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Roadmap for Export of Services from Mauritius

The Competitiveness Foresight which was published by the National Productivity and Competitiveness Council in January 2005 following discussions with various stakeholders stressed that with the original pillars of sugar-textile-tourism already feeling the tremors caused by globalisation, Mauritius could no longer stick to the old paradigm and hope to grow. It has to look for new solutions. The Minister of Finance in his 2006-2007 Budget Speech again founded the alarm that Mauritius has reached the end of an economic cycle based on trade preferences and it has to re-orient itself if it wants to maintain or improve its present quality of life. Having reached a cross-road, Mauritius is therefore compelled to look for alternatives to its traditional exports to ensure economic prosperity for its population.

“What made you successful in the past won’t in the future”

Low Platt, chairman and CEO, Hewlett-Packard

Recent IMF studies have revealed that business and professional services with an average annual growth rate of 7.6 % were amongst the fastest

growing sectors of world trade over recent past years. With its educated bilingual labour force, its telecommunications infrastructure, and some experience acquired in business services that have developed as a corollary to its traditional sectors, namely Freeport and ICT services (software outsourcing, call centre operations), Mauritius has a potential to diversify into the export of services by tapping into these new growth areas.

In this context, Mauritius has sought the expertise and assistance of the Commonwealth Secretariat for the development of a Roadmap for the Export of Professional Services that will assess the cost implications of the transition from a manufacturing to a knowledge-based economy.

Expected outputs

In the preparation of the roadmap, the consultants will involve local stakeholders through the setting up of multidisciplinary teams at the highest level, to conduct in-depth, high level discussions on national policies, strategies for competitiveness, regional / international trends and forecasts, and assessments of national competitiveness. NPCC has been assigned to act as the coordinating body between the different teams and the consultants and will also provide the necessary secretarial support for the project.

The Roadmap for Exports of Professional Services should, inter alia:

- identify the service export areas that have the potential for high growth
- assess the demand for such services as well as the supply capacity
- evaluate the enabling environment for the trade in services i.e. evaluating relevant trade policies; labour market and market access issues such as accreditation, domestic regulation, telecommunication services (quality and cost), Mutual Recognition Agreements and non-trade concerns
- identify resource requirements, financial as well as human (including the potential for tapping the Mauritian Diaspora)
- recommend the immediate, short-term and longer-term actions to be undertaken for the development of the service export sector, including key milestones
- review existing institutional mechanisms to

- support the implementation of the Roadmap
- propose a time plan for the implementation of the policy recommendations
- set up in-country multidisciplinary teams with clear terms of reference and monitor the output from these teams
- prepare a marketing strategy for the promotion of professional services.

The roadmap should build on the findings of the September 2004 Competitiveness Foresight Exercise, carried out by the National Productivity and Competitiveness Council, and during which the following key issues were highlighted as being essential to lead Mauritius to a high growth service driven economy:

- developing a high value IT Enabled Service Industry (ITES)
- the concept of an International City State and the challenges involved into transforming Mauritius into one
- creating the best operating platform (developing an attractive investment climate)
- attracting high skilled manpower to Mauritius (developing Mauritius into a knowledge hub servicing the region)
- branding Mauritius (and international marketing)
- openness and its impact on national policies (fiscal, monetary, exchange rate policy, immigration policy, Foreign Direct Investment policy, foreign policy, government behaviour, business behaviour, etc.)



The contributors at the Public Seminar on Export of Services

In line with the development of the Roadmap, Dr Krishnalall Coonjan, the Executive Director of NPCC, chaired a Public Seminar on Export of Services on 21st July 2006 at the Sir Harilall Vaghjee Hall. This co-organised event by the National Productivity and Competitiveness Council, the Ministry of Finance and Economic Development, and ■■■

the Commonwealth Secretariat aimed at sensitizing the different stakeholders on the need for Mauritius to change its future economic orientations in order to remain in an upward growth path. Nikhil Treebhooonun, Adviser & Head, Trade Section, Commonwealth Secretariat, discussed about the issues related to the export of professional services and highlighted how other small nation states have already embarked on the export of professional services; Dr Christopher Stevens of the Overseas Development Institute explained the reasons for a paradigm shift guided by the changes in the new world economic order; in his presentation Pierre Berthelot analysed the services that Mauritius can export; and Maurice Lam, Chairman of the Board of Investment, spoke on how to create sustainable competitive advantage that works. Mr. Ali Mansoor, Financial Secretary, pointed out in his opening remarks that the Government of Mauritius was not expecting another report but a roadmap with an action plan and milestones with practical steps needed to foster the growth of the key service sectors. ■

Young Innovative Talents Recognised

The National Productivity and Competitiveness Council in collaboration with the Ministry of Education and Human Resources held the Award Ceremony of InnovEd 2006 at the Ebene Cybertower on 28th June 2006 in presence of Hon. D. Gokhool, Minister of Education and Human Resources. The objective of developing a culture of innovation among students through InnovEd is gaining momentum as proved by the participation of 5177 young innovators, from 163 pre-primary, primary and secondary schools in this year's edition.

