

Performance of Small and Medium Enterprises (SMEs), 2007 to 2015

1. Introduction

Small and Medium Enterprises (SMEs) account for around 99% of all establishments operating in different sectors of the economy. They contribute nearly half of total employment and about 35% of Gross Value Added (GVA) which is the total of value added generated by all production units in the country. The key role that they play in economic growth and in improving living standards is now fully recognized and one of Government's strategies to improve economic growth is to boost the SME sector.

This publication is intended to meet the growing demand for statistics on the SME sector and its various categories of production units, namely 'micro¹', 'small²' and 'medium³'. Definition of these different types of enterprises is given in **Annex 1**.

2. Highlights

- In 2013, SMEs made up around 99% of all enterprises in the country.
- SMEs accounted for around 48% of total employment compared to 46% in 2007.
- SMEs generated 35% of Gross Value Added compared to 32% in 2007.

| | 2007 | 2013 |
|--|------------|------------|
| Employment in SMEs | 229,700 | 264,900 |
| Total employment | 504,400 | 552,000 |
| Share of SMEs in total employment | 46% | 48% |
| Value added of SMEs (Rs million) | 72,647 | 114,094 |
| Gross Value Added (GVA) at basic prices (Rs million) | 226,662 | 329,009 |
| Contribution of SMEs to GVA | 32% | 35% |

¹ - **Micro** enterprises include all production units operating with one to five persons **AND** generating a gross output (proxy for turnover) of not more than Rs 2 million.

² - **Small** enterprises are those generating an annual gross output of not more than Rs 10 million **except** those classified as micro enterprises.

³ - **Medium** enterprises are those generating a gross output of more than Rs 10 million but not more than Rs 50 million.

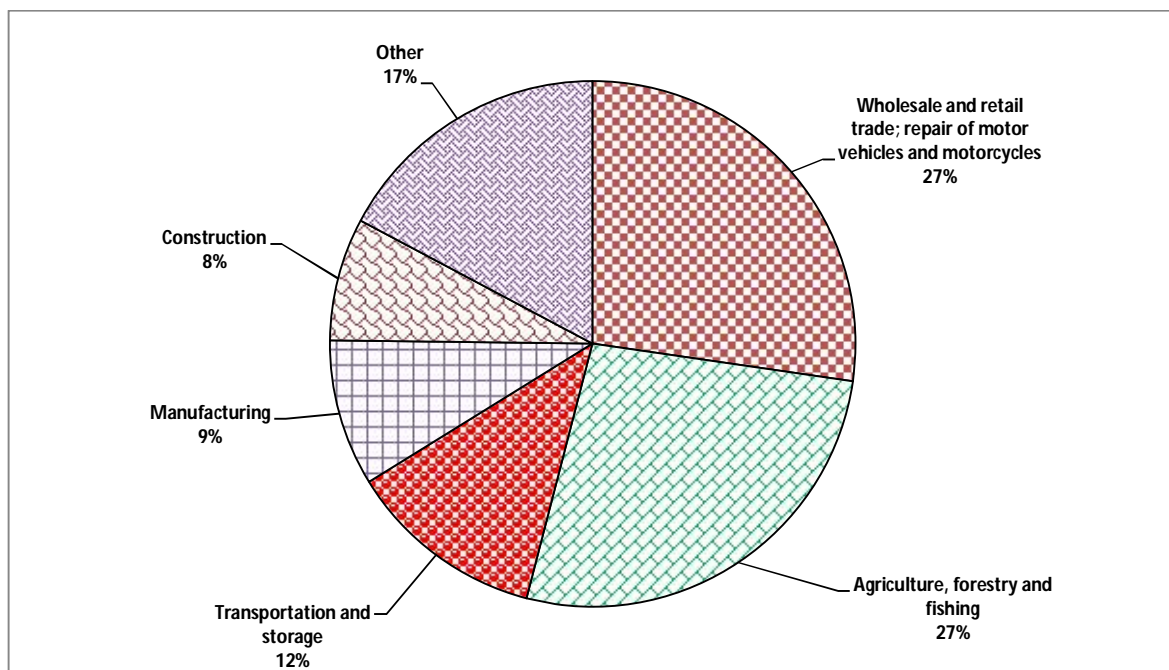
3. Number of Small and Medium Enterprises (SMEs)

In 2013, the number of SMEs (enterprises with annual gross output of not more than Rs 50 million) operating in all sectors of the economy in the Islands of Mauritius and Rodrigues was estimated at 172,200 of which 'micro' enterprises constituted 81%, 'small' enterprises represented 18% and 'medium' ones 1%.

