Interview: Salim Ismail, Chairman & CEO – Groupe SOCOTA, Mauritius



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Groupe Socota launched the Mauritius' first BioPark, Socota Phoenicia. The group's chairman and CEO discusses why investing in life sciences is the right business decision for both his company and Mauritius.

As a Madagascan conglomerate with no track record in life sciences, how did you make the decision to start investing in the sector through the creation of a BioPark, and why do it in Mauritius?

Socota Phoenicia is located on a site that was previously home to a high-range textile factory (Socota Textile Mills) that we transferred to Madagascar in 2009. This relocation took place in the context of Mauritius' remarkable development and economic transformation, which induced a migration of the nation's textiles and clothing industry. It was during this period that the objective of transforming the industrial site was born. Our inspiration for this property development originally came from the concept of "work, live and play" that was in vogue in California as well as a number of important European cities such as Barcelona, Stockholm and Amsterdam.

We started by creating a "centre of excellence" dedicated to start-ups geared toward sustainable development projects in the region. This cluster was accompanied by a private equity fund that is operational today.

The idea of establishing a second “centre of excellence” focused on R&D in biotechnologies resulted from the chance I had of meeting two visionary individuals who have demonstrated, through their pioneering work and the success of their enterprises, that the biotech sector is one of opportunity for the future of the Mauritian economy. These pioneers were Professor Ameenah Gurib Fakim, who has since become the first female President of Mauritius, and Jean-Louis Roule, CEO of CIDP (Centre International de Développement Pharmaceutiques), an international group headquartered in Mauritius since 2009 with subsidiaries in countries like India, Brazil and Singapore.

Another important factor behind our decision to invest in the sector is the fact that Mauritius is a democratic, stable nation endowed with strong institutions and with consistently high international rankings in terms of its business and investment environment. There are very good reasons to believe that Mauritius has all the necessary assets and resources to take up the challenge of evolving towards a service and knowledge economy with high value added and local innovation.

To develop the human resources required for a successful life sciences industry, the government has created incentives for well-educated overseas Mauritians to return to Mauritius, but what more should be done to solve this problem?

The main challenge that I see is that of institutionalizing an effective dialogue between enterprises and our various institutes of higher education. The objective of this dialogue process should be to match education and research programs with business and investor needs in terms of competences and expertise. The dialogue should also aim to facilitate the development of a domestic ecosystem supportive of creative and innovative activity.

To briefly come back to the incentives you mention for overseas Mauritians. There is no doubt that the diaspora is a powerful asset to build on. Thinking further, it is important to understand that the innovation landscape in the world today is increasingly characterized by global networks. Participating in these public and private innovation networks, by engaging for example in international partnerships, will contribute to the development of our human resources for life sciences and other knowledge industries.

Socota Phoenicia is Mauritius’ first international centre for life sciences and represents a new economic pillar for the country. Was it difficult to set up Socota Phoenicia in the beginning?

There are many property development initiatives in Mauritius. The main challenge in the transformation of our Socota Phoenicia site has been to get the concept right and offer a

differentiated product. In order to achieve this, we have adhered to a couple of guiding principles.

The first principle is sustainability. We have tried to fully integrate the property with its beautiful natural surroundings at the base of Candos Hill. We have also opted for contemporary architecture while preserving certain steel and glass structures from the textile factory. This creates a link between Socota's industrial success in Mauritius and the future. The site is powered by solar energy and is equipped with rainwater harvesting and wastewater treatment systems.

The second related principle is an on-site environment that combines wellbeing with work efficiency. This includes considerations such as building safety, fiber optic connectivity and ease of access. Moreover, the built area is on a one-to-five ratio with green space. As with every property development project of this nature in a context of oversupply, there was a concern that the space could take a while to rent. Thankfully, Socota Phoenicia quickly became known as a good location and BioPark Mauritius considerably enhanced the attractiveness of the site.

How did you decide on the location for Socota Phoenicia, and why is there such an emphasis on the aesthetics of the facility?

Beyond the reasons that I have just described, this area of Mauritius has become one of the most dynamic hubs of economic and social development in the country since we first acquired the site 30 years ago to establish our textile complex. Located between the city of Quatre Bornes to the west and the SODNAC residential district to the north, Socota Phoenicia is both conceptualized and perfectly positioned to become a model within the context of the "smart city" project that the Mauritian government has recently launched.

