

CONJONCTURE

PluriConseil
THINKING OUT OF THE BOX !

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"*Tout l'art de la politique est de se servir des conjonctures.*" Louis XIV

A vision of Mauritius in 2018

By Bernard Yen

12 March 2018: it seems as if the whole of the population has come to celebrate 50 years of independence for the Republic of Mauritius. As I sit back on my small but comfortable plastic seat in the new 100,000 capacity multi-purpose stadium in Highlands and look around, I see many happy and expectant faces. They are young and old, male and female, black and white and every colour in between. Most seem to have come in large family groups, happily sharing snacks and drinks around. From time to time, someone will move from one group to another to say hello to a friend, and many of them are busy chatting in the aisles before the official celebrations start.

Some things never change in Mauritius! Yet, as I personally reflect on the last 18 years since I came back to Mauritius, so many things have thankfully changed for the better. I had left Mauritius in 1982 when I was 18, spent the next 18 years studying and working in Europe before satisfying the urge to come back to Mauritius in 2000 for what has become my third and most amazing 18-year cycle. I am now looking forward to a serene last cycle in the country where I was born and where I want to die.

Seeing each person as an additional brain

Mauritius still has some way to go before it can live up to past claims of being like paradise but we can

all feel a genuine sense of pride in the good decisions that have been taken at national level and thankfulness for the majority of them working out with help from many quarters. Today, it takes my family only 7 minutes door to door to get from home to the stadium: 2 minutes to walk to the new train station in Sodnac, 2 minutes to wait and get on board the next south-bound train and 3 minutes to travel and get off the Highlands station just opposite the stadium entrance.

Amazingly, no-one coming from as far north as Grand Baie and as far south as Mahébourg will have taken more than 30 minutes. Even those coming from areas not yet covered by the train system will have taken no more than 45 minutes by bicycle, motorcycle, bus, car, taxi or a combination with the train system. The new city of Highlands has been well designed to connect easily to every corner of the island of Mauritius including the airport. The train stations all have old or new urban areas developing around them and bicycles are made freely available at all of them for people to cycle from and to the stations if they want.

Of course, the stadium cannot accommodate the whole population of Mauritius which now exceeds 2 million and is still growing rapidly. Not long ago, we would have been concerned for Mauritius to have a population of more than 1.5 million

because of high unemployment and low levels of education. Today, we see each person not as an extra mouth to feed but as an extra pair of hands and feet to work and, more importantly, an additional brain to contribute to a better future for the country.

When our population stayed at around 1 million, we simply did not have the critical mass to make any infrastructure projects such as the train system pay for themselves. Now, with the prospect of reaching 3 million in another decade, we are getting some of the economies of scale that larger countries have long enjoyed. Of course, we will never compete with the likes of China and India but we do not envy them either because a small country is much more manageable than a large one, at least for us.

Nationwide determination to tackle crime

For example, it is hard to imagine that, only 10 years ago, the level of crime was reaching alarming proportions in Mauritius. Did we not think in those days that everyone knew everyone? It did not take long for the government and the population at large to realize that it would not take much to tackle crime if everyone was serious about it.

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La gestion interculturelle au sein des multinationales

Par Jérôme Fabre

La dialectique de l'insularité et de la mondialisation semble caractériser une des problématiques majeures de notre temps. Les nouvelles technologies de l'information et de la communication, la division internationale du travail, les phénomènes de migrations voulus ou subis, et la multinationalisation des entreprises sont quelques illustrations des éléments qui favorisent la multiplication des flux à l'échelle mondiale.

Alors que l'île Maurice dépend de l'investissement des grandes entreprises multinationales pour favoriser l'investissement direct étranger tant vital pour le pays, certaines grandes entreprises mauriciennes cherchent de nouveaux eldorados en s'internationalisant dans toute la zone de l'Océan Indien – Madagascar, l'Inde, la Chine, voire le Mozambique. Dans le milieu des affaires internationales, il est de bon ton de parler de « *désirabilité* » de certains pays qui pourraient apporter à la multinationale mauricienne des avantages comparatifs supplémentaires.