Around 60% of SMEs were mainly engaged in service activities, led by 'Wholesale and retail trade; repair of motor vehicles and motorcycles', 'Transportation and storage', 'Accommodation and food service activities' and 'Other service activities'. Other important sectors for SMEs were: 'Agriculture, forestry and fishing', 'Manufacturing' and 'Construction'.

A breakdown of SMEs by 'micro', 'small' and 'medium' enterprises operating in different sectors of the economy is given in Table 2.1 of Annex 2.

Figure 1 - Distribution of SMEs by industry group, 2013



4. Employment in SMEs

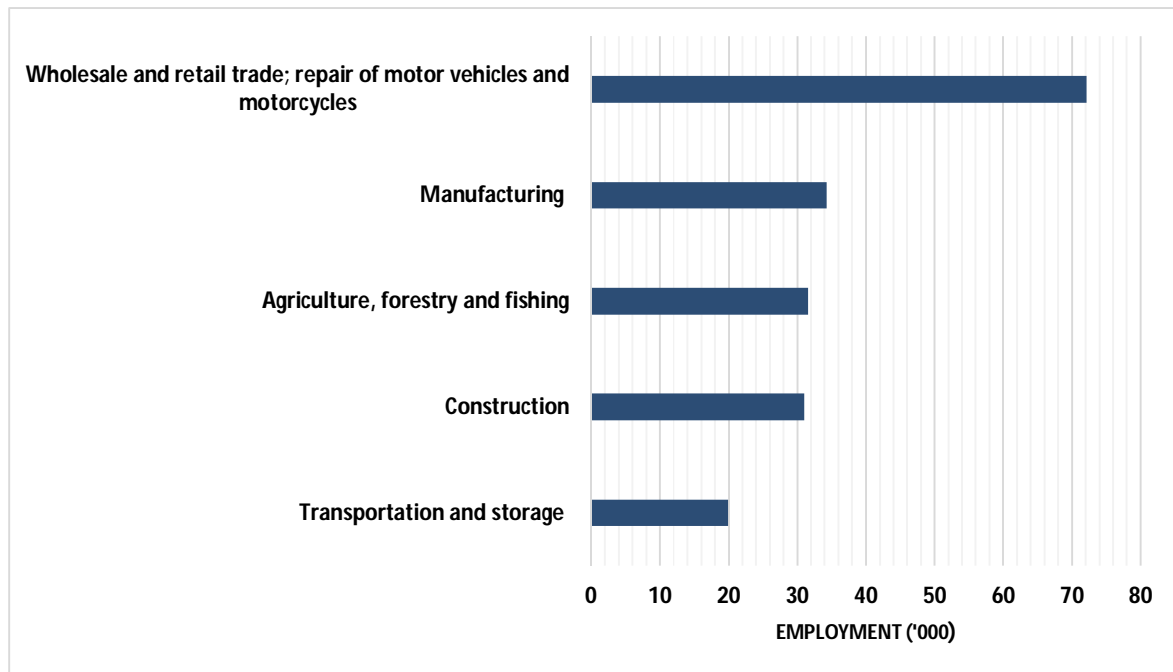
Total employment in all sectors of the economy including agriculture was estimated at 552,000 in 2013. The total number of persons engaged **only** in SMEs, was around 264,900, representing 48% of total employment. In making these estimates, persons who have more than one job have been counted only once in the sector of their main job. For example, if the main job of a person is in a large firm and if he/she also has a small shop where he/she works on a part time basis, he/she is counted as employed only in the large firm.

