

VOTE 17 - MINISTRY OF INDUSTRY, SMALL & MEDIUM ENTERPRISES, COMMERCE & COOPERATIVES

CONTEXT FOR BUDGET INTERVENTION

The strategy of the Ministry of Industry, Small and Medium Enterprises, Commerce and Cooperatives is to facilitate the development of a strong, diversified and globally competitive industrial sector in Mauritius. Emphasis will be placed on the consolidation and diversification of the industrial sector and the development of the SME sector with a view to expanding the entrepreneurial base and achieving enhanced industrial resilience. Efforts will be sustained in providing assurance as regards the quality of goods and services for local consumption and for export markets, both regional and international.

It is increasingly being recognized that cooperatives are people-centred organisations, capable of effectively contributing towards the economic democratisation process and in bringing sustainable solutions to national problems and to uplift the standard of living of their members. However, a “bottom-up” approach and a well defined strategic partnership have to be established between the cooperative movement and Government. The Ministry will also target young people and women through such empowerment programmes. The Ministry will also promote the self-help concept and prudential personal budgeting through cooperative credit unions.

Finally, as the Ministry responsible for commerce, it will ensure the proper environment for the smooth exchange of goods and services through fair business practices and maximum protection to consumers. The Ministry is committed to promoting competition and fair business practices through the creation of a Competition Commission. It would also ensure that there is regular supply of essential commodities on the local market and that consumers are adequately protected by ensuring that all instruments used in trade meet legal requirements.

SUMMARY OF BUDGET

	2007/08 Estimates	2008/09 Estimates	2009/10 Estimates
A Expenditure by Programme (Rs)			
1 Industrial Development	205,385,010	215,000,000	219,700,000
2 Support for Cooperative Development	51,918,000	56,700,000	58,500,000
3 Trade Policy and Development	43,282,000	46,600,000	48,300,000
Total	300,585,010	318,300,000	326,500,000
Expenditure by Economic Categories (Rs)			
1 Recurrent Expenditure	286,585,000	303,300,000	311,500,000
1.1 Personal Emoluments	77,963,000	83,679,000	86,633,000
1.2 Other Staff Costs	12,710,010	13,210,000	13,321,000
1.3 Other Goods and Services	41,341,990	46,239,000	47,273,000
1.4 Subsidies and other Current Transfers	154,570,000	160,172,000	164,273,000
2 Capital Expenditure	14,000,010	15,000,000	15,000,000
2.1 Acquisition of Fixed Capital Assets	8,000,010	7,000,000	7,000,000
2.2 Purchase of Land/Intangible Assets	-	-	-
2.3 Capital Transfers	6,000,000	8,000,000	8,000,000
Total	300,585,010	318,300,000	326,500,000
C Staffing - funded positions			
1 Managerial positions	14	14	14
2 Technical positions	128	128	128
3 Support positions	241	241	241
Total	383	383	383

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MAIN ACTIVITIES (A)	SPECIFIC OBJECTIVES (SO)	OUTPUTS (O)	PERFORMANCE INDICATORS (P)
PROGRAMME 1 - INDUSTRIAL DEVELOPMENT			
Outcome: To achieve Rs 83 billion as total output from the manufacturing sector excluding sugar in 2007/08, as compared to Rs 77.5 billion in 2006/07.			
A1: Facilitate industrial consolidation and diversification.	SO1: To achieve enhanced industrial resilience through expansion of product lines.	O1: Participation in fairs.	P1: The fairs to be organised in 2007/08 will be as follows: (i) US Food Show in July 2007; (ii) Dubai Food Show in February 2008; (iii) Berlin fruit fair in February 2008; (iv) Salon International de l'Alimentation in France in October 2008; (v) Cape Town Book Fair in May 2008; (vi) High-End Salon in France for Wood and Furniture in Nov/Dec 2007; and (vii) FATEX in France in November 2007.
		O2: Participation in buyers/sellers meetings.	P1: The buyers / sellers meetings to be organised in 2007/08 will be as follows: (i) Madagascar in August 2007 along with a sales exhibition; (ii) South Africa in August 2007 including a Mauritian Week; (iii) Kenya in October 2007; (iv) Tanzania in October 2007; and (v) Others before March 2008 based on a market survey.
		O3: Organisation of market surveys.	P1: The market surveys to be conducted in 2007/08 will be as follows: (i) Pakistan (based on the products covered under the forthcoming Trade Agreement); (ii) Russia in November 2007; and (iii) Spain in July 2007 followed by a follow-up on previous surveys before December 2007.
		O4: Capacity building programme centred on conduct of sectoral studies with a view to providing capacity building and technical support on product diversification, development and adoption of cluster-based approach.	P1: 25 Firms will be targeted for capacity building in 2007/08 as against 24 in 2006/07.

