

Speech

Hon. Yogida Sawmynaden

Minister of Commerce and Consumer Protection

171st Annual General Meeting of MCCI

Thursday 23rd July 2020

09h30

Labourdonnais Waterfront Hotel

- **Dr. the Hon. Renganaden Padayachy**, Minister of Finance, Economic Planning and Development
- **The Hon. Nandcoomar Bodha G.C.S.K**, Minister of Foreign Affairs, Regional Integration and International Trade
- **The Hon. Soomilduth Bholah**, Minister of Industrial Development, SMEs and Cooperatives
- **Ambassador V. Mungur**, Acting Secretary for Foreign Affairs, Ministry of Foreign Affairs, Regional Integration and International Trade
- **Members of the Diplomatic Corps and Honorary Consuls,**
- **High Officials of the Public Sector,**
- **MCCI President, Mr. Marday Venkatasamy G.O.S.K**
- **MCCI Vice President, Mr. Guillaume Hugnin**
- **MCCI Past Presidents and Council Members,**
- **Members of the MCCI,**
- **Chairpersons and CEOs of Fellow Private Sector Organisations,**
- **Representatives of the Media,**
- **Distinguished guests,**
- **Ladies and Gentlemen,**

I would like to thank the Mauritius Chamber of Commerce and Industry for the invitation to be in your midst this morning for the opening of the 171st Annual General Meeting of the Chamber.

The meeting of today was initially scheduled for the 30 March 2020. Obviously, if it had been held at that time, the context and message would have been different. We would for sure have talked about continuity and the need to find ways and means to pursue the set objectives.

Unfortunately, Mauritius, as the whole world, has been hit by the Corona Virus pandemic that has slanted our objectives and forced us to review our strategies.

Therefore, today, **Ladies and Gentlemen**, we are gathered here in a completely new situation compared to what it was some months back.

At the beginning of this year, no one could have predicted that every single aspect of our lives would be affected and that we would be called upon to adapt to a totally different social and economic landscape. We have no choice but to adapt to what we rightly call the New Normal.

I would like to seize this opportunity to express my deep appreciation and gratitude to the MCCI for its unflinching support to Government in the fight against the Covid-19 pandemic.

Ladies and gentlemen,

Since its foundation in 1850, the Mauritius Chamber of Commerce and Industry (MCCI) has been a linchpin in the business, economic and social development of the country.

The Chamber has played a pivotal role in installing business confidence which is vital for the buoyancy of the economy especially for the private sector which is the driver of growth and wealth creation in Mauritius.

During the past months, the country has faced an unprecedented crisis with the COVID-19 pandemic. I must say, since Day 1 of the crisis, the MCCI has been playing a prominent role next to my Ministry and other Government agencies in dealing with the situation.

The aspect of ensuring continuous availability of basic commodities, and no disruption in the distribution supply chain especially food items to the population at large was a challenge in itself. However, jointly and collaboratively we managed to face the situation and the results are cogent.

I have to place on record the promptness with which the MCCI responded to the call of the nation for basic necessities.

Here, we will remember that in the context of the emergency food

distribution program launched by the government after the announcement of the complete lockdown, MCCI members in the retail and distribution sectors were fully mobilized to help the Mauritian families in a precarious situation. Some 40,000 food packs were prepared and distributed to families whose names appear on the Social Register of Mauritius.

In parallel, my Ministry and the MCCI worked in close collaboration for the setting up of e-commerce platforms in order to maintain an ongoing supply and distribution of essential commodities.

The re-opening of supermarkets on alphabetical order under very strict health conditions between 09h.00 and 17h.00 as from 2nd April 2020 is yet another measure taken together and which has brought the expected result of keeping the virus at bay.

You will concur with me that it was not an easy task, but after several meetings between representatives of the supply chain, MCCI and government, we came with the right formula regarding the conditions for reopening of the supermarkets, taking into account the need for the population to be able to buy basic commodities, while at the same time, ensuring the safety of the population.

The safety and security measures for customers and employees of supermarkets have been very helpful in containing the pandemic.

Ladies and gentlemen,

The Mauritius Chamber of Commerce and Industry, which is a counter balance to the public sector, has been very pro-active in advancing private sector interests following the start of the lockdown on Friday 20 March 2020.

