



176th ANNUAL GENERAL MEETING of the MCCI

27 March 2025

Caudan Arts Centre

Speech of the President of the MCCI, Mr. Charles Harel

It is a great pleasure to welcome you all to the 176 Annual General Meeting (AGM) of the Mauritius Chamber of Commerce and Industry (MCCI).

It has been an honour and privilege for me to chair this long-established institution for the past year. The MCCI continues to play a vital role in the economic development of our country, and I am grateful to be part of its journey.

As we celebrate the 175th anniversary of the MCCI this year, we reflect with pride on our organisation's remarkable journey since 1850. For 175 years, the MCCI has stood as a pillar of support for the Mauritian business community, advocating for economic progress and facilitating trade across generations.

This milestone anniversary reminds us of our responsibility to build upon this legacy as we face the challenges and opportunities of today's global economy.

Let me begin by extending my heartfelt congratulations to the newly appointed Government.

The leadership, vision, and dedication to steering our nation towards a more **prosperous, inclusive, and sustainable future**, as spelt out in the Government Programme 2025-2029, is truly praiseworthy.

At the heart of the programme lies the promise of a **pact for a better future**, built on **cooperation and collaboration**, especially with key stakeholders such as the private sector. Achieving these goals depends greatly **on strengthening the dialogue between the Government and different sectors of our economy**. Recognizing the crucial role of **strong private sector collaboration is vital**.

Today, we want to reaffirm MCCI's strong and unflinching support for the successful achievement of key initiatives such as:

- The formulation of a **consolidated economic diplomacy strategy**,
- The drive towards **economic re-industrialisation and diversification**,
- The establishment of a **new social order** that is more inclusive,
- The creation of a **climate-ready Mauritius**,
- The **consolidation of our arts and culture**,
- The **enhancement of public sector delivery capacity**, and
- The development of **modern, efficient infrastructures**.

Ladies and Gentlemen,

Mauritius stands resolutely behind these aspirations, as they should not only pave the way for a brighter future for every citizen, but also lay the foundation for a **stronger, more resilient country**.

The government programme, is grounded in a medium-to-long-term approach, underpinned by a **clear and actionable implementation roadmap**. This strategy must draw upon lessons learnt from the recent years, which have been marked with unprecedented challenges for the business community.

As we all know, these trials have tested our resilience, underscoring the necessity of a **well-defined, adaptive approach** that fosters **confidence, innovation, and growth** in the face of uncertainty.

Reflections on the Challenges of the Past Year

While the past year has been fraught with challenges for the business community, it also presents us with a unique opportunity to **recalibrate and strategise for the future**.

To regain momentum, it is imperative that we **restore regulatory certainty, rebuild business confidence, and create an environment that fosters innovation and investment**.

Only then, will we be in a position to begin the arduous task of recalibrating our medium-to-long-term growth trajectory.

Ladies and Gentlemen,

In addition to these domestic challenges, the global context has also posed difficulties. We have seen lasting impacts of the COVID-19 pandemic, rising geopolitical tensions, and global inflation. In addressing our economic challenges, we must acknowledge the significant cost adjustments businesses have faced recently, including changes in electricity tariffs and labour expenses. These rising operational costs, alongside the broader inflationary pressures across service sectors, require thoughtful consideration as we chart our path toward a sustainable economic growth.

In this context, we must recognize the magnitude of the structural difficulties we face as a nation and the **current state of affairs**. These factors cannot be overlooked in the crafting and execution of the Government's programme.

Growth: The Pillar of Our Future Success

It is clear, then, that the path forward hinges on one fundamental element: **growth**.

Indeed, growth will be the **driving force** that enables us to meet the ambitious objectives outlined in the Government Programme 2025-2029 and address the fundamental needs of our people.

Growth is far more than a mere economic indicator, it is the base upon which all other aspirations are constructed.

Growth, **and only growth**, will allow us to:

- Boost our economy and create **quality jobs** while providing **market opportunities** for all,
- Consolidate our industries and enhance the **export of goods and services**, reducing the **trade deficit** and strengthening our fiscal health,
- Improve the attractiveness of Mauritius as a destination for **foreign direct investment (FDI)**, thereby alleviating pressure on **foreign exchange reserves**,
- Build **financial and fiscal buffers** that will allow us to better respond to future external shocks,
- Invest in **education, healthcare, infrastructure, and technology**, thereby enhancing our socio-economic fabric,
- Enable market forces to drive **enterprise growth**, allowing businesses to innovate, invest, and meet the aspirations of their employees, while safeguarding **purchasing power** for all citizens.

This growth, however, must be achieved within the context of **global uncertainties** and **external pressures**. We must navigate these challenges with **agility and foresight**, all while ensuring that **market**

forces remain the primary drivers of innovation, competition, and productivity.

We, **all together**, must create an environment conducive to business success, built on the principles of **open markets, regulatory transparency**, and a long-term vision grounded in **stability and predictability**.

We must ensure that regulations serve as enablers rather than barriers, striking a careful balance that protects consumers while allowing businesses the freedom to innovate and compete effectively.

