



**SIXTH NATIONAL ASSEMBLY**

**PARLIAMENTARY**

**DEBATES**

**(HANSARD)**

**FIRST SESSION**

**WEDNESDAY 03 AUGUST 2016**

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**BILL** (*Public*)

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**(Formed by the Rt. Hon. Sir Anerood Jugnauth, GCSK, KCMG, QC)**

Hon. Sir Anerood Jugnauth, GCSK, KCMG, QC	Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit
Hon. Charles Gaëtan Xavier-Luc Duval, GCSK	Deputy Prime Minister, Minister of Tourism and External Communications
Hon. Showkutally Soodhun, GCSK	Vice-Prime Minister, Minister of Housing and Lands
Hon. Ivan Leslie Collendavelloo, GCSK, SC	Vice-Prime Minister, Minister of Energy and Public Utilities
Hon. Pravind Kumar Jugnauth	Minister of Finance and Economic Development
Hon. Seetanah Lutchmeenaraidoo, GCSK	Minister of Foreign Affairs, Regional Integration and International Trade
Hon. Yogida Sawmynaden	Minister of Youth and Sports
Hon. Nandcoomar Bodha, GCSK	Minister of Public Infrastructure and Land Transport
Hon. Mrs Leela Devi Dookun-Luchoomun	Minister of Education and Human Resources, Tertiary Education and Scientific Research
Hon. Anil Kumarsingh Gayan, SC	Minister of Health and Quality of Life
Dr. the Hon. Mohammad Anwar Husnoo	Minister of Local Government
Hon. Prithvirajsing Roopun	Minister of Social Integration and Economic Empowerment
Hon. Marie Joseph Noël Etienne Ghislain Sinatambou	Minister of Technology, Communication and Innovation
Hon. Ravi Yerrigadoo	Attorney General
Hon. Mahen Kumar Seeruttun	Minister of Agro-Industry and Food Security
Hon. Santaram Baboo	Minister of Arts and Culture
Hon. Ashit Kumar Gungah	Minister of Industry, Commerce and Consumer Protection
Hon. Mrs Marie-Aurore Marie-Joyce Perraud	Minister of Gender Equality, Child Development and Family Welfare
Hon. Sudarshan Bhadain, GCSK	Minister of Financial Services, Good Governance and Institutional Reforms

Hon. Soomilduth Bholah	Minister of Business, Enterprise and Cooperatives
Hon. Mrs Fazila Jeewa-Daureeawoo	Minister of Social Security, National Solidarity and Reform Institutions
Hon. Premdut Koonjoo	Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands
Hon. Marie Roland Alain Wong Yen Cheong, MSK	Minister of Civil Service and Administrative Reforms, Minister of Environment, Sustainable Development and Disaster and Beach Management
Hon. Soodesh Satkam Callichurn	Minister of Labour, Industrial Relations, Employment and Training

**PRINCIPAL OFFICERS AND OFFICIALS**

Madam Speaker	Hanoomanjee, Hon. Mrs Santi Bai, GCSK
Deputy Speaker	Duval, Hon. Adrien Charles
Deputy Chairperson of Committees	Hurreeram, Hon. Mahendranuth Sharma
Clerk of the National Assembly	Lotun, Mrs Bibi Safeena
Deputy Clerk	Ramchurn, Ms Urmeelah Devi
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Serjeant-at-Arms	Pannoo, Mr Vinod

**MAURITIUS**

**Sixth National Assembly**

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**FIRST SESSION**

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**Debate No. 19 of 2016**

**Sitting of 03 August 2016**

**The Assembly met in the Assembly House, Port Louis at 11.30 a.m.**

**The National Anthem was played**

*(Madam Speaker in the Chair)*

**PAPERS LAID**

**The Prime Minister:** Madam Speaker, the Papers have been laid on the Table –

A. **Office of the Speaker** –

The Annual Report and Audited Accounts of the Independent Commission Against Corruption for the year ended 31 December 2015.

