

**Signing Ceremony of M.o.U between SME Mauritius and Mauritius  
Research and Innovation Council**

**Speech of the Minister of Industrial Development, SMEs and  
Cooperatives, Hon. Soomilduth Bholah**

**26 November 2019 – Ebène Heights**

Hon. Darsanand Balgobin, Minister of Technology,  
Communication and Innovation;

Dr Michael Atchia, Chairman of the Mauritius Research  
and Innovation Council (MRIC);

Mr Ravin Rampersad, CEO of SME Mauritius;

Dr Nitin Gopaul, Officer-in-Charge of the MRIC;

Members of the Press;

Distinguished guests;

Ladies and Gentlemen

Good afternoon!

I am honoured to be here today for the signing ceremony  
of a Memorandum of Understanding between SME  
Mauritius and the Mauritius Research and Innovation  
Council (MRIC). This M.o.U will open up avenues for  
collaboration between the two institutions in the following  
fields:

1. Research, development and innovation;
2. Entrepreneurship development
3. MSME engagement
4. Intellectual Property Rights.

*“Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow”* – Quote borrowed from the Author, William Pollard. This statement summarizes the fact that aiming for success is a never-ending process. For entrepreneurs to sustain, they have to continuously improve and innovate.

Sustained economic development requires diversification, which is precisely where entrepreneurship and innovation play their role in contributing to economic prosperity and to social cohesion. Over the years we have witnessed a shift of the global economy towards a mode of production in which knowledge has become a key input.

SMEs’ development is one of the main pillars to unleash the creativity of our people. Increased competition,

growing incomes and new technologies have reduced the average lifetime of products and reduced the possibilities for product standardisation and large-scale production.

The development of the telephone is an example. Whereas until the 1980s there was only one standard type of home telephone for landline communication, the introduction of mobile phones in the 1990s has come with an enormous diversification of the product in feature phones such as music phones and camera phones and more recently in the new wave of smart-phones, not to mention all accessories related to the main product such as cases and holders, hand-free devices, ringtones, etc.

Ladies and gentlemen,

The growing importance of knowledge as a factor of production means that innovation is ever more related to creativity. And who fits better in this field? Entrepreneurs managing SMEs, of course. I will refer once again to the example of mobile phones. The rise of smart-phones has allowed creative people and firms to develop and sell new applications, from games to software allowing free communication. We can talk of a new app-market that is

today being developed by entrepreneurs. For instance, we have had talented Mauritians who have developed apps to book a cab, order food, inquire about bus routes, guide for tourists – just to name a few.

Business innovation has become increasingly open and collaborative and has led to the creation of new opportunities for small firms. SMEs can now benefit from participation in knowledge-based partnerships and networks. This is reflected in current innovation practices that rely a great deal on network policies such as cluster development programmes, collaborative research agreements, university-industry labour mobility, and so forth.

I believe that implementing business innovation strategies should not be limited to products development or enhancement. Non-technological forms of innovation such as new marketing strategies and organisational improvements enable firms to enhance their contribution to productivity.

Distinguished guests,

Having elaborated my views on business opportunities which are available for existing or new firms, I do not intend to undermine the challenges ahead. Significant barriers hinder the innovation of small firms, including access to finance, poor management and entrepreneurial skills, lack of qualified personnel, short-term perspective, limited awareness of innovation needs, etc.

The Government has formulated policies and will continue to review measures in favour of SMEs' development. The setting up of SME Mauritius, in replacement of SMEDA, has been crucial in elaborating new strategies for our SMEs to thrive. SME Mauritius is a revamped support organisation with new staffing and governance structures. I was aiming perfection when it comes to real support to SMEs.

Today I can proudly say that SME Mauritius is the institution '*par excellence*' to promote and develop entrepreneurship in the country, to engage in business facilitation for SMEs and support them in their growth. SME Mauritius has been tasked to implement the

recommendations of the 10-Year Master Plan of the SME Sector launched by my Ministry in 2017.

In this context, since it has started its operations in early 2018, several schemes have been put in place for entrepreneurs at the level of SME Mauritius: Online visibility, barcode registration, inclusive business, SME Productivity Program, mentoring and handholding, SME Certification, SME Employment Scheme, Solar Photovoltaic scheme, amongst many other support programmes.

More innovative approaches have been developed to instil an entrepreneurship culture in the country. A National Entrepreneurship Campaign and a Social Entrepreneurship Program have been elaborated to promote entrepreneurship as a viable alternative to employment. More emphasis is also being laid on training courses for people who wish to master or improve particular skills with a view of setting up a business.

Another major project on which my Ministry is working along with SME Mauritius is the revamping of the leather

sector. We have had consultants of the African Leather and Leather Products Institute who have conducted surveys and have produced a report and their findings. We are working on their recommendations. In the near future, a Design Centre will be set up on the premises of SME Mauritius at Coromandel. This Design Centre will be deploying 3D technologies with a view to boosting innovation, productivity and competitiveness of the leather tiers of trade.

So business opportunities are there. We have to be willing to take the challenge. For policies to be implemented smoothly and successfully, there is a need for a synergy between our institutions. I am glad to note that so far SME Mauritius has been successful in developing partnerships with many stakeholders.

Today SME Mauritius establishes yet another important partnership with the MRIC, a key stakeholder for the adoption of a strong business focus to drive entrepreneurship and growth of start-ups through research and innovation. Through the M.O.U, we expect that the MRIC will be able to enhance its support to:

- promote research, development and innovation in such spheres of scientific and technological activities of interest to MSMEs;
- guide MSMEs on the avenues of business development and support available to innovative businesses, and
- enhance the overall competitiveness of MSMEs.

As rightly described by experts of the World Bank, “*for SMEs the best metaphor would not be a chain but a ladder*”. The disaggregation of production into separate stages allows firms not only to find their place on the ladder, but also to move up the rungs as their capabilities improve.

I believe that the M.O.U between SME Mauritius and MRIC will definitely bring out the best support to our SMEs so that they climb the ladder to reach new heights. I wish you a fruitful and successful partnership.

Thank you for your attention.