

ANNUAL REPORT 2018-2019





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THE COUNCIL SHALL:

- Provide the forum for constant dialogue and consensus building on all matters relating to productivity, quality and competitiveness;
- Advise government on the formulation of national policies and strategies on all aspects of productivity, quality and competitiveness;
- Promote and develop greater productivity and quality awareness and consciousness amongst the public, and organise awards to recognise individuals, teams and organisations for their outstanding achievements in quality and productivity;
- Inculcate new values and attitudes in the country regarding productivity, quality and competitiveness;
- Identify constraints to the improvement of productivity, quality and competitiveness and propose remedial measures;
- Monitor and coordinate programmes and activities relating to the improvement of productivity, quality and competitiveness;
- Collect, analyse, produce and disseminate data on the measurement of, and changes in, productivity, economy-wide and by sector and industry;
- Arrange for consultancy services in the areas of productivity and quality management and related fields;
- Promote and undertake research, including training, in all aspects of productivity, quality and competitiveness;
- Liaise and establish linkages with research institutions and productivity organisations in Mauritius and abroad
- Serve as focal point on all matters relating to productivity, quality and competitiveness;
- Act as resource centre for published works on productivity, quality and competitiveness issues;
- Organise conferences and policy seminars on productivity, quality and competitiveness;
- Constitute such productivity committees and co-opt such persons, as it may deem necessary, to such committees, define their objectives, broad terms of reference and the means of their function;
- Request the productivity committees to carry out studies, prepare opinion statements, reports and information bulletins within the scope of their powers; and
- Do such things as may be incidental to, and consequential upon, the discharge of its functions under this act.

VISION

BETTER LIVING FOR THE NATION

CORE OBJECTIVE

DEVELOPMENT OF A PRODUCTIVITY CULTURE

VALUES

EXCELLENCE

COMMITMENT

INNOVATION

CONTINUOUS LEARNING

TEAM SPIRIT

GUIDING PRINCIPLES

EMPOWERMENT

EDUCATION

EMPLOYABILITY

ENTREPRENEURSHIP

MISSION

MAKE MAURITIUS WORK. TOGETHER

FROM AIR TO LIFE

Hon. Soomilduth BHOLAH
Minister of Industrial Development,
SMEs and Cooperatives

Dear Minister,

In accordance with paragraph 18 of the National Productivity
and Competitiveness Council (NPCC) Act 1992, I have the
honour to submit to you the annual report of the NPCC for
the financial period 1 July 2018 to 30 June 2019.

Yours faithfully,



S. Busgeeth
Chairman

LETTER FROM THE CHAIRMAN



Hon. Soomilduth BHOLAH
Minister of Industrial Development,
SMEs and Cooperatives

Dear Minister,

In accordance with paragraph 18 of the National Productivity and Competitiveness Council (NPCC) Act 1999, I have the honour to submit to you the annual report of the NPCC, for the financial period 1 July 2018 to 30 June 2019.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'S. Busgeeth', written over a horizontal line.

S. Busgeeth
Chairman



PERFORMANCE FROM DIVERSITY

PERFORMANCE REPORT FROM THE EXECUTIVE DIRECTOR



Ashit Gungah
Executive Director

It gives me immense pleasure to present the performance report of the National Productivity and Competitiveness Council (NPCC) for the financial year ending 30 June 2019, as Executive Director of this important organisation that has the mandate to drive the productivity movement of the country to achieve a better living for the nation.

Productivity on the global scene

Major international institutions like the International Monetary Fund (IMF) and the World Bank have been highly vocal during the past fiscal years to put us on our guards in an effort to ward off the looming challenges emerging from the negative impacts of the crises that have unfurled at different periods in the past.

Against all the backdrops, Mauritius has yet been successful in maintaining its position as a competitive economy in this part of the globe and has implemented the appropriate mechanisms to keep its competitive edge.

Economic growth stood at 3.8% at the end of 2018 and is forecasted to maintain the pace at 3.9% at the end of 2019. According to Statistics Mauritius, domestic economic activities during 2019 would remain supported by the services sectors especially the Information and Communication and Financial and Insurance activities' sectors.

HIGHLIGHTS 2018/2019

Moving ahead with the productivity journey

Productivity is a marathon without a finishing line, the NPCC has during the financial year remained loyal to its mission in driving the productivity movement of the country through different initiatives and projects in line with the NPCC's 2016-2019 Strategic Plan, "Unleashing Full Potential Through Positive Habits". As an organisation that also advises the government on policy matters, the Council has implemented various projects that have contributed significantly in the socioeconomic advancement of the country.

Productivity and Quality Improvement Programmes

The NPCC serviced a total of 47 local organisations, including Small and Medium Enterprises (SMEs), large companies and public sector organisations during the financial year. These organisations have been put on the tracks of continuous improvement through the Productivity and Quality Improvement Programme (PQIP).

The 47 organisations include a first batch of 20 SMEs that are benefitting from the NPCC's PQIP under an agreement signed in May 2019 with SME Mauritius. The Memorandum of Understanding (MoU) which makes provision for a total of 60 SMEs to undergo the PQIP, will help them increase their value creations while at the same time, adopt productive practices and habits.

National Productivity and Quality Convention

Recognising and further encouraging the initiatives of local organisations to implement productivity and quality enhancement programmes has been possible this year through the National Productivity and Quality Convention (NPQC), of which two editions have been successfully organized within the financial year. The first edition was held from 1 to 3 August 2018 while the second edition took place on 28, 29 and 31 May 2019. The winners of the 2018 edition were sponsored by the NPCC to participate in the International Convention on Quality Control Circles (ICQCC) 2018 in Singapore in October 2018. This first participation of the NPCC also made a headway for the Council to become a member of the ICQCC on the sidelines of the Convention. The winners of NPQC 2019 would participate in ICQCC 2019 in Tokyo Japan in September 2019.

Creating the leaders of 21st century Mauritius

National Leadership Engine

The quest to achieve the status of a high-income nation and a better living for the nation is a national drive that calls for a new breed of leaders who can seamlessly emerge in the contemporary and future socioeconomic configurations of the country and lead in different spheres. The National Leadership Engine (NLE) an ambitious project that falls under the ambit of the overall Mauritius Leadership Brand, was launched in October 2018 with a training of trainers programme followed by a training of participants in January 2019. The project saw the involvement of some 500 youths across the island who were exposed to leadership skills and were encouraged to implement community-based projects. The NLE bore its fruits at the end of the programme with a total of 42 community based projects. A National Leadership Convention will be organized in the next financial year during which the winning project would be announced.

InnovEd 2019

The sense of leadership, this time blended with the spirit of innovation, was also demonstrated through InnovEd 2019. The latest edition of InnovEd was an opportunity for the NPCC to reaffirm and renew its support to the young generation of the country in the effort to help them hone their innovativeness, inventiveness and creativity. InnovEd 2019 promoted six different themes namely, Interactive Media, Cultural Heritage, Performing Arts, Visual Arts and Craft, Design and Languages and Publishing. A total of 47 secondary schools involving more than 400 students participated in InnovEd 2019.

PERFORMANCE REPORT FROM THE EXECUTIVE DIRECTOR

Rethinking the corporate machinery

The NPCC has led a wide range of initiatives and projects geared towards professional development and productivity enhancement through training and coaching. The Council has designed and delivered training programmes to corporates including SMEs and large companies, public entities, students, youth as well as members of the civil society. These programmes cover topics in the areas of operational performance, personnel development, productivity improvement and industry readiness among others. A total of 16 training programmes targeted towards different audiences were delivered during the financial year.

It is important to note that the courses offered by the NPCC are designed to meet the requirements of local industries and at the same time, helping them to be at par with the operational and technological developments and evolutions both at local and global levels. The NPCC firmly believes in the new trends that impact positively on productivity, for example the emergence of the Industry 4.0 phenomenon. This new evolution is expected to change the way businesses across the world operate and transact and is even seen as a harbinger of a new world order in the future.

Consolidating partnerships and the way ahead

A collaboration with the World Bank during the financial year brought a new impetus to the NPCC. The teamwork between the two institutions is expected to give us a new map with sharp contours and reliefs, indicating the real productivity scales at firm level. The project proposes to launch a dedicated survey on productivity at firm level and its enabling factors. A flagship report will also entail, exploiting the newly collected data to present policy-oriented research on key questions related to the productivity challenge in Mauritius.

At policy level, the NPCC has been pursuing its research in the area of an ageing workforce, a phenomenon which is believed to impact heavily on our socioeconomic foundations in the next decades. The research, entitled "Ageing Workforce – Opportunities and Challenges for the Republic of Mauritius" has reached an advanced stage. It is expected to serve as a document to guide stakeholders in the implementation of policies that would shield us from any negative impacts of such a phenomenon and eventually better serve the next generations by creating the right structures for a sustainable economy.

Acknowledgement

The NPCC has indeed gone from strength to strength over the years and it would be all the more legitimate to affirm that the institution has crossed a new milestone this year through the numerous projects undertaken with the objective to achieve a better living for the nation.

My appreciation goes to the Chairman, the Vice Chairman, the Council members and the staff of the NPCC for their support to the productivity movement and last but not the least, I would like to thank all our stakeholders and partners in Mauritius and abroad that have given us their helping hand in driving productivity movement.

Ashit Gungah
Executive Director





FANTASY



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDING 30TH JUNE 2019

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the NPCC Act no 9 of 1999 which was amended by the Economic and Financial measures (miscellaneous provisions) act No 27 of 2012. Its object is to stimulate and generate productivity and quality consciousness, drive the productivity and quality movement in all sectors of the economy, enhance the country's competitiveness and raise national output with a view to achieving sustained economic growth. The functions are laid out in the Act.

COMPLIANCES AND ENFORCEMENT

The NPCC is fully committed to attaining and maintaining the highest standards of corporate governance and is gradually taking action within its ambit to ensure compliance with the Code of Corporate Governance for Mauritius issued by the National Committee on Corporate Governance as applicable to state owned enterprises.

BOARD OF DIRECTORS

The NPCC Act (amended) makes provision for a Council.

As per the act, the Council shall consist of :-

- (a) A Chairperson;
- (b) A Vice-Chairperson;
- (c) One member representing the interests of Government;
- (d) One member representing the interests of employers;
- (e) One member representing the interests of the federations of trade unions; and
- (f) Not more than 2 members drawn from industry associations and consumer organisations.

OPERATIONS OF THE COUNCIL

The Council meets at the request of the Chairman. Meetings of the Council and Committees are scheduled in advance. Papers are circulated before each meeting. The NPCC operates in an independent way although it receives funding through the Government budget.

PROFILE OF COUNCIL MEMBERS July 2018 to June 2019

Mr. Sanjiv MULLOO is the CEO of Quad Printers Ltd. He is a knowledgeable and conscientious supplier of print and communication services and has always performed and delivered by creating value for his customers and stakeholders. Mr. Mulloo believes staunchly in the African Renaissance. He is known to be a decision maker and a people's person. He is also an executive coach in leadership. He loves his country and believes in the potential of Mauritius to rise as a power in the region. Mr. Mulloo was appointed Chairman of the NPCC on 23rd September 2015.

Mr Dharmanjay Singh TOWOKUL is the director of Whitegate Agencies Ltd. He is a dedicated and successful insurance agent with strong relational capital and specialises in advising clients on mitigating motor vehicle and accident risk. His success in the insurance field is mainly attributed to his knowledgeable and compassionate services to clients and his ability to continuously motivate his team. Mr. Towokul holds a B.Com degree in Management and Accountancy from Bombay University. Mr. Towokul was appointed Vice Chairman of the NPCC on 8th October 2015 until 27 August 2018.

Mr. Ahmad MACKY was appointed Vice Chairman on 28 August 2018. He is a foreign correspondent for British publications including the Daily Herald and the Daily Observer as well as Mauritius News in the UK. He holds a Diploma in Journalism from the London School of Journalism and is a member of the National Union of Journalists of England, Wales, Northern Ireland and Scotland. He is also a member of the International Federation of Journalists.

