

**SPEECH BY
HON. D. GOKHOOL**

**MINISTER OF INDUSTRY, SCIENCE AND
RESEARCH**

ON

**THE OCCASION OF THE OPENING CEREMONY OF
THE
MAZAVA ATHELETIC PERFORMANCE WEAR LTD**

ON MONDAY 11 JANUARY 2009

**AT BPML BUILDING, ARGY, FLACQ
AT 16 00 HRS**

My Colleague Ministers,

**Hon Anil Baichoo, Minister of Public Infrastructure, Land
Transport & Shipping**

**Hon Jean Francois Chaumiere, Minister of Labour Industrial
Relations & Employment**

Hon Asraf Dulull, Minister of Telecommunication

Hon. Rajendra Mungar, PPS

Ambassadors

**Mr Urban Geiwald, Chairman, Mazava Athletic Performance
Wear Ltd**

**Mr Gyn Lam, Director, Mazava Athletic Performance Wear Ltd
Chairman, CEO's and Directors of organizations present**

Staff of Mazava Athletic Performance Wear Ltd

Members of Media

Distinguished Guests

Good afternoon.

Ladies and Gentlemen

We are gathered to mark the official opening of a new textile factory, the Mazava Athletic Performance Wear Ltd today at Argy, Flacq. It is indeed an immense pleasure for me to be associated with this happy event and I am delighted for the opportunity given to me to address you.

Let me congratulate the initiators of this new venture and thank them for having chosen Argy, Flacq for the establishment of their enterprise. As MP of the Constituency and also as Minister responsible for Industry, Science and Technology, let me extend a warm and cordial welcome to Mr Urban Geiwald and his distinguished delegation.

As this event also coincides with the beginning of the new year, let me extend my greetings to all of you present for a very happy and prosperous new year 2010.

Highly Symbolic

The birth of a new enterprise is always an event worth celebrating specially with the start of the New Year. In fact the opening of a new factory by the Mazava Athletic Performance Wear Ltd is an important symbol and strong message to all sectors of our economy. It is a testimony of the growing confidence of investors in our economy and society. You all know very well that for some time last year we were very apprehensive of the threat that the global economic and financial crisis posed to our major markets, EU and US.

Fortunately , thanks to a strong political leadership and able stewardship of our economy, recognized internationally as well as regionally, we were able to emerge unscathed and now we are preparing for the recovery. The opening of Mazava Athletic Performance Wear Ltd coincides with these early signs of recovery and will contribute significantly in restoring confidence in our economic sectors specially at the start of a new year. The move by Mazava testifies to the faith the promoters of Mazava Ltd have in our investment climate and their readiness to capitalize on existing economic opportunities.

More robust economy

Ladies and Gentlemen

You will agree with me that our economy is now more robust and has survived the worst economic recession in many decades with minimum adverse impact. Back in 2005, Mauritians were looking at their future with apprehension as all our economic indicators were in the red. Over the last five years, Government has implemented some bold reforms which are now bearing their fruits. Our economy is now more diversified with new economic pillars like Sea Food, IRS/Real Estate, ICT, energy industries, health and knowledge hubs. We have now reengineered the doing business environment, brought about a more flexible labour market, implemented a simple, more

efficient and competitive tax system and (unique in the history of the country) and engaged in an ambitious programme of economic empowerment of the common man.

In 2009, this economy has been able to generate 10,000 new jobs and to attract the FDI to the tune of Rs 9 billion despite the financial crisis. Moreover the economy's growth rate will accelerate to 4.3% in 2010 from the 2.8 % registered in 2009, which was a difficult year.

The Manufacturing Sector

The manufacturing sector (excluding sugar, ICT and construction sectors) which accounts for 20 % of the economy was in a bad shape in 2005 with a negative growth rate of 5.5 %. However with the fundamental reforms brought about, positive growth rates were registered. Despite a slowdown in 2009, the Manufacturing Sector is estimated to pick up in 2010 with a growth rate of 1.7% compared to an estimated 0.6 % in 2009. Moreover FDI in the sector increased significantly from Rs 149m in 2008 to Rs 662m for the first nine months of 2009 despite the financial crisis.

The T&C Sector

The Textile and Clothing Sector which represents the lion's share of our export oriented enterprises, has a history of 40 years behind it. The T&C Sector has navigated through various waters and it has still a long way to go. Indeed, before 2005, the sector has been registering negative growth rates given the fall in exports. However, it started registering positive growth rates in 2006 and 2007. **The year 2007, with a growth rate of 8.5%, was a record year. Such a growth rate was not registered in the history of the T&C Sector in the past 17 years.** However, the sector had to face a hard time with the financial crisis hitting the EU and US our major market export markets. It has emerged unscathed as the TC exports rose by 2.6% from Rs 17.45bn as at September 2009 compared to Rs 17.01 bn for corresponding period in **2009**. And according to the latest indication, we expect the TC sector to grow positively at 1% in 2010.

