

SPEECH

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MINISTER OF INDUSTRY, SCIENCE AND RESEARCH

**ON THE OCCASION OF THE
OPENING CEREMONY OF THE LOGISTICS CONFERENCE**

**ORGANISED BY
MEXA AT LABOURDONNAIS HOTEL**

**ON
TUESDAY 10 NOVEMBER 2009**

AT 9.30 A.M

Mr. Ahmed Parkar, Chairman of MEXA

Mrs. Danielle Wong, Director of MEXA

Mr Michel Gauthey, Director AFD Office in Mauritius

**Mr Charles Fredouet, Vice-Dean for Research at Institut Supérieur d'Etudes
Logistique, University of Le Havre**

Professor Ameenah Gurib-Fakim, Pro-Vice Chancellor, University of Mauritius

Mr Thierry Derrey, Associate Dean Business Development

Mr Jacques Ritt, CEO, SOGET

Distinguished Guests

Dear Participants

Ladies and Gentlemen

A very good morning to all of you

I am pleased to be amongst you today on the occasion of the opening of this «Logistics Conference» organised by MEXA in the context of its 2nd edition of “La Semaine de la Logistique”.

I am sure that this conference, together with the other activities that are being programmed by MEXA during this week will contribute to raise awareness about the importance of the logistic sector to the economy and contribute to position Mauritius as a logistic hub in the region.

Let me, therefore, thank MEXA for this laudable initiative. I also wish to thank the University of Mauritius and University of Le Havre of France for their fruitful collaboration with MEXA in the organization of a number of activities centered on logistics. My special thanks also go to Agence Française de Développement which has funded an integrated logistics project of the University of Mauritius and MEXA through the “Convention de Financement” signed with the Government of Mauritius to enhance the trade capacity of our country.

The “Semaine de la Logistique” which is being held this week is one component of this project, which also include an audit of the logistic sector to identify the training needs of operators, the development of an appropriate training plan, capacity building of staff at the University of Mauritius and the validation of short term non-award courses in logistics.

Logistics

Ladies and Gentlemen

Logistics is one of the most important functions without which a business organisation cannot succeed. Logistics services, which include activities, required for the transportation, storage, handling of production inputs and finished products from producer to consumer, are an important competitive weapon for market success. The performance of the logistics services can be analysed in the context of the logistics supply chain. Swift, seamless and cost effective movement and delivery is the primary objective along the entire supply chain. In order to achieve this objective, the supply of logistics services must be undertaken in coordination with the supply of other interdependent logistics services in the supply chain.

For a country like Mauritius which is isolated from its main sources of raw materials and export markets, logistics play a crucial role in terms of timely procurement of inputs and quick delivery of goods. The drastic changes in the consumption patterns and the need to respond quickly to meet tight delivery schedules have exerted additional pressure on our domestic enterprises.

As you may be aware, logistics is a primary value-added activity that is able to attain and sustain competitive advantage. In the wake of rising production costs, increased competition and shorter lead times, poor performance in the logistics supply chain could have serious repercussions on the competitiveness of our products. There is, therefore, a need for highly qualified and well trained

manpower to offer better professional services in the sector. Key players in the sector such as the port and airport operators, the cargo handling company, freight forwarders, customs brokers, internal transport enterprises, clearing agents, ship chandlers have to adopt best practices in order to develop a highly competitive logistics chain compared with the best in the world. I am happy to note that MEXA as a business support organisation has been able to involve all these stakeholders for improved performance in the supply chain which is so vital for the development of the export sector.

In this context, I am glad to note that MEXA has played an active role in the setting up of the Mauritius Cargo Community System which aims at facilitating and securing the logistics chain in Mauritius. I understand that through this internet-based platform, operators can now have access in real time to information on the movement of cargo, thereby enabling them to optimise the processes of the logistic chain as well as comply with the World Custom Organisation framework. This facility, I am sure, is being widely used by our enterprises in their quest to ensure the timely and efficient management of their production, stock and export of goods.