MEMBER, REPRESENTING THE INTERESTS OF GOVERNMENT (MINISTRY OF FINANCIAL SERVICES AND GOOD GOVERNANCE)

Mr. Sarwansingh PURMESSUR is the Deputy Permanent Secretary at the Ministry of Financial Services and Good Governance. He has served in various Ministries during his 35 years of tenure of office. He has also assumed the position of directors in various organisations like the Information and Communication Technology Authority, the National Housing Development Company Limited, the Informatics Park Ltd, the Town and Country Planning Board, the National Computer Board, amongst others.

MEMBER REPRESENTING THE INTERESTS OF PRIVATE SECTOR

Mr. Pradeep DURSUN is the Chief Operating Officer of Business Mauritius since November 2015. He was previously the Acting Director of the Mauritius Employers' Federation. Mr Dursun reckons more than 10 years of service at the association and was formerly the Human Resource and Industrial Relations Adviser. He has a multidisciplinary background having studied social sciences, law and human resource management and industrial relations. He represents the association on several bodies and has wide experience as a trainer in the field of industrial relations and employment law. Mr Dursun was nominated Council member on 8th October 2015.

MEMBER REPRESENTING THE INTEREST OF THE FEDERATION OF TRADE UNIONS

Mr. Rashid IMRITH is the President of the Fédération des Syndicats du Secteur Public (FSSP). He was nominated Council Member on 8th October 2015.

MEMBERS DRAWN FROM INDUSTRY, ASSOCIATIONS AND CONSUMER ORGANISATIONS

Mrs. Luxmi Devi BHAGWAN was appointed as Council Member in September 2018. She is a qualified educator at secondary level and has several years of experience in teaching and coaching in Sociology and Entrepreneurship Education. She has also been a social facilitator at the NGO Trust Fund in the past. She was appointed in August 2018.

Mrs. Lilowtee RAJMUN-JOOSERY is a well-known figure in corporate Mauritius. She is the director of the Mauritius Exports Association (MEXA), one of the largest associations regrouping exporting firms of the island. As the head of the MEXA, Mrs. Rajmun-Joosery has participated in the formulation of numerous policies in the interest of the exporting community of Mauritius. She was appointed NPCC Council Member in August 2018.

Mrs. Annmaide FRANÇOIS is a coopted member from Rodrigues.

SUB COMMITTEES OF THE COUNCIL

In line with good corporate governance practices, the Council has set up a Finance Committee and a Human Resource Committee.

THE FINANCE COMMITTEE

The Finance Committee consists of four (4) members of the Council as follows:-

1. Mr. Sarwansingh Purmessur (Chairperson)
2. Mr. Ahmud Macky
3. Mr. Pradeep Dursun
4. Mrs. Lilowtee Rajmun-Joosery

The responsibilities of the Finance Committee are as follows:-

- 1.1 Responsible for procurement and inter alia examine bids above Rs 100,000 and make recommendations to the council for award of contracts;
- 1.2 To examine the annual estimates and to make recommendations to the Council accordingly;
- 1.3 To make any other recommendations of a financial nature to the Council.

In view of the fact that the NPCC is a small organisation, the Finance Committee acts as the Audit Committee as well and -

- 1.4 Oversees the establishment and implementation of accounting policies and internal controls that promote good financial stewardship;
- 1.5 Inquires into how the business risks of the NPCC are being planned for and managed for instance assessing the adequacy of its insurance coverage;
- 1.6 Oversees compliance with regulatory standards;
- 1.7 Examines the final accounts and the annual report to ensure compliance prior to recommending to Council for approval and onward transmission to the external auditors;
- 1.8 Receives and acts upon the results of the external audit and reporting same to the Council.

CORPORATE GOVERNANCE

THE HUMAN RESOURCE COMMITTEE

The Human Resource Committee consists of 4 members of the Council as follows:-

1. Mr Rashid Imrith (Chairperson)
2. Mr. Dharmanjay Singh Towokul (up to 27 August 2018)
3. Mr. Ahmad Macky
4. Mrs. Luxmi Devi Bhagwan
5. Mr. Sarwansingh Purmessur

The responsibilities of the Human Resource Committee are:-

1. Examine all staff matters in particular relating to recruitment, promotion, allowances, salary review and make recommendations to the Council for approval.
2. Advise the Council on matters relating to employment policy/strategies, human resource development etc.
3. Examine employee grievances and make recommendations to the Council.



Statement of Attendance to Council meetings (July 2018 to June 2019)

NO. OF COUNCIL MEETINGS HELD: 10	NO. OF MEETINGS ATTENDED
Mr. Sanjiv MULLOO (Chairperson)	10
Mr. Dharmanjay Singh TOWOKUL (Vice Chairman up to 27 August 2018)	1
Mr. Ahmud MACKY (Vice Chairman as from 28 August 2018)	9
MEMBER REPRESENTING THE INTERESTS OF GOVERNMENT (MINISTRY OF FINANCIAL SERVICES, GOOD GOVERNANCE AND INSTITUTIONAL REFORMS) Mr. Sarwansingh PURMESSUR (As from May 2018)	8
MEMBER REPRESENTING THE INTERESTS OF PRIVATE SECTOR Mr. Pradeep DURSUN	9
MEMBER REPRESENTING THE INTEREST OF THE FEDERATION OF TRADE UNIONS Mr. Rashid IMRITH	10
MEMBERS DRAWN FROM INDUSTRY, ASSOCIATIONS AND CONSUMER ORGANISATIONS Mr. Ahmud MACKY (Up to 27 August 2018) Mrs. Luxmi Devi BHAGWAN (As from 27 August 2018) Mrs. Lilowtee RAJMUN-JOOSERY (As from 27 August 2018)	1 8 9
CO-OPTED MEMBER FROM RODRIGUES Mrs. Annmaid FRANCOIS	3

Statement of Attendance to Finance Committee meetings

NO. OF FINANCE COMMITTEE MEETING HELD: 8	NO. OF MEETINGS ATTENDED
Mr. Sarwansingh PURMESSUR (Chairperson)	8
Mr. Ahmud MACKY	8
Mrs. Lilowtee RAJMUN-JOOSERY	6
Mr. Pradeep DURSUN	4

Statement of Attendance to Human Resource Committee meetings

NO. OF HUMAN RESOURCE COMMITTEE MEETINGS HELD: 7	NO. OF MEETINGS ATTENDED
Mr. Rashid IMRITH (Chairperson) As from 5 November 2018)	7
Mr. Dharmanjay Singh TOWOKUL (Up to 28 August 2018)	1
Mr. Ahmud MACKY	7
Mrs. Luxmi Devi BHAGWAN	6
Mr. Sarwansingh PURMESSUR	2

Statement of remuneration of Council members

The Chairman, Vice Chairman and Members of the council receive a monthly fee as Council Members. Payment for the Finance Committee, the Human Resource Committee and the Corporate Governance Committee are made as per attendance for a maximum of two meetings per month.

Remuneration of Members for Financial Year July 2018 to June 2019

COUNCIL/COMMITTEE MEMBERS	COUNCIL AND COMMITTEE FEES (RS)
Mr. Sanjiv Mulloo	565,000
Mr. Dharmanjay Singh Towokul	314,000
Mr. Pradeep Dursun	159,000
Mr. Rashid Imrith	207,000
Mr. Ahmud Macky	314,000
Mr. Sarwansingh Purmessur	213,000
Mrs. Lilowtee Rajmun-Joosery	168,000
Mrs. Luxmi Devi Bhagwan	165,000

Donations

No donation has been effected during the year.

Code of Ethics

Issues such as ethics, employee's involvement and equal opportunity of employment are key to the long term interest of the NPCC to conduct itself as a responsible corporate citizen. Work is on-going to refine internal policies and practices that would enhance the existing practice in these areas. The Council also provides a safe workplace for its staff together with a medical scheme and a 24-hr Insurance cover.

Related Party Transaction

There has not been any related party transaction during the year.



No great
discovery was
ever made
without a bold
guess.

Sir Issac Newton



CORPORATE GOVERNANCE

Statement of Director's Responsibility

The Council acknowledges its responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for that period and which comply.
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgment.

The external auditor (i.e the Director of Audit, National Audit Office) is responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- (i) adequate accounting records and an effective system of internal control has been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- (iii) applicable accounting standards have been adhered to; and
- (iv) the code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

Signed on behalf of the NPC Council.



Mr S. Busgeeth

Chairman



Mr S. Chitbahal

Vice Chairman

Directors' Statement for Internal Control

The NPCC acknowledges its responsibility for the setting up of adequate system of internal control and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities are closely monitored by the Council. Procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Council.

The organisation being lean, there is no specific provision for an Internal Controller. However, we have put in place an effective system, which includes:

- (i) Proper segregation of duties whereby the different functions in process are crosschecked and verified.
- (ii) Expenditure limits for the Executive Director/Officer-in-charge has been fixed and purchases are duly authorised by the appropriate instances.
- (iii) Follow up and implementation of recommendations of the Director of Audit in order to improve the processes and ensure proper accountability, is regularly adhered to.
- (iv) Adequate supervision of duties performed by staff members by the Executive Director/Officer-in-charge.
- (v) The assets of the Council are properly safeguarded.
- (vi) All cheques issued by the Council are signed by two authorised signatories.

Signed on behalf of the National Productivity and Competitiveness Council.



Mr S. Busgeeth

Chairman



Mr S. Chitbahal

Vice Chairman





STRATEGIC PLANNING

STRATEGIC PLAN 2016-2019 ACHIEVING FULL POTENTIAL THROUGH POSITIVE HABITS

1. About the Strategic Plan

The strategic plan 2016-2019 which was developed through a participatory process is a roadmap for the npcc to deliver on its mandate. The strategic plan has been informed by major changes in the global and local landscape and is aligned with the government's 2015-2019 programme and vision 2030.

Based on the theme "Achieving Full Potential Through Positive Habits", which accentuates on the human-centric approach required to improve productivity, the strategic plan focuses the work of the npcc on four strategic thrusts namely: empowerment, education, entrepreneurship and innovation. The four strategic thrusts which are inter-related will focus on the citizen, business and the government.



2. How will we do this?

Thrust 1: Empowerment

Empowerment has been identified as a key pillar for the Mauritian economy to grow, be more productive and competitive. In its broadest sense, empowerment is the expansion of freedom of choice and action.

Projects to be implemented:

I. NATIONAL LEADERSHIP ENGINE

A. Living the Mauritian leadership brand

Objective: To build a reputation for developing exceptional Mauritian leaders with a distinct set of talents that is uniquely geared to fulfil stakeholders' expectations.

B. National leadership development

Objective: To develop leadership capabilities at all levels.

C. Grooming young Mauritian leaders

Objectives: To build a network around our young Mauritian leaders to support them and enable them to be effective and successful as they continue on their leadership journeys.

D. Platform for smart ideas

Objectives: To empower citizens to increase their public participation with a view to giving feedback on public services and participate fully in decisions and processes that shape their lives.

E. Positive habits

Objective: To improve society by promoting and showcasing positive actions at the level of individuals, families, schools, organisations and communities.

Thrust 2: Education

Education empowers people to achieve their full potential in business, government and society and is the basis for generating and harnessing intellectual capital.

Projects to be implemented:

I. PROMOTION, COMMUNICATION AND SENSITISATION ON PRODUCTIVITY

Objective: To rally the whole nation behind the productivity movement and instigate action to promote productivity and competitiveness.

II. TRAINING PROGRAMMES

Objective: To advocate and build capacity for productivity and quality improvement.

III. PRODUCTIVITY AND QUALITY IMPROVEMENT PROGRAMMES (PQIP)

Objective: To strengthen the capacity of organisations to implement productivity and quality improvement programmes.

