



# ANNUAL REPORT FINANCIAL YEAR 2020 – 2021

## MINISTRY OF INDUSTRIAL DEVELOPMENT, SMEs and COOPERATIVES (SMEs Division)



OCTOBER 2021

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## **1.0 ABOUT THE MINISTRY**

### **1.1 Insight of the Ministry**

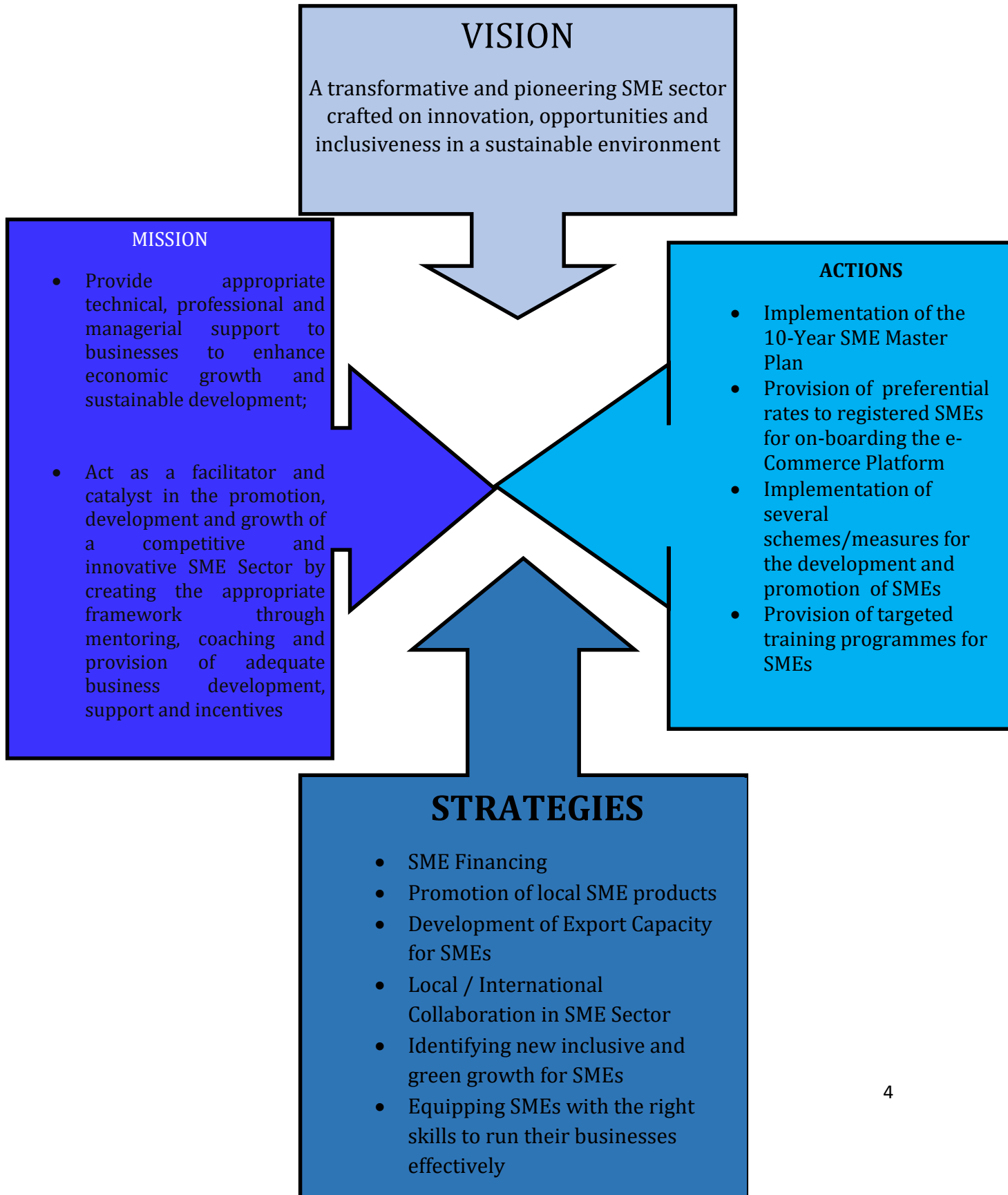
The Ministry of Industrial Development, SMEs and Cooperatives comprises three Divisions namely the Industrial Development, SMEs and Cooperatives Divisions respectively. The main activities of the Ministry revolve around formulation of policies pertaining to Industrial Development, Micro, Small and Medium Enterprises and Cooperatives.

The 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 creation and wealth generation for higher economic growth.

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

The Cooperatives Division facilitates the promotion of diversified, emerging and innovative cooperatives and involvement of more young persons and women in the development, consolidation and advancement of the cooperative movement.

## 1.2 SMEs Division



### 1.3 Statement of Hon. Minister



The period under report has again, and unfortunately, been dominated by the Covid-19 pandemic. MSMEs continue to face the tough consequences created by the pandemic in terms of supply chain disruptions, decrease in sales, increasing freight and raw materials cost, and

depleting cash flows.

To mitigate the negative impacts of the pandemic, Government has stepped up support measures for SMEs. Interest and guarantee free loans, extension of moratoriums and more importantly the Government Wage Assistance Scheme and the Self-Employed Assistance Scheme were continued to prevent business closure and laying off of employees.

As we focus on recovery, it is heartening to note that businesses, especially small and medium enterprises are learning to re-adapt, re-engineer and re-model to navigate in this new normal created by the pandemic.

The schemes that we have put in place in the wake of the Covid-19 pandemic continue to support SMEs in accessing finance, new technologies and new markets.

We continue to galvanise the interest of SMEs and the public in general around the 'Salon des PME's'. This has become an annual feature with more than 30,000 visitors for the past two events in September and November 2020.

The campaign '*Vine Ou Prop Boss!*', launched under the Social Entrepreneurship Programme, and building on workshops, networking forums and collaboration with all stakeholders is a notable success story in promoting entrepreneurship.

On the external front, we are pursuing our strategy to open up and secure new export markets and to offer an array of opportunities for businesses and MSMEs. The landmark agreements Mauritius has signed, notably, the African Continental Free Trade Area, the Free Trade Area Agreement between Mauritius and China, the Comprehensive Economic Cooperation and Partnership Agreement with India and the Economic Partnership Agreement between the United Kingdom and the Eastern and Southern Africa community, of which Mauritius is a member state, are huge stepping stones to secure preferential market access and promote trade and investment for the benefit of SMEs. Bilateral cooperation with other countries is also being furthered.

My fellow readers, as we are treading on the path of recovery, the world is again on high alert in the wake of the resurgence of new variants of the COVID-19 like the Omicron. The situation is being closely monitored by the competent authorities and the necessary decisions and actions will be taken as required. I take this opportunity to reassure the community of small businesses that Government will continue to support them, their employees and their families.

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

## 1.4 Statement of Accounting Officer



I have the pleasure to present the Annual Report of the SMEs Division for the Financial Year ending June 2021.

At the outset, I would like to state that this year has been relatively difficult for one and all. Despite the challenges posed by the COVID-19 pandemic, the SMEs Division has managed to achieve its objectives in acting as a catalyst in the development of the SME sector.

I am also pleased to report that funds earmarked for the SMEs Division in Budget 2020/2021 have been fully utilised.

SME Mauritius Ltd has implemented various schemes meant to assist SMEs financially and to access new technologies and markets.

SMEs have also benefited from various support measures to face the hardships created by the pandemic. I take this opportunity to thank all those who in one way or the other have supported the SME community.

The Social Entrepreneurship Programme, training programmes, workshops and networking forums that were organised have been instrumental in promoting entrepreneurship as a driver for the creation of job opportunities, innovation and overall economic improvement.

A special attention was given to women and the youth to acquire real life experiences and required knowledge to start their own sustainable businesses. A fashion show under the 3R's sustainable themes – Reduce, Reuse and Recycle - was organized by SME Mauritius Ltd in December 2020 and targeted women and youth.



Furthermore, with a view to instilling and developing entrepreneurial skills among graduates and diploma holders, the SME Employment Scheme was extended to some 1000 additional graduates for a period of one year. The Scheme is expected to boost their employability while providing SMEs with fresh talents to support their development.

A new Business Support Centre has been set up in Bel-Air to provide entrepreneurs with proper guidance in the conceptualisation of their business as well as concretisation of their projects.

