

ITMF Meeting Heads To Mauritius

The next global summit of the entire textile industry will be on the beautiful island of Mauritius at the Hotel Le Meridien.

From Oct. 11 to 14, 2008, the ITMF Annual Conference — the global textile industry summit organized by the Switzerland-based International Textile Manufacturers Federation (ITMF) — will take place on the beautiful island of Mauritius. Mauritius is well-known for its exquisite surroundings for holidays. But who knew that more than 55,000 people work in its textile industry?

The Hotel Le Meridien will host the conference. The hotel offers 265 ocean- and mountain-fronted rooms and suites, all with a private balcony or patio.

ITMF Conference

The general theme of the conference will be “Challenges for a Greener and More Sustainable Textile Industry.” In this new environment, the conference will provide the opportunity to analyze global developments in the textile and clothing industry in terms of investment, activity and trade. The presentations and discussions during the various sessions of the conference will enable the delegates to better understand the new era for a global textile and clothing sector at the crossroads. The Mauritius Export Association (MEXA) is the conference’s host association.

The island of Mauritius offers high productivity and high-quality textile products, supported by sophisticated business and trade organizations.

By Jürg Rupp,
Executive Editor

Favorable Strategic Position

The Republic of Mauritius is an island nation off the coast of the African continent in the southwest Indian Ocean, some 900 kilometers east of Madagascar. Mauritius includes the islands of St. Brandon, Rodrigues and the Agalega Islands, and has been in the spotlight for centuries thanks to its strategic position. First came the Portuguese, then the Dutch, and after that the French and eventually the British, who stayed for more than 150 years. Mauritius obtained its independence in 1968, and the country became a republic within the Commonwealth in 1992.

Mauritius offers a great deal to the world of textiles: the island is a beautiful place and a true melting pot for different cultures. The people are used to

dealing with different cultures, and most speak at least two languages, English and French in addition to Creole. The textile industry is known for its quality work, reliability and punctuality. The companies and their proprietors pay a lot of attention to their employees and have a great sense of social and corporate responsibility, supported by modern labor laws. Education is top priority. Every child goes to school up to the age of 16, school is free of charge for everybody, and there is even free transportation available for the schoolchildren if necessary.

Stable Democracy

Mauritius is a stable democracy with regular free elections and a positive human rights record. The country is a parliamentary democracy with a president as the chief of state. The president is elected for a five-year term by the Mauritian parliament, the National Assembly, with its 62 members. The government is headed by the prime minister and a Council of Ministers, elected on a five-year basis. The most recent general elections took place on July 3, 2005. Dr. The Hon. Rajesh Jeetah, minister of industry, small and medium enterprises, commerce & cooperatives, has a textile background and wrote his

thesis in textile technology at the University of Manchester, England. It is ideal for the local textile industry to have a man at the top of the ministry who speaks the same language.

The island, with its textile industries, is competing strongly with other markets. The main reasons given by Jeetah to invest in Mauritius and not elsewhere include political stability with a growing gross domestic product (GDP) over the past 25 years. "Mauritius enjoys a reputation of a multicultural environment with a multitude of languages," Jeetah said. "We understand the world, and through our history, we have the same cultural background as most of the Western countries. I am convinced that 'Made in Mauritius' will be a premium label shortly. Our goal is to play in the top 10 league of the most preferred locations for business. This is possible because we provide non-bureaucratic business conditions."

According to statistics, 35,000 global companies have either their headquarters or subsidiaries in Mauritius, with assets valued at \$35 billion.

Important Textile Industry

According to Jeetah, textiles and clothing are the biggest industry sectors on the island. Sugar still plays a significant role; however, textiles are far more important. More than 55,000 people work in the textile industry, and not only in garment manufacturing. The turnover of the Mauritian textile industry is more than 1 billion euros. Today, the production of woven and knitted fabrics is increasing, due to an ongoing verticalization of the textile industry in this country.

The textile industry is very important for Mauritian GDP. Textiles are one of the cornerstones of the country. The population, numbering 1.2 million, represents a domestic market worth \$143 million. The industry's employees produce \$1.5 billion in export revenues. In 2006, textiles represented 49 percent of all manufactured exports. These days, all sectors of the textile industry have the same level of importance. The 20 largest

textile companies are producing 100 percent for export. Fifty medium-sized enterprises have a 50:50 domestic/export turnover ratio, and the 125 small businesses produce only for the domestic market.

The most important export markets for the Mauritian textile industry reflect the multilingual country, with its English and French languages. Great Britain, 34 percent; France, 19.5 percent; the United States, 13 percent; and Italy, 5.4 percent, are at the top of the list, followed by South Africa. Mauritius was not directly hurt by the global financial problems, but, of course, each and every country is affected. Prices on the world markets will drop if the purchasing power of the people is falling. That is the reason for diversification — to balance the risks in a better way. For example, exports to South Africa rose by 300 percent in the last 18 months, representing a value of \$100 million. The next target is India, to sell "Made in Mauritius" lingerie and swimwear to Indian women.

Salim Ismail

Salim Ismail is considered to be the inventor of the idea to bring the ITMF conference to Mauritius. He is chevalier of the French Legion of Honour, and from 2002 to 2005 was the vice president of the African Industrial Association (AIA). He is a member of the ITMF Advisory Board and chairman of the Organizing Committee of the ITMF Annual Conference 2008 in Mauritius. Ismail joined his family's company, Groupe Socota, in 1964, entering its main subsidiary in Madagascar: La Cotonnière d'Antsirabe COTONA. In 1967, he was appointed director of the spinning department, became technical director in 1969 and CEO in 1980. In 1989, he took over as chairman and CEO, with responsibility for all textile activities of Groupe Socota.