B. **Ministry of Tourism and External Communications** –

The Tourism Authority (Prohibited Zone for Motorised Crafts) (Mon Choisy) Regulations 2016. (Government Notice No. 148 of 2016)

C. **Ministry of Finance and Economic Development** –

- (a) The Excise (Amendment) Regulations 2016. (Government Notice No. 152 of 2016)
- (b) The Eastern and Southern African Trade and Development Bank (PTA Bank) Privileges and Immunities) (Amendment) Regulations 2016. (Government Notice No. 155 of 2016)
- (c) The Double Taxation Convention (India) (Amendment) Regulations 2016. (Government Notice No 156 of 2016)
- (d) The Professional Quantity Surveyors' (Code of Practice) Regulations 2016. (Government Notice No. 157 of 2016)

D. **Ministry of Local Government** –

The Local Government (Remuneration of Councillors) (Amendment) Regulations 2016. (Government Notice No. 150 of 2016)

E. **Ministry of Technology, Communication and Innovation** –

- (a) The Independent Broadcasting Authority (Amendment of Schedule) Regulations 2016. (Government Notice No. 153 of 2016)
- (b) The Independent Broadcasting Authority (Licence Fees) (Amendment) Regulations 2016. (Government Notice No. 154 of 2016)

F. **Ministry of Agro-Industry and Food Security** –

The Cane (Specification of Varieties) (Amendment) Regulations 2016. (Government Notice No. 149 of 2016)

G. **Ministry of Arts and Culture** –

The Annual Report of the Mauritius Telugu Cultural Centre Trust for the Financial Year January – December 2014.

**MOTION****SUSPENSION OF S.O. 10(2)**

**The Prime Minister:** Madam Speaker, I move that all the business on today's Order Paper be exempted from the provisions of paragraph (2) of Standing Order 10.

**The Deputy Prime Minister rose and seconded.**

*Question put and agreed to.*

**PUBLIC BILL**

*Second Reading*

**THE APPROPRIATION (2016-2017) BILL 2016 (No. XVII of 2016)**

*Order read for resuming adjourned debate on the Appropriation (2016-2017) Bill 2016 (No. XVII of 2016).*

*Question put and agreed to.*

**Madam Speaker:** Hon. Uteem!

(11.33 a.m. )

**Mr R. Uteem (First Member for Port Louis South & Port Louis Central):** Madam Speaker, just like the previous Budget presented last year, this Budget is also full of good intentions, full of promises, full of measures that are music to the ears.

This Budget has been applauded for its social measures and the hon. Chief Whip made sure that the Government gave a standing ovation at the end of the speech of the hon. Minister.

The hon. Minister of Finance and Economic Development has tried to touch the hearts of people by announcing a series of measures to eradicate poverty. He is introducing a new scheme effective from 01 December of this year under which every adult on the Social Register will be entitled to a monthly subsistence allowance based on a minimum threshold of Rs2,720 and a maximum threshold of Rs9,520. An amount of Rs500 m. has been earmarked for this measure. Now, how this measure will be implemented in practice remains to be seen, but, at least, it is a step in the right direction.

However, in implementing this measure, I would urge the Government not to limit itself to the net monthly income of families because there are many families, Madam Speaker, in this country who may be earning above this maximum threshold but they are so indebted that, at the end of the day, their disposable income fall well below poverty line. So, I would ask the hon. Minister of Finance and Economic Development, when implementing this Budget, to have some flexibility, to consider also on a case by case basis people who are maybe in relative poverty, but when we take into consideration all their debts, they become in absolute poverty and require also social benefits, social assistance.

The cash award for students who have achieved higher level education is also a welcome measure. But here again the hon. Minister must indicate whether, when he talked about students from poor families, he meant only students from families in absolute poverty or also families from relative poverty?

Madam Speaker, the hon. Minister of Finance and Economic Development was also not insensitive to the plea of the hon. Leader of the Opposition in favour of disabled persons which he made in his PNQ of 12 July of this year. He has removed an injustice with regard to the allocation of Basic Invalidity Pension to children. Henceforth, a child even below the age of 15 would be entitled to Basic Invalidity Pension. But I would urge the Government to go a step further and review the eligibility criteria which requires the beneficiary to have, at least, 60% incapacity. This is a very arbitrary figure, Madam Speaker, and many deserving disabled persons are left out because, according to the medical panel, they do not satisfy this 60% threshold. There should be some flexibility to grant the invalidity pension in deserving cases even where there is no consensus among doctors as to whether the person has 60% incapacity or not.

