Rebalancing Research on World Cities: Mauritius as a Gateway to Sub-Saharan Africa

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1 Introduction

World cities are nodes within the networks that constitute the backbone of globalisation. Yet, in her seminal critique of the world city approach, Robinson (2002, 2006) argues that corresponding research suffers from a bias towards the Global North. A notable exception is Sigler's (2013) article on Doha, Dubai and Panama City, which shows that these three 'relational cities' integrate their respective hinterlands into global processes because of various different economic, political and social features. Also sidestepping the focus on London, New York and their illustrious peers, Short et al. (2000) refer to places as diverse as Barcelona, Beijing, Prague and Sioux Falls—suggesting that each city somehow serves as a transmission belt for globalisation. In recent years more scholars have come to study world cities that are located in the Global South, but corresponding publications fail to go beyond a research concept first developed against the backdrop of cases from the Global North, as shown below.

In order to better understand the role that world cities in the Global South play in global economic processes, I suggest that we conceptualise them as 'gateways'. Gateway cities integrate their respective hinterlands into global value chains (GVCs), being transport hubs, sites of industrial processing, locations of corporate headquarters and of firms that provide producer services, and/or places where knowledge generation takes place (Scholvin et al. 2017). In this chapter I apply the gateway concept to the island state of Mauritius, which has assumed a considerable role in oil and gas value chains and possesses even greater prospects for future development. Mauritius serves as the location for holding companies whose subsidiaries do business in various countries across sub-Saharan Africa. It possesses a

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certain potential as a bunkering hub, which would boost the maritime service industry on the island. Some Mauritian consulting and engineering companies are, moreover, quite successful in servicing the down- and upstream sector all over the subcontinent.[1]

This chapter is structured as follows: first, I summarise the critique of mainstream research on world cities and show how the concept of gateway cities helps to overcome some of the related weaknesses. Second, I argue for why Mauritius is a suitable case study, and explain my methodology. The third section then sheds light on the role of Mauritius in oil and gas value chains.

2 Gateway Cities as an Alternative to World Cities

In a ground-braking article, Friedmann wrote that world cities serve as 'basing points' (1986: 69) of global capital. According to Sassen, they are 'highly concentrated command points' (2001a: 3) from where global economic processes are controlled. Scholars who stand in the tradition of Friedmann—such as Alderson and Beckfield (2004, 2012) and Wall and Van der Knaap (2012)—focus on the headquarter-subsidiary relationships of transnational companies. Some researchers, in particular those from the Globalisation and World Cities Research Network (GaWC), concentrate on advanced producer services instead (Beaverstock et al. 1999; Taylor et al. 2002a, b). Such services are essential for transnational enterprises, due to the increasing complexity of globalised production and commercialisation (Sassen 2001a, b). The reason for this is that the numerous different places integrated into GVCs are so diverse—culturally, politically and in terms also of languages and legislation—that even the largest transnational companies cannot organise their value chains efficiently without location-specific information provided by other firms on accountancy, advertising, banking/finance and the law.

Robinson (2002, 2006) criticises the world city approach for imposing severe limitations on urban policies and Urban Studies. Her argument is that this perspective provides us with a partial, and therefore misleading, understanding of cities: it overly accentuates economics—or rather a very particular segment of the urban economy. The world city approach also wrongly implies that development means striving to be what London and New York are, and those centres that focus on becoming a world city ignore challenges and opportunities that affect the majority of their inhabitants—who neither work for firms that provide advanced producer services nor live in the small urban districts shaped by these companies. What is more, the vast majority of cities seem not to count in debates on world cities as they

[1]The oil and gas industry is usually divided into three sectors: down-, mid- and upstream. The upstream sector includes searching for oil and gas fields, drilling wells and also operating these wells. The midstream sector involves the transportation, storage and wholesale marketing of crude and purified/refined products. The downstream sector comprises refining crude oil and purifying raw natural gas, as well as the marketing and distribution of consumer products.

neither host headquarters of important lead firms nor large offices of providers of advanced producer services. Hence, their experiences are not taken into consideration when it comes to theory building.

