

Ministry of Technology, Communication and Innovation

Expression of Interest for a Market Sounding Exercise

For the implementation of a

Third International gateway through the installation of a new submarine cable for both Mauritius and Rodrigues

Introduction

The Republic of Mauritius is a small island state with an upper middle income economy and a population of 1.3 million inhabitants, is located in the Indian Ocean. The country has a strong reputation for its vibrant democracy, political stability and ease of doing business and has undergone major transformation in the last decades. Categorized under lower-income group countries in the early days of its economic development, with an economy dominated by the mono crop sugarcane, today the landscape has been transformed into a service-oriented economy.

As a matter of fact, recent economic indicators show that the services sector contributes to around seventy (70) percent of the country's Gross Domestic Product (GDP) with three leading economic poles: tourism; the financial sector; and, information and communication technology (ICT).

Although the tourism and the financial sectors are well anchored in the country's economic setup, the ICT sector—albeit a thriving industry a few years ago—has shown signs of slowdown lately as it has been constrained by, amongst other factors, the

availability of high speed International bandwidth and offered at globally competitive prices.

It is worth noting that ICT contribution to the nation's GDP stood at 6.4 percent in 2014, with a turnover of US\$1 billion; the sector employs some 15,000 people, which represents around 4 to 5 percent of the total workforce.

The new Government ushered in December 2014 has a vision to place the country by 2020, among the league of high income countries by transforming Mauritius from a services-led economy to an economy driven by innovation and leveraged by Information and Communication Technologies.

In this context, several initiatives have been undertaken to ensure that a conducive environment is created to expand and move up the value chain in the ICT/ BPO sector and to create an innovation led economy and society.

One of the sine qua non conditions for this transformation to happen be the availability of an ultrahigh speed, trusted and affordable telecommunications infrastructure both for inland and for International connectivity. As regards, the improvement of the inland telecommunications infrastructure, telecommunications service providers are actively participating to cover the island with a comprehensive fiber optic network and other cutting-edge innovative wireless technologies such as fibre-to-the-air.

As regards International Connectivity, two submarine fibre optic cables, namely, the South African Far East (SAFE) and the Lower Indian Ocean Network (LION), connect Mauritius to the rest of the world. In 2014, an International connectivity of 17,077 Mbps was made available through these two cables and the incumbent operator has a major

stake in the management and operations of this major telecommunications infrastructure.

Government has therefore decided to endow Mauritius and the Island of Rodrigues, a dependency of 40,000 inhabitants situated 500 km East of the country, with a new submarine fibre optic cable that will link the two countries to the International connectivity in order to bring a sharp increase international bandwidth, improve network resiliency and route diversity so as to create the right platform in order to spur innovation.

In this context, a Steering Committee, comprising of public and private stakeholders, has been set up at the level of the Ministry of Technology, Communication and Innovation to spearhead the project.

The Steering Committee has decided that an International Expression of Interest (EOI) be carried out with a view to carrying out a market sounding exercise in order to gauge the interest of potential investors that could participate in the capital outlay of the project.

The Context and Strategy

The take-off of the ICT/ BPO sector in Mauritius in the years' 2000 was due to a number of initiatives undertaken by Government at that particularly period of time. These are the connection of Mauritius to the first ever submarine fibre optic cable, SAFE, the construction of the two Cyber Towers in the Cyber City of Ebène and the enactment the

appropriate legal framework to sustain the development and growth of the ICT/ BPO sector.

However, in recent years, the growth and development of the ICT/ BPO sector has been below expectations and stagnant due to internal and external factors. As a matter of example, growth rate for the ICT/BPO sector was 22.4% in 2004 and it declined to 7.0% in 2014.

Mindful that the sustained development of ICT/ BPO sector as well as the innovative use of ICTs across all fields of socio-economic activities is key to raise Mauritius to the new wave of development, Government is coming forward with a number of project and initiatives which will be implemented as part of a National Strategic Plan 2015 – 2020.

The National strategic plan for the ICT/ BPO sector translates the vision of Government in the making of Smart and Intelligent Mauritius and revolves around five strategies, which are:

- The creation of a second cyber city and “technoparks” around the island,
- The revamping and upgrading our of telecommunications infrastructure,
- The implementation of a National Innovation Programme,
- The creation of job opportunities and improving the employability of our youth for the ICT/ BPO Sector
- The positioning of our country as a regional ICT hub to tap the growing opportunities in Africa.

Need for Ultra High Speed, trusted and affordable telecommunications infrastructure

Presently, the connection to the International Gateway through the two submarine fibre optic cables, SAFE and LION, as well as limited coverage in inland fibre connectivity is a major impediment to the fostering of innovation and to create an Internet economy and society.

With a view to increase substantially international connectivity and Internet bandwidth, improve resiliency and route diversity, Government has embarked on an ambitious project to connect Mauritius and Rodrigues to a new submarine fibre optic cable.

The main objective of the project is to ensure that telecommunications bandwidth and prices are not limiting factors in the creation of an innovation-led economy and society.

