



Ladies and gentlemen, it is a great pleasure to introduce today's workshop on best practices governance of state-owned enterprises and privatisation, a joint event delivered by the Organisation for Economic Co-Operation and Development – the OECD – and the Government of Mauritius's Regional Centre for Excellence.

The OECD collaborated on the Centre's launch of the Centre last year, and our involvement in this initiative seeks to achieve three things.

First, we want to make the lessons learned by our members in the path of their economic development, and the policy tools they use along the way, available to the African governments.

Many African nations are at the stage of their development where they are now interested in benefiting from the experience and adopting the approaches of OECD members, or at least using these as a reference point on their own economic journey.

Second, we want to engage with the region so that these tools and practices might be applied to local conditions and needs.

We recognise that our standards and best practices may need to be put into context to meet the needs of economies at a different stage of development.

Our involvement in the Regional Centre for Excellence is very much an exchange – we are here to learn from you as well, to hear about the needs of the region and to see where and how we can work with you to align local policy with OECD best practices and international norms.

Third, the OECD's business is foremost about fostering cooperation between countries. This is a necessary precondition for establishing and maintaining a level playing field, which is a clear priority for the region.

Our collaboration with the Regional Centre for Excellence is a platform to bring policymakers and regulators together to: strengthen patterns of collaboration; promote shared learning; and provide an opportunity to align policy approaches and meet shared challenges.

Today's topic on SOE governance and best practices in privatisation is an important one.

We know that privatisation can play an important role in stimulating capital market development. It can increase capitalisation, strengthen liquidity in markets, and encourage a shareholding culture within a market.

It also flows through to other government priorities, such as capital formation in support of wider economic growth, the attraction of foreign investment, and the funding of pension schemes.

It is also of renewed importance in the context of the COVID-19 pandemic across advanced and emerging economies, for two reasons.

First is that government support for businesses may take the form of equity injections, which could mean governments take on ownership stakes that were not planned and not aligned with their usual economic strategy. In this case resolution of business support as the crisis abates may mean privatisation of those stakes – and in the meantime the company will need to be managed as a State-Owned Enterprise.

Second is the support privatisation can bring to government revenue. Many governments are now turning their attention to the long-term costs of COVID-19, both in terms of lost output and additional cost of support programmes, which have in some cases been considerable. The strain on public finances in some countries has been considerable, and there may be countries who are beginning to consider privatisation in this context where they hadn't previously.

Whatever the policy goals of a privatisation, a successful process is not a foregone conclusion. It requires careful government planning, close engagement with stakeholders and consideration of the wider financial and economic contexts.

This is exactly what we will cover today. We will hear from my colleagues at the OECD on the practices and policy instruments available to governments. We will hear experiences and lessons learned in privatisation from emerging and middle-income countries that will be relevant to the regional context. And we will have the opportunity to hear from one another about local needs.

Let me conclude by thanking the Financial Services Commission of Mauritius, our hosts for today's event, and by thanking you all for joining us here today in the spirit of learning, exchange and cooperation between countries.