

17TH AGM of Mauritius Export Association (MEXA)**13 April 2023****Speech by the Minister of Industrial Development, SMEs and Cooperatives, Hon. Soomilduth Bholah****Hon. Alan Ganoo, Minister of Land Transport and Light Rail and Minister of Foreign Affairs, Regional Integration, and International Trade****Mr. Gunpath, Senior Chief Executive of my Ministry****Mr. Putchay, Permanent Secretary of the Industrial Development Division of my Ministry****Mr. Ariff Currimjee, Chairman of MEXA****Mrs. Lilowtee Rajmun-Joosery, Director of MEXA****Captains of Industry****Representatives of Public and Private sector organisations****Members of the Press****Distinguished Guests****Ladies and Gentlemen,****Good morning!**

I am glad to be in your midst on the occasion of the 17th Annual General Meeting of MEXA.

Thank you MEXA for giving me the opportunity to address you today.

At the outset, I would like to express my deep appreciation for the good and dynamic working relationship between my Ministry and MEXA.

Indeed, this collaborative partnership has been instrumental and fruitful in supporting the economic development of Mauritius through the establishment of a strong export manufacturing base.

Ladies and Gentlemen,

The export manufacturing sector undeniably plays a very important role in the Mauritian economy, as evidenced by its contribution to foreign exchange earnings, employment and output.

Since the establishment of the Export Processing Zone in the 1970's... we have travelled a long journey and achieved remarkable progress... by positioning ourselves as a reliable sourcing destination for a range of manufactured goods.

In this vein, let me reiterate that the Export-Oriented Enterprises sector will continue to be a major pillar of the economy despite all permutations taking place on the international scene.

It cannot be denied that the sector has always proved its capacity to navigate amidst turbulences.

I have in mind the dismantling of the Multi Fiber Agreement... the occurrence of the Eurozone crisis... the advent of Brexit... and more

recently the outbreak of the COVID-19 pandemic... as well as the ongoing conflict between Ukraine and Russia. The long-standing resilience demonstrated by our industry operators during these difficult times has to be duly recognised and this is highly valued.

As a matter of fact, it is gratifying to note that the Export-Oriented Enterprises (EOE) sector remains one of the largest employers providing gainful job opportunities to more than **36,000** persons.

In terms of foreign exchange earnings, it continues to be a leading contributor to our FOREX reserves. We also appreciate that the sector has put Mauritius on the world map by supplying to renowned international brands such as Hugo Boss, Tommy Hilfiger, Armani Exchange, Lacoste, Calvin Klein, Guess, Levis Strauss and Adidas.

Ladies and Gentlemen,

I am very proud that the EOE sector has achieved another milestone in **2022** with record breaking exports of **Rs 50 billion**. At national level, domestic exports have also reached a peak of **Rs 52.3 billion**. More importantly, manufacturing output has attained an all-time high of **Rs 150 billion**.

This is a moment of satisfaction that has to be celebrated as it displays the perseverance, commitment and dexterity of all the stakeholders engaged in the advancement of the manufacturing sector.

At sectoral level, the textile and clothing sector, as backbone of our export-led orientation, has again proved its mettle to withstand the test of times by achieving export of **Rs 22 billion** in **2022**. This represents a growth of **8%**. This has been possible due to the ability of our industry captains to respond swiftly to buyers' needs by complying to their specifications... delivering as per set deadlines... and producing on the basis of prices negotiated.

On the other hand, the fish and fish preparations sector also excelled by posting a growth rate of **20.8%** in **2022**, accounting for exports of **Rs 12 billion**. This good performance is very laudable in a context where there is lot of uncertainty in the supply of certain tuna species... arising from resolution taken at the last meeting of the Indian Ocean Tuna Commission held in Kenya.

I am aware that this issue is of high importance to our tuna processing plants. And it was thoroughly discussed at a recent Conference organised by seafood operators regrouped under the Sustainable Tuna Association.

At the level of Government, the matter is being followed closely. Consultations are ongoing to reach a consensus for a possible counter-proposal which would comfort the future development of the seafood sector.

In addition, the jewellery sector maintained its ascending trajectory, by registering a growth rate of over **44%** in **2022** to peak at **Rs 5.47 billion**. The sector is fully driven by rising demand for luxury goods

with complete relaxing of all restrictions linked to the COVID-19 pandemic in our export markets.

On its part, the medical devices sector continues to exhibit its usual buoyancy in a stressful environment where demand for lifesaving products keeps on increasing. New markets are opening up. And this has led to a growth of over **11%** in exports. Thus maintaining its upward trend which is likely to cross the **Rs 2 billion** exports mark in **2023**.