There is much in Robinson's critique that I find to be inaccurate. However, this chapter is not meant to contribute to a discussion about whether her reading of the world city literature is on target or not. I agree with Robinson on the bias towards the Global North however. It is true that only a handful of publications reveal the particularities of world cities in the Global South. Grant and Nijman (2002) analyse how Accra and Mumbai are marked by the co-existence of local, national and global central business districts, whose evolution is closely tied to the ongoing integration of Ghana and India into the global economy from the pre-colonial era until today. As noted, Sigler (2013) shows how Doha, Dubai and Panama City integrate their respective hinterlands into global processes. He recognises features of these cities that go beyond the provision of advanced producer services. For instance, these three cities are all transport hubs and serve as cultural bridges.

By arguing that each city is somehow a transmission belt of globalisation, Short et al. (2000), meanwhile, make the likes of London and New York comparable to the cities that have fallen off the map of researchers working on world cities (at least in Robinson's reading thereof). Transmitting globalisation, cities such as Beijing and Sioux Falls count—also for theory building. More recently, others have analysed world cities in the Global South with a focus on advanced producer services and, to a lesser extent, corporate headquarters (Haferburg and Oßenbrügge 2017; Meyer et al. 2009; Parnreiter 2010, 2017; Parnreiter et al. 2013; Rossi et al. 2007). Although these publications are certainly helpful for understanding developments in the Global South, they apply a concept that derives originally from studies of world cities in the Global North to cases such as Hong Kong, Johannesburg and Mexico City. The particularities of the integration of the Global South into the global economy are simply ignored. Robinson's call for an 'urban theory [that] reflects the experiences of a much wider range of cities' (2002: 532) has not been answered.

This chapter is meant to rebalance research on world cities accordingly. It does so by applying the concept of gateway cities to Mauritius. The idea that some world cities, in particular those in the Global South, serve as gateways—meaning as places that integrate larger regions into the global economy via value chains—is central to several of the aforementioned publications. In general, city-hinterland connections as well as the regional level remain rarely addressed issues in the literature on world cities though; albeit it is increasingly recognised that global flows are just one aspect of the interconnectivity of cities (Surborg 2011; Smith 2014). A broad understanding of gateway cities, as developed by Scholvin et al. (2017), comprises five key dimensions or core features:

- Various researchers have shown that certain world cities are transport hubs (Grubesic and Matisziw 2012; Hesse 2010; Jacobs et al. 2010). Sigler's relational cities play a key role in networks of flows because they are, first of all, hubs for logistics, warehousing and wholesaling.

- World cities in the Global South are home to large-scale industries, as demonstrated by Johannesburg being the industrial heartland not only of South Africa but also of the whole of sub-Saharan Africa too (Akinboade and Lalthapersad-Pillay 2009; Tribe 2002).
- Research on intra-company decision-making suggests that transnational companies rely on a small number of regional headquarters that link global ones and their subsidiaries. The activities of the latter are limited to being on the national scale (Enright 2005; Poon 2000). Regional headquarters are located in gateway cities.
- Gateway cities also provide services. These include, but are not restricted to, advanced producer services. In publications on Cape Town, I have shown that this also comprises, for example, engineering services provided by South African companies to upstream oil and gas projects all over sub-Saharan Africa (Scholvin 2017a, b).
- As Rio de Janeiro and Singapore demonstrate, gateway cities generate knowledge in the sense that global knowledge is adapted to local specificities there. These two cities also serve as stepping stones for innovative local firms seeking to internationalise their business dealings (Breul and Revilla Diez 2017; Scholvin et al. 2017).

These gateway features are not necessarily additive, meaning that a particular gateway city can be marked by any combination of them. The difference between the gateway perspective, on the one side, and the world city approach, on the other, is that the latter concentrates on links between providers of advanced producer services—which are links between world cities—in order to learn about the governance of global economic processes. The gateway perspective captures both global and regional interlinking. It is less concerned with governance, but rather adds new considerations—thereby going beyond advanced producer services. Analysing world cities in the Global South from the gateway perspective therefore leaves room for learning about the specific roles that these cities play in global economic processes, instead of merely studying to what extent they resemble London, New York and other alpha world cities.

