



MINISTRY OF BUSINESS, ENTERPRISE & COOPERATIVES
(Business and Enterprise Division)

**International SME Innovation and
Technology Fair 2017**
12-14 May 2017
Concept Note

1. Background

It is a globally acknowledged fact that SMEs in worldwide economies, are expected to impact increasingly and significantly on their countries' Gross Domestic Product, job creation and exports.

The objective of Government is to transform Mauritius into a forward looking, economically vibrant and innovative country and the SME sector has been clearly positioned as the future engine of our economic growth. At a national level, the SME sector remains an important segment of the economy, contributing significantly to wealth creation (40% to GDP), employment generation (54% of Total Employment) and poverty alleviation. As per the two previous Budgets and as per the Vision 2030 Statement, SMEs are expected to assume a greater role in the economy not only as an enabler but as a key driver of inclusive and balanced growth. Needless to say, SMEs will be critical to the economic transformation of our country.

But how does Mauritius really measure against the credentials of an entrepreneurial economy? On the face of it, the picture looks rather bright with a registered number of about 108,000 small and medium establishments. However, at a closer look, the story is very different. 47% of our SMEs are operating at almost subsistence level and are mostly managed by own account workers. Their annual turnovers are less than MUR 2 million and they have five or less employees. Moreover, only 7% of SMEs employ more than 21 people and have turnovers of more than MUR 10 million.

To serenely move towards the Vision 2030 objectives to become a high income economy and to bring the expected quantum leap in the SME sector, swift and significant measures are needed to reverse this distribution pattern and increase the share of high value

SMEs in synch with a strong shift towards High Growth Potential SMEs that have the ability to spur economic activities and create jobs. Such opportunities exist through, *inter alia*, innovation and the adoption of technology; clustering strategy; and accessing new niche markets. It is to be noted that as with regards to innovative steps in the field of the enterprises and startups, there are no strong linkages between Research and Development, support institutions and SMEs. The creation of SMEs as a spin off from R&D activities is lacking.

2. Project Overview

2.1 Rationale

Innovation has long been recognised as a key element of competition and dynamic efficiency of markets and the strong positive association between innovation and SME growth is undeniable. With regards to technology, it can significantly and positively impact on sectors such as manufacturing, bio-farming, renewable energy, ocean economy, financial and other services. Therefore, special attention is needed on industrial technology with Development Partners who can contribute significantly to the Fair by bringing or donating their latest technologies.

It is however clear that Mauritian SMEs still lag behind in identifying and investing in technologies that will bring them to the next level of growth and competitiveness. The latest Global Competitiveness Index (GCI) report 2015-2016 shows that, with regards to Mauritius, the decade-long improvement comes to a halt this year with a fall of seven places to 46th. And more specifically, when compared with upper middle income countries that have similar population size such as Iceland and Cyprus, Mauritius is underperforming and is ranked 78th in the innovation ranking of the same index. The ability to absorb new technologies and the capacity to innovate have been pinpointed as among the weakness factors highlighted in the report.



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We have noticed that many of our SMEs are at the crossroads between 'business as usual' and developing new ways of doing business. In today's highly competitive market, one concept stands out as being the ingredient that will safeguard the sustainability of enterprises: that of innovation.

More specifically, technological innovation constitutes a strategic resource in a firm's competitiveness and it is unavoidable for firms which want to develop and maintain a competitive advantage and/or gain entry in to new markets. It has the potential to spur growth of individual enterprises at the micro level and give a new dimension to industry growth at the macro level. Therefore, technological innovation is at the heart of economic change.

But impediments such as costs, shortage of skilled manpower (e.g. lack of technical skills), low awareness of the benefits of technology, data security and privacy, inadequate core infrastructure generally prevent our SMEs from making use of available technologies. The potential for open innovation in SMEs is greatest, however, where SMEs are operating in strong industrial and innovation eco-systems where possible innovation partners are plentiful and easily accessible, like, for example, through the proposed fair.

Against this backdrop it is of utmost importance to organize the international SME innovation and technology fair. The International SME Innovation and Technology Fair will be held in Mauritius from 12th to 14th of May 2017.

2.2 Implementing Entity and Key Partners

This unprecedented event is being organized by the **Small and Medium Enterprise Development Authority (SMEDA)**, whose main objective is to support and facilitate the development of entrepreneurship and SMEs in Mauritius. This parastatal body operates under the aegis of the **Ministry of Business, Enterprise and Cooperatives (Business and Enterprise division)**. The

Ministry is fully aware that public policy plays a critical role in facilitating technology adoption by SMEs and that it is SMEs with public support for innovation that are significantly more likely to innovate and thus grow. That is why it has mandated SMEDA to be fully committed in the organization of this event.