The outstation proposes new facilities, namely free co-working space, modern training rooms, and a meeting space for entrepreneurs.

SMEs are more and more required to embrace digital business models. To this effect, the SMEs Division has signed a Memorandum of Understanding on E-commerce with the Mauritius Post Ltd. The platform will allow SMEs to market their products and services and track and monitor the delivery thereof as well as the payment effected through the local post offices and even through international postal channels.

As we take up the road to recovery, I am confident that the SMEs Division will contribute to building a dynamic entrepreneurial ecosystem whereby SMEs will emerge as key actors in achieving socio-economic prosperity despite the ongoing pandemic.

To end, I would like to thank all staff of the SMEs Division for their support and commitment throughout.

**V.K. Daby**  
**Senior Chief Executive**  
**Ministry of Industrial Development, SMEs and Cooperatives**

## 1.5 Functions of the SMEs Division

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



## 1.5.1 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.

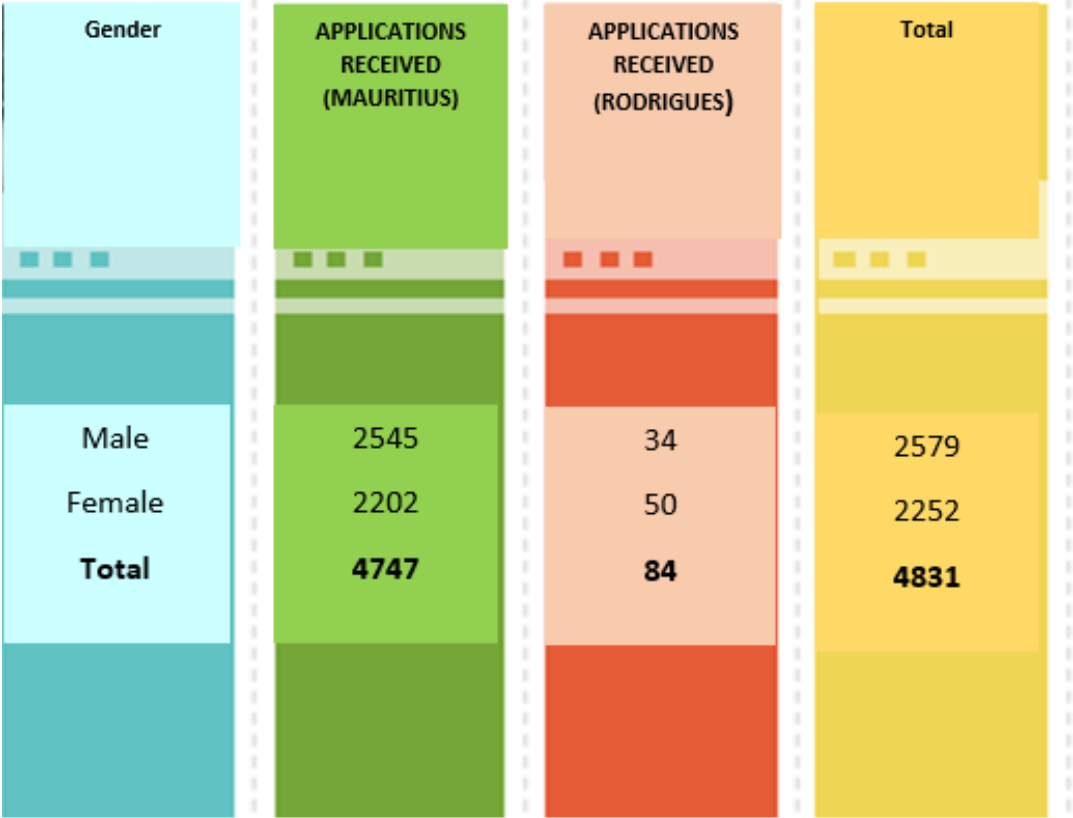
At the SMEs Division it is ensured that equal participation of both women and men in policy development and decision-making processes at all levels is promoted. The staffing position and Gender Cell Committee, gender-wise are as follows:

 Categories		
TOP MANAGEMENT	2	NIL
MIDDLE MANAGEMENT	9	8
SUPPORT & OTHERS	29	20
OVERALL	40	28

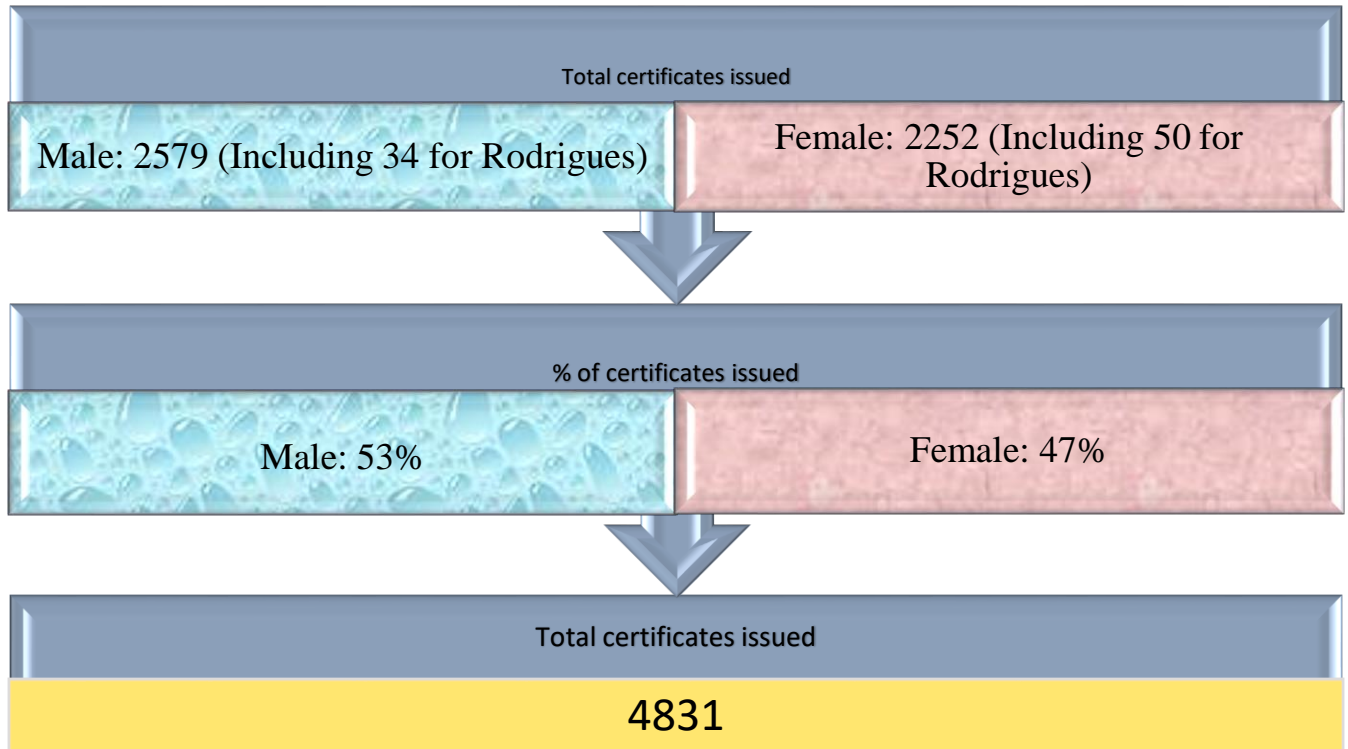
### 1.6.1 Gender Distribution in the SME Sector