3 Case Selection and Methodology

Mauritius is certainly not the first place that comes to mind when one thinks about oil and gas. The island has no proven hydrocarbon reserves. All oil products are imported from India, because there is no refinery in Mauritius itself. My initial interest in Mauritius resulted from desk studies on foreign investment in the oil and gas sector, which revealed that the country had hitherto been involved in some corresponding projects. For example, in 2014 the Indian firm Mangalore Refinery and Petrochemicals signed a memorandum of understanding with Mauritius's State Trading Corporation (STC) on a yet-to-be-built petroleum terminal that will serve

for re-exports. Desk studies of policy documents—the second step that I took—then showed that the oil and gas sector is part of Mauritius's strategic economic planning, which includes, as one pillar, the 'ocean economy' (Board of Investment 2015; Government Information Service 2016; Republic of Mauritius 2016).

With regard to world cities, Mauritius also appears to be an odd case. First of all, it is a country. Economic activities are concentrated in a rather extensive agglomeration that includes the cities of Beau Bassin-Rose Hill, Curepipe, Port Louis, Quatre Bornes and Vacoas-Phoenix. Neither Mauritius as a whole nor Port Louis or any other city on the island besides can be found in the GaWC's assessments. Yet, if one takes Robinson's critique seriously, it will be necessary to study cases that are not recognised as important world cities because they are suitable ones for learning more about the roles of cities in global economic processes—other than just providing advanced producer services and hosting corporate headquarters. Mauritius as a case study on gateways is furthermore sensible because the country specifically pursues an Africa strategy. The Three-Year Strategic Plan, which specifies measurable goals for the implementation of the development strategy Vision 2030 (Government of Mauritius 2017), points out that Mauritius can 'position itself as the gateway to Africa for Asian, European and Middle Eastern businesses' (2016: 15). The Board of Investment states that Mauritius is to become 'an important economic gateway for investors for their investments into and out of Africa' (2015: n.p.).

The empirical section of this chapter is based on information obtained from both public and private stakeholders during personal interviews, indexes that describe the business environment of Mauritius as well as publically available documents. In addition to these, I apply cognitive mapping too. This methodology was first advanced in the social sciences in the 1970s: the contributors to the edited volume *Structure of Decision* (Axelrod 1976) as well as Hart (1977) used cognitive mapping to examine the beliefs of foreign policy elites. Cognitive maps show the subjective knowledge of individuals—or, if several individual maps are merged, of groups. They reveal how someone logically structures a specific issue, how he/she identifies obstacles and opportunities, as well as how that person develops agendas that then guide his/her subsequent action. Hence, cognitive maps allow researchers to gain insights into the formerly only tacit mental models of decision makers and experts.

In ordinary cognitive maps, arrows that link different concepts are either positive or negative ones. This leads to the false impression that all causal factors are equally relevant. So-called fuzzy cognitive maps, first described by Kosko (1986), conversely represent causal reasoning with hazy degrees of causality. To move from cognitive maps to fuzzy cognitive maps, one has to specify the strength of a causal relationship. Instead of concept A reinforcing concept B to an unknown extent, concept A now reinforces B a little or greatly. This way, the relevance of the individual causal relations becomes comparable. Cognitive maps can be generated by content analysis of written documents, personal interviews or by self-guided mapping (Goodier et al. 2010; Prigent et al. 2008; Van Fliet et al. 2010). I conducted 16 narrative interviews in Mauritius in September 2017. The interviewees were identified via LinkedIn. Snowballing was applied subsequently, but generated few contacts. All interviewees spoke as individuals, not as representatives of a particular firm or public authority, although their

corresponding affiliations are indicted in this chapter. The interviews were based on a guideline of 12 questions, slightly adapted with regard to the business and individual experience of each interviewee. I recorded the interviews, with four exceptions (notes were taken instead), and analysed them by structuring the information with the help of categories and sub-categories defined prior to the actual research trip itself.