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MAIN ACTIVITIES (A)	SPECIFIC OBJECTIVES (SO)	OUTPUTS (O)	PERFORMANCE INDICATORS (P)
	SO2: To achieve an annual average industrial growth of 10% in textile and clothing, 5% in fish and fish preparation, 3% in printing and publishing; and 3% in other sectors.	O6: Appointment of overseas representatives who would be natives of the selected country, with a good network among business community and wide range of experience in marketing and who perform the following functions: (i) Promote Mauritian products and services in a more intelligent and strategic manner; (ii) Provide first-hand information to potential buyers; (iii) Provide Head Office with market intelligence; (iv) Assist and advise in terms of strategies to penetrate the respective markets more profitably and in a more sustainable manner; and (v) Assist Mauritian businessmen in establishing contacts with potential buyers and consolidate and extend our business networks.	P1: 4 Overseas representatives in Kenya, South Africa, France, and an Asian country to be appointed by end of December 2007.
		O7: Assistance to enterprises through matching grants (Enterprise Development Fund financed from the Empowerment Programme) with the EDF designed to (i) Assist qualifying businesses to access external resources and expertise not readily available with the aim of overcoming organisational barriers to growth and competitiveness with particular emphasis on developing exports and (ii) to co-fund mutually agreed customer driven capability development projects on a 50% reimbursement basis for large companies and 75% for SMEs (maximum reimbursement Rs 500,000).	P1: 50 enterprises to be assisted in 2007/08 with a view to increasing the output of enterprises assisted by 10% annually by 2009/10.
	SO3: To facilitate the development of the film industry.	O8: Lease of film equipment to foreign film crews.	P1: 75 film crews will be served in 2007/08 generating revenue of Rs 2 million as against 50 crews served and revenue of Rs 0.9 million revenue collected in 2006/07.

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MAIN ACTIVITIES (A)	SPECIFIC OBJECTIVES (SO)	OUTPUTS (O)	PERFORMANCE INDICATORS (P)
A2: Facilitate the development of the SME sector.	SO1: To expand the entrepreneurial base.	O1: Organisation of sensitisation campaigns including SME Fairs (local and overseas), 'Caravan de l'Entreprenariat', etc.	P1: 1,500 start-ups to be accomplished in 2007/08 as against 2,000 achieved in the previous two years.
		O2: Setting up of incubator centres to provide slots on lease basis to new entrepreneurs together with common amenities at low rates for a period of up to 18 months.	P1: 3 Incubator centres to be set up in 2007/08 in the south and east regions of Mauritius by August 2007.
A3: Regulate the jewellery sector for gold and its alloy.	SO1: To ensure that jewellers conform to the Jewellery Act 2007.	O1: Registration of new jewellers in line with government objective of promoting the jewellery sector.	P1: 15 new jewellers in 2007/08 to be registered in addition to 467 jewellers registered to date.
		O2: Surprise inspection visits to ensure compliance of jewellers with Act.	P1: 350 visits in 2007/08 against 378 in 2006/07.
	SO2: To provide better protection of consumers through enhanced quality of jewellery products.	O3: Testing of jewellery and alloys.	P1: 400 tests to be conducted in 2007/08 against the same in 2006/07.
A4: Accreditation and conformity assessments according to international, regional and national standards.	SO1: To ensure the quality of goods and services for local consumption and exports to regional and international markets.	O1: Assessment of 65 laboratories and 3 certification bodies with the laboratories comprising 27 medical, 9 environmental, 1 forensic, 10 food ; and 18 others including fuel, construction and sugar and all bodies to be accredited by 2012.	P1: 5 accreditations to be done in 2007/08 against 3 in 2006/07.
		O2: Capacity building for assessors and laboratories personnel and training of other persons in quality management.	P1: 25 assessors and 35 laboratories personnel to be trained in 2007/08 against 25 assessors and 50 lab personnel in 2006/07. P2: 120 participants in Quality Management Standard MS ISO 9001:2000 targeted in 2007/08 as against 70 in 2006/07.
		O3: Elaborate new standards in quality management, management system and safety, iron bars, bread, toys, electrical installations, helmets, etc.	P1: 50 new standards to be elaborated in 2007/08 in addition to 157 standards elaborated as on date.
	SO2: To protect consumers against sub-standard products and services.	O4: Testing of products e.g., detergents, margarine, iron bars, paints, edible oil, textiles, etc.	P1: Test reports to be completed within 5 working days in 2007/08.