The Global Economic Landscape

Ladies and Gentlemen

In order to fully understand Mauritius' position within the broader global economic context, it is imperative to consider the macroeconomic trends forecasted for the global economy.

According to the International Monetary Fund's World Economic Update published in January 2025, **global growth is projected at a modest 3.3% for both 2025 and 2026**, which falls short of the historical average growth rate of **3.7% observed from 2000 to 2019**. This subdued growth trajectory is largely attributed to persistent global uncertainties, including **ongoing trade disruptions, inflationary pressures**, and **geopolitical instability**, which continue to hamper robust economic expansion worldwide.

In this report, the IMF outlines several critical policy priorities for countries to consider as they navigate these challenging times. These priorities include namely:

i. Balancing the delicate **trade-offs** between inflation control and stimulating real economic activity,

- ii. Rebuilding **fiscal buffers** to ensure resilience against external shocks,
- iii. Implementing **structural reforms** that will raise medium-term growth prospects, and
- iv. Strengthening **multilateral cooperation** to address the increasingly interconnected and complex global challenges we face.

The IMF expects global inflation to gradually decrease to 4.2% in 2025 and 3.5% in 2026, as inflationary pressures ease, especially in advanced economies.

However, emerging markets may still face inflation for a longer time due to the lasting effects of past economic disruptions. Wage increases and their ongoing impact are also contributing to inflation. These factors, along with regional conflicts, supply chain issues, and other global uncertainties, will likely require careful monetary and fiscal policies to maintain stability.

The economic outlook varies across regions.

In the USA, strong economic recovery may continue, but uncertain trade policies could disrupt global trade and economic stability.

In China, exports are still positive, but consumption is slowing down, the property market is weak, and consumer confidence is delayed. India is also seeing a sharper-than-expected slowdown in industrial activity, reducing growth prospects.

In Europe, growth remains slow, worsened by geopolitical tensions and unresolved conflicts. On the trade front, global trade is expected to decrease in 2025 and 2026 due to rising trade policy uncertainties, which could harm trade-dependent businesses. Furthermore, businesses are rushing to complete trades before possible disruptions, which may hurt long-term trade flows. This growing uncertainty could challenge countries like Mauritius that rely on international trade as global conditions continue to change.

Ladies and Gentlemen

The Mauritian Economy: Challenges and Prospects

On the domestic front, the Bank of Mauritius expects the economy to grow by 5.1% in 2024, mainly driven by sectors like construction, financial services, and retail. However, growth is predicted to slow down to 3.5-4% in 2025, primarily due to Government-led infrastructure projects.

While sectors like financial services and ICT are likely to continue growing with new plans and stronger promotion efforts, some sectors face potential challenges.

Manufacturing, for example, is struggling, with declines in production in textiles and sugar, while the real estate sector is affected by higher interest rates. This shows that while the economy is on a positive path, there are still significant risks.

Despite a 2% inflation rate in February 2025, the IMF remains cautious, warning that supply disruptions, geopolitical tensions, and climate change could lead to price increases in the near future.

Additionally, international factors like Mauritius's credit rating from Moody's and reports like the World Bank's Be-Ready Report will be crucial in shaping our global economic standing. Rebuilding our international reputation is essential, as these ratings affect our ability to attract investment, manage debt, and maintain financial stability.

Regaining confidence in these institutions will be key to getting the economy back on track

Ladies and Gentlemen

Key Questions for the Future

Given these challenges, a key question arises: **How can we balance our goals of economic growth, a better welfare system, modern infrastructure, improved purchasing power, and the need to manage national finances while building resilience?**

In this complex situation, we must stay focused on one key goal: **sustained growth**. Without growth, we won't be able to improve public finances or ensure long-term economic stability, which is essential to:

- Address urgent issues like long hospital waiting lists and improve our healthcare facilities,
- Increase public safety,
- Improve the standard of living for our elderly citizens,
- Meet our climate goals, which will require significant investment,
- Improve the lives of everyday working people,
- Foster thriving businesses that create wealth, jobs, and new opportunities for us, our children, and future generations.

Our success will be measured by how much better off working people are. To achieve this, we must be bold in tackling the right issues and working together to find solutions.

The Path to Economic Revival

Ladies and Gentlemen

To revive our economy with sustained growth and meet the aspirations of all citizens, we, at the MCCI, believe in a strategic and balanced approach:

First, Enabling Regulations: Instead of stifling regulations, we need rules that empower businesses to grow and innovate. While price controls and mark-ups may be useful in a crisis, they know that they

hinder competition and innovation in the long-term. A free market, driven by competition, will lead to more affordable and compliant goods, products of better quality, and will give more choice to consumers.

Second, Resource Planning and Human Capital: We need a long-term plan to make the most of our resources, particularly human capital. Our people are our greatest asset, and we must focus on developing a skilled, motivated workforce. A strategic approach to human capital, including a streamlined migration framework, will help us unlock our full potential and create an environment where talent thrives, boosting both economic and social progress. We must also optimize financial resources to support impactful initiatives.

