



United Nations
Economic Commission for Africa
Southern Africa Office

The Ministry of Industrial Development, SMEs & Cooperatives (Industrial Development Division), Government of Mauritius

The United Nations Economic Commission for Africa (UNECA)
Subregional Office for Southern Africa

The Southern African Development Community (SADC) Business Council

**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**

Venue: Sofitel The Obelisk

Dubai Expo, Dubai, 8th February 2022

Hybrid

0900-1700 UAE Time, GMT +4

0700-1500, SAT

Concept Note

1. Background

The United Nations Economic Commission for Africa Sub-Regional Office for Southern Africa (SRO-SA) in collaboration with the Southern African Development Community (SADC) Business Council and the Ministry of Industrial Development, SMEs and Cooperatives of Mauritius, in a spirit of fostering the achievement of SDG 9 “*Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*” are jointly organizing a one-day regional seminar to be held in Dubai, United Arab Emirates (UAE) under the theme: “Impact of Covid-19 on Micro-small and medium sized enterprises (MSMEs) in Southern Africa: country experiences, with a focus on building back better in Mauritius”. The event will be held on 8 February 2022 at the margin of the Dubai Expo 2020 in a hybrid format to accommodate travel restrictions to Dubai. The event serves as a follow-up to the two seminars held by SRO-SA and the SADC Business Council at the SADC Industrialisation Week in Lilongwe, Malawi in November that focused on strengthening competitiveness among MSMEs in Southern Africa.

The seminar is a planned deliverable under Phase 3 of the United Nations Development Account 13th tranche project “*Global Initiative towards post Covid-19 resurgence of the MSME sector*” or “*Global MSME Surge*” project. The overall objective of the project is to develop and implement capacity building tools for governments and MSMEs to facilitate resurgence and strengthen resilience of MSMEs in developing countries and economies in transition to mitigate the economic and social impact of the global Covid-19 crisis and to facilitate MSMEs contribution to the implementation of Sustainable Development Goals (SDGs) including SDG9. The project brings together the United Nations Conference on Trade and Development (UNCTAD) including the UN regional commissions for Africa (ECA), Europe (ECE), Latin America and the Caribbean (ECLAC), Asia and the Pacific (ESCAP), and the Arab region (ESCWA) with funding provided by the UN Development Account.

The United Nations Economic Commission for Africa (ECA) Sub-Regional Office for Southern Africa is the participating entity for UNECA. Among its planned outputs, SRO-SA is planning to undertake a set of country level reports and a regional report to assess the impacts of Covid-19 on MSMEs in 2022, in collaboration with the SADC Business Council and national stakeholders. Other planned outputs include two studies analysing the case for building linkages across MSMEs and multinationals and another on the role of technology incubators for MSME development in Southern Africa, which were the two substantive themes discussed at the SADC Industrialisation Week 2021 seminars organized by SRO-SA and the SADC Business Council.

The morning session of the one-day Seminar will be jointly organised by the United Nations Economic Commission for Africa Subregional Office for Southern Africa and the SADC Business Council. This session will centre on the theme of “*Impact of Covid-19 on MSMEs in Southern Africa*”. The objective will be to take stock of the impact of Covid-19 on MSMEs in Southern Africa, identify strategies to strengthen the resilience of MSMEs and chart out the way forward for building back better in the future. The seminar will also serve as an opportunity to consider the recommendations contained in the Declaration Statement of the last SADC Industrialisation

Week in relation to MSME development in Southern Africa and identify actions to implement these recommendations.

The emergence of the Covid-19 pandemic has brought to the fore major uncertainties and opportunities, especially for the industrial and MSME sectors. According to a first online business survey undertaken by ECA in 2020, African businesses were severely hit by the impact of Covid-19. The results were based on 337 responses, with each respondent representing an enterprise that operates in 1 and/or all 54 African countries. In the early stages of the pandemic, about four fifths of the respondents indicated being significantly affected by the current COVID-19 crisis (rating the effect as highly severe or severe). The proportion was relatively uniform across the size of enterprises and the kind of business. The rate of capacity utilisation ranged from 30-40% (for small-sized enterprises) to 50-60% (for large-sized enterprises). It also tended to vary depending on the sector in which the business operates, with the average of respondents indicating rates of capacity utilisation of around 30-40% for goods, and 40-50% for services.

