



ANNUAL REPORT FINANCIAL YEAR 2021 – 2022

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

October 2022

Content

1.0 ABOUT THE MINISTRY.....	4
1.1 INSIGHT OF THE MINISTRY.....	4
1.1.1 SMES DIVISION	5
1.2 STATEMENT OF HON. MINISTER	6
1.3 STATEMENT OF ACCOUNTING OFFICER	8
1.4 FUNCTIONS OF THE SMES DIVISION.....	10
1.5 OUR STRATEGIC FUNCTIONS.....	11
1.6 GENDER STATEMENT	12
1.6.1 GENDER DISTRIBUTION IN THE SME SECTOR.....	12
1.7 ABOUT OUR PEOPLE	13
1.7.1 STAFF DISTRIBUTION.....	14
LIST OF SENIOR STAFF AS AT 30 JUNE 2022.....	15
1.7.2 ORGANIZATIONAL CHART	16
1.7.3 THE HUMAN RESOURCE SECTION	17
1.7.4 TRAINING AND DEVELOPMENT	17
1.7.4.1 TRAINING FOR OFFICERS.....	18
1.7.4.2 TRAINING ATTENDED	19
1.7.5 SME REGISTRATION UNIT	20
1.8 MAIN LEGISLATIONS.....	21
1.8.1 OVERVIEW OF STATE-OWNED ENTERPRISE OPERATING UNDER THE.....	22
PURVIEW OF THE MINISTRY	22
2.0 MINISTRY’S ACHIEVEMENTS-ACHIEVEMENT OF THE SMES DIVISION	23
2.1 ONLINE BUSINESS DIRECTORY OF SMES	23
3.0 PROJECTS AND SCHEME OF THE MINISTRY.....	25
3.1 SETTING UP OF MINI FRUIT PROCESSING PLANTS.....	25
3.2 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.....	26
3.3 A DIAGNOSTIC STUDY ON THE INFORMAL SECTOR IN MAURITIUS TO FACILITATE POST-COVID RECOVERY	27
3.4 PARTNERSHIP FOR ACTION ON GREEN ECONOMY (PAGE) REPORT ON GREENING THE SMES: IMPROVING SME ACCESS TO GREEN FINANCE IN MAURITIUS.....	28
3.5 COMESA RECAMP - TECHNICAL ASSISTANCE FACILITY (TAF)- FURTHER ENHANCING THE DEVELOPMENT OF THE LEATHER VALUE CHAIN IN MAURITIUS.....	29
3.6 E-COMMERCE PLATFORM.....	30
3.7 10-YEAR SME MASTER PLAN	31
4.0 UPCOMING PROJECT FOR FY 2022-2023.....	32
4.1 PROMOTING EXISTING AND NEW SECTORS FOR SMES - ORNAMENTAL FISH FARMING.....	32

5.0	STATUS ON IMPLEMENTATION OF BUDGET MEASURES	33
	5.1 STATUS OF IMPLEMENTATION OF KEY ACTIONS	36
	5.2 RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES AND GOOD GOVERNANCE	36
	5.2.1 ANTI-CORRUPTION COMMITTEE	36
	5.2.2 AUDIT COMMITTEE	37
6.0	FINANCIAL HIGHLIGHTS.....	38
	6.1 FINANCIAL PERFORMANCE.....	39
	6.2 FINANCIAL HIGHLIGHTS	39
	6.3 STATEMENT OF EXPENDITURE.....	39
7.0	WAY FORWARD	43
	7.1 TRENDS AND CHALLENGES	43
	TRENDS	43
	CHALLENGES.....	44
	7.2 SWOT ANALYSIS.....	45
	7.3 STRATEGIC DIRECTION	46
	7.3.1 3rd Joint Committee on Micro, Small and Medium Enterprises between Mauritius and India	46
	7.3.2 10-Year SME Master Plan.....	46
8.0	CONCLUSION	47

1.0 ABOUT THE MINISTRY

1.1 INSIGHT OF THE MINISTRY

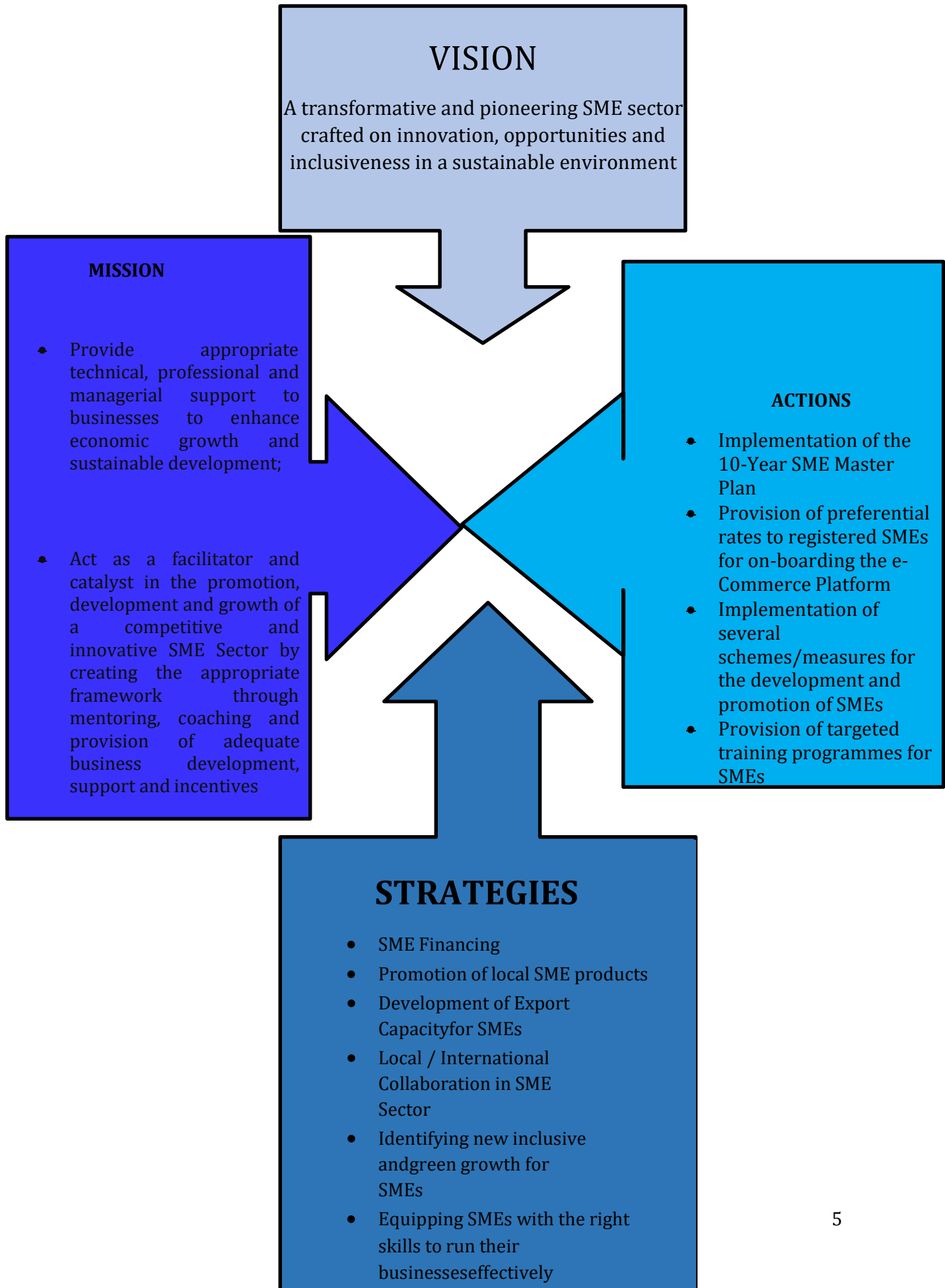
The Ministry of Industrial Development, SMEs and Cooperatives comprises three Divisions namely the Industrial Development, SMEs and Cooperatives Divisions respectively. The main activities of the Ministry revolve around formulation of policies pertaining to Industrial Development, Micro, Small and Medium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

