



**MINISTRY OF BUSINESS, ENTERPRISE & COOPERATIVES  
(Business and Enterprise division)**

<b>Event</b>	<b>:</b>	<b>MCCI – Annual General Meeting</b>
<b>Location</b>	<b>:</b>	<b>Labourdonnais Waterfront Hotel</b>
<b>Date</b>	<b>:</b>	<b>Thursday 31<sup>st</sup> of March @ 9.30</b>

**Members of Diplomatic Corps**

**Mrs. Hélène Echevin, President of MCCI**

**Mr. Raju Jadoo, Secretary General of MCCI**

**Captains of Industry**

**Members of the Press**

**Distinguished Guests**

**Ladies and Gentlemen**

A very good morning to all of you. It gives me great pleasure to be among you today on the occasion of the **167th Annual General Meeting of the MCCI**. From the very outset, I wish to express my sincere appreciation of the strong commitment and constructive contribution of the Chamber in the business landscape of Mauritius. I also wish to highlight that throughout the past 160 years or so, the MCCI, as the main voice of the Mauritian business community, has always maintained very close links with Government and has thus been actively involved in the development process of our country.

I feel honoured to have the opportunity of sharing my insights as Minister of Business, Enterprise and Cooperatives with such an impressive gathering of notable representatives of the business community. As you are aware, the priority axes of the economic agenda of the Government are expressed in **Vision 2030**, which sets a roadmap for the country's economic future. Government clearly considers the business sector as having the potential to be a major driving force within the Mauritian economy. The small and medium business sector, which makes up the bulk of our economic tissue, is particularly fundamental to generating revenue, employment, economic growth and prosperity within the country and is therefore regarded as a key component of this process. This Government believes that **investing in SMEs is a long-**



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**term and smart strategy**, with sustainable returns that will inevitably multiply across the country and in the region.

For the past nine years, Mauritius had registered an average economic growth rate of 3 % annually. Within Vision 2030, Government is targeting an **average growth rate of 5.5 % annually as from 2017**. Our objective is to attain a GDP per capita of far more than **13,500 US dollars by the Year 2018**. To materialize this ambition, we have no other choice than to be bold and to ensure that the country as a whole espouses the philosophy of Vision 2030. Our recourse is to build on our existing economic set up and to create new opportunities to ignite growth across all our economic sectors. And most importantly, it is imperative that we trigger the development of new economic avenues.

Globalization is obviously benefitting Mauritius' efforts to diversify the economy but it is also taking a toll on traditional export sectors, which are affected by loss of competitiveness in part due to loss of preferential access to export markets. As some of this preferential access winds down, questions inevitably arise about how to raise value addition in the sector, diversify into close markets, and explore investment opportunities in the region. **There are no magical solutions but only opportunities to be seized**. That is why it is vital that growth strategies are constantly reviewed in all sectors by the Government as well as by the private sector.

In its overall strategy to transform the economy, Government is betting on a **revamped and dynamic manufacturing base** with clearly identified focus on promoting high end, precision driven and technology enabled manufacturing in the country. Manufacturing today accounts for about 18% of our economy and we aim to **increase its share significantly to 25% within the next three years**. Here, we have already provided the necessary support mechanisms to attract more players in high precision engineering, food processing, pharmaceutical products, jewelry and watch making, amongst others.



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In any event, we have already embarked on our economic journey with confidence and zeal. This Government has gone quite far in terms of fiscal and other incentives to give a new impetus to the economy and to recreate a feel good factor amongst the economic operators. The **Business Confidence Indicator** for the 4th quarter of 2015 released by the Chamber in February, showing an **increase of 6.0 %**, is an indication that we are going in the right direction, all the more so that the index is **at its highest level since the 3<sup>rd</sup> quarter of 2012**. There definitely are challenging areas that are holding back the potential of our economy to accelerate growth but I am confident that we will achieve great things with the concerted effort of one and all.

**Mesdames et messieurs,**

Il est évident que malgré toutes les mesures incitatives ou de facilitation du gouvernement à destination des entrepreneurs, comme MyBiz pour les PME par exemple, nous devons nous rendre à l'évidence quant au fait que le marché mauricien est immuablement restreint. Il est donc primordial que les entrepreneurs mauriciens conçoivent leurs produits ou services de manière qu'ils soient **exportables** afin d'assurer leur pérennité. Deux stratégies s'inscrivant dans cette ligne d'idées sont particulièrement pertinentes - d'une part, la **National Export Strategy** sera un instrument catalyseur qui, dans un paysage concurrentiel, répondra aux attentes des exportateurs mauriciens subissant une érosion de leur traitement préférentiel sur le marché international. Il est ainsi prévu que le secteur manufacturier gagnera en productivité et en compétitivité.