For the International SME Innovation and Technology Fair to bear a successful outcome for our country and all stakeholders involved, the Ministry of Business, Enterprise and Cooperatives (Business and Enterprise division) is in fact proposing a value co-creation approach, with a collaborative process involving the State, Development Partners (local, international, regional, institutional) and the Private Sector.

From the State point of view, SMEDA will be benefiting from the active involvement of the **Ministry of Foreign Affairs, Regional Integration and International Trade** in making the fair an unparalleled local, regional and international event. The resources made available from this partnership will unlock doors of Development Partners and will definitely enable the event to take a significant dimension on a local, regional and international level.

Public Private Partnership initiatives have proved to better provide the supportive technological environment required for the technological development of SMEs and entrepreneurship. Public Private Partnership initiatives are indeed crucial to create the right ecosystem for SMEs and entrepreneurs to thrive. They could benefit services like Technology Transfer for instance, which can solve the problems pertaining to costs related to Research and Development and allow our SME community to benefit from the latest technologies available for their businesses. In this perspective, the **Mauritius Chamber of Commerce & Industry (MCCI)** has agreed to play the Private Sector link which will further extend the scope of our event.



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It is important to highlight, that the SME Innovation and Technology Fair aims at going beyond the mainstream belief that it refers mainly to the ICT sector. It in fact embraces both the technological and non-technological dimensions of innovative activity as well as the potential for both radical and incremental changes for SMEs.

2.3 Objectives

The International SME Innovation and Technology Fair 2017 aims at facilitating the transfer of technology, know-how and skills to Mauritian and overseas enterprises through the showcasing and eventual acquisition of technological tools and equipment particularly of great assistance to SMEs.

The fair will provide a platform and marketplace connecting technology suppliers and their innovative ideas to investors, manufacturers and distributors in order to promote investment and collaboration. Moreover, this first fair aims to provide the ideal platform for innovators and technopreneurs to establish their identity and promote their innovative ideas.

More specifically, objectives of the project are as follows:

- Ensuring transfer of know-how on new technologies and build Knowledge Transfer Partnerships
- Facilitating Technology transfer processes and expertise sharing
- Strengthening the innovation capacity of SMEs and creating value on the market
- Enhancing the competitiveness of SMEs
- Enhancing the entrepreneurial climate
- Accelerating growth in small businesses
- Diversifying the economy
- Showcasing new and breakthrough technologies
- Launching companies into new markets, promote growth, and create high returns of investment.

3. Main Components of the Event

The relevance of the International SME Innovation and Technology Fair is highlighted by the fact that purposive links formed between SMEs and their development partners can play a positive role in innovation and export growth. Moreover, such links are likely to be more positive in stronger eco-systems and where SMEs have greater absorptive capacity.

Mauritius has generally done well in tapping into global knowledge through trade, but it is underexploiting the absorption of technologies through FDI and technology licensing. Given the small R&D and technology base in Mauritius, it is difficult as well as costly to develop most technologies domestically, and a reasonable approach would be to acquire or license technologies from more advanced countries.

By adopting a novel approach to support SMEs' innovation activities, the proposed B2B and B2C event will create the most effective linkages between several foreign technology providers and local businesses to facilitate technology transfer and absorption from one end to another.

This first of its kind fair aims to provide the ideal platform for innovators and technopreneurs to establish their identity and promote innovative ideas that have the potential to significantly add value to the product proposal currently available on the market as well as adequately equip themselves for the realization of those ideas.

The event is representing a unique opportunity for stallholders to engage in the following activities:

- start business in Mauritius and market your services to Mauritian Enterprises
- Identify Development Partners to implement technology initiatives
- discuss with entrepreneurs about their needs and propose innovative solutions
- network with Mauritian and local SMEs and overseas visitors and develop linkages.