1.1.1 SMES DIVISION



1.2 STATEMENT OF HON. MINISTER



I am pleased to present the Annual Report of the Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division) for the financial year 2021-2022. This is particularly timely given the global economy is still grappling with serious challenges, from the protracted COVID-19 pandemic to geopolitical issues.

SMEs are more than ever in need of support, as they navigate the impacts of the pandemic, conflicts and the climate crisis. They are the hardest hit by these multiple shocks, and at the same time play a critical role in building back stronger. That is why talking about SME resilience is as important today as it has been over the last two years of the pandemic when SMEs had to deal with the severe economic restrictions that COVID-19 necessitated.

While the last two years saw many challenges for Mauritian businesses, it also saw, a strong and coordinated response from Government to protect households and firms from the effects of the pandemic. As policymaker, the Government has already moved beyond recovery and has considered ways in which to lower and eliminate barriers faced by SMEs, improve the business environment and access to finance, markets and technology in these fragile times.

I have already seen the ability of SMEs to adjust and bounce back as they have dealt head on with major disruptors. I believe that SMEs possess a resilience to continue to adapt and to transform in the face of challenging circumstances. I also recognize the role that our SMEs will play in driving and facilitating change, especially in terms of meeting the investment needs of the digital transition and in response to climate change.

As Minister responsible for SMEs, my priorities are to ensure that the right economic, fiscal and financial policies are put in place to support our SMEs. As a Government, we are working to ensure that SMEs are supported so that they can be at the forefront of the changes needed to the digital transformation of business. However, beyond this immediate challenge, we are focused on also

building a stronger, fairer, and more sustainable and inclusive economy.

In this vein, I also extend my appreciation to the staff of my Ministry who is fully devoted to support and empower SMEs to enable them to unlock their full potential through inspiring innovation and creativity.

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

1.3 STATEMENT OF ACCOUNTING OFFICER



It gives me immense pleasure to be associated with the publication of the Annual Report of the Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division) for the period 2021-2022.

I bear recognition to the contribution and commitment of the staff of the SME Mauritius Ltd in ensuring implementation of the projects and schemes of the Ministry in the most efficient manner.

I also express my gratitude to the excellent working relationship between the Ministry and its main partners, especially the small and medium enterprises (SMEs).

The period 2021-2022 has been a turning point for the SMEs in our country, marking the aftershocks of the Covid-19 pandemic worldwide and the advent of the war on Ukraine, which have exacerbated the disruptive forces of the Covid-19 pandemic. This period has brought in its wake new challenges, especially in the disruption of the supply chain and sourcing of raw materials as well as the export sector that the SMEs have to face on a daily basis. I would like to pay tribute to the dedication and commitment of the staff of this Ministry who have risen up to these challenges and to the SMEs who have clearly adapted themselves to the changing trends.

The enhancement of the competitiveness of our local SMEs ranks high on the agenda of this Ministry. It is in this perspective that five new schemes have been brought about by the SME Mauritius Ltd geared towards increasing the productivity of SMEs by improving their knowledge base. I hereby commend the laudable ‘Technology and Innovation Scheme’ of SME Mauritius Ltd, which, in the long run, will bring along a quantum leap in the methods of production and marketing of our local SMEs, more precisely with the widespread application of robotics and artificial intelligence, cloud solutions and digital marketing, amongst others. This initiative is directly in line with the transformative agenda

of Government towards bringing forth a broad-based economy driven by innovation and technology and the adoption of best practices in all fields of activity.

This year, the Ministry embarked on an online Business Directory of SMEs categorized by sector and district to enable the business continuity and the public to easily, contact, locate and interact with our local SMEs. The SME e-Directory is a commendable initiative of the SME Registration Unit of this Ministry, for the promotion of the products/services of SMEs. It is a vital marketing tool that increases the visibility of SMEs and enables them to obtain orders from individuals as well as the private sector, SME Associations and Government bodies.

As the preliminary signs of economic recovery announce better opportunities for higher growth, a return of our economic indicators to the pre-pandemic position will require an extra effort on behalf of one and all. The changing economic order, especially the rise in oil and gas prices in the international market, illustrates the limit of our control over the external shocks facing all sectors of our small island state economy. Yet, these challenges are not unsurmountable if the right policies are adopted and implemented in a timely and efficient manner, such as the adoption of renewable energy by SMEs. There is clearly a need to walk the extra mile to face the emergence of new challenges and bring forth a steady growth rate.

I, therefore, rely on the wisdom and ingenuity of the SME sector in crafting the appropriate schemes during these challenging times.

R. K. Bunjun
Acting Permanent Secretary
Ministry of Industrial Development, SMEs
and Cooperatives (SMEs Division)

1.4 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.