L'adaptation culturelle devient une variable stratégique

Si nous considérons que la multinationalisation des grandes entreprises mauriciennes peut être définie dans une certaine mesure comme une trajectoire organisationnelle à l'échelle régionale, les processus de développement d'une multinationale sont doubles. Les *stratégies dites exogènes* d'une multinationale sont liées à l'apport de capitaux étrangers dont la fusion ou l'acquisition d'entreprise.

Dans ce cas de figure, l'analyse du comportement des organisations fait souvent état de difficultés d'homogénéisation des pratiques de ressources humaines liées aux différences de cultures d'entreprises. Le développement est dit exogène, car il n'émerge pas en son sein. Par opposition, les *stratégies dites endogènes* font état d'un développement qui émerge en son sein, sans apport de l'extérieur. Cela traduit bien ici la capacité d'une multinationale à s'auto-gérer en puisant dans ses forces internes un pouvoir accru. Alors qu'on a tendance à assister à un psychologisme exacerbé des ressources humaines, « Weber est mort, vive Freud ! », cet article démontre en avant en quoi le sociologue-économiste peut agir, plus qu'un facilitateur,

comme un levier au développement des entreprises mauriciennes qui s'internationalisent dans l'espace régional Océan Indien : d'une part en réduisant les coûts d'adaptation du transfert des compétences locales et, d'autre part, en réduisant les coûts financiers liés aux dysfonctions de l'inadaptation des meilleures pratiques de gestion des ressources humaines.

En se limitant au domaine de la gestion internationale des ressources humaines qu'est le *management interculturel* (la gestion des différences nationales dans le travail en commun), cet article démontre les variables culturelles qui émergent de tous les pores des dysfonctions et des conflits qui suintent du fonctionnement des grandes entreprises en milieu international. Dans cette quête de nouveaux eldorados, la question de « *l'adaptation culturelle* » est devenue une variable stratégique pour les « *butterfly enterprises* ».

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A vision of Mauritius in 2018

By Bernard Yen (cont., from Pg 1)

Thankfully, the majority of people willing to be tough on crime just seemed to decide one day that enough was enough and that they would just act like one big family not tolerating the wrongdoings but genuinely trying to help the wrongdoers find their place in the family. The police regained the confidence and authority that so many young officers imagined they would enjoy when they joined such a noble profession.

The justice and prison systems were reformed with ideas that had been around for a long time simply being put into practice. It was perhaps over the top for the government to install a sophisticated mini-camera surveillance system in all public areas and give away 200,000 mobile phones with cameras and GPS tracking for volunteers to carry them at all times and use them to send back images of anything that looked fishy to police stations. The campaign was sufficiently vivid for would-be criminals to realize there was potentially no hiding place left in Mauritius, especially as various localities also put in place neighbourhood watch schemes.

In fact, this nationwide determination to tackle crime also sent strong messages to the politicians and other people in authority. The population of Mauritius, helped by many Mauritians returning from abroad and many expats making Mauritius their new home, had grown in maturity and could no longer be bullied or taken for a ride. The fight against corruption has largely been won not by giving more powers to the police and institutions such as the Independent Commission Against Corruption or the judiciary but mainly by the population itself deciding not to give in anymore to bribe demands and co-operating with law enforcers at all levels.

Politicians and those that govern the country have also benefited from the population's greater maturity and self-confidence. They have become a lot more humble and, yet at the same time, bolder in implementing the policies that make sense for the country's future, just as they had dreamt of doing when they first entered politics. For example, electoral law reforms have made the National Assembly a lot more diverse and representative of the various aspirations of the population, the level of debate has much improved and "Zordi dan Parlman" is now nearly as popular as football on TV!

Members of Parliament or government now command respect and higher salaries commensurate with their duties and responsibilities. Any of them who is found to have fallen short of the standards expected by the population is quickly brought into line or sidelined by their own party colleagues, never mind the opposition or the free press.

