ANNUAL REPORT
FINANCIAL YEAR
2017 - 2018

“Make your own waves”

Ministry of Business, Enterprise and Cooperatives
(Business and Enterprise Division)
About this Report

This 2nd Annual Report 2017-2018 issued by the Business and Enterprise Division (BED) of the Ministry of Business, Enterprise and Cooperatives is in accordance with the Guidelines established by the Ministry of Finance and Economic Development.

Performance evaluation and reporting is a prerequisite for an effective and efficient decision making in the public service, allowing BED to set out clearly its priorities and monitor progress, output and outcomes. We strongly believe in the core principles of good governance namely transparency, sound financial management, accountability and ethics.

This Report gives a broad overview of the main activities and initiatives undertaken during the financial year 2017/18 and enables us to:

- assess resource utilisation;
- monitor our performance with respect to our mandate, vision and mission; and
- disseminate information to our stakeholders and general public.

BED is fully committed to providing staunch support to SMEs with a view to making this sector the backbone of the economy. It acts as a facilitator and catalyst in the promotion, development and growth of a competitive and innovative SME community in line with Government’s vision 2030 where SMEs are expected to assume a more impactful role in the economy, not only as an enabler but as a key driver of inclusive and balanced growth.

The Report captures four main components namely the vision, mission and functions of the Division, its accomplishments together with its financial performance and proposed way forward.

We hope that this comprehensive Report would be interesting, informative and useful to our readers.
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1.

About the Division
“If you are working on something that you really care about, you don’t have to be pushed. The vision pulls you.”

*Steve Jobs*
1.0 Strategic Ladder

Our Strategic Ladder

Our Vision

Develop a strong, diversified, competitive, resilient and innovative business and enterprise sector, operating in a sustainable environment

Strategies

- SME Financing
- Promotion of local SME products
- Development of Export Capacity for SMEs
- International Collaboration in SME sector
- Clustering of SMEs
- Identifying new inclusive and green growth for SMEs
- Equipping SMEs with the right skills to run their businesses effectively

Our Mission

- Provide appropriate technical, professional and managerial support to businesses to enhance economic growth and sustainable development
- Act as facilitator and catalyst in the promotion, development and growth of a competitive and innovative SME sector

Actions

- Implementation of the 10-Year SME Master Plan
- Introduction of new regulation: SME Act 2017
- Setting up of SME Registration Unit
- Phasing out of SMEDA and setting up of SME Mauritius
- SME Financing through SME Development Certificate Scheme
- Development and introduction of an authentic Hologram for SMEs
- SME Refund Scheme for participation in international Fairs
According to the African Economic Outlook Report 2018, published by the African Development Bank, the medium to long-term growth prospects for Mauritius are positive as key sectoral growth drivers are expected to continue performing well. A favourable business environment and recently adopted business-friendly regulations, such as the Business Facilitation Act, are expected to consolidate the economy.

With a contribution of about 40% to Mauritius’ GDP and representing 54.6% of total employment, SMEs are expected to become a major pillar of the economy. However, in a globalised world, there are new opportunities as well as new challenges.

With a view to implementing the appropriate policy decisions and to adopt the right strategies, my Ministry commissioned a 10-year SME Master Plan which was launched in 2017. This Master Plan is meant to be a Game Changer in the economic development scenario of Mauritius by advocating a much-needed structural transformation of the SME sector in response to headwinds.

Some of our main targets by 2026 are to raise SMEs’ contribution to GDP from 40% to 52%; increase SMEs’ share of total national employment from 54.6% to 64% and to expand current exports from less than 3% to about 18%. Hence, in line with the recommendations of the Master Plan, in replacement of the Small and Medium Enterprises Development Authority (SMEDA), a new support institution for SMEs: the SME Mauritius has been set up after a new law has been passed.

This major change is not only a move for a courageous shift, but it also paves the way forward for a constructive reform for the SME sector by providing a better system of governance and doing away with bureaucratic inefficiencies. SME Mauritius is fully geared to provide support and advice in the fields of enterprise development and is currently operating several schemes to assist SMEs in having access to finances, new technologies and markets. As per the new SME Act 2017, there has also been a complete revamp of the registration process and support mechanisms to SMEs through the setting up of an SME Registration Unit within the Ministry.

Successive budgets prepared by the Government since 2015 have positioned SMEs as main drivers of inclusive and balanced growth. My aim is to build a dynamic entrepreneurial ecosystem whereby SMEs emerge as key instruments in achieving socio-economic prosperity. My Ministry remains therefore committed to formulate the necessary policies to:

- improve SME competitiveness;
- foster high growth potential SMEs;
- upgrade skills and job opportunities;
- improve value addition; and
- increase market share.

Hon. Soomilduth Bholah
Minister of Business, Enterprise and Cooperatives
I am pleased to present the 2nd issue of the Annual Report of the Business and Enterprise Division of the Ministry for the Financial Year 2017-2018 which bears testimony to our commitment to innovate at all levels in whatever we undertake, as a team.

Over the period under review, in carrying out the core requirements of our mission, we have made a quantum leap in promoting a new approach to developing the SME sector, bringing in an unprecedented institutional reform as well as focusing our interventions on inclusiveness and sustainability to make SMEs the driving and reliable force for economic growth and diversification.

Our landmark achievements reside in the passing of a new legislation – the Small and Medium Enterprises Act 2017 – which repealed the Small and Medium Enterprises Development Authority (SMEDA) Act, hence the ceasing of the operation of the SMEDA, the setting-up of SME Mauritius, a Government-owned company incorporated and registered under the Companies Act, which took over the functions of the defunct SMEDA, and the setting-up of an SME Registration Unit within the Ministry for the registration of SMEs.