550 innovative projects sparkled from the minds of the participants. The latter unleashed their creative potential to convince us that given the right tools, environment and guidance, our youth, irrespective of their age, has the ability to analyse problems affecting their every day's life and to propose original innovative solutions. InnovEd, as so rightly pointed out by Mr Avinash Ramtohol, chairman of NPCC, provides teachers with a new approach to pedagogy where students are given the opportunity to transform their ideas into concrete projects thus developing that entrepreneurial spirit so crucial for an economy to grow

The national jury was composed of Professor Ameenah B. Gurib-Fakim, Pro Vice-Chancellor, University of Mauritius, Mr. Jean Pierre Hardy, Director, MK Financial Development Business Park, and Dr Oleti Venkatakrishnaiah Chetty, Professor of Mechanical and Industrial Engineering, Faculty of Engineering, University of Mauritius. The jury, which assessed the short-listed projects, observed that the students were

very imaginative and showed a lot of interest in the preservation of the environment for the future generation. The jury members were so impressed by the innovations that they urged the local entrepreneurs to meet these young inventors to discuss how these innovations could be turned into viable commercial products for the benefit of all.

The following projects were rewarded:

PRE-PRIMARY SCHOOL CATEGORY



Merry clean project from Quatre Cocos Pre-Primary School

PRIMARY SCHOOL CATEGORY



Multi purpose table cloth project from Appalsamy Sokappadu Government School

UPPER SECONDARY SCHOOL CATEGORY

Emmanuel Anquetil State Secondary School

Insects and Dogs Repellent Dustbin

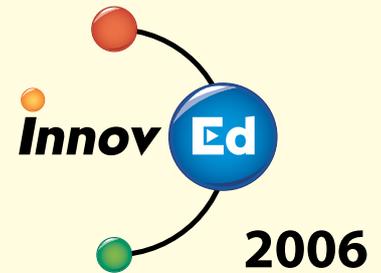
Through the three weeks it took them to complete the project, the four friends of the Lower Six Science Class of the Emmanuel Anquetil State Secondary School admitted that it was a unique opportunity for them to discover new ways of collaborating and to enhance team spirit between them.

The Insects and Dogs Repellent Dustbin consists of a dog repellent circuit and a pest chaser. The dog repellent circuit has a posistor which through a rise in temperature increases its voltage, thus increases the temperature of the metal casing of the dustbin. At night, the posistor emits a flashing light at regular intervals that affects the eye of the dog; hence preventing it from coming near the dustbin. The pest chaser on its part emits high frequency ultrasonic waves, inaudible to human beings, that create an acoustically hostile environment that repels rodents. ■

LOWER SECONDARY SCHOOL CATEGORY



Transforming back-bag to jacket project from Shrimati Indira Gandhi State Secondary School



9th Annual Global TCI Conference, Lyon, France, 9th-13th October 2006

As a member of the Competitiveness Institute, the National Productivity and Competitiveness Council will be participating at the 9th Annual Global Conference of the Competitiveness Institute (TCI) which will be held in Lyon, France between 9th and 13th October 2006. Participants at the conference will join together to share ideas, build alliances and explore the best modes of economic development. ■



Japan Productivity Partnership with African NPOs in the Area of Capacity Building

Back in April 2005 at the Asian-African Summit held in Bandung, Indonesia, the Japanese Prime Minister, Junichiro Koizumi, announced

“Japan, through public and private sectors, will provide assistance in applying to Africa the knowledge garnered through Asia’s movement towards higher productivity”

Furthermore, in June 2005, the Asian Productivity Organisation (APO) received a proposal for partnership collaboration between APO and the Pan African Productivity Association (PAPA) through Dr Yvonne Dladla, Executive Director of South Africa National Productivity Institute (NPI) who attended the APO Governing Body Meeting in Tokyo. A request was made for support from Japan to promote the Productivity Movement in Africa.