It is also unfortunate, Madam Speaker, that the hon. Minister of Finance and Economic Development did not correct another injustice with regard to Basic Invalidity Pension which is that only persons below the age of 60 are entitled to Basic Invalidity Pension. A disabled person, Madam Speaker, does not cease to be disabled when he reaches 60. Although he is entitled to a Basic Retirement Pension when he reaches 60, he still has special needs. At the very least, we should consider granting albeit a reduced Basic Invalidity Pension to these people as a top-up to their Basic Retirement Pension.

Madam Speaker, we also welcome the decision of the Government to increase the grant-in-aid to NGOs dealing with children with Special Education Needs. I am not sure if the amount earmarked is sufficient, but at least it is a good start.

Unfortunately, Madam Speaker, much remains to be done to ensure that Mauritius fully meets its obligations under the United Nations Convention on the Rights of Persons with Disabilities. Much remains to be done, and I quote -

“(...) to eliminate the physical, socioeconomic and cultural barriers that prevent the full inclusion of disabled persons in schools and in society.”

As observed by the Committee on the Rights of Persons with Disabilities in its report of September last year.

Madam Speaker, if we generally welcome the various measures announced in this Budget to fight poverty, we are far more sceptical when it comes to the decision of the Government to set up the National CSR Foundation, and, more importantly, the decision to compel businesses to contribute at least 50% of their CSR Fund this year to that Foundation and at least 75% of their CSR Fund to that Foundation as from next year.

In a way, the Government has gone from one extreme to the other.

You will recall, Madam Speaker, that last year, the then Minister of Finance and Economic Development, who is not present today, decided to remove all existing CSR guidelines thereby allowing companies to freely allocate their 2% CSR Fund as they thought fit.

Last year, we criticised that measure because we knew that there would be abuses and it would be harder for NGOs to benefit from CSR funds. Time, Madam Speaker, has, unfortunately, proven us right and there is absolute anarchy as regards the utilisation of CSR funds today.

It was high time, we agree, for Government to put some order. We need to have CSR guidelines. We need to have a register of NGOs who are eligible to receive CSR funds.

But what is proposed in this Budget, Madam Speaker, goes beyond that. Companies have now to give a substantial part of their CSR Fund to this National CSR Foundation and it is that Foundation which will decide how to allocate the funds.

What the Government is doing effectively, Madam Speaker, is to impose a CSR tax, a CSR tax of 1% this year and of, at least, 1.5% as from next year. What the Government is

doing, Madam Speaker, is it is going against the very rationale of what Corporate Social Responsibility is about.

Corporate Social Responsibility is meant to cause businesses to act in a way that is beneficial to society, beneficial to consumers, beneficial to the environment. It causes them –

- to think about non-business related issues;
- to think about welfare of others;
- to think about how their decision can make a difference to the life of others.

But now, this National CSR Foundation, I am afraid, will take over this crucial Corporate Social Responsibility function!

Madam Speaker, we already have provision in our Income Tax Act which provides that any unspent CSR funds will be remitted over to the MRA. We have absolutely no issue if the MRA were to remit those unpaid CSR funds to the National CSR Foundation. In fact, I, myself, suggested in a supplementary to a PQ, earlier this year that any unspent CSR funds collected by the MRA should be used for CSR purposes.

We would have no qualms, Madam Speaker, if companies were given the choice to freely decide what amount to put in that Foundation, but making it compulsorily for them to do so would surely put an end to most CSR initiatives of the private sector. I know that many groups have already set up their own Foundation. Many groups have already embarked on long-term projects such as the construction of social housing. We need to have flexibility to allow them to continue to implement those projects.

Therefore, I am urging the Government, Madam Speaker, to reconsider its decision about the compulsory contribution to the National CSR Foundation and instead reintroduce CSR guidelines which companies would be using in deciding how to spend their CSR funds.