It was not an easy task. We managed to sail through the uneven tide and achieved our objectives. Looking in the feedback loop, we cannot but feel proud of having moved from a traditional approach to an innovative concept that brings in a strengthened enabling institutional support facilitating the development of SMEs. We took up the challenge and we made it!

Our action is also based on a multi-stakeholder partnership, creating the right synergies and conditions in steering entrepreneurship development. Under the close guidance of our political master, we set the move for a unified approach in carving and facilitating the growth of the SME sector. This can be witnessed by the number of schemes that were launched to assist entrepreneurs to develop further their businesses. These include Marketing Support (Barcode), SME Grant for Web Design and Development (Communication and Visibility – Online Presence), SME Partnership Programme – Technology and Skills Transfer (Inclusive Business), SME Mentoring Programme, and the Solar Photovoltaic Rebate Scheme for SMEs. All these initiatives stem from the recommendations of the key actions mentioned in the 10-Year Master Plan for the SME Sector. We have implemented nearly 17% of the recommendations within less than two years. More to come during the course of this financial year.

Through our numerous focused activities, such as workshops and fora, consultative meetings, SMEs sensitization and outreach programmes, visits to entrepreneurs, and network linkages with key public and private institutions, we set the pace for a greater mobilization of all partners and resources to achieve an inclusive and sustainable entrepreneurial development.

Our innovative model is aligned with the national development agenda which is to make Mauritius a nation of entrepreneurs, supporting fully start-ups and concurrently focusing on sectors with high growth potential for them to move to the next level.
In line with our strategic objective of facilitating the emergence of a new breed of entrepreneurs in the different priority sectors of the economy, we put in more effort to market the Small and Medium Enterprise Development Scheme Certificate (SMEDSC) which attracted a number of 117 applicants during the Financial Year 2017-2018. It is encouraging to note that 60 SMEDSC have been issued for a total loan amount of Rs 149M, impacting positively on investment and employment. We intend to continue reaching out to interested individuals and leveraging on bank and other financing institutions for SME development.

Developing a proper marketing and export strategy for entrepreneurs has also been our concern. In this respect, we partnered with the Ministry of Foreign Affairs, Regional Integration and International Trade for the implementation of the TradeCom II EU-funded project, aimed at enhancing export capability of some 40 SMEs. The assistance of SADC has also been sought to lend support to our endeavour to promote the export-readiness of our SME products. We are encouraging our SMEs to open up to and explore the regional and international markets, thus unlocking their potentials.

To end, may I stress that guided by our principles to do things differently, and our motto to ‘Think Big and Achieve Greatness’, we are looking forward to developing new programmes and schemes, and creating an enabling business environment that will help to scale up business ideas of start-ups, and leapfrog in the development of sustainable enterprise.

Whatever we have achieved to-day goes to the credit of one and all, as a unique team, and it is only through creative disruption that we can excel in whatever we do.

V. A Putchay
Permanent Secretary
Minister of Business, Enterprise and Cooperatives
(Business and Enterprise Division)
1.1 The Ministry of Business, Enterprise and Cooperatives

1.1.1 Roles and Functions of the Business and Enterprise Division

The Ministry of Business, Enterprise and Cooperatives comprises two main Divisions, namely the Business and Enterprise Division (BED) and Cooperatives Division. The main activities of the Ministry revolve around formulation of policies pertaining to Micro, Small and Medium Enterprises and Cooperatives.

BED acts as a facilitator and catalyst in the promotion, development and growth of a competitive and innovative SME sector by creating the appropriate framework through mentoring, coaching and provision of adequate business development support and incentives.

The strategic objectives of the Division are fulfilled through its two executive arms, namely the SME Registration Unit and SME Mauritius.

![Figure 2: Strategic Arms of BED](image-url)
1.1.2 Functions of BED

The key functions are summarized in figure 3 below:

- Devise, formulate, review and implement strategic policies relating to SMEs
- Identify projects/programmes/activities for the development and promotion of SMEs
- Facilitate and coordinate research relating to development of SMEs through data analytics and site visits
- Facilitate access to financial resources and other productive resources for SMEs
- Coordinate with other supporting partners and stakeholders in the fulfillment of its objectives
- Facilitate networking among SMEs and development of linkages between large enterprises and SMEs
- Collaborate with other local and international agencies dealing with SMEs for their development through Capacity Building Programmes
- Assist and implement initiatives of public sector agencies
- Collaborate in entrepreneurship activities carried out by public sector agencies and the private sector

Figure 3: Key functions of BED
1.1.3 Gender Statement

In line with the National Gender Policy Framework 2008 and International Conventions to which Mauritius is a signatory party, BED reconstituted its Gender Cell in June 2016 and came up with its Gender Policy Statement in January 2017, duly signed by the Supervising Officer and distributed to each and every officer. This statement acts as a framework for accountability and for implementation of appropriate actions in achieving women empowerment through gender equality and mainstreaming.

The Gender Cell has till date met on 12 occasions and effectively communicated the importance of gender mainstreaming to all staff. The Gender Cell will continue to remain at the forefront in overseeing gender issues and ensuring that all activities/programmes are gender sensitive.

**Gender Cell Committee**

- Females: 87.5%
- Males: 12.5%

**Gender Staffing Proportion**

- Women: 60%
- Men: 40%

*Figure 4: Gender Cell Committee  Figure 5: Gender Staffing Proportion*
1.1.3.1 Gender Distribution in the SME Sector

Among the 772 SMEs registered at the SME Registration Unit since February 2018, 50% of them are active women entrepreneurs. It is to be noted that women have equal access to all schemes, facilities, and business development services offered by BED.

