

**SPEECH BY
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**MINISTER OF INDUSTRY, SCIENCE
AND RESEARCH**

ON THE OCCASION OF THE

**EXPLANATORY WORKSHOP OF THE
MAURITIUS BUSINESS EXCELLENCE AWARD 2009**

ON

6 MAY 2009

AT

13.00 HRS

RAJIV GANDHI SCIENCE CENTRE

Mr. Swaminathan Ragen, Permanent Secretary

Business Operators,

Distinguished Guests,

Ladies and Gentlemen,

A very good afternoon to you all.

Thank you for joining us in this opening ceremony of this explanatory workshop on the second edition of the Mauritius Business Excellence Award. I wish to thank you all for taking your precious time off to attend the workshop.

As you may be aware, the second edition of the Mauritius Business Excellence Award was launched on 27 February 2009.

Paradigm Shift

This workshop today is being held in a context of global, financial and economic crisis. It is meant to stimulate interest among our economic operators to embark on a journey towards excellence and innovation. As you are all aware, there is a paradigm shift in the global economy. The new rules of the game are: Openness, Global Competitiveness, Excellence and Innovation. Gone are the days of mediocrity. We have a Culture of Innovation and Excellence.

The Pursuit of Excellence

The pursuit of excellence is but a journey not a destination. With the first edition of the Award launched last year, we have started the journey.

My Ministry will accompany and support you in this journey.

Over the last few years, we have witnessed dramatic changes in the global and local economic landscape with the emergence of a highly competitive business environment brought about by globalisation and trade liberalisation. Our enterprise has for long been operating under trade preferences and tariffs protection. With more openness now, they are under increasing pressure to offer higher quality goods and services at still lower prices, provide better, differentiated and new products and services and respond to shorter lead time. And they have to adapt to this environment with a sense of neither urgency as the market is nor forgiving to enterprises that lag behind.

The current financial and economic crisis has ignited the debate on Protectionism vs. Openness. There is also a lot of concern about the excesses of market fundamentalism.

However, there is enough evidence to show that enterprises in closed and protected economies foundered when barriers were dismantled. The experience of East European countries, where thriving enterprises in a closed system, could not adapt to a market-based regime, provides enough lessons to us to guard us against pitfalls. Enterprises, on their part, have to be conscious of the challenges and take actions to confront them, by adopting the right strategies and mobilising resources to implement them. It would be risky for an enterprise to believe in business as usual as if the world has not changed.

Global Economic Slowdown

As a small country with limited market size and deprived of natural resources we have to rely increasingly on international trade for our economic development and growth. As such we are not sheltered from changes and factors influencing demand for our products. You are aware the business landscape has since some time entered a dynamic process of changes adding pressure on the competitiveness of enterprises. The global financial crisis on the other hand is causing significant decline in export orders and has compounded the challenges resulting from a volatile and turbulent business environment.

As you are all aware, the major economies of the world namely the USA, Europe and Japan are all in recession as a result of the financial and global economical crisis. This has had an adverse impact on many countries in the world. IMF has predicted that world real GDP growth in 2009 will fall to -

1.3% compared with an average of 4.5% over the last four years. In advanced economies, a negative growth of 3.8% is estimated. The growth for China and India will also witness significant drop. As for Mauritius in 2008, we registered a growth rate of 5.3% but for 2009 it is predicted that growth rate will come down to 2.5 %.

Support measures

A shift in strategy requires operational restructuring of enterprises which in turn requires mobilising resources, and applying new skills and knowledge. These requirements are generally beyond the full means individual enterprises. Government is committed to assist our enterprises in the transition from trade and tariffs protection to openness.

That is why government along with the economic reforms has introduced a complete package of interventions to assist industries in restructuring their operations, upgrade technology base and managerial capabilities for quality and high value products. I would like to recall here a few key measures put in place by Government to accompany enterprises in the transition phase.

The Manufacturing Adjustment and SME Development Fund with an initial contribution of Rs500 million was set up in June 2008. The committee overseeing the implementation of the programme has already approved 51 projects and programmes for a total amount of Rs400 million. These include 19 projects for restructuring of manufacturing enterprises by EM,9 projects for export promotion,8 projects relating to SMEs development and 15 projects for women entrepreneurship . I have to point out that a sum of Rs

100million has been earmarked specially for SME's facing difficulties in the wake of the world financial crisis.

Under the Stimulus Package which has been put in place by Government as part of a strategy to avoid closure of enterprises and save jobs at stakes in the wake of the global financial crisis, applications from 34 enterprises involving 8,591 workers and an amount Rs1 billion have been received. In addition the tariff liberalisation process, which affect directly some of your members operating on the local market, has been put on hold to provide enterprises with some breathing space and allow them to adjust.

The Government is providing many facilities and schemes to you operators of the business community. It is up to you to take advantage of these facilities and schemes. Organisations such as Enterprise Mauritius, SEHDA are there to give support to the industrial sector.