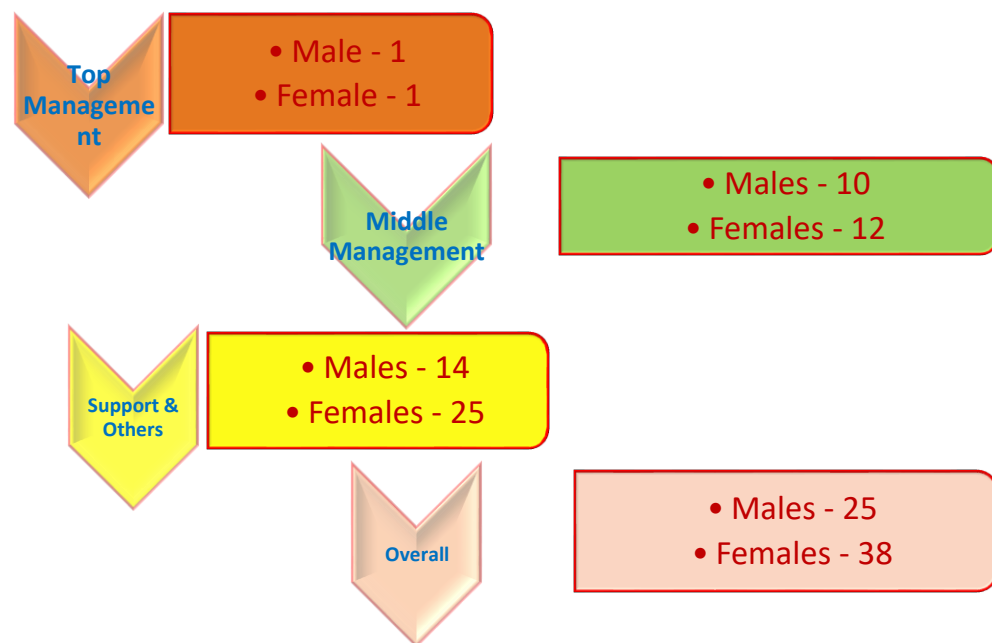
1.5 OUR STRATEGIC FUNCTIONS

Devise, formulate, review and implement strategic policies relating to SMEs
Identify projects, programs and activities for the development and promotion of SMEs
Facilitate and coordinate research relating to development of SMEs through

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 programs, among others
Collaborate in entrepreneurship activities carried out by public sector agencies and the private sector

1.6 GENDER STATEMENT



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.

1.7 ABOUT OUR PEOPLE

During the period 19 July 2021 to 20 December 2021, the Ministry was headed by a Senior Chief Executive. Following the change in posting of the Senior Chief Executive, the Permanent Secretary is the Administrative Head and Accounting Officer of the Division. She is assisted in her duties by a Deputy Permanent Secretary, two Assistant Permanent Secretaries and officers of the Technical Cadre, Human Resources Cadre, Financial Operations Cadre, Procurement and Supply Cadre, General Services Grade and (Ex-SMEDA) employees.

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 63 staffs including -

- One intern under Service to Mauritius Programme and three Trainees under the Youth Employment Programmes
- One Computer Support Officer/Senior Computer Support Officer from the Central Information Systems Division (part time basis as and when required)
- One Safety and Health Officer/Senior Safety and Health Officer ($\frac{1}{2}$ day per week)