D'autre part, la '**Africa Strategy**' vise à faire de Maurice une plateforme régionale en termes de commerce, d'investissements et de services. Nous avons la possibilité d'émerger comme un partenaire économique compétitif pour l'Afrique, dont il est d'ailleurs beaucoup question depuis quelques temps dans les discussions entre les acteurs politiques et économiques du monde entier. Nous assistons à un repositionnement géostratégique sans précédent, voire



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même une réhabilitation de l’Afrique en termes de perception, d’attractivité et de potentialité en termes de développement économique. L’Afrique est passée d’une économie de production à une économie de consommation. Il est prévu que le nombre de consommateurs africains passera à 2 milliards d’ici 2050.

Imaginez le potentiel que cela représente pour les entreprises mauriciennes, d’autant plus que **l’Ile Maurice est en posture favorable dans ce contexte d’embellie africaine**. Nous sommes membre des communautés économiques phares de la région - la SADC et COMESA. Nous bénéficions d’un large réseau de traités bilatéraux avec bon nombre de pays africains. Le Board of Investment a signé des Memorandum of Understanding avec une quinzaine de pays en Afrique. La MCCI a noué des relations avec près d’une vingtaine de chambres de commerce sur le continent africain. Port Louis est connecté aux ports de Durban, de Cape Town, de Mombasa et de Dar Es Salaam. En ce qui concerne l’accès aérien, nous avons ratifié des accords bilatéraux avec une bonne dizaine de pays africains.

Et cerise sur le gâteau - l’Ile Maurice est tenue en haute estime par les hommes d’affaires et politiques de l’Afrique - elle est un exemple de bonne gouvernance et de réussite économique.

Cependant, beaucoup reste à faire. Au niveau politique, il est très important que la stratégie africaine de Maurice soit cohérente et approfondie. Nous devons formuler une vision qui soit alignée à des objectifs prédéfinis en termes d’une exportation soutenue de nos produits et services vers l’Afrique. **Toute action menée dans cette optique doit se faire de manière coordonnée** afin que l’Ile Maurice puisse parler d’une seule et même voix dans cette démarche de relever le défi africain. Je suis aussi d’avis que pour établir un ancrage au sein de ces marchés spécifiques, il nous faut intervenir dans des secteurs et des pays sélectionnés de manière stratégique, dont les critères de consommation concordent avec les produits mauriciens et vice versa.



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**Ladies and Gentlemen,**

I often say that ‘l’entrepreneuriat est un acte de foi’ but entrepreneurial activity is by no means based on the heroic act of an individual. Rather, it brings together an individual’s intentions, capabilities and all the distinct conditions of the environment in which the individual is located.

A modern Mauritius needs a socially inclusive model of development geared by intellectual capital, knowledge and skills. For us to move up the value chain, more effort is needed to improve the availability, quality and relevance of skills. We must recognize that there are mismatches between the skills supplied by our education system and the skills firms seek, leading to the paradoxical situation of high rates of unemployment among young graduates persisting alongside complaints by employers of a shortage of workers with specific skills. We urgently need to **create conducive eco-systems for the emergence of greater numbers of highly skilled people as well as innovative firms**. Entrepreneurship has to be promoted as a desirable career among our youngsters. At the level of my ministry, we continuously work on ways of improving enterprise access to **managerial and entrepreneurial skills** - on top of regular training programs organized by SMEDA, we are contemplating the possibility of devising an **entrepreneurship curriculum** in the context of a Memorandum of Understanding signed with the Indian government. I also urge our enterprises to invest as much as possible to become learning organisations so as to provide job-relevant skills and attitudes to their employees.

It is indeed in this vein that my ministry, through SMEDA, will soon come up with a network of **business incubators** across the island - we want to spur **knowledge based enterprise development**, by providing opportunities for knowledge transfer as well as a holistic suite of support services to entrepreneurs.