IV. RESEARCH AND ANALYSIS

Objective: To keep abreast of new developments in the field of productivity and build competitiveness intelligence.

V. DEVELOPMENT OF PRODUCTIVITY BEST PRACTICES

Objective: To create a body of knowledge in the field of productivity and quality.

VI. SUBJECT MATTER EXPERT FOR CIVIL SERVICE

Objective: To promote public sector efficiency and effectiveness.

VII. ICT SOLUTIONS FOR ENTERPRISE PRODUCTIVITY

Objective: To promote the use of ICTs to improve productivity.

VIII. PRODUCTIVITY AND QUALITY AWARD

Objective: To recognise productivity and quality improvement efforts in different organisations - both public and private; including SMEs



STRATEGIC PLANNING

Thrust 3: Entrepreneurship

Entrepreneurs play a vital role in economic development as key contributors to technological innovation and new job-growth/wealth creation.

Projects to be implemented:

I. PRODUCTIVITY ALLIANCE FOR ENTREPRENEURS

Objective: To provide a platform to entrepreneurs to dialogue and learn from each other and to create institutional synergy to better service the platform.

II. SMART ENTREPRENEUR PROGRAMME

Objective: To promote an entrepreneurial culture

Thrust 4: Innovation

A society without innovation will not flourish for long. The basic building blocks of an innovative society must be put in place before any other expectations can be met.

Projects to be implemented:

I. INNOVED

Objective: To promote critical thinking, problem solving, creativity and innovation among students and educators.

II. INNOVATION AWARD

Objective: To promote an innovation culture in Mauritius.

III. INNOVATING IN A DIGITAL WORLD

Objective: To build capacity of unemployed graduates to develop apps for productivity improvement.

3. Rodrigues

Rodrigues is also considered under the four thrust mentioned above. It is envisaged to consult stakeholders in Rodrigues to assess priorities and design a strategic action plan to enhance productivity and competitiveness taking into account the specificities of the island.

4. Way-forward

We are aware that the future has many challenges and opportunities in store for us. But we are convinced that if we all rally behind the action plan and make productivity our priority (public sector, private sector, trade unions and civil society) and value positive habits, patriotism, pride in work etc., we will contribute to a better future for ourselves and future generations.



The simple
act of playing
positive
attention to
people has
a great deal
to do with
productivity.

Tom Peters





AN OVERVIEW OF THE ECONOMIC SITUATION IN BRITAIN

OVERVIEW OF THE MAURITIAN ECONOMY

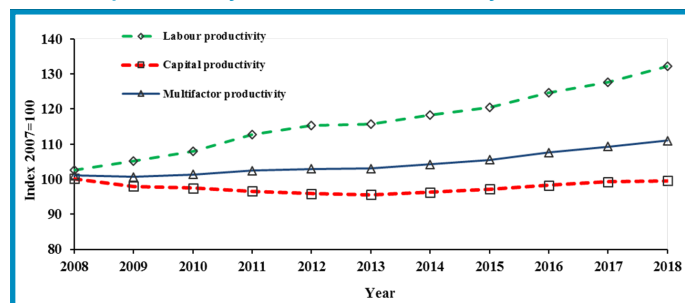
It would be fair to say that the Mauritian economy has shown a good resilience at a time when many global indicators and observations have been warning of stressful scenarios and daunting challenges for which we would have to be on our guards and brace up ourselves.

Despite the heavy fluctuations on the global scene, the Mauritian economy has been successful at adapting itself from time to time.

Productivity and Competitiveness

In terms of productivity and competitiveness, the Gross Value Added (GVA) in real terms grew by an annual average of 3.6% during the period 2008 to 2018 according to Statistics Mauritius. During the same period, the real output of the Manufacturing sector grew at a lower rate of 1.6% per annum and that of Export Oriented Enterprises (EOE) decreased at an annual rate of 0.1%.

Trends in productivity indices – Total economy, 2008 to 2018



Source: Statistics Mauritius

Business Confidence

The private sector also has been positive about the performance of the local economy during the period under review. The Mauritius Chamber of Commerce and Industry (MCCI) quarterly business survey conducted during the second quarter of 2019 concluded that business confidence indicator remains positive since the fourth quarter of 2016, indicating a medium-run virtuous cycle, adding however that the increase in business confidence was at a more modest rate than in previous quarter.

The MCCI goes further in its assessment that the decrease in the evaluation of entrepreneurs on the economic situation between April and June 2019 improved by a higher expectation on the economic outlook for the months of July to September 2019. This would mean that the economy should gradually strengthen over the second half of the year.

Growth Prospects

According to Statistics Mauritius Gross Domestic Product (GDP) at market prices in 2019 would grow by 3.9%, same as forecasted in March 2019. The forecast was based on information gathered on key sectors of the economy, performance observed in the first quarter of 2019 and taking into consideration policy measures announced in the budget 2019/2020.

It also predicted that final consumption expenditure of households and general government would grow by 3.1% in 2019 compared to 3.5% in 2018. Gross Domestic Savings (GDS) as a percentage to GDP at market prices for 2019 would be 9.5% compared to 9.0% in 2018. This is explained by a lower growth in private sector investment and a higher growth in public sector investment. On the other hand, private sector investment is expected to grow by 0.1% in 2019 compared to the 10.4% growth in 2018 and public sector investment would expand by 26.7% in 2019, after a growth of 12.7% in 2018.

Growth rates and ratios - 2016 - 2019

	2016	2017	2018 ¹	2019 ²
	(%)	(%)	(%)	(%)
1. Annual real growth rate of:				
(i) Gross Value Added (GVA) at basic prices	+3.6	+3.6	+3.6	+3.6
<i>exclusive of sugar</i>	+3.6	+3.7	+3.7	+3.6
(ii) Gross Domestic Product (GDP) at market prices	+3.8	+3.8	+3.8	+3.9
(iii) Final consumption expenditure	+2.9	+2.9	+3.5	+3.1
Households	+3.0	+3.2	+3.3	+3.3
General Government	+2.9	+1.6	+4.2	+2.4
(iv) Gross Fixed Capital Formation (GFCF)	+3.7	+4.7	+10.9	+6.6
<i>exclusive of aircraft and marine vessel</i>	+1.6	+5.6	+12.2	+6.3
(v) Private sector investment	+6.1	+7.3	+10.4	+0.1
<i>exclusive of aircraft and marine vessel</i>	+6.1	+7.3	+10.4	+0.1
(vi) Public sector investment	-2.8	-2.9	+12.7	+26.7
<i>exclusive of aircraft and marine vessel</i>	-10.3	+0.3	+18.3	+26.0

Source: Statistics Mauritius





BE TEAMWORK

EMPOWERED TOGETHER

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.



Learn from others who are in a better position than you.



Application to Business

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.

Teamwork

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.

Empowered Together

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.

Business

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.

Development

Learn from others who are in a better position than you. No longer a simple matter of learning from others, but a matter of learning from others who are in a better position than you.

BUSINESS DEVELOPMENT AND CONSULTANCY

The NPCC performs technical interventions in local public and private organisations through the Productivity and Quality Improvement Programme (PQIP) as well as quality driven projects in different private sector organisations, public sector bodies and associations. The NPCC is manned by a pool of productivity experts that advises local organisations and keep abreast with all developments in the field of Kaizen, Lean Management and other techniques aimed at boosting productivity levels in operative areas. Projects associated with business development and consultancy included the National Productivity and Quality Convention (NPQC) in 2018 and 2019 and a collaboration with SME Mauritius that will allow 60 SMEs to benefit from a PQIP.

NPQC 2018



The first National Productivity and Quality Convention (NPQC) 2018 was organised over three days at Le Méridien Hotel in Pointe aux Piments from 1 to 3 August 2018. A total of 114 local organisations from the public and private sectors and associations had taken part in the convention. They were required to present projects and initiatives that brought in higher productivity, quality and innovation in their operations.

The NPQC intends to become a platform for quality and productivity practitioners to conduct networking and help them showcase their value creation projects. The convention actually aims at rewarding teams from private businesses and public sector organisations for outstanding productivity and quality improvement initiatives.

The three-day convention culminated with an award ceremony on 3 August. During the two previous days, the organisations presented their projects related to productivity and quality through Quality Circles, Innovation, Business Excellence, Productivity Improvement and Lean Management. The entries were divided into three categories, namely Small and Medium Enterprises (SMEs), private large companies and public sector organisations.

A panel of local jurors was constituted to assess the projects on 1 and 2 August. An international panel of jurors, comprising Mr. D.K. Srivastava, the Executive Director of the Quality Circle Forum of India, Mr. PengYong Tan, the Vice President of the Singapore Productivity Association and Prof. Daniel Khan, O.B.E, Chief Operation Officer of the Institute of Productivity, UK, assessed the best projects on 3 August, out of which six were chosen as the Grand Winners.

The teams were provided with continuous assistance by NPCC consultants so that they could present their projects according to the standards set for the convention. The participants competed for the Gold, Silver and Bronze awards.

The Grand Winners of NPQC 2018 are as follows:

SMEs:

- Kanhye Health Foods Co Ltd (Project: Productivity and Quality Improvement at VKHF Ltd) and
- CheeKips Ltd (Project: Innovation through environmental sustainability).

Large Companies:

- Cervonic Ltd (Project: Cervonic Oil Yield Optimisation) and
- Sofap Ltd (Reducing Time Gap / Waiting Period For Walk-In Customer).

Public Sector Organisations and Associations:

- Central Electricity Board (Project: CEB: Embracing New Technologies for Smarter Billing Processes) and
- Haemophilia Association of Mauritius (Project: Establishing an Effective & Efficient System for the Diagnosis Treatment, Care and Management in view of improving the quality of life of Haemophilia patients in Mauritius).

ICQCC 2018



The NPCC participated in the International Convention on Quality Control Circles (ICQCC) from 22 to 25 October 2018 at the Resorts World Sentosa, Singapore. The delegation consisted of the Grand Winners of NPQC 2018. They had the chance to present their award-winning projects and ultimately then competed on an international level at ICQCC 2018. It is worth noting that all the six Grand Winners had bagged Gold awards at the ICQCC 2018.

ICQCC 2018 was hosted by the Singapore Productivity Association (SPA), which showcased cutting-edge trends, projects and practices embraced by teams across the globe, spanning a wide variety of business improvement applications in today's age of digitization and economic disruption.

During the two months preceding their participation to the ICQCC 2018, the six Grand Winners of the convention were coached by the NPCC as well as by external consultants, namely Dale Carnegie Mauritius and Manpower and Services Provider Ltd.

NPQC 2019



The second edition of the NPQC was launched under the theme "Developing People for a Better Tomorrow" on 28 March 2019 at the Hennessy Park Hotel. The convention took place on 28, 29 and 31 May and a total of 106 projects related to productivity and quality improvement were entered.

The award ceremony on 31 May saw the participation of more than 350 delegates from different public and private organisations. The Embassy of Japan in Mauritius was the honorary partner of NPQC 2019.

Besides the panel of local jurors that assessed the projects on 28 and 29 May, a panel of international jurors assessed the projects of the Gold awardees on Friday 31 May before the award ceremony. The panel comprised Mr. Getahun Tadesse Mekonen, the former Director General of the Ethiopian Kaizen Institute; Mr. Iji Inui, Senior Sector Advisor, Industrial Development and Public Policy Department, Japan International Cooperation Agency (JICA); Mr. Tomoyuki Yamada, Coordinator for Africa KAIZEN Initiative, NEPAD; and Ms. Grace Tan, consultant in Quality Circles from Singapore.

The six Grand Winners of the convention in three different categories were as follows:

Small & Medium Private Enterprises including Micro Enterprises:

- Neel Trading & Facilities Ltd and SS Business School Ltd

Large Private Enterprises:

- Phoenix Beverages Ltd and Natec Medical Ltd

Government Bodies/Parastatals/Registered Associations:

- Rajiv Gandhi Science Centre and Employees Welfare Fund

The Grand Winners will participate in ICQCC 2019 in Tokyo from 23 to 26 September 2019.

