

**174th Annual General Meeting of the Mauritius Chamber of Commerce
and Industry
30 March 2023 – Caudan Arts Centre**

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

**Hon. Renganaden Padayachy, Minister of Finance, Economic
Planning and Development;**

**Hon. Soodesh Callichurn, Minister of Commerce and Consumer
Protection;**

Mrs. Namita Jagarnath-Hardowar, President of MCCI;

Mrs. Sarada Moothoosamy, Officer in Charge of MCCI;

Senior officials of the public sector;

Captains of the Industry;

Members of the Press;

Distinguished Guests;

Ladies and Gentlemen;

Good Morning to you all!

Allow me to express my pleasure to be in your midst on the occasion of the 174th Annual General Meeting of the Mauritius Chamber of Commerce and Industry.

At the outset, I want to put on record the extent the government values the relationship we have with the MCCI. I must also emphasize on the respect we have for the important advocacy work you undertake on behalf of your members.

I would like to acknowledge and pay tribute to the critical contribution the members of the Chamber have made since 1850 - and continue to make, in supporting the vibrancy and success of our economy.

Ladies and Gentlemen

The active role of the Chamber in spearheading business activities in the Republic of Mauritius should be reckoned.

Allow me to applaud the recent projects undertaken such as the implementation of a revamped **Trade Obstacles Alert Mechanism** and a **Business Intelligence Platform**. These altogether constitute vital tools for our operators to thrive in a conducive business environment.

Furthermore, the **GS1 Middle East, Mediterranean and Africa (MEMA) Regional Forum** hosted by the MCCI in September 2022 was an ideal platform to promote the adoption of GS1 standards and barcodes as innovative business tools for effective supply chain management.

I would also like to thank the Chairman and members of the MCCI for your active participation in various discussion forums initiated by Government.

Ladies and Gentlemen

At this moment, I feel appropriate to put into perspective the global outlook which has a bearing on our economic development process. The latest predictions of the International Monetary Fund (IMF) denote a subdued economic recovery this year.

In its World Economic Outlook Update of January 2023, the IMF is forecasting a **2.9%** real GDP growth rate for the year.

This is being driven mainly by strong private consumption and investment in various economies such as the United States (USA) and the Euro-zone area.

The USA is estimated to achieve a growth of **1.4%** this year. Europe is geared to grow by **0.7%**. Emerging market and developing economies will achieve a higher growth of **4.0 %** this year.

The reopening of China's economy... the gradual fall in oil and commodity prices... and faster recovery from the COVID-19 pandemic are also expected to contribute to a positive rebound in the future.

All these important fundamentals will, no doubt, trigger greater business confidence and increased consumption. Our local enterprises could therefore capitalise on these prospects to strengthen their production activities.

Ladies and Gentlemen

Against this backdrop, it is worth noting that the Mauritian economy is making good progress and is on an upward trajectory.

This is reflected by the economic growth of **9.1%** achieved in 2022... as compared to **4.2%** in 2021.

The manufacturing sector is an important contributor to this remarkable achievement.

Indeed, the sector on its own recorded a growth rate of **6.3 %** in 2022... leading to an all-time gross output of **Rs 152 billion**.

On the export front, the performance has been also spectacular with a record-breaking figure of **Rs 52.3 billion**.

Such an outstanding accomplishment would not have been possible without the hard work, ingenuity and perseverance of our operators... coupled with the right industrial policies, strategies and support measures put in place by Government.

I am of the view that the outbreak of the Covid-19 pandemic was an eye-opener for industry operators. It simply challenged the routine way of doing business... and by extension, put to test the mode of operation.

Ladies and Gentlemen

Mauritius is also strengthening its position as a reliable and preferred sourcing destination supplying to renowned brands. Government is sparing no efforts to ensure that export-oriented enterprises are fully assisted through the host of support measures available for the manufacturing sector.

In particular, the EOE sector has benefitted more than **Rs 1.0 billion** in terms of Government's intervention under the various schemes.

Ladies and Gentlemen

With the growth momentum back on track, I sincerely believe that we can push forward for higher export targets.