4 Mauritius as a Gateway

As noted, Mauritius seeks to position itself as a gateway. The first advantage that the island offers in this regard is a population fluent in both English and French. These languages are essential for doing business in sub-Saharan Africa, as the vast majority of the countries there are either anglophone or francophone. This location advantage was mentioned in several of my meetings. An interviewee from an engineering and construction firm said that 'we speak three or four languages; most of us: English, French and, some of us, Hindi or whatever'.[2] This is critical for the interviewee's company, because it heavily relies on labour from India.

The aforementioned Three-Year Strategic Plan states that the government will seek 'to expand the economic space for Mauritian firms through enhanced economic integration and cooperation' (2016: 2). In particular the envisaged growth of the manufacturing sector is believed to rely on 'deeper integration with the regional economies' (2016: 2). Mauritius is a member of the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Rim Association (IORA) and the Southern African Development Community (SADC). In 2000, COMESA's free trade area was formed. It now covers almost the entire COMESA area. IORA is not a free trade area, but its member states have made a commitment to facilitate greater intra-community investment and trade. SADC established a free trade area in 2008. All of its members participate, except for Angola, the Democratic Republic of Congo and the Seychelles. On a bilateral level, Mauritius has signed double-taxation-avoidance agreements with 14 sub-Saharan African countries and investment protection and promotion ones with eight countries from that region too.[3]

As shown by Table 1, Mauritius moreover offers a business environment that is unique in sub-Saharan Africa. The island state is the best performer from the region in the World Bank's Ease of Doing Business rankings. The Index of Economic Freedom and the Global Competitiveness Report both confirm that Mauritius is attractive because it is a liberalised market economy with efficient and reliable institutions, in the broadest sense. Mauritius is furthermore the best African performer in the

[2]Interview with an engineering and construction company, Port Louis, 21 September 2017.

[3]A full list, including detailed information on these double-taxation-avoidance agreements, is available online at: www.mra.mu/index.php/taxes-duties/double-taxation-agreements. For a complete list of the investment protection and promotion agreements meanwhile, see: www.investmauritius.com/downloads/ippa.aspx.

Table 1 Mauritius's performance in economic assessments

	Ease of doing business	Global competitiveness	Economic freedom
Mauritius	49	45	21
Rwanda	56	58	51
Botswana	71	63	34
South Africa	74	61	81
Kenya	92	91	135
Seychelles	93	107	85
Namibia	108	90	78
Ivory Coast	142	n.a.	75

Sources: Heritage Foundation (2017), World Bank (2017) and World Economic Forum (2017)
Note: The table includes the best sub-Saharan African performers from each of the three rankings

Global Peace Index (Institute for Economics and Peace 2017) and also tops the Ibrahim Index of African Governance (Mo Ibrahim Foundation 2017).

The previous paragraphs have described general location advantages. Mauritius also possesses, though, good infrastructure dedicated to oil and gas, which implies that there are certain prospects for serving as a transport hub. In 2008, an oil jetty was inaugurated in Port Louis. It reaches a throughput capacity of about 4 million tonnes a year. Storage facilities for 15,000 tonnes of liquefied petroleum gas (LPG) were opened near the jetty in 2014.[4] This LPG infrastructure is the largest in sub-Saharan Africa. Its owner, Petredec, along with the Mauritius Ports Authority (MPA 2011) expect it to turn the country into an LPG hub in the Indian Ocean and for the east coast of Africa too. In order to bunker fuel oil, the Mer Rouge Oil Storage Terminal (MOST) was completed in 2017. It reaches a capacity of 25,000 tonnes. The project derives from a joint venture between the STC and four international petroleum companies, namely Engen, Indian Oil, Total and Vivo Energy. An interviewee from the MPA pointed out that the rationale behind promoting Mauritius as a bunkering hub—obviously in addition to servicing the domestic market—is that 30,000–35,000 ships travel from Asia around the Cape of Good Hope to Europe and the Americas each year. Mauritius is located very close to this major sea route. It will attract a considerable number of vessels if it offers fuel at a competitive price and guarantees short waiting times.[5]

Further to this, the interviewee explained that if Mauritius becomes a bunkering hub then foreign and local firms will provide basic services such as waste disposal and also carry out ship repairs in Port Louis. Investments in maritime engineering will be facilitated by the local free port. Because of its good air connectivity (more on this later), Mauritius will also serve for crew change overs with positive effects for hotels, restaurants and the transport sector among others beneficiaries. The

[4]LPG is a flammable mixture of hydrocarbon gases used as fuel in cooking equipment, heating appliances and for vehicles. It is increasingly being applied as an aerosol propellant and a refrigerant in an effort to reduce damage to the ozone layer too.