The event will be organized by the Union of Japanese Scientists and Engineers (JUSE) under the theme:

"Creating a Brighter Future through Total Quality Management and Quality Circle Activities"

BUSINESS DEVELOPMENT AND CONSULTANCY

NPCC becomes 14th ICQCC member



Mauritius, through the NPCC, was officially admitted as the 14th member of the ICQCC on 23 October 2018. The Core Country Meeting of the ICQCC that took place in Singapore on the sidelines of the 2018 edition of the ICQCC, validated the membership of Mauritius with full support and proposition from India. The proposition was seconded by Philippines and Bangladesh.

The 13 members of the ICQCC include Bangladesh, China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, Sri Lanka, South Korea, Taiwan and Thailand.

Over the last 42 years, the ICQCC has been regarded as the de facto international event for work improvement teams to pitch their projects to an independent pool of international assessors, with the intent of attaining international recognition and cross-learning. Annually, ICQCC attracts between an average of 1,500 delegates from more than 330 teams across the 13 economies and beyond.

Training programme for African productivity practitioners

The NPCC hosted a three-day training programme from 1 to 3 October 2018 for productivity practitioners from Mauritius, South Africa and Kenya as part of the Japan Productivity Centre's (JPC) initiative to assist National Productivity Organisations (NPOs) from Africa to impart productivity improvement skills and knowledge and apply them to their consultancy activities.

The three-day training included visits to one of the Model Companies that were selected by the JPC in 2017, namely Axxess Ltd. The course was delivered by Japanese expert, Mr. Hajime Sasaki, who has an extensive experience in the field of productivity in different industries and Mr. Yuki Tanno.

The Ministry of Economy, Trade and Industry of Japan had entrusted the JPC to conduct the Technical Cooperation Project on Productivity Improvement for Africa, in cooperation with the Pan-African Productivity Association (PAPA).

This project aims at transferring typical Japanese management techniques such as 5S and Kaizen to Africa, by supporting capacity building of NPOs of PAPA member countries. It also aims at creating a conducive business environment in Africa that can benefit the economic partners of the continent.



Collaboration between NPCC and SME Mauritius



The NPCC signed an agreement with SME Mauritius on 17 May 2019 at the seat of SME Mauritius in Port Louis to assist some 60 local SMEs through the Productivity and Quality Improvement Programme (PQIP). The project will allow them to revisit the ways they have been operating so far and to implement new tools and practices that will allow them to boost up their value creation and performance in the short, medium and long terms.

The collaboration between the NPCC and SME Mauritius will also help the SMEs to implement a framework that includes enhancing sales revenue; improving output per unit cost of production; optimising labour utilisation and optimising capital utilisation.

Productivity and Quality Improvement Programme

During the financial year 2018/2019, the NPCC serviced the following organisations where PQIP was conducted:

- Employees Welfare Fund
- Creative Sign
- Winner's - Triolet
- Winner's- Pereybere
- Archemics Ltd
- Super U
- Cheekips Ltd
- Gavik Co Ltd
- La flute Enchantée
- Froid des Mascareignes Ltd

- Royal Choice Restaurant
- Print Services
- Panagora Marketing Co Ltd
- English Bay Co Ltd
- Elytis Ltd
- Local Hands Association
- Sebastopol SSS
- Winner's Project on Operational Efficiency
- Rey Lenferna Ltd
- AAH Upholstery
- Aqualia Ltd
- Kolos Cement Ltd
- Royaume des Delices
- Hitz Gift Ltd
- Novengi Ltd
- Victoria Hospital
- Focus Group meetings for Avipro Farming, Head Office and Avipro Processing

Project with SME Mauritius:

- Vivalo Ltee
- J&B Mechanical Ltd
- SSS Furniture
- TPS Printing and Arts Graphics Ltd
- Stone Specialists Ltd
- Dragon Printing Co Ltd
- GNP Wear Co Ltd
- Mighty Printing and Technologies Ltd
- Polly Esther Ltd
- Kanhye Health Foods
- Bahadoor Printing
- Saveurs Vegetales Ltee
- La Flute Enchantée-Andinarayen Co Ltd
- Elshadai Uniforms
- Meliwear Co Ltd
- HCF Plastic Industries Ltd
- Colour Sphere Ltd
- System Matics Ltd
- Food worth Co Ltd
- AAH Upholstery Ltd
- Cheekips Ltd
- Excellent Plastic Ltd
- Sebastopol SSS

BUSINESS DEVELOPMENT AND CONSULTANCY

Public Sector Business Transformation Programme: Pilot Project at Victoria Hospital

The NPCC conducted a pilot project between February and April 2019 at the Victoria Hospital for the Ministry of Civil Service Affairs and Administrative Reforms. The project was in line with the transformation strategy of the Government and the implementation of SMART processes in the public sector. Two areas were identified at Victoria Hospital, namely Unsorted Outpatient Department and Accident and Emergency Department (Casualty area).

The objective of the Value Stream Mapping was to map the patient experience to get an accurate picture of the ground reality and to capture all the facts and figures available to quantify the patient experience.

All the findings were presented to the team of Victoria Hospital and the Ministry of Civil Service Affairs and Administrative Reforms in July 2019 whereby the recommendations were finalized. The Ministry of Civil Service Affairs and Administrative Reforms will do the follow-up with the stakeholders.





Survey

satisfaction

Could you rate your satisfaction?

Excellent

Good

Average

Poor

☐☒☐☒☐☐☒☐☐☐☒☐☒☐☐☐☐☐☐☐

RESEARCH AND KNOWLEDGE MANAGEMENT

The NPCC undertakes a series of activities geared towards policy making and advising stakeholders on socioeconomic trends and patterns that are impacting the Mauritian social and business landscape. The unit also manages the NPCC's Knowledge Centre which houses a large volume of publications related to productivity, quality, leadership, lean management, Kaizen and a host of other topics of interest to stakeholders and the general public. The unit conducts high level research, the findings of which are disseminated among stakeholders, helping them to gain a clearer view of the socioeconomic challenges ahead and developing the right national policies.

Ageing Workforce: Challenges and Opportunities for the Republic of Mauritius

The NPCC pursued the research project entitled "Ageing Workforce: Challenges and Opportunities for the Republic of Mauritius" during the financial year 2018-2019, conducting a series of consultations and meetings with different stakeholders in the public and private sectors as well as in the civil society and trade unions.

The topic "Ageing Workforce – Opportunities and Challenges for the Republic of Mauritius" was the second theme surveyed on the Engaging Citizen Online (ECO) virtual platform of the NPCC. This research engaged relevant stakeholders in the design and implementation of a strategic action plan to address the issue of an ageing workforce in the short, medium and long term.

Focus group discussions with specific target groups and one-to-one consultations with relevant stakeholders were facilitated by Dr. Anita Ramgooty Wong, the consultant for the project. To enable citizens to share their views and perspectives about the subject, street surveys were carried out across Mauritius. The research has also been extended to Rodrigues.

An online survey for HR cadres for public and private institutions and directors of Small and Medium Enterprises (SMEs) was also launched to gather their insights on the topic. The report is at its final stage and will be validated during the next financial year prior to publication.

Technical Assistance from World Bank for Firm Level Survey



The NPCC has secured the collaboration of the World Bank to launch a regular, dedicated firm level survey on productivity and its enabling factors, along with a flagship report that exploits the newly collected data to present policy-oriented research on key questions related to the productivity challenge in Mauritius. It is further expected that the availability of firm level productivity data would spark additional research by academia and thus further contribute to the knowledge base on productivity in Mauritius.

A Productivity Survey Workshop was held on Thursday 21 March 2019 at the Gold Crest Hotel to gather the views of stakeholders. World Bank senior economist, David Francis, based in Washington, had flown to Mauritius to lead this one-day workshop which gathered various stakeholders from the both the private and public sectors. The NPCC had consulted key stakeholders with regard to their views on the existing evidence base on productivity and priority knowledge gaps on productivity for evidence-based policy making. The workshop was a concluding session for all stakeholders to take stock of the information collected and build consensus on the next steps with regard to data collection and research.

The project is being implemented in two phases. Phase 1 consisted of consultations with relevant stakeholders from public and private sector and trade unions to solicit their support and provide their insights to design the survey. Phase 2 consists of implementing the survey in 1200 enterprises in Mauritius.

The outcome of the project will be a flagship report on the status of productivity in enterprises and recommendations on how to boost productivity based on World Bank's and local partners contribution.



INNOVATION, ADVOCACY

INNOVATION, ADVOCACY AND ENTREPRENEURSHIP

The NPCC undertakes projects aimed at advocating and promoting productivity tools and practices among stakeholders. The NPCC also designs projects linked to productivity, innovation, creativity and leadership along with other concepts that bring in higher productivity.

National Leadership Engine

The National Leadership Engine project started taking shape in the financial year 2017-2018. It is an ambitious national project that aims at building leadership capabilities among youth in Mauritius at all levels. The overall aim of the project is to influence the youth of today to emerge as self-confident leaders in the Mauritius of the future, thus creating a new breed of leaders at all levels, who can operate seamlessly in the public and private sectors and civil society.



The first leg of the project was launched with a Training of Trainers programme during the financial year on 17 October 2018 at the Hennessy Park Hotel by the Minister of Financial Services and Good Governance, Hon Sudhir Sesungr. This training involved some 100 persons who were trained in different batches at the NPCC to become trainers in leadership. The trainers also included staff of the NPCC and Youth Officers from the Ministry of Youth and Sports who would disseminate their knowledge to young people in 11 Regional Youth Centres across the island. The training of trainers was conducted by Mr. Girish Nuckchady, the consultant and trainer for the project and Mr. Pete Paul Jones.



After the training of trainers, the training programme for some 500 youth was launched on 12 January 2019 at the Montagne Blanche Youth Centre. The training simultaneously started in 10 other Youth Centres across Mauritius: Bambous, Flacq, Floréal, Helvetia, Pamplémousses, Port Louis, Rivière du Rempart, Rose Belle, Souillac and Tréfles.



The training would span over a total of 12 weeks and would be delivered by the Youth Officers of the Ministry of Youth and Sports, NPCC staff and registered trainers. The participants, who were between the age of 18 and 35, were required to follow a six-week training including theory sessions followed by another six weeks during which they would work on a community-based project of their choice. By the end of the course, they would have to demonstrate their leadership skills by implementing the community-based project related to challenges such as illiteracy, unemployment, entrepreneurship, obesity, drug addiction, self-esteem, teenage pregnancy and poverty in teams. A total of 42 projects were implemented in the different Youth Centres.

The assessment of projects took place on 25 May in the different Youth Centres. A panel of three assessors was retained for each Youth Centre. The best projects were then selected for a national assessment that took place at the NPCC on 15 June at the NPCC. The 11 teams presented their projects to another panel of assessors, however the results were not revealed.

The National Leadership Engine is based on "The Leadership Brand" for Mauritius which was conceived in 2015 with the idea of building a reputation for the development of exceptional Mauritian leaders who possess a distinct set of talents in order to effectively meet the expectations of all stakeholders of the country. The Mauritian leadership brand is based on four differentiators namely Together, Innovating, Trusted and Excellence. A national convention is scheduled during the next financial year to reward the best projects and to inspire youth to be part of the National Leadership Engine.

InnovEd 2019



InnovEd 2019 was marked by a series of novelties, distinguishing itself from its previous editions. The project was launched in February 2019 with the concept "From Mind to Market" and encouraged participation from secondary school students under six themes namely, Interactive Media, Cultural Heritage, Performing Arts, Visual Arts and Craft, Design and Languages and Publishing.