It is important that we exploit extensively on the preferential market access by leveraging on existing and new trade agreements that we have with the European Union, UK, USA, Africa, India and China.

A lot of emphasis is being laid on Africa... which has emerged as our leading export market destination. The potential in Africa is huge for our exporters. And it is imperative that we consolidate the visibility of Mauritius as a sourcing destination of choice in the region.

In this context, Government is exploring all avenues to accelerate the pace of regional cooperation. You may wish to note that my Ministry is working closely with the Economic Development Board to mount an impactful Trade and Investment Mission in leading cities of South Africa... namely Johannesburg, Cape Town, Port Elizabeth and Durban in May 2023. Similar missions are anticipated in other countries such as Australia, Japan and News Zealand

Ladies and Gentlemen,

My Ministry is fully assuming its role as a facilitator so that manufacturing enterprises operate in a seamless business environment.

It is worth pointing out that the implementation of the Industrial Policy & Strategic Plan (2020-2025) is well underway with around **70%** of the projects and programmes already realised or under implementation.

I wish to highlight that one of the major recommendations of the IPSP pertains to the adoption of advanced technologies by manufacturing enterprises with the aim to enhance their competitiveness. In this regard, I am pleased to inform that my Ministry has obtained technical assistance

from the Commonwealth Secretariat to undertake a project on “Manufacturing 4.0”.

This project started in January of this year. And as a first step, a survey is being conducted to assess the level of digital readiness in the manufacturing sector.

Thereafter, an in-depth capacity building programme will be carried out with a group of selected enterprises.

A Steering Committee, under the Chair of my Permanent Secretary, has been set up to oversee implementation of the “Manufacturing 4.0” project. I am glad that all the private sector associations including MCCI of course are part of this project. And I look forward to their valuable contribution to engage the participation of enterprises for higher technology uptake in the country.

Ladies and Gentlemen

In this highly competitive environment in which we are evolving, you will agree that the adoption of sustainable manufacturing practices is no longer an option.

By embedding eco-friendly production practices, enterprises would be in a better position to comply with the need for a cleaner and greener carbon-neutral world.

My Ministry is associated with a number of initiatives to promote energy efficiency, renewable energy, zero waste management and recycling in the manufacturing sector.

We are encouraging industry operators to take advantage of the relevant schemes put in place to achieve a Carbon Neutral Industrial Sector by 2030.

Let me emphasise that the Industrial Finance Corporation of Mauritius (IFCM) Ltd is assisting industry operators to invest in solar photovoltaic installations to generate electricity for their own consumption and export on the national grid.

I would make an appeal to the business community to fully optimise on this funding option to mitigate the impact of the rise in electricity tariff.

Ladies and Gentlemen,

We as a nation, as one team, must remember that:

1. economic recovery must be green, resilient, inclusive and sustainable;
2. adoption of digital technology is no longer an option. It is imperative; and
3. we must innovate.

With that being said, I am sure you understand that we have to level the playing field for SMEs.

It is worth reminding that SMEs contribute 44% to national employment and 35% to Gross Value Added in Mauritius.

Given their central economic and social force, Government has always made it a point to ease access to capital, markets and technology for SMEs.

Recently, my Ministry organised “*Les Assises de l’Entrepreneuriat*” to regroup stakeholders to debate and formulate proposals for enhanced support to SMEs.

The 10-year Master Plan of the SME Sector launched by my Ministry in 2017 has also been reviewed. The mid-term review provides my Ministry elements on which to focus for the next 5 years in line with new market realities as well as new Government priorities.

Ladies and gentlemen,

The future of business and opportunities is dependent on the ability of all players to work together towards a common vision. A vision for a brighter and better Mauritius for all.

Our journey may be fraught with challenges... but it is filled with opportunities.

As we write the next chapter of our economic story, we must build on our existing foundations... And yet be bold enough to develop new industries.

The strong partnership and constant dialogue between government and private sector will remain a key enabler for that.

I am confident that we can propel our economy to greater heights.

Thank you for your kind attention.

S.B
30.03.23