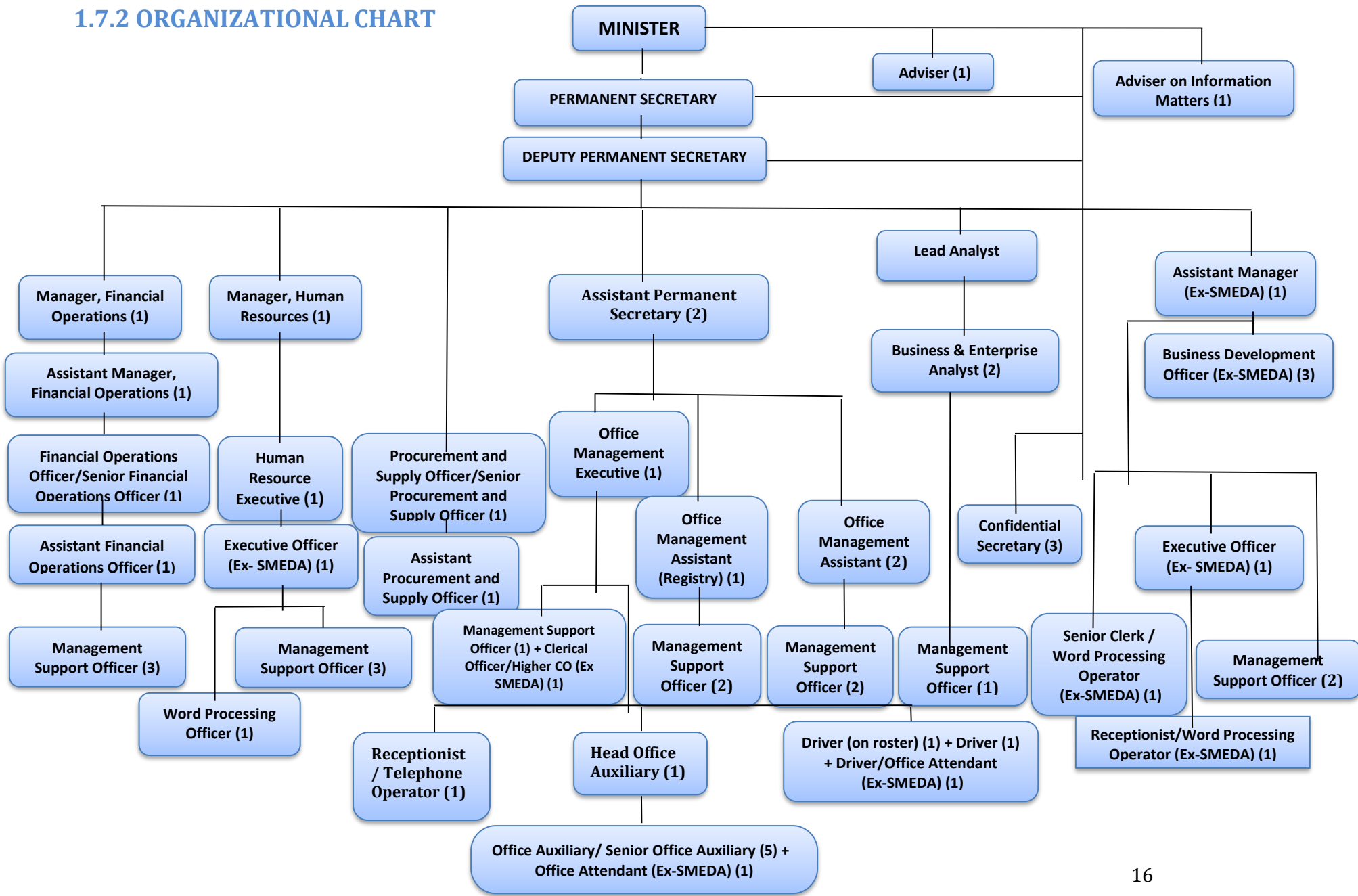
1.7.1 STAFF DISTRIBUTION



LIST OF SENIOR STAFF AS AT 30 JUNE 2022

SN	Name of Officers	Contact Details
1.	Senior Chief Executive Virendra Kumarsingh DABY (19 July 2021 to 20 December 2021)	Phone: 405 3157 Fax: 214 4152 Email: vdaby@govmu.org
2.	Permanent Secretary Mrs Marie Anne Janick JAUNBOCUS	Phone: 405 3157 Fax: 214 4152 Email: mjaunbocus@govmu.org
3.	Deputy Permanent Secretary Mr Jean Daniel Philippe LABONNE	Phone: 405 3105 Fax: 213 9169 Email: jlabonne@govmu.org
4.	Assistant Permanent Secretary Mr Muhammad Ziyaad MADARBOKUS	Phone: 405 3108 Email: mzmadarbokus@govmu.org
5.	Assistant Permanent Secretary Mr Akshaye Kumar JEEWOOLALL	Phone: 405 3149 Email: ajeewoolall@govmu.org
6.	Lead Analyst Mr Nunramsing BAICHOO	Phone: 405 3141 Email: nbaichoo@govmu.org
7.	Business and Enterprise Analyst Miss Thaneshwaree RAMNARAIN	Phone: 405 3110 Email: tramnarain@govmu.org
8.	Business and Enterprise Analyst Mrs Varsha VEERAMAH-RAMIAH	Phone: 405 3109 Email: vveeramah@govmu.org
9.	Assistant Manager (Ex-SMEDA) Mr Chi Ng Leong CHI KAM CHUN	Phone: 202 0050 Email: c-chi-kam-chun@govmu.org
10.	Business Development Officer (Ex-SMEDA) Mrs Bhooneshwaree BHUNDOO	Phone: 202 0050 Email: bbhundoo@govmu.org
11.	Business Development Officer (Ex-SMEDA) Mr Lorga Pragessen SORNUM	Phone: 202 0050 Email: lsornum@govmu.org
12.	Business Development Officer (Ex-SMEDA) Mr Soobeeraj NOWBUTSING	Phone: 202 0050 Email: snowbutsing@govmu.org
13.	Manager, Human Resources Mr Premajit RAMKHELAWON	Phone: 405 3113 Email: pramkhelawon@govmu.org
14.	Human Resource Executive Mrs Kavita SEETLOO	Phone: 405 3114 Email: kseetloo@govmu.org
15.	Acting Manager, Financial Operations Mrs Savita BOODHNA	Phone: 405 3131 Email: saboodhna@govmu.org
16.	Office Management Executive Mr Abdool Nasser RASMALLY	Phone: 405 3126 Email: nrasmally@govmu.org
17.	Acting Procurement and Supply Officer/Senior Procurement and Supply Officer Mrs Meenakshi Devi KHAYTOO	Phone: 405 3116 Email: mkhaytoo@govmu.org
18.	Office Management Assistant Mrs Lalita BUNDHOOA	Phone: 405 3120 Email: lbundhooa@govmu.org

1.7.2 ORGANIZATIONAL CHART



1.7.3 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.

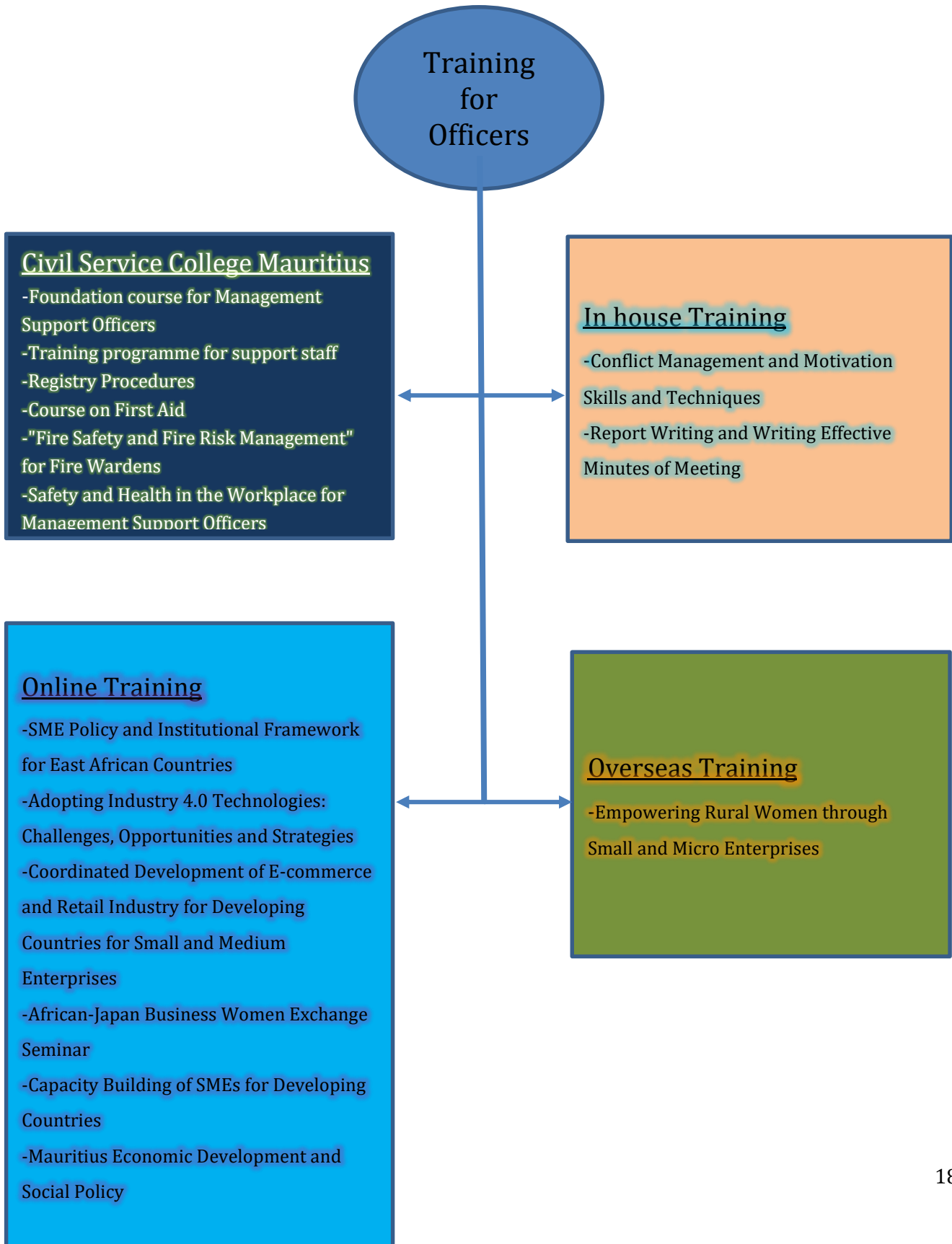
The HR Section is responsible for the proper management of matters pertaining to the staff of the Division such as leaves management, salary computation, as well as training and capacity development, amongst others.