Subsequent rounds of the survey in 2020 and 2021 confirmed that the adverse effects of the pandemic on African businesses and MSMEs were persistent. For instance, in a third-round survey conducted in April 2021, the results confirm that the major challenges have not changed much over the last 6 months. The drop in demand for products/services and the reduction of opportunities to meet new customers remain top challenges for most companies (52%). To a lesser extent, cash flow issues are still concerning many (40%). However, the survey also revealed that companies are increasingly embracing new technologies, market and supply-side strategies as key potential opportunities for 2021. About 65% of the responding companies estimated that COVID-19 has accelerated their digital transition.

While Covid-19 has severely impacted businesses and MSMEs in Africa and Southern Africa, the crisis may also offer opportunities for MSMEs to adapt growth models that are more resilient and sustainable, that integrate sectoral, product and market diversification and bent on leveraging technologies that can stimulate their productivity growth and strengthen their linkages with larger companies. For example, Mauritius was the worst affected country from the pandemic owing to the collapse of tourism. The exploitation of new market and sectoral opportunities for MSMEs supporting the tourism sector can be a survival strategy for them provided the support exist to facilitate their redeployment to new markets and sectors. In this context public-private dialogue should be stimulated to foster joint value-creation by governments and businesses in order to increase the prospects of survival and growth for MSMEs and the large enterprises that they can supply. Better leveraging of trade (regional and global) by MSMEs should also be fostered. Factors that can help MSMEs in Southern Africa build back better include strengthening the development and application of Science, Technology and Innovation by MSMEs through technology incubators and hubs and fostering linkages with large enterprises.

The afternoon high-level session will be organised by United Nations Economic Commission for Africa Sub-Regional Office for Southern Africa in collaboration with the Industrial Development Division of the Ministry of Industrial Development, SMEs and Cooperatives of Mauritius, as part of a request for technical assistance from the Ministry. ECA is currently providing technical assistance to the Government of Mauritius in several areas including in the formulation of a National African Continental Free Trade Area (AfCFTA) Response Strategy and the development of green value-chains in the textile and apparel industry. The unleashing of opportunities for MSMEs from new and emerging sectors including in manufacturing and in the context of the AfCFTA is high on the policy agenda as Mauritius endeavours to build back better from the pandemic. The afternoon session will centre on the theme of *“Enhancing the Resilience of Manufacturing Sector in Mauritius in the Post Covid-19 Era”*.

The manufacturing sector in Mauritius, being a major pillar of the economy and predominantly export-led, suffered setbacks due to the global health crisis. Nonetheless, the sector displayed its usual sense of dynamism and was able to bounce back in the face of this pandemic. However, there is need to ensure that the sector continues to display a greater sense of resilience and versatility for it to be better equipped to cope against any emerging shocks and adversities. In this context, there is a need to reflect on how to better adapt the manufacturing sector to emerging challenges so that it continues to remain the backbone of the Mauritian economy. The afternoon High-Level session which will benefit from the presence of representatives from both the public and private sectors and domestic and foreign investors will chart the way forward to enhance the resilience of the manufacturing sector in Mauritius in the Post Covid-19 era.

Moreover, in line with the mandate of the Ministry of Industrial Development, SMEs and Cooperatives to promote sustainable and inclusive industrialisation, this High-Level session will also reflect on how best to position Mauritius as a reliable sourcing destination and endorse the island as a manufacturing hub (Textile and Apparel, Medical Devices, Food Processing, Light Engineering, Jewellery and Diamond Polishing) and a gateway to Africa and Asia.

It will also be an excellent platform to discuss investment opportunities and bottlenecks and how to make Mauritius a competitive destination for investment in manufacturing. The event will also provide leverage on a number of existing preferential trade agreements in the region, namely, SADC, Common Market for Eastern and Southern Africa (COMESA), AfCFTA as well as other bilateral agreements such as Free Trade Agreement (FTA) with China, Preferential Trade Agreements with Turkey and Pakistan and Comprehensive Economic Cooperation and Partnership Agreement (CEPCA) with India. The seminar will be held before the National AfCFTA Validation workshop in Mauritius and will provide the opportunity to initiate discussions on leveraging the AfCFTA and trade agreements for promoting resilience and dynamism in the Mauritian manufacturing sector. The leveraging of intra-African trade can provide a source of renewed impetus for manufacturing growth and productivity in Mauritius.

A strengthened positioning of Mauritius as a manufacturing hub in Southern Africa can hugely benefit the Mauritian manufacturing sector through an increase in export of locally manufactured products regionally and internationally, enhanced inflow of Foreign Direct Investment (FDI), promote partnerships and joint ventures with foreign investors in new and emerging sectors in Mauritius as well as explore avenues for the transfer of technology with emphasis on Industry 4.0.

