



ANNUAL REPORT

2019-2020

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

Medium
Enterprises

Small
Enterprises

Micro
Enterprises

The Game Changers for Mauritius...

About this Report

The Annual Report on performance of the Ministry of Industrial Development SMEs and Cooperatives is a regulatory requirement in accordance with Section 4B of the Finance and Audit Act and as per the guidelines issued by the Ministry of Finance and Economic Planning and Development.

The Report acts as a mechanism of accountability with respect to activities carried out, services delivered, difficulties faced by this Division and their remedial actions as well as resources provided in the National Budget. It also provides information to relevant stakeholders and the public at large.

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1. ABOUT THE MINISTRY

1.1 Insight of the Ministry

The Ministry of Industrial Development, SMEs and Cooperatives consists of three divisions namely the Industrial Development Division, SMEs Division and Cooperatives Division. The main activities of the Ministry revolve around formulation of appropriate policies, implementation of specific schemes, monitoring, evaluation and reporting of different programmes pertaining to Industrial Development, Micro, Small and Medium Enterprises and Cooperatives.

02

SMEs Division

is responsible for the design and formulation of policies and schemes while ensuring appropriate and adequate provision of support and facilities to existing enterprises as well as encouraging creation of new businesses.



Ministry of Industrial Development, SMEs and Cooperatives



01

Industrial Development Division

acts as a facilitator and catalyst for the development of a resilient, vibrant and competitive manufacturing sector with a view to fostering employment and creating wealth for higher economic growth.

03

Cooperatives Division

facilitates the promotion of diversified, emerging and innovative cooperatives while involving more young persons and women in the development, consolidation and advancement of the cooperative movement.

1.2 SMEs Division

MISSION

- Provide appropriate technical, professional and managerial support to businesses in enhancing economic growth and sustainable development
- Act as facilitator and catalyst in the promotion, development and growth of a competitive and innovative SME sector by creating appropriate framework through mentoring, coaching and provision of adequate business development support and incentives

VISION

A transformative and pioneering SME Sector crafted on innovation, opportunities and inclusiveness in a sustainable environment

STRATEGIES

- Creating the right ecosystem for SME development
- Clustering of SMEs
- Promotion of local SME products
- Collaboration with Strategic Partners
- Providing skilled programmes for creation, organization and management of SMEs

ACTIONS

- Implementation of several specific schemes/ measures for the promotion and development of SMEs
- Provision of targeted training programmes for SMEs
- Launching of the SME e-Platform
 - Online Registration of SMEs
 - Continual sensitization campaigns to buy local
 - Monitoring, Evaluation and Reporting on 10 Year SME Master Plan
- Embarking on ISO 9001:2015

1.3 Statement from Hon. Minister



Dear readers, navigating through 2020 with the tricky situation created by COVID-19 is a constant battle for economies around the world. The pandemic has led to a major economic crisis resulting in a halt in production, a collapse in consumption patterns and an increase of uncertainties.

These various impacts are affecting both larger and smaller firms. However, the effect on SMEs is especially severe, particularly because of higher levels of vulnerability and lower resilience related to their size. Supporting the SME sector since the start of the pandemic has been high on the agenda of the Government. Accordingly, a Plan de Soutien Cell was set up regrouping main financing bodies. The Wage Assistance Scheme and the Self-employed Scheme have been implemented. In addition, SME Mauritius is currently operating five schemes to ensure the sustainability of SMEs. My Ministry is also continuously monitoring the implementation of the 10-Year Masterplan launched in 2017. It is satisfying to note that 59% of the 265 activities proposed have already been initiated, while 11% have been completed. Sectoral meetings are being envisaged for the timely implementation of the remaining 30% of the activities not yet initiated.

To remedy to the problem of access to credit for SMEs, the Budget 2020-2021 has made a provision of an envelope of Rs 10 billion, channelled through the Development Bank of Mauritius to support SMEs. The ISP, SME Equity Fund and all other support institutions are having dedicated financing plans for SMEs. The need to support local production has been further emphasized in the wake of COVID-19. As announced in the Budget, appropriate legislations and quotas would be imposed where needed to protect and promote Mauritian products. In the same vein, my Ministry has already embarked on national campaign entitled “Nou res loyal, nou konsom lokal”.

There is always a silver lining in the cloud as we battle against COVID-19. The new generation of young entrepreneurs and industrialists are devising solutions and applying their minds and hearts to address fault lines COVID-19 has shown, namely over reliance on imports, food security and redefinition of supply chains. This COVID-19 moment provides a unique opportunity to jumpstart a new level of engagement with one and all and SMEs are central to this reignition.

Resilience and perseverance are instilled in the DNA of our entrepreneurs who I believe will continue to make tireless efforts to adjust to the new normal. We will continue to support SMEs with all our might so that we are back on track and enterprises are all given opportunities to recover.

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

1.4 From the Desk of the Permanent Secretary



It gives me great pleasure to present the Annual Report of the SMEs Division of the Ministry of Industrial Development, SMEs and Cooperatives for the Financial Year 2019-2020 which has undoubtedly been a challenge due to the advent of the unprecedented COVID-19 Pandemic, but a challenge well managed through resilience and commitment of our team.

For the period under review, apart from working on the core requirements of our mission, we have continued to focus on the strategic direction clearly and vividly charted in the 10 – Year Master Plan. The aim is to champion a new path for the SMEs with realistic targets for a quantum leap of the entrepreneurial vibrancy while spearheading this transformation with strong leadership and governance through accountability and transparency. It is indeed with great pride that I can announce 11% completion of the recommendations of the 10 – Year Master Plan whilst 59 % have already been initiated and are under constant and vigorous scrutiny and monitoring.

In order to alleviate the effects of COVID-19, we came up with five new schemes which are being implemented by SME Mauritius as vital life-line to SMEs in the form of cash grants enabling them to survive and retain their businesses over the next 12 months with the objective to ensure survival of businesses, protection of jobs, avert dependence on social security funds while improving the preparedness of SMEs to face post COVID-19 challenges.

We have also embarked on a national campaign entitled “Nou res loyal, nou konsom lokal” promoting local production and local consumption. To that effect, SMEs are being called upon to play a pivotal role in the revival of our economy by engaging in activities that would fuel the Import Substitution Strategy.

To end, may I say that we stand guided by our principles and that my Ministry is well aware of the challenges that lie ahead and is fully geared to transform those challenges into opportunities.

V. K. Daby
Permanent Secretary
Ministry of Industrial Development, SMEs and Cooperatives
(SMEs Division)

1.5 Functions of the SMEs Division

The Division has been functioning as a regulator and facilitator within its basic core values of effective administration: Trust, Teamwork, Transparency, Transformation and Timeliness.



Our Strategic Functions

- Devise, formulate, review and implement strategic policies relating to SMEs

- Identify projects, programmes and 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 supporting partners and relevant stakeholders in the fulfilment of our objectives

- Assist in the initiatives of public sector agencies

- Facilitate networking among SMEs and development of linkages between large enterprises and SMEs

- Collaborate with local and international agencies dealing with SMEs for their development through capacity building programmes, among others

- Collaborate in entrepreneurship activities carried out by public sector agencies and the private sector

1.6 Gender Statement

The Gender Policy Statement of the SMEs Division fully subscribes itself to the broad principles of the National Gender Policy Framework and is guided by its comprehensive vision.

