

MINISTRY OF INDUSTRIAL DEVELOPMENT, SMES AND COOPERATIVES (SMEs DIVISION)



NEWSLETTER APRIL 2021

IN THIS ISSUE

Dear readers,

We are pleased to present the first issue of the newsletter for the SMES Division. In the present issue, we are providing an overview of activities, projects and initiatives undertaken since June 2020.



COVID-19: SUPPORT MEASURES REGISTERED FOR SMES

Presently, the world is fighting the COVID-19 pandemic, a global health crisis which is the greatest challenge we have faced since World War II. But the pandemic is much more than a health crisis, it is also an unprecedented socio-economic crisis. COVID-19 has delivered a cruel blow to businesses, especially SMEs. While responding to public health exigencies, countries around the world are designing policies to recover and to prepare for a new normality. The Mauritian Government is extending special support to SMEs in these testing times.

Several support measures are currently being implemented to help SMEs. Some of the main ones are as follows:

Measures being implemented by MRA

1) Wage Assistance Scheme: 14,601 SMEs beneficiaries (90,363 employees) from March 2020 to March 2021. Total amount disbursed for the period amounts to Rs 4 billion.

2) Self-employed Assistance Scheme: 240, 042 individuals benefited from the Scheme for a total amount of Rs 4.6 Billion from March 2020 to March 2021.

Loan Schemes by DBM:

1) SME Interest-Free Loan Scheme of Rs 100,000 for SMEs with turnover not exceeding Rs50 Million. The loan is repayable over a period of 8 years including a moratorium of 5 years on repayment.

2)Rs 1 Million SME COVID-19 Special Support Scheme whereby SMEs, with turnover not exceeding Rs50 Million would be able to apply for unsecured loans of up to Rs1 Million at an interest rate of 0.5 percent per annum. The loan is repayable over a period of 5 years including a moratorium of 1 year on repayment.

3) COVID-19 Working Capital Loan Scheme extended to 30 June 2021 - short-term finance of up to Rs 1M to SMEs at an interest rate of 1.5% p.a, repayable over a period of 3 years.

4) Wage Support Loan Scheme for Export Oriented (Goods) Enterprises extended to 30 June 2021 - Loan carrying an interest rate of 2% p.a, is repayable over a period of 5 years.



SME REGISTRATION UNIT

The SME Registration Unit is a department of the SMEs Division of the Ministry which came into existence following the promulgation of the SME Act 2017 on 18 January 2018. The main services of the Unit comprise of inter-alia, the following:

- Issue/renew of Registration Certificate as SMEs,
- provide support and information to facilitate obtention of any registration, permit, licence, authorisation or other clearance which an enterprise may require ;and
- compile and report on statistics about registered SMEs.

Statistics

	2018	2019	2020 2 Month Lockdown	Total
Number of visitors attended	4,906	5,356	5,637	15,899
Number of SMEs registered	1,623	2,647	4,188	8,458

Observations

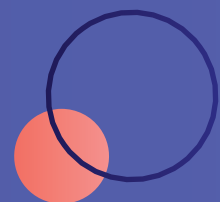
- Increase of 55% in the number of registered SMEs in 2020 compared to Year 2019 and 153% compared to year 2018.
- The increase on the number of registration in 2020 is due to a great extent because of COVID-19 as many persons decided to create their own businesses due to fear of losing their employment, demand of agricultural produce, other food and delivery services as well as to avail of schemes of SME Mauritius and the Self-employment Assistance scheme of MRA.

• The manufacturing sector attracted the highest number of SMEs, representing about 33.4% of total registered SMEs in 2020. However, over 75% of these enterprises are self-employed /micro entities engaged in manufacturing food, handicrafts and textile products and as they can be operated as a home-based and exempted from Building & Land Use Permit (BLUP) and payment of related trade fees with Corporate Business Registration Department(CBRD).

- The Wholesale and retail trade sector attracted also a significant number of SMEs in 2020, representing about 18% of total registered SMEs. Two main reasons are:
 - a) Changing lifestyles and increasing demand for fast-food & delivery services
 - b) Trade activities is easier than those in production and demand less manpower and It is also easier to manage cash flow in this sector as it is easy for operators to source their inputs on credit and sell on a cash basis.

• 370 SMEs were registered in 2020 for growing of vegetables compared to 285 in 2019.

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ONLINE REGISTRATION AS SME

The online SME registration platform was introduced in October 2019 to respond to the evolving client needs as the latter can even follow up the status of their applications. Moreover, the applicant is electronically notified as soon as the application is approved. This process has led to reduce the time taken for issue of a registration certificate from 14 to 10 days and has also contributed to efficiency and transparency by having regulations and step-by-step procedures posted online.

Statistics on the online registration platform from 1st October 2019 – 31st December 2020

- Number of applications received: 5885
- Number of direct applications made by entrepreneurs: 1790 (30%)
- Number of applications approved and certificates issued: 4779 (81%)
- 19% of applications not approved due to compliance issues and they are properly counselled thereof.

Useful link: <http://online.smemu.org/>



INCENTIVES, FACILITIES AND SUPPORT SERVICES TO REGISTERED SMES

- **Exemption of customs duty on double space cabin:** Registered SMEs with turnover of at least Rs3M and who have been in operation for at least 2 years in furniture making, light engineering or footwear are eligible to benefit from such exemption to facilitate transportation of raw materials and finished goods. Same facilities are provided to SMEs in agriculture sector subject to recommendation of FAREI.