And whilst we are still on the issue of poverty eradication, Madam Speaker, and since the hon. Minister of Finance and Economic Development has announced that this Budget is concretely launching the Marshall Plan, may I ask him to table a copy of the recommendations made by the UNDP Expert Team for the Marshall Plan?

I also hope that the hon. Minister of Finance and Economic Development, during his summing-up, would enlighten us as to whether he proposes to continue with the concept of *parrainage* which was so dear to the former Minister of Finance and Economic Development.

Madam Speaker, the hon. Minister of Finance and Economic Development also announced some measures to enhance the purchasing power of consumers. The Government is removing customs duty on a series of items. Fair enough! That will result in lower cost of living. But has the hon. Minister held discussions with his colleague, the hon. Minister of Business, Enterprise and Cooperatives? Has he held discussions with local SMEs which manufacture those very products for the local market? Has he assessed how such a decision will impact on the turnover of the local SMEs that manufacture garments, diapers and other items which have now become duty free?

Madam Speaker, among the popular measures, there is, of course, the decision to reduce the price of cooking gas which was way overdue since the crash in the price of gas on the world market and with the State Trading Corporation making billions of rupees in gains on the fall of the price. For months, in the Opposition, we have been calling for a reduction in the price of cooking gas, but as the Rt. hon. Prime Minister likes to say: 'better late than never'. So much for the social Budget!

Madam Speaker, the Budget is also an opportunity to reflect on the performance of the Government, an opportunity to analyse what measures that were announced last year were implemented, an opportunity to assess how effective those measures have been. And it comes as no surprise that the hon. Minister of Finance and Economic Development did not say a word about the economic performance of this Government since it was elected 20 months ago.

Fair enough! It has only been two months since the hon. Minister has resumed office and he was not in Cabinet for the better part of the financial year and, therefore, cannot be held responsible for the performance of the Government. But as the hon. Minister of Health and Quality of Life likes to say: 'Government is Government'. So, we could legitimately have expected the hon. Minister to defend '*le bilan du gouvernement*' après 20 mois. But not a word! Not a word either on the second economic miracle which was promised during the electoral campaign! And I state what one could read in the Electoral Manifesto –

« *Nous prenons le pari de réaliser un deuxième miracle économique.* »

A whole chunk of the Electoral Manifesto was devoted to « *façonner un deuxième miracle économique* », a pledge that was repeated in the Government Programme 2015-2019. For example, at paragraph 7, one can read –

“The ultimate aim is to shape a second socio-economic miracle in the interest of one and all.”

In August 2015, the Rt. hon. Prime Minister, while announcing his Vision 2030, stated, and I quote –

“As Prime Minister, I am not here to make promises. I am here to say to the Nation that the second economic miracle is well within our reach.”

20 months later, where is the second economic miracle? Unfortunately, Madam Speaker, promises...

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Uteem:** Unfortunately, Madam Speaker, promises have not been kept. Except for inflation, all economic indicators have actually deteriorated since this Government has assumed office.

Madam Speaker, you will recall last year, under...

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Uteem:** You will recall, last year under thunderous applause, the then hon. Minister of Finance and Economic Development announced for 2015-2016 GDP growth would go up to 5.3 per cent and for 2016-2017 it will go further up to 5.7 per cent. 5.3 per cent for 2015-2016, 5.7 per cent for 2016-2017. In his Vision 2030 Speech, the Rt. hon. Prime Minister stated, and I quote –

“Within our vision, we are targeting an average growth rate of 5.5 per cent annually as from 2017.”

Adding –

“I am confident that with the concerted effort of one and all, we shall achieve it.”

Promises! Promises, projections! Now the facts and I am grateful to the hon. Minister of Finance and Economic Development to have circulated a Supplement to the Budget Speech which has very interesting facts and figures and analysis on the state of the economy. And, we can read at page 3 of that Supplement to the Budget Speech –

“Mauritius continued to grow at a moderate rate of 3.0 per cent in 2015 due to weak external demand and protracted decline in the construction sector. In 2016, growth is expected to pick up to 3.9 per cent.”