In line with these two initiatives, Japan Productivity Centre for Socio-Economic Development (JPC-SED) presented a plan to initiate strategic productivity partnership with Africa in the area of capacity building of NPOs at the 46th Workshop Meeting of Heads of APO National Productivity Organisations held in February 2006. Mauritius, South Africa, Botswana and Kenya, having already established NPOs, were among the Sub-Saharan African countries that would first benefit from this collaboration.



Members of the JPC-SED Delegation discussing with NPCC Executive Director, Dr K. Coonjan

A delegation from the International Department of the Japan Productivity Centre for Socio-Economic Development (JPC-SED) comprising of Mr Yasuhiko Inoue and Ms Sayaka Nakai visited the National Productivity and Competitiveness Council between 18th and 20th July 2006. During their visit, the JPC-SED officials met the different stakeholders, namely government officials, the private sector and trade unions representatives. The two officials also visited two ‘gembas’ (workplaces) where NPCC had carried out productivity improvement programmes namely a garment factory and a government office. The officials were impressed by the successful application of the Japanese tool of Gemba Kaizen at these two sites. They expressed particular

interest in the original way the Gemba Kaizen tool and the Muda Free Mauritius had been applied to the public service and at national level.

In the light of their visit, JPC-SED, in collaboration with APO, would prepare an action plan to promote the productivity movement. The plan would comprise the following elements:

- assistance for enhancing the capacity development of NPOs of PAPA member countries through support for improving functions / activities, training of top executives, and introduction to best practices in Japan and Asian countries
- awareness promotion for productivity improvement by promoting the mindset for productivity improvement among top executives, training of NPO staff as productivity promotion facilitators, development of training materials and development of productivity index
- implementing pilot factory consultation activities by utilising productivity improvement methods at factory and publicising the results visually for effective expansion of recognition for the necessity of productivity improvement. ■

Applying Productivity Improvement Tools to NGOs

PAWS (Protection of Animals Welfare Society), a non-governmental organisation (NGO), whose mission is to improve the lives of the domestic animals in Mauritius and to reduce the number of stray dogs and cats in a humane way, has requested NPCC to train its staff in applying productivity improvement tools to address issues where difficulties have arisen due to the expansion of the activities and personnel of the organisation.



Stored items almost block the door



Floor marking to indicate that items should not be kept in the doorway.

During the one day training session held on 12th June 2006, the employees were exposed to the concepts of paradigm shift, muda (non-value adding activities) elimination, customer care and the need to become a lean, fit and effective service provider institution. Training sessions with emphasis on “learning by doing” principle and project work were also organised to enable the staff apply tools such as 5S, process mapping and process analysis. The learnt techniques

enabled the identification, reduction and elimination of muda for an improved sterilisation service and a better storage of purchased items for improved delivery. ■

Mind teaser

Man in Elevator

A man lives on the tenth floor of a building. Every morning he takes the elevator down to the lobby and leaves the building. In the evening, he gets into the elevator, and, if there is someone else in the elevator – or if it was raining that day – he goes back to his floor directly. Otherwise, he goes to the seventh floor and walks up three flights of stairs to his apartment.

Can you explain why?

See page 4 for the solution to the problem

Will China Pass the United States of America as the Economic Superpower of the World?

Purchasing Power

The gross domestic product (GDP) of the USA in 2005 was \$11.7 trillion, and it was growing at the annual rate of 4.4% per year. The GDP of China was \$1.7 trillion in 2005. But China’s GDP was growing at a 9.1% annual rate. At these rates, China will pass the U.S. in the year 2049, 43 years from now. Both GDPs would then be close to \$78 trillion.

But GDP is not a good estimate of the standard of living. The U.S. dollar, and local currencies as well, buy more in some countries - less in others. The \$1.7 trillion is China’s GDP actually buys \$7.1 trillion worth of goods and services in China. That makes China the second-largest economy in the world. In contrast, the U.S. GDP of \$11.7 trillion gives us a purchasing power in the USA of \$11.6 trillion.

If we use purchasing power to project future GDPs, we learn that China will actually pull even with the USA in 2016, just 10 years from now, and pull away in 2017. In 2032, 26 years from now, China’s GDP will be more than twice as large — at \$74.6 trillion. ■ ■ ■

■ ■ ■ Is there a way for the USA to match, or equal, this pace?

A country can grow in basically two ways: by an increase in its labour force, or by an increase in the productivity of its labour force.

China is making a conscious effort to maintain the current size of its labour force. If the USA maintains its current fertility and immigration rates, the USA population will actually shrink in the 21st century — perhaps by as much as one-fourth.