MEXA: Supporting The Mauritian Export Industry

The basic role of MEXA is to promote and support the industry of



Dr. The Hon. Rajesh Jeetah, minister of industry, small and medium enterprises, commerce & cooperatives



Salim Ismail, chairman and CEO, textile activities, Groupe Socota



MEXA Director Danielle Wong



Enterprise Mauritius Chairman L. Amédée Darga

Mauritius, providing all kinds of logistics and data related to the industry sectors. "In earlier days, MEXA was only supporting textiles," said Director Danielle Wong. "Today, MEXA is also lobbying for its industries in government bodies. The aim of MEXA is to be the preferred export association of Mauritian industry."

MEXA is a private body with no financial support from the government; members pay an annual fee to run the association. "We are an important and influential organization and are very well-incorporated in this country," Wong said.

To become a member of MEXA, a company's export quota must reach at least 85 percent. The main export destination countries for the member companies today are Great Britain, France and the United States, reflecting old threads from the past.

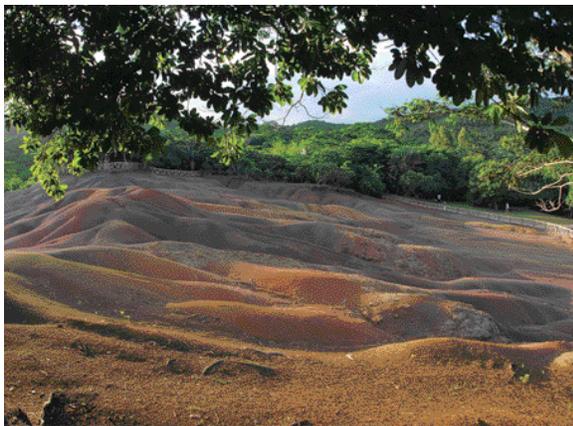
At the moment, the Mauritian rupee is the big problem. In the last six months, the currency has appreciated 15 percent against the US dollar.

Mauritius is a small country, and was not hurt that much by the international financial crisis, according to Wong. "The rupee is a very interesting currency: For a three-month fixed-deposit, the current interest rate is 7 percent, which is pretty high," she said. "So we have a lot of currency speculation in this country, and we have to observe the market very carefully. However, the textile industry shows a different picture: It has been very much affected. Exports have dropped sharply since September 2007. Early in January, the exchange rate with the US dollar was 28 rupees; now it is only 25."

Enterprise Mauritius

Enterprise Mauritius is a public company, composed of private companies and the government, to support the export industry and related services with the exceptions of finance and tourism.

Enterprise Mauritius is led by Chairman L. Amédée Darga. The association has a public commitment to promote export businesses and



Chamarel, or the Seven Coloured Earth, is a famous site on the island of Mauritius.

related services, except financial and tourism industries, and competitiveness and provision of information to global players; and to support manufacturing sites and development of new product lines, sectors and sub-sectors. Enterprise Mauritius was founded in 2004, and began its activities in mid-2005. The association's philosophy reflects a market-oriented approach to support the related industry, which represents 25 percent of the national GDP, and make it more competitive.

Darga is a member of the National Innovations Committee, and a former member of the parliament and minister.

Changing Structure

In the late 1990s, particularly 1997, manufacturers from Hong Kong came to Mauritius and invested a lot of money to produce quota-free garments. This development allowed the local textile industry to improve its infrastructure and become more competitive. Eventually, the Hong Kong manufacturers left Mauritius, moving their production facilities to China. This was a big challenge for the local textile industry.

Up until the last seven to eight years, Mauritius was basically a sewing country. This has changed a lot more recently. Spinning is catching up in the production processes, and knitting is the primary technology for fabric formation. Weaving is still not very common. The spinning sector is big enough to fulfill all requirements of the local market. The factories produce more than 90 per-

cent of all required yarns, mainly cotton. There is a strong need for more man-made fibers; this is another project for the near future, especially with respect to technical textiles. Today, the industry is still mostly in the up-market segment of garment manufacturing. However,

because of the ongoing verticalization of the industry, some big companies have spinning, knitting, finishing and garment-manufacturing divisions.

Excellent Opportunities

It's very easy to invest in Mauritius. The infrastructure is favorable to foreign investments, there is enough energy and water, ever-so-important bilingual people, and the free flow of financial transactions. "We are not producing commodities," Darga said, "We manufacture high-value competitive products. Enterprise Mauritius has high expectations for the future. To meet these requirements, it is necessary to diversify the textile products in apparel, high-quality lingerie, swim- and seawear and technical textiles. Mauritius is not a low-cost country; however, it has a high level of productivity with excellent products, backed up by sophisticated business services."

"The opportunities are excellent," Jeetah said. "We are in the process of rebranding Mauritius; and, with the existing free economic zone, it's much easier to work here. Compared to competitor markets, the Mauritian textile industry is very flexible. Producers also accept small orders. The main products today are T-shirts; shirts; trousers; shorts; pullovers; and, more and more, lingerie and swimwear. The market is also actively studying the technical textiles sector. Thanks to the structure of the industry with its capacity for small and medium production lots, technical textiles will be an important area in the future." **TW**