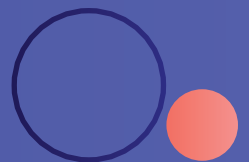
- **Exemption of Land Conversion Tax:** SMEs holding a registration certificate issued by the Unit are exempted of land conversion tax for the relocation, expansion or setting up of an industrial enterprise.

- **Road Tax at Concessionary Rate with National and Land Transport Authority:** SMEs registered with the Unit and employing at least 5 persons during the last 24 months benefit from reduced road tax of Rs 4,000 on dual purpose vehicle with engine capacity of 1600 cc and more.

- **4 Years Tax Holiday from MRA:** Any new small company registered as an SME as per the SME Act 2017 and engaged in activities other than ICT and financial services is entitled for a 4-year tax holiday.

- **Concessionary rate of interests on loan:** Various loan facilities are available from the DBM and other commercial banks for SMEs at concessionary rates ranging from 0.5% to 3%.

- **Margin of Preference:** SMEs benefit from a margin of preference of 40% on their locally manufactured goods bearing the "Made in Moris" certification issued by AMM, or 30% on their locally manufactured goods not having the "Made in Moris" certification. Local manufacturers, which are not SMEs benefit from margin of preference of 20% on their locally manufactured goods.



SME MAURITIUS

SME Mauritius, incorporated in July 2017, is the executive arm of the Ministry and has as mission to develop, implement and promote support programs to empower SMEs.

ENTREPRENEURSHIP AWARENESS AND DEVELOPMENT

Over the past 6 months SME Mauritius has conducted 6 entrepreneurship awareness and development programs, often in collaboration with stakeholders such as educational institutions, Youth Clubs, Women Associations or via social networks. Entrepreneurship awareness and development relates to a series of talks and workshops and information sharing sessions conducted with diverse segments of the population

Especially women and youth. The main objectives of this program are to provide information, create awareness and interest around entrepreneurship and to encourage these target groups to think of starting their own small business.

Four main workshops on social entrepreneurship were conducted in the regions of Curepipe, Grand Bois, St Croix and Montagne Longue, which targeted some 180 participants.

SALON DES PME

SME Mauritius organises Salon des PME every year in the different regions around the island. This initiative provides opportunities to MSMEs to create market awareness and showcase their products. Additionally, to promote the salon, a road-show is organised one week before to promote the event. The last Salon des PME was held in November 2020 and attracted 87 SMEs and 13,000 visitors.



TRAINING

One of the important areas of economic development is to bring forth talents and nurture a strong entrepreneurial spirit in individuals. Training programs designed and offered by SME Mauritius have been developed to encourage participants to take advantage of new business opportunities and to establish new business ventures. They also help existing entrepreneurs to improve their skills or solve particular business problems. Since January 2021 till mid-April 2021, 289 participants followed courses offered on the premises of SME Mauritius at Coromandel, Goodlands, Bel Air and Rose Belle in the following fields:

- Designer Crochet Course (Basic & Advance Level)
- Culinary & Pastry Course
- Aquaponics (Backyard & Commercial)
- Garment Design
- Event & Floral Deco
- Beauty Care and Grooming
- Eco-Bag Making
- Basic Building Construction and Technology
- Leather Products & Accessories
- Eco-Creative Craft

The training calendar of SME Mauritius is regularly posted and updated on its website. It can be viewed on <https://smemu.org/training-calendar-2021/>

Regular updates are also posted on its Facebook page.



SOCIAL RE-INSERTION AND INCLUSION

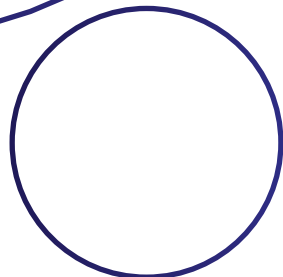
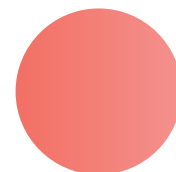
SME Mauritius Ltd organized a social re-insertion and re-inclusion programme for detainees of Petit Verger, Pointe aux Sables Medium Security Prison. A total of 16 detainees and 2 officers who participated in the training, acquired practical and theoretical tools to write a business plan. A prize giving ceremony was held in February 2021.



SCHEMES SME MAURITIUS

SME Mauritius operates different schemes to help entrepreneurs enhance their competitiveness, increase productivity, access market and new technology and to ease their cash flow, amongst others. The following schemes are managed by SME Mauritius:

- (i) SME Mauritius Start-up Program
- (ii) Internal Capability Development Scheme (ICDS)
- (iii) Technology and Innovation Scheme (TINNS)
- (iv) SME Marketing Support Scheme (MSS)
- (v) Inclusiveness and Integration Scheme (INC)
- (vi) SME Utility Connection Assistance Scheme (UCA)
- (vii) The SME Employment Scheme





Details on the schemes are available on the portal of SME Mauritius and applications can be made online as well on <https://smemu.org/>. Assistance is also provided by staff of SME Mauritius, either over the phone or in any of the 5 branches of SME Mauritius.

VISITS TO SMEs

The SMEs Division in collaboration with SME Mauritius often organizes visits to SMEs to showcase success stories of our entrepreneurs.

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