Men and 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:**

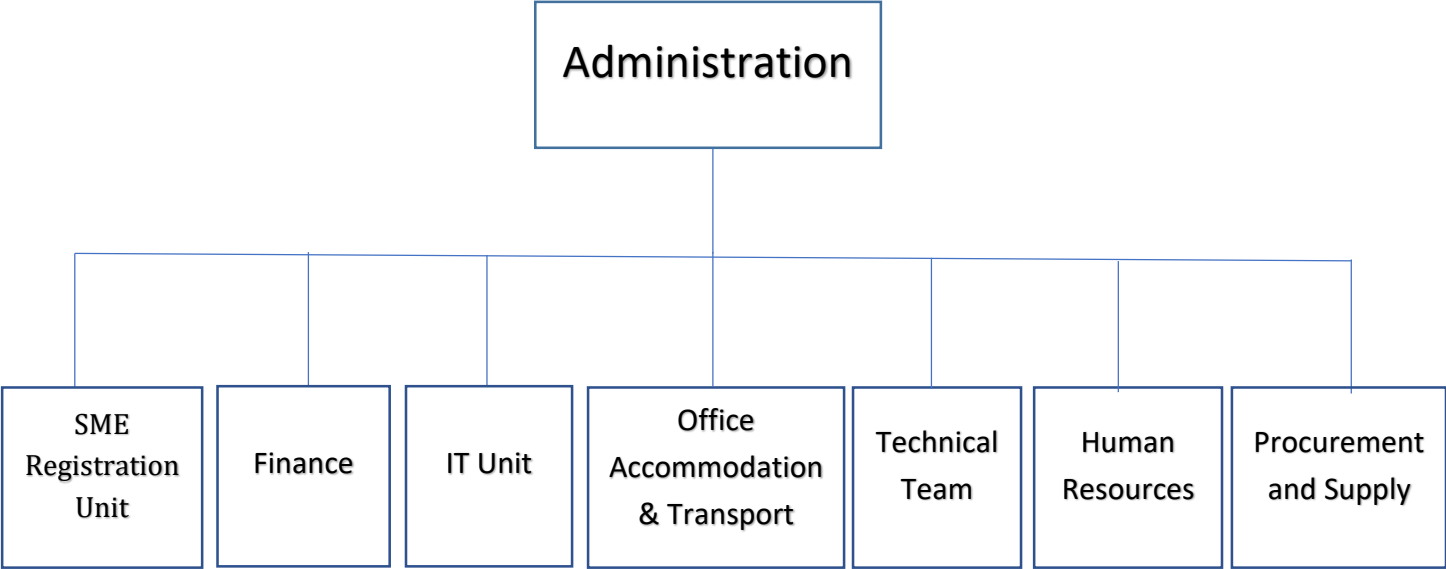


## APPLICATIONS MADE AND CERTIFICATES ISSUED FROM JULY 2020 TO JUNE 2021



**1.7 Overview of the Sections/Units of the Division**

The SMEs Division comprises eight strategic Sections/Units as follows -



## 1.8 About our people

The Senior Chief Executive is the Administrative Head and Accounting Officer of the Division. She is assisted in her duties by a Permanent Secretary, Deputy Permanent Secretary, two Assistant Permanent Secretaries and officers of the Technical Cadre, Human Resources Cadre, Financial Operations Cadre, Procurement and Supply Cadre, General Service Grade as well as officers from the SME Registration Unit.

The Permanent Secretary is responsible for the overall administration and general supervision of the different Sections/Units and for implementing government policies and programmes.

The Technical Section is headed by a Lead Analyst on secondment from the Ministry of Finance, Economic Planning and Development and comprises of two Business and Enterprise Analysts and other supporting staff.

The SME Registration Unit comprises an Assistant Manager (Ex-SMEDA) who is the Officer-in-Charge and three Business Development Officers (Ex-SMEDA) assisted by supporting staff. The Unit is mainly responsible for the registration of SMEs and provision of business facilitation services.

The SMEs Division is manned by a workforce of 68 staffs including -

- Three interns under Service to Mauritius Programme and two Trainees under the Youth Empowerment Programmes
- One Assistant Systems Analyst/Senior Assistant Systems Analyst and One Computer Support Officer/Senior Computer Support Officer from the Central Information Systems Division
- One Safety and Health Officer/Senior Safety and Health Officer



### 1.8.1 LIST OF SENIOR STAFF AS AT 30 JUNE 2021

POST	NAME	PHONE NUMBER	E-MAIL
<b>Senior Chief Executive</b>	Miss Maheswaree Naraini MADHUB	4053109	mmadhub@govmu.org
<b>Permanent Secretary</b>	Mrs Shakuntala Devi GUJADHUR-NOWBUTH	4053107	snowbuth@govmu.org
<b>Deputy Permanent Secretary</b>	Mr Dhanraj CONHYE	4053105	dconhye@govmu.org
<b>Assistant Permanent Secretary</b>	Mrs Akansha BHOWON	4053108	abhowon@govmu.org
	Mr Akshaye Kumar JEEWOOLALL	4053149	ajeewoolall@govmu.org
<b>HUMAN RESOURCES</b>			
<b>Human Resources Manager</b>	Mr Premajit RAMKHELAWON	4053113	pramkhelawon@govmu.org
<b>Human Resources Executive</b>	Mrs Kavita SEETLOO	4053114	kseetloo@govmu.org

<b>FINANCE SECTION</b>			
<b>Manager financial operations</b>	Mrs Soogah Nayegee GOVINDEN	4053115	sgovinden@govmu.org
<b>Assistant Manager financial operations</b>	Mrs Savita BOODHNA	4053131	saboodhna@govmu.org

<b>ACCOMODATION AND TRANSPORT SECTION</b>			
<b>Office Management Executive</b>	Mr Abdool Nasser RASMALLY	4053126	nrasmmally@govmu.org

<b>PROCUREMENT SECTION</b>			
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<b>Procurement and supply officer/ Senior Procurement and Supply officer</b>	Mrs Marie Catherine Fabiola LARIDON	4053116	claridon@govmu.org
<b>REGISTRY</b>			
<b>Office Management Assistant</b>	Mrs Lalita BUNDHOOA	4053120	mbundhooa@govmu.org
<b>TECHNICAL SECTION</b>			
<b>Lead Analyst</b>	Mr Nunramsing BAICHOO	405 3141	nbaichoo@govmu.org
<b>Business and Enterprise Analyst</b>	Miss Thaneshwaree RAMNARAIN	405 3141	tramnarain@govmu.org
<b>Business and Enterprise Analyst</b>	Mrs Varsha VEERAMAH-RAMIAH	405 3141	vveeramah@govmu.org

<b>SME REGISTRATION UNIT</b>			
<b>Assistant Manager</b>	Mr Chi Ng LEONG CHI KAM CHUN	2020046	c-chi-kam-chun@govmu.org
<b>Business Development Officer (Ex-SMEDA)</b>	Mrs Bhooneshwaree BHUNDOO	202 0050 (Ext 1031)	bbhundoo@govmu.org
<b>Business Development Officer (Ex-SMEDA)</b>	Mr Lorga Pragessen SORNUM	(Ext 1033)	Isornum@govmu.org
<b>Business Development Officer (Ex-SMEDA)</b>	Mr Soobeeraj NOWBUTSING	(Ext 1037)	snowbutsing@govmu.org