What sort of projects are in the pipeline for Groupe Socota Phoenicia? Will there be a shift from existing areas of focus like textiles and clothing, seafood and agriculture to the newer biotechnology projects, or an investment fund, perhaps?

Groupe Socota's core mission is to be a diversified agro-industrial group. The investment we are directing at our Socota Phoenicia subsidiary aims to position the firm in a new channel of opportunities in the area of life sciences at a time when we want to increase our presence in the Mauritian economy.

It is important to bear in mind that we are deeply rooted in Madagascar, including through our agricultural activities, and we will be extremely attentive to the possible synergies that might exist between Madagascar's unique flora and biodiversity and the enterprises and ventures in BioPark Mauritius.

Socota is also expanding its textiles and clothing manufacturing divisions in Madagascar, going from 5,000 to 10,000 employees. What are your main goals for this project?

That is indeed our strategy with the objective of doubling the capacity of our manufacturing complex in Antsirabé by 2018. This expansion plan is underway and it implies the modernization of our plant and equipment as well as the upgrading of infrastructure. Our model has always been one of sustainable industrial development, which also means an energy transition towards biomass for our energy-intensive activities as well as continued efforts in water treatment and recycling.

A key element in the success of this expansion plan will be sustained and targeted investment in workforce development, especially local management. An in-house training centre has already been created with the aim of broadening and upgrading employee skills. We have also put in place a human resource policy across our garment and fabric divisions that seeks to identify and actively promote talented individuals, men and women, at each level of the firm.

Success will further hinge on product innovation, continued progress in our industrial know-how and the application of new technologies. For these reasons, skill development and human resource management will be at the heart of our mission for the coming months and years.

How will success for Group Socota and Socota Phoenicia be defined?

Group Socota has a rich history of over 80 years. I think that the distinctive nature of this history stems from a combination of factors.

First, the company has continuously demonstrated its capacity to adapt to the evolution of global markets and reinvent itself in response to political and regulatory shocks that have unfortunately been recurrent in Madagascar over the past years. This resilience and internationalization, in which our investment in Mauritius 30 years ago can be seen as a platform and even a springboard, have transformed Socota into one of the Indian Ocean’s major groups in textiles and clothing as well as agriculture, aquaculture and seafood distribution.

The second factor is a corporate culture guided by responsible leadership. Don’t forget that Madagascar has not been the developmental success that Mauritius is and remains one of the world’s poorest countries. Our investment in responsible social and environmental processes as well as community development has cultivated employee engagement and has become a factor of differentiation in positioning the company in value chains and world markets. So, to answer your question, I believe that success will be defined by our continued resilience, responsiveness to

challenges and opportunities, customer satisfaction and sustained responsibility.

I should add that after over a quarter of a century as President of Socota I am now nearing the end of my professional career. My priority has been to equip Groupe Socota with formal governance and ethical structures that will ensure the firm's sustainability in all circumstances. This governance is all the more important because, given its size, Groupe Socota will need to be run and administered by professional managers.

With regards Socota Phoenicia and BioPark Mauritius, why not have the vision of developing a Sophia Antipolis of the western Indian Ocean?

Can you share your experience as a successful business leader in the Indian Ocean?

Of course, it's incredibly rewarding and motivating when your hard work and success are acknowledged. But you also have to put things into perspective. The western Indian Ocean is small, so we are a big company in a small region although our products span the globe. We undertook the corporate reforms and strategic reorientations that were necessary at the right time and we have always held a long-term vision. This explains our growth.

We take pride in being labeled as a successful and leading business, because we can only grow when we have the trust of customers, the support of banks, and when Mauritius is happy to welcome us as investors. So, in that sense, it's true that we are a business leader in the Indian Ocean a leading enterprise in the Indian Ocean.

But deep inside, we're constantly anxious about the future of the company. We don't like to rest on our laurels. We understand that, at every step of our journey, the future and our plans for the future matter. You always have to know and question where you're heading and how, which is what we strive to do at Socota.

We ask our top managers to inspire respect for our historic values, and to share our humility, foresight and dedication to meritocracy.

If we had not come to Mauritius three decades ago, Socota would not be what it is today. We came from Madagascar during an extremely turbulent political and economic period that very negatively impacted on our domestic operations and prospects. This country did us good. As I mentioned earlier, it acted as something of a springboard in our corporate evolution. It would be a source of great personal and company pride to succeed in contributing to further extending Mauritius' international reach, especially in the new field of life sciences!

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