1.1.4 Our People

BED comprises six strategic sections as illustrated in figure 6 below:

![Figure 6: Strategic Sections of BED](image-url)
The Permanent Secretary is the Administrative Head of BED. He is assisted in his functions and duties by one Deputy Permanent Secretary, one Assistant Permanent Secretary and officers from other cadres namely: Analyst, Human Resource Management, Financial Operations, Procurement and Supply as well as officers belonging to the General Service. He is responsible for overall administration and general supervision of the Division.

Our workforce is fully committed to overcoming challenges and to meeting various set targets in line with Government Programme 2015-2019, Vision Statement 2030 and budgetary measures for the promotion and development of the SME sector.
### Table 1: The Strategic Team of BED

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hon Soomilduth Bholah</td>
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<td><a href="mailto:sbholah@govmu.org">sbholah@govmu.org</a></td>
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<tr>
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<tr>
<td><strong>Administration</strong></td>
<td></td>
<td></td>
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<tr>
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<tr>
<td><strong>Technical Section</strong></td>
<td></td>
<td></td>
</tr>
<tr>
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<tr>
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<tr>
<td><strong>HR Section</strong></td>
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<td></td>
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<tr>
<td><strong>Finance Section</strong></td>
<td></td>
<td></td>
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<tr>
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<td>Mrs Jaysreebhaye Devjee</td>
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<tr>
<td><strong>Procurement &amp; Supply Section</strong></td>
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<tr>
<td>Mrs Catherine Laridon</td>
<td>Procurement Supply Officer/Senior Procurement Supply Officer</td>
<td>claridon.govmu.org</td>
</tr>
<tr>
<td><strong>Office Accommodation and Transport Section</strong></td>
<td></td>
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</tr>
<tr>
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</tr>
<tr>
<td><strong>Registry</strong></td>
<td></td>
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<tr>
<td>Mrs Lalita Bundhooa</td>
<td>Office Management Assistant</td>
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</tr>
<tr>
<td><strong>SME Registration Unit</strong></td>
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<tr>
<td>Mr Chi Ng Leong Chi Kam Chun</td>
<td>Assistant Manager</td>
<td><a href="mailto:c-chi-kam-chun@govmu.org">c-chi-kam-chun@govmu.org</a></td>
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<tr>
<td>Mr Lorgapragassen Sornum</td>
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<td><a href="mailto:lornum@govmu.org">lornum@govmu.org</a></td>
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<tr>
<td>Mrs Bhooneshwaree Bhundoo</td>
<td>Business Development Officer</td>
<td><a href="mailto:bbhundoo@govmu.org">bbhundoo@govmu.org</a></td>
</tr>
<tr>
<td>Mr Soobeeraj Nowbutsing</td>
<td>Business Development Officer</td>
<td><a href="mailto:snowbutsing@govmu.org">snowbutsing@govmu.org</a></td>
</tr>
</tbody>
</table>
At the Business and Enterprise Division, we value the individuality of our employees, it is not only the staff who win, but the system wins too, and wins bigger than ever.

BED comprises 62 personnel. Below is a breakdown of our workforce as at 30 June 2018.
Table 2: Statement of Vacancies as at 30 June 2018

<table>
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<tr>
<th>S/N</th>
<th>Grade</th>
<th>No. on Establishment</th>
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<td>2</td>
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<tr>
<td>4</td>
<td>Analyst/Senior Analyst</td>
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<td>-</td>
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<td>2</td>
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<tr>
<td>5</td>
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<tr>
<td>6</td>
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<tr>
<td>7</td>
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<td>Business Development Officer (Personal)</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>23</td>
<td>Senior Extension Officer (Personal)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>24</td>
<td>Extension Officer (Personal)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>25</td>
<td>Executive Officer (Personal)</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>Senior Clerk/ Word Processing Operator (Personal)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>27</td>
<td>Clerical Officer/ Higher Clerical Officer (Personal)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>28</td>
<td>Receptionist/ Word Processing Operator (Personal)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>29</td>
<td>Driver/ Office Attendant</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>30</td>
<td>Office Attendant</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
<td><strong>49</strong></td>
<td><strong>9</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>
1.1.4.3 ORGANISATIONAL CHART

The Organisation Structure of BED as at 30 June 2018 is as follows:

![Organisational Chart]

**Figure 10**: Organisational chart of the BED
The Human Resource Section

The Human Resource (HR) Section is the vital part of the organisation. The HR team is responsible for diverse HR aspects of its employees from recruitment to retirement including continuous development and improvement in their performance. Accordingly, the HR section ensures that the human resource needs, in terms of quality and quantity, are in line with the targets and strategies of the Division by providing the necessary training to increase the employees’ abilities and skills as well as increasing positive attitudes and commitment towards their work.

![Figure 11: HR Section of BED](image)

Training and Development

Qualification does not guarantee that the right person is in the right place. It is through training and development that an officer is moulded to become polyvalent, efficient and productive. Training and Development (T&D) is a very important element in ensuring increase in productivity and higher employee engagement.

It is in this context that T&D has been included as a major component of the Public Sector Business – Action Plan of BED and consequently a Training Needs Committee (TNC) was set up in May 2018, in order to identify the appropriate training requirement using Performance Management System as an important tool.
The Committee also ensures that all eligible officers are given equal opportunity to attend training programmes taking into consideration the recommendation of PRB Report 2016 which stipulates that officers should be provided training as follows:

**Table 3: Training and Development for FY 2017/18**

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>Hours of training per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers of Workmen’s group</td>
<td>40</td>
</tr>
<tr>
<td>Clerical, Executive and Technical</td>
<td>45</td>
</tr>
<tr>
<td>Administrative, Professional and above</td>
<td>60</td>
</tr>
</tbody>
</table>

During the financial year 2017/2018, the training courses attended by officers of this Division are shown below:

**Figure 12: Statistics on Training attended by Officers for FY 2017/18**
1.1.5 Equal Opportunity Policy

The Equal Opportunity Commission, under Section 27(3)(f) of the Equal Opportunities Act 2008, has issued Guidelines and Codes for the avoidance of discrimination in the field of employment. Section 9 of the Act provides that every employer needs to draw up and apply an Equal Opportunity Policy at his/her place of work, with a view to minimizing the risks of discrimination and promoting recruitment, training, selection and employment on the basis of merit. In line with the Act, BED prepared its Equal Opportunity Policy which was endorsed by the Permanent Secretary and issued to each and every officer on 30 May 2018.