Ladies and Gentlemen

In this era of globalisation, information technology is central to supply chain management. The key to achieving operational excellence in global supply chains is to ensure that efficient physical flow of goods is complemented by adequate information flows. I understand that during this conference important logistic issues such as cold supply chain, green logistics, land use and transportation, and logistics information systems and technologies will be discussed. The participants will also be acquainted with the latest trends and strategies that are being used to enhance supply chains. More importantly, they will be exposed to real life case studies illustrating successful supply chain

management in different industrial sectors. All these, I am confident, will contribute to alleviate the difficulties of our enterprises to compete successfully on the international scene. I would also like to emphasize the high profile of the resource persons who will speak during this conference and in particular our friends from University of Le Havre which is internationally recognised as a reference in the field of logistics.

Challenges

Ladies and Gentlemen

The challenges facing us to-day as a result of trade liberalization and globalization are that of maintaining our international competitiveness. These new compulsions have put enormous pressures on us and poor performance in just one aspect of our logistics supply chain could seriously affect the competitiveness of our exported products. As such an efficient and cost effective supply of logistics services has become vital for our survival. The organisation of “La Semaine de la Logistique” by MEXA comes at an opportune moment as it will expose our operators to the latest tools, technologies and knowledge which are necessary for proper management of the supply chain. It will also give additional impetus to our endeavour to promote Mauritius as a logistic hub in the region.

The Government is fully aware of the importance of logistics for the promotion of industrial and service sectors and hence of the development of the country. This is why measures are being taken to expand and modernise our airport, sea port and road infrastructure.

As you may be aware, Airport of Mauritius Ltd has embarked on several development projects which aim at increasing its operating capacity and enhancing the level of services provided to customers. “Le projet phare” relates to the construction of a new Passenger Terminal which would handle up to 4.5 million passengers annually. The Terminal is scheduled to become operational in 2011. In addition, Airport of Mauritius Ltd is in the process of developing 57 hectares of land at Plaisance for the setting up of a Logistic Centre to cater for cargo movements and freeport operations. Implementation of this project will start next year.

Port

As regards the port, the Mauritius Port Authority has initiated actions to extend its quay facilities at the Container Terminal to accommodate bigger container ships and cope with the increasing needs of ship operators.

Road Infrastructure

As regards road infrastructure, my colleague, the Hon. Minister of Public Infrastructure, Land Transport and Shipping recently announced in the National Assembly major road development projects which are being implemented to ease the congestion problem which we all know has adverse impact on the supply chain movement. Let me mention a few of them namely, the construction of the Goodlands by-pass, the Triolet by-pass, the Riviere du Rempart by-pass, and the Flacq by-pass which are underway and expected to be completed in less than six months time. On the other hand, the widening of the Wooton / Belle Rive Road is nearing completion and will be operational before the end of the year. Other important road projects which are scheduled to start next year are the Ring Road, Terre Rouge to Verdun Road, the Phoenix to Beau Songes by-pass and enlargement of the motorway from Pailles to Caudan. All

these projects, I am sure will contribute to alleviate the difficulties of our logistic operators who often waste a lot of time in traffic jam.

I would also like to highlight the implementation of the Jin Fei Economic Zone at Riche Terre which will definitely bring large volumes of cargo movements in and out of the country. The Logistics Sector has, therefore, to be upgraded to international standards so as to cater for increasing demand for logistics services.

Ladies and Gentlemen

I am sure that the various activities that are being organised by MEXA during “La Semaine de la Logistique” will reach a wide audience amongst which the operators, professionals, enterprises and university students. This will create awareness and knowledge of all the logistics services and their importance to the economy and build competence in the sector.

Let me also remind you of part of our colonial history, which we often tend to ignore. In view of its strategic location, Mauritius has played a critical role in the logistics supply chain in the Indian Ocean Region. The colonial powers of the time fought wars to occupy the country. The role of Mauritius, therefore, can be gauged from the fact that it was called the Star and the Key of the Indian Ocean.

The era has changed but the challenge continues. Mauritius again aspires to become a business hub in the region and act as a bridge between the Asia and Africa. Without a modern, efficient and competitive logistics infrastructure, this objective cannot be realised. But I am confident that with the initiatives of Government to modernise our infrastructure, actions taken to set up appropriate mechanism such as the Mauritius Network Services and the Cargo Community

System, and capacity building organised jointly by the University of Mauritius and MEXA, will enable us to achieve this objective.

With these words, Ladies and Gentlemen, may I end here by congratulating MEXA and its partners for holding of this event. I also wish the participants fruitful discussions during this conference.

Thanking you for your attention.

D. G.