These are the official figures that were deposited, 3.0 per cent in 2015, 3.9 per cent in 2016. 3.0 per cent instead of 5.3 per cent promised. That is almost 40 per cent below target, Madam Speaker! We are not talking about a 5.0 per cent, a 10 per cent missing target, we are talking about an under performance by 40 per cent on the projection of growth for last year. And, I am not the only one saying that; this is what is stated in the Supplementary Budget although the hon. Minister of Finance and Economic Development was a bit more generous. He stated that GDP growth for 2015-2016 would be 3.4 per cent and not 3.0 per cent as announced by Statistics Mauritius and 4.1 per cent for 2016-2017 and not 3.9 per cent as announced by Statistics Mauritius.

However much I would like to believe the hon. Minister of Finance and Economic Development, Madam Speaker, no one, no economist, no report from local bank, not even the Bank of Mauritius is expecting GDP growth to exceed 4.0 per cent. And, with the full effect of Brexit yet to be felt, with a downward revision of global growth by the International Monetary Fund, I am afraid that the 4.1 per cent growth is likely to be a mirage. Why am I so pessimistic, Madam Speaker, because of the figures provided by the hon. Minister of Finance and Economic Development himself? Everyone with a basic knowledge of economics knows that in order to achieve growth, we need investment.

At page 5 of the Supplement to the Budget, it is stated, and I quote, under the heading “Investment” –

“Investment rate has been trending downwards since 2009 to reach a low of 17.5 per cent in 2015. It is expected to increase to 17.9 per cent in 2016 due to higher public investment.”

So, even the projection is only a minimal increase in investment and every economist knows that in order to have sustainable growth, you need to, at least, have between 22 and 25 per cent investment rate in the country. There is not going to be even 1.0 per cent increase in investment following this Budget! Worst, Madam Speaker, when we analyse the ratio of private investment to GDP, it was only 12.7 per cent. Only 12.7 per cent in 2015! By way of comparison, it was 20.5 per cent in 2008.

According to Statistics Mauritius, in 2015, the private sector investment actually contracted by 7.3 per cent under this Government. What does that mean? The private sector is not investing or is not investing as much as it should and that is why the economy is not taking off. Yet, Madam Speaker, last year when the then hon. Minister of Finance and Economic Development spoke about Mauritius, he referred to it as being *un vaste chantier de développement*. He announced 13 megaprojects that would mobilise some Rs120 billion of private and foreign direct investment. Where are the 13 megaprojects? Where are the smart cities? The hon. Minister of Finance and Economic Development dedicated only one paragraph in his Budget at paragraph 180 and he states –

“Concerning the smart cities, three will start construction this year.”

That is the only reference about the megaprojects which were supposed to convert Mauritius into a *vaste chantier*! What happened to the billions of rupees which the Chinese and other investors were supposed to invest in Jin Fei, Riche Terre, in Domaine les Pailles? What happened to the billions of rupees which the Saudi Government and Dubai were supposed to invest?

The Rt. hon. Prime Minister, in his Vision 2030 Speech stated, and I quote - and that was in August last year –

“There are, right now, some 40 major private sector investment projects to the tune of 183 billion rupees, of which foreign direct investments represent 140 billion rupees.”

140 billion rupees worth of foreign direct investment announced by the Rt. hon. Prime Minister last year in August! Promises! Now, the facts, in 2015, foreign direct investment amounted to only Rs9.6 billion not Rs140 billion! Only Rs9.6 billion! By way of comparison, in 2014, FDI, according to figures in the Supplement, was Rs18.4 billion; year to year that represents a drop of almost 50 per cent in foreign direct investment; those are the results! Not the billions promised; 50 per cent reduction in foreign direct investment! So much for the private sector investment and foreign direct investment; these are beyond the control of Government. It is the private sector, the foreigners. What about the public sector investment? This is within the reach of Government. This is within the control of the Ministries of Government.

