

Ministry of Industrial Development, SMEs and Cooperatives

Republic of Mauritius

In collaboration with

**The United Nations Economic Commission for Africa
(Sub-Regional Office for Southern Africa & Africa Trade Policy Center)**

**NATIONAL POLICY DIALOGUE ON
THE MANUFACTURING SECTOR IN MAURITIUS**
Concept Note

*Wednesday 23 March & Thursday 24 March 2022
Maritim Hotel
Balaclava, Mauritius*



ECA
Southern Africa Office



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1. Background

The manufacturing sector, mainly comprising Micro Small and Medium-sized Enterprises (MSMEs), is one of the main engines of economic growth in Mauritius, contributing about 13.3 per cent of the Gross Value Added (GVA) of the national economy and accounting for 17 per cent of the total workforce. The sector which mostly relied on exports of textiles and clothing, has, over time, successfully diversified into sub-sectors such as fish and fish preparations, jewelry, foodstuffs, chemicals, medical devices, precision engineering and leather.

In order to instil a new dynamism and propel the sector to a higher productivity growth path, the Ministry of Industrial Development, SMEs and Cooperatives of Mauritius, in collaboration with the United Nations Conference on Trade and Development (UNCTAD), developed an Industrial Policy and Strategic Plan (2020-2025) (IPSP) for Mauritius. The IPSP charts the imperatives for a globally competitive and sustainable industrial base, and proffers 22 recommendations focusing on five pillars. These are, namely: strengthening of industrial foundations, upgrading of value chains, supporting local production, promoting regional and global exports and fostering the adoption of smart and advanced technologies related to Industry 4.0.

Implementation of the recommendations is ongoing. However, given the new challenges, and dynamics on the global scene - *renewed economic disruptions with the emergence of new Covid-19 variants, supply chain disruptions, price volatility, geo-political tensions associated with the Russia-Ukraine crisis, as well as climate change* - it is timely that in-depth reflection takes place to reassess the current context in which the manufacturing sector is evolving. The intent is to come up with a transformed business ecosystem for a renewed impetus and greater resilience of manufacturing enterprises in the years ahead. Such a profound reflection should among others, entail appropriate communication and sharing of information on relevant schemes and measures being provided by the Government of Mauritius for the benefit of the manufacturing sector. It also calls for a diagnosis of the challenges to, and opportunities for the manufacturing sector in the current context and beyond. In this context, particular attention must also be paid to the consolidation of the textile and apparel sub-sector in the years ahead, as it remains one of the main pillars of the Mauritian export sector after five decades.

Furthermore, it is timely and fitting for the Ministry of Industrial Development, SMEs and Cooperatives to engage in a constructive dialogue with the national private sector and international investment community to effectively flesh out the challenges of the manufacturing sector, as well as the opportunities being unleashed by new developments on the trade and investment scene, including the African Continental Free Trade Area (AfCFTA).

UNECA and its partnership with the Government of Mauritius

Since 2019, the United Nations Economic Commission for Africa (UNECA), through its Sub-regional Office for Southern Africa (SRO-SA), based in Lusaka, Zambia and the African Trade Policy Center (ATPC), based in Addis Ababa, Ethiopia, with funds from the European Union (EU), has been providing technical support to the Government of Mauritius on the elaboration of an African Continental Free Trade Area (AfCFTA) National Response Strategy. The National AfCFTA Response Strategy will be validated on March 25, 2022 in Mauritius under the aegis of the Ministry of Foreign Affairs, Regional Integration and International Trade. UNECA in collaboration with the United Nations Development Programme (UNDP) of Mauritius has supported the

formulation of the National AfCFTA Response Strategy through a study focused on the opportunities for the manufacturing sector under the AfCFTA. The study titled “*The AfCFTA and Market Implications for the Mauritius Economy in Post-Covid-19: A Case Study on Manufacturing*” has been finalized and will be released in 2022.