Civil servants worth their name

With the role of government, whether central or local, becoming clearer for all, the public and private sectors have also undergone a remarkable transformation. The public sector is now leaner and meaner, with civil servants at all levels doing exactly what their names imply: serving the public at all times and putting their interest first in all decisions. Those who were more interested in

setting up and running their own businesses have moved fully into the private sector and enjoy it; those who have stayed also enjoy their greater and clearer responsibilities to the nation.

Long gone are the days where people had to waste hours waiting at queues to get a passport or other public service only to be told to go to the "right" place or come back with the "right" documents or when the lunch break is over or when the cashier's office is open again the next day. The civil servants themselves have changed their working hours and methods to serve the public better and e-government is no longer just a slogan.

Even more importantly, with the increased professionalism of the civil service, top civil servants are now able to ensure greater continuity of public policies and projects without undue interference from changing governments. For example, our new train system would still be a project in a drawer today with a few more feasibility studies on top if the civil service did not ensure that, once the decision was taken to implement it, no new government would derail it (no pun intended!).

Against such a background, it is no surprise that, today, the private sector is buzzing and highly conscious of its role: to produce the goods and services that people need or want as efficiently as possible for maximum added value and long-term gain. Entrepreneurs are not afraid of trying out new ideas, developing new markets, hiring the best people for the job, entering into joint ventures or strategic partnerships, investing in technology or re-engineering their businesses before it is too late.

We can no longer count the number of pillars on which the economy now stands. Sugar, textile, tourism, financial services and Information and Communication Technology have broadened into special sugars, liquors, energy, fruits and vegetables, real estate, high quality clothes with Mauritian brands, exclusive shopping, eco-tourism (especially in Rodrigues and the outer islands), historical and cultural attractions, Business Process Outsourcing and Mauritian software products and services. To these have been added the freeport, seafood hub, the land-based oceanic industries and the universities that are starting to attract some of the best foreign students who could stay to work in Mauritius and continue the "reverse brain drain" that we have enjoyed since we started encouraging expatriate professionals and investors to come here.

We are all foreigners

There is no doubt that opening up the economy to foreigners has been hugely beneficial to Mauritius. I still smile at some of the fears expressed in the past that foreigners would take over Mauritius, when so many of us had migrated to other countries in earlier years and enjoyed their hospitality. After all, we are all foreigners on these islands in the Indian Ocean – some of us have been here longer than others, but none of us can claim to have been unjustly displaced by foreigners.

Today, we are really thankful for the contribution of the more recent immigrants. Not only have they brought new ideas and perspectives to us, showing us how things can be improved or mistakes avoided, but also they have told us a lot about our own strengths and weaknesses. They have changed us and we have changed them – a typical win-win situation.

It is ironic that, in order for Mauritians to become truly independent from our past colonial masters and practices, we have had to open up our country to foreigners! Certainly, their keen interest in Mauritius has highlighted to us what we knew all along: it is one of the best places to live in and we owe it to ourselves and our children to keep it this way.

Rubbing shoulders with foreigners has therefore helped us make great strides in all areas that used to be somewhat neglected due to our insularity, e.g. education, sports, arts and culture, health and environment protection. Thankfully, rote learning and a purely academic focus have been replaced by broader education aimed at producing the more critical and independent thinkers, risk-takers, responsible team players and smart multi-skilled workers that the country needs going forward.

Our first gold medal in the London Olympics in 2012 and our football team playing in the 2014 World Cup Finals in Brazil have been wonderful catalysts in inspiring our youth to practise more sports and seek world-class excellence in everything they undertake. A young Mauritian girl has written a series of books that is selling all over the world and is approaching the popularity of Harry Potter books earlier this century.