The novelties introduced in InnovEd 2019 included the Innovation Clubs at school level, a MasterClass on Innovation in Education that was held in April and a CREATHon in which prototypes in the Innovation Clubs were selected to be developed into potential products/services with assistance from experts. In fact, during the CREATHon, the students and their facilitators had to improve their projects and prepare an 'Elevator' pitch to present within a limited timeframe. A total of 47 secondary schools participated in InnovEd 2019.



Masterclass on Innovation in Education

The MasterClass on Innovation in Education was held at the NPCC from 2 to 5 April 2019 and regrouped some 100 Education Officers who acted as facilitators for InnovEd projects in secondary institutions. The MasterClass was delivered by IBM through their Digital Nation Africa (D-NA) initiative which aims at enabling African citizens, entrepreneurs, and communities with the knowledge and tools to innovate, design, develop, and launch their own digital solutions. D-NA provides a free, self-paced learning and enablement platform that sparks innovation, and supports the new kinds of careers needed for a 21st century workforce in Africa.

The objective of the MasterClass was to provide higher level training to the facilitators, who would in turn disseminate their learning to the groups of students working on their projects to be presented at the end of InnovED 2019.

Innovation Clubs

A total of 16 Innovation Clubs were set up and managed by the secondary schools. The NPCC provided an online training to the clubs. The Innovation Clubs served as a thinktank on creativity and innovation while at the same time provided a framework for students to develop their skills in creativity and innovation.

Project assessments

The teams presented their projects under the six categories to a panel of assessors at the NPCC in June 2019. The presentations were held from 17 to 20 June and 31 projects were selected for the CREATHon.

CREATHon

The 31 selected projects were subsequently submitted in the CREATHon by the teams in the form of prototypes through their Innovation Clubs on 27 June 2019 at the MGI School of Fine Arts. The prototypes were further improved by experts in a CREATHon. The CREATHon was a full day event where the experts assisted each team to further develop the prototypes into potential products or services. At the end of the CREATHon, the assessors selected the winning teams that would be announced at the Award Ceremony in July 2019.

INNOVATION, ADVOCACY AND ENTREPRENEURSHIP

Mobile Literacy Initiative For Women

A group of 11 women comprising micro-entrepreneurs and members of Non-Governmental Organisation (NGO) Caritas from the Triolet region followed a course on Mobile Literacy offered by the NPCC in November 2018. The women were exposed to the latest trends in mobile application usage and how they use productivity tools in mobile technology to boost their activities. The course aimed to help these women discover how mobile technology can help them better shape their businesses by using time saving techniques and ways and means to popularize their products and services. These women were engaged in an agricultural project in which they produced vegetables and sold them to nearby hotels and restaurants.



Advocacy on Productivity

A campaign on TV and radio was run from August 2018 and January 2019 to promote productive practices among local organisations and the general public. A Memorandum of Understanding was signed between the NPCC and the Mauritius Broadcasting Corporation (MBC) for the production and broadcast of 15 clips. The clips were aired during prime time on MBC channels. The clips aimed at showing the NPCC's contribution in the productivity journey of local organisations and how tools and practices to enhance productivity and competitiveness have helped those organisations in delivering better performance and results.

Along with the short TV clips, a daily campaign on productivity through radio spots was also launched on two radio stations, namely Radio Plus and Top FM.

The radio spots provided daily productivity tips to listeners and helped them organise their activities at their workplace. The national audiovisual campaign was in line with the NPCC's mandate to inculcate new values and attitudes in the country regarding productivity, quality and competitiveness.





PRODUCTIVITY MULTIPLYING

PRODUCTIVITY AND COMPETITIVENESS LEARNING CENTRE

The NPCC delivers high-quality and increasingly sought-after training solutions to corporates, small and medium enterprises, students and the general public. During the financial year, the unit conducted more than 15 courses that aimed at promoting the concept of productivity, quality and leadership among different target groups. The NPCC also calls on foreign experts to deliver training to stakeholders in Mauritius.

Train-the-Trainer

The Train the Trainer course was held on 10 and 11 July 2018 and targeted female social workers registered at the Mauritius Council of Social Service (MACOSS). Some 40 women attended the course which helped them gain an insight into the techniques and skills needed to train other women. The programme aimed at determining their needs so that they can perform their tasks with effectiveness and efficiency.

Another Train the Trainer course was held on 29 and 30 April 2019 and targeted participants from the public. This session was attended by 23 participants. A third session held on 9 and 15 May was delivered exclusively for the staff of the Central Electricity Board (CEB). A total of 25 staff attended the course.

Go Export Programme

The NPCC delivered training on Finance and International pricing to local SMEs in the context of the GO Export programme. This programme, conceptualised by ex-Enterprise Mauritius, aimed at upgrading the export capabilities of local companies mainly SMEs through customised export readiness programme. The training sessions took place on 18 and 25 July, 1, 8 and 22 August and 5 September 2018 and about 50 participants attended each session. The training allowed the participants to learn finance related solutions to gauge the performance of their activities and how to calculate the prices of their products for the export markets.

Customer Service

50 Postal Officers of Mauritius Post Ltd followed the course on Customer Service in two batches on 24 and 25 July and 3 and 4 October 2018. The course on customer service provided the participants a better understanding of client needs and how to deliver better services as well as values to end customers. The Postal Officers learned how to develop and maintain a positive attitude, show extra attentiveness to customers, develop customer friendly attitude and deal effectively with customer complaints and problems.

Today's Teens Tomorrow's Leaders

Vulnerable children registered at the National Empowerment Foundation (NEF) participated in the Today's Teens Tomorrow's Leaders course from 16 to 20 July 2018. The participants who were secondary students were exposed to team building exercises. The course was designed to inculcate a culture of leadership among students and teach them how to work in teams. The course aimed at honing their leadership skills and empower them to work more effectively in teams. Some 125 students followed the course over five days.

Another Today's Teens Tomorrow's Leaders session was held on 29 and 30 November 2018. 31 secondary students between the ages 15 and 18 attended the course. The training also helped to build their confidence.

Design Thinking

The course on Design Thinking was held on 22 and 23 August 2018 and targeted managers, coordinators as well as officers from the public and private sectors. The Design Thinking course aimed at exposing participants to use elements like empathy and experimentation to come up with innovative solutions that can positively impact their operations. The bottom line was to show them how critical thinking and applying the best practices help in delivering results. Some 15 participants attended this course.



Building and Sustaining a Culture of Operational Excellence by Jayanth Murthy



The workshop on Building and Sustaining a Culture of Operational Excellence, led by Mr. Jayanth Murthy from the Kaizen Institute, was held on 13 September at the Voilà Bagatelle Hotel. The workshop was attended by 100 representatives from both the public and private sectors and introduced the building blocks of the Kaizen Change Model (KCM) which cuts across industries, size and sectors. The elements and relevance of the KCM help organisations develop a sustainable high performance organisational culture. The participants deliberated on how to achieve operational excellence, one of the most important contributors to an organisation's sustainable performance and growth.

Plug your Brain

The Plug your Brain course was attended by 31 students between the ages of 11 and 14 on 22 and 23 November 2018. The course was designed to foster a culture of innovation among them. The participants also learned how to think both creatively and analytically in order to solve problems efficiently. The Plug your Brain course would ultimately help the students develop their employability skills by providing them with the tools, skills and confidence to serve their present and future needs.

A one-day Plug your Brain course was delivered on 19 November for 41 Grade 5 Students from Rodrigues who were on an educational tour in Mauritius.



Design Thinking and 3D Printing

Two batches of students followed the Design Thinking and 3D Printing course on 28 and 29 November and 5 and 6 December 2018. The first batch of total of 51 students between 8 and 12 years followed the course on 'Tinkercad', an easy-to-use 3D design tool. The second batch of 53 students followed the course on 'Sketch Up', another 3D design software. The course helped the students hone their thinking aptitudes and come up with the most appropriate solutions to issues that they identified. The course was delivered at the CITS Lab of the University of Mauritius.



Leadership and Communication course in Rodrigues



The NPCC delivered a course on Leadership and Communication to 195 women in Rodrigues on 14 and 15 December 2018 at the Lecture Theater of the AP Human Resource Development Centre and the Family Integrated Centre Malabar. The course aimed at honing their leadership skills, effective communications and their ability to work in teams. Following the success of the training, the commission for vocational training in Rodrigues expressed their wish to extend the training in other localities.

PRODUCTIVITY AND COMPETITIVENESS LEARNING CENTRE

Creative Problem-Solving Techniques

The Creative Problem-Solving Techniques course was held on 12 and 13 February 2019 and was attended by 15 participants. They comprised mostly managers, consultants and supervisors from local private and public organisations. The course focused on the tools and techniques used in getting the right solution for a particular problem at work and helped the participants adopt a creative thinking process that helps to make the best decisions



Design Thinking at Poivre Corporate Services

A two-day session on Design Thinking was held at Poivre Corporate Services on 20 and 21 February 2019. The group comprised 19 employees from the company who followed the course over the two days. The course aimed at helping the participants improve their thinking patterns and made them work out sustainable solutions for the issues they face at work based on what future customers really want instead of relying only on historical data.

Total Quality Management

The course on Total Quality Management took place on 26 and 27 March 2019 and targeted engineers, middle managers and supervisors. The course focused on the notion of Total Quality Management for participants to set up quality improvement initiatives and continuous business improvement. The training was targeted towards middle management and staff, managers and entrepreneurs and was attended by 32 participants.



Training on Entrepreneurship at the Open University of Mauritius



Some 25 students from the Open University of Mauritius attended a course on Entrepreneurship at the seat of the university in Réduit on 12 April 2019. The course focused on the aptitudes required to undertake an economic activity as an entrepreneur and provide the participants with an idea how they can develop their projects to become entrepreneurs.

Innovation through Design Thinking



The course on Innovation through Design Thinking was held on 3 and 4 June at the Voilà Bagatelle Hotel and led by Ms. Grace Tan, training, facilitation, coaching and consulting expert from Singapore. Ms. Tan was in Mauritius as a member of the jury panel for the National Productivity and Quality Convention (NPQC 2019) in May 2018. The course enabled the participants to move from the conventional problem-solving practices to one focused deeply on the human process that taps into attitudes often overlooked. Some 25 participants attended the course.

Rodrigues

Training on Productivity in Rodrigues

The NPCC trained some 300 entrepreneurs in Rodrigues, comprising of fishermen, farmers and craftsmen from 8 to 10 August 2018. They were introduced to basic productivity and quality tools and techniques, proper organisation of their workspace, effective communications skills and finance management. The training also provided them with an understanding of the crucial need for higher productivity and competitiveness amid the constant workplace evolution. The objective of the training was to hone their workplace skills and enhance productivity and quality in their activities. The launching of the course took place at the Women and Family Centre at English Bay on 8 August 2018.

Today's Teens Tomorrow's Leaders

A Today's Teens Tomorrow's Leaders session was held on 29 and 30 November 2018. 31 secondary students between the ages 15 and 18 attended the course. The training also helped to build their confidence.

Training on Gemba Kaizen in Rodrigues

The course on Gemba Kaizen took place on 12 and 13 April 2019 in Rodrigues and was attended by some 35 employees of the Commission for Training in Rodrigues.







TRANSPOSE PROJECT



CORPORATE SERVICES

THE TEAM

The total number of staff at 30th June 2019 was 31 including one staff on study leave without pay. 23 staff were on establishment including one Head Driver Messenger/Office Attendant, one Driver Messenger/Office Attendant and two General/Handy Workers and one Support staff.

Mr Bilal Oozeer proceeded on study leave without pay from 25th February 2019 to 31st December 2019.