Challenges facing the T&C Sector

Ladies and Gentlemen

The Mauritian T&C sector has to face challenges both on the domestic and external front. On the domestic front, enterprises have to face a rise in production cost, an urgent need to modernize equipment, to have better access to finance, keep abreast with

environmental requirements, adapt to shorter lead time to deliver goods in distant markets.

On the external front, trade liberalization, in particular of textile and clothing following the dismantling of the MFA, has generated fierce competition in the main markets. A small country like Mauritius has to battle to maintain its market share as low-cost countries have put enormous pressure on the prices of textile and clothing. Furthermore, it has to move up market and integrate the global value change.

All these challenges from a holistic perspective may lead certain investors to be timid or to shun taking calculated risks. But challenges are hidden opportunities. These challenges have not reduced the spirit of enterprise in the promoters of Mazava Ltd who have confidence in what they do and in what Government of the day is providing in terms of business facilitation environment. This is why you have my full admiration for this achievement. I wish other operators will follow into your steps.

No ordinary event

Ladies and Gentlemen

The opening of Mazava Atheletic Performance Wear Ltd in Flacq today is not an ordinary event. Indeed Mazava Atheletic Performance Wear Ltd is affiliated to an international company, namely, Winds Enterprises. It addresses a niche market and proposes to specialize in sportswear and athletic performance wear and serve not only EU and US as markets, but also Australia and Asia. We are honoured to have amidst us today Mr Urban Geiwald. Mr Geiwald is the founder of Wind Enterprises way back in 1990 in Hong Kong. I am sure the worldwide experience which Wind Enterprises has in countries like Hong Kong, USA (San Diego), China (Shunde and Hangzhou), Madagascar and more recently Tanzania will be instrumental in the success of the company in Mauritius.

An Industrial Policy Paper is being finalized by my Ministry and it advocates new policies and strategies for the Industrial development in the coming years. The coming of Mazava Ltd is in line with the recommendations of the Paper with regards to new and high value products, foreign knowhow and technology and new markets

The coming of Mazava Ltd is, therefore, doubly welcome. The company will initially generate job opportunities for 150 people and at cruising rate it will increase its intake to 400 workers. This new enterprise will be the spearhead of the diversification of our textile sector. The products proposed by Mazava Ltd are different from our traditional textile and clothing items. We wish you all success in this new venture

Role of Government

Ladies and Gentlemen,

Government and my Ministry will continue as facilitators for our entrepreneurs and investors to ensure their competitiveness and profitability.

The Additional Stimulus Package (ASP) provided to assist enterprises to face the challenges arising out of the global economic slowdown has been extended until December 2010 so as to provide the necessary support and to maintain the employment creation dynamism. This package focuses on infrastructure development, promotion of private sector investment, building human capacity and supporting vulnerable sectors. Many enterprises have been saved from closure and thousands of jobs preserved.

Enterprise Mauritius which falls under my Ministry is implementing a whole range of projects to support our enterprises in these difficult times. Further, to support SME's several new measures have been announced to increase the access of businesses to capital and information. And for both export and domestic oriented enterprises, the Leasing Equipment Modernisation Scheme (LEMS) has been extended to cover large enterprises as well.

Over and above the Additional Stimulus Package to help our enterprises, at the level of Enterprise Mauritius, we have set up an Industrial Engineering Unit to support enterprises in capacity building, export promotion and quality improvement.

Enterprise Mauritius has been given further boost to enable provision of a wider range of services on more efficient lines. Marketing efforts are being deployed in countries like Australia, the Scandinavian countries, Russia, South Africa, Kenya and India through appointments of trade representatives, adverts for greater visibility to our products, and establishment of direct ties with buyers.

The Export Credit Guaranty Scheme will soon become operational early this year. No doubt it will be a boost to the export sector.

Ladies and Gentlemen

I am confident that the battle for integrating our textile and clothing sector into the global market and liberalization process will be won. We have done it in the past 40 years. Despite the dismantling of the Multi Fibre Arrangement in January 2005, the Mauritian textile and clothing sector will forge ahead. Enterprises will have to adopt the latest technology and constantly be involved in research and innovation in all aspects of the enterprise to be competitive.

Ladies and Gentlemen

I am confident that the textile and clothing sector has bright years ahead in Mauritius. I am sure that while Government will play its role of facilitator, the enterprises themselves will spare no effort to undertake restructuring, move up-market and adapt to meet the changing requirements of the market place.

The opening of a new factory by Mazava Athletic Performance Wear Ltd at Argy, Flacq is a milestone for our economy as well as for this region. I had the opportunity of meeting Mr Lam and sharing with him my vision of a modern enterprise which not only aims at making profit but also assuming fully its social responsibility

towards workers and the community. I shall be very happy to see Mazava Enterprise emerge as a model to be proud of and to be emulated by other enterprises.

Once again, let me congratulate the promoters and personnel of Mazava Athletic Performance Wear Ltd and wish them plenty of success in their future endeavors.

Thank you for your kind attention.

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