[5]Interview with the MPA, Port Louis, 11 September 2017.

interviewee mentioned several factors that reinforce the bunkering strategy, besides Mauritius's advantageous location: four downstream firms are already active in the country; so are various shipping agencies too. He considered Mauritius's favourable business environment and the fact that bad weather hardly ever hinders operations at the port to be equally important herein as well. He also mentioned the various incentives provided by the MPA, but admitted that they are marginal compared to the reduced fuel expenses for container vessels.

With regard to challenges, meanwhile, the interviewee pointed out that Mauritius does not currently have a refinery. All petroleum products are imported from India, which makes them rather expensive. An interviewee from a major downstream firm explained that Singapore and the South African ports of Durban and Port Elizabeth, all three located on the aforementioned sea lane, are more competitive regarding pricing. Mauritius is able to compete with South African harbours because of advantages in terms of punctuality. Compared to Singapore, however, 'we are out' remarked this interviewee.[6] The one from the MPA further argued that there would not, most likely, be a refinery installed in Mauritius in the foreseeable future because of the small domestic market and, more importantly, environmental risks that weigh heavily for a country that significantly depends on tourism. Interviewees from the STC voiced the same concerns.[7] This small domestic market also constitutes a problem for maritime services and ship repairs: presently there is only one company in Mauritius that can handle waste material from larger ships. The two dry-docking shipyards in Port Louis—Chantier Naval de l'Océan Indien and Taylor Smith & Co—repair ships for the fishing industry. They would have to upgrade their capacities considerably to be able to service the oil and gas sector. Less problematic obstacles are, from the viewpoint of the interviewee from the MPA, a lack of available space in the port area and insufficient storage capacities. The prospects of Maritius as a bunkering and maritime services hub are summarised by Fig. 1.

A different understanding of the bunkering strategy was advanced by the interviewees from the STC: they argued that yet-to-be-enlarged storage tanks could be used for re-exporting petroleum products to the south-western Indian Ocean and to the east coast of sub-Saharan Africa. Downstream companies investing in Mauritius for this purpose would benefit from partnerships with local firms that are 'very experienced in doing business in the region', it was noted. Still, being a bunkering hub is a vision and not a reality. In 2013, only 1855 vessels took bunker in Port Louis. The majority of these ships did so because they had to go to Mauritius anyway. A mere 689 vessels called exclusively for bunker alone (MPA n.d.). Port Louis only meets 6% of the bunkering demand of a region that encompasses the south-western Indian Ocean and the east coast of sub-Saharan Africa too. The government and MPA would ideally like it to capture a market share of 20% meanwhile (Government Information Service 2016).

The low number of vessel calls, the small domestic market and the lack of a domestic refinery are not the only obstacles to Mauritius's integration into global oil and gas value

[6]Interview with a major downstream company, Port Louis, 28 September 2017.

[7]Interview with the STC, Ebène, 13 September 2017.