The operation of the third fibre submarine optic cable, unlike the existing two cables systems, will be managed by a new and independent entity through a Special Purpose Vehicle (SPV), where Government will be an important stakeholder. The SPV will offer telecommunications services to Internet Service Providers (ISP) and ICT/ BPO operators on the principle of open access and on a non-discriminatory basis.

Taking into account the amount investment required to implement this project, Government, through the Ministry of Technology, Communication and Innovation is conducting, through an International Expression of Interest, a market sounding exercise to gauge the interest of potential investors to participate into the funding of the project.

General details of the Project

The following details are available following of a pre-feasibility study carried out, inputs obtained from experts and the preferred options determined at the Ministry of Technology, Communication and Innovation.

- a) The submarine cable system will be managed by an independent entity, a Special Purpose Vehicle, where Government will be an important stakeholder.
- b) The cable length is estimated to be around 2000 km for the preferred route connecting Mauritius and Rodrigues to a stub of a submarine fibre optic cable system found at about 10 km off the shore of Madagascar.
- c) Government is open to different business models for the implementation of the submarine fibre optic cable system.
- d) The amount of the investment for the setting up of the submarine cable system is estimated between USD 70 million and USD 100 million.
- e) The bandwidth offered by this infrastructure will be of the scale of Terabits capacity.
- f) The new cable system will, besides being meant to reinforce existing international bandwidth capacity, would be exploited to provide high value-added ICT/ BPO activities such as hosting of data and disaster recovery centres, cloud computing services, financial and accounting outsourcing activities, etc.
- g) Government will facilitate the grant of necessary clearances and licenses needed from relevant authorities for the project including facilities to construct the landing station.

- h) Government, through the Information and Communications Technologies Authority, will ensure that the regulatory framework in place will promote a model for an open and non-discriminatory access to the submarine cable system.
- i) Government will ensure that issues related interconnection particularly as regards to costing are adequately addressed.
- j) Government is prepared to participate in equity financing of the project and will facilitate and promote the development of appropriate financing model so as to ensure its bankability and an attractive return on investment.
- k) The new cable may offer connectivity possibilities to other countries of the Indian Ocean.
- l) Indian Ocean Commission (IOC) has already embarked on a similar project to connect the region (Mauritius, Reunion and Madagascar) to Europe via South Africa, the findings of the preliminary studies carried out at the level of the IOC may be taken into consideration for the purpose of the market sounding exercise. Government of Mauritius will ensure synergies on the initiative of the IOC.

Expression of Interest

Expression of Interest should be brief and concise and include the following:

- (i) A profile of the entity/ firm willing to invest in the project along with audited financial statements for the last two years, if applicable, its organisation and staffing; in case of associations between one or more entity/ firm, the name,

- address and profile of the participating entity/ firm, and nature of the association (e.g. joint venture, subcontract and the like).
- (ii) Details of experience of the entity/ firm on the participation in similar ventures including name of clients, project description, location, duration, involvement , value of capital outlay contribution, if any.
 - (iii) Extent of financial contribution that the entity/ firm is willing to invest in terms of percentage contribution to the total cost of the project.
 - (iv) Expectation of Government from the entity/ firm in terms of its percentage contribution of the overall cost of the project.
 - (v) Any other contribution, besides financial investment, to the project.
 - (vi) It is expected that potential investors will have to assess the business case of the project. Data compiled on the ICT Sector by Statistics Mauritius and other institutions will be provided upon request.

Submission of EOI

The EOI should be addressed to:

The Chairperson, Departmental Tender Committee
Ministry of Technology, Communication and Innovation
Level 4, New Government House
Port Louis
Republic of Mauritius
Fax No: (230) 201 2478

Interested entities/ firms should forward their Expression of Interest in two (2) copies and in sealed envelopes and should be deposited in the tender box or sent by registered mail/ courier so as to reach the Ministry of Technology, Communication and Innovation by 13.30 hours (local time) on Monday, 09 November 2015 at latest. The enveloped should be clearly marked “Expression of Interest for a Market sounding exercise for anew submarine fibre optic cable”. Please be informed that the market sounding exercise involves **no element of supplier selection and involves no commitment from either side.**

Clarifications/ Queries

All clarifications sought by an entity/ firm in respect of the Expression of Interest shall be addressed, at least 14 days before the deadline for submission of EOI in writing to:

The Permanent Secretary

Ministry of Technology, Communication and Innovation

Level 4, New Government House

Port Louis

Republic of Mauritius

Email: psmtci@govmu.org

copy to

flavictoire@govmu.org

The queries and replies thereto will then be placed of the following web site: <http://mtci.govmu.org> without divulging the name of the entity/ firm raising the queries.

Following the submission of Expression of Interest for this market sounding exercise, Government of Mauritius will analyse the proposals made and will communicate to all applicants on the next step of the implementation process.

Date: October 08, 2015

**Ministry of Technology, Communication and Innovation
Republic of Mauritius**