1.7.4 TRAINING AND DEVELOPMENT

Training and Development is one of the five Key Performance indications of the Public Sector Business Transformation Strategies. The target set was 100% use of funds. During the Financial Year 2021/2022, an amount to the tune of Rs 75,000 was made available in the budget of this Division. The funds were judiciously used and the target of 100% was successfully achieved by running in-house and off the job trainings programs.

1.7.4.1 TRAINING FOR OFFICERS

Officers were provided training as mentioned below:



1.7.4.2 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

1.7.5 SME REGISTRATION UNIT

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



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

2 All data collected from SMEs are treated with strict confidentiality; and

3 The SME Registration Unit is operating an online registration platform for SMEs since October 2019. Since its inception, 17,582 online applications have been received and processed. For Financial Year 2021-2022, **9,976** online applications were received and processed, out of which 7,116 Registration Certificates have been issued. The online system has considerably reduced processing time of applications.

1.8 MAIN LEGISLATIONS

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

Total Number of SMEs registered by Gender FY 2021-22				
Gender	Mauritius	Rodrigues	Total	%
Male	3941	66	4007	56
Female	2992	117	3109	44
Total	6933	183	7116	100

For the Financial Year 2021-22, 6933 SMEs were registered; 4007 Males (Including 66 Rodrigues) and 3109 Females (Including 117 Rodrigues).

As percentage, it can be seen on the table as 56% of males and 44% of females were registered as SMEs in the FY 2021-22.

Total certificates issued for the same were 7116.

Total Number of applications received for FY 21/22: 9976

1.8.1 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.

2.0 MINISTRY'S ACHIEVEMENTS-ACHIEVEMENT OF THE SMES DIVISION

The main achievement of the SMEs Division for Financial Year 2021-2022 is as follows-

2.1 ONLINE BUSINESS DIRECTORY OF SMES

The Ministry embarked on the introduction of an online Business Directory of SMEs categorized by sector and district to enable the business continuity and the public to easily, contact, locate and interact via online technology.

The SME e-Directory is an initiative of the SME Division to promote the products/services of SMEs. It is a vital marketing tool that increases the visibility of SMEs and enables them to obtain orders from individuals as well as the private sector, SME Associations and Government bodies.

- This Directory has been conceptualised in categories (30) of activities and on a district wise basis and the SME e-Directory is already live since 5 September 2022. As at date, the GOC has already migrated a list of 5351 SMEs. It can be accessed under the URL <https://smesdb.govmu.org>.
- The e-Directory is a laudable milestone in the process of business transformation of the Public Service. It provides an easy-to-access platform for business facilitation to SMEs free of charge.
- Graduate students can also have access to this platform and carry out surveys on the SME sector for their dissertation or any other research works.

The main benefits of the SME e-Directory are as follows –

- It is a practical tool for ventilation of information on SMEs.
- Gives users timely and coherent information.
- It is also a cost effective way to build a presence in the local market place.
- It is available to the public on a 24/7 basis.
- It also gives a global reach
- It helps in promoting the activities of SMEs and also provide them with an online presence where the reachability is easier.

3.0 PROJECTS AND SCHEME OF THE MINISTRY

3.1 SETTING UP OF MINI FRUIT PROCESSING PLANTS

A Report commissioned by the SMEs Division in 2019 on the “Setting up of a Mini Fruit Processing Plant in Mauritius” had concluded that surpluses of locally available fruits, such as pineapples, can be transformed by SMEs into value addition products through appropriate use of technologies and machinery. While some of the fruits are being directed towards exports, the surpluses can be transformed by SMEs into value addition products like fruit juice, jam, syrup or other fruit-based products.

In this context and in line with the Import Substitution Strategy to boost up local production and decrease the import of consumables, the SMEs Division had invited Expressions of Interest from SMEs and Cooperative Societies for the setting up of mini fruit processing plants. Under the scheme, the SMEs Division would provide up to a maximum of four (4) selected SMEs/Cooperative Societies, a financial grant of 50 percent (up to a maximum grant of Rs One Million), to cover the cost of equipment and machinery procured to set up the Plant.

The objective is to convert locally available fruits into value added products and to reduce wastage.

Expressions of Interests have been re-launched on 04 October 2022 after two Expression of Interests launched in November 2021 and May 2022 were, unfortunately, not successful for technical reasons and due to unresponsive bids.

3.2 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 aroma-therapeutic 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.

The SMEs Division is seeking to enlist the assistance of Consultant(s) tasked to assess the potential to develop Aromatherapy; Nutraceutical and Stevia sub-sectors creating business opportunities for SMEs and Cooperatives in the Republic of Mauritius.

An Invitation to Bid launched in December 2021 was, unfortunately, unsuccessful as bid(s) received were not responsive.

The Invitation to Bid was re-launched in July 2022, but was again, unfortunately, unsuccessful as bid(s) received were not responsive.

A further Invitation to Bid will be relaunched shortly.

3.3 A DIAGNOSTIC STUDY ON THE INFORMAL SECTOR IN MAURITIUS TO FACILITATE POST-COVID RECOVERY

A diagnostic study on the informal sector in Mauritius to facilitate post-Covid recovery was commissioned by the Ministry of Industrial Development, SMEs and Cooperatives, with support from the United Nations Development Programme (UNDP) in Mauritius. The study was conducted with the aim of facilitating transition from informal to formal sector.

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.

The Consultant has submitted the Final Report for the study and various recommendations have been made.

Views and comments from concerned stakeholders have been sought and have been compiled. The Report is being finalized.