Madam Speaker, you will recall, last year, we, on this side of the House, criticised the then Minister of Finance and Economic Development for favouring recurrent expenditure at

the expense of Capital Budget. We stated that the budgeted amount of Rs12.6 billion was way too low to have any meaningful impact on economic growth. But, looking at the other document which has been circulated, Public Sector Investment Programme 2016-2017 to 2020-2021, the Government has not even been able to spend the budgeted capital expenditure. I will just take a few examples. If we turn to the National Development Unit, for example, the amount budgeted for land drainage, Rs900 m. were budgeted in the Estimates. Provisional actual, the amount actually spent is only Rs195 m. that represents only 20 per cent of funds that were earmarked for land drainage projects have been implemented by this Government.

The hon. Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands, under the item Upgrading Sea and Air Transportation and Other Infrastructure, Rs500 m. were earmarked. That was for the Agalega project. What is the actual amount spent? Rs7 m.! Not even 1.0 per cent of the amount earmarked for Agalega was spent!

When we come to wastewater management, again, Pailles, Guibies Sewerage Project which is dear to the people of Constituency No. 1, amount budgeted, Rs370 m. and amount spent is only Rs24 m. For the Plaines Wilhems Sewerage Project, the amount budgeted was Rs520 m. and the amount spent is only Rs330 m. In fact, for the total Environment Protection Project, from a budgeted amount of Rs12 billion, only Rs1 billion has been spent.

Construction of social housing - the hon. Vice-Prime Minister is not here; he is busy negotiating in Saudi Arabia. There was an amount of Rs1.1 billion earmarked for construction of social housing. Only Rs700 m. has been spent! The Rs400 m., which was meant to construct 1,225 houses under the Social Housing Project Batch III, has not been implemented. And the list is long!

But, Madam Speaker, the champion of champions, the champion of underspending goes to the Central Water Authority. Again, the hon. Vice-Prime Minister is not here to defend the performance of his Ministry and parastatals falling under his purview, but I will just give you some figures. The Central Water Authority was supposed to spend Rs2 billion in 2015/2016. How much did it end spending? Only Rs382 m.! Out of Rs2 billion earmarked, only Rs382 m., that is, CWA has spent only 20% of funds earmarked for 2015/2016. There is underspending everywhere; underspending on existing treatment plant, underspending in the construction of new treatment plant, underspending on pipe replacement

programme. Madam Speaker, not a cent on Rivière des Anguilles Dam - the hon. Members from Constituency No. 13 will appreciate - and nothing on upgrading of La Ferme Dam.

I only used these two examples, Madam Speaker, because last year, I specifically referred to these two projects and the hon. Vice-Prime Minister took strong exception to my comments. Unfortunately, time has proven how right I was and how wrong he was. So much so that, answering to a PNQ on 07 June 2016, even the hon. Minister of Finance had to concede that it is unacceptable that we are being late for a number of projects in the water supply sector. We are not spending, Madam Speaker. The money is there. There are billions of rupees in the Build Mauritius Fund for water pipe replacement, for water project, but the CWA is underspending. They promised 24/7 water supply. Today, they dare talk about raising the price of water. They dare talk about privatising the CWA. I am glad that, at least, the Budget is completely silent about increasing the price of water supply to customers, Madam Speaker. That would have indeed, Madam Speaker, added insult to injury.

Madam Speaker, the list of projects that were earmarked in 2016 but which were not materialised, is long and I do not propose to go through each one of them, but I would encourage each hon. Member to read carefully this Public Sector Investment Programme because it concerns projects in their constituencies and they will have to answer to their constituents why projects have not been implemented.

For example, I am sure the hon. Chief Whip would like to know why the Rs30 m. earmarked to set up a MITD Centre at Petit Bel Air, Mahebourg, has not been implemented. I am sure hon. Members from Constituency No. 9 would like to know why the synthetic track at Auguste Vollaire Stadium has not been upgraded. Just like I am sure that students and parents of students will eagerly await the speech of the hon. Minister of Education for her explanation as to the delay in the construction and upgrading of various primary schools and secondary schools which were supposed to be implemented in 2015/2016. I see, for example, that none of the gymnasiums promised last year has been constructed.