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MAIN ACTIVITIES (A)	SPECIFIC OBJECTIVES (SO)	OUTPUTS (O)	PERFORMANCE INDICATORS (P)
PROGRAMME 2 - SUPPORT FOR COOPERATIVE DEVELOPMENT			
Outcome: Development of cooperative enterprises to empower people, especially at the grass root level.			
A1: Enforcement of the legal and institutional framework for cooperatives.	SO: To ensure that co-operative societies abide by the provisions of the law so that they operate more efficiently.	O1: Timely audit of accounts as per Cooperatives Act 2005. (967 cooperative societies in all - 550 active, 417 dormant).	P1: 550 (all existing active) accounts of co-operative societies targeted to be audited in 2007/08 within the prescribed period.
		O2: Elimination of all audit backlogs.	P1: All audit backlogs to be cleared in 2007/08.
		O3: Timely registration of new cooperative societies.	P1: 75 new cooperative societies targeted to be registered in 2007-08 as against 70 in 2006/07.
		O4: Enquiry on dormant societies for commencing winding up or revival processes in line with the Cooperatives Act.	P1: Enquiry on 417 dormant societies to be completed by March 2008.
A2: Provision of cooperative counselling, guidance and support to potential cooperative organisations and existing cooperators.	SO: Capacity building in cooperatives to make cooperative entrepreneurs fully aware of modern financial, management and marketing techniques.	O1: More technical support to cooperative organisations.	P1: 10 Federations and 30 cooperative societies targeted to be assisted in 2007/08 against 7 federations and 20 cooperatives in 2006/07.
		O2: Timely submission of accounts and returns after taking into consideration the existing workforce.	P1: 75 societies targeted for ensuring their filing of returns within prescribed period in 2007/08 against 52 covered in 2006/07.
A3: Promotion of the cooperative model amongst youth.	SO: To encourage more young people to join the co-operative movement.	O1: Sensitisation campaigns for cooperatives targeting youth associations.	P1: 10 cooperative societies to be formed by youth in 2007/08.
A4: Group unemployed and redundant women in co-operatives.	SO: Empower women through co-operatives.	O1: Sensitisation campaigns for cooperatives targeting women.	P1: 20 cooperative societies targeted to be formed by women in 2007/08.
			P2: 250 women targeted to be involved in new societies formed in 2007/08.
A5: Promote co-operative credit unions (CCU) self-help concepts and prudential personal budgeting.	SO: Encourage savings, increase mutual financial help and provide credit to members.	O1: Sensitisation campaigns for the promotion of CCUs in hotels, schools, private enterprises and parastatal bodies.	P1: 12 new CCUs targeted to be formed in 2007/08.
			P2: 300 additional members targeted in 2007/08.
PROGRAMME 3 - TRADE POLICY DEVELOPMENT			
Outcome: To create an environment which allows smooth exchange of goods and services through fair business practices.			
A1: Promotion of competition and fair trading.	SO1: To allow market forces determine prices in a competitive environment.	O1: Preparation of the Competition bill.	P1: Bill to be submitted to parliament by end of July 2007.
			P2: Establishment of the Competition Commission by October 2007.
	SO2: To protect consumer interest.	O2: Regulations in respect of imported goods subjected to quality norms.	P1: Regulations to be gazetted by August 2007.