1.1.6 Staff Welfare

Our Staff Welfare Association is registered with the Registrar of Association since 13 September 2013. It is affiliated with the Public Officers’ Welfare Council (POWC). As at date, there are some 25 members who contribute towards the organization of various activities including, Team Building, participation in National POWC Kermesse, Football, Scrabble, Domino Competition amongst others.

1.1.6.1 Best Employee Award 2017

BED organised its Team Building exercise in December 2017, whereby it awarded its Best Employee of the year to Mr Abdool Nasser Rasmally, Office Management Executive (OME).

Mr Nasser Rasmally joined the public service on 16th July 1979 as Medical Records Assistant and gradually climbed the ladder to Clerical Officer on 13th February 1981. Subsequently, he was promoted as Executive Officer on 1st July 1987 and Higher Executive Officer on 1st July 2000 and was posted to this Division on 19th June 2013 as OME.

He possesses good interpersonal, communication and leadership skills and has the ability to adapt to different work situations.
2. Achievements
“Optimism is the faith that leads to achievement.”
Helen Keller
2.1 Major Achievements for Fiscal Year 2017-2018

2.1.1 SME Act 2017 and Creation of SME Mauritius Ltd

The SME Act 2017 was proclaimed on 18 January 2018 to provide for the repeal of the Small and Medium Enterprises Development Authority (SMEDA) Act following the incorporation of SME Mauritius, and the process for the registration of small and medium enterprises.

SME Mauritius, a wholly-owned Government Company was incorporated on 14 July 2017 to replace SMEDA. It operates under the aegis of BED, having as main objectives, the promotion and development of entrepreneurship and providing the necessary support and assistance to micro, small and medium enterprises in the Republic of Mauritius. The functions of SME Mauritius are as follows:

Figure 13: Functions of SME Mauritius
The SME Registration Unit was set up within BED following the proclamation of the SME Act on 18 January 2018. The main services of this Unit comprise, *inter alia*, the following:

**Figure 14: Services provided by SME Registration Unit**

1. **Registration and issue/renewal of Registration Certificate to SMEs**
2. **Provide support and information to facilitate obtaining of any registration, permit, licence, authorization or clearance which an enterprise may require**
3. **Monitor performance and growth of SMEs and effect site visits to SMEs**
4. **Regular updating and analysis of statistics on registered SMEs**
2.1.2 SME Registration Unit

The SME Registration Unit was set up within BED following the proclamation of the SME Act on 18 January 2018. The main services of this Unit comprise, inter alia, the following:

- Figure 14: Services provided by SME Registration Unit

2.1.3 Training Programmes for SMEs

In the fiscal year 2017/18, 132 entrepreneurs participated in various training programmes for SMEs on different courses ranging from financial planning, tender preparation, import and export procedures to Quality Standards, Marketing and Branding.

2.1.4 Participation in International Fairs

The SME Refund Scheme for international fairs aims at providing grant up to Rs 200,000 annually to SMEs to fund their participation in such fairs.

- 260 applications for a total sum of Rs 19M were approved for FY 2018/19.

2.1.5 Sensitisation Campaigns

Further to the diverse training programmes directed towards SMEs, regular sensitisation campaigns were organised throughout the island to provide potential entrepreneurs with the necessary information to kick-start their businesses. The events were carried out in different places across the island, namely in Social Welfare Centres, Community Centres, CAB Offices and Universities.

- 4,200 participants benefitted from such Campaigns.
2.1.6 Trade Fairs

Trade fairs represent an appropriate platform for SMEs operating in diverse sectors to showcase, promote and sell their products to individuals/corporate buyers as well as the visiting tourists.

More than 20,000 visitors were attracted at such a fair organised from 08th to 12th November 2017 at Kendra, St Pierre.

2.1.7 Other Market Awareness Campaigns

These Campaigns are fundamental for the growth of our SMEs as the latter are well informed on issues relating to trade barriers, trade agreements, regional cooperation and trade, including the legal aspects of importing and exporting of goods and services.

Over 500 SMEs were sensitised on Export Promotion Programme and any other Campaigns.

2.1.8 Workshops for SMEs

In line with Government’s commitment to promote economic empowerment of women, an Entrepreneurship Expresso was organized in March 2018 for some 120 potential and existing women entrepreneurs. The aim of the workshop was to act as a networking platform to build and sustain successful enterprises.

In April 2018, a two-day workshop on charting a Leather Strategy for Mauritius was organised with the collaboration of three (3) Consultants from the COMESA and the Africa Leather and Leather Products Institute (ALLPI). The development of this National Strategy was of high importance to revamp the leather sub-sector and access targeted niche markets.

In the context of positioning Mauritius as the future engine of green economic growth, BED in collaboration with United Nations Partnership for Action on Green Economy (PAGE) held a forum on Green Business Development in May 2018. Some 50 participants were involved in
this interactive forum, which in turn gave them the opportunity to communicate and exchange
dialogue with the UNEP experts in sustainable procurement and SME growth.