The Chamber has made it a point to hold a series of meetings with businesses to assess the impact of COVID-19 on businesses and work out the way forward in this time of crisis.

The MCCI has also been participating in several high-level meetings and has been constantly liaising with the government officials and Ministers to address and resolve all issues faced by the private sector.

These consultations have led to numerous measures set out by Government to support private enterprises and protect to a maximum the employment of thousands of workers in the country.

Ladies and gentlemen,

As a Small Island Developing State and being highly dependent on imports, it was the duty of Government and its partners to ensure that there is no disruption of essential services.

Even though Mauritius was under total lockdown and the population confined at home, the country has been able to pull through during the COVID-19 as most of the trade channels were operational.

The Ministry of Commerce and Consumer Protection, being the first Government department to be connected with the single window system, has, without any disruption, processed and approved applications for import and export permits. And for Certificates of Origin, an officer has been in office once a week for the issue of same.

From the beginning of the curfew period in Mauritius the Trade Division of my Ministry has been at the forefront in matters relating to trade.

Particularly to ensure adequate supply of commodities in the local market for products requiring an import permit and to ensure to a least minimum the proper functioning of the export unit, including the issue of certificates.

For example, from 20 March 2020 to 31 May 2020, a total of 937 Import Permits and 117 Export Permits were issued.

It is also worth emphasizing that during the curfew period, some 47 import permits were issued for the importation of flour, while some 593 import permits have been issued for the importation of rice.

This has contributed to ensure that those basic foodstuffs were available to the general public during this difficult period.

During the same period, an officer from the Trade division was working every Monday from 09.00 to 12.00 to issue certificates of origin such as AGOA, GSP, COMESA so as to facilitate exports.

Hence, 156 AGOA certificates, 22 GSP certificates and 95 COMESA certificates were issued.

Ladies and gentlemen,

With the collaboration of the MCCI, throughout the past years cumbersome and complex procedures have been reviewed so as to be more in tune with a business-friendly environment.

This has facilitated trade and also enhanced the ease-of-doing business along with reducing non-tariff barriers.

We are proud to see that we are now ranked at the 13th position for the Doing Business rating 2020. We have to acknowledge the synergy between the private and the public sectors in paving the way for Mauritius to be today classified by the World Bank as the second high-income economy in Africa.

Dear MCCI members,

Government – with the collaboration of its various partners – is working hard to propel the country at a higher level of its development.

But it is a fact that development should never be to the detriment of the environment.

To strike the balance between progress and environment, the MCCI has been a strong advocate of the potential of the circular economy.

The setting up of the collection and export of e-waste (electrical and electronic waste) in line with strategy for an environmentally sound and efficient management of E-Waste in Mauritius, is an indication of the support that has always emanated from the MCCI to enable Government to pursue its objectives.

In the same line, Mauritius aims at the promotion of innovation-led and technology-intensive production on building of export competitiveness and on import-substituting activities. Therefore, it is expected that the MCCI would, as usual, collaborate on the emerging challenges, especially to address the economic slowdown in our major export markets.

New boost in creative industry along with all the financial support plan provided to economic operators are expected to assist to propel the

country to achieving higher growth.

Distinguished guests,

The MCCI has been a partner to enable the country to achieve spectacular economic transformation, from a mono-crop industry dominated by the sugar cane to the diversification of the economy through the conception of other value-added sectors - particularly light manufacturing, offshore banking and financial services, and service-related information and communication technology.

It is to be noted that Mauritius has a trade imbalance that needs to be addressed.

Given our recurrent trade deficits, there is a need for consultations at all levels to find out possibilities of increasing our exports by tapping on our preferential market outlets under COMESA, SADC and Tripartite Market along with AGOA.

Members of MCCI are also encouraged both into avenues to boost investment with the implementation of the African Continental Free Trade Area (AfCFTA), the first continent-wide African trade agreement, with the potential to facilitate and harmonise trade and infrastructure development in Africa.

The Mauritian economy which was still digesting the implications of a shifting global economic and geopolitical paradigm along with concerns linked to Brexit and the lingering economic difficulties in our traditional markets, today has to face the growing trade uncertainties emanating with the Covid-19 virus which has led to a **“twin supply-demand shock”**.