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MAIN ACTIVITIES (A)	SPECIFIC OBJECTIVES (SO)	OUTPUTS (O)	PERFORMANCE INDICATORS (P)
A2: Regulate and monitor the import of controlled goods (as described in the First Schedule, Consumer Protection - control of Imports - Regulations 1998].	SO1: To ensure that there is adequate supply of the controlled goods on the market.	O1: Making import permit delivery more efficient.	P1: About 22,500 permits to be issued within 3 days in 2007/08.
	SO2: To ensure import liberalisation of flour.	O2: New entrants facilitated in the import of flour.	P1: Import liberalisation of flour achieved by end of April 2008 through regulations.
A3: Monitor exports.	SO: To ensure adherence to export policies and international trade practices.	O1: Issue of export documents for the following: (i) Export permits; (ii) non-preferential certificates of origin; (iii) COMESA certificates of origin; (iv) Generalised System of Preferences (GSP) certificates of origin; (v) Visa certificates (Non-AGOA); (vi) Africa Growth & Opportunity Act (AGOA) visa certificates; and (vii) Kimberley process certificates.	P1: The types and number of export documents to be covered in 2007-08 are: (i) Export permits (9,500); (ii) Non-preferential certificates of origin (10); (iii) COMESA certificates of origin (436); GSP certificates of origin (1,076); (iv) Visa certificates non-AGOA (960); (v) Africa Growth & Opportunity Act (AGOA) visa certificates (2,800); and (v) Kimberley process certificates (34).
A4: Licensing of second hand car dealers.	SO: To ensure adequate control on the importation of second hand vehicles.	O1: Issue and renew licences (62 licences were issued/renewed in 2007/08).	P1: All licenses renewed within the 15 deadline.
A5: Registration of Trade Net users.	SO: To facilitate trade by allowing the trading community to apply for permits on-line.	O1: Issue of permits.	P1: Issue of permits within 24 hours in 2007/08 as compared to 2 days.
A6: Provide metrology services.	SO: To ensure that all instruments used in trade meet legal requirements.	O1: Compliance to calibration in respect of (i) Trade premises; (ii) Petrol pumps; (iii) Scales and weighing instruments; and (iv) Packers and medical instruments.	P1: 30% of trade premises (860) would be inspected in 2007-08 as against 5% in 2006/07.
			P2: 100% verification and assizing of petrol pumps would be carried out in 2007/08 as against 52% in 2006/07.
			P3: 80 prepackers to be inspected in 2007/08 as against 34 in 2006/07.

Programme 1: Industrial Development

	2007/08 Estimates	2008/09 Estimates	2009/10 Estimates
1 Recurrent Expenditure	197,385,000	207,000,000	211,700,000
1.1 Personal Emoluments	25,715,000	27,835,000	28,700,000
1.2 Other Staff Costs	4,140,000	4,265,000	4,265,000
1.3 Other Goods and Services	22,430,000	25,800,000	26,135,000
1.4 Subsidies and other Current Transfers	145,100,000	149,100,000	152,600,000
2 Capital Expenditure	8,000,010	8,000,000	8,000,000
2.1 Acquisition of Fixed Capital Assets	2,000,010	-	-
2.2 Purchase of Land/Intangible Assets	-	-	-
2.3 Capital Transfers	6,000,000	8,000,000	8,000,000
Total	205,385,010	215,000,000	219,700,000
Recurrent Expenditure	197,385,000		
Personal Emoluments	25,715,000		
Other Staff Costs	4,140,000		
Wages	180,000		
Travelling and transport	3,600,000		
Staff welfare	10,000		
Overtime	350,000		
Other Goods and Services	22,430,000		
Office expenses and incidentals	225,000		
Telephone bills	900,000		
Rent	12,500,000		
Maintenance and running of vehicles	600,000		
Office equipment and furniture	200,000		
Maintenance of buildings, grounds, plant and equipment	600,000		
Training of staff	300,000		
I.T. facilities	400,000		
Electricity charges	1,800,000		
Publications	240,000		
Fees to Chairman and Members of Boards and Committees	470,000		
Uniforms	99,980		
Apparatuses and supplies for laboratory	70,000		
Security services	150,000		
Seminars	10		
Postage	100,000		
Printing and stationery	700,000		
Promotion of Accreditation	2,775,000		
Other operating expenses	300,000		
Consultancy services	10		
Subsidies and other Current Transfers	145,100,000		
Grant to Mauritius Film Development Corporation	8,000,000		
Contribution to Mauritius Standards Bureau	27,000,000		
Contribution to SEHDA	42,000,000		
Contribution to Enterprise Mauritius	67,500,000		
Contribution to International Organisation(s)	600,000		

	2007/08 Estimates	2008/09 Estimates	2009/10 Estimates
Capital Expenditure	8,000,010	8,000,000	8,000,000
Mauritius Standards Bureau	6,000,000	8,000,000	8,000,000
National Quality/Management Systems Certification Scheme	10	-	-
Vehicles and Equipment	2,000,000	-	-
Staffing - funded positions			
Managerial positions	8	8	8
Technical positions	29	29	29
Support positions	77	77	77
Total	114	114	114