3.4 PARTNERSHIP FOR ACTION ON GREEN ECONOMY (PAGE) REPORT ON GREENING THE SMES: IMPROVING SME ACCESS TO GREEN FINANCE IN MAURITIUS

The Report was undertaken under the auspices of the Partnership for Action on Green Economy (PAGE) and the United Nations Environment Programme Finance Initiative.

The Report has concluded that specific barriers linked to insufficient green finance for SMEs include:

- Knowledge barriers that hinder the integration of green financing as SMEs' owners in Mauritius lack adequate awareness on green financing and executing green projects;
- Financial barriers that hinder SMEs from taking up green business projects due to larger initial capital costs, risk of investing in green SMEs and unfavorable financing terms;
- Regulation and policies on green finance are often inadequate and do not cater to the specific SME needs; and
- Available incentives and products often ignore the life stages of SMEs, especially start-ups and are thus not tailored to their specific investment needs.

The Report also has proposed several actions to scale up green finance for SMEs and has further made various recommendations to improve the integration of green finance for SMEs in Mauritius.

The SMEs Division will be holding consultative meetings with concerned stakeholders over the implementation of the recommendations made in the Report.

3.5 COMESA RECAMP - TECHNICAL ASSISTANCE FACILITY (TAF)- FURTHER ENHANCING THE DEVELOPMENT OF THE LEATHER VALUE CHAIN IN MAURITIUS

As part of its objective to develop new sectors and opportunities for SMEs, a National Leather Value Chain Strategy was commissioned by the SMEs Division in 2018. The Strategy was developed by the African Leather and Leather Products Institute. The study had concluded that it is imperative that Mauritius addresses the leather value chain so as to avail of consistent good quality hides and skins, and focuses on the identification of potential markets/buyers for export of Mauritian leather and leather-related products at regional and international levels.

In this context and following a call for proposal, a project submitted by the SMEs Division to COMESA's Regional Enterprise Competitiveness Access to Markets Programme with a view to securing "Technical assistance to further enhance the development of the leather value chain in Mauritius" was favorably considered. Funding to the tune of EURO 116,199 has been made available for the project.

The overall objective of the project is to enhance the leather value chain from the sourcing of quality skins and hides to export of quality leather and leather-related products to niche regional and international markets. It is expected that the project will significantly boost the development of the leather sector in Mauritius.

The SMEs Division is seeking to enlist the assistance of Consultant(s) tasked to identify international suppliers within the African continent from which Mauritius can source good quality raw hides and skins, and to identify potential markets worldwide, including in Africa, for the export of Mauritian leather and leather-related products.

An Invitation to Bid launched in April 2022 was, unfortunately, unsuccessful as bid(s) received were not responsive. The Invitation to Bid has been re-launched on 10 October 2022.

3.6 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(MPL) Ltd on 29 July 2021. The purpose of the MoU is to enable 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 which possess an online platform but do not have an online payment gateway are best suited for this option. A hyperlink has been 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 marketability.

3.7 10-YEAR SME MASTER PLAN

The 10-Year SME Master Plan has clearly and vividly charted a fresh roadmap for our SMEs with realistic targets for building a 'nation d'entrepreneurs' that will bring the expected quantum leap of the entrepreneurial vibrancy. A mid-term review of same has been initiated to take stock of the progress made and to actualize the recommendations therein with new market realities and Government priorities.

4.0 UPCOMING PROJECT FOR FY 2022-2023

4.1 PROMOTING EXISTING AND NEW SECTORS FOR SMES - ORNAMENTAL FISH FARMING

In view of developing new business opportunities, SMEs and Cooperatives are being encouraged to engage in Ornamental Fish Farming, an activity which is gaining prominence. The project would involve the enlistment of SMEs to embark in decorative fish farming activities.

The objectives of the project are to: create new business opportunities for SMEs and Cooperative Societies; reduce dependency on imports; and diversify and increase the source of income of SMEs.

5.0 STATUS ON IMPLEMENTATION OF BUDGET MEASURES

At Paragraph 72 of the Budget Speech 2021-2022, it was announced as follows:-

“The Credit Guarantee Scheme (CGS) will be extended for SMEs to cover 5 percent of the default amount on leases contracted from private leasing companies.”

At Paragraph 98 of the Budget Speech 2021-2022, it was announced as follows:-

“Implement the various renewable energy schemes of the CEB for Households, businesses, SMEs, Religious Bodies and NGOs;”

At Paragraph 131 of the Budget Speech 2021-2022, it was announced as follows:-

“The DBM will introduce a Tourism Business Continuity loan for SMEs at a rate of 0.5 percent per annum.”

At Paragraph 251 of the Budget Speech 2021-2022, it was announced as follows:-

“In addition, a privilege club scheme will be implemented providing a range of incentives to Occupation Permit holders and retirees, ranging from privilege access to hotels, golf courses, restaurants, private medical institutions, amongst others.

At Paragraph 255 of the Budget Speech 2021-2022, it was announced as follows:-

“To support SMEs as they ride out the current crisis and so that they can embrace the future with confidence, Government will: (a) Sustain the payment of wages through the financing of the salary compensation of Rs 375 monthly for fiscal year 2021/22. (b) Extend the exemption on trade fees not exceeding Rs 5,000 for an additional 5 years. (c) Grant an amnesty on trade fees and related penalties and interests that were due before

1st January 2020. (d) Extend the Tax Arrears Settlement Scheme for SMEs up to December 2021. (e) Increase the total maximum grant across all schemes implemented by SME Mauritius Ltd from Rs 150,000 to Rs 200,000..”

At Paragraph 256 of the Budget Speech 2021-2022, it was announced as follows:-

“To encourage large manufacturers to procure from SMEs, a 110 percent deduction will be allowed on the taxable income for the direct expenditure incurred on the purchase of products manufactured locally by SMEs.

At Paragraph 257 of the Budget Speech 2021-2022, it was announced as follows:-

“The DBM Ltd will: (a) Provide a rebate of up to 30 percent on the annual rental of industrial space to SMEs engaged in the manufacturing sector over the next 3 years. (b) Construct an SME Industrial Park of 5,000 square metres at Solferino in addition to Plaine Magnien and Vuillemin. (c) Allocate 20 percent of spaces in these upcoming parks rent-free to start-ups for the first three years of operation.

At Paragraph 258 of the Budget Speech 2021-2022, it was announced as follows:-

“SMEs will also be eligible to the following loan schemes from the DBM: (a) Rs 100,000 interest free loan for cashflow issues; and (b) A 0.5 percent COVID-19 Special Support Scheme of up to Rs 1 million’.