**1.8.2 Staff Distribution**

**Officers in Post - 61**

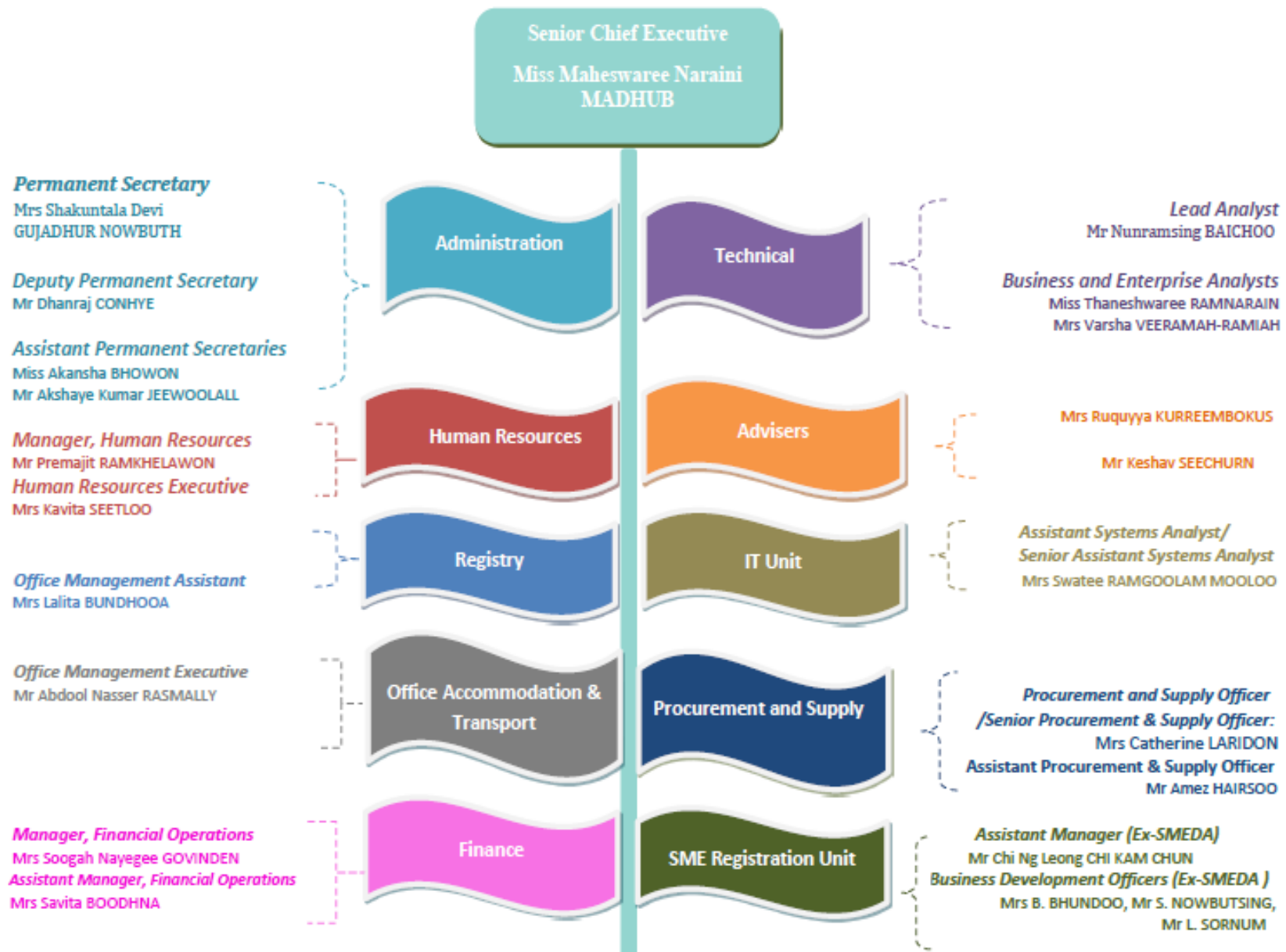
**Advisers on Contract - 2**



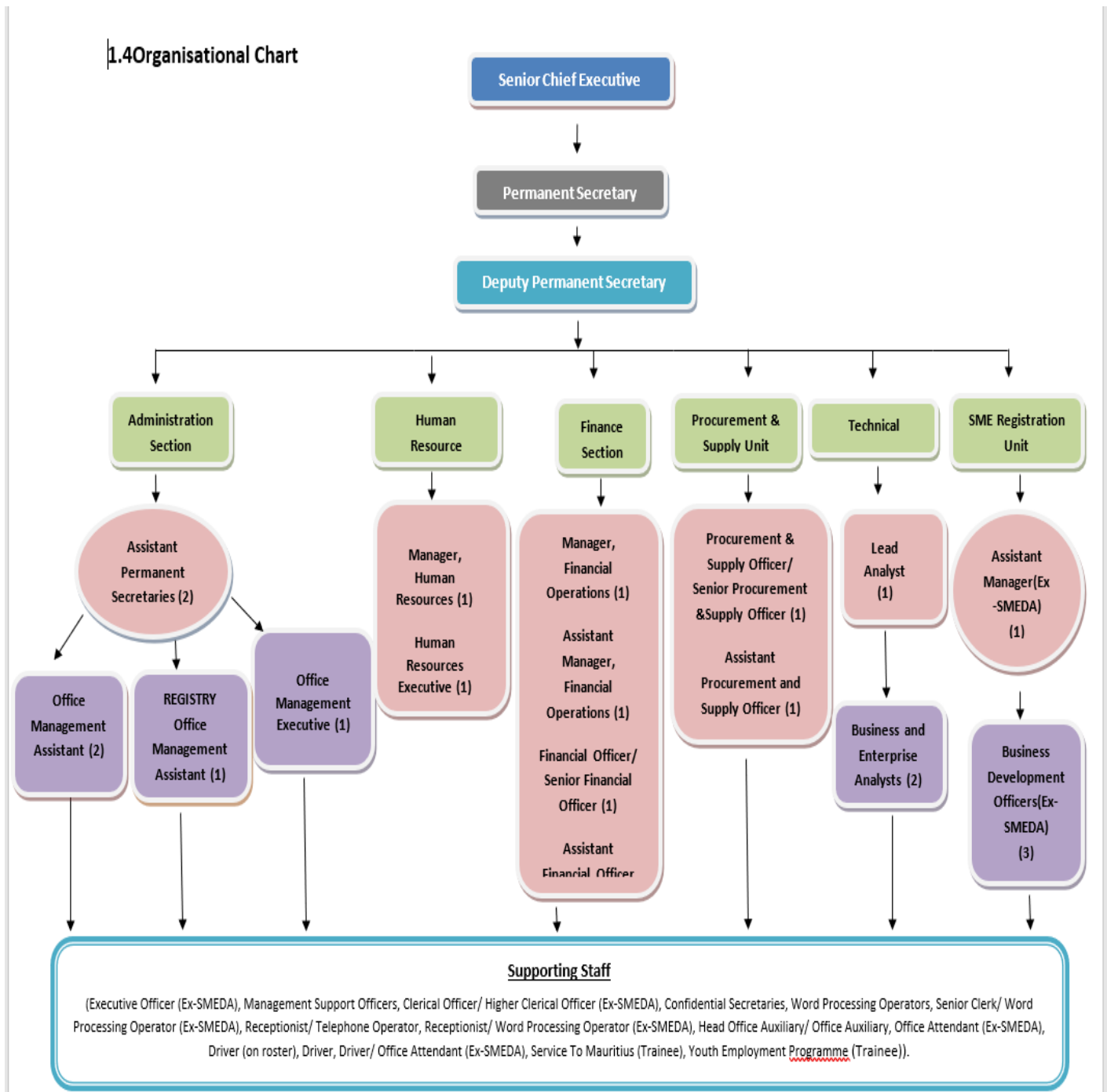
**Service to Mauritius (Intern) – 3**

**Youth Employment Program (Trainee) - 2**

## SMEs Strategic Team



### 1.8.3 Organisational Chart



## **1.8.4 The Human Resource Section**


The Human Resources (HR) Department provides the Division with the right structure and ability to meet business needs through effective management of the Division's most valuable resources – its employees.

The HR Section is responsible for the proper management of matters pertaining to the staff of the Division such as leaves management, salary computation, as well as training and capacity development, amongst others.

### ***1.8.4.1 Training and Development***


Training and Development is an important component of the Human Resource Management. Training and Development involves equipping individuals and teams with the right tools and techniques with a view to improving effectiveness in the delivery of services, and hence, enhancing the organizational structure. Thus, staffs of the Division are provided with regular training to keep them abreast of new skills, trends and techniques. A list of training courses, workshops and seminars attended by officers from July 2020 to June 2021 is provided below.

## Training attended



**Courses held locally:**

- Statutory Interpretation
- First Aid
- Legislative Drafting
- Business Continuity Management
- Advanced Excel
- Managing Projects in the Public Sector
- Training Programme for Front-line/Support Staff/Supervisory/Technical Grade/Middle Management
- Workmen's group (Capacity Building and Capacity Development programme)
- Transformation Leadership (Including Emotional Intelligence)
- Handling Difficult Customers
- Managing Resources
- Training in Mental Health and Wellbeing



**Virtual Courses:**

- Virtual High-level B2B Connectivity Dialogue, Bangladesh
- Online Training Course- "Entrepreneurship and Small Business Development- Training/Promoters Programme ESBTP", India
- Virtual National Workshop on "Understanding and Analysing Regional Trade Agreements (RTA's)", Mauritius
- Virtual Training on Financial Management by Japan Productivity Centre, Japan
- Green Climate Fund (GCF) Country Programme Mauritius-Virtual Capacity Building Programme (Climate Change Hazard, Vulnerability and Risk Vulnerability, Mauritius)
- AARDO-Adaptive and Innovative Strategies for SME Development (AISSD), New Delhi, India

### **1.8.5 SME Registration Unit**

The SME Registration Unit was set up following the promulgation of the SME Act 2017 on 18 January 2018.