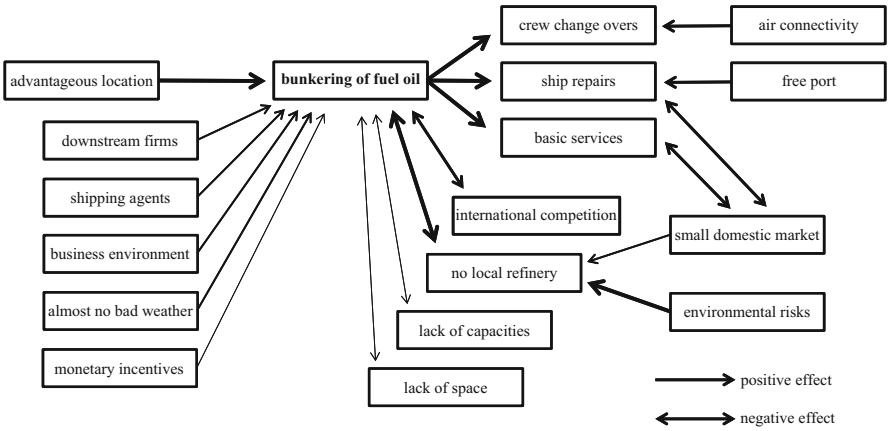

Fig. 1 Mauritius as a bunkering and maritime services hub. Source: Interview with the MPA, Port Louis, 11 September 2017. Note: The thickness of the arrows indicates the relevance of the respective causal factors

chains. When talking about challenges for their businesses, interviewees from engineering and construction companies stressed that Chinese and Indian firms are very competitive in terms of pricing.[8] Against this backdrop, one might wonder whether Mauritius's oil and gas strategy needs some adjustment going forward. The overall objective of Vision 2030 (Government of Mauritius 2017) is to transform Mauritius into a high-income country. With rising income levels, it becomes difficult to compete when it comes to labour-intensive, export-oriented manufacturing. This tendency marks the island's economy already today, and will do so even more in the near future and beyond. Hence, Vision 2030 (Government of Mauritius 2017) implies a transformation of the Mauritian economy towards segments of value chains that are intensive in capital and know-how. The Three-Year Strategic Plan states that the aforementioned ocean economy will enable Mauritius to 'move up the value chain by developing higher value-added products' (2016: 2). In other words, as one of the interviewees suggested, 'I don't think there will be any workshops in Mauritius [in the near future]. The challenge is to keep going but to outsource all pre-fabrication.' Soon only design and quality control will be carried out from Mauritius, the interviewee reasoned.[9]

Another interviewee, meanwhile, referred to cheap labour (regarding engineers, and in comparison to Europe), experience in oil and gas, and to innovative technologies in order to explain the competitive advantages of his company—as summarised in Fig. 2. With regard to a gateway role, it is interesting that this interviewee stressed that a French firm recently bought his company so as to gain better access to regional markets. What his company provides is expertise in doing business in sub-Saharan Africa.

[8]Interviews with an engineering and construction company, Moka and Port Louis, 14 and 21 September 2017, and with an engineering company, Vacoas-Phoenix, 26 September 2017.

[9]Interview with an engineering and construction company, Port Louis, 21 September 2017.

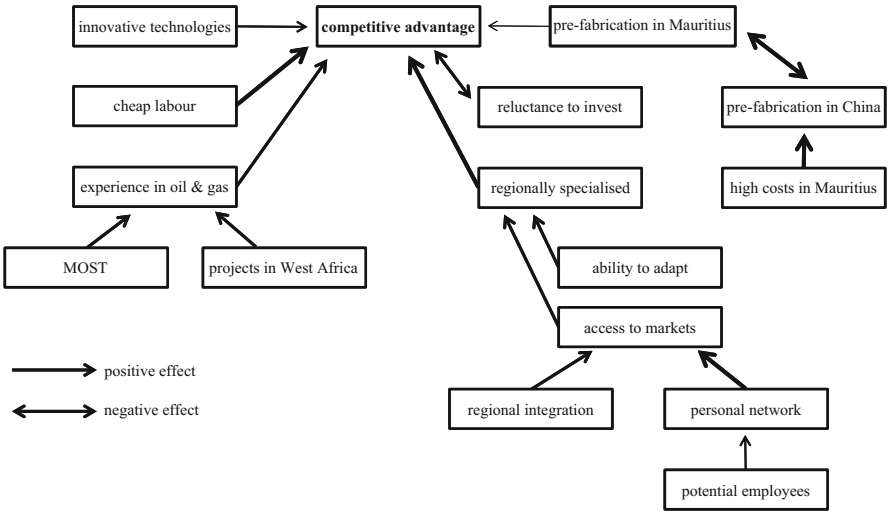

Fig. 2 Mauritius as a non-physical services hub. Source: Interview with an engineering company, Vacoas-Phoenix, 26 September 2017