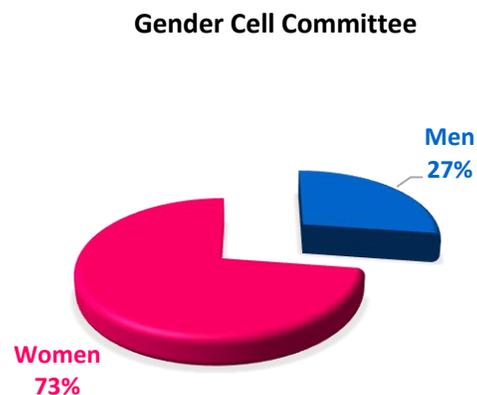
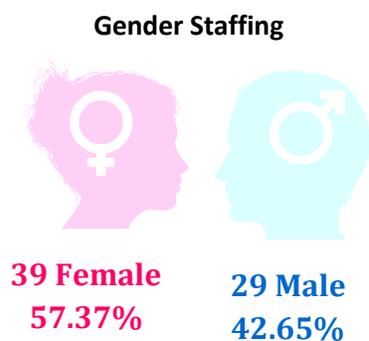


This policy statement reflects the commitment of the SMEs Division in mainstreaming gender in its sector specific interventions. Since the setting up of the Gender Cell at the level of the SMEs Division, the Committee met on 27 occasions to administer gender issues and ensure that all activities/programmes are gender sensitive.

The main aim of the Committee is to identify entry points that provide a framework for mainstreaming gender in programmes and activities of the SMEs Division and make appropriate recommendations for promoting full and equal participation of women and men in the development process.

Also, encouraging gender equality and equity is central to all our models as we fully understand that adopting and incorporating a gender approach in all developmental issues helps attain the desired human progress.

At our Division, we ensure that equal participation of both women and men in policy development and decision-making processes at all levels is promoted. The staffing position and Gender Cell Committee, gender-wise is as follows:



1.6.1 Gender Distribution in the SME Sector

Women have equal access to all schemes, facilities and business development services offered by the SMEs Division, mainly through the SME Registration Unit and SME Mauritius Ltd.

Some Vital Statistics:



Registration Certificates issued: **2,508** (including 37 for Rodrigues)
1,057 women (42%)



Visitors seeking information and business counselling: **4,434**
1,634 women (37%)



Laid Off Workers reporting at the SME Registration Unit: **36**
15 women (42%)



SME Development Certificate Scheme

(a) SMEDS Certificates issued: **19**

1 woman (5%)

(b) Letters of Intent issued : **33**

7 women (21%)



Site visits effected: **24**

10 women (42%)

1.7 About Our People

SMEs Division comprises eight strategic sections



1.7.1 SMEs Strategic Team



The Permanent Secretary is the Administrative Head of the SMEs Division. He is assisted in his functions and duties by a Deputy Permanent Secretary, two Assistant Permanent Secretaries and officers from other cadres namely: Technical, Human Resource, Financial Operations, Procurement and Supply as well as by officers belonging to the General Services class. He is responsible for the overall administration and general supervision of this Division.

Our workforce operating as one team, shows great endeavour and willingness to pull in one direction, accomplishing the mission of SMEs, regardless of the job and task at hand.

The SMEs Division believes in quality service delivery and has embarked on ISO 9001:2015. The Permanent Secretary has already signed the Quality Manual. The Quality Policy Statement has been affixed for information and awareness of one and all.

Hon. Soomilduth BHOLAH
Minister of Industrial Development, SMEs
and Cooperatives





Mr Virendra Kumarsingh Daby
Permanent Secretary



Hon Soomilduth Bholah
Minister of Industrial Development, SMEs and Cooperatives



Mr Dhanraj Conhye
Deputy Permanent Secretary



Administration Section



Minister's Secretariat



Office of Deputy Permanent Secretary



Human Resource Section



Procurement and Supply Section



Registry Section



Technical Section



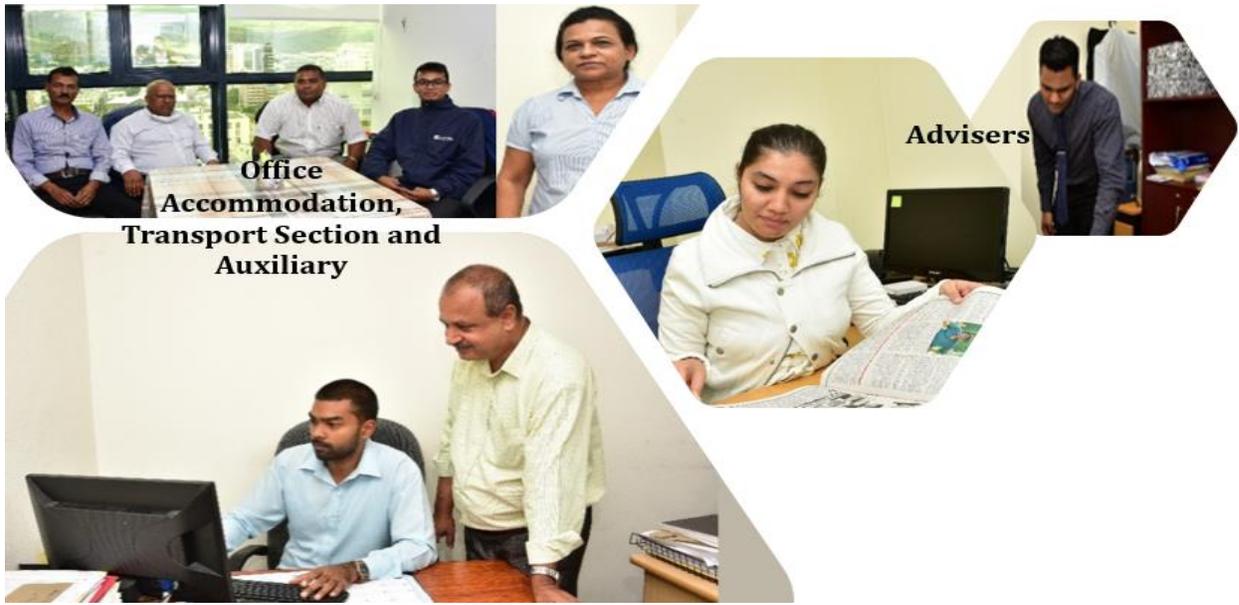
IT Unit



Finance Section



SME Registration Unit



1.7.2 Staff Distribution

SMEs Division comprised 62 personnel as at 30 June 2020:

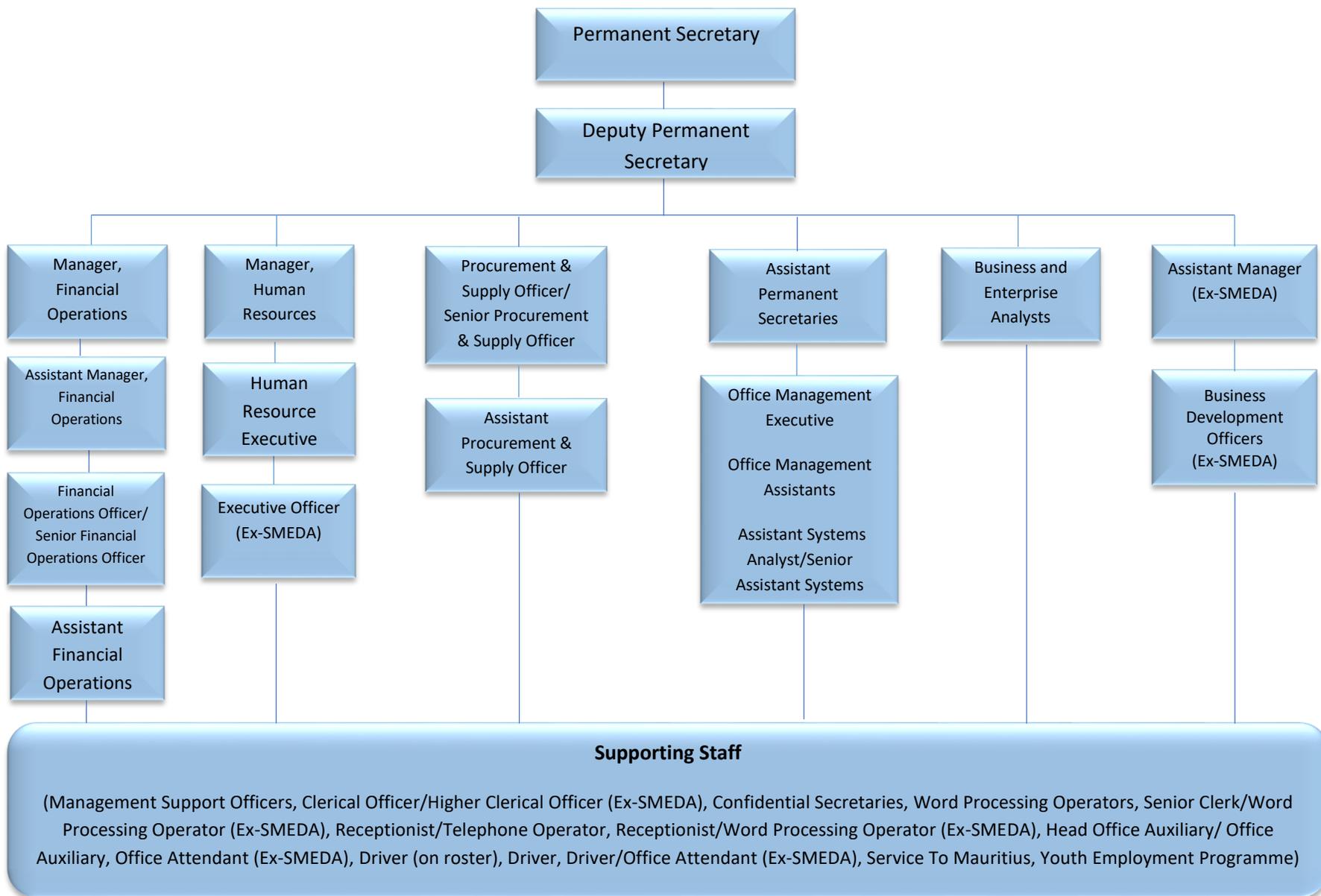


Table 1: No. of officers in post as at 30 June 2020

SN	Grade	No of Officers in Post
1	Permanent Secretary	1
2	Deputy Permanent Secretary	1
3	Assistant Permanent Secretary	2
4	Business and Enterprise Analyst	2
5	Manager, Human Resources	1
6	Manager, Financial Operations	1
7	Human Resource Executive	1
8	Assistant Manager, Financial Operations	1
9	Financial Officer/Senior Financial Officer	1
10	Assistant Systems Analyst/Senior Assistant Systems Analyst	1
11	Assistant Financial Officer	1
12	Procurement and Supply Officer/Senior Procurement and Supply Officer	1
13	Assistant Procurement and Supply Officer	1
14	Office Management Executive	1
15	Office Management Assistant	3
16	Management Support Officer	9
17	Confidential Secretary	3
18	Word Processing Operator	3
19	Receptionist / Telephone Operator	1
20	Head Office Auxiliary	1
21	Office Auxiliary/Senior Office Auxiliary	5
22	Driver	1
23	Driver (Roster)	2
24	Assistant Manager (Ex-SMEDA)	1
25	Business Development Officer (Ex-SMEDA)	3
26	Executive Officer (Ex-SMEDA)	2
27	Senior Clerk/ Word Processing Operator (Ex-SMEDA)	1
28	Clerical Officer/ Higher Clerical Officer (Ex-SMEDA)	1
29	Receptionist/ Word Processing Operator (Ex-SMEDA)	1
30	Driver/ Office Attendant(Ex-SMEDA)	1
31	Office Attendant(Ex-SMEDA)	2
	Total	56

1.7.3 Organisational Chart

The Organisation Structure of SMEs as at 30 June 2020 is as follows:



1.7.4 The Human Resource Section

An efficiently run Human Resources (HR) department provided an organisation with the right structure and ability to meet business needs through managing the most valuable resources – its employees. A dedicated HR department helped in achieving effectiveness and workforce quality knowledge management.

HR played a key role in developing, reinforcing and changing the culture of an organisation, performance management, training and development as well as recruitment and on boarding without compromising on its core values.

1.7.4.1 Training and Development

Training and Development (T&D) programmes played a vital role in every organisation. These programmes improve employee performance at workplace, update employee knowledge, enhanced their personal skills and help in avoiding managerial obsolescence. With the use of these programmes, it was easier for Management to evaluate job performance and accordingly take decisions such as employee promotion, rewards, welfare facilities, etc. These specific training helped in succession planning, employee retention and in having the right motivation force.

The need for T&D is mainly determined by the employee's performance deficiency, computed as follows:

$$\text{T\&D need} = \text{Standard Performance} - \text{Actual Performance}$$

1.7.4.2 Training & Development at the SMEs Division

The unprecedented and challenging situation arising from the outbreak of COVID-19 pandemic has made the monitoring of Key Performance Indicators (KPI) in the Public Service even more challenging.

At the SMEs Division, the amount of funds voted under T&D was Rs. 75,000 and an amount of Rs. 46,200 had been spent on local training mostly conducted by the Civil Service College. All training programmes that were conducted abroad were fully financed by the donor countries.

1.7.4.3 Training attended



Courses held locally:

- *Conference on 'Data Protection Today-Breaking the Iceberg'*
- *Training Programme on MIS for TIC*
- *Crisis Management*
- *Induction Course for Temporary APS*
- *OECD Mission – Regulatory Impact Assessment Project*
- *Workshop for Chairpersons and Members of Training Committee*
- *Advanced Excel*
- *Managing Projects in the Public Sector*
- *IORA Trade and Investment Experts Meeting*
- *Inception Workshop (Industrial Waste Management: Cost Review Project)*

[Funds Disbursed: Rs. 46 200]

25 Officers trained



Courses held abroad:

- *SMME Training Workshop (Johannesburg, South Africa)*
- *Setting up of Business Centre and Investment Promotion for Developing Countries (China)*
- *Third Country Training Programme 2019: SME Development for African Countries (Malaysia)*
- *Setting up of Business Centre and Investment Promotion for Developing Countries (China)*
- *Scientific and Technological Innovation and Entrepreneurship for Developing Countries (China)*
- *Seminaire sur le renforcement des capacites des petites et moyennes enterprise pour les pays en developpement (II) (China)*

[Funds Disbursed: NIL]

6 Officers trained

1.7.5 SME Registration Unit

A Registry of SMEs has been established in accordance with Section 3 of the SME Act 2017 following which an SME Registration Unit was set up in 2018 within this Division.