2.1.9 Implementation of the 10-Year Master Plan for the SME Sector

“The 10-Year SME Master Plan is a game changer and the stepping stone towards
entrepreneurial vibrancy with a new landmark in the Mauritian economic panorama,
setting the stage for a new beginning for the SME sector- a new beginning for greater
heights.”

Figures 15 & 16 below show the underlying objectives and roadmap of the 10-Year Master Plan
respectively.

Figure 15: Underlying objectives of the 10-Year Master Plan
Following the official launching of the 10-Year Master Plan in March 2017, Government agreed for the setting up of a Ministerial Committee and a High Level Steering Committee for the implementation of the Master Plan. As at June 2018, the High Level Steering Committee under the chairmanship of the Permanent Secretary, met on 5 occasions with a view to examining those recommendations that could be implemented in the very near future and to work out the funding requirements thereto. As at June 2018, over 50% of the overall recommendations have been initiated and some 17% have been implemented.

Five (5) Schemes, all in line with the Master Plan were formulated and launched in February 2018 for the betterment and enhancement of our SMEs, which are described in figure 17.
A strategically developed website and online presence solution provides tremendous benefits for SMEs.

Scheme aims at assisting SMEs in developing and implementing the various tools and means for online presence and marketing. Areas of intervention include: Domain name, Website design and development, Social Media presence and Digital Marketing training.

A grant for acquiring the technical assistance of service providers for the above mentioned areas of intervention represents 80% of cost of the project up to a maximum amount of Rs 40,000.

A refund of 15% of the transaction value per annum (with a ceiling of Rs 100,000) is payable per eligible enterprise.

A one-off grant of 80% of total cost not exceeding Rs 100,000 for the installation of a solar PV installation is provided to eligible SMEs.

Scheme is a developmental partnership through which mentors/industry-experts share their lifelong acquired experience, knowledge, skills and abilities, long term perspective to foster sustainable growth for SMEs. Assistance to each SME begins with a growth diagnostic, which evaluate all key elements of the business, contributing towards increased sales and business growth.

Areas of intervention include:
- Finance and Accounting;
- Marketing;
- Operational Management; and
- Information Technology:
  - IT tools and online presence and visibility

Mentoring and Hand-Holding Programme

Technology and Skills Transfer – Inclusive Business

Access to Market – Barcode Registration

Green-Energy Promotion – Solar Photovoltaic Rebate Scheme

Communication and Visibility – Online Presence

Figure 17: Description and Eligibility Criteria of Schemes
A status report compiling all the 86 recommendations has been prepared at the level of the Division and in order to ensure that prioritized and impactful actions are being implemented, a Standing Committee has been constituted at SME Mauritius to monitor the implementation of those recommendations.

2.1.10 Schemes/ Programmes

2.1.10.1 SME Development Scheme Certificate

The SME Development Scheme Certificate was introduced since January 2016 as a comprehensive programme including fiscal and financial incentives/ facilities for the benefit of small and medium enterprises which is in line with Government objective of making SMEs the backbone of the economy.

Eligible SMEs are granted SME Development Scheme Certificates and are eligible to incentives and facilities, such as Income Tax holiday for the first 8 years and other tax concessions.

To be eligible under this scheme, an entrepreneur should meet the following criteria:

(a) (i) His/her enterprise should have been (A) incorporated as a small company under the Companies Act, or (B) formed as a Cooperative society, or
(ii) He should be issued a Business Registration Card; on or after 2 June 2015 and registered under the SME Act 2017;

(b) the project value should not exceed Rs 20 Million;

(c) the projected annual turnover should not exceed Rs 50 Million;

(d) none of the shareholders of the Company/ members of the Cooperative Society should hold interest/share in any other entity having an annual turnover at individual or group level exceeding Rs 50 Million; and

(e) the Company/ Cooperative society/Individual should be involved in any of the 7 priority sectors below:

![Figure 19: Priority sectors for the SMEDC](image-url)

Manufacturing

Handicraft

ICT and other Export Services

Aqua Culture and other added Ocean Economy related activities

Bio farming and value-added Agri-Business activities

Any other productive sectors that will create employment

Renewable and Green-Energy

Figure 19: Priority sectors for the SMEDC
The overall performance of the scheme can be depicted through the facts and figures as depicted in figure 20:

**Figure 20: Statistics on SMEDC for FY 2017/2018**

Below is the number of applications approved for SME Development Scheme Certificate given by sectors:

- **AGRI-BUSINESS**: 65
- **MANUFACTURING**: 24
- **FOOD PROCESSING (INCLUDING BAKERY AND PASTRY)**: 14
- **ICT**: 10
- **OCEAN ECONOMY**: 10
- **HANDICRAFT**: 3
- **RECYCLING/GREEN**: 1
2.1.10.2 National SME Incubator Scheme

The Government of Mauritius has put in place a wide range of support mechanism systems for the development and growth of SMEs, including start-ups. One of them is the implementation of the National SME Incubator Scheme (NSIS). The NSIS aims at setting up a sustainable entrepreneurial ecosystem in Mauritius in which Government and accredited private sector incubators work in partnership to foster the growth of innovative businesses. Other facilities which are offered under the NSIS framework are portrayed in figure 21.

BED has worked closely with the Ministry of Finance and Economic Development and Mauritius Research Council to assist such new and innovative businesses through a structured business approach namely a pre- incubation, incubation and acceleration framework.

Out of six (6) accredited incubators, three (3) are functioning and 32 incubatees have been secured.

2.1.10.3 Leasing Equipment Modernisation Scheme (LEMS)

This scheme aims at enabling SMEs to modernize their business processes and enhance their competitiveness by investing in productive equipment. Figure 22 shows the different LEMS available to SMEs.
An amount of some **Rs 72 million** has been processed by the different leasing companies for which Government guaranteed 30% on the cost of the asset for SMEs.