The following staff joined the NPCC on a contractual basis:

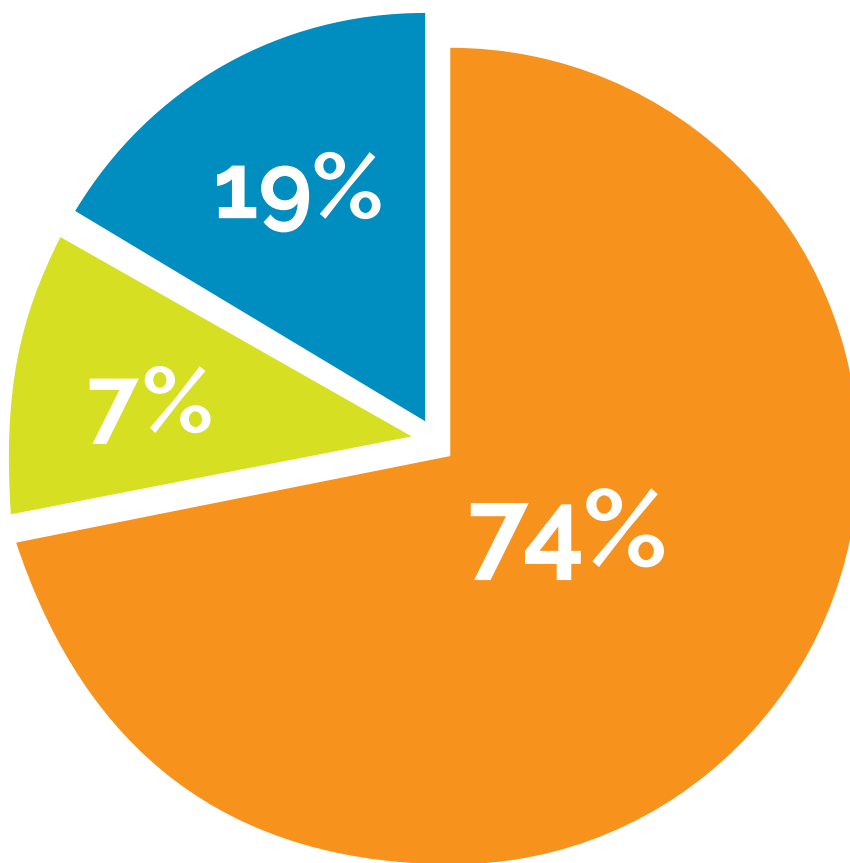
NAME	POST	DATE JOINED
Ashiv Mungur	Accounts Officer	30th July 2018

The total personnel strength at the end of the period under review was 31.

	NUMBER OF OFFICERS ON:			
Financial Year 2018-2019	Pensionable and Permanent Establishment (PPE)	Probation	Contract	Total
	23	6	2	31

NPCC STAFFING

Comparative Analysis of the percentage of officers on Permanent & Pensionable Establishment (PPE) and Contract is illustrated in the Pie Chart:



- Contract
- Probation
- Permanent and Pensionable Establishment

% of Officers on the PPE, Contract and Probation



CORPORATE SERVICES

CAPACITY BUILDING

During the period under review, NPCC staff have undergone training as follows:

- Mr Thierry Marechal, Innovation Creativity and Design Specialist and Ms Selvanaigee Parianen, Productivity Executive attended the Innovation.Com conference organized by Doracrea Training on 20th July 2018.
- Mr Avishay Ramduth, Productivity Executive attended the workshop on Experimental evaluation of an evacuated tube solar - Thermal Collector Model organised by the Mauritius Research Council on 17th August 2018.
- Mrs Padmini Busgeet, Productivity Executive attended the workshop on World Green Building Week 2018 organised by the Mauritius Research Council, in collaboration with Green Building Council Mauritius on 26th September 2018.
- Mrs Hemlata Ramsohok-Jomadard, Lead Research, Advisory and Knowledge Management attended a Strategic Prioritization Retreat in relation to the reform agenda and to strengthen coherence and coordination of the Government of Mauritius and the United Nations respective national program and the Sustainable Development Goals (SDGs) from 26 to 28 September 2018.
- Mr Deodass Appalswamy, Director Capacity, Corporate Services and Operations attended the Seminar on strengthening Governmental Credibility and Good Governance for Mauritius from 13th September 2018 to 02nd October 2018 in China.
- Mrs Vijayelaksmee Goorah, Lead Innovation, Advocacy and Entrepreneurship attended the workshop on the Grand Challenges for the Republic of Mauritius organized by the Mauritius Research Council on 09th October 2018.
- Mr Bilal Oozeer, Productivity Executive and Mrs Peggy Moonien, Research and Knowledge Management Executive attended the observational visit hosted by the Ministry of Economy Trade and Industry (METI) and the Japan Productivity Centre (JPC) from 22nd October 2018 to 02nd November 2018 in Japan.
- Mrs Vijayelaksmee Goorah, Lead Innovation, Advocacy and Entrepreneurship attended the workshop on The role of Intellectual Property and Innovation in the ICT sector organized by The Mauritius Research Council on 25th October 2018.
- Mr Thierry Marechal, Innovation, Creativity and Design Specialist attended the workshop on the role of Intellectual Property and Innovation in the ICT sector organized by the Mauritius Research Council on 25th October 2018.
- Mrs Vijayelaksmee Goorah, Lead Innovation, Advocacy and Entrepreneurship and Mr Thierry Marechal, Innovation, Creativity and Design Specialist attended the workshop on Assessing the factors influencing SME innovation in Mauritius organized by the Mauritius Research Council on 04 December 2018.
- Mrs Vijayelaksmee Goorah, Lead Innovation, Advocacy and Entrepreneurship attended a workshop on Train The Trainer – Coaching and Mentoring Skills organized by the Civil Service College from 21st to 23rd March 2019.
- Mr Sameer Baneer, Driver Messenger Office Attendant and Mrs Christel Moorghen, General/Handy Worker attended the workshop on Essential Skills for Non-Clerical Staff by Softskills Ltd on 17th June 2019.



INTERNETWORKING



INTERNATIONAL NETWORKING

During the financial year, the NPCC has been a member of the following boards/committees/organisations: -

- The NPCC is a member of the Pan African Productivity Association (PAPA).
- The NPCC is the 14th Member of the International Convention on Quality Control Circle.
- The Executive Director attended the Zambia Kaizen Conference as guest speaker and one of the International Speakers in Lusaka, Zambia from 20th to 22nd February 2019.



Networking is not about just connecting people. It's about connecting people with people, people with ideas, and people with opportunities

Michele Jennae





GREEN FIELD DATA



GENDER MAINSTREAMING

The NPCC has been highly attentive towards the gender equilibrium throughout the year 2018-2019, with a number of initiatives and projects geared towards more inclusiveness and better participation of every citizen in the socioeconomic development of the country.

Right from formal training to coaching on topics that bring in more productivity in the activities of women, the NPCC has been at the forefront to ensure that the projects are sustainable and have the potential to inspire an increasing number of inhabitants.

For instance, a group of 11 women followed a course on Mobile Literacy offered by the NPCC in November 2018. These women were housewives and micro-entrepreneurs and members of Non-Governmental Organisation (NGO) Caritas from the Triolet region. They were exposed to the latest trends in mobile application usage and how they use productivity tools in mobile technology to boost their activities.

The National Leadership Engine (NLE) project, which has as objective to create a pipeline of leaders at all levels in Mauritius, also demonstrated a gender equilibrium. A total of 227 girls participated in this ambitious project which involved training and working on community-based projects across 11 Youth Centres of Mauritius.

The NPCC also delivered a course on Leadership and Communication to 195 women in Rodrigues on 14 and 15 December 2018 at the Lecture Theater of the AP Human Resource Development Centre and the Family Integrated Centre Malabar. The course aimed at honing their leadership skills, effective communications and their ability to work in teams. Following the success of the training, the commission for vocational training in Rodrigues had expressed their wish to extend the training in other localities.

It should also be noted that out of some 11 training sessions delivered by the NPCC in different areas such as Design Thinking, Total Quality Management and Creative Problem Solving, a total of 772 women participated in the various training programmes offered by the NPCC.



772 women
participated in various
training programmes
offered by NPCC





REPORT OF AD



REPORT OF THE DIRECTOR OF AUDIT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of the National Productivity and Competitiveness Council, which comprise the statement of financial position as at 30 June 2019, and the statement of financial performance, the statement of changes in equity, the statement of cash flows, the statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the National Productivity and Competitiveness Council as at 30 June 2019, and of its financial performance and its cash flows for year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the financial Statements' section of my report. I am independent of the National Productivity and Competitiveness Council in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of the most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the National Productivity and Competitiveness Council but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSASs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the National Productivity and Competitiveness Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the National Productivity and Competitiveness Council's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Productivity and Competitiveness Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Productivity and Competitiveness Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the National Productivity and Competitiveness Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with the governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with the governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT OF THE DIRECTOR OF AUDIT

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the National Productivity and Competitiveness Council's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibility

In addition to the responsibility to express an opinion of the financial statements described above, I am also responsible to report to the Board whether:

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- b. The Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- c. In my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- d. In my opinion, the National Productivity and Competitiveness Council has been applying its resources and carrying out its operations fairly and economically; and
- e. The provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

The National Productivity and Competitiveness Council has complied with the Statutory Bodies (Accounts and Audit) Act in so far as it relates to the accounts.

Based on my examination of the accounts of National Productivity and Competitiveness Council, nothing has come to my attention that indicates that:

- a. Any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- b. The council has not applied its resources and carried out its operations fairly and economically.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examination of the relevant records.



C. ROMOOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
Port-Louis

13 October 2020



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Statement of Financial Position

as at 30 June 2019

	NOTES	30 June 2019	30 June 2018 (Restated)
ASSETS			
Current assets		Rs	Rs
Cash and Cash Equivalents		11,833,703	19,743,844
Trade and Other Receivables	5	6,553,029	7,902,542
Held-to-Maturity Investments	17	9,000,000	4,000,000
Total current assets		27,386,732	31,646,386
Non-current assets			
Retirement Benefits Assets	18	-	-
Property, Plant and Equipment	6	3,899,387	4,003,984
Total non-current assets		3,899,387	4,003,984
Total assets		31,286,119	35,650,370
LIABILITIES			
Current liabilities			
Trade and Other Payables	7	4,014,970	4,165,210
Short Term Employee Benefits	8	2,081,064	2,243,646
Retirement Benefits Liability	18	3,680,356	5,046,526
Total current liabilities		9,776,390	11,455,382
Non Current liabilities			
Long Term Employee Benefits	9	13,342,102	13,123,474
Total liabilities		23,118,492	24,578,856
Net Assets		8,167,627	11,071,514
EQUITY			
General Fund	10	8,167,627	11,071,514

The Notes to the Accounts from pages 59 to 70 form part of the Financial Statements.