Third, Infrastructure Investment: Bold decisions are needed to develop infrastructure that boosts GDP, attracts investment, and facilitates trade. For example, re-positioning the Port of Mauritius as the most competitive one in the region is not only a matter of business opportunity but a trade and investment imperative. While we commend this Government swift action in steering port performance back to normality -- the normality is unfortunately not enough in a context of strong regional competitiveness. This will require substantial investment in new facilities and equipment. Public-Private Partnerships (PPPs) can help drive these initiatives.

Fourth, Long-term Certainty: Predictability and long-term visibility are crucial. The MCCI advocates for Regulatory Impact Assessments (RIAs), which evaluate the potential effects of regulations before implementation. This helps avoid disruptions, promotes transparency, and ensures consistency.

Fifth, Fostering Business Growth: Despite a smaller market, we must support investments that encourage business growth. Many businesses have made significant investments to introduce international brands to the local market, bringing with them cutting-edge technologies and expertise.

These investments not only contribute to the local economy but also ensure that these brands are fully compliant with international standards and regulations. This guarantees the availability of genuine, high-quality products that meet international safety norms, providing both local consumers and tourists with reliable, authentic goods--- free from counterfeits.

By protecting and nurturing these investments, we can enhance the attractiveness of Mauritius as a business destination while safeguarding the integrity of our market.

Sixth, Inclusive Growth and Supporting SMEs: Small and Medium Enterprises (SMEs) are vital to our economy, providing 60% of employment. This is also reflective of the MCCI's membership where about 60% of our members comprises of SMEs both in the goods and services segment. The impact of last year's sharp increases in most input costs, make it essential that, together, we focus our attention on this business base which when adequately supported shall be the backbone of our economy.

During my tenure as president, we launched the ICC One Click Platform to facilitate trade for SMEs and enabling networking with an international structure of more than 45 million companies and we also delivered on the Xport Accelerator programme where we provided, with the support of the United Nations Development Programme (UNDP), a full-fledged companionship from product branding, business re-engineering, market research and sale. The MCCI is also working on delivering through GS1 Mauritius Ltd a seamless compliance and marketing tool for exports under the branding tagline 'A Piece of Paradise'.

We know, though, that this is not enough.

We will need to review the cost and ease of doing business for SMEs, facilitate access to finance, better disseminate information on market opportunities, support capacity building and open doors for strategic

alliances for business innovation and drive competitiveness. We look forward to delivering on this pledge together with relevant ministries.

Seven, Strengthening Existing Industries: Our core sectors—manufacturing, agriculture, tourism, and services—are the foundation of our economy. We must implement policies that enhance productivity, efficiency, and innovation in these industries to ensure they remain competitive. By strengthening these sectors, we can create a more stable, sustainable economy.

Eight, Economic Diplomacy: We must continue building strong global relationships to secure trade agreements, open new markets, and unlock opportunities for businesses. The MCCI, being a member of key regional networks like SADC, COMESA, and the Africa Business Council, plays and will continue to play a crucial role in economic diplomacy,

We also have numerous MoU with global Chambers of Commerce, and participate in initiatives like B20, AfCFTA Private Sector Platform, and the SADC Trade, Investment and Technology Platform.

These strategic relationships position Mauritius as a trusted hub for international trade and investment while creating tangible opportunities for our business community. Our Joint Business Councils with partners in Asia, Europe, and emerging markets also facilitate bilateral trade and investment flows. This comprehensive network of international connections ensures that Mauritian businesses, with the help of the MCCI, can access global opportunities and navigate the complexities of international commerce.

Finally, Economic Diversification: Diversifying our economy is essential to reduce reliance on traditional sectors and build a more resilient economy. While our traditional sectors have and continue to serve us well, we must look beyond them and explore emerging industries that will drive growth in the coming decades.

By diversifying our economy, we can reduce dependency on any one industry, minimise vulnerabilities to external shocks, and foster a more dynamic and adaptable economic environment.

Embracing new industries will also allow us to align with global trends and address the evolving needs of a modern, sustainable economy, ensuring Mauritius remains competitive in the face of future challenges.

Mesdames et Messieurs,

Soutenons nos entreprises locales, nos entrepreneurs, et donnons à nos jeunes les moyens de réussir. Ensemble, nous avons le pouvoir de renforcer notre compétitivité, de diversifier notre économie et de saisir les opportunités mondiales tout en préservant notre stabilité interne.

Les entreprises doivent être au cœur de notre vision.

Offrons-leur un environnement propice à l'innovation, à l'investissement et à la croissance.

Travaillons et adoptons des politiques qui favorisent l'industrie, garantissant ainsi un avenir stable et durable.

Parallèlement, mettons l'accent sur une éducation de qualité, des infrastructures modernes et une main-d'œuvre compétente et prête à relever les défis de demain.

Unis en tant que nation, nous pouvons propulser nos entreprises, stimuler notre croissance et offrir à chaque Mauricien un avenir radieux et prospère.

Vous l'aurez compris, je vous propose donc de coopérer étroitement et de passer à l'action !

Merci

