIQUE, SEYCHELLES, BENIN AND IVORY COAST. ITS ECONOMIC SUCCESS IS FUELED BY THE PRIVATE SECTOR, WHICH PRODUCES 75 PERCENT OF GDP. AGOA HAS SIGNIFICANTLY ENERGIZED REGIONAL COOPERATION, WITH

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TEXTILE AND APPAREL FIRMS IN SOUTH AFRICA, MAURITIUS, ZAMBIA AND TANZANIA DEVELOPING COOPERATIVE RELATIONSHIPS TO MEET FABRIC-SOURCING REQUIREMENTS AND TO ACHIEVE ECONOMIES OF SCALE.

ENHANCED COOPERATION WITH THE U.S.

9. (C) MAURITIUS IS UNDERGOING A DIFFICULT TRANSITION FROM A MANUFACTURING TO A SERVICE ECONOMY, WITH RISING UNEMPLOYMENT. IN THIS CONTEXT, INCREASED TRADE WITH THE U.S. AND ENHANCED REGIONAL COOPERATION ARE VERY IMPORTANT. IN ADDITION TO TAKING ADVANTAGE OF AGOA'S IMMEDIATE MARKET ACCESS PROVISIONS, THE MAURITIAN PRIVATE SECTOR ALSO DESIRES TO BUILD ON THE LAW'S BUSINESS FORUM PROVISIONS TO CREATE A FREE TRADE AREA WITH THE U.S. AND TO EXTEND COOPERATION TO OTHER FORA, SUCH AS THE WTO. AS AN EXAMPLE OF FREE MARKET ECONOMICS, MAURITIUS CAN ACT AS A POSITIVE FORCE FOR ECONOMIC SYNERGY THROUGHOUT THE REGION.

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10. (C) THE SECRETARY EXPLAINED THAT DEVELOPING A STRATEGY TO EXPAND FREE TRADE AGREEMENTS WILL BE A PRIORITY FOR THE NEXT ADMINISTRATION. PRESIDENT CLINTON WAS DENIED FAST-TRACK AUTHORITY, AND SO WAS FORCED INTO EXPANDING FREE TRADE THROUGH BILATERAL AGREEMENTS SUCH AS THE ONE BEING NEGOTIATED CURRENTLY WITH JORDAN. HOWEVER, THE PRESIDENT'S SUCCESSOR COULD CONCLUDE THAT IT WOULD BE PREFERABLE TO PURSUE FREE TRADE THROUGH REGIONAL AGREEMENTS. SHE ENCOURAGED MAURITIUS TO BECOME INVOLVED IN THE ONGOING GLOBAL TALKS ON HOW REGIONAL TRADE ORGANIZATIONS CAN BEST PROMOTE GLOBAL TRADE,

TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY.

11. (C) BASHIR CURRIMJEE, HEAD OF EMTel, A CELLULAR PHONE SERVICE, SUGGESTED THAT TELECOMMUNICATIONS AND IT SECTORS PRESENT GREAT OPPORTUNITIES IN AFRICA, BUT OBSERVED THAT AFRICAN GOVERNMENTS MUST CONTINUE TO MODERNIZE THEIR REGULATORY REGIMES IN ORDER TO ATTRACT THE NECESSARY INVESTMENT. THE SECRETARY AGREED AND NOTED THAT AFRICAN COUNTRIES MUST CREATE SAFE INVESTMENT CLIMATES IN ORDER TO TAKE ADVANTAGE OF THE OPPORTUNITIES. SHE ADDED THAT THIS "COMFORT LEVEL" COULD BE ACHIEVED THROUGH VARIOUS MECHANISMS, SUCH AS IMPROVED LEGAL SYSTEMS, BILATERAL INVESTMENT TREATIES, OR MUTUAL LEGAL ASSISTANCE TREATIES.