Mr S. Busgeeth
Chairman

Mr S. Chitbahal
Vice Chairman

Statement of Financial Performance for the year ended 30 June 2019

	NOTES	30 June 2019	30 June 2018
		Rs	Rs
Revenue			
Income	11	2,827,060	4,753,310
Government Grant	12	50,014,958	46,312,755
Other Income	13	384,623	472,403
Total Revenue		53,226,641	51,538,468
Expenses			
Staff costs	14	33,574,814	32,055,550
Administrative costs	15	9,093,907	10,058,495
Other expenses	16	13,461,991	5,687,233
Depreciation	6	1,262,559	1,113,714
Total Expenses		57,393,271	48,914,992
(Deficit) / Surplus for the year		(4,166,630)	2,623,476

Statement of Changes in Equity for the period ended 30 June 2019

	RESERVES Rs
As at 1 July 2017	14,601,758
Surplus for the year	2,623,476
Prior Year Adjustment -Retirement Benefit Obligation	(6,153,720)
As at 30 June 2018 - (Restated)	<u>11,071,514</u>
Deficit for the year ended 30 June 2019	(4,166,630)
Remeasurement Gain	1,262,743
As at 30 June 2019	<u><u>8,167,627</u></u>

Statement of Cash Flows

for the year ended 30 June 2019

	30 June 2019	30 June 2018 (Restated)
	Rs	Rs
A. Cash flow from operating activities		
Surplus for the year	(4,166,630)	2,623,476
Adjustments for non-cash movements		
Depreciation	1,262,559	1,113,714
Retirement Benefits obligations	(103,427)	508,566
Loss on disposal of Property, plant and equipment	27,342	-
Operating Surplus before working capital changes	(2,980,156)	4,245,756
Decrease / (Increase) in Receivables	630,817	(578,677)
Increase in Payables	624,502	1,575,167
Net cash flow from operating activities	(1,724,837)	5,242,246
B. Investing activities		
Purchase of Property, plant and equipment	(1,206,504)	(383,002)
Disposal of Property, plant and equipment	21,200	-
Investment in Fixed Deposit	(9,000,000)	-
Maturity of Fixed Deposit	4,000,000	1,000,000
	(6,185,304)	616,998
(Decrease) / Increase in cash and cash equivalents	(7,910,141)	5,859,244
Cash and cash equivalents at the beginning of the period	19,743,844	13,884,600
Cash and cash equivalents at the end of the period	11,833,703	19,743,844

Statement of Comparison of Budget and Actual amount for the year ended 30 June 2019

Details	Estimates	Revised Estimates	Financial Statements	Variation	Notes
	Rs	Rs	Rs	Rs	
Salaries and Allowances	29,930,000	27,578,032	28,132,537	1,797,463	19.1
Travelling & Transport	2,587,000	2,384,946	2,335,796	251,204	19.1
Overtime	60,000	60,852	65,493	(5,493)	
Staff Welfare	170,000	150,313	120,540	49,460	
Contribution to the N.S.F.	189,500	159,156	161,135	28,365	
Cost of Utilities	660,000	730,603	758,490	(98,490)	
Fuel & Oil - Vehicles	90,000	80,524	82,686	7,314	
Rental of Building	4,081,296	4,081,296	4,081,296	0	
Office Equipment	50,000	33,300	38,122	11,878	
Office Furniture	50,000	-	-	50,000	
Office Expenses	370,000	340,769	294,620	75,380	
Maintenance	140,000	122,927	146,770	(6,770)	
Publications and Stationery	335,000	342,619	205,867	129,133	19.2
Overseas Travel	900,000	779,923	347,218	552,782	19.3
Fees	2,730,000	2,755,157	2,425,916	304,084	19.4
Pensions	2,061,000	2,059,053	1,923,083	137,917	19.5
Gratuity	835,370	837,170	836,230	(860)	
Insurance - Vehicles	100,000	45,000	42,762	57,238	
Insurance - Equipment & Staff	600,000	626,705	680,940	(80,940)	
Acquisition of Non-Financial Assets	2,200,000	435,000	1,206,504	993,496	19.6
National Leadership Engine	6,999,000	6,999,000	3,715,885	3,283,115	19.7
Promotion, Communication & Sensitisation	1,630,000	1,442,534	2,267,388	(637,388)	19.8
Productivity and Competitiveness Learning Centre	1,400,000	887,126	741,040	658,960	19.9
Productivity and Quality Improvement Programmes	50,000	-	-	50,000	
Research Analysis	1,220,000	1,291,329	201,606	1,018,394	19.10
Productivity Alliance for Entrepreneurs	5,000	-	-	5,000	
Innovation	1,020,834	924,586	325,166	695,668	19.11
Productivity Programme in Rodrigues	150,000	218,650	157,065	(7,065)	
Networking	130,000	122,539	123,288	6,712	
Knowledge Centre	190,000	181,642	160,351	29,649	
National Productivity and Quality Convention	3,250,000	5,796,444	5,770,202	(2,520,202)	19.12
Re-engineering of NPCC	2,900,000	2,900,000	-	2,900,000	19.13
Total	67,084,000	64,367,195	57,347,996		

Statement showing Variances between Revised Estimates and Actual Expenditures for the year ended 30 June 2019

Details	Revised Estimates Rs	Financial Statements Rs	Variation Rs	Comments on variations above Rs 100,000
Salaries and Allowances	27,578,032	28,132,537	(554,505)	Increase in provision of sick and vacation leaves, not included in the Revised Estimates.
Travelling & Transport	2,384,946	2,335,796	49,150	
Overtime	60,852	65,493	(4,641)	
Staff Welfare	150,313	120,540	29,773	
Contribution to the N.S.F.	159,156	161,135	(1,979)	
Cost of Utilities	730,603	758,490	(27,887)	
Fuel & Oil - Vehicles	80,524	82,686	(2,162)	
Rental of Building	4,081,296	4,081,296	-	
Office Equipment	33,300	38,122	(4,822)	
Office Expenses	340,769	294,620	46,149	
Maintenance	122,927	146,770	(23,843)	
Publications and Stationery	342,619	205,867	136,752	Expenditure not incurred
Overseas Travel	779,923	347,218	432,705	Expenditure not incurred
Fees	2,755,157	2,425,916	329,241	Expenditure not incurred
Pensions	2,059,053	1,923,083	135,970	Adjustments for IPSAS in respect of pension.
Gratuity	837,170	836,230	940	
Insurance - Vehicles	45,000	42,762	2,238	
Insurance - Equipment & Staff	626,705	680,940	(54,235)	
Acquisition of Non-Financial Assets	435,000	1,206,504	(771,504)	Delay in acquisition of assets.
National Leadership Engine	6,999,000	3,715,885	3,283,115	National Leadership Engine Convention, initially scheduled for May 2019, reported to September 2019
Promotion, Communication & Sensitisation	1,442,534	2,267,388	(824,854)	Payment for MBC clip and radio campaign, recognised in 2018-2019
Productivity and Competitiveness Learning Centre	887,126	741,040	146,086	E-Learning project, scheduled to start during financial year 2018-2019, started in July 2019.
Research Analysis	1,291,329	201,606	1,089,723	Expenditure not incurred
Innovation	924,586	325,166	599,420	InnovEd award, scheduled for June 2019, was held in July 2019.
Productivity Programme in Rodrigues	218,650	157,065	61,585	
Networking	122,539	123,288	(749)	
Knowledge Centre	181,642	160,351	21,291	
National Productivity and Quality Convention	5,796,444	5,770,202	26,242	
Re-engineering of NPCC	2,900,000	-	2,900,000	Project was scheduled to start during financial year 2018-2019, finally started in August 2019
Total	64,367,195	57,347,996		

Notes for the Period Ended 30 June 2019

1. GENERAL INFORMATION

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the National Productivity and Competitiveness Council Act Number 9 of 1999 and came into operation in May 2000. The office of the NPCC is presently located at 3rd floor, Catalyst Building, Ebene, Cybercity.

The object of the Council is to stimulate and generate productivity and quality consciousness and drive the productivity and quality movement in all sectors of the economy with a view to raising national output and achieving sustained growth and international competitiveness. The Council therefore designed the implementation of actions based on four main strategic thrust as follows:

- Promotion of Productivity and Competitiveness Issues of National Interest
- Promotion of Innovation
- Improvement of Business Environment and Corporate Productivity
- Empowering people

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standard Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC).

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) of the International Accounting Standards Board (IASB) are applied.

Going Concern

The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis.

Estimates and Assumptions

The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The financial statements are presented in Mauritian Rupees.

Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with IPSAS requires the NPCC's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgement and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Standards issued but not yet effective

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSAS that have been issued but are not yet effective. The following relevant Standards and Interpretations were issued but not yet effective as at 30 June 2019.

- (a) IPSAS 40, Public Sector Combinations
- (b) IPSAS 41, Financial Instruments
- (c) IPSAS 42, Social Benefits

Notes for the Period Ended 30 June 2019 (continued)

3. Measurement Base

The accounting principles recognized as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements.

4. Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:

(a) Revenue Recognition

Income

Income is measured at the fair value of the consideration received and is derived mainly from training and consultancy services.

Government Grant

The revenue necessary to finance the expenditure of NPCC is derived from the National Assembly by means of the Annual Estimates and the corresponding Appropriation Act. Government recurrent grant is recognized to the extent that expenditure has been incurred.

(b) Trade and Other Receivables

Trade receivables do not carry any interest and are stated at their nominal value. The carrying amount of trade receivables is reduced when a trade receivable is uncollectible.

(c) Leased assets

NPCC does not have any finance leases.

(d) Foreign currency transactions

Transactions in foreign currencies are translated to Mauritian rupee at the exchange rate ruling at the date of transaction.

(e) Employee Entitlements

Employee entitlements to salaries, pension costs, and other benefits are recognized when they are earned. Employees are allowed to bank sick leaves not taken at the end of each calendar year up to a maximum of 110 days. The balance of bank sick leave is valued at the end of the financial year and is recognised as long term payables. Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year and is expensed to the Statement of Financial Performance. Furthermore, employees on a permanent and pensionable establishment are entitled to 11 casual leaves per annum and any unutilised leaves, up to a maximum of 3, is refunded.

Pension Plan

The Council makes provision for retirement benefits in respect of all employees who are on establishment under the Statutory Bodies Pension Act. Following amendments in same in December 2012, the NPCC operates two pension schemes, namely the Defined Benefits Scheme and the Defined Contribution Scheme. Both pension schemes are held and administered by the SICOM Ltd.

Defined Benefits Scheme

Under the Defined Benefits Scheme, the cost of providing the benefit is determined in accordance with an actuarial review. As at 30 June 2019, the number of employees under this scheme was 12. It is to be noted that only staff who joined before January 2013 are under this scheme.

The defined benefit pension plan for the Council is based on the report submitted by SICOM Ltd, as at 30 June 2019 "see note 18", in line with IPSAS 39, which is effective as from 1st January 2018.

Defined Contribution Scheme

Employees who joined NPCC as from 1st January 2013 are under the Defined Contribution Scheme. As at 30 June 2019, the number of employees under this scheme was 10.

Notes for the Period Ended 30 June 2019 (continued)

(f) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated in the Statement of Financial Position at cost less accumulated depreciation. PPE are depreciated (as outlined below) at rates estimated to recognise the consumption of economic benefits of the property, plant and equipment over their useful lives.

Depreciation

Depreciation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. A full year depreciation is provided in the year of purchase and no depreciation is charged in the year of disposal.

The estimated useful lives of property, plant and equipment are as follows:

Furniture Fixtures & Fittings	10 years
Office Equipment	6.67 years
Computer Equipment	4 years
Motor Vehicles	5 years

(g) Statement of Cash Flows

The Cash Flow Statement is prepared using the indirect method.

(h) Operating Lease Obligations

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Payments of rent made under operating leases are charged in the Statement of Financial Performance on a straight-line basis over the term of the lease.

NPCC renewed the operating lease with Laser Informatics Ltd, for office space at Catalyst Building, Ebene in May 2017 for a further period of three years. Operating lease payments for the year ended 30th June 2019 and 30 June 2018 were Rs 4,081,296. The monthly rental is presently Rs 340,108.

(i) Risk Management Policies

Financial risks

The NPCC, as a public sector entity, is not much exposed to financial risks.

Credit risk

In the normal course of business, NPCC incurs credit risk from trade accounts receivable. NPCC manages its exposure to credit risk by an effective debtors reporting system.

Interest rate risk

NPCC is not exposed to any interest rate risk on car loans to staff as it is government secured. The interest rate risk associated with car loans to staff is considered minimal.

Liquidity risk

This refers to the possibility of default by the Council to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow is managed regularly and actions taken accordingly.

(j) Employee Disclosure

As at 30 June 2019, NPCC had 31 full-time employees, including one staff on leave without pay.

(k) Key Management Personnel

NPCC is governed by a management with key personnel that, at 30 June 2019, included the Executive Director, the Director Capacity Development, Corporate Services and Operations and the Head Business Development and Consultancy who are responsible for operating the various activities of the organisation. The aggregate remunerations of key management personnel was Rs 8.1 M for the year ended 30th June 2019, which are all short term benefits.