Giving an example, he said that it was rather uncommon in many sub-Saharan African countries to arrange meetings well ahead of time: 'In Europe you make appointments two weeks in advance [. . .] if you try that [in sub-Saharan Africa], you will never get started. So I just travel and call people when I've landed.' He also suggested that his employees were better prepared to work in sub-Saharan Africa: 'Europeans are out of their comfort zone [there]. That is not a problem for Mauritians. You know, we have no problem to eat street food for example.'[10] In addition to that, the interviewee also pointed out that access to regional markets is easier from Mauritius than it is from Europe. This is, first of all, due to regional integration, which reduces visa problems—but also results from the interviewee's personal network. As a minor issue, he added that there were firms in Mauritius that could be hired for pre-fabrication based on the engineering provided by his company. Yet, as noted, China and to a lesser extent India are more competitive; as such, he suggested that only blueprints be provided from Mauritius. Pre-fabricated items should rather be sent directly from China to the relevant construction sites.

The interviewees from the engineering and construction company, meanwhile, called into question the competitiveness of China—at least 'if you look for quality'. As soon as decreasing competitiveness forces their firm to outsource pre-fabrication, they will search for opportunities in India, Kenya, Mozambique and Tanzania. Presently, the design for projects abroad is carried out in the company's facilities in Port Louis; so is pre-fabrication too. The materials for this are sourced globally. Most of the inputs needed for construction work are, according to these interviewees,

[10]Interview with an engineering company, Vacoas-Phoenix, 26 September 2017.

not available in Mauritius itself. The island's strength rather lies in being home to skilled engineers. While the project management team is, hence, always Mauritian, the company seeks to hire manual labour locally but often struggles to find sufficiently skilled people. The corresponding gaps are closed by labour brought in from India, proving the intermediary role of Mauritius in GVCs—as the interviewees themselves emphasised.

Another interviewee, who works as an independent consultant, explained that he advises investors who are not familiar with the oil and gas sector, for example on how to build and run a refinery in Kenya. This involves travelling to the respective places, assessing local conditions (such as the availability of labour and the presence or not of adequate infrastructure already) and making suggestions on how to overcome related challenges. The interviewee also mentioned that he may in future set up entities in sub-Saharan African countries, either on his own or in partnership with local businesspersons, so as to provide local labour to facilities owned by his clients.[11]

Related to this shift towards flows of information, Mauritius serves as a financial hub already today. In addition to the aforementioned highly favourable business environment, Mauritius has no foreign exchange controls and overseas companies enjoy the free repatriation of profits. The effective corporate tax rate is 3% and, as noted, there are double-taxation-avoidance agreements in place with various countries worldwide. As an interviewee from a holding company pointed out, even in cases where there is no such agreement Mauritian entities can still reclaim withholding taxes paid abroad.[12] The same interviewee explained that the group that she works for has subsidiaries in Angola, Ghana and Mozambique. All major decisions require approval by the board of the company, registered in Mauritius, which is staffed by the Mauritian and South African owners. When the holding structure was set up in 2007, it did not have any employees. Today, it employs the interviewee and one secretary. Their duty is to transfer money from the subsidiaries to Mauritius so that it is freely available to the owners of the group and can be held in a stable currency, as Mauritius allows firms to have bank accounts in United States dollars.

In addition to these activities, the interviewee said that her company was thinking about hiring a marketing executive for the office in Mauritius. An interviewee from an international consultancy explained, furthermore, that such an expansion of activities was a common next step for firms that have their holding structure in Mauritius. These firms start, at a certain point, to concentrate their contract management and procurement on the island, centralising these activities for all countries where they operate. Doing so enables the respective firms to benefit from the financial advantages of Mauritius and to avoid the risks associated with running a

[11]Interview with an independent consultant, Ebène, 19 September 2017.