### 2.1.10.4 SME Factoring Scheme

The SME Factoring Scheme enables SMEs to factor their invoices, benefit from immediate cash, and hence relieve them from cash flow problems. Applications approved and amount disbursed under this scheme for financial Year 2017/2018 are summarised in Figure 23.

**Figure 22: Leasing and Modernisation Scheme (LEMS) available to SMEs**

**Figure 23: Applications approved and amount disbursed under SME Factoring Scheme**

- **23 applications approved for a sum of Rs 76.1 Million**
- **Amount disbursed: Rs 22 Million**
Table 4: Applications of SME Factoring Scheme in different sectors

<table>
<thead>
<tr>
<th>S/N</th>
<th>Sector of Activity</th>
<th>No of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Textile</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Food</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Manufacturing</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Others</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>23</td>
</tr>
</tbody>
</table>

2.1.11 Handicraft Sector

With a view to implementing some of the budgetary measures to revamp the handicraft sector, BED in collaboration with SME Mauritius, had been liaising with various institutions such as MITD, MGI and RTI. In this zeal, a six month Advanced Craftskills for artisans’ course, free of charge, was organised by SME Mauritius and MITD in October 2017. The course was an amalgamation of different handicraft fields and techniques designed to give artisans exposure to ‘new savoir faire’ from drawing techniques, painting, embroidery, engraving and jewellery making to applications of ICT and packaging techniques for them to come up with innovative, creative and value added products.

11 participants who successfully completed the course were awarded their certificate of attendance and are now ready to tread on a new adventure in this field.

110 artisans were also trained at the Handicraft Training Academy and Craft Lab on various training courses such as woodcraft, jewellery, pottery and textile decoration during the financial year 2017-2018.
2.1.12 Hologram

The hologram has been designed and developed by BED and is presently an intellectual property for SME Mauritius. It is a vital tool for recognizing genuine, local and high quality products of our SMEs in Mauritius. This project is in line with the objective of facilitating and promoting a competitive, vibrant and conducive environment for SME development as well as improving the visibility and marketability of locally manufactured products.

Figure 24 below displays the security features of the hologram.

The official launching of the hologram was held in June 2018, whereby demonstration was conducted on some 25 products.
2.1.13 Made in Moris Label

To improve the marketing of SMEs’ manufactured products, Government is contributing Rs 5,000 towards the cost of membership to the ‘Made in Moris’ Label.

Following MOU signed between SME Mauritius and AMM, 20 SMEs have adhered to this concept encompassing more than 250 brands.

2.1.14 Areas of Collaboration- MoUs signed at National and International Level

National Level

Two (2) MOUs with professional and trade related institutions such as Mauritius Chamber of Commerce and Industry and Association of Mauritian Manufacturers were signed with SME Mauritius in March 2018 for more visibility of our SMEs.

International Level

At the international level, an MOU was signed in February 2018 with the People’s Republic of China on cooperation in the field of SMEs and Cooperatives Development with a view to exploring avenues of cooperation and collaboration between Mauritius and China.

2.1.15 SME Innovation Award 2017

With a view to recognising SMEs, which have, during the last three years of their operation, brought significant innovation in terms of product or process development, BED organised an SME Innovation Award in November 2017 (SIA 2017).

The objectives of the SME Innovation Award 2017 were to:

- enhance the competitiveness and productivity of the SME sector;
- promote and reward innovative SMEs; and
- encourage local SMEs to be creative and adopt innovative practices, leading to business transformation.
The SIA 2017 were categorised as follows:

Figure 25: SME Innovation Award 2017

The Grand Winner of SIA 2017 was also selected to attend the Pitch@Palace Commonwealth event at St. James Palace further to an initiative emanating from the Duke of York, UK. This has provided a network platform for business expansion and access to new market within and outside the Commonwealth.
### 2.2 Status on Implementation of Budget Measures

Table 5 below gives an overview of the status on the different measures announced in the Budget Estimates 2017-2018:

**Table 5: Budget Measures pertaining to BED**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Budget Para</th>
<th>Budget Measures</th>
<th>Status (indicating any bottleneck and remedial action taken)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Page No. 23 Para. 154</td>
<td>An SME e-platform will be set up to provide more visibility to SME products</td>
<td><strong>Being implemented</strong></td>
</tr>
</tbody>
</table>

Following preliminary consultations with CIB and ex-SMEDA, the functional and technical specifications for the procurement of the SME Portal were drafted and finalized at the level of BED.

The said specifications were validated by the newly created SME Mauritius to ensure that its requirements were reflected therein. SME Mauritius has set up its website and Management Information System to cover the functions of the Registrar and operations of SME Mauritius. The e-platform is now being developed and would be integrated within the system.