The Unit is mainly responsible for –

- issuing/renewal of Registration Certificate to SMEs; and
- providing support and information to facilitate obtention of registration, permit, licence, authorisation or other clearance which an enterprise may require



### **1.9 MAIN LEGISLATIONS**

The SME sector operates within the framework of the The Small and Medium Enterprises Act 2017

### **1.10 OVERVIEW OF STATE-OWNED ENTERPRISE OPERATING UNDER THE PURVIEW OF THE MINISTRY**

SME Mauritius Ltd is a private company wholly owned by the Government of Mauritius, incorporated in July 2017. It is responsible for the empowerment of SMEs to help them emerge and grow by implementing support programs that enhance their competitiveness.



The main roles and functions of SME Mauritius Ltd are to:

- i. provide core support services, entrepreneurship development, business facilitation, counselling and mentoring services;
- ii. empower SMEs to enhance their delivery capabilities;
- iii. promote technological and managerial capabilities of SMEs;
- iv. implement, coordinate and monitor assistance program provided to SMEs;
- v. provide common facilities for SMEs;
- vi. sensitise and conduct awareness campaigns on entrepreneurship;
- vii. facilitate networking among SMEs and develop linkages;
- viii. facilitate research relating to the development of SMEs;
- ix. conduct surveys to provide market intelligence and trends;
- x. organise SME fairs;
- xi. coordinate joint public/private sector initiatives relating to SMEs

## **2.0 MINISTRY'S ACHIEVEMENTS**

### **2.1 Achievements of the SMEs Division**

The main achievements of the SMEs Division for Financial Year 2020-2021 are as follows –

#### **2.1.1 National Leather Value Chain Strategy**

- A National Leather Value Chain Strategy, duly approved by Government, 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, SMEs development and economic diversification could be attained.
- The Strategy also focuses on enhancing the sectors' contribution to the national efforts of addressing unemployment; alleviating, poverty, sustainable development and innovation.
- The Vision and Mission of the Strategy are as follows:
  - Vision: To be among the top ten subsectors in Mauritius with regard to competitiveness and export earnings by 2025.
  - Mission: To transform the Mauritian 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.

### **2.1.2 Implementation of the Productivity Improvement Programme under SADC Trade Related Facility**

A Financing Agreement under the SADC Trade Related Facility (TRF) for €1.4 million was signed between Mauritius and the SADC Secretariat in March 2017 to improve the country's participation in regional and international trade. Under the SADC TRF, a project on Productivity and Improvement Programme (PIP) was identified for Mauritius with the objective to enhance the productivity and competitiveness of manufacturing companies (SMEs and large companies).

In this context, the Japan Productivity Centre (JPC), a Japanese Consultancy firm, has conducted productivity improvement programmes for 27 manufacturing companies (16 SMEs and 11 large companies), with the objective to enhance their productivity and competitiveness from December 2020 to June 2021.

The intervention comprised a Diagnostic phase followed by an implementation and monitoring phase. The Diagnosis phase included consultations, workplace studies, productivity improvement concepts and tips, and financial analysis.

The participants of the programme have expressed satisfaction following its implementation.

### **2.1.3 Implementation of the 10-Year Master Plan for the SME sector**

- The 10-Year Master Plan for the SME sector was launched by this Ministry in March 2017 with the objective of reshaping the entrepreneurship landscape as well as accelerating SME innovation and growth.

- The first-of-its-kind Report, which has a total of 265 Main Activities, proposed 9 High Impact Initiatives with 46 Key Actions, including 6 Quick Wins, 9 sectors with 27 Sectoral Actions and 7 themes with 13 Thematic Actions.
- Those recommendations were made with a view to achieving a quantum leap growth, by 2026, in SMEs' contribution to Gross Domestic Product (GDP) to 52%, total national employment to 64% and exports to about 18% respectively.
- Over more than four years from the release of the Master Plan, the implementation of those 265 main activities were set high on the agenda of this Ministry. Five schemes, including other activities/programmes, all in line with the recommendations of the Master Plan are being implemented at the level of SME Mauritius Ltd. **As at January 2021, 59% of the 265 activities have been initiated/ongoing while 11% has been completed.**
- The exceptional circumstances created by the COVID-19 pandemic have seriously affected the very survival and business operations of SMEs as a whole and subsequently impacted on the implementation of the activities laid out in the 10-Year Master Plan.

#### **2.1.4 SME Registration Unit**

- (i) Potential and existing entrepreneurs are properly guided with the right information and counselling according to the established Queue system to avoid long waiting time.

(ii) Registration Certificates are issued within two weeks after duly completed applications are received in accordance with provisions of the SME Act 2017;

(iii) All data collected from SMEs are treated with strict confidentiality; and

(iv) The SME Registration Unit is operating an online registration platform for SMEs since October 2019. Since its inception, 13,933 online applications have been received and processed. For Financial Year 2020-2021, 6266 online applications were received and processed, out of which 4,831 Registration Certificates have been issued. The online system has considerably reduced processing time of applications.

## 2.2 Achievements of SME Mauritius Ltd

SME Mauritius Ltd is a private company, fully owned by the Government of Mauritius and was incorporated in July 2017. The main role of SME Mauritius is to develop entrepreneurship at national level and implement relevant advisory and support programs that improve competitiveness and resilience. SME Mauritius strongly supports a business friendly and inclusive SME ecosystem that empowers SMEs to emerge and grow to their full potential.

The main schemes, activities and projects implemented at the level of SME Mauritius Ltd during Financial Year 2020-2021 are as follows –

### SCHEMES

With a view to empowering SMEs in their growth and development, the following five support schemes are being implemented at the level of SME Mauritius Ltd:

- **the Internal Capability Development Scheme** improves the efficiency of the value chain of small businesses and their responsiveness to customer requirements as well as market dynamics in any sector of economic activity;
- **the Technology and Innovation Scheme** encourages SMEs to continuously invest in technology and automated production capabilities and create technology based integrated and sustainable SMEs;
- **the SME Marketing Support Scheme** aims at supporting SMEs in improving their market accessibility and competitiveness in both local and export markets and respond to more stringent requirements of diverse customer bases;

- **the Inclusiveness and Integration Scheme** encourages SMEs to favour inclusiveness, interlinkages and networking as well as collaborate and synergise for mutual benefit, which is a necessary pre-condition for the establishment of clusters in different key sectors; and
- **the SME Utility Connection Assistance Scheme** aims at supporting SMEs to connect their places of activity to mains of utility suppliers (CEB or CWA). The Scheme would assist SMEs to benefit from alleviation of upfront costs, ease entry and improve chances of SME survival.

### **SME Employment Scheme**

- The SME Employment Scheme was launched in August 2018. Initially, it targeted 1,000 graduates. Following budget 2019-2020, it was extended to diploma holders. This year, it has also been opened to TVET Certificate level 3 holders.
- The objective of the Scheme is to provide qualified Graduates, Diploma and Certificate holders with work experience while providing SMEs with qualified resources to support their development and growth.
- Placement is for a period of 1 year which may be renewed and SMEs benefit from the services of any two of Graduate, Diploma or Certificate holder. A monthly stipend of Rs 14,000 is paid to Graduates and Rs 10,200 to Diploma/Certificate holders.
- Since the launch of the SME Employment Scheme in August 2018, 1,663 graduates and 379 diploma holders have been placed in SMEs across sectors

of the economy in both Mauritius and Rodrigues. To date, 551 graduates and 242 diploma holders are in post.

## **ACTIVITIES**

- **Social Entrepreneurship Programme (*Vine Ou Prop Boss !*)**

The Social Entrepreneurship Programme is designed as an attempt to lift people out of poverty by starting a small business. This programme targets the disadvantaged regions of Mauritius and seeks to give potential entrepreneurs the necessary information and support to convert their talents into a profit-making business.

- **Social Entrepreneurship Programme Year 2020**

From July 2020, these events were held in **6 regions** such events were conducted by SME Mauritius Ltd, on Saturdays between 9hr to 12hr in order to reach out to a maximum number of people. Regional stakeholders including Youth clubs, Women Associations, networks of existing SMEs, among others were enlisted for support.