We now have some of the best hospitals in the region for heart treatment and diabetes (a typical case of turning weaknesses into opportunities). Not only our roads and public areas are now as clean as those of Singapore (this has been ensured many years ago when we had to attract a lot more tourists for our economic survival), but also it is now almost second nature to screen every new project, product or process from an environmental angle and only accept the best for preserving and enhancing the natural beauty of our islands. For example, no building is erected now without solar panels for electricity and incentives linked to its carbon footprint.

A lot remains to be done of course but today is a day when all Mauritians are ready to celebrate 50 years of building a new nation more successfully than had been predicted by many in 1968. Our worst nightmares have not become true, but we have made significant progress towards our best dreams and the future looks bright even though it will always remain uncertain.

Bernard Yen is the Managing Director of Hewitt LY Ltd.

« Le meilleur économiste de France »

Par Jean-Yves Naudet

La formule était de Valéry Giscard d'Estaing, et elle est passée à la postérité pour désigner Raymond Barre, qui vient de mourir le 25 août à l'âge de 83 ans. Nombreux sont ceux qui, sincères ou non, lui ont rendu hommage.

Sa carrière est indiscutablement brillante : agrégé des facultés de droit et de sciences économiques, il a été un économiste reconnu (chaque étudiant en économie utilisait alors « le » Barre, son manuel d'économie politique). Il avait travaillé au cabinet de Jean-Marcel Jeanneney aux débuts de la Ve République, avant de devenir vice-président de la Commission Européenne. Nommé en 1976 Ministre du Commerce Extérieur dans le gouvernement de Jacques Chirac, il succède à celui-ci comme premier ministre la même année et reste en place jusqu'à l'élection présidentielle de 1981. Il se présentera à l'élection présidentielle en 1988, sera député de 1981 à 2002, maire de Lyon de 1985 à 2001, avant de se retirer de la vie politique en 2002.

C'était indiscutablement un homme d'Etat, même si nous n'aimons pas beaucoup cette formule, au sens où il tranchait sur le reste de la classe politique et sur la médiocrité ambiante : indépendant d'esprit, libre de tout parti et de tout groupe de pression, il parlait à temps et à contretemps, sans souci de plaire à l'opinion dominante ou au politiquement correct. Il n'aimait guère d'ailleurs le « microcosme » politique. Curieusement, son indépendance d'esprit l'avait amené à voter contre les lois d'amnistie des « soldats perdus » de l'Algérie française.

Raymond Barre avait parfaitement compris la nécessité absolue de lutter contre l'inflation

Mais revenons à l'économiste. Sa culture économique lui aura évité bien des erreurs commises habituellement par ignorance. Voilà pourquoi il a évité le piège des politiques conjoncturelles à la Keynes, chères à son prédécesseur Jacques Chirac : celui-ci

avait pratiqué en 1974 une politique de freinage de la demande et en 1975 une politique de relance de la demande, poussant l'économie française au bord du gouffre. Raymond Barre a mis fin à ces fantaisies et il aurait pu prendre à son compte la formule de Milton Friedman « Stabiliser les politiques de stabilisation » : de 1976 à 1981, il a gardé le cap, sans souci des remous conjoncturels.

Il avait parfaitement compris la nécessité absolue de lutter contre l'inflation, cet impôt qui pénalise avant tout les plus démunis et qui perturbe l'information économique sur les prix, comme l'avait expliqué Friedrich Hayek. Plutôt monétariste sur ce point, il avait cherché à réduire la croissance de la masse monétaire (la Banque de France était encore « dans la main du gouvernement » comme disait Napoléon) et refusé toute relance monétaire. A la veille des élections de 1978 la classe politique unanime lui demandait de « lâcher du lest » et d'atténuer la rigueur monétaire et budgétaire : il n'en a rien fait (et les élections ont été gagnées – grâce aussi à Georges Marchais il faut le reconnaître).