The Unit caters for the following key services:



Registration, issuance and/or renewal of Registration Certificate to SMEs



Provide support and information to facilitate obtention of any registration, permit, license, authorization clearance which an enterprise may require



Monitor performance and growth of SMEs and effect site visits to SMEs



Regular updating and analysis on registered SMEs

2. MINISTRY/DEPARTMENT ACHIEVEMENTS & CHALLENGES

2.1 Achievements of the Division

2.1.1 SME Excellence Award 2019

In pursuit of excellence...



The Ministry presented its prestigious award, the “SME Excellence Award” (SEA) in July 2019 and announced the winners who adopted the best business practices leading to excellence in key components of a business such as growth, financials, improved marketing, productivity, export potential, quality assurance and green concepts.

117 applications were received from various SMEs and the most deserving ones were shortlisted to be awarded in the category of Micro, Small and Medium as mentioned below:

Micro Enterprises	Winner: Cash Prize of Rs 200,000 - Casting World 1 st Runner Up: Cash Prize of Rs100,000 - Secret Grand-Mère 2 nd Runner Up: Cash Prize of Rs 50,000 - X-Press Ironing Special Jury Award - Focus Events Ltd
Small Enterprises	Winner: Cash Prize of Rs 200,000 - Formacut Enterprise Ltd 1 st Runner Up: Cash Prize of Rs 100,000 - Miel L'Or Ltd 2 nd Runner Up: Cash Prize of Rs 50,000 - Hampa Ltd
Medium Enterprises	Winner + Grand Winner: Cash Prize of Rs 200,000 - L.V.M Mauritius Ltd 1 st Runner Up: Cash Prize of Rs 100,000 - Integrity Metal Works Ltd 2 nd Runner Up: Cash Prize of Rs 50,000 - Bisenco Ltd Special Minister's Award - J&B Mechanical Engineering Ltd

2.1.2 Anou Konsom Lokal - Advertising Campaign

Launching of advertising campaign (Digital Advertising, National Television and Radio) for the promotion of local manufacturing and local consumption.



PME – Hon. Sunil Bholah accentue sur la campagne «Anou Konsom Lokal»



2.1.3 National Campaign-Promoting Local Production and Consumption

The COVID-19 pandemic has urged Mauritius to usher into a new era of import substitution. To that effect, during the lockdown period, our Ministry embarked on a national campaign entitled “Anou Konsom Lokal” aimed at promoting both local production and consumption. The SME sector is being viewed as an important component of the business landscape to fuel an Import Substitution Strategy.

To promote these import substitution activities, this campaign was first broadcasted on National Television in May 2020 through the tag line “NOU RESS LOYAL, NOU KONSOM LOKAL”.

2.1.4 Mini Fruit Processing Plant in Mauritius

In line with the import substitution promotion activities, the expertise of an Indian Consultant was solicited in November 2019 through the African Asian Rural Development Organisation (AARDO) to carry out a study on the setting up of a Mini Fruit Processing Plant in Mauritius.



The Report outlined the various opportunities that the surpluses of local tropical and seasonal fruits can represent for the development of the SME Sector. SMEs are being called upon to play a pivotal role in the processing of those surpluses and converting them into value addition products.

In line with the National Campaign on “Anou Konsom Lokal”, this project will help in achieving Government Vision of fostering a new wave of Import Substitution for Mauritius.

2.1.5 TradeCom II Project

This Ministry in collaboration with the Ministry of Foreign Affairs, Regional Integration and International Trade



(MoFA) has been actively involved in the implementation of the second phase of the TradeCom II Project having as main objective to “Enhance the business environment for exporting SMEs in Mauritius, especially in the context of the EPA implementation”. The project aimed at contributing to sustainable economic development and poverty reduction in Mauritius through closer regional integration and increased participation in the global economy. It mainly revolved around two main axes namely: “Strengthen the business and trade development capabilities of the Mauritian SMEs” and “Develop a framework for sustainability of the business and development capabilities of the Mauritian SMEs.”

The 32 SMEs which participated in the first phase of the project were contacted by SME Mauritius and 50% of them expressed their interest in participating in the new project. The selected enterprises were from various sectors namely garment and textile, agro based industry, furniture, printing, jewellery, bags and leather products, light engineering, recycling and ICT.

This EU funded project was implemented through an international consulting firm named AgriConsulting Europe S.A., based in Belgium with the following activities:

- ◇ Assessment & Conduct training for pool of facilitators.
- ◇ Conduct visit in 32 beneficiary SMEs
- ◇ Gap Analysis Report & Recommendations
- ◇ Presentation on KPI for M&E

The project started in March 2019 and ended in November 2019. During the implementation process, various activities such as workshops, training, site visits were organized and conducted. At the end of the project, the consultants submitted a draft final report along with seven other reports.

2.1.6 Workfare Programme

The SME Registration Unit attends to the Laid Off Workers registered under the Workfare Programme which was initiated by Government to protect laid off workers in the difficult phase of their lives by providing them financial relief and assistance in terms of job placement, training /re-skilling and starting up a business. As part of this Programme, the beneficiary receives assistance from the SME Registration Unit, for those who wish to start their own businesses. It is to be noted that for the Financial Year 2019/2020, **36** Laid Off Workers have reported at the SME Registration Unit and **8** have successfully set up their businesses.



2.1.7 Mauritius National Leather Value Chain Strategy (2019-2023)

The National Leather Value Chain Strategy was formulated in May 2019 with the assistance of the African Leather and Leather Related Institute (ALLPI) Consultants to revamp and revitalize the potential of the Mauritian leather sector so that value addition, SME development and economic diversification could be attained.



The National Leather Value Chain Strategy's Vision and Mission statements are as indicated:



To be among the top ten subsectors in Mauritius with regard to competitiveness export earnings by 2025.



To transform the Mauritius Leather Value Chain into a modern and competitive subsector specializing in the production of value-added products for niche markets through the application of modern and cleaner technologies, collaboration, capacity building and resource mobilization.

The Report outlined seven (7) major recommendations with the main one being the establishment of a Steering Committee to help with the coordination and implementation of the Strategy and a National Satellite Design Leather Studio.

As at June 2020, two (2) Steering Committees and three (3) sub-committees for the seven working groups, comprising major actors of the leather value chain, have been conducted for the proper implementation of the objectives, as per the ALLPI Report.

In line with the Leather Strategy, SME Mauritius had initiated a survey in February 2020 on the profiling of some 100 SMEs in leather and leather related products regarding their manufacture, internal structure, export capabilities and environmental issues.

As at present, SME Mauritius has already received 88 feedback forms out of the 100 survey forms.

2.1.8 National Satellite Design Leather Studio

As part of the Leather Strategy, a Design Centre for Leather Products is being set up at Coromandel to provide assistance to SMEs on state of art technologies, including 3D Printing. The objective behind the setting up of the 3D Printing at Coromandel is to transform innovative ideas into functional businesses and prototypes. In addition, with a view to fostering SME collaboration in areas of common interest, the Centre will be converted into a high-tech incubation hub comprising the leather lab and promoting networks of supply chains through the setting up of specific industry clusters.