[12]Interview with an upstream service provider, Grand Baie, 18 September 2017. A withholding tax is a requirement that the payer for an item of income deducts tax from the payment and pays that sum to the state instead. Many states use withholding taxes as a means of combatting tax evasion. They require that payers of dividends, interest and royalties to non-resident payees withhold from such payments an amount set at a specific rate.

business in a number of unstable currencies.[13] Another interviewee from a different consultancy agreed, saying that many companies start with mere holding structures in Mauritius and eventually relocate more and more control functions to the island—especially board meetings.[14]

A major advantage that Mauritius possesses as a hub for holding companies and corporate headquarters is its air connectivity. There are two or even three flights a day to Dubai, Paris and Johannesburg. Australia, Singapore and several cities in China and India can be reached directly at least once a week. Whereas Dubai and Johannesburg offer excellent connections to destinations all over sub-Saharan Africa, direct regional flights from Mauritius are few and far between however; if they do exist, they then are limited to only one or two a week (Map 1). For this reason, many companies that have their holding structures in Mauritius base their staff in Dubai instead.[15]

Concerning knowledge generation, the University of Mauritius occasionally organises seminars on oil and gas exploration that are mostly attended by people from public authorities and from Mauritian companies seeking to provide services to this sector. The seminars themselves do not, however, generate knowledge. They rather make it locally available by bringing in lecturers from overseas, as a professor from the university explained. So far, the number of participants from the near abroad has remained low.[16] The fact that that the Faculty of Ocean Studies, launched in the context of Mauritius's aforementioned new focus on the ocean economy, was recently closed and its staff reintegrated into the Faculty of Engineering also indicates that the country will not, most likely, become a major knowledge gateway for the oil and gas sector any time soon.

5 Conclusion

Research on world cities suffers from a bias towards the Global North. This neglect is not so much about the cities that are covered/not covered by the state of the art. It relates, rather, to theory building: our understanding of world cities is limited to the experiences of a small number of cases from the Global North. By applying the concept of gateway cities to Mauritius and to the oil and gas sector, this chapter has strived to begin rebalancing research on world cities. Being broader than the established understanding of world cities, the gateway concept covers logistics and transport, industrial processing, corporate control, service provision and knowledge generation. It allows us to take experiences of cities from the Global South into account too.

[13]Interview with an international consultancy, Ebène, 19 September 2017.

[14]Interview with an international consultancy, Ebène, 12 September 2017.

[15]Interview with an international consultancy, Ebène, 12 September 2017.

[16]Interview with a professor at the University of Mauritius, Martindale, 14 September 2017.

Map 1 Direct flight connections from Mauritius. Source: ATOL (2017)

Counter-intuitively, Mauritius plays a considerable role in global oil and gas value chains. Its bunkering strategy, existing LPG storage facilities and the plans to re-export other petroleum products exemplify how the island has undertaken efforts to position itself as a logistics gateway—or, rather, as a distribution hub for the south-western Indian Ocean and for the east coast of sub-Saharan Africa too. The bunkering strategy is expected to induce maritime service provision. Industrial processing, meanwhile, is hardly a realistic ambition. Considering Mauritius's economic development, it is becoming increasingly difficult for local firms to compete with low-cost providers from the Far East. Focussing on labour-intensive segments of oil and gas value chains appears to be the wrong economic strategy. My research suggests that Mauritius's role as a gateway may rather be best based on flows of information. These flows comprise but also go beyond engineering expertise and personal networks of Mauritian middlepersons. Mauritius is attractive for the holding structures of firms that do business in sub-Saharan Africa. Having a holding company in Mauritius appears to be the first step towards relocating business services and headquarters to the island. To a fairly limited degree, the island state also serves as a gateway for knowledge generation: seminars on oil and gas offered at the University of Mauritius are intended to attract people from the regional countries. These seminars presently remain only at the level of making existing knowledge locally available however.

What this chapter has shown is that Mauritius holds the potential to make a critical contribution to global economic processes, serving as a gateway to and hub in sub-Saharan Africa. It partly does so already today. As a next step, it would be worthwhile to analyse how far the particularities of Mauritius help us to better understand gateway cities elsewhere too. It would also be helpful for our understanding of cities within GVCs to advance a typology of gateways; for example, by comparing Mauritius to places that serve as intermediaries for material flows or that interlink a hinterland that is limited to only a single country.

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