Il savait aussi quel était le rôle central des prix dans une économie de marché et a cherché, surtout après 1978, à libérer les principaux prix, du moins dans le domaine industriel. Sans doute aurait-il fallu aller plus loin, en abrogeant l'ordonnance du 30 juin 1945 sur le contrôle des prix (ce qui sera fait par une ordonnance de 1986, signée d'Edouard Balladur), mais en tout cas il savait que le contrôle des prix conduisait à de faux prix (Jacques Rueff), donc à de fausses informations économiques et à de mauvaises décisions.

La rigueur qui lui a été tellement reprochée le conduisait à refuser, avec raison, tout dérapage budgétaire : le déficit public, comme la dette publique, étaient alors les plus faibles d'Europe (1,1% de déficit), et il faudra les années Mitterrand, puis les années Chirac, toutes faites de laxisme, pour nous propulser

au premier rang des déficits publics.

En revanche, il n'a pas empêché la dérive des prélèvements obligatoires, ceux-ci franchissant sous son gouvernement la barre symbolique des 40% du PIB, que Giscard lui-même avait définie comme étant la limite qui marquait le passage au socialisme. Les dépenses publiques ont progressé d'autant et la place des entreprises publiques n'a pas été réduite : pas de privatisations pendant cette période.

D'un point de vue libéral, on pourrait résumer cela en disant qu'il connaissait bien l'histoire de la pensée économique et l'analyse économique, mais qu'il lui manquait sans doute d'avoir découvert Frédéric Bastiat, qu'il tenait pour un économiste mineur, et d'avoir rencontré toutes les richesses des nouveaux développements de l'école autrichienne, même s'il connaissait Hayek dont il avait notamment traduit l'ouvrage « *Scientism and sciences sociales, essai sur le mauvais usage de la raison* » en 1953 (traduction de « *Scientism and the Study of society* » paru en anglais en 1952 dans « *The counter revolution of science* »).

Mais qui, dans les années 1970, en dehors du petit groupe des Nouveaux Economistes qui venait de se former, connaissait Bastiat d'une part, et les économistes autrichiens de l'autre ? A notre connaissance, il aura été le seul Premier Ministre français en un demi-siècle à écouter les avis des économistes libéraux, qu'il a reçus fréquemment en collègue et en gastronome à l'Hôtel Matignon.

« *Je suis un économiste gastronome* », aimait-il se définir. Il n'a jamais sacrifié à la démagogie, n'a jamais eu le désir de plaire ni de paraître. Qu'allait-il donc faire dans cette galère ?

Jean-Yves Naudet est professeur d'économie à l'Université d'Aix-Marseille III.

La gestion interculturelle au sein des multinationales

Par Jérôme Fabre(cont., from Pg 1)

En matière d'internationalisation des meilleures pratiques de ressources humaines qui résultent de la multinationalisation de l'entreprise, une des possibilités d'analyser la question de l'adaptation est de répondre à une situation problématique, à savoir « comment faire fonctionner dans un pays étranger ce qui fonctionne chez nous ? ».

Alors qu'on pourrait penser qu'il est possible de livrer techniquement une entreprise mauricienne à l'étranger clef en main, la gestion des ressources humaines fait état des dysfonctions liées à la question de l'adaptation de ces pratiques dans le contexte local. Insécurité linguistique, négociation en milieu interculturelle, mobilisation des équipes interculturelles, coopération négative des équipes mixtes, communication en milieu interculturel, gestion des carrières des cadres, conflit latent, voire manifeste, témoignent des difficultés à faire travailler ensemble Mauriciens et étrangers.

Les grammaires des conduites humaines au travail ne sont pas les mêmes

Les praticiens de la gestion internationale des ressources humaines nous font état de positionnement de ceux qui adoptent des perspectives dites *convergentes*, défendant le

postulat d'uniformisation des meilleures pratiques à l'échelle mondiale. Ce qui fonctionne à Maurice fonctionnerait à Madagascar ou ailleurs dans la région.