2.1.9 Training Programs for the leather sector

In August and October 2019, SME Mauritius started conducting capacity building programmes for those who wish to operate in the sector. Some 30 SMEs have benefitted from training courses on blending of wood and leather craft products and tapestry with the assistance of ALLPI Experts at the Design Studio of Coromandel.

2.2 Achievements of SME Mauritius

Since its incorporation in 2017, SME Mauritius has been implementing various schemes/programmes for the promotion and development of the SME sector. For the Financial Year 2019/2020, the following activities were undertaken by SME Mauritius:

2.2.1 Hologram

To recognize genuine, local and high-quality products of our SMEs, SME Mauritius has implemented the hologram project. The hologram is a high security vital tool aimed at revamping and adding value to the handicraft sector in Mauritius. It is an intellectual property of SME Mauritius with a registered logo. The hologram has also been extended to other sectors other than the handicraft sector.



2.2.2 Sensitisation Campaign

In the quest of promoting a 'Nation d'Entrepreneurs', SME Mauritius conducted various sensitisation campaigns throughout the country, reaching a wide number of people.

808 persons sensitized:

- ◇ **671** women (through targeted activities)
- ◇ **97** youngsters

12

interactive events conducted

2.2.3 Capacity Building, Training, Workshops and Foreign Expertise

SME Mauritius has also come up with a series of courses, workshops and specific trainings for existing and aspiring entrepreneurs. These training programmes are equally spread and are continuously being dispensed across the 4 SME Business Facilitation Centres located at Coromandel, Rose-Belle, Bel-Air and Goodlands as well as in Social Welfare Centres.

The aim of SME Mauritius has been to equip entrepreneurs with skills adapted to the modern entrepreneurial era.

The total number of entrepreneurs who have followed Management and Craft Skills, participated in various specialised workshops and benefited from various Training Programmes, including assistance from Foreign Technical Experts is depicted below:



2.2.4 Trade Fairs

Trade fairs were organised to raise awareness about the savoir-faire of local SMEs and thus provide an appropriate platform for SMEs operating in diverse sectors to showcase, promote and sell their products to individuals, corporates and tourists.



2 regional Trade Fairs held at Rose-Belle and Flacq

2 Trade Fairs in Rodrigues



25,000 Visitors



132 Exhibitors

2.2.5 Media Visibility

To create awareness of the existing facilities available at SME Mauritius, regular radio interventions and TV programmes were held.



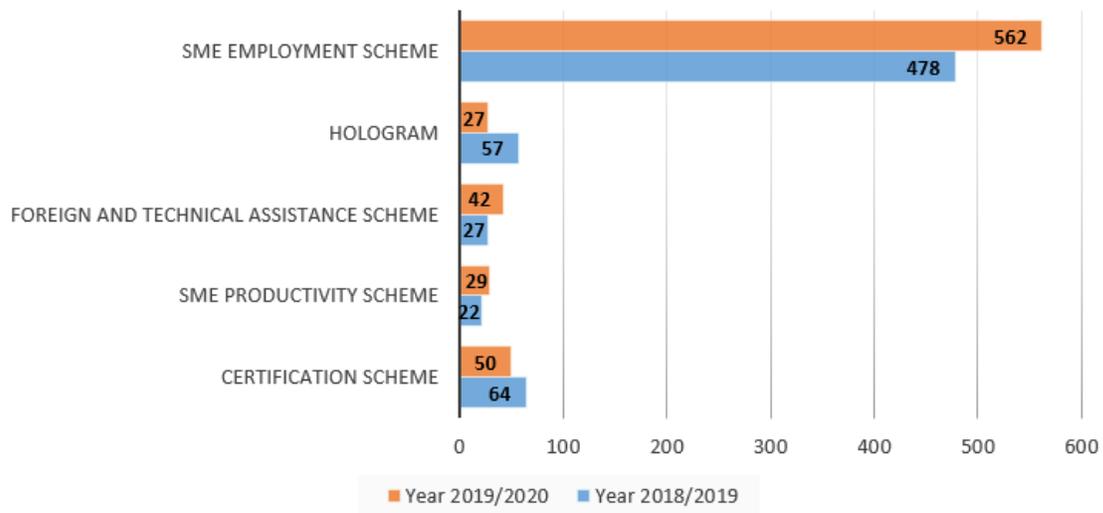
2.3 Schemes

With a view to building a strong base of vibrant and resilient SMEs, SME Mauritius has implemented several schemes.

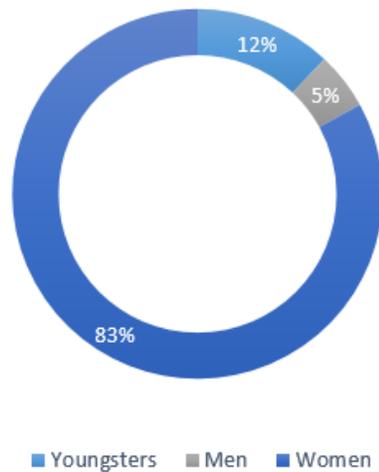


2.4 Facts and Figures

Schemes



Sensitization Campaign



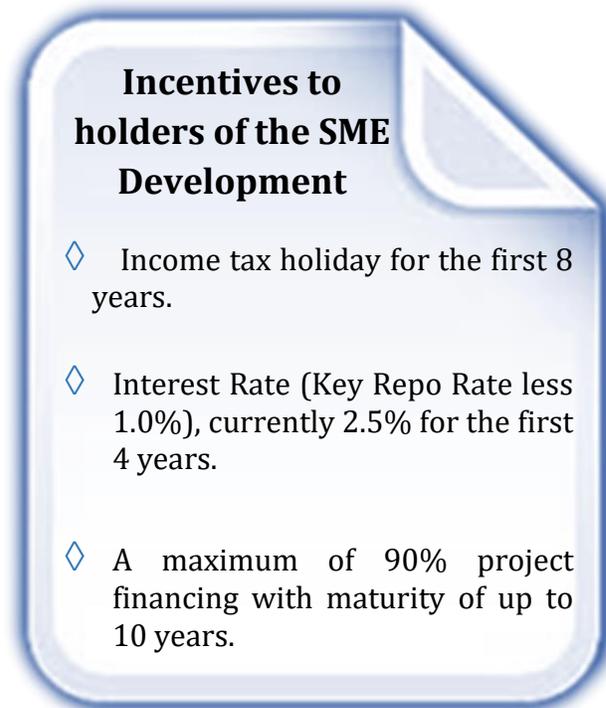
SME Registration Unit



2.5 Other Measures for the SME Sector

2.5.1 SME Development Scheme Certificate

Since January 2016, the SME Development Scheme Certificate was introduced with a view to giving both fiscal and financial incentives to eligible SMEs with the objective to boost the development of the SME sector.



The Company/ Cooperative Society/Individual should be involved in any of the 7 priority sectors as follows:



Since 2016, some **441** letters of intent have already been issued for a total project value of **Rs 1,630 Million** with an expected employment creation of **2,855**.