From 2007 to 2013, employment of SMEs increased by 15% from 229,700 to 264,900. The contribution of SMEs to total employment increased from 46% to 48%.

Out of the total of 264,900 persons working in SMEs in 2013, around 215,900 (82%) were in ‘micro’ and ‘small’ enterprises, and 49,000 (18%) in ‘medium’ ones.

SME workers were mostly engaged in ‘Wholesale and retail trade; repair of motor vehicles and motorcycles’ (27%), ‘Manufacturing’ (13%), ‘Agriculture, forestry and fishing’ (12%), ‘Construction’ (11%) and ‘Transportation and storage’ (7%). More details concerning the employment distribution of SMEs in different sectors of the economy are given in Table 2.2 of **Annex 2**.

Figure 2 – Top 5 sectors of employment among SMEs, 2013

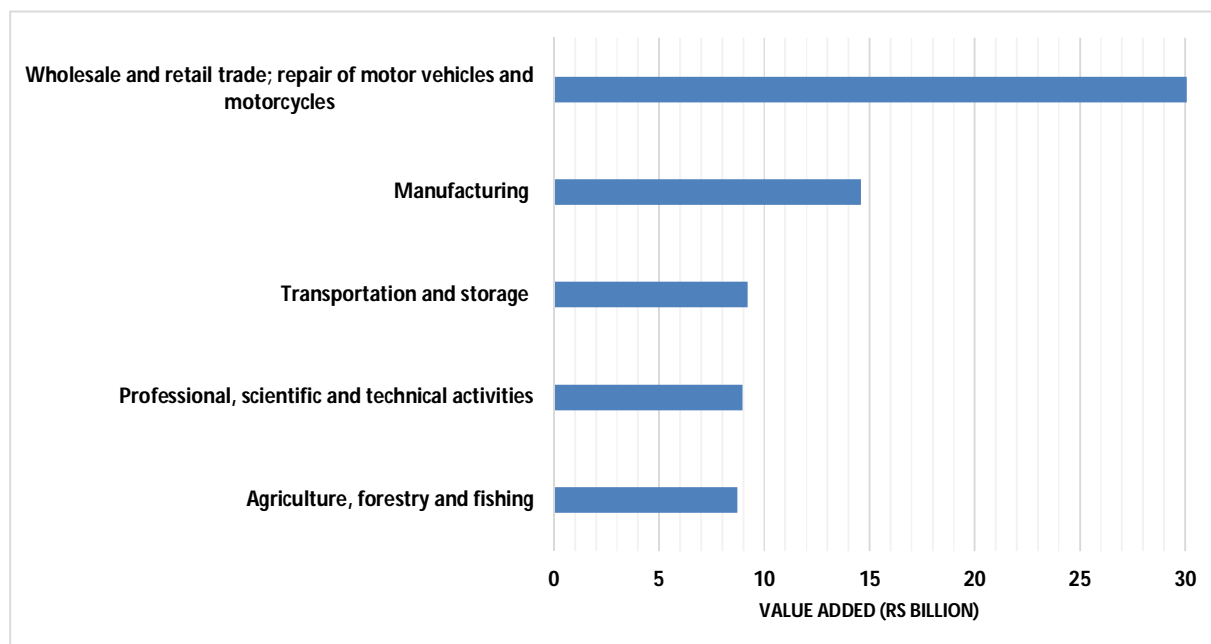


5. Value Added of SMEs

Value added generated by SMEs in 2013 was estimated at Rs 114,094 million. Their contribution to GVA, i.e. sum of value added of all establishments in the country, works out to 35%. In 2007, value added of SMEs was Rs 72,647 million, representing 32% of GVA.

Out of the Rs 114,094 million of value added generated by SMEs in 2013, ‘micro’ and ‘small’ enterprises contributed 74% and ‘medium’ ones 26%.

Figure 3 – Top 5 sectors of value added among SMEs, 2013



Activities that contributed most to value added generated by SMEs in 2013 were: ‘Wholesale and retail trade; repair of motor vehicles and motorcycles’ – Rs 30,058 million or 26%; ‘Manufacturing’ – Rs 14,570 million or 13%; ‘Transportation and storage’ – Rs 9,216 million or 8%; ‘Professional, scientific and technical activities’ – Rs 8,960 or 8% and ‘Agriculture, forestry & fishing’ – Rs 8,726 million or 8%.