At Paragraph 259 of the Budget Speech 2021-2022, it was announced as follows:-

“We will also support SMEs and Mid-Market Enterprises who have been impacted by the current crisis. To this end, the DBM will earmark an amount of Rs 1 billion to provide loan facilities of up to Rs 5 million to retailers with turnover of up to Rs 250 million at a concessional rate of 3.5 percent per annum’.

At Paragraph 395 of the Budget Speech 2021-2022, it was announced as follows:-

“Furthermore, to preserve jobs, we will continue to pay the salary compensation of Rs 375 monthly for SMEs for the next financial year.

5.1 STATUS OF IMPLEMENTATION OF KEY ACTIONS

Delivery Unit	Main Service	Key Performance Indicator	Target 2021/22	Achievement at 30 Jun 2022	Remarks
SMEs Division	Facilitate the development of SMEs	Number of new SMEs registered	1,900	2,211	Target achieved
		Number of jobs created by newly registered SMEs	3,200	2,304	Majority of startups are creating self-employment jobs
SME Mauritius Ltd	Provide support to SMEs	Number of SMEs assisted through SME support schemes	700	812	

5.2 RISK MANAGEMENT, CITIZEN ORIENTED INITIATIVES AND GOOD GOVERNANCE

5.2.1 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.

At the last Anti-Corruption Committee, it was decided that the Anti- Corruption policy be made available on the website of the Ministry. Further to that, it was also emphasized that a “No Gift Policy” be affixed on the wall in all Departments and at the reception counter of the SMEs Division.

5.2.2 AUDIT COMMITTEE

The Audit Committee has had 8 (eight) sittings in the FY 2021/2022, whereby the outcomes are as follows:

- a) No. of queries examined by Director of Audit (DAO) : Nil;
- b) No. of queries examined by the Internal Control Unit (ICU): 7
- c) No. of queries completed: 2; and
- d) No. of queries in process: 5.

6.0 FINANCIAL HIGHLIGHTS



6.1 FINANCIAL PERFORMANCE

In accordance with Budget Estimates 2021-2022, the Ministry of Industrial Development, SMEs & Cooperatives (Small & Medium Enterprises Division) had for the Financial Year one Vote under its control namely **10-1** but with 2 sub-heads - 10-101 and 10-103.

6.2 FINANCIAL HIGHLIGHTS

Overall Expenditure by Vote.

An amount of Rs 104,490M was provided to the Ministry (Small & Medium Enterprises Division) in Budget 2021/2022 out of which Rs101,740M was spent.

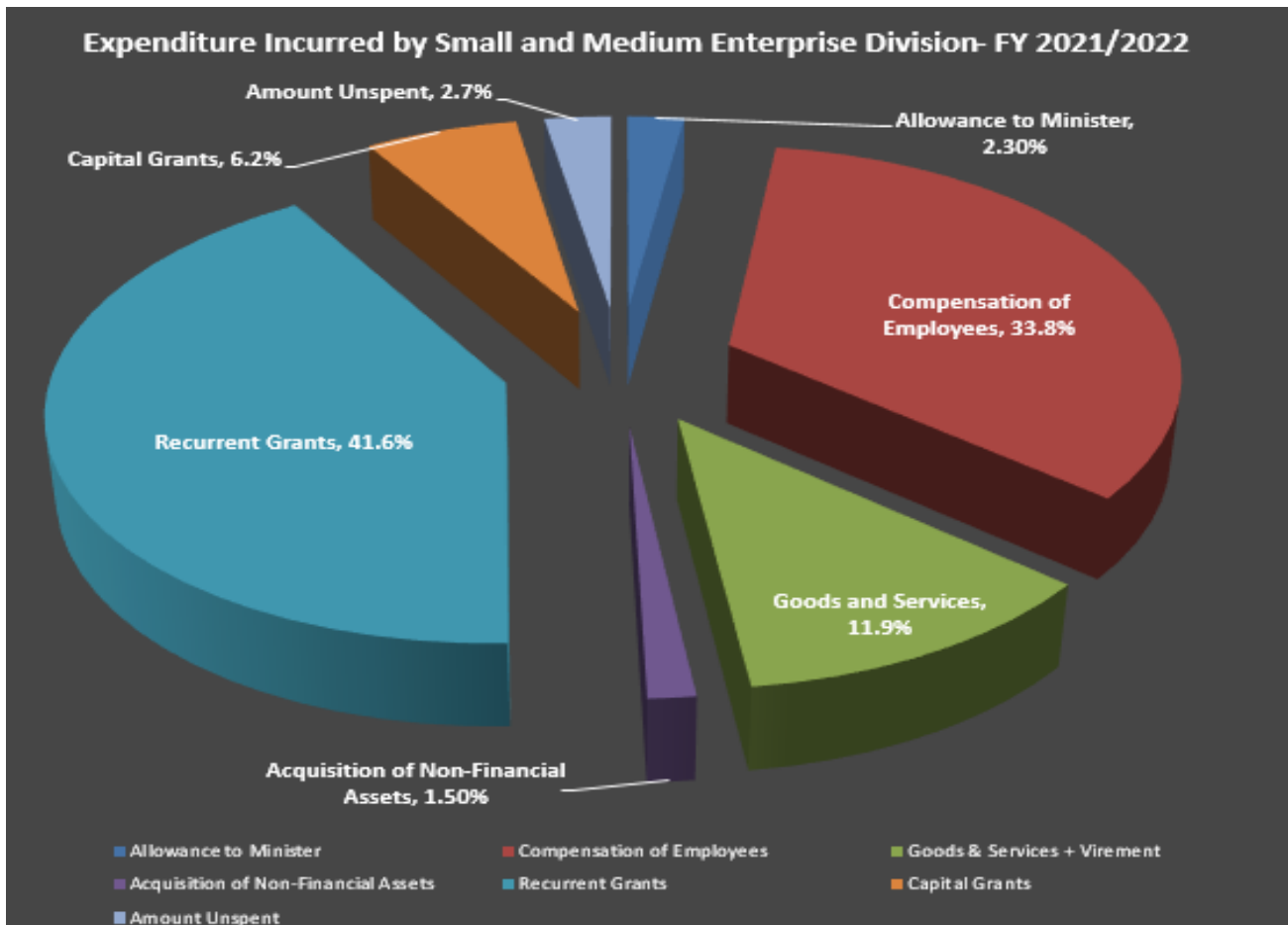
6.3 STATEMENT OF EXPENDITURE

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 10-1 which includes Sub-Heads 10-101: General and 10-103: Small & Medium Enterprises Division.