<b>Social Entrepreneurship Programme Year 2020</b>		
<b>Regions</b>	<b>Date of Event</b>	<b>No of participants</b>
<b>Baie Du Tombeau</b>	25 <sup>th</sup> July 2020	113
<b>Triolet</b>	29 <sup>th</sup> August 2020	25
<b>16eme mille</b>	26 <sup>th</sup> September 2020	125
<b>Bambous</b>	10 <sup>th</sup> October 2020	125
<b>Curepipe</b>	21 <sup>st</sup> November 2020	40
<b>Grand Bois</b>	5 <sup>th</sup> December 2020	40
<b>Total</b>		<b>468</b>

**Table 1: Region, Date and No. of Participant**



- **Salon Des PME**

SME Mauritius Ltd organizes Salon des PME every year in different region around the island. This initiative provides opportunities to MSMEs to create market awareness, to showcase their products or service, increase their visibility, consolidate their market position and boost up sales. The Salon consists of counselling desks so that SMEs or any prospects can have access to information. Additionally, to promote the salon road show is organized one week prior to promote the event.

<b>Date</b>	<b>Region</b>	<b>No of Participants</b>	<b>No of Visitors</b>
<b>4,5,6 September 2020</b>	Vieux Moulin Shopping mall	80	20000
<b>6,7,8 November 2020</b>	Farmers Service Centre Goodlands	87	13000

**Table 2: Details of participants**

- **Fashion Show**

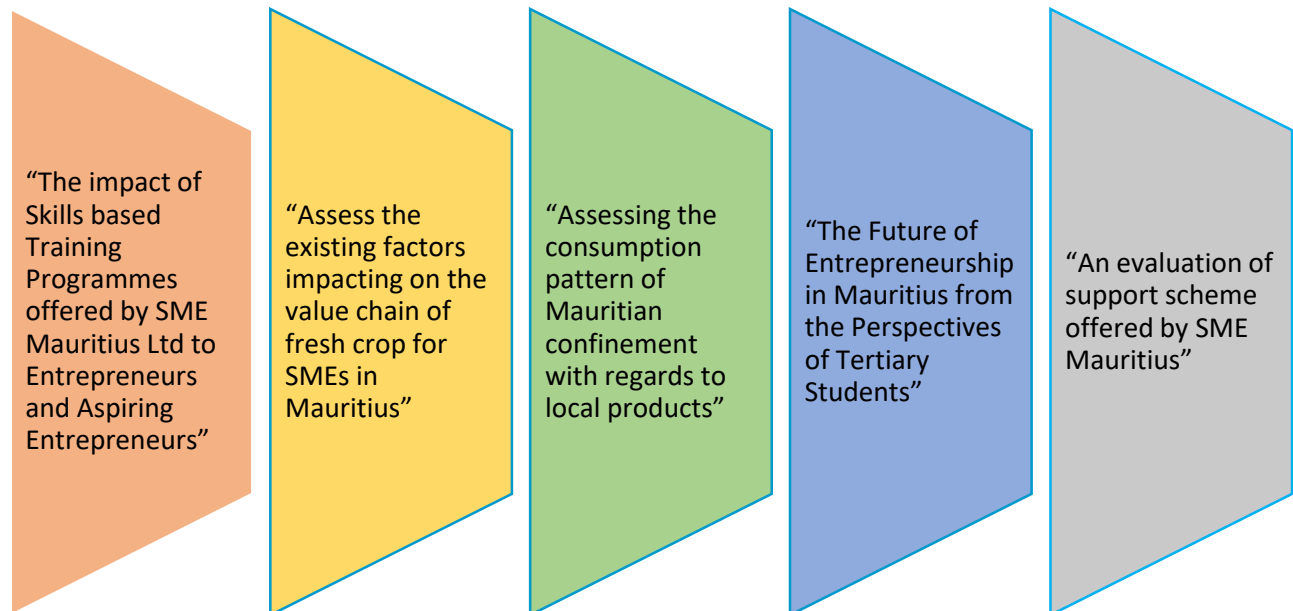
The Training department of SME Mauritius Ltd organised a fashion show on 17<sup>th</sup> December 2020 under the theme of 3R's – Reduce, Reuse and Recycle. This event was held at Issa Hall Mont Ida and the Chief Guest was the Honorable Minister Soomilduth Bholah. The decoration was undertaken by a batch of students in Events and Floral deco while the makeup, clothes and accessories of the models were done by those enrolled in Beauty Care and Grooming, Garment making, Creative jewellery, Designer crochet and Leather products and accessories courses. The objectives of the fashion show were to empower the trainees to acquire real life experience and the

appropriate knowledge to start their own business. The models wore clothes that were made from used materials such as old shirts, old sarees and old jeans.

- **SME Observatory -First Edition**

SME Mauritius Ltd observatory organised a research seminar on the 10<sup>th</sup> December 2020 at Le Saint Georges Hotel in the presence of academic students and entrepreneurs.

The research works were as follows:



- **Workshop: Effective Communication for SMEs**

A crash course on effective communication for entrepreneurs was conducted on the 24<sup>th</sup> February 2021 at Bel-Air. The trainer Mrs Marie-Noelle Elissac-Foy well known in the field of business communication shared with the entrepreneurs her personal experience on how to communicate effectively and efficiently within a dynamic business environment.

- **SME Networking Forum**

SME Mauritius Ltd organised the SME Networking Forum on 05th February 2021 under the theme of *“New Perspectives for SMEs in 2021”*. This event was held at Flying Dodo, Bagatelle in the presence of some 100 entrepreneurs from different field of activities. The networking forum is the perfect occasion for SMEs to get together and discuss on potential avenue of collaboration and also to discover the services/products offered. Through this event SME Mauritius Ltd wants to help in the co-designing and re-shaping the landscape of Entrepreneurship by the Entrepreneurs with the Entrepreneurs.

- **SME Start-up programme**

SME Mauritius Ltd also welcomed the first batch of the SME Start-up Programme (SUP). SUP provides aspiring entrepreneurs many facilities such as free training, logistics and co-working space. This close monitoring programme help start-up to launch sustainable business by acquiring the knowledge shared by professional entrepreneur.



- **Inauguration of office premises of SME Mauritius Ltd at Bel Air**

On 30 June 2021, SME Mauritius Ltd inaugurated its renovated office at Bel Air, in the presence of the Hon. Soomilduth Bholah, Minister of Industrial Development, SMEs and Cooperatives. SMEs benefit from free co-working space, modern training rooms and meeting rooms put at their disposal.

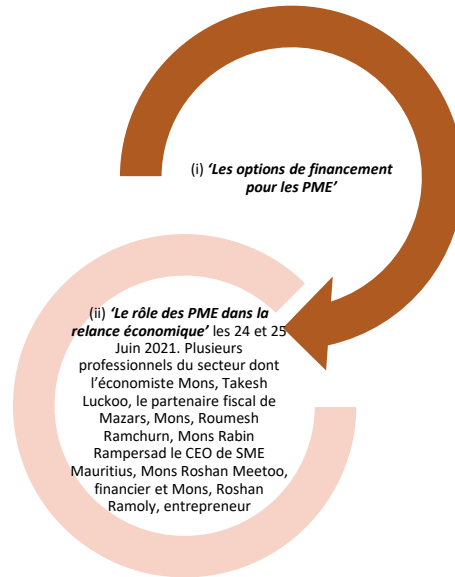


- **National Satellite Design Leather Studio**

As part of the leather strategy, a leather studio was inaugurated at the premises of SME Mauritius Ltd at Coromandel in August 2021. This newly set-up leather studio consists of 15 machines with the latest technologies which will help MSMEs in the leather sector to develop high-end products prototypes. The studio will enable entrepreneurs to get used to modern and clean technologies. More than 100 SMEs have benefited from a training in the design and the production of leather products.

- **La Journée Internationale des PME**

Dans le cadre de la Journée Internationale des PME, SME Mauritius Ltd avait organisé 3 événements dont 2 sont des sessions de travail sur les thèmes suivants : -



Ces évènements furent retransmis sur la page Facebook de SME Mauritius Ltd et la chaîne YouTube. Les entrepreneurs avaient l'opportunité d'envoyer leurs questions aux invités présent sur les différents plateaux proposés.

