

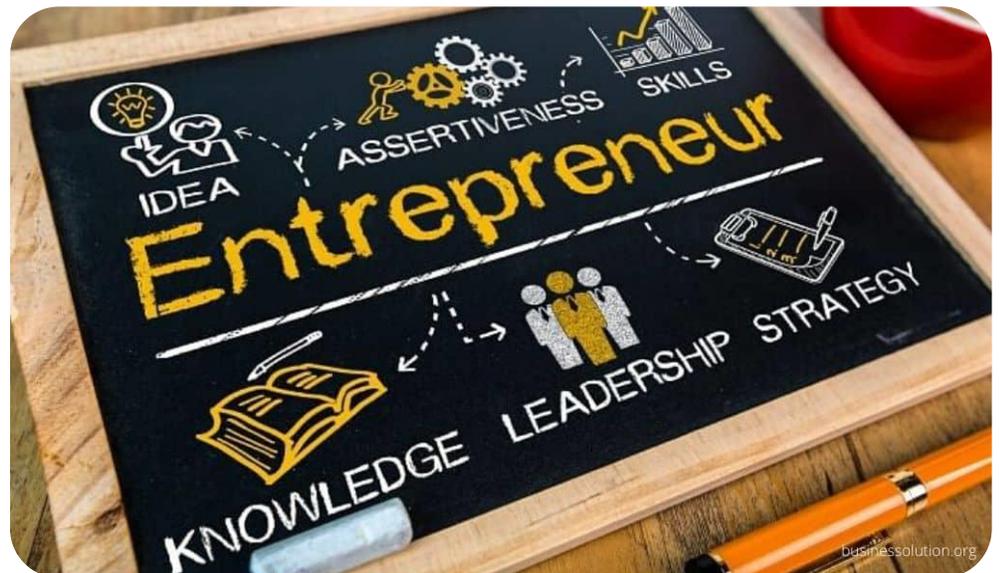
Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division)

NEWSLETTER

APRIL 2022

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“To sail forward amidst the winds of change, SMEs must adapt, pivot and transform to thrive in the new environment.”

Hon. Soomilduth Bholah

Mid-term review of the 10-Year Master Plan for SMEs in Mauritius



REVIEW AND REPRIORITISE TARGETS AND RECOMMENDATIONS

As is customary with Master Plans of this importance, a mid-term review needs to be carried out to, inter alia, come up with a current status of implementation of the Master Plan, identify and take on board new multi-dimensional and complex challenges and opportunities, assess the validity of the strategic directions set and activities recommended, in particular, the relevance of activities that have not been implemented yet. Moreover, new strategic directions and new activities are proposed in the light of new realities and priorities.

It goes without saying that global shocks, economic uncertainties, and geo-political tensions, such as the COVID-19 pandemic and the Russia-Ukraine conflict, are having wide ranging impacts on the global economy and on Mauritius as well. These elements need to be factored in the review exercise as they may have significant implications on the effective implementation of the 10-Year Master Plan that is currently being undertaken by the SMEs Division.

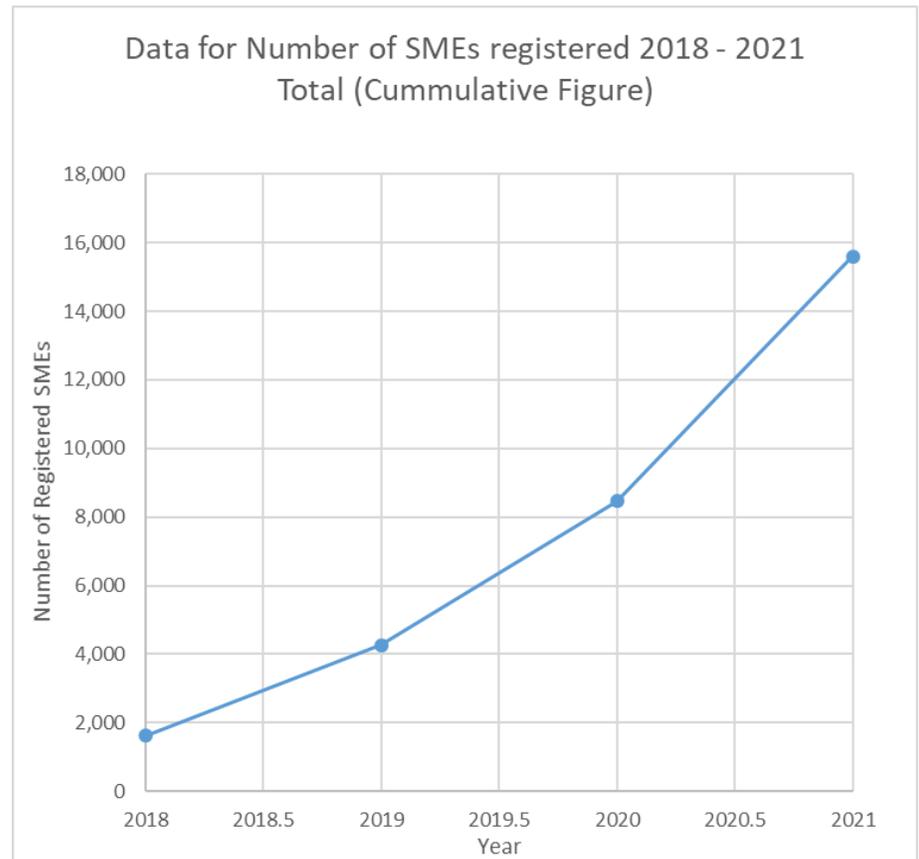
The objectives of the review are to, among others, assess and examine thoroughly the recommendations made in line with new developments, appraise and analyse the current SME landscape, including the changes in SME needs and requirements, review and reprioritise targets and recommendations, and come up with realistic, achievable and actionable targets for the remaining five years for effective implementation.