Second Edition

Ladies and Gentlemen,

This Second Edition of the Business Excellence Award is an excellent vehicle to get our economic operators engaged in the exciting journey towards excellence.

This workshop aims at getting operators acquainted with the rules and regulations of the Award competition, the various phases involved in the competition, the criteria to assess the applicants and the weaknesses noted during the first edition of the Award in 2008. It also aims at increasing the

participation of all our enterprises, big, small and medium, in this competition.

The Key objectives of the Award

Let me remind you that the objectives of the Award are:

- first, to encourage and stimulate best business practices;
- second, to promote use of economic and productivity assessment tools;
- third, to identify role models and
- finally, to provide recognition to businesses that are making continuous efforts to improve

The Award 2009

Let me remind you that the first edition of the MBEA organised in 2008 has been a resounding success from the point of view of organisation and sensitisation of enterprises to the best business practices. Some 132 businesses in several sectors of the economy participated. The Award Ceremony was held on 31 January 2009 at Ebène.

I would like to stress that the Award not only means trophies and certificates for the winners and the runners up, but more importantly an opportunity for enterprises to identify and overcome their weaknesses and build upon their existing strengths.

In the category large, three companies were nominated and among them TNT Document Services Ltd and Star Knitwear Ltd got the Awards, in the category medium among four nominations, Indian Oil Ltd. and Neel Industries Ltd received the award. For the category small, there was no award but Curepipe Cooperative Credit Union was given a special mention.

I wish also to point out that in our concern to give due recognition to all participants in the MBEA 2008, “Nominee Certificate” has been remitted to nominees in different categories and “Participant Certificate” handed over to other participants during the Launching Ceremony of the 2nd Edition of the MBEA on 27 February 2009 at Rajiv Gandhi Science Centre.

This Award is different from other Awards as it is open to all economic sectors and it will motivate participants to continuously improve their ways of doing business, eliminating weaknesses to reach certain level of excellence. The resource persons that will intervene in this workshop will explain to you the meaning and importance of leadership, strategic planning human resource management, operation management, organisation of sales and marketing, social responsibility and above all how you manage your finance properly. This will enable you to get acquainted with the important aspects of an enterprise. The resource persons will also point out shortcomings they observed in the previous edition and the weaknesses noted in some areas. I am sure that this will be helpful to many enterprises to adopt the path of improvement and excellence.

Ladies and Gentlemen,

Crisis and Challenges

Despite the difficult economic situation prevailing in the world, why are we are forging ahead with the second edition of the MBEA for 2009. A crisis is the most opportune time to think out of the box to be daring and to innovate. In the past, Mauritius has been able to emerge successfully from adversities. In 2005, it was predicted that as a result of the dismantling of the Multi-Fibre Agreement there would be massive closures and loss of employment in the EPZ(now EOE) sector. Let me inform you that, the sector was able to rebound from that difficulty and realised an unprecedented growth rate of 8% in 2007.

The time is ripe to reposition our enterprises, develop new business models, and craft new strategies. We need to build confidence in the Mauritian genius to overcome adversities and keep our focus on priorities. One of which is to preserve and invest in our human capital. Remember that human resources are the most valuable asset of any organisation.

I know that you are under tremendous pressure to raise productivity, reduce costs, enhance quality, move up- market, upgrade your products and reduce response time. In this era of openness, business enterprises have to stand on their own feet as trade preferences and tariffs protection regimes are being dismantled. The pursuit of excellence is not only an essential condition for success of our enterprises in this highly competitive business environment but is also a matter of our survival.

New Industrial Strategy

My Ministry has been assigned the responsibility of developing the industrial sector with the support of science and research. We are preparing a New Industrial Strategy which will lead to the implementation of a number of measures that foster innovation, enhanced support services, greater synergy with the academia, and accentuated marketing support, among others. A policy framework on integration of Science, Technology and Research with industry is being finalised. We also envisage setting up a Science and Technology Park in Mauritius. I am sure the Science Portal which we launched on 20 March 2009 will help in this endeavour. The country needs a model geared to propel a technology and innovation-led industrial development in line with the concept of business excellence.

Ladies and Gentlemen,

MBEA 2009

I again wish to thank all those who have participated in our first edition of the MBEA and invite all entrepreneurs to participate in this second edition. The journey to excellence continues. Any enterprise should never rest on its laurels; it should always move forward because the world's competitive environment is very demanding. The Government will stand by you and we will continue to create the right conditions to support you. Business Excellence should become the priority of the new generation of enterprises.

I sincerely thank and congratulate all those who have been on our side acting as assessors, members of the Jury and who have contributed towards the conception and implementation of this project.

Ladies and Gentlemen

I am sure you will take full benefit of this explanatory workshop. The resource persons are here to enlighten you. For those who are participating in this second edition of the Mauritius Business Excellence Award competition 2009, I wish them good luck.

With these words, I declare this workshop open

Thank you.