Some statistics on SME Development Scheme Certificate:

Table 2: Statistics on SME Development Scheme Certificate

SME Development Scheme Certificate (as at 31 May 2020)	Statistics
Nos of Applications received and examined	625
Nos Approved	441
Nos rejected	97
Nos not going ahead	69
Nos of new applications in process	18
Total project value of 441 approved projects	Rs 1,630M
Total amount of loans requested	Rs 1,213M
Total Employment to be created	2855
Total amount of loan approved by MauBank(200 companies)	<i>approx Rs 454M</i>
Total amount of loan disbursed by MauBank	<i>approx Rs 254M</i>
Number of applications declined/ deferred by MauBank	217
Nos of SMEDS Certificates issued	165

Table 3: Breakdown of SMEDC by Sector

Sector	Number
Ocean economy	22
ICT	26
Food processing (including bakery & pastry)	62
Manufacturing	111
Handicraft	13
Agri-Business	203
Recycling/Green	4
Total	441

2.5.2 Made in Moris

The Made in Moris label, launched by members of Association of Mauritian Manufacturers (AMM) in year 2013 serves as a tool to add value to Mauritian skills, competencies and know-how which allows for more visibility to local products.

Following an MOU signed between SME Mauritius and AMM, some 28 SMEs adhered to this concept encompassing more than 250 brands for financial year 2018/2019 while only 6 have



expressed their interest for financial year 2019/2020. It was reported that SMEs were not keen to embark on this label as the grant being offered was on the low side.

To further boost local production, Government has increased the one-off grant towards certification under 'Made in Moris' label from Rs 5,000 to a maximum of Rs 50,000.

2.5.3 SME Observatory Cell

With a view to further achieving the set targets as outlined in the 10-Year SME Master Plan, a SME Observatory Cell was set up at SME Mauritius. The SME Observatory Cell acts as a stepping stone for SMEs to achieve greater heights since the intelligence gathered contributes to the development of appropriate policies and support measures for SMEs. It also helps in the monitoring and evaluation of the implementation process of schemes and programmes for SMEs.

As at now, the SME Observatory Cell has embarked on 5 informative surveys namely:

- (i) Effectiveness of Schemes at SME Mauritius;
- (ii) National Minimum Wage;
- (iii) Needs of SMEs involved in Primary Agricultural Production for Further Value Addition in Mauritius;
- (iv) National Leather Value Chain; and
- (v) Focus group to understand the need and expectation of the potential future entrepreneurs.

2.6 Up-coming Projects

2.6.1 Common and Shared Facility

In order to further improve and encourage the creative and innovative capabilities of SMEs, a Common and Shared Facility Centre will be established at Coromandel. To this effect, an amount of Rs 9.5 million has been earmarked as capital expenditure for the Financial Year 2020-2021. The said facility will host working spaces where existing and aspiring entrepreneurs will be able to innovate, invent, and co-create while using state of the art technology put at their disposal. In addition to the Leather Studio already being implemented, the Centre will also host a Jewellery and other innovation studios, providing necessary tools to tailored and customised products with digital fabrication of prototypes and printing as well as mini fruit processing plant facilities.

The Centre, thus, will play a crucial and pivotal role in the transformation of the SME sector by significantly reducing the entry and prototyping costs while catalyzing technology led innovation for entrepreneurs.

2.7 Status on Implementation of Budget Measures

The table below gives an overview of the status on the different measures announced in the Budget Estimates 2019-2020 (July 2019-June 2020):

Table 4: Budget Measures pertaining to the SMEs Division

S/N	Budget Para	Budget Measures	Status (indicating any bottleneck and remedial action taken)
1	Page No. 24 Para. 138	SME Mauritius will set up a Design Centre for Leather Products in Coromandel to provide assistance to SMEs on 3D technologies and the Centre will also dispense training for the region	<p>Ongoing</p> <p>The National Leather Value Chain Strategy was formulated in May 2019 with the assistance of the African Leather and Leather Related Institute (ALLPI) Consultants to revamp and revitalize the potential of the Mauritian leather sector.</p> <p>The Report outlined seven (7) major recommendations with the main one being the establishment of a Steering Committee to help with the coordination and implementation of the Strategy.</p> <p>As at June 2020, two (2) Steering Committees and three (3) Sub-Committees for the seven working groups, comprising major actors of the leather value chain, were held for the proper implementation of the objectives, as per the ALLPI Report.</p> <p>In line with the Leather Strategy, SME Mauritius Ltd initiated a survey in February 2020 on the profiling of some 100 SMEs in leather and leather related products regarding their manufacture, internal structure, export capabilities and environmental issues. 81 feedback forms out of the 100 survey forms were received.</p> <p>As part of the Leather Strategy, a Design Centre for Leather Products is being set up at Coromandel to provide assistance to SMEs on state of art technologies, including 3D Printing. The objective behind the setting up of the 3D Printing at Coromandel is to transform innovative ideas into functional businesses and prototypes. In addition, with a view to fostering SME collaboration in areas of common interest, the Centre will be converted into a high-tech</p>

			<p>incubation hub comprising the leather lab and promoting networks of supply chains through the setting up of specific industry clusters.</p> <p>In August and October 2019, SME Mauritius Ltd conducted capacity building programmes for those who wished to operate in the sector. Some 30 SMEs have benefitted from training courses on blending of wood and leather craft products and tapestry with the assistance of ALLPI Experts at the Design Studio of Coromandel.</p>
2	Page No. 25 Para. 139	The SME Employment Scheme which was applicable to graduates only will now be open to diploma holders as well.	<p><u>Ongoing</u></p> <p>The SME Employment Scheme was launched in August 2018 with a view to instilling a spirit of entrepreneurship among unemployed graduates and injecting fresh talents. The Scheme was subsequently extended to diploma holders following budget measure announced for FY 19/20. Since launching of the Scheme, some 1,225 Graduates and 294 Diploma holders have been placed in SMEs across sectors of the economy in both Mauritius and Rodrigues. As at June 2020, 417 Graduates and 135 Diploma holders were in post.</p>
3	Page No. 25 Para 140	The SME Employment Scheme will also be extended to enterprises with turnover of up to Rs 100 million.	<p><u>Ongoing</u></p> <p>As per the SME Act 2017, SMEs are enterprises with annual turnover not more than Rs 50M. Enterprises with annual turnover more than Rs 50M and less than Rs 100M are referred to as Mid-Market Enterprises (MMEs). As at June 2020, two Graduates were placed at MMEs.</p>
4	Page No. 24 Para 135	SME Mauritius will extend the grant of Rs 5,000 per SME towards certification under 'Made in Moris' label for another year.	<p><u>Ongoing</u></p> <p>The Made in Moris label, launched by members of Association of Mauritian Manufacturers (AMM) in year 2013 serves as a tool to add value to Mauritian skills, competencies and know-how, allowing for more visibility to local products.</p> <p>Following an MOU signed between SME Mauritius and AMM, some 28 SMEs adhered to this concept encompassing more than 250 brands for financial year 2018/2019 while 6 have expressed their interest for FY 2019/2020. It was reported that SMEs were not keen to embark on this label as the grant being offered was on the low side.</p>

2.8 Status on Implementation of Key Actions

Table 5: Monitoring of Key Actions and Key Performance Indicators for FY 2019/2020

Key Actions	Key Performance Indicator	Target 2019/2020	Actual as at 30 June 2020
Building Export Capabilities for SMEs	Number of SMEs successfully entering the export market	15	4
Assisting innovative Start-Ups through Business Incubators	Number of Start-Ups incubated under the National SME Incubator Scheme (Cumulative)	225	148
Assisting SMEs to join the new E-Commerce Business Model	Number of SMEs joining the MCCI E-Commerce Platform	100	0

2.9 Risk Management, Citizen Oriented Initiatives and Good Governance

2.9.1 Citizen Support Portal

The Online Citizen Support Portal has been operational since May 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 the SMEs Division, there exists a dedicated team that looks into the efficient handling and management of cases received on the Portal with respect to issues relating to the SME sector. Most of the cases received are related to SME financing, request for technical assistance, advice, procedures on business registration. As at June 2020, 117 cases were registered on the Portal, out of which 100 have been closed. The other tickets were answered but were still open due to replies/feedbacks being awaited from citizens.