Madam Speaker, why am I laying emphasis on public sector investment? It is because we need public sector investment for economic growth. Last year, this was sacrificed. The reason why there was a cut in public spending was to reduce public sector debt. That was the rationale. You will recall, Madam Speaker, in his Budget of last year, the then hon. Minister of Finance, referring to the level of public sector debt in 2014, stated, and I quote –

“Public sector debt for the purpose of the statutory debt ceiling, increased to 54.2 per cent of GDP by end 2014. When measured, using IMF definition, (...)”

which is the real definition -

“(...) it has reached an alarming (...)”

That was the term used -

“(...) level of 61 per cent.”

Therefore, what he proposed was to reduce public sector debt to 58.6% of GDP when measured by the IMF standards. 61% in 2014 was alarming. So, he was cutting capital expenditure to reduce public debt to 58.6% of GDP. Unfortunately, Madam Speaker, once again, the Government has badly missed the target. Instead of a reduction in the public sector debt measured by IMF standard, it has, in fact, increased from 61% to 65% in 2015. I am not saying it; these are the figures that are published. Not down to 58.6%, but actually up to 65%. The hon. Minister of Finance has announced that for 2016/2017, it will be 62.8%; still way below the targeted 50%, still way below the situation when the Government took office.

Once again, Madam Speaker, we have to thank the Government of India for coming to our rescue by providing us financial support of USD353 m., that is, some Rs12.7 billion over the next four years. Without the Rs12.7 billion of grant, our public sector debt would have been significantly higher, and so would our budget deficit. So, we are grateful to the Government of India.

The hon. Minister of Finance has spelt out how he intends to use this grant of Rs12.7 billion. We do not have any issue, Madam Speaker, with money being used to finance Metro Express, to provide digital tablet, to construct new hospital, to construct social housing. But should we be using Rs2.7 billion to finance the construction of Heritage City? Is that the priority for the Government? We have spent hundreds of millions of rupees to refurbish this Government House, to refurbish this Parliament. This is a jewel of architectural design. It is very much part of our national heritage. Do we really need, today, to have a new Parliament House?

We know from the Public Sector Investment Programme that the Heritage City will cost Rs13.5 billion and will be financed partly through equity and loan. I am glad that the hon. Minister of Finance has cut down to size the Rs30 billion project announced by the Minister of Good Governance to Rs13.5 billion. But do we have all this money now to spend on this iconic project? Is it fair to burden our existing and future generation of Mauritians with more public debt to finance such a project?

Madam Speaker, wouldn't this Rs2.7 billion grant not being better spent in building more houses, in building more schools or in making more roads instead of being plunged into this prestigious project of Heritage City? Madam Speaker, we all know the timing for this grant. It coincided with the renegotiation of our Double Taxation Non Avoidance Treaty with India. A treaty that was - and I maintain - negotiated to our detriment. The full effect of the renegotiated treaty will only be felt after next year, after the grand fathering clause will cease to apply in 2017.

The rating agency Moody's estimates that the double taxation changes with India could curtail net financial flow by between 1% and 2% of GDP annually. The IMF, in its Staff Report for 2015, Article IV Consultation, stated, and I quote –

“Revision of the DTAA Treaty with India (...) could worsen Mauritius' balance of payments position, lead to exchange rate pressure, a weakening of reserves, and rising inflation and external debt servicing costs.”

Both Moody's and the IMF have also highlighted the risk to our banking system due to exposure of banks on movement of funds via Mauritius into India.

The hon. Minister of Finance and Economic Development has increased the budget for the Financial Services Promotion Agency. This is a welcome step, but this is not enough, Madam Speaker. We need a whole new game plan for this sector. We can no longer rely on taxation as the primary factor to induce companies to relocate to Mauritius, to induce companies to use Mauritius as a base for investment outside of Mauritius. Yet, this is precisely what the hon. Minister of Finance and Economic Development is doing when he is announcing tax holidays for companies who would set up their global headquarters in Mauritius or providing treasury management services, fund management services or legal services in Mauritius.

Surely, the hon. Minister of Finance and Economic Development is aware of the OECD/G20 Initiative to curtail Base Erosion and Profit Shifting. Providing tax holidays in Mauritius may well result in these companies not being taxed in Mauritius, but being taxed on the same income elsewhere. So, providing tax holidays, in itself, will not be enough, Madam Speaker. We need a whole package of fiscal and non-fiscal incentives to attract these businesses. We need to provide them an environment which will be conducive for their employees to relocate to Mauritius.