Value added of micro, small and medium enterprises by industry group is in Table 2.3 of **Annex 2**.

6. Exports of SMEs

In 2013, SMEs exported goods amounting to about Rs 4,200 million, representing 7% of total domestic exports of goods.

7. 2015 estimates

Based on latest available data, provisional estimates for 2015 have been attempted for the SME sector (Table 1).

In 2015, employment in the SME sector stood at around 276,600, up from 264,900 in 2013. The contribution of the SME sector to total employment increased from 48% to 49% in 2015.

Value added of SMEs at basic prices is estimated at Rs 118,110 million in 2015, up from 114,094 million in 2013. However, the contribution of SMEs to GVA declined from 35% to 32%, mainly due to the better performance of large enterprises, particularly in ‘Financial and insurance activities’ and ‘Professional, scientific and technical activities’.

Exports of goods by SMEs amounted Rs 6,600 million in 2015, up from 4,200 million in 2013. In terms of contribution to total domestic exports of goods, there was an increase from 7% to 11%.

Table 1 – Employment and Value added among SMEs, 2015

| Industry group | Employment | Value added (Rs Million) |
|--|-------------------|-------------------------------------|
| Agriculture, forestry and fishing | 33,175 | 8,857 |
| Mining and quarrying | 1,250 | 80 |
| Manufacturing | 36,790 | 13,010 |
| Construction | 28,640 | 9,673 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 74,610 | 30,276 |
| Transportation and storage | 21,970 | 10,105 |
| Accommodation and food service activities | 17,430 | 7,160 |
| Information and communication | 6,990 | 1,645 |
| Financial and insurance activities | 1,170 | 1,843 |
| Real estate activities | 860 | 2,330 |
| Professional, scientific and technical activities | 7,080 | 7,519 |
| Administrative and support service activities | 13,180 | 3,383 |
| Education | 10,040 | 5,382 |
| Human health and social work activities | 3,580 | 4,950 |
| Arts, entertainment and recreation | 9,350 | 8,345 |
| Other services activities | 10,510 | 3,553 |
| Total | 276,625 | 118,110 |

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November 2017

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Annex 1

Concepts and definitions used in this publication

1. An **establishment or enterprise** is defined here as a production unit engaged in one kind, or predominantly one kind of economic activity. It may be operating at a fixed physical location in a commercial or industrial building, at home or as an itinerant unit (or mobile unit). Examples of itinerants are hawkers and sellers along the road within a makeshift location, taxi operators and units involved in construction activities.
2. **Micro** enterprises include all production units operating with one to five persons AND generating a gross output (proxy for turnover) of not more than Rs 2 million.
3. **Small** enterprises are those generating an annual gross output of not more than Rs 10 million **except** those classified as micro enterprises.
4. **Medium** enterprises are those generating a gross output of more than Rs 10 million but not more than Rs 50 million.
5. **Small and Medium Enterprises (SMEs)** include micro, small and medium production units as defined above. These definitions are based on the SMEDA Act, amended in the Finance Bill 2015.
6. **Other enterprises** include all enterprises generating a gross output of more than Rs 50 million and activities of households as producers of services (refer to footnote of attached tables).
7. **Employment** includes all persons working in public and private establishments/enterprises as well as domestic household employees. Persons in establishments/enterprises include employers, own account workers, employees and contributing (unpaid) family workers. Persons working in more than one place have been counted once and classified in 'large', 'medium', 'small' and 'micro' according to their main jobs.
8. **Value added** of an enterprise is equal to its gross output (annual turnover) less the value of intermediate consumption (goods and services used up in the production process).
9. **Gross Value Added (GVA)** is the sum of value added of each production unit in the country.