## 2.3 Upcoming Projects of the SMEs Division

### 1. A diagnostic study on the informal sector in Mauritius to facilitate post-Covid recovery

In the wake of the COVID-19 pandemic, it has become imperative to carry out a full-fledge assessment of the informal sector so as to guide the policies to facilitate the transition of MSMEs to the formal sector so that they benefit from Government support programmes.

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 formalization (drivers and incentives); and
- Propose strategic policy and programmatic interventions to strengthen their ecosystem to facilitate the transition to the formal sector

### 2. 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

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.

The objective of the study is 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.

The purpose of the study is to, among others:

- Contribute to the emergence of new business opportunities for SMEs and cooperatives; and
- Complement the import substitutions strategy and diversification of production.

### **3. Setting up of four Mini Fruit Processing Plants**

In December 2019, the African Asian Rural Development Organisation (AARDO) came up with a Report on the Setting up of Mini Fruit Processing Plant in Mauritius outlining the strategies for enhancing fruit production, techniques for processed and value-added products, processing plant layout and equipment, hygiene in plant and products, packaging materials and import substitution with local products.

With a view to reducing wastage of seasonal fruits and transforming the surpluses of tropical fruits into value addition products through agro-processing, conservation and packaging, 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.

A financial grant of 50 percent (up to a maximum grant of Rs One Million) will be provided to four SMEs/ Cooperative Societies, to cover the cost of equipment and machinery procured to set up the Plant.

#### **4. COMESA RECAMP Technical Assistance Facility (TAF)- Further enhancing the Development of the Leather Value Chain in Mauritius**

As per the Report submitted by the African Leather and Leather Products Institute, Mauritius has a weak collection of hides and skins with no proper grading standards. In addition, export earnings from the Mauritian leather sector is currently low due to insufficient participation in regional and international markets.

In this context, with a view to enhancing the leather value chain from the sourcing of quality skin and hides to export of quality leather and leather-related products to niche regional and international markets, the SMEs Division Division) is seeking to enlist the assistance of Consultant(s) to:

- I. Identify international suppliers within the African continent from which Mauritius can source good quality raw hides and skins; and
- II. Identify potential markets worldwide, including in Africa, for the export of Mauritian leather and leather- related products.

The project is being financed under the 11<sup>th</sup> European Development Fund Technical Assistance Facility of the Regional Enterprise Competitiveness and Access to Markets Programme to the tune of EURO 116,199.

#### **5. E-Commerce Platform**

- E-Commerce encapsulates large potential for SMEs to market their products locally, regionally and internationally.
- This Ministry signed a Memorandum of Understanding (MoU) on E-Commerce with the Mauritius Post Ltd on 29 July 2021. The purpose of the MoU is to



provide registered SMEs/Cooperatives to benefit from preferential tariffs on four main solutions offered by the Mauritius Post Ltd, such as:

- **Online Hosting of products on MPL website (Domestic and International)** The MPL will host SMEs products on its website, cater for the payment system on its payment gateway as well as offer end to end delivery to customers;
  - **Online payment gateway (Domestic and International)** – SMEs who possess an online platform but do not have an online payment gateway are best suited for this option. A hyperlink is developed to direct the prospective customer to the MPL online payment gateway;
  - **Post Office delivery (Domestic only)** – Customers order and pay to SMEs through any payment mode. Delivery is effected by the Mauritius Post through its Post Office counters;
  - **Cash on delivery (Domestic only)** – Customers order on SMEs’ website or other social media platform. Delivery is effected against payment by MPL over its counters around the country.
- SMEs are, therefore, being encouraged to adopt E-Commerce to increase their visibility and their marketability.

## 2.4 Status on Implementation of Budget Measures

**At Paragraph 141 of the Budget Speech 2020-2021, it was announced as follows:-**

*“DBM Ltd has earmarked Rs 10 billion to support distressed SMEs and Cooperative Societies”*

**At Paragraph 142 of the Budget Speech 2020-2021, it was announced as follows:-**

*“The DBM will provide loans of up to Rs10 million per enterprise at a concessional rate of 0.5 percent per annum”*

**At Paragraph 144 of the Budget Speech 2020-2021, it was announced as follows:-**

*“Furthermore, to encourage local production, I am increasing the one-off grant towards certification under ‘Made in Moris’ label from Rs 5,000 to a maximum of Rs 50,000”*

**At Paragraph 145 of the Budget Speech 2020-2021, it was announced as follows:-**

*“SMEs holding the “Made in Moris” label will benefit from a margin of preference of 40 percent instead of 30 percent under Public Procurement”*

**At Paragraph 148 of the Budget Speech 2020-2021, it was announced as follows:-**

*“To ease cash flow of SMEs, we will encourage the broadening of access to factoring facilities through Maubank.”*

## 2.5 Status of Implementation of Key Actions

Key Actions	Key Performance Indicator	Target 2020/2021	Actual as at 30 June 2021
Boosting local production and exports	Number of SMEs successfully entering the export market	15	-
	Number of SMEs certified under Made in Moris label	40	20
	Number of SMEs assisted for certification (Cumulative)	50	97

## 2.6 Risk Management, Citizen Oriented Initiatives and Good Governance

### 2.6.1 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.

### **2.6.2 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 Committee 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 occasions and it had identified the Procurement section as the riskiest one. Precautionary measures are undertaken by the Procurement Section.

### 3.0 FINANCIAL PERFORMANCE



## PART III - FINANCIAL PERFORMANCE

### FINANCIAL HIGHLIGHTS

In accordance with Budget Estimates 2020-2021, the Ministry of Industrial Development, SMEs & Cooperatives (Small & Medium Enterprises Division) had for the Financial Year 1 Vote under its control namely **11-1** but with 2 sub-heads -11-101 and 11-103.

#### 3.1 Financial Highlights

Overall Expenditure by Vote.

An amount of Rs 113,400M was provided to the Ministry (Small & Medium Enterprises Division) in Budget 2020/2021 out of which Rs112, 822M was spent.

#### 3.2 Statement of Expenditure

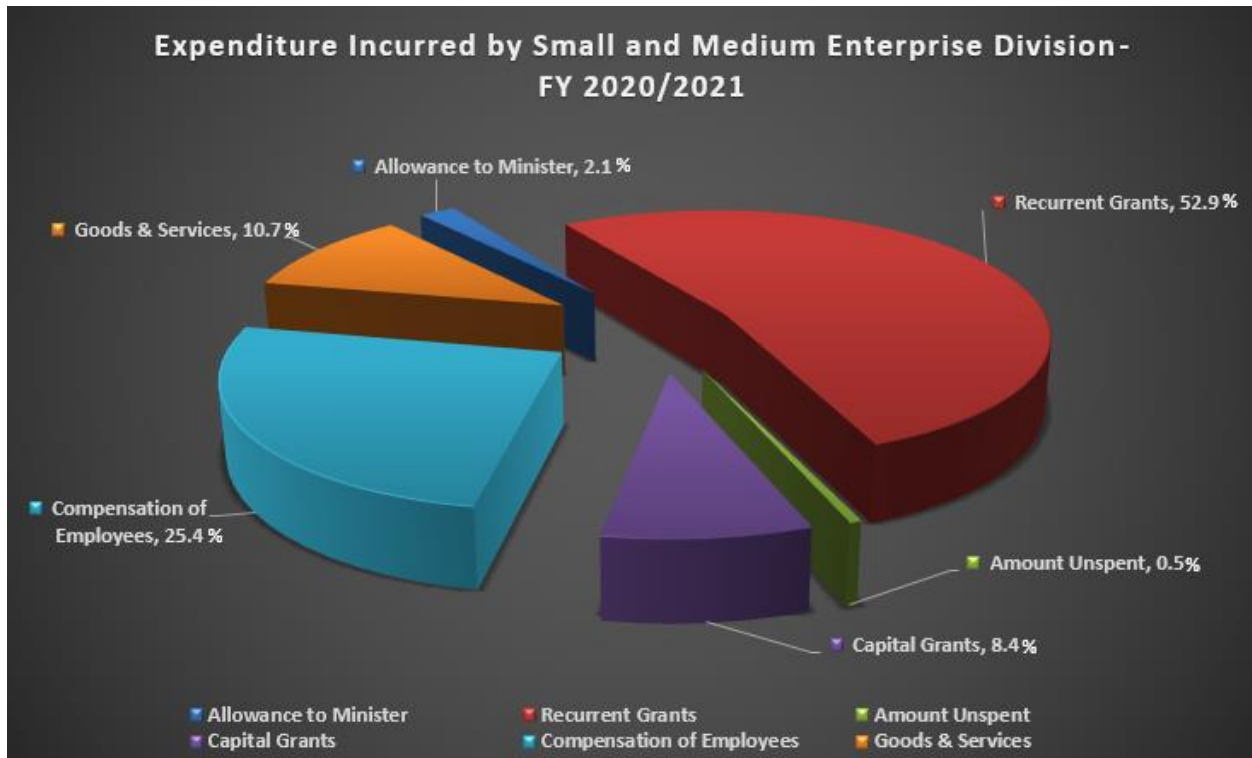
The Statement of Expenditure has been prepared according to the data obtained from the Treasury Accounting System (TAS).