The only way the USA can meet, or beat, the economic challenge from China is by dramatically increasing the productivity of its labour force.

There is no other feasible way. None.

If the USA economy grows at its 130-year historic rate, which is about 2%, the USA economy will quickly be dwarfed by China's, and by India's as well — perhaps even by Brazil's.

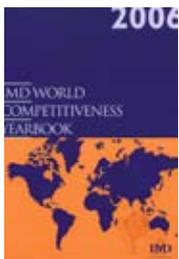
If the USA is to maintain its status as an economic superpower, she must find ways to increase her productivity by at least ten percent per year. That will mean a Productivity Revolution in the USA at par with China's. During the first quarter of 2006, the GDP of China actually grew at an annual rate of 10%.

Is this possible for the United States?

Yes. It is possible, but for reasons that are not commonly known. ■

(Source: *Tor Dahl Newsletter, Volume 3, Issue 4*)

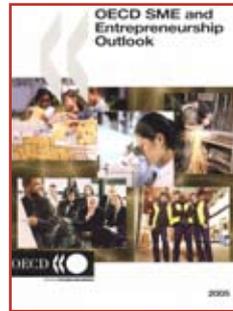
Recent Additions to the Knowledge Centre



International Institute for Management Development: **IMD World Competitiveness Yearbook 2006**. Lausanne: IMD, 2006. 528p., graphs, ill., tables. ISBN: 2970051400

With statistical data drawn from international organisations and which are complemented by opinion survey data to provide over 300 indices to benchmark competitiveness, the IMD World Competitiveness Yearbook is considered to be the first access point to world competitiveness providing objective benchmarking and trends as well as a worldwide reference point to statistics data that highlight the competitiveness of key economies. The World Competitiveness Yearbook analyses and ranks the ability of nations to create and maintain an environment that sustains the competitiveness of enterprises. An economy's competitiveness cannot be reduced only to GDP and productivity because enterprises must also cope with political, social

and cultural dimensions. Therefore nations need to provide an environment that has the most efficient structure, institutions and policies that encourage the competitiveness of enterprises. In this year's edition, the World Competitiveness Yearbook provides extensive coverage of sixty-one countries and regional economies, all key players in world markets. These economies have been chosen because of their impact on the global economy and the availability of comparable international statistics.



OECD SME and entrepreneurship outlook 2005. Paris: OECD, 2005. 415p., ref., tables. ISBN: 9264009248

Encouraging entrepreneurship and facilitating the

rapid growth of innovative SMEs is an effective means of creating jobs, increasing productivity and alleviating poverty. Identifying and implementing the policies that can achieve these goals is an increasing priority for governments of industrialised and developing countries alike. This publication describes recent trends concerning SMEs and entrepreneurship in OECD economies and beyond. It reports on a range of policy initiatives taken to enhance the vitality and competitiveness of the SME sector, which comprises over 95% of all enterprises and accounts for two thirds of private sector employment. Among the themes covered are: the need to reduce regulatory and administrative burdens affecting entrepreneurial activity; the increasing attention given by governments to entrepreneurship education and training; the need to ease SME access to financing, technology, innovation and international markets; the growing importance of women's entrepreneurship; and local policy issues.

The Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs is also included. Coming four years after the Bologna Charter on SME Policies, this Declaration is comprised of a set of policy recommendations and was adopted by Ministers and representatives of 72 governments at the Second OECD Ministerial Conference on SMEs, held in Istanbul, Turkey, in June 2004.



VAN TIEM, Darlene M.; MOSELEY, James L.; DESSINGER, Joan Conway: **Fundamentals of performance technology: a guide to improving people, process, and performance**, 2nd ed.. Silver

Spring: International Society for Performance Improvement, 2004. 258p., ill., ref. ISBN: 1890289175

Performance technology is the systematic process of linking business goals and strategies with the workforce responsible for achieving goals. Moreover, performance technology practitioners study and design processes that bring about increased performance in the workplace using a common methodology to understand, inspire, and improve. The book offers a brief overview of each major component of a Human Performance Technology Model that addresses diagnosing workplace situations, identifying causes, selecting appropriate interventions, implementing change, and evaluating results. The guidebook broadly explains performance technology as an established, systematic, and reproducible method of improving organizational and individual performance (the HPT Model). It also provides applications of performance technology at work in a variety of environments, and proffers dozens of performance tools to help the reader improve his or her own performance technology practice. ■

Mind teaser

The solution to the problem

Man in Elevator

The man is a midget. He can't reach the upper elevator buttons, but he can ask people to push them for him. He can also push them with his umbrella.



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