Annex 2

Table 2.1 - Estimated number of establishments by size ¹ and industry group - 2013

| Industry group | SMEs | | | | Other enterprises | Total |
|--|----------------|---------------|--------------|----------------|-------------------|----------------|
| | Micro | Small | Medium | Total SMEs | | |
| Agriculture, forestry and fishing ² | 32,000 | 14,000 | 70 | 46,070 | 70 | 46,140 |
| Mining and quarrying ³ | ... | ... | 15 | 15 | 10 | 25 |
| Manufacturing | 12,630 | 2,610 | 280 | 15,520 | 335 | 15,855 |
| Electricity, gas, steam and air conditioning supply | - | - | - | - | 10 | 10 |
| Water supply; sewerage, waste management and remediation activities | - | - | - | - | 15 | 15 |
| Construction | 7,900 | 5,040 | 60 | 13,000 | 50 | 13,050 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 42,960 | 3,820 | 200 | 46,980 | 230 | 47,210 |
| Transportation and storage | 19,550 | 1,370 | 40 | 20,960 | 50 | 21,010 |
| Accommodation and food service activities | 9,040 | 1,670 | 90 | 10,800 | 90 | 10,890 |
| Information and communication | 380 | 180 | 30 | 590 | 60 | 650 |
| Financial and insurance activities | 90 | 90 | 50 | 230 | 40 | 270 |
| Real estate activities | 525 | 75 | 10 | 610 | 15 | 625 |
| Professional, scientific and technical activities | 1,555 | 705 | 115 | 2,375 | 45 | 2,420 |
| Administrative and support service activities | 1,200 | 520 | 50 | 1,770 | 60 | 1,830 |
| Education | 1,555 | 295 | 115 | 1,965 | 65 | 2,030 |
| Human health and social work activities | 1,445 | 265 | 10 | 1,720 | 40 | 1,760 |
| Arts, entertainment and recreation | 2,475 | 935 | 40 | 3,450 | 30 | 3,480 |
| Other service activities | 5,725 | 395 | 15 | 6,135 | 15 | 6,150 |
| Total | 139,030 | 31,970 | 1,190 | 172,190 | 1,230 | 173,420 |

¹ Refer to Annex 1 for classification criteria

² Estimates are based on the results of the 2014 Census of Agriculture and additional data from administrative sources

³ Number of micro and small establishments not available

Table 2.2 - Employment by size of enterprises and industry group, 2013

| Industry group | SMEs | | | | Other enterprises | Total |
|--|----------------|---------------|---------------|----------------|-------------------|----------------|
| | Micro | Small | Medium | Total SMEs | | |
| Agriculture, forestry and fishing ¹ | ... | 26,200 | 5,400 | 31,600 | 8,700 | 40,300 |
| Mining and quarrying ¹ | ... | 1,000 | 240 | 1,240 | 860 | 2,100 |
| Manufacturing | 13,200 | 10,400 | 10,655 | 34,255 | 67,345 | 101,600 |
| Electricity, gas, steam and air conditioning supply | - | - | - | - | 2,300 | 2,300 |
| Water supply, sewerage, waste management and remediation activities | - | - | - | - | 3,200 | 3,200 |
| Construction | 12,310 | 15,790 | 2,940 | 31,040 | 11,660 | 42,700 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 51,400 | 10,300 | 10,440 | 72,140 | 16,160 | 88,300 |
| Transportation and storage | 16,090 | 2,910 | 860 | 19,860 | 15,940 | 35,800 |
| Accommodation and food service activities | 8,900 | 3,900 | 2,975 | 15,775 | 22,425 | 38,200 |
| Information and communication | 2,570 | 3,330 | 1,030 | 6,930 | 9,470 | 16,400 |
| Financial and insurance activities | 160 | 340 | 525 | 1,025 | 12,075 | 13,100 |
| Real estate activities | 340 | 260 | 220 | 820 | 480 | 1,300 |
| Professional, scientific and technical activities | 2,200 | 2,300 | 2,295 | 6,795 | 3,805 | 10,600 |
| Administrative and support service activities | 4,740 | 4,560 | 3,030 | 12,330 | 12,170 | 24,500 |
| Public administration and defence; compulsory social security | - | - | - | - | 40,600 | 40,600 |
| Education | 2,800 | 1,300 | 6,160 | 10,260 | 21,040 | 31,300 |
| Human health and social work activities | 1,070 | 1,430 | 1,050 | 3,550 | 15,150 | 18,700 |
| Arts, entertainment and recreation | 5,680 | 1,020 | 750 | 7,450 | 2,350 | 9,800 |
| Other service activities ² | 7,970 | 1,430 | 450 | 9,850 | 21,350 | 31,200 |
| <i>of which : Household employees</i> | - | - | - | - | 20,000 | 20,000 |
| Total | 129,430 | 86,470 | 49,020 | 264,920 | 287,080 | 552,000 |