Table below provides a summary of total expenditure incurred by the SMEs Division under Vote 11-1 which includes Sub-Heads 11-101: General and 11-103: Small & Medium Enterprise Division.

#### Statement of Expenditure under Vote 11-1

Sub-Head of Expenditure	2020/2021 Estimates (Rs)	2020/2021 Actual (Rs)
<b>11-101: General</b>	<b>29,100,000</b>	<b>28,997,431</b>
<b>Allowance to Minister</b>	2,400,000	2,400,000
<b>Compensation of Employees</b>	16,870,000	14,455,206
<b>Goods and Services+ Virement</b>	12,230,000	12,142,225
<b>11-103: Small and Medium Enterprise</b>	<b>84,300,000</b>	<b>83,824,400</b>

<b>Compensation of Employees</b>	14,800,000	14,324,400
<b>Recurrent Grants (including Operating Budget and Implementation of SME Support Schemes)</b>	60,000,000	60,000,000
<b>Capital Grants</b>	9,500,000	9,500,000



Percentage is based on Actual Expenditure FY 2020/2021 category-wise over Total Expenditure FY 2020/2021.

Compensation of Employees, Goods and Services and Grants accounted for around 99.5% of total expenditure.

Compensation of employees is made up of Basic Salary, Salary Compensation, Allowances, Extra Assistance, 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, Miscellaneous expenses and Gender Mainstreaming.

Grants refer to funds provided to SME Mauritius Ltd which consists of the Operating Budget and Implementation of SME Support Schemes.



## **4.0 WAY FORWARD**

### **4.1 Trends and Challenges**

The situation created by the global pandemic, coupled with natural disasters, is reshaping the socio-economic environment worldwide leading to major changes in the way businesses are conducted. The advent of disruptive technologies such as online platforms and widespread application of artificial intelligence are impacting heavily in global business practices. SMEs in Mauritius will undoubtedly have to adapt to the changing trends and Government is providing the necessary support for the SME sector to re-orient its commercial tendencies.

#### **Trends**

The worldwide developments that are drastically bringing forward major alteration in the SME sector include: -

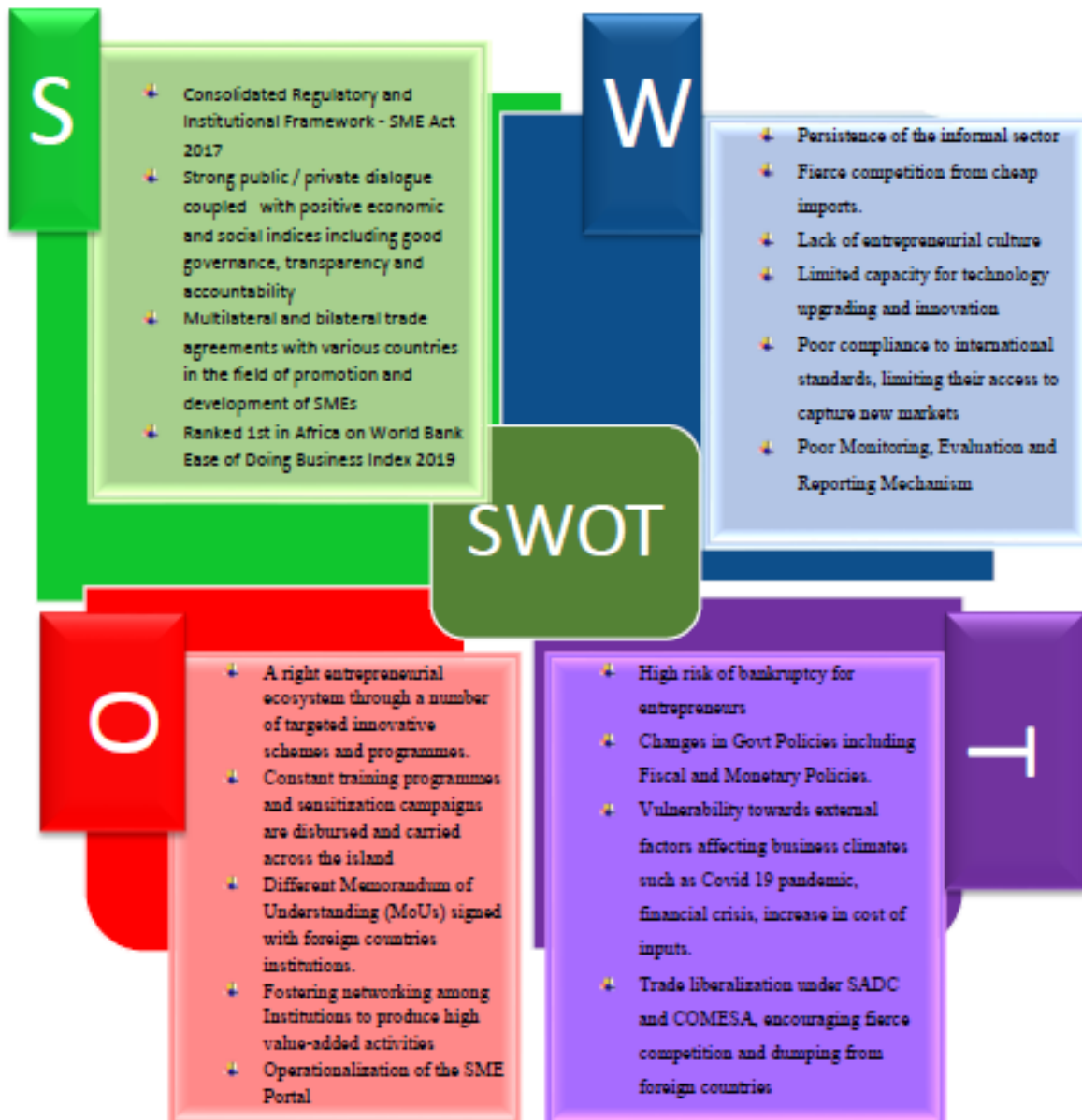
- Restructuration of business models to adapt to the new normal and the re-training of employees to enhance product/service delivery.
- Widespread changes in work environment resulting in employees working from home.
- Greater harnessing on innovative technologies for service delivery.
- Implementation of Quality Standards in their processes to meet international norms.
- Enhancement of ability of SMEs to weave in the global business market due to increased competitiveness.

## **Challenges**

The COVID-19 pandemic has brought in its wake major disruptions in economic activities worldwide. Mauritius has been no exception and this has had severe impacts on the productivity of our SMEs. The major challenges that could impact our SMEs in these testing times are –

- Decrease in business activities in international markets as a fallout of the COVID-19 pandemic
- Increase in cost of production due to shortages and rising cost of imports of raw materials
- Reduction in tourist arrivals affecting business activities locally
- Reduction in competitiveness due to hiking fuel prices leading to increase in freight charges
- Fluctuating exchange rates

## 4.2 SWOT Analysis



### 4.3 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 develop 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) 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.

4) 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.

5) SME Mauritius Ltd 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.

6) 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.

## 5.0 CONCLUSION

Over the years, the SMEs Division has implemented policies to make growth stronger and more inclusive for the creation of an enabling market environment for SMEs and to strengthen the entrepreneurial spirit. These policies have helped the country make great strides in its efforts to support youth, combat unemployment, and enable the private sector to drive economic growth. Having a healthy, vibrant, barrier-free SME ecosystem is critical to economic development.

The SMEs Division will pursue its tireless efforts in a holistic approach to address the main constraints of SMEs by supporting the diversification of the local economy and promoting the growth of a vibrant and resilient SME ecosystem.