Phase I of the project has been completed and SIL, the awarded supplier, is currently working on the implementation of the second phase of the project. Phase II will concern migration of existing database and programmes and seek alignment with SME Registration Unit. Phase II of the project is expected to be completed by November 2018.
<table>
<thead>
<tr>
<th>S/N</th>
<th>Budget Para</th>
<th>Budget Measures</th>
<th>Status (indicating any bottleneck and remedial action taken)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Page No. 23 Para. 155</td>
<td>To further help SMEs and Cooperatives improve the marketing of their manufacturing products, Government will contribute Rs 5,000 towards the cost of membership in the &quot;Made in Moris&quot; label.</td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>An MoU was signed between Association of Mauritian Manufacturers (AMM) and SME Mauritius on 15 March 2018 with a view to helping SMEs improve the marketing of their products. AMM, NPCC and SME Mauritius are working in close collaboration to provide technical assistance to SMEs and enable quality improvement within their enterprises (systems, processes, products, services) in order to qualify on the prerequisites and be able to use the 'Made in Moris' Label. As at signature of MoU, some 20 SMEs were awarded a grant of Rs 5,000. Continuous site visits at SMEs are also being conducted to motivate more SMEs to join the label.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Page 24 Para. 163</td>
<td>Government is providing Rs 100 million over the next three years for the implementation of the 10-Year Master Plan for the SME Sector.</td>
<td>In Progress</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At the level of this Division, a High Level Steering Committee under the chairmanship of the Permanent Secretary and comprising representatives of relevant stakeholders was set up in May 2017 to monitor the implementation of recommendations and examine in detail those recommendations that could be implemented in the very near future. As at June 2018, 51% of the total recommendations have been initiated and some 17% have been implemented since its launching in March 2017, amongst others 5 schemes were launched by SME Mauritius on 15 February 2018. SME Mauritius is currently receiving and handling applications with respect to those schemes.</td>
<td></td>
</tr>
</tbody>
</table>
Para. 164

Need for a fundamental institutional reform to better support SMEs and as recommended in the 10-Year Master Plan for the SME sector, SME Mauritius will be set up to replace SMEDA

Completed

Following the proclamation of the SME Act 2017 on 18 January 2018, SMEDA was phased out and replaced by the newly created institution, SME Mauritius. There is also a Registrar of SMEs, set up under the aegis of this Ministry for registration of SMEs as well as to provide support and information to facilitate the obtention of any license, registration, permit, authorization or clearance which an enterprise may require.

Table 6: Status of Implementation of Key Actions

<table>
<thead>
<tr>
<th>Key Actions</th>
<th>Key Performance Indicator</th>
<th>Target (as per Budget Estimates)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Export Capabilities for SMEs</td>
<td>No. of SMEs successfully entering the export market</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Assisting SMEs to professionalise their services and operations through diagnosis scheme</td>
<td>No. of SMEs assisted</td>
<td>100</td>
<td>40</td>
</tr>
<tr>
<td>Assisting SMEs in technology upgrading</td>
<td>No. of SMEs assisted under LEMS</td>
<td>60</td>
<td>9</td>
</tr>
</tbody>
</table>
2.3 Risk Management, Citizen Oriented Initiatives and Good Governance

2.3.1 Audit Committee

An Audit Committee was set up at BED with the responsibility of assisting the Accounting Officer in fulfilling its oversight responsibilities for financial reporting process, system of internal control, management of financial, fraud and legal risks and internal and external audit process.

The objectives of the Audit Committee are, *inter-alia*, to:

- assist the Accounting Officer in maintaining sound control systems and in promoting good governance;
- oversee compliance with financial, administrative and procurement regulations;
- ensure that the criticisms and weaknesses levelled against Ministries and Departments by the Director of Audit, the Public Accounts Committee and the Internal Control Unit are reduced progressively; and
- assess the prevailing and future risks in BED and identify procedures that would avoid or mitigate the impact of those risks.

From January 2018 – June 2018, the Committee met on 3 occasions to consider the following:

- Action Plan devised for this Ministry with identified risk control areas and governance processes which was approved on **9 January 2018**;
- The revised Performance Contract for Calendar Year 2018 which was duly approved and signed on **4 June 2018**; and
- Internal Control Report prepared from **July 2017-December 2017**.

2.3.2 Citizen Support Portal

The Online Citizen Support Portal was launched by the Prime Minister’s Office since April 2017 to better respond to citizen’s needs. The Portal enables citizens to register their complaints/suggestions/general enquiries through unique reference number (ticket number) on a **24/7 basis**. At the level of BED, a dedicated team was set up with a view to efficiently handling and managing those cases received on the Portal. Cases referred to issues relating to SME financing, request for technical assistance, advice and procedures on business registration, amongst others. For Financial Year 2017/18, 25 cases were registered on the Portal. 18 out of those 25 cases were closed as at June 2018. The other tickets were answered but were still open due to replies/feedbacks being awaited from citizens.
FACTS AND FIGURES 2017/18

5,128 applicants seeking support and information services at SME Registration Unit

4,500 Over SMEs sensitized

1,345 Registration of SMEs

260 SMEs benefitted from participation in international fairs, with Rs19M disbursed

250 About SMEs trained

60 SMEDC Certificates issued
FACTS AND FIGURES 2017/18

Unique hologram registered for 25 handicraft products

18 cases closed on Citizen Support Portal

11 SMEs awarded during the SME Innovation Award 2017

Implementation of 5 Schemes
3. Financial Performance
“A good financial plan is a roadmap that shows us exactly how the choices we make today will affect our future.”

Alexa Van Tobel
3.1 Financial Highlights

In accordance with Budget Estimates 2017-2018, BED had 1 Vote under its control namely 18-1 for the Financial Year.

Appropriation of funds for the Division was made through the Vote.

No revenue collection is carried out by BED.

Figure 26: below provides an illustration of expenditure incurred by BED under Vote 18-1.

![Expenditure for BED- FY 2017/2018](Image)

Both the grants and compensations of employees component have shown a decrease as a percentage of total expenditure, namely by 14% and 2% respectively, as compared to last Financial Year.
3.2 Statement of Expenditure

The Statement of Expenditure has been prepared according to the data obtained from the Treasury Accounting System (TAS).

Table 7 below provides a summary of total expenditure incurred by BED under Vote 18-1 which includes Sub-Heads 18-101: General and 18-102: Business & Enterprise Development.

<table>
<thead>
<tr>
<th>Sub-Head of Expenditure</th>
<th>2017/2018 Estimates (Rs)</th>
<th>2017/2018 Actual (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-101: General</td>
<td>32,500,000</td>
<td>28,271,065</td>
</tr>
<tr>
<td>Compensation of Employees</td>
<td>16,790,000</td>
<td>16,151,420</td>
</tr>
<tr>
<td>Goods and Services</td>
<td>15,710,000</td>
<td>12,119,645</td>
</tr>
<tr>
<td>18-102: Business and Enterprise Development</td>
<td>210,100,000</td>
<td>130,209,972</td>
</tr>
<tr>
<td>Compensation of Employees</td>
<td>8,100,000</td>
<td>7,223,472</td>
</tr>
<tr>
<td>Grants(including operating cost and provision for SME schemes)</td>
<td>202,000,000</td>
<td>122,986,500</td>
</tr>
</tbody>
</table>
4. Way Forward
“Nothing is less productive than to make more efficient what should not be done at all”

Peter Drucker
4.1 Trends and Challenges

Figure 27 shows the opportunities and challenges facing BED, based on which our actions and programmes have been reshaped to ensure that we act in service for the betterment of our SMEs taking into consideration our strength, commitment and professionalism.

Figure 27: SWOT Analysis of BED

- Highly qualified, competent and well trained multi-tasking workforce
- Favourable trade agreements and MoUs with key local and international stakeholders/partners
- Solid foundation laid through implementation of the 10-Year Master Plan for the SME Sector
- Broad range of well-funded support institutions

- Complex structure leading to bureaucracy
- High inter-dependency on other key Ministries/Departments
- Financial/infrastructural constraints
- Perceived lack of communication and involvement of our SMEs
- Weak technology deployment, insufficient R&D and specific technical expertise

- Government’s full commitment to support the development of the SME sector
- Unexploited regional and international trade advantages
- Untapped linkages between different economic sectors
- A call for action in Africa, a potentially vast market
- The coming into operationalization of an effective SME Portal

- Changes in government policy including fiscal and monetary
- Factors affecting the international business climate such as global financial crisis, increase in cost of inputs, etc
- Other institutions offering business support and development services
- Risk averse entrepreneurs
- Trade liberalisation under COMESA & SADC
4.2 Strategic Direction

In line with Vision 2030, SMEs will assume a greater role in the economy not only as an enabler but also as a key driver of growth to achieve an inclusive and balanced development. Consequently, the strategic directions of BED have been defined as follows:

Figure 28: Strategic Direction for BED

1. Enhance the technological capabilities and self-management diagnosis of SMEs to raise productivity, profitability, efficiency and growth potential.

2. Inculcate entrepreneurial skills for improved technical and innovative capabilities, contributing to enterprise productivity, efficiency and competitiveness, both locally and internationally.

3. Facilitate SME development by fostering the right eco-system, appropriate institutional support framework and an enabling business environment.

4. Foster high growth potential SMEs by nurturing start-ups and supporting knowledge-based activities.

To turn SWOT analysis into actionable strategies as highlighted above, our 10-Year Master Plan for the SME sector, which was launched in March 2017 has since been acting as a stepping stone towards entrepreneurship vibrancy and has addressed the key challenges faced by our SMEs. Over the next 10 years, the Master Plan will be pivotal in building a ‘nation d’entrepreneurs’ that will bring the expected quantum leap for the sector. The ambitious targets to be reached by 2026 are as per figure 29:
The Master Plan has already set the stage for a new beginning of the SME sector through the following actionable strategies:

- Proclamation of the SME Act 2017 on 18 January 2018;
- Setting up of SME Registration Unit under the aegis of BED on 18 January 2018, which is solely responsible for the registration of SMEs along with providing support and information;
- Creation of SME Mauritius on 14 July 2017, a private Company fully owned by Government. It concentrates mainly on implementing schemes/programmes/activities based on specific enterprise, sector or industry needs;
- Recruitment of talented personnel and technical staff with industry focused experience at SME Mauritius with a view to fully support our SMEs;
- Segregation of functions and services being provided by both SME Mauritius and SME Registration Unit with a view to ensuring effective and timely service delivery for our SMEs;
- Implementation of Five (5) new schemes by SME Mauritius, all in line with the Master Plan which were formulated and launched in February 2018 for the betterment and enhancement of our SMEs.
5.

Institution under BED
5.1 SME Mauritius

SME Mauritius, which operates under BED, is a private company, wholly owned by Government and incorporated on 14th July 2017. It is shouldering the responsibilities and functions of the ex-Small and Medium Enterprises Development Authority following the proclamation of the Small and Medium Enterprises Act on 18 January 2018. Its main objectives are to promote and develop entrepreneurship and provide the necessary support and assistance to small and medium enterprises in the Republic of Mauritius.

SME Mauritius aims at meeting exigencies and realities of the SME sector as well as providing institutional support to SMEs. It also ensures the successful implementation of the 10-Year Master Plan, among others, through schemes dedicated to assisting SMEs by responding to their expectations and infusing new competitive strengths. These are: Technology and Skills Transfer-Inclusive Business, Access to Market-Barcode Registration; Mentoring and Hand-holding Programme; Green Energy Promotion-Solar Photovoltaic Rebate; and Communication and Visibility-Online Presence.

5.2 SME Mauritius Regional Offices

SME Mauritius Regional Offices are spread across the island namely at Mahebourg, Coromandel, Bel-Air and Goodlands. They have been set up to decentralise the activities of SME Mauritius and to provide facilities and services at the door-step of SMEs.

These Centres represent the appropriate platform where SMEs can interact, brainstorm and engage with professional SME Development Specialists for support and facilities. It is to be noted that assistance is also provided to Rodriguans entrepreneurs, mainly at the SME Mauritius Ltd Rodrigues office.
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