This simultaneous supply and demand blow has resulted, on one side, in shortages arising, as the capacity to produce goods globally has been hammered, while at the same time experiencing a lack of demand for goods and services.

Ladies and gentlemen,

Over the past months, many companies were deprived of materials as their main suppliers remained shuttered and workers housebound.

The economic impact of the corona virus outbreak has been felt by countries with close links either through trade, investment, or the movement of people.

Growth around the world is regressing due to a slower consumption pattern which results into a sluggish growth in different sectors like Tourism, Manufacturing, ICT/BPO amongst others. The global economy is expected to negatively grow between 3.0 to 7.0 %, and Mauritius is much prone to suffer from the negative impact of global economic influences.

However, there are important lessons to be drawn. Despite Covid-19 being described as a particularly pernicious economic shock, it could also be a blessing in disguise as it paves the way to a new normal eco-system with new opportunities that need to be grasped.

As a matter of fact, there is a need to consolidate our local industry by fostering the manufacturing sector as a strong pillar of our economy.

I would like to take this opportunity to seek your undeniable support to promote the Buy Mauritian program as we need to protect and promote the “Made in Mauritius” brand and encourage locally manufactured goods being sold in supermarkets and other shopping outlets.

Here, allow me to take you back to the 2020 / 2021 budget speech whereby the Minister of Finance – talking about the Mauritian manufacturing sector – has clearly stated that appropriate legislations would be enacted and that, where needed, quotas will be imposed to protect and promote the Made in Mauritius Brand.

In the same vein, it has been announced that Government will impose a minimum shelf space of 10 percent for locally manufactured goods in supermarkets.

Moreover, though we are in the digital era, we are being called upon to go back to the basics with smart agriculture and the need to also diversify and deepen the blue economy value-chain. As announced in the 2020-21 first Covid-related Budget, the Government is developing an array of programmes and policies, among which it shall encourage the Farm to Fork concept by ensuring food security and reducing our dependence on imports. We aspire to strike being as self-sufficient as possible in what we consume and become more independent in our food supplies.

I have absolutely no doubt that our future lies not only in the way we show resilience to external shocks and boost our export, but also in encouraging our locally manufactured goods to be present in the Mauritian basket. This would undoubtedly enable our business community to soar.

The interaction of the MCCI, given its mandate of working for the benefits of entrepreneurs, would be required in devising a strategic plan to usher in a paradigm shift in the development of the manufacturing sector. It goes without saying that it is only by building together this new normal that we shall achieve our targets and succeed in our mission.

While it is but normal on the occasion of an Annual General Meeting to look at achievements and broaden our horizon, we also need to look at issues which did not go well or which may be further improved.

For example, on the relationship between the trader and the customer, there is understandably a gap. For sure, we have all felt it at personal level. When doing our shopping, we have noticed that prices of commodities have gone up excessively. While we do acknowledge the impact of the appreciation of the dollar and higher freight charges, we have to admit, some traders have indulged in profiteering and abusive trade practices.

It is unfortunate that in an already difficult situation, traders had such a behaviour. My Ministry undertakes to educate consumers so that they are well equipped to face such situations in their own interest. However, we rely on the MCCI on its side, to educate traders so that they stop such practices and promote a fair trading environment.

Distinguished guests,

You will appreciate that, notwithstanding the numerous challenges that lie ahead, particularly following the negative impact of the Covid-19 pandemic, Government is putting in all the necessary effort to put the country back on track.

And as you are aware, the high-level committee chaired by the Prime minister himself has identified and examined more than 50 investment projects of the private sector that would create jobs in various fields. These projects also concern logistics and distribution, among others.

I have no doubt in saying that Government is heading in the right direction

and that with the help and collaboration we will succeed in our overall mission.

Before concluding, I would like to pay tribute to the marvellous job accomplished by the outgoing Chairperson of the MCCI and congratulate (in advance) the new Chairperson to be elected during today's AGM.

I wish him and the MCCI good luck for the Chamber's future endeavours and I sincerely hope for a sustained and prolific collaboration between the MCCI and Government.

I thank you for your kind attention.

Y.S

23.07.2020