



POSITIONING MAURITIUS FOR THE SILVER ECONOMY WINDFALL GAIN

AS we leap into 2024, it is important for any business leader to take cognizance of the factors that affect and mould the opportunities of his own industry. No matter how the world evolves, there is one thing that we as investment professionals remain certain of, and that is the imminent advent of the Silver Economy.

THE DEMOGRAPHICS

There is about a billion people over the age of 60 in the world today, more than twice as many as there were in 1980s, and by 2050s, that number will double again to more than 2 billion. This rise in the number of older adults is unprecedented in human history, a direct consequence of medical and scientific progress.

From a demographic standpoint, most of this aging population belongs to one specific generation known as the 'Baby Boomers'. Baby Boomers are people born from 1946 to 1964 during the mid-20th century baby boom that followed the Second World War. This generation is also the wealthiest one with an average net worth between \$1 million to \$1.2 million, and it is a powerful economic force to be reckoned with.

Whether they intend to spend that money or pass it over to the next generation, this is by itself the biggest flow of wealth in the century, hence the rationale for treating phenomenon as an economic focus on its own.

GEOSTRATEGY AND GEOPOLITICS

Mauritius is uniquely positioned to reap the windfall gains of the Silver Economy,



and this has everything to do with our unique geostrategic and a geopolitical vantage point that overlooks the whole world: Over the last few decades, Mauritius has demonstrated continuity in political, economic, and social stability that has cemented our position not only vis-à-vis the rest of Africa, but to both Asia and Europe.

While sub-Saharan Africa is struggling with its economic issues, Asia is being plagued with potential conflicts arising from regional rivalries, be it South China Sea based or along the Himalayas. Europe, on the other hand, is now 2 years into the Russo-Ukrainian war, which is a thinly veiled proxy war between NATO and Russia.

Any 60-year-old living in any of the above-mentioned regions has lived long enough to have witnessed the challenges and pain of conflict and is already thinking of an exit plan, preferably somewhere sunny and peaceful not too far but not too close either, and of course with a favourable fiscal policy.

With all the above in mind, Mauritius feels like paradise on earth, miles away from instability, war, and conflict.

THE STRATEGY

It is based on the above premises and the precursory whispers that we have been hearing from our partners over the world, that we have been gearing up our longer-term strategy to align our business model with the advent of the Silver Economy. As such, since the end of last year, we have been investing heavily into revamping our services to cater to a high-net-worth individuals with a potential Mauritius relocation end goal. This means that in addition to traditional investment advisory activities where the focus is on growing the assets of our clientele, we also need to provide more concierge-like services. Many of our silver haired high-net-worth clients coming to Mauritius are also coming with an expectation to relocate partially or permanently to Mauritius as part of their retirement strategy.

While on the outset this may look like style drifting or a defocus from our core business activities, we have found this new strategy to be quite interesting, if not refreshing at all as this segment of the business tends to grow in clusters. This particular

client base tends to move as communities, which means that acquiring one client often means acquiring a whole community or neighbourhood which makes business development more complex, but enjoyable as well.

THE CASE FOR MAURITIUS

This Silver Economy bounty goes beyond just the financial services industry for Mauritius, and we would strongly recommend Mauritian entrepreneurs and business leaders to have a second look at the 'trickle-down effect' tied to the Silver Economy, and to reposition their business to reap the benefits to come. To be more explicit, while this bounty seems to prima facie benefit only the real estate and financial sector, it is fallacious to think that it just stops there.

As an example, after real estate developments are built and sold, they need to be maintained. So, if you are the plumbing, cleaning or landscaping business or if you are a skilled handyman, this is the time for you to think big for the economic conditions are ripe for you to be incorporating and scaling up your business.

With all those new residents that will be here to consume local goods and services, there will also be a mini boom across most of our industries: food and beverage business, healthcare, and lifestyle services and so many more.

As a concluding note, I would like to reiterate that we in Mauritius are at a crossroads in time where all the stars are aligned for success, and the only thing that we must do is to seize that opportunity.