Madam Speaker, I have taken the time to go through the economic indicators to show that there has been a net - and I say it quite sadly - deterioration of the economic situation since the Government assumed office 20 months ago.

The former Minister of Finance and Economic Development stated in an interview last year that he does not believe in figures. Unfortunately, figures matter, Madam Speaker! Without economic growth, there is no prosperity. Without sustainable economic growth, there is no meaningful employment. Unemployment is a scourge. It represents a waste of resources at national level and an affliction at personal level.

According to figures provided in the supplement to the Budget Speech, unemployment rate was 7.9% in 2015, slightly up from 7.8% in 2014. But when we look at the composition, the profile of the unemployed, the unemployment rate is highest among women and young persons. For example, for the first quarter of 2016, according to figures in the supplement to the Budget Speech, 43% of jobseekers were aged between 16 and 24. We have an ageing population, Madam Speaker. And we will need increasingly to rely on our youth to support our pensioners. We simply can't afford to have such a high rate of unemployment amongst our youth. And we know that with globalisation, if we are unable to retain our youth, they would simply migrate, hoping for a better future elsewhere.

The hon. Minister of Finance and Economic Development has made an effort to keep them busy by encouraging them to undergo training programmes and by extending the Youth Employment Programme (YEP). But we all know, Madam Speaker, the rate of retention of young people once they have completed the 12 months placement under the YEP Scheme; it has never really worked.

In any event, all these training programmes, the YEP scheme, are only temporary measures and soon the youth, after a few months, will be back on the labour market. Unlike what some hon. Members would like us to believe, there is no magic recipe. There is no magic wand. If we want to stimulate growth, there is only one way; we need to have investment and we need growth to have employment.

So, let us see what the hon. Minister of Finance and Economic Development is proposing to stimulate the economy, to generate growth, to generate employment.

SME: Just like in last year's Budget, the Government is betting on entrepreneurs. "Fostering a wave of modern entrepreneurs" is the new slogan. Last year, it was "*Ile*

*Maurice, Nation D'entrepreneurs*"; the SME Bank. Rebranding exercise, to quote hon. Baloomoody! But what is interesting, last year, the slogan was "*Ile Maurice, Nation D'entrepreneurs*"; the SME Bank. The SME Bank! The SME Bank that was promised last year never materialised. Instead, we have had MauBank and the Government has already injected Rs3.1 billion in that MauBank. And during my intervention, Madam Speaker, on the Supplementary Bill, you will recall that I demonstrated how MauBank lamentably failed in its mission as an SME Bank. And I was not the only one saying so, even the hon. Minister of Business, Enterprise and Cooperatives expressed his frustration at the lack of funding provided by MauBank to the SME. SMEDA and MyBiz, which were supposed to be a one-stop shop to facilitate access to SME to finance, had, to date, not lived up to expectations to say the least, not to say that it has been a complete failure.

Madam Speaker, last year, the then hon. Minister of Finance and Economic Development announced that Rs10 billion were being earmarked for the SME Bank with Rs2 billion every year allocated to SME Bank to help stimulate the SME sector and, this year, in this Budget Speech, not a word about what is happening to that Rs10 billion fund. Will the Government continue to inject Rs2 billion in the SME sector this year? Not a word on that! Not a word also on MauBank which falls under the responsibility of the hon. Minister of Finance and Economic Development! Worse, Madam Speaker - I could never have imagined that I would live to hear that day – we are now told that the Development Bank of Mauritius will set up a dedicated fast track desk for *micro entreprises*. *Le Summum du ridicule!* This DBM Bank, which was on the brink of bankruptcy, a bank crumbling under non-performing debt, a bank which has laid off most of its experienced staff, that DBM bank will now be resuscitated and will now go and look after micro credit, despite the fact that we have put Rs3.1 billion in MauBank.

So, now we have to go back to DBM to save the SME sector! Is this how we are going to bring confidence to the SMEs?

*(Interruptions)*

Then again, Madam Speaker,...

*(Interruptions)