While trying to devise pertinent action plans for several sub-sectors in the field of business and enterprise, we have noticed that many of them are at the crossroads between ‘business as usual’ and developing new ways of doing business. In today’s highly competitive market,



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one concept stands out as being the ingredient that will safeguard the sustainability of enterprises: that of **innovation**. Innovation is the most important driver of long-term prosperity and our economy must be innovative enough to transcend our physical constraints, emerge as a reliable partner as well as grow and succeed against global competition. However, when compared with upper middle income countries that have similar population size such as Iceland and Cyprus, **Mauritius is underperforming and is ranked 76th in the innovation ranking of the 2014-15 global competitiveness index.**

During workshops or seminars organised by my ministry, I often urge entrepreneurs to focus on product innovation. A firm's capacity to innovate, or more broadly, its ability to creatively transform knowledge and ideas into new products, processes and systems is what will make it experience higher levels of productivity and economic growth. It is this category of firms that is more likely to export, and export successfully.

The capacity to innovate does not exclusively depend on complex technological processes; it is very often a question of **creativity**. In today's highly competitive global village, only the fittest survive and the fittest are the ones who think out of the box. This is typical of what we call **disruptive innovations** - innovations that create new markets by discovering new categories of customers, by developing new business models and exploiting old technologies in new ways. The adoption of such a mindset has the potential to end up by reshaping entire industries: we have seen this for long distance calls with Skype, or video streaming with Netflix.

**We cannot be inward-looking in this highly globalized business world.** Market and product research are critical. Our enterprises should develop a culture of searching, obtaining and interpreting information regarding market assumptions, customers' expectations and customers' reactions to design and validate the choice of customer groups and the offer. It is then that they can perform research and development experiments and innovate.



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In addition, we know that Mauritius has generally done well in tapping into global knowledge through trade, but it is underexploiting the absorption of technologies through FDI and technology licensing. Given the small R&D and technology base in Mauritius, it is difficult as well as costly to develop most technologies domestically, and a reasonable approach would be to acquire or license technologies from more advanced countries. In this perspective, I am pleased to announce that a **Technology Fair** will be organized under the aegis of SMEDA during the last quarter of the current year - **this B2B event will create the most effective linkages between several foreign technology providers and local businesses to facilitate technology transfer and absorption from one end to another.**

**Chers capitaines d'industries,**

Le Premier Ministre l'a clairement fait ressortir durant son allocution dans le cadre de la formulation de la vision économique du gouvernement - c'est en effet dans la mesure où le privé contribue activement à identifier les opportunités et les limites des cadres qui leur sont proposés que les acteurs politiques et le service public peuvent appréhender la pertinence de leurs actions.

Le gouvernement a un mandat pour mener à bien la stratégie globale que je viens d'énoncer mais nous comptons également sur **une coopération étroite de la part des opérateurs du secteur privé**, notamment en matière d'investissements. D'ailleurs, c'est dans ce même esprit que l'Assemblée nationale vient tout juste de voter l'adoption du '**Build Operate Transfer Projects Bill**', un projet de loi qui met en place un cadre légal bien défini pour des projets de développement d'envergure sur la base du principe qu'une entité privée construisse et gère une infrastructure pour un laps de temps défini, après lequel le gouvernement rachète le projet en question.



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Ce n'est qu'en joignant nos forces que nous pourrons faire face aux défis auxquels notre pays est confronté. L'Ile Maurice sortira gagnante de la **synergie que nous souhaitons établir avec le secteur privé** car cela nous permettra de formuler des stratégies claires et cohérentes.

Je tiens à assurer la chambre que fidèle à cette tradition de coopération entre le secteur public et le privé, le gouvernement sera à l'écoute de vos préoccupations afin de mieux répondre à vos attentes et que celles-ci soient prises en compte dans la formulation de nos politiques économiques nationales. Je me permets de vous assurer que le gouvernement agira pleinement en sa capacité de facilitateur afin de créer un environnement propice à l'épanouissement des entreprises. Je félicite la Présidente sortante pour le travail accompli durant l'année et je me réjouis d'une collaboration fructueuse avec le nouveau Président, en vue de cet objectif commun d'insuffler un nouveau dynamisme au secteur manufacturier ainsi qu'à l'ensemble du monde des affaires.

Nul d'entre nous ici présent ne sait de manière précise ce qui nous attend dans les 15 années à venir. Ce dont nous pouvons cependant être sûr c'est que la seule constante demeure le changement. Notre capacité à respecter nos engagements économiques dépendra de notre détermination à faire que les choses bougent et de **notre capacité à regarder ensemble dans la même direction**. Je conclurai mon intervention en vous confiant mon état d'esprit à cet égard - en empruntant notamment les mots du Premier Ministre lors de la formulation de la Vision 2030 : *'If we need to burn the midnight oil to attain our objectives, we are prepared to go that far'*.

Je vous remercie de votre attention.

S.B