A High-Level Delegation led by Honourable Soomilduth Bholah, Minister of Industrial Development, SMEs and Cooperatives of Mauritius and comprising the Permanent Secretary of the Industrial Development Division, Senior Officials of the Ministry, representatives of the Mauritius Standards Bureau and the Economic Development Board as well as representatives of the Mauritian private sector apex bodies will participate in this seminar.

2. Objectives of the Seminar

The seminar will aim at:

- Promoting the sharing of experiences by both the public and private sector on the impact of Covid-19 on MSMEs in Southern Africa, highlighting commonalities and differences in response strategies that were deployed to minimize impacts;
- Stimulating reflections on how MSMEs in Southern Africa can best build back better, especially in the context of the African Continental Free Trade Area (AfCFTA), other trade agreements and regional collaboration;
- Enhancing awareness and information sharing on the industrial strategies being used by Governments in the region to build back better, with a focus on Mauritius;
- Identifying emerging challenges and opportunities facing the MSME and industrial sectors due to Covid-19;
- Identifying actions to foster collaboration and exchanges among MSMEs in the Southern African region, taking into account the Declaration of the SADC Industrialisation Week 2021 recommending a coordinated region-wide approach to support the participation of MSMEs in regional value-chains;
- Highlighting Mauritius as a case example in Southern Africa in the area of manufacturing development and good practices and lessons that can inform their application in the sub-region;
- Using Mauritius as a case example, illustrate the type of strategies that can be pursued in the sub-region to create opportunities for MSMEs from industrialisation; and
- Engaging fruitful discussions on the future of manufacturing in Mauritius.

3. Format

The seminar will be hybrid. It will consist of a morning segment on *“Impact of Covid-19 on MSMEs in Southern Africa”*, in collaboration with the SADC Business Council and an afternoon segment on *“Enhancing the Resilience of Manufacturing Sector in Mauritius in the Post Covid-19 Era”*

under the aegis of the Industrial Development Division of the Ministry of Industrial Development, SMEs and Cooperatives of Mauritius. An in-person seminar, in the presence of Honourable Soomilduth Bholah, Minister of Industrial Development, SMEs and Cooperatives, the Permanent Secretary and other Senior Officials will be held in Dubai with participants from Southern Africa and other regions joining virtually.

4. Expected Outcomes

- Strengthened awareness of the impacts of Covid-19 on MSMEs in Southern Africa and enhanced knowledge-sharing of response strategies to build resilience;
- Enhanced policies and strategies to enable MSMEs to build back better including leveraging trade and identifying areas for regional collaboration;
- Established action plan to facilitate a region-wide coordinated approach among MSMEs in the Southern African region to build back better including creating an MSME Working Group for the region;
- Renewed actions on positioning Mauritius on the global scene as a reliable sourcing destination and an attractive investment base for FDI.

5. Expected Outputs

- A meeting report highlighting the impact of Covid-19 on MSMEs in Southern Africa, response strategies to address the impacts through trade and industrialisation using Mauritius as a case example;
- Press releases;
- Articles in the media.

6. Participants

UN, UNECA, SADC and SADC Business Council, Senior officials of the Southern African Member States, 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. Key stakeholders in the Mauritian and Southern African private sector and donor community will also be invited. Government officials and other stakeholders of Member States in the SADC region will also join virtually.

7. Date and Venue

8 February 2022, Sofitel The Obelisk, Dubai, UAE.

8. Language: English

9. Contacts

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

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Proposed Programme for 8th February 2022

A. Morning Plenary Session

The morning session will consist of a programmed activity under the Global MSME surge project, titled “*Impact of Covid-19 on MSMEs in Southern Africa*” by UNECA and SADC Business Council.

09.00	Registration of Participants
09.30	Welcome Remarks by Mrs. Eunice G. Kamwendo <i>Director of UNECA Sub-Regional office for Southern Africa.</i>
	Statement by Mr. Peter Varndell <i>Chief Executive Officer, SADC Business Council.</i>
	Statement by Pierre Fallavier , on behalf of Ms. Ms. Christine Umutoni <i>UN Resident Coordinator, Mauritius & Seychelles.</i>
09.45–10:00	<i>Tea Break</i>
10:00–12:30	Plenary Session:

10:00-11:00	<p>Moderator: Ms. Olayinka Bandele, <i>Chief, Inclusive Industrialisation Section, UNECA Sub-Regional office for Southern Africa.</i></p> <p>Part One: Round-table discussions on “Impact of Covid-19 on MSMEs in Southern Africa and the way forward”</p> <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Ms. Madalitso Kazembe, <i>Vice Chairperson – SADC Business Council.</i> ▪ Mrs. Shiphra Chisha, <i>President –African Women in Business, former President and co-founder of the SADC Women in Business.</i> ▪ Mrs. Teresa Moreira, <i>Head –Competition and Consumer Policies and Acting Director, Division of International Trade in goods, services and commodities, United Nations Conference on Trade and Development.</i> ▪ Mr. Kareem Hassan, <i>Executive Director, ESCWA Technology Center for Development.</i> <p>Q&A</p>
11:00-12:30	<p>Moderator: Ms. Bineswaree Bolaky, <i>Economic Affairs Officer, Sub-Regional Initiatives Section, UNECA Sub-Regional office for Southern Africa</i></p> <p>Part Two: Round-table discussions on “Impact of Covid-19 on MSMEs in Southern Africa: Country level experiences and the way forward under the AfCFTA”</p> <p>Panelists:</p> <ul style="list-style-type: none"> ▪ Mrs. B.F. Abdool Raman-Ahmed, <i>Permanent Secretary, Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division), Mauritius.</i> ▪ Mr. Mluleki Sakhile Dlamini, <i>Director – MSME, Ministry of Commerce, Industry and Trade, Eswatini.</i> ▪ Mrs. Joaquina Gumeta, <i>Director – IPEME, Mozambique.</i> ▪ Mr. Moto Ngambi, <i>Chief Executive Officer – Zambia, Chamber of Small and Medium Business Associations, Zambia.</i> ▪ Ms. Madalitso Kazembe, <i>Vice Chairperson – SADC Business Council.</i> ▪ Mr Francis Mangeni, <i>Head, Trade and Promotions, AfCFTA Secretariat</i> <p>Q&A</p>
12:00-13:00	Discussion
13:00-14:00	<i>Lunch Break</i>

B. Afternoon Plenary Session

High-Level Conference on “Enhancing the Resilience of Manufacturing Sector in Mauritius in the Post Covid-19 Era”

Opening Ceremony	
14:00-14:10	Welcome Address by Mrs. B.F. Abdool Raman-Ahmed, <i>Permanent Secretary, Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division)</i>
14:10– 14:30	Keynote Address by Honourable Soomilduth Bholah, <i>Minister of Industrial Development, SMEs and Cooperatives</i>
	Plenary Session: Moderator: Mr. Pierre Fallavier, <i>Senior Development Coordination Advisor, UN Resident Coordinator Office, Mauritius&Seychelles</i>
14:30- 14:45	Presentation on “Re-dynamising the manufacturing sector in a post Covid-19 landscape” by Dr. Rishi Domun, Principal Industrial Analyst, Ministry of Industrial Development, SMEs and Cooperatives, Mauritius.
14:45-15:00	Presentation on “Positioning Mauritius as a Strategic Partner for Textile & Apparel” by Mr. Geerish Bucktowonsing, Director Industry, Economic Development Board.
15:00-15:15	Presentation on “Boosting intra-regional trade through standards, testing and certification”, by Mrs. Devena Boygah, General Manager, Mauritius Standards Bureau.
15:15-15:30	Presentation on “Private sector perspectives on the Future of Manufacturing in Mauritius” by Mr. Yusuf Ismael, Secretary General, Mauritian Chamber of Commerce and Industry.
	High Level Panel Discussion: Moderator: Mrs. Madalitso Kazembe, <i>Vice Chairperson, SADC Business Council.</i>
15:30-17:00	Enhancing the Resilience of Manufacturing Sector in Mauritius in the Post Covid-19 Era Panelists: Dr. Rishi Domun, Principal Industrial Analyst, Ministry of Industrial Development, SMEs and Cooperatives, Mauritius. Mr. Geerish Bucktowonsing, Director, Industry, Economic Development Board, Mauritius. Mrs. Devena Boygah, General Manager, Mauritius Standards Bureau, Mauritius. Mr. Yusuf Ismael, Secretary General, Mauritius Chamber of Commerce and Industry. Mr. Bruno Dubarry, Association of Mauritian Manufacturers, Mauritius.

	Mr Francis Mangeni, Head, Trade and Promotions, AfCFTA Secretariat.
17:00	<i>Cocktail & Networking</i>

21 January 2022

United Nations Economic Commission for Africa Sub-Regional Office for Southern Africa

SADC Business Council

***Ministry of Industrial Development, SMEs and Cooperatives
(Industrial Development Division), Republic of Mauritius***