C'est dans ce sens qu'on a tendance à trouver des formes d'isomorphismes institutionnelles dans l'ordonnancement technique des multinationales mauriciennes qui s'internationalisent dans la région pour trois raisons : tout d'abord, les forces coercitives en provenance de l'environnement (cadre légal et politique), ensuite un certain mimétisme entre les organisations, et enfin des pressions normatives (rôle des organismes professionnels, syndicats). Toutefois, les hommes ne sont pas les mêmes et les grammaires des conduites humaines au travail ne sont pas les mêmes. Ce qui est sacré à Maurice peut être considéré profane à Madagascar.

C'est dans ce sens que ceux qui adoptent des perspectives dites *divergentes* s'accordent sur les phénomènes d'oppositions culturelles humaines nationalement constituées. En raison de l'analyse des dysfonctions, les pratiques de gestion prennent en considération les personnes qui vont les utiliser. Chaque pratique de gestion des ressources humaines s'encastre dans un

faisceau de relations sociales au travail.

Enfin, dans des perspectives *intermédiaires*, les multinationales sont créatrices du social dans la mesure où elles redéfinissent via les processus de négociations subtiles le contenu et le contenant des pratiques de gestion des ressources humaines conformément au contexte national du sens du devoir, des obligations, de la liberté.

Ainsi, l'adaptation culturelle devient une variable stratégique par excellence dans tout processus d'internationalisation. En raison des dysfonctions liées à une inadaptation, les règles et institutions locales et les comportements humains sont transformés par la formation, dans un contexte flexible de dépendance envers le modèle économique et social des anciens empires colonisateurs. Inversement, dans un contexte moins flexible qui donne lieu à plus de pouvoir de résistance du pays hôte, les pratiques de gestion des ressources humaines sont modulées pour atteindre les objectifs déterminés.

Jérôme Fabre, sociologue-économiste du travail et expert en ressources humaines, exerce dans le privé.

Think local

By Eric Ng Ping Cheun

In the 1970s, the Club de Rome mumbled with great incoherence when it invited the nations to "think global, act local". Any expert in methodology will affirm that no one can think and act concurrently at different levels. If you admit that concrete actions can only be individual, not collective, then you will be unable to grasp economic phenomena through a holistic approach.

To take up the challenges brought about by globalisation, you do not need to "think global". A layman alarmed by the hike in world food prices, partially caused by the consumption trends of hundreds of millions of Chinese and Indians, is likely to fall into the trap of Malthusian pessimism. For their part, analysts know that they must "think local".

How would the Mauritian Repo Rate move if the Fed, fearing a credit crunch in the United States, lowered its benchmark interest rate? How would the rupee behave if the dollar gained strength on the international markets? What would happen to the Port Louis Stock Exchange if the world stock markets nosedived? In any case, we should not lose sight of the local context.

No correlation between mood and Moody's

The harmful role played by credit rating agencies in the Asian crisis and in the Enron scandal cannot be overemphasised. The same is true of the current US credit crisis where commercial banks have been able to sell large quantities of subprime mortgaged assets to investors. This was possible thanks to Moody's and Standard & Poor's which both gave a triple A to these financial products which were actually very risky.

widespread among economic and financial analysts with regard to the perspectives of the domestic economy on a one-year horizon.

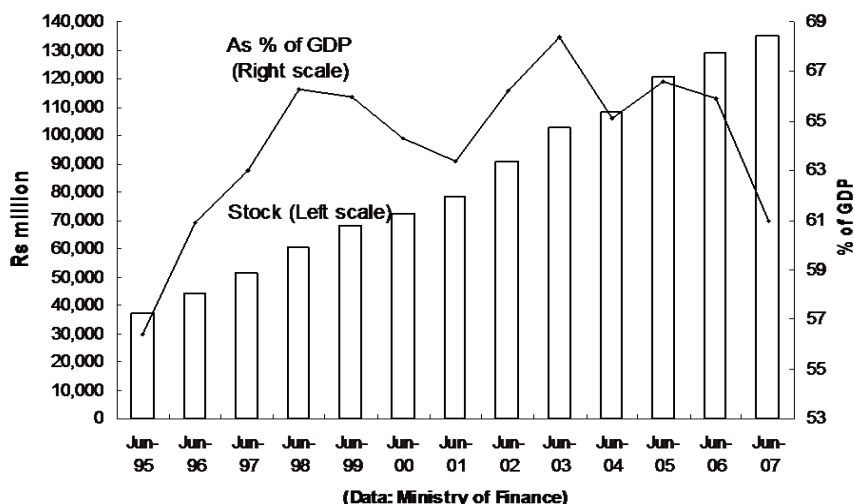
So Moody's has placed the Mauritian rupee in the category of "ratings on review for possible downgrade because of the size and maturity structure of the government debt in the context of the rising domestic interest rates". If the central problem of a country is the debt of the public sector, one must bear in mind that the stock of debt will keep rising as long as there exists a budget deficit. It would have been so easy for the government to reduce the amount of debt by just cutting expenses and raising taxes, in which case there could be no social policy.