Statement of Expenditure under Vote 10-1

Sub-Head of Expenditure	2021/2022 Estimates (Rs)	2021/2022 Actual (Rs)
10-101: General	35,970,000	34,258,015
Allowance to Minister	2,400,000	2,400,000
Compensation of Employees + Virement	16,970,000	17,823,067
Goods and Services	12,600,000	12,465,351
Acquisition of Non-Financial Assets	4,000,000	1,569,597
10-103: Small and Medium Enterprises	68,520,000	67,481,554
Compensation of Employees + Virement	16,520,000	17,481,554
Recurrent Grants (Operating Budget of SME Mauritius Ltd only)	43,500,000	43,500,000
Capital Grants	6,500,000	6,500,000
Other Expense	2,000,000	0



Percentage is based on Actual Expenditure FY 2021/2022 category-wise over Total Expenditure FY 2021/2022.

Allowance to Minister, Compensation of Employees, Goods and Services, Acquisition of Non-Financial Assets and Grants accounted for around 97.3% 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, Miscellaneous expenses and Gender Mainstreaming.

Grants refer to funds provided to SME Mauritius Ltd which consists of the Operating Budget and Capital Expenditure.

7.0 WAY FORWARD

7.1 TRENDS AND CHALLENGES

The situation created by the global pandemic and geopolitical conflicts, coupled with natural disasters, is reshaping the international trade environment leading to major changes in the way businesses are conducted. There is a need to identify new marketing strategies through the adoption of digital technology in order to promote the products and services in potential market. Government is providing the necessary support for the SME sector to be equipped with the right skills and become more resilient in the face of daunting challenges.

TRENDS

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

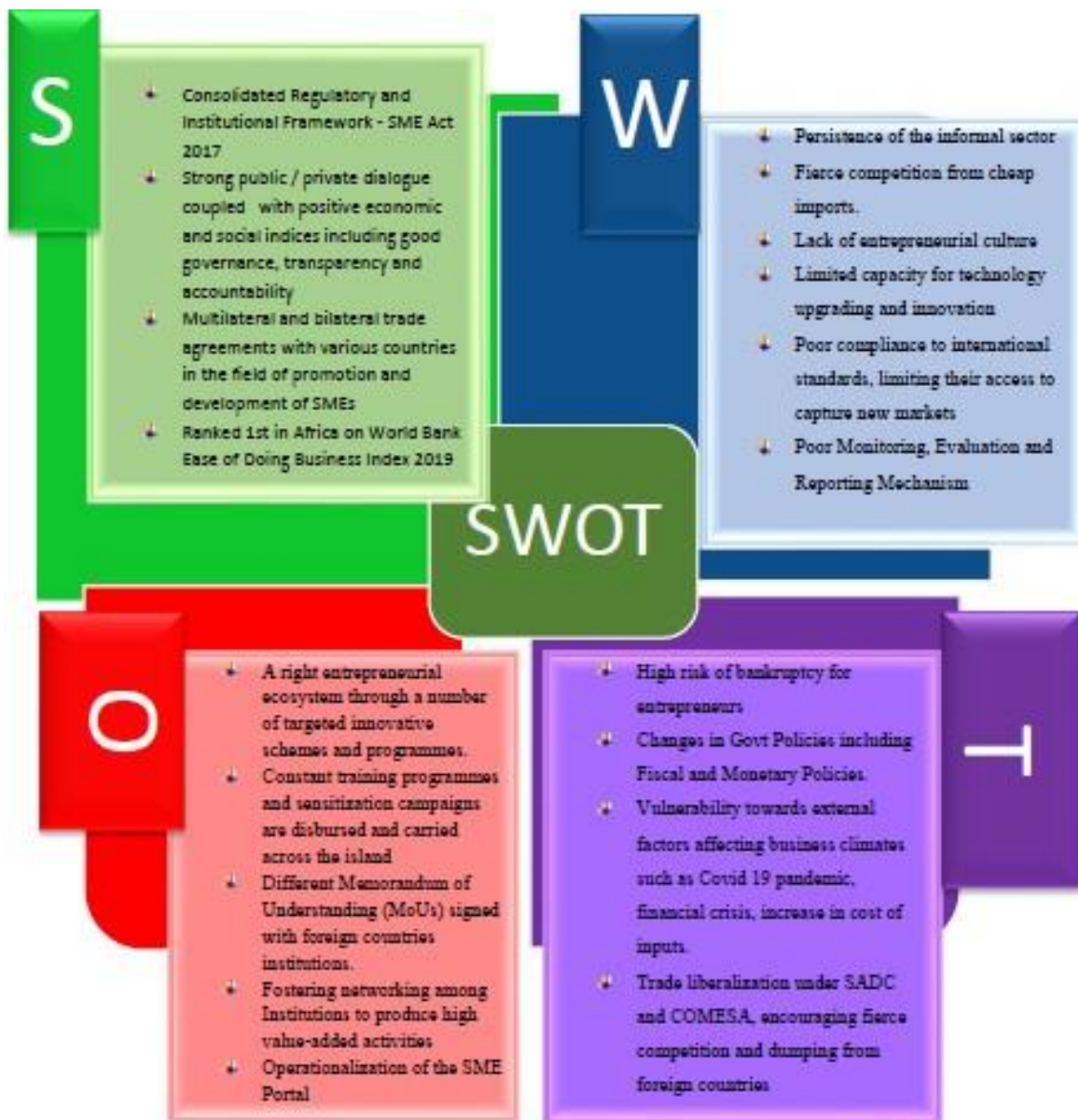
- Restructuration of business models to adapt to the new normal and the re-training of employees to enhance product/service delivery.
- Widespread changes in work environment resulting in employees working from home.
- Greater harnessing on innovative technologies for service delivery.
- Implementation 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 competitiveness due to hiking fuel prices leading to increase in freight charges
- Fluctuating exchange rates
- Geographical instabilities

7.2 SWOT ANALYSIS



7.3 STRATEGIC DIRECTION

7.3.1 3rd Joint Committee on Micro, Small and Medium Enterprises between Mauritius and India

The 3rd Joint Committee on Micro, Small and Medium Enterprises between Mauritius and India was held in India on 25 August 2022. The Ministry signed two Memoranda of Understanding with a view to enhance training and capacity building of SME Mauritius Ltd and local SMEs as follows –

- i. Memorandum of Understanding between SME Mauritius Ltd and the Entrepreneurship Development Institute of India (EDII); and
- ii. Memorandum of Understanding between SME Mauritius Ltd and National Institute For Micro, Small And Medium Enterprises (Ni-MSME) of India.

7.3.2 10-Year SME Master Plan

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.

8.0 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.