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MAURITIUS AS A REGIONAL HUB

12. (C) PARTICIPANTS AGREED MAURITIUS HAS THE REQUISITE
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REGULATORY FRAMEWORK, AND PHYSICAL AND FINANCIAL
INFRASTRUCTURE TO BECOME A REGIONAL BUSINESS HUB. WITH
THE HIGHEST LITERACY RATE IN AFRICA AND A GROWING
EDUCATIONAL SYSTEM, IT ALSO HAS THE POTENTIAL TO DEVELOP
AS A "KNOWLEDGE HUB." THE TASK NOW IS TO MAKE U.S.
COMPANIES AWARE OF THE TREMENDOUS OPPORTUNITIES IN AFRICA,
AND OF THE BENEFITS THEY CAN ACHIEVE BY USING MAURITIUS AS
THE GATEWAY. IF ONE MAJOR U.S. INVESTMENT CAN BE LANDED
IT WILL HAVE A SNOWBALL EFFECT THEY AGREED.

PROMOTING BUSINESS ETHICS AND QUALITY MANAGEMENT

13. (C) MEPZA DIRECTOR WONG DESCRIBED HOW AMERICAN
APPAREL BUYERS HAVE PLAYED A BIG PART IN PROMOTING LABOR
STANDARDS BY REFUSING TO PURCHASE FROM MANUFACTURERS WHO
DO NOT MEET THEIR REQUIREMENTS ON THE ELIMINATION OF CHILD
LABOR AND OBSERVANCE OF HEALTH AND ENVIRONMENTAL
STANDARDS. OTHER SPEAKERS MENTIONED ONGOING EFFORTS
DEVELOP A CODE OF ETHICS FOR THE PRIVATE SECTOR. U/S
LIEBERMAN SUGGESTED THAT MEPZA WORK WITH THE EMBASSY TO

BRING OVER U.S. SPEAKERS FOR ITS PROGRAMS AIMED AT
IMPROVING BUSINESS ETHICS AND MANAGEMENT.

SHARING PROSPERITY

14. (C) THE SECRETARY URGED HER LISTENERS NOT TO
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NEGLECT THE SOCIAL SAFETY NET AS MAURITIUS DEVELOPS
ECONOMICALLY. SHE EXPLAINED THAT ECONOMIC DEVELOPMENT
MUST BE ENJOYED BY ALL ELEMENTS OF SOCIETY IF DEMOCRACY
AND GROWTH ARE TO REST ON STABLE FOUNDATIONS, AND NOTED
THAT THE ASIAN FINANCIAL CRISIS EMPHASIZED THIS POINT.

RAISING MAURITIUS' PROFILE IN THE U.S.

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15. (C) THE SECRETARY STATED THAT A MAJOR OBJECTIVE OF HER TRIP TO MAURITIUS WAS TO INCREASE ITS EXPOSURE TO THE AMERICAN PUBLIC AS AN AFRICAN SUCCESS STORY. THE AMBASSADOR AGREED THE SECRETARY'S VISIT WOULD PUT MAURITIUS ON THE MAP, BUT THAT IT WAS UP TO THE MAURITIAN BUSINESS COMMUNITY TO FURTHER DEVELOP ITS PROFILE IN THE U.S. AIR MAURITIUS MANAGING DIRECTOR POONOOSAMY SAID THAT THE BUSINESS SECTOR WAS MOVING FORWARD ON THIS INITIATIVE, WITH HIS COMPANY POOLING RESOURCES WITH FIRMS IN THE HOTEL INDUSTRY AND THE MAURITIAN TOURISM PROMOTION AGENCY TO HIRE AN AMERICAN PUBLIC RELATIONS FIRM TO DEVELOP MAURITIUS IMAGE IN THE U.S. AIR MAURITIUS IS ALSO TARGETING THE U.S. MARKET TO BRING IN MORE AMERICAN TOURISTS.

DON'T LET DIEGO GARCIA UPSET THE APPLE CART

16. (C) THE SECRETARY WARNED THAT ALL OF MAURITIUS' EFFORTS TO ATTRACT THE RIGHT AMERICAN ATTENTION COULD BE
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UNDERCUT BY "MISUNDERSTANDINGS" ABOUT DIEGO GARCIA. SHE EXPLAINED THAT THE U.S. WAS NOT A PARTY TO THE SOVEREIGNTY DISPUTE, WHICH WAS BETWEEN THE UK AND MAURITIUS, AND HAS

NO INTENTION OF BEING DRAGGED INTO THIS MATTER. THE PARTICIPANTS NOTED THE SECRETARY'S POINT.
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