¹ Employment in micro enterprises for 'Agriculture, forestry and fishing' and 'Mining and quarrying' included in small enterprises (separate estimates are not available)

² Persons employed by households have been included in other enterprises under 'other service activities'

Source: Census of Economic Activities (CEA) and Continuous Multi-Purpose Household Survey (CMPHS) conducted by Statistics Mauritius

Table 2.3 - Value added by size of enterprises and industry group, 2013

Rs Million

| Industry group | SMEs | | | | Other enterprises | Total |
|--|---------------|---------------|---------------|----------------|-------------------|----------------|
| | Micro | Small | Medium | Total SMEs | | |
| Agriculture, forestry and fishing ¹ | ... | 4,903 | 3,823 | 8,726 | 3,844 | 12,570 |
| Mining and quarrying ¹ | ... | 55 | 202 | 257 | 733 | 990 |
| Manufacturing | 5,666 | 3,637 | 5,267 | 14,570 | 37,217 | 51,787 |
| Electricity, gas, steam and air conditioning supply | - | - | - | - | 4,722 | 4,722 |
| Water supply, sewerage, waste management and remediation activities | - | - | - | - | 1,294 | 1,294 |
| Construction | 3,062 | 3,926 | 742 | 7,730 | 10,192 | 17,922 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 20,685 | 5,253 | 4,120 | 30,058 | 8,907 | 38,965 |
| Transportation and storage | 7,305 | 1,319 | 592 | 9,216 | 10,563 | 19,779 |
| Accommodation and food service activities | 2,466 | 1,079 | 1,923 | 5,468 | 14,359 | 19,827 |
| Information and communication | 306 | 396 | 1,359 | 2,062 | 12,336 | 14,398 |
| Financial and insurance activities | 152 | 319 | 1,577 | 2,048 | 36,288 | 38,336 |
| Real estate activities ² | 262 | 1,348 | 516 | 2,126 | 17,916 | 20,042 |
| <i>of which : Ownership of dwellings</i> | - | - | - | - | 16,796 | 16,796 |
| Professional, scientific and technical activities | 2,393 | 2,510 | 4,057 | 8,960 | 5,664 | 14,624 |
| Administrative and support service activities | 1,228 | 1,183 | 1,264 | 3,676 | 5,078 | 8,754 |
| Public administration and defence; compulsory social security | - | - | - | - | 20,196 | 20,196 |
| Education | 1,263 | 833 | 2,710 | 4,806 | 10,918 | 15,724 |
| Human health and social work activities | 2,774 | 1,280 | 463 | 4,517 | 8,606 | 13,123 |
| Arts, entertainment and recreation | 2,287 | 3,061 | 1,220 | 6,568 | 4,198 | 10,766 |
| Other service activities ³ | 2,441 | 687 | 178 | 3,306 | 1,883 | 5,189 |
| <i>of which : Household employees</i> | - | - | - | - | 1,374 | 1,374 |
| Total | 52,290 | 31,790 | 30,014 | 114,094 | 214,915 | 329,009 |

¹ Value added of micro enterprises for 'Agriculture, forestry and fishing' and 'Mining and quarrying' included in small enterprises (separate estimates are not available)

² Value added of the subsector 'Owner occupied dwellings' in 'Real estate activities' has been included in other enterprises

³ Value added generated by households as employers of domestic personnel has been included in other enterprises under 'Other service activities'

Source: Census of Economic Activities (CEA) carried out every five years by Statistics Mauritius