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4. Critical Success Factors

The following factors will contribute to the successful implementation of the Project:

- **Soliciting donor funding from Development Partners:** Seeking support from the European Union (and such other organisations) in bringing partners with established and proven track record technologies in pre-identified and useful areas to the SME sector (production, transformation and processing in various sectors such as light engineering, printing, packaging etc.), Bio-farming amongst others.
- **Encouraging Public Private Partnership initiatives:** Encouraging a comprehensive approach to the Technology Fair for the benefit of SMEs and entrepreneurs. It includes inculcating new ways of thinking forward in terms of SME technological development.
- **Protecting Intellectual Property:** We need to take into consideration entrepreneurs and SMEs already indulged in technological innovation activities, who face challenges such as protecting their intellectual property. The World Intellectual Property Organization (WIPO) is yet another important development partner for the Fair. WIPO has a dedicated program focusing on the intellectual property-related needs of SMEs worldwide. The program seeks to raise awareness of the relevance of intellectual property for SMEs and promotes initiatives to make the IP system more accessible, less cumbersome and more affordable for SMEs.
- **Franchise Opportunities:** Encouraging young adults and professionals to become entrepreneurs through innovative channels. Setting up a business, looking for innovative ideas, building up the processes, establishing a brand can sometimes seem like a tedious process for our young population, who prefer to look for jobs in established companies and organizations. Yet there are organizations which can inspire and instil in our young population the desire to achieve economic independence by providing

them facilities to own and manage a franchised business. The South African Franchise Warehouse is an example. This organization provides franchise across various sectors such as retail, fast-food and restaurants, automotive, petroleum and services. They offer business support to capacitating franchisees with technical and entrepreneurial skills to ensure their enterprises succeed. The presence of such an organization in the fair can open up new opportunities to an aspiring population of entrepreneurs to undertake a business venture.

- **Entrepreneur-oriented Academia:** Introducing an entrepreneur-oriented academia to visitors of the Fair. An agreement has been signed by the MCCI, the *University of Mauritius* and the *Association Universitaire de la Francophonie* with the support of the *Ministry of Education* to build up a working relationship and promote interactions between the academic world and the business community through the *Institut de la Francophonie de l'Entrepreneuriat (IFE)*. This agreement follows an emerging local and international trend towards the centralisation of Entrepreneurship education and training. The IFE is called upon to be an international reference point in the field of entrepreneurship and a Centre for exchange of know-how on Entrepreneurship in Mauritius, the Indian Ocean region as well as Africa. It will federate a multi-disciplinary, opportunistic and dynamic phenomenon by focusing on integrated, applied, hands-on learning, bringing together students, entrepreneurs, mentors, faculty and business advisors from diverse backgrounds to work on real-time projects with emphasis on Science and Technology. The Technology Fair is an ideal opportunity to introduce this new model of entrepreneur education to visitors endeavouring to set up a business and would bring value to this event.
- **Design:** The importance of design as a contributor to innovation success has been emphasised due to the increasing design intensity of a wide range of products and the ability of designers to enhance a



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product's functional, emotional and symbolic value. Design-driven or design-led new product development processes may also contribute to the development of more radical innovations and this component will have to form part of the Fair.

5. Priority Sectors

SMEDA is seeking participation of foreign suppliers of machinery and equipment in the Fair for SME sectors including those priority sectors identified as follows:

- **ICT Services** (mobile applications, website and software development)
- **Manufacturing** (production, transformation and processing in various sectors such as light engineering, furniture making, printing, food and beverages etc.)
- **Bio-farming and other value added agri-business** activities
- **Aqua culture and other value added ocean economy** related activities
- **Renewable and green** energy
- **Other productive sectors** including handicraft

6. Expected Outcomes

Technology offer enormous potential to small and medium businesses because they can scale up quickly and massively increase their reach, allowing them to sell their products and services internationally, save time and be cost benefit. The International SME Innovation and Technology Fair, by having a holistic approach, can be the opportunity for operators and visitors to have a meaningful and insightful experience and for the setting up of a technology transfer platform. Moreover, it can become the platform for aspiring entrepreneurs to indulge in business activities in new sectors such as ocean economy by using the latest available technologies that will facilitate the implementation of their business ideas.

The success and challenge of the event is to go beyond the fact of being just a buzzword event and become a true enabler for businesses, visitors and future

entrepreneurs to think forward, discover new opportunities and move ahead to find their rightly deserved place in the Mauritian economy and society.

7. Exclusive Incentives to Participants

SMEDA will meet the following for at most **40 foreign participants**:

- Cost of hotel accommodation (one double room per participation for each exhibitor for the whole duration of the fair)
- Stand costs (each standard stand is of 9 m² subject to specific requirements of the participant)
- Local Transport will be provided from/to airport and from hotel/to the fair
- Customs clearance facilities for plant, equipment and machinery

Participants will also be allowed to sell their machinery at the end of the Fair no custom duty on the import of machinery will be applicable. SMEDA will undertake negotiations for rebate on airfare and freight.

Suppliers of technology are expected to give a live demonstration of their plant, machinery and equipment to local entrepreneurs in different fields.