But this is not what Mauritians want. Instead, it is reasonable to slow down the growth of debt and to diminish the debt ratio with respect to the national production. Now, according to official figures, public sector debt grew by Rs 6 billion per month between June 2005 and June 2007, compared with an average of Rs 8 billion per month from June 2000 to June 2005. As a percentage of gross domestic product, it went down from 66.6% in June 2005 to 61% in June 2007. And today, 72% of the internal public debt is short and medium term, against 86% in June 2003.

Moreover, the domestic foreign exchange market has greatly improved since the beginning of the year. The rupee has constantly appreciated against the dollar such that, according to the *PluriConseil* survey, local analysts in majority prefer rupee-denominated assets, in particular government securities, rather than hard currencies. Hence, nobody thinks that the Mauritian government will go default!

Analysts should not bet on an easing of the monetary policy soon

Public Sector Debt (Excluding Domestic Debt of Public Corporations)



Since credit ratings can lead investors astray, the recent one made by Moody's of the Mauritian economy should not be underestimated. However, there is obviously no correlation between mood and Moody's. The last monthly economic survey carried out by *PluriConseil* in the wake of the Moody's report showed that optimism remained

The exchange rate of the rupee reflects local conditions rather than international currency movements. The former are determined by domestic interest rates and by the law of demand and supply on the local foreign exchange market.

At present, there is excess supply of foreign currencies owing to big capital inflows.

According to the Bank of Mauritius Bulletin, gross foreign direct investment totalled Rs 5.7 billion for the first semester of 2007, twice the amount registered for the whole year 2005 (Rs 2.8 billion). Portfolio investment has become quite significant too with inflows of Rs 1.7 billion in the fourth quarter of 2006 and Rs 1.4 billion in the first quarter of 2007. With regard to current transactions, high tourist receipts are now recorded even during winter, a sign that Mauritius has no more a low tourist season.

The rupee is also supported by favourable market perception as operators are convinced that the new management at the helm of the central bank is firmly committed to stabilising the rupee in the medium term and to bringing down inflation. This is psychological: once the doubt is dispelled, confidence in the rupee comes back naturally. Besides, the business community is expecting better economic conditions in the three years to come...

Therefore, analysts should not bet on an easing of the monetary policy soon. At this stage, a reduction in the interest rate is not necessary to boost investment and economic growth, nor to prevent a fall of the stock market. Here too, investors' behaviour is related to individual psychology: once they believe that stocks are out of tune with their fundamental worth, they will sell to reap profits before others.

After having attained a record high of 1,537 points on 7 August last, the Semdex, our broad-based stock market index, plummeted by 6%. Still, there has been no market correction, for the technical definition of such an adjustment corresponds to a fall of 10% of the Semdex, i.e. to 1,383 points. Over the past weeks, the market has recouped some of its losses.

More importantly, the subprime crisis in the US has had no contagion effects on the Port Louis Stock Exchange as most foreign investors have not taken a selling position. On the contrary, they are still buying Mauritian stocks on a net basis. Let us focused on the local level where figures do not lie.

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