Programme 2: Support for Cooperative Development

	2007/08 Estimates	2008/09 Estimates	2009/10 Estimates
1 Recurrent Expenditure	47,918,000	51,700,000	53,500,000
1.1 Personal Emoluments	28,981,000	31,181,000	32,500,000
1.2 Other Staff Costs	5,460,000	5,742,000	5,756,000
1.3 Other Goods and Services	8,057,000	9,257,000	9,624,000
1.4 Subsidies and other Current Transfers	5,420,000	5,520,000	5,620,000
2 Capital Expenditure	4,000,000	5,000,000	5,000,000
2.1 Acquisition of Fixed Capital Assets	4,000,000	5,000,000	5,000,000
2.2 Purchase of Land/Intangible Assets	-	-	-
2.3 Capital Transfers	-	-	-
Total	51,918,000	56,700,000	58,500,000
Recurrent Expenditure	47,918,000		
Personal Emoluments	28,981,000		
Other Staff Costs	5,460,000		
Wages	10		
Travelling and transport	5,299,990		
Staff welfare	10,000		
Overtime	150,000		
Other Goods and Services	8,057,000		
Office expenses and incidentals	90,000		
Telephone bills	400,000		
Rent	5,100,000		
Maintenance and running of vehicles	60,000		
Office equipment and furniture	60,000		
Maintenance of buildings, grounds, plant and equipment	180,000		
Training of staff	100,000		
I.T. facilities	50,000		

	2007/08 Estimates	2008/09 Estimates	2009/10 Estimates
Electricity charges	750,000		
Water rates	10,000		
Publications	30,000		
Fees to Chairman and Members of Boards and Committees	250,000		
Uniforms	100,000		
Security services	197,000		
Seminars	50,000		
Postage	100,000		
Printing and stationery	280,000		
Other operating expenses	250,000		
<i>Subsidies and other Current Transfers</i>	5,420,000		
Contribution to National Institute for Cooperative Entrepreneurship (NICE)	1,100,000		
Contribution to Local Organisation(s)	4,000,000		
Contribution to International Organisation(s)	320,000		
Capital Expenditure	4,000,000	5,000,000	5,000,000
Consolidation and Development of the Cooperative Sector	2,000,000	3,000,000	3,000,000
Improvements, Renewals and Minor Projects	2,000,000	2,000,000	2,000,000

Staffing - funded positions

Managerial positions	2	2	2
Technical positions	78	78	78
Support positions	71	71	71
Total	151	151	151

Programme 3: Trade Policy and Development

	2007/08 Estimates	2008/09 Estimates	2009/10 Estimates
1 Recurrent Expenditure	41,282,000	44,600,000	46,300,000
1.1 Personal Emoluments	23,267,000	24,663,000	25,433,000
1.2 Other Staff Costs	3,110,010	3,203,000	3,300,000
1.3 Other Goods and Services	10,854,990	11,182,000	11,514,000
1.4 Subsidies and other Current Transfers	4,050,000	5,552,000	6,053,000
2 Capital Expenditure	2,000,000	2,000,000	2,000,000
2.1 Acquisition of Fixed Capital Assets	2,000,000	2,000,000	2,000,000
2.2 Purchase of Land/Intangible Assets	-	-	-
2.3 Capital Transfers	-	-	-
Total	43,282,000	46,600,000	48,300,000
Recurrent Expenditure	41,282,000		
Personal Emoluments	23,267,000		
Other Staff Costs	3,110,010		
Wages	10		
Travelling and transport	2,900,000		
Staff welfare	10,000		
Overtime	200,000		
Other Goods and Services	10,854,990		
Office expenses and incidentals	200,000		
Telephone bills	800,000		
Rent	7,000,000		
Maintenance and running of vehicles	220,000		
Office equipment and furniture	200,000		
Maintenance of buildings, grounds, plant and equipment	200,000		
Training of staff	100,000		
I.T. facilities	150,000		
Electricity charges	950,000		
Water rates	15,000		
Publications	100,000		
Fees to Chairman and Members of Boards and Committees	25,000		
Uniforms	90,000		
Seminars	40,000		
Postage	39,990		
Printing and stationery	500,000		
Other operating expenses	225,000		
Subsidies and other Current Transfers	4,050,000		
Competition Commission	4,000,000		
Contribution to International Organisations	50,000		
Capital Expenditure	2,000,000	2,000,000	2,000,000
Legal Metrology Division	2,000,000	2,000,000	2,000,000
Staffing - funded positions			
Managerial positions	4	4	4
Technical positions	21	21	21
Support positions	93	93	93
Total	118	118	118