Ladies and Gentlemen,

At Government level, we are committed to uplift the export manufacturing sector to new heights. You will agree that with the collaboration of each and every one, higher export targets could be set and realised.

In this endeavour, I wish to underscore the plethora of support measures put in place to assist enterprises. Over the past few years, the EOE sector has benefitted more than **Rs 1 billion** under the different schemes such as the Trade Promotion and Marketing Scheme, the Freight Rebate Scheme and the Modernisation and Transformation Fund.

Government is conscious of evolving market conditions and the volatile trading environment which have a bearing on the overall performance of the EOE sector.

This is why we are very attentive to concerns expressed by the export community. And I hope that these are reflected in the Budget Proposals 2023-2024 submitted by MEXA to the Ministry of Finance, Economic Planning and Development.

Let me give the assurance that Government has at heart the interest of our export enterprises. And every effort will be made to accompany them in their development process.

Ladies and Gentlemen,

Looking ahead, I sincerely believe that we have many reasons to be optimistic and trust in our ability to maintain the momentum gathered and pursue on a growth path trajectory.

We must build on our intrinsic strengths that revolve around a versatile and skilled workforce... the capacity to innovate and adopt latest technologies... as well as adherence to sustainable industrial practices.

To this end, my Ministry is fully involved in the implementation of the Industrial Policy and Strategic Plan (IPSP) (2020-2025).

The IPSP contains a list of **194** projects to be implemented by various stakeholders over a period of **5** years. I am pleased to inform that, as at now, more than **50%** of projects in the IPSP have already been realised. Implementation is progressing for **30%** of the projects. My Ministry is coordinating with all stakeholders to find ways and means

to kick-start implementation of the remaining projects as soon as possible.

Furthermore, we are spearheading the implementation of an important project on '**Manufacturing 4.0**' with the assistance of the Commonwealth Secretariat. The objective is to enable manufacturing enterprises to upgrade their existing production processes through the adoption of latest technologies... such as Artificial Intelligence, Robotics, Automation and Industrial Internet of Things.

This project was launched in January 2023. And as a first step a survey is being carried out to assess the digital readiness of manufacturing enterprises in adopting technologies associated with Industry 4.0. The deadline for responding to the survey is **17 April 2023**. After the survey, the project consultants will analyse the data and submit a comprehensive report.

Based on the findings of the report, an in-depth capacity building programme will be carried out to support selected enterprises in their drive to move towards Industry 4.0 technologies.

As at now, the response rate to the survey is very positive. I am thankful to MEXA as well as Business Mauritius, MCCI and AMM, which are fully collaborating on this Fourth Industrial Revolution Project. The good news is that we have already financing options in place under the Modernisation and Transformation Fund at IFCM Ltd to accompany our business operators in this new technological journey.

Ladies and Gentlemen,

Everyone in this room understands that green industrialisation is a key enabler to gain higher market share.

My Ministry has elaborated a project to accelerate the “*Greening of the Manufacturing Sector*”. The project has successfully passed the different stages of selection. It is now being assessed at the level of the Global Environment Facility for a final decision. In brief, this project relates to the setting up of a Green Manufacturing Revolving Fund to finance energy and material audits as well as investment in energy, material efficiency measures and in renewable energy technologies at enterprise level. Indeed, this initiative could be a major breakthrough in our ambition to have a Carbon Neutral Industrial Sector in our efforts to reduce Green House Gas emissions as per our SDG Goals.

My Ministry is also very much aware of the additional burden on cash flow of enterprises as a result of the hike in industrial electricity tariffs as from **1st February 2023**. But this constraint can be addressed through appropriate schemes available at IFCM Ltd and DBM Ltd. To deal with the situation, Government is encouraging enterprises to invest in Solar PV Panels to generate their own electricity by taking advantage of funding options at IFCM Ltd and commercial banks.

Ladies and Gentlemen,

Shocks – however hard they hit us – are often the prelude to new insights in societies. Disruption can inspire innovation.

There are both threats and opportunities in the new landscape.

The question is how will we as a Nation respond?

Business as usual is no longer an option.

One major lesson we learnt is that economies and supply-chains are vulnerable. Agility is the way to go to sustain.

We have made progress despite the strong global headwinds that are afflicting economies everywhere.

For the past three years, I have personally seen business operators as resilient as ever, setting out with a purpose, rolling up their sleeves and getting the job done.

Government is conscious that building greater industrial resilience needs even greater prominence in policy making.

My Ministry will step up efforts to improve the dynamism and capacity of our industrial base... and create opportunities for firms to grow.

Hardwork, collaborative approach and synergy between institutions are crucial to turn dreams into reality.

Because at the end of the day we all want a strong manufacturing sector to fuel the economic recovery... and deepen industrialisation.

Thank you.

S.B

13.04.23