Notes for the Period Ended 30 June 2019 (continued)

(l) Related Parties

For the purposes of these financial statements, parties which are considered to be related to the NPCC are other government ministries/ departments and parastatal bodies if they have the ability, directly or indirectly, to control the NPCC or exercise significant influence over the financial and operating decision making, or vice versa. Related parties may be individuals or other entities. There were no transactions conducted with related parties other than at arm's length.

(n) Held-to-Maturity Investments

Investments with fixed payments at maturity dates, that the Council has the positive intent and ability to hold to maturity are classified as held-to-maturity investments.

(m) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

5. TRADE AND OTHER RECEIVABLES

30 June 2019

30 June 2018

	Rs	Rs
Debtors	1,001,570	1,390,190
Prepayments	395,843	823,155
Other receivables	185,116	-
Deposits	1,063,324	1,063,324
Advances - Car loan granted by government to Staff	3,907,176	4,625,873
	6,553,029	7,902,542

Notes for the Period Ended 30 June 2019 (continued)

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture Fixtures & Fittings Rs	Office Equipment Rs	IT Equipment Rs	Motor Vehicles Rs	Total Rs
COST					
At 1 July 2018	4,551,147	1,155,934	2,758,352	1,400,000	9,865,433
Additions	116,985	620,519	469,000		1,206,504
Disposal / Write off	(73,393)	(164,683)	(98,854)		(336,930)
At 30 June 2019	4,594,739	1,611,770	3,128,498	1,400,000	10,735,007
DEPRECIATION					
At 1 July 2018	2,014,017	905,280	2,242,152	700,000	5,861,449
Charge for the year	459,474	152,335	370,750	280,000	1,262,559
Disposal / Write off	(32,463)	(157,071)	(98,854)		(288,388)
At 30 June 2019	2,441,028	900,544	2,514,048	980,000	6,835,620
NET BOOK VALUES					
At 30 June 2019	2,153,711	711,226	614,450	420,000	3,899,387
At 30 June 2018	2,537,130	250,654	516,200	700,000	4,003,984

7. TRADE & OTHER PAYABLES

	30 June 2019 Rs	30 June 2018 Rs
Trade payables	1,020,094	456,712
Grant received in advance	2,341,253	3,232,818
Other payables and accruals	653,623	475,680
	4,014,970	4,165,210

8. SHORT TERM EMPLOYEE BENEFITS

Short Term Car Loan – ‘see note 9 (a)’	997,536	1,196,672
Provision for Passage benefits - ‘see note 9(c)’	1,083,528	1,046,974
	2,081,064	2,243,646

Notes for the Period Ended 30 June 2019 (continued)

9. LONG TERM EMPLOYEE BENEFITS

	30 June 2019	30 June 2018
	Rs	Rs
Long Term Car Loan – ‘see note 9 (a)’	2,909,640	3,429,200
Provision for Leaves refund – ‘see note 9(b)’	10,332,462	9,594,274
Provision for Passage Benefits – ‘see note 9(c)’	100,000	100,000
	13,342,102	13,123,474

9. (a) Car loan - refundable by staff

	30 June 2019	30 June 2018
	Rs	Rs
Amount due	3,907,176	4,625,872
Deduct : Amount falling due within one year	(997,536)	(1,196,672)
Amount falling due after more than one year	2,909,640	3,429,200

9. (b) Provision for Leaves refund

At start of the period	9,594,274	9,095,536
Payment during the period	(430,500)	-
Provision for the period	1,168,688	498,738
At end of the period	10,332,432	9,594,274

9. (c) Provision for Passage Benefits

At start of the period	1,146,974	979,043
Payments during the period	(624,733)	(644,102)
Provision for the period	661,287	812,033
At end of the period	1,183,528	1,146,974
Deduct: Amount falling due within one year	1,083,528	1,046,974
Amount falling due after more than one year	100,000	100,000

Notes for the Period Ended 30 June 2019 (continued)

10. GENERAL FUND

	30 June 2019	30 June 2018 (Restated)
	Rs	Rs
Balance at start of year	11,071,514	14,601,758
(Deficit) / Surplus for the year	(4,166,630)	2,623,476
Prior year adjustment - retirement benefit obligation	-	(6,153,720)
Remeasurement gain	1,262,743	-
Balance at close of year	8,167,627	11,071,514

11. INCOME

Productivity and Competitiveness Learning Centre	1,503,460	1,349,700
Productivity Improvement Programme	1,323,600	3,403,610
	2,827,060	4,753,310

12. GOVERNMENT GRANT

Grant Received	49,200,000	46,865,512
Transfer from deferred grant	2,786,872	795,000
Less deferred capital grant	(1,971,914)	(1,347,757)
	50,014,958	46,312,755

13. OTHER INCOME

Interest received	301,116	167,003
Rental of conference room	-	4,000
Miscellaneous income	83,507	168,400
Grant from other Organisations	-	133,000
	384,623	472,403

Notes for the Period Ended 30 June 2019 (continued)

14. STAFF COSTS

	30 June 2019	30 June 2018
	Rs	Rs
Salaries and allowances	28,132,537	26,414,454
Travelling & Transport	2,335,796	2,264,829
Overtime	65,493	54,089
Staff Welfare	120,540	203,455
Contribution to the N.S.F.	161,135	154,154
Pensions	1,632,192	2,203,548
Family Protection Scheme	290,891	279,501
Gratuities	836,230	481,520
	33,574,814	32,055,550

15. ADMINISTRATIVE COSTS

Cost of utilities	758,490	670,550
Fuel & oil - vehicles	82,686	86,597
Rental of building	4,081,296	4,081,296
Office expenses	294,620	327,159
Maintenance	146,770	147,844
Publications and stationery	205,867	272,467
Overseas travel	347,218	663,140
Fees	2,425,916	3,128,758
Loss on disposal of assets	27,342	-
Insurance - vehicles	42,762	50,515
Insurance - staff & equipment	680,940	630,169
	9,093,907	10,058,495

16. OTHER EXPENSES

Training and consultancy	741,040	532,904
Promotion, communication & sensitisation	2,267,388	1,709,059
National Leadership Engine	3,715,885	353,420
Knowledge centre	160,351	149,242
International networking	123,288	187,539
Innovation	325,166	1,109,097
Productivity Improvement Programme in Rodrigues	157,065	356,387
Research and Analysis	201,606	1,195,238
Productivity and Quality Improvement Programme	-	85,935
National Productivity and Quality Convention	5,770,202	268,807
	13,461,991	5,687,233

Notes for the Period Ended 30 June 2019 (continued)

17. HELD-TO-MATURITY INVESTMENTS

	30 June 2019	30 June 2018
	Rs	Rs
Fixed term deposit held in Bank and Financial Institutions		
ABC Banking Corporation Ltd	9,000,000	-
Sicom Financial Services Ltd	-	4,000,000
	9,000,000	4,000,000

18. RETIREMENT BENEFIT OBLIGATIONS

	Year ending 30 June 2019	Year ending 30 June 2018 Restated
	Rs	Rs
Amounts recognised in statement of financial position at		
Defined benefit obligation	26,379,085	24,969,958
Fair value of plan assets	(22,698,729)	(19,923,432)
Liability recognised in balance sheet at end of year	3,680,356	5,046,526

Amounts recognised in income statement:

Service cost:		
Current service cost	1,308,103	1,309,061
Past service cost	0	0
(Employee contributions)	(583,594)	(584,816)
Fund Expenses	34,716	29,147
Net Interest expense/(income)	294,810	524,320
P&L Charge	1,054,035	1,277,712

Remeasurement:

Liability (gain)/loss	(1,610,431)	(3,270,593)
Assets (gain)/loss	347,688	(129,547)
Total Other Comprehensive Income (OCI) recognised	(1,262,743)	(3,400,140)

Total	(208,708)	(2,122,428)
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Movements in liability recognised in balance sheet:

At start of year	5,046,526	8,328,839
Amount recognised in P&L	1,054,035	1,277,712
(Actuarial reserves transferred in)	0	0
(Contributions paid by employer)	(1,157,462)	(1,159,885)
Amount recognised in OCI	(1,262,743)	(3,400,140)
At end of year	3,680,356	5,046,526

Actual return on plan assets:	1,110,644
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The plan is a defined benefit arrangement for the employees and it is wholly funded.

The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.

Notes for the Period Ended 30 June 2019 (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (Continued)

	Year ending 30 June 2019	Year ending 30 June 2018 Restated
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	24,969,958	25,205,555
Current service cost	1,308,103	1,309,061
Interest cost	1,747,897	1,764,389
(Benefits paid)	(36,442)	(38,454)
Liability (gain)/loss	(1,610,431)	(3,270,593)
Present value of obligation at end of period	<u>26,379,085</u>	<u>24,969,958</u>
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	19,923,432	16,876,716
Expected return on plan assets	1,453,087	1,240,069
Employer contributions	1,157,462	1,159,885
Employee Contributions	583,594	584,816
(Benefits paid + other outgo)	(71,158)	(67,601)
Asset gain/(loss)	(347,688)	129,547
Fair value of plan assets at end of period	<u>22,698,729</u>	<u>19,923,432</u>
Distribution of plan assets at end of period		
<i>Percentage of assets at end of year</i>	30 June 2019	30 Jun 2018
Government securities and cash	58.7%	59.5%
Loans	3.4%	3.7%
Local equities	13.1%	14.6%
Overseas bonds and equities	24.2%	21.6%
Property	0.6%	0.6%
Total	<u>100%</u>	<u>100%</u>
Additional disclosure on assets issued or used by the reporting entity		
<i>Percentage of assets at end of year</i>	30 June 2019	30 Jun 2018
	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

Notes for the Period Ended 30 June 2019 (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Components of the amount recognised in OCI

Year	30 June 2019	30 June 2018
Currency	Rs	Rs
Asset experience gain/(loss) during the period	(347,688)	129,547
Liability experience gain/(loss) during the period	1,610,431	3,270,593
	<u>1,262,743</u>	<u>3,400,140</u>
Sensitivity of Defined Benefit Obligation		
Increase due to 1% decrease in discount rate	5,536,593	
Decrease due to 1% Increase in discount rate	(4,345,607)	

The plan is exposed to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk.

The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Year ending 30 June 2019	Year ending 30 June 2018
Discount rate	7.00%	7.00%
Expected rate of return on plan assets	7.00%	7.00%
Future salary increases	4.50%	4.50%
Future pension increases	3.50%	3.50%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables	PA (90) Tables rated down by 2 years
Retirement age	As per Schedule II in the Statutory Bodies Pension Funds Act	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 4.3 M (increase by Rs 5.5 M) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs 3.1 M (decrease by Rs 2.6 M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.6 M (decrease by Rs 0.6 M) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

Notes for the Period Ended 30 June 2019 (continued)

19. Budget

Explanations on difference between the original Estimates and Actual Amounts

19.1	Provision for recruitment of staff not materialised.
19.2	Expenditure not incurred as certain reports not printed in the financial year.
19.3	Provision made for Mission abroad which did not materialise during the financial year.
19.4	Lower amount spent on capacity building for staff.
19.5	Adjustment in respect of IPSAS 39.
19.6	Official car not acquired.
19.7	Provision made for workshop by international speaker not held and Convention originally scheduled for June 2019 was held in September 2019.
19.8	Variations represents balance from 2017-2018 budget.
19.9	Delay in implementation of project and payment effected in 2019-2020.
19.10	Research project not implemented.
19.11	Project not carried out.
19.12	Two editions of National Productivity Award held in one financial year. Original provision was for only one edition.
19.13	Project started in 2019-2020





National Productivity and Competitiveness Council



National Productivity and Competitiveness Council
3rd Floor, The Catalyst
Silicon Avenue, Cybercity
Ebene 72201
Republic of Mauritius
T: (230) 467 7700 F: (230) 467 3838
E: npccmauritius@intnet.mu W: www.npccmauritius.org