UNECA is also supporting the Government of Mauritius (the Economic Development Board) to elaborate a study on assessing the potential of Green and Sustainable Value Chains in the manufacturing sector in Mauritius in order to enhance export potential in the context of the AfCFTA. The Commission has also been supporting the Ministry of Industrial Development, SMEs and Cooperatives to strengthen its engagement with the private sector and investors in order to strategize on the future role of the manufacturing sector under the AfCFTA and the emerging global environment. In this context, in February 2022, UNECA SRO-SA and the Ministry, in partnership with the SADC Business Council jointly organized a one day seminar on the margins of Dubai Expo2020 on the theme of “*The Impact of Covid-19 on Micro, Small and Medium-Sized Enterprises (MSMEs) in Southern Africa: Country Experiences and a Focus on Building Back better in Mauritius*”. The afternoon session, which was hosted by the Honourable Minister of Industrial Development, SMEs and Cooperatives, H.E. Mr Soomilduth Bholah, was devoted to the topic of “*Enhancing the Resilience of Manufacturing Sector in Mauritius in the Post Covid-19 Era*”. Furthermore, UNECA and the UNDP-Mauritius finalized an analytical study in 2020 titled “*Strategic Options for the Textile and Apparel Industry*”.

Against the foregoing, the Ministry of Industrial Development, SMEs and Cooperatives and UNECA have again joined forces to organize an in-person National Policy Dialogue on the Manufacturing Sector in Mauritius on 23 and 24 March 2022.

2. Objectives of the Dialogue

The dialogue will provide a platform to deliberate on the manufacturing sector in Mauritius, including the textile and apparel sub-sector with a view to coming up with concrete proposals to guide the future development of the manufacturing sector in Mauritius, in the context of the AfCFTA and other emerging issues such as Covid-19 and the current Russian-Ukrainian crisis amid accelerating climate change. In particular, the dialogue will aim at:

- Promoting knowledge, information sharing and feedback on the measures and policies being implemented by the Government of Mauritius to support the manufacturing sector, including the textile and apparel sub-sector, and guide its future development;
- Stimulating reflections on how MSMEs and the private sector in manufacturing can best build back better post-Covid-19, especially in the context of the African Continental Free Trade Area (AfCFTA), other trade agreements and regional cooperation arrangements;
- Enhancing information sharing and awareness on challenges (current and future) faced by the manufacturing sector, including its textile and apparel sub-sector as well as opportunities that could be harnessed by the sector including from the AfCFTA;
- Identifying actions to foster exchanges and collaboration among the key actors in the Mauritian manufacturing sector, taking into account the IPSP;
- Promoting fruitful discussions on the future of manufacturing in Mauritius including exploring new strategic options for the textile and apparel sub-sector.

3. Format

The National Policy Dialogue will be in-person over two days. It will target no more than 50 stakeholders in line with the current Covid-19 containment measures in place in Mauritius. The first day (23 March) will deliberate on and highlight key issues for the Mauritian manufacturing sector, and the second day (24 March) will focus on the textile and apparel sub-sector.

4. Expected Outcomes

- Strengthened awareness of the impacts of Covid-19 and other challenges on Mauritian manufacturing and enhanced knowledge-sharing of response strategies deployed by the Government to build resilience and enhance competitiveness;
- Enhanced understanding of the general challenges faced by the manufacturing sector;
- Strengthened awareness on opportunities that can be tapped by the manufacturing and its textile and apparel sector such as the AfCFTA and other trade agreements;
- Enhanced policies and strategies to enable the Mauritian manufacturing sector (including textile and apparel) to build back better including leveraging trade and identifying areas for regional and international collaboration;
- Renewed actions on positioning the Mauritian manufacturing sector and its textile and apparel sector on the regional and global scene as a reliable sourcing destination and an attractive investment base for FDI.

5. Expected Outputs

- A meeting report highlighting strategic options and concrete policy proposals to guide the future development of the manufacturing sector as well as options to address ongoing and emerging challenges such as Covid-19 and fallouts from the Russian-Ukrainian crisis, taking into account climate change;
- Press releases;
- Articles in the media.

6. Participants

Honourable Minister of Industrial Development, SMEs and Cooperatives of Republic of Mauritius, the Permanent Secretary and Senior officials of the Industrial Development Division of the Ministry, Mauritius Standards Bureau and Economic Development Board, officials of the UNECA and UN. Key stakeholders in the Mauritian private sector (Business Mauritius, Mauritius Chamber of Commerce and Industry, Association of Mauritian Manufacturers) and donor community will also attend including the EU Ambassador to Mauritius.

7. Date and Venue

23 and 24 March 2022, Maritim Hotel, Balaclava, Mauritius.

8. Languages: English and French.

9. Contacts

Further information on the meeting and any other related matters should be addressed to:

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