SME Registration Unit

STATISTICS

	2018	2019	2020	2021	Total
Number of visitors attended	4,906	5,356	5,637	5,968	21,867
Number of SMEs registered	1,623	2,647	4,188	7,148	15,606

There has been an increase of 70% in number of registered SMEs in 2021 compared to 2020





OBSERVATIONS ON SMEs REGISTERED IN 2021

- a. The wholesale and retail trade sector attracted the highest number of SMEs, representing about 34% of total registered SMEs. Two main reasons are:
 - Changing lifestyles and increasing demand for fast-food and agricultural products and home delivery services/e-commerce/distribution activities.
 - Such businesses are easier to manage cash flow, source inputs on credit and sell on a cash basis.
- b. The manufacturing sector came second, representing about 22 % of total registered SMEs.
- c. Third, is the service sector with an aggregate of 17 %. Activities include accounting, business consultancy, management, advertising, HRM, ICT relating activities (mobile applications/ website development) and other professional services.
- d. Construction sector (small contractors engaged in civil works, plumbing, electrical & air-conditioning, landscaping) represented some 9%.
- e. 8 % in Agriculture (mainly growing of vegetables).
- f. 67% of registered SMEs were categorised as Micro enterprises (annual turnover not exceeding Rs 2 M) and 28% as Small enterprises (annual turnover more than Rs 2 M but not more than Rs 10M).
- g. 35% of applications received were made directly by SMEs on the Online Registration portal (online.smemu.org)
- h. There has been an increase of 70% in number of registered SMEs in 2021 compared to 2020.

Diagnostic Study on the informal sector in Mauritius

DRAFT FINAL REPORT UNDER STUDY

Statistics Mauritius estimated that SMEs accounted for over one-third of Gross Value Added, nearly half of employment and around 12 per cent of domestic exports, while 38,550 (28% of all) small establishments were operating in the informal sector. Recent data seem to indicate that the informal sector is growing in Mauritius and the national accounts may not be capturing the increasing contribution of those informal SMEs which are missing out on facilities and support from the Government despite the fact that they have been severely affected by the pandemic.



It has, therefore, become imperative to carry out a full-fledge assessment of the informal sector so as to guide the policies to facilitate their transition to the formal sector. In this context, the SMEs Division has commissioned a diagnostic study on the informal sector in Mauritius to facilitate recovery with the support from the United Nations Development Programme (UNDP) in Mauritius.

The main objectives of the project are to:

- Conduct a diagnostic assessment of the informal sector, its characteristics, distribution, and its specific vulnerabilities;
- Identify the gaps between the formal and informal sectors in terms of needs and capacities;
- Identify the opportunities and challenges for formalisation (drivers and incentives); and
- Propose strategic policy and programmatic interventions to strengthen their ecosystem to facilitate the transition to the formal sector.

The consultant has submitted a draft final report which is under study.

Study to assess the potential to develop Aromatherapy, Nutraceutical and Stevia sub-sectors

CREATING BUSINESS OPPORTUNITIES FOR SMEs AND COOPERATIVES

Mauritius' rich and diverse bio-diversity may offer considerable scope for the use and development of the aromatherapeutic and nutraceutical plants/flowers as well as stevia for the benefit of SMEs and Cooperatives.



In this context, the Ministry is in the process of conducting a study to assess the potential to develop Aromatherapy, Nutraceutical and Stevia sub-sectors for creating business opportunities for SMEs and Cooperatives in the Republic of Mauritius.

Setting up of mini fruit processing plants for SMEs and Cooperatives

Massive cultivation of pineapples is currently being undertaken by Co-operative Societies as well individual farmers. While some of the pineapples are being directed towards exports, the surpluses can be transformed by SMEs into value addition products through appropriate use of technologies and machineries as recommended in the Report on the "Setting up of a Mini Fruit Processing Plant in Mauritius" commissioned by the SMEs Division in 2019.

In this context, the SMEs Division has invited Expressions of Interest from existing and/or potential Small and Medium Enterprises (SMEs)/Cooperative Societies willing to set up Mini Fruit Processing Plants.

This project is in line with the Import Substitution Strategy to boost up local production and decrease the import of consumables. Under the Scheme, a financial grant of 50 percent (up to a maximum grant of Rs One Million) would be provided to SMEs/ Cooperative Societies, to cover the cost of equipment and machinery procured to set up the Plant.

Grooming for women entrepreneurs

INTERNATIONAL WOMEN'S DAY

In order to celebrate the contribution of women to the cause of entrepreneurship and to honour their important role in the development of the national economy, the Minister of Industrial Development, SMEs and Cooperatives attended a workshop organised by SME Mauritius Ltd on the theme 'Grooming for Women Entrepreneurs' on 8th March 2022 at Caudan Art Centre.



On the same day participants from Grooming and Pastry training at Rose Belle and Bel Air Outstations received their certificates. Furthermore, women who have benefitted from schemes of SME Mauritius Ltd also received their agreement letter.



In his message, Hon. S. Bholah congratulated women entrepreneurs for being resilient, courageous and innovative to embrace challenges. Hon. Bholah reiterated the commitment of his Ministry to support women in becoming self-sufficient and capable through the provision of schemes, training and capacity-building, among others.

SME Mauritius Observatory Research Day 2nd Edition

OPPORTUNITY, GROWTH AND INNOVATION FOR SMEs

A one-day seminar in the context of the second edition of the SME Mauritius Observatory Research Day was launched by the Minister of Industrial Development, SMEs and Cooperatives. The event addressed the theme “Opportunity, Growth and Innovation for SMEs in the context of COVID-19 and its aftermath”.



In his keynote address, Hon. Bholah highlighted that SME Mauritius has, through the present event, reiterated its role as a support institution in improving the resilience of SMEs in the current daunting situation.

Speaking about the Observatory Cell of SME Mauritius Ltd, he underlined that it plays a major role by constantly updating decision-makers and entrepreneurs on the latest market trends so that SMEs can continue to contribute to the country's economic growth. Hon. Bholah added that since its inception, 14 studies have been conducted by the Cell.

The Minister said that SMEs would increasingly generate the job opportunities of tomorrow and the innovation needed to build a stronger and more sustainable economy as the pandemic has also brought opportunities with digital tools enhancing productivity and normalising ways of working that can adapt to people's needs.



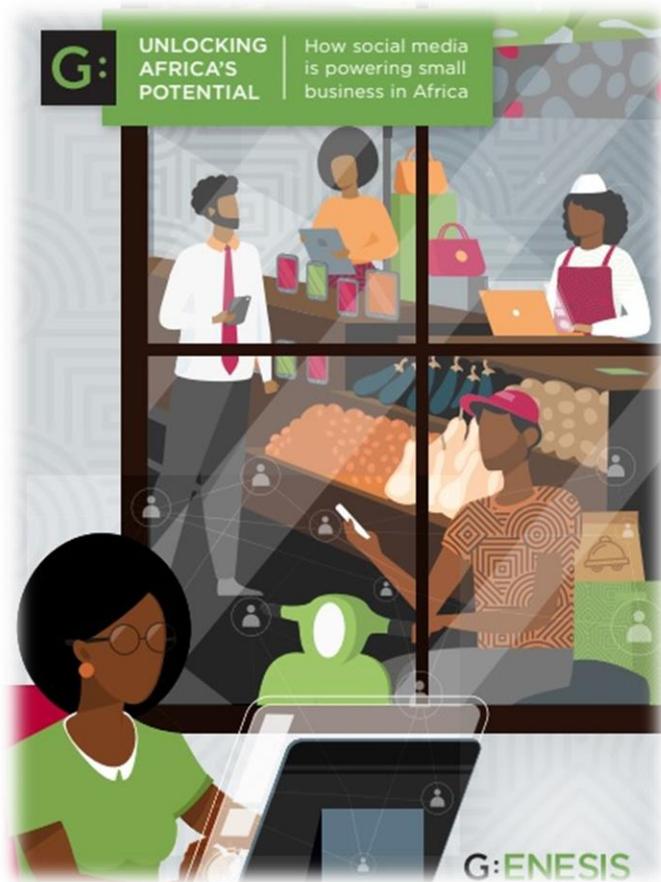
“SMEs can power a stronger recovery from the COVID-19 pandemic, due to their innovative and opportunity-seeking nature and, as policymakers, we will ensure that the appropriate policies are formulated and implemented”, said Hon. Bholah.

Africa Small Medium Business Report on economic impact and recovery

'UNLOCKING AFRICA'S POTENTIAL: HOW SOCIAL MEDIA IS POWERING SMALL BUSINESSES IN AFRICA'

The Minister of Industrial Development, SMEs and Cooperatives attended the launch of the report *'Unlocking Africa's Potential: How social media is powering small businesses in Africa'* by Facebook in November 2021. The event was organised by the Ministry of Information Technology, Communication and Innovation in collaboration with Facebook.

The report examines how the digital economy, as evidenced through the Facebook Apps, creates value for Small and Medium Businesses that are operating in Africa. This survey-based report explores the adoption and use of social media and messaging platforms across 8 African countries namely, South Africa, Nigeria, Kenya, Ghana, Senegal, Cote D'Ivoire, Democratic Republic of the Congo and Mauritius.



In his address, Hon. Bholah highlighted that digital technologies such as social media and E-Commerce platforms provide businesses and SMEs with unique opportunities to connect to suppliers and customers.

According to Hon. Bholah social media has been a powerful catalyst in the formation and growth of new SMEs because they provide brand presence, networking and learning opportunities, facilitate sales and communication with customers and intensify the market research with respect to demand and supply chain.

Training in Pastry

An award ceremony was held in November 2021 at SME Mauritius Business Development Centre, in Bel Air, for some 14 women who participated in the 12-weeks Pastry course, Basic Level. It was followed by a showcase of the final products prepared by participants.

The Pastry Course was run by SME Mauritius Ltd with the objective of empowering potential entrepreneurs with the required skills to develop their own business.



During the ceremony, the message of the Minister of Industrial Development, SMEs and Cooperatives, Hon. Soomilduth Bholah, was delivered by the former Senior Chief Executive, Mr V.K. Daby.

Participants were thus invited to use the knowledge and skills acquired in the course to start their own pastry business. They were moreover urged to take advantage of the various schemes provided by SME Mauritius Ltd as well as the facilities offered by the Development Bank of Mauritius to grow their businesses further.



National Day Celebrations

To mark the 54th Independence and the 30th anniversary of the Republic of Mauritius, a small gathering was held at the Ministry. On that occasion, the Deputy Permanent Secretary, Mr Jean Daniel Philippe Labonne highlighted the important contribution of public officers for the efficient delivery of services for a prosperous nation.



Annual Report 2020-2021

The Annual Report of the Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division) for Financial Year 2020-2021 was published. The Report summarises the key activities, projects and schemes undertaken as well as achievement of the Division during Financial Year 2020-2021.

The Annual Report is available on the Ministry's Website at the following link:

<https://enterbusiness.govmu.org/Pages/Useful-Documents.aspx>

Recent change in posting at the Ministry

In December 2021, the Ministry saw several changes in posting of officers of the Administrative Cadre as follows:

1. Mr. V. K. Daby, Senior Chief Executive was posted to Ministry of Local Government and Disaster Risk Management;
2. Mr. M. Z. Madarbokus, Assistant Permanent Secretary was posted to this Division; and
3. Mrs. A. Bhowon, Assistant Permanent Secretary was posted to the Ministry of Public Service, Administrative and Institutional Reforms.

In March 2022, there were further changes in posting of officers of the Administrative Cadre at this Ministry as follows:

1. Mr. J. D. P. Labonne, Deputy Permanent Secretary was posted to this Division; and
2. Mr. S. K. Sobee, Deputy Permanent Secretary was posted to the Cooperatives Division.

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