2.9.2 Code of Ethics and Data Protection Policy

The Code of Ethics for Public Officers' aims at promoting ethical values and good governance to ultimately enhance the image of the Public Service. It is, therefore, imperative that all officers be regularly sensitized on the need to demonstrate the highest standard of integrity and professionalism in the performance of your duties.

In view to embody the Code of Ethics in all officers, a soft copy of revised Code of Ethics has been forwarded to all officers in this Division via mail.

Data protection is a fundamental component of today's society and the development of good data protection practices contributes to fostering public trust. Though we are living in an era of rapid technological and social change, we must ensure that our privacy rights and entitlements are properly protected.

The Division is fully aware of threats regarding data protection. We have, therefore, embarked on the publication of our Data Protection Policy. Two working sessions with all head of sections have been carried out regarding the drafting of the policy.

2.9.3 Anti-Corruption Committee

The Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division) is committed to maintaining the highest level of integrity in the conduct of its affairs through the adoption of appropriate corruption prevention strategies.

It is, in this context, that an Anti-Corruption Policy (ACP) was formulated at the level of this Division in December 2016, setting out its full commitment for the detection of corruption and for adherence to a culture of integrity.

For the purpose of ensuring sound implementation of this policy, the SMEs Division ensures through its Anti-Corruption Committees that:

- employees have sufficient knowledge concerning the Anti-Corruption Policy (ACP) and that it is applied to all undertakings;
- adequate controls are in place to counteract corruption are known and used within the organization; and
- there are clear procedures and systems for handling suspected cases of corruption.

For Financial Year 2019/20, the Committee met on 6 times and it had identified the Procurement section as the riskiest one. Precautionary measures had already been undertaken by the Procurement Section.

2.9.4 Customer Service at the SME Registration Unit

At the level of the SME Registration Unit it has been ensured that:

- (i) Potential and existing entrepreneurs were properly guided with the right information and counselling according to the Q system and without waiting for longer time;
- (ii) Registration Certificates were issued within two weeks after completed applications are received in accordance with provisions of the SME Act 2017;
- (iii) All the data collected from SMEs are kept confidential and not shared to third parties; and
- (iv) Since October 2019, there is a platform for online registration of SMEs which contributed to efficiency and transparency with regulations and simple step-by-step procedures posted online to the business community contrary to the manual process which involved interventions of a few officers.

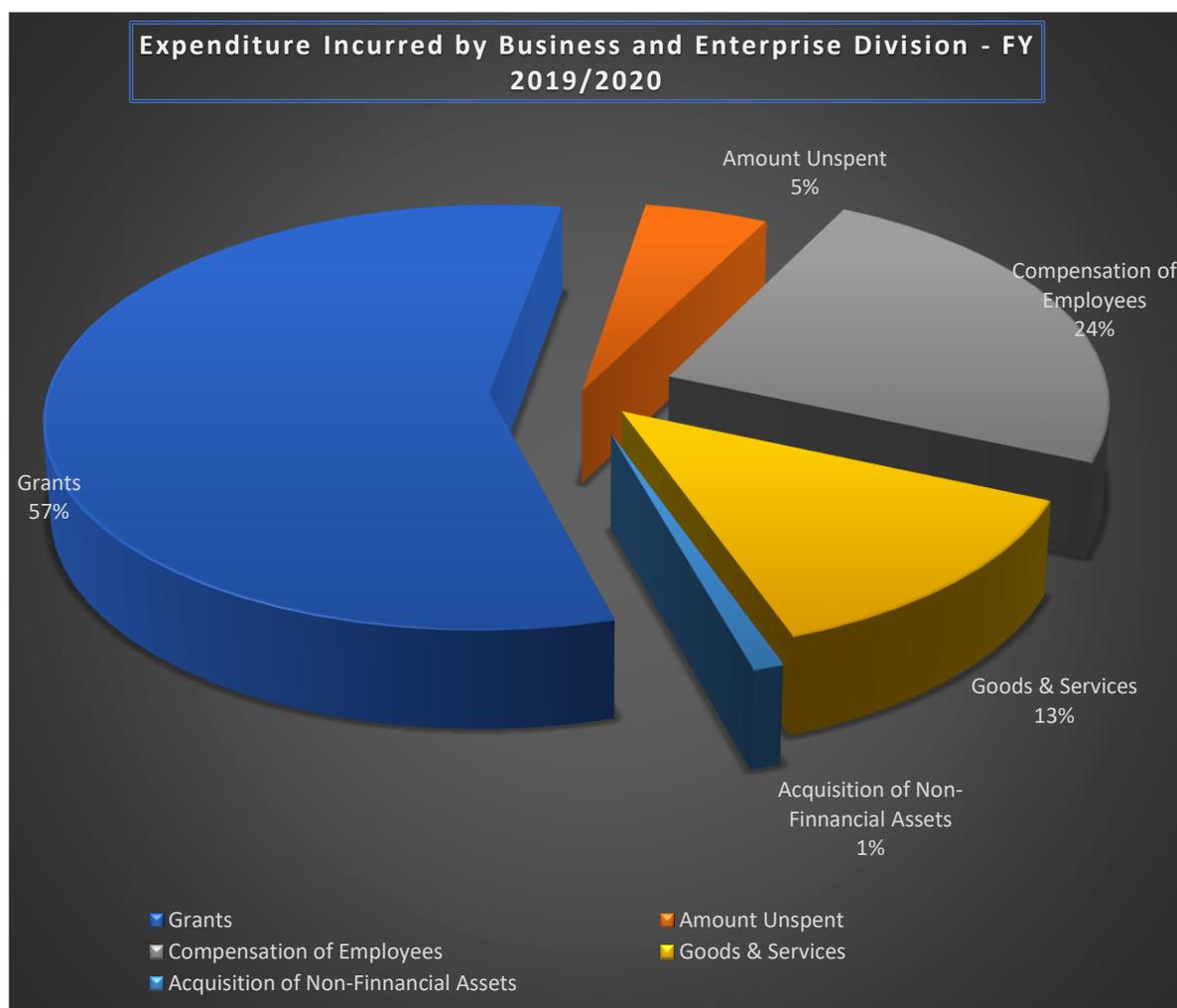
3.0 FINANCIAL PERFORMANCE

In accordance with Budget Estimates 2019-2020, the Division had one Vote **17-1** under its control with 2 sub-heads, **17-101** and **17-102**.

3.1 Financial Highlights

Overall Expenditure by Vote

An amount of Rs 123.7 M was provided to the Ministry (Business & Enterprise Division) in Budget 2019/2020 out of which 117.3 M was spent. Details of the expenditure by economic categories are as follows:



Percentage is based on Actual Expenditure FY 2019/2020 category wise over Total Expenditure FY 2019/2020.

Compensation of Employees, Goods and Services, Grants and Acquisition of Non- Financial Assets accounted for around 94.9% of total expenditure.

Compensation of employees is made up of Basic Salary, Salary Compensation, Allowances, Extra Assistance, Cash in lieu of Leave, End-of-year Bonus, Travelling and Transport, Overtime, Staff Welfare and Social Contributions.

Goods and Services are mainly recurrent expenses incurred and include Cost of Utilities, Fuel and Oil, Rent, Office Equipment and Furniture, Office Expenses, Maintenance of Buildings, Plant & Equipment, Vehicles & Motorcycles and IT Equipment, Cleaning Services, Publications and Stationery, Fees, Travelling within the Republic and Other Goods and Services such as Uniforms, Hospitality and Ceremonies, Miscellaneous expenses and Gender Mainstreaming.

Grants – refer to funds provided to SME Mauritius Ltd which consists of the Operating Budget and Implementation of SME Master Plan.

Acquisition of Non-Financial Assets represents the E-Document Management System.

3.2 Statement of Expenditure

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

Table below provides a summary of total expenditure incurred by the BED under Vote 17-1 which includes Sub-Heads 17-101: General and 17-102: Business & Enterprise Development.

Table 6: Statement of Expenditure under Vote 17-1

Sub-Head of Expenditure	2019/2020 Estimates (Rs)	2019/2020 Actual (Rs)
17-101: General	37,700,000	33,253,399
Compensation of Employees	17,310,000	15,776,412
Goods and Services+ Virement	16,090,000	15,924,442
Acquisition of Non-Financial Assets	4,300,000	1,552,545
17-102: Business and Enterprise Development	86,200,000	84,142,976
Compensation of Employees	16,200,000	14,142,976
Grants (including Operating Budget and Implementation of SME Master Plan)	70,000,000	70,000,000

4.0 PROCUREMENT PLAN

4.1 Annual Procurement Plan

Table 7: Indicative Annual Procurement Plan

Financial Year 2020/2021

Last Updated: July 2019		<i>To be updated at latest: January 2021</i>			
S.No.	Type/Nature of Procurement	Procurement Details	Cost Estimate (Rs)	Procurement Method to be used	Expected Date of launching of Bid
1.	Goods	Procurement of Toners and Cartridges	100,000	Restricted Bidding (e-PS)	July 2020
2.	Goods	Procurement of Furniture	30,000	Informal Quotation (e-PS)	August 2020
3.	Goods	Procurement of Equipment	20,000	Informal Quotation (e-PS)	August 2020
4.	Goods	Procurement of Stationery Items	30,000	Informal Quotation (e-PS)	Sept/Oct 2020
5.	Goods	Procurement of Office Sundries & Cleaning Materials	75,000	Informal Quotation (e-PS)	Sept/Oct 2020
6.	Goods	Procurement of Toners	50,000	Informal Quotation (e-PS)	January 2021
7.	Goods	Procurement of Office Sundries	50,000	Informal Quotation (e-PS)	February 2021
8.	Services	Procurement of Sanitary and cleaning services	200,000	Restricted Bidding (e-PS)	April 2021

5.0 WAY FORWARD

5.1 Trends and Challenges



- ❖ Consolidated Regulatory and Institutional Framework- SME Act 2017
- ❖ Strong public/private dialogue coupled with positive economic and social indices including good governance, transparency and accountability
- ❖ Multilateral and bilateral trade agreements with various countries in the field of promotion and development of SMEs
- ❖ Ranked 1st in Africa on World Bank Ease of Doing Business Index 2019



- ❖ Persistence of the informal sector
- ❖ Fierce competition from cheap imports
- ❖ Lack of entrepreneurial culture
- ❖ Limited capacity for technology upgrading and innovation
- ❖ Poor compliance to international standards, limiting their access to capture new markets
- ❖ Poor Monitoring, Evaluation and Reporting Mechanism



- ❖ A right entrepreneurial ecosystem through a number of targeted innovative schemes and programmes.
- ❖ Constant training programmes and sensitization campaigns are disbursed and carried across the island
- ❖ Different Memorandum of Understanding (MoUs) signed with foreign countries and international institutions
- ❖ Fostering networking among institutions to produce high value-added activities
- ❖ Operationalization of the SME Portal



- ❖ High risk of bankruptcy for entrepreneurs
- ❖ Changes in Govt Policies including Fiscal and Monetary Policies
- ❖ Vulnerability towards external factors affecting business climates such as the Covid 19 pandemic, financial crisis, increase in cost of inputs
- ❖ Trade liberalization under SADC and COMESA, encouraging fierce competition and dumping from foreign countries

5.2 Strategic Direction

The 10 Year SME Master Plan has clearly and vividly charted a fresh roadmap for our SMEs with set realistic targets for building a 'nation d'entrepreneurs' that will bring the expected quantum leap of the entrepreneurial vibrancy.

In view of making SMEs the backbone of the economy, the SME Division is leaving no stone unturned to developing a transformative and pioneering SME sector crafted on innovation, opportunities and inclusiveness in a sustainable environment by laying emphasis on the following three key strategic objectives:



However, with the exceptional circumstances created by the COVID-19 pandemic, it has become necessary to further improve the resilience of SMEs to enable them to survive in such tougher market conditions. The SMES Division has continuously stepped up efforts to support the small and medium businesses through the following measures:

- 1) Implementation of five new schemes launched in February 2020 to cater for the needs and requirements of SMEs in toughening market conditions:
 - ◇ Inclusiveness and Integration Scheme;
 - ◇ SME Marketing Support Scheme;
 - ◇ Internal Capability Development Scheme;
 - ◇ Technology and Innovation Scheme; and
 - ◇ SME Utility Connection Assistance Scheme.

- 2) An SME Observatory Cell was set up in September 2019 to ensure a better coordination with different local and international agencies including governmental support institutions to gather, analyse and disseminate data through reports, periodicals, and newsletters.

- 3) With a view to further digitalising public service delivery and productivity, an online SME Registration platform was developed since October 2019. From Jan-June 2020, some 505 SMEs have registered directly on the platform.

- 4) For FY 2019/20, a total of some 1,740 entrepreneurs have followed Management and Craft Skills courses, benefitted from participation in various specialized workshops and received assistance from foreign technical experts in Leather and Leather related products, Madhubani Painting, Banana Fibre and Creative Arts.

- 5) For the period July to December 2019, 55 potential entrepreneurs have been able to launch their businesses in Aquaponics, Crochet, Eco bag and Garment Making fields.

- 6) To uplift the SME sector during the confinement period, SME Mauritius Ltd has offered relevant online training courses to SMEs. Since April 2020, weekly online courses on topics relating to marketing, human resource, leadership, taxation and other related management functions via the free platform ZOOM have been dispensed to entrepreneurs. Some 300 SMEs have benefitted from such online training.

- 7) The SMES Division has embarked on a national campaign entitled “Anou Konsom Lokal” promoting local production and local consumption which will help in achieving Government Vision of fostering a new wave of Import Substitution for Mauritius.

- 8) SME Mauritius came up with a full-fledged SME Portal since last financial year. The Portal has been conceptualised and designed to act as a knowledgebase platform for the provision of value added information to SMEs as well as a valuable resource to the desired target user groups.

- 9) SME Portal has since been enhanced with features including live chat module, forum for mentoring and coaching, catalogue for SME products, amongst others. The possibility of enhancing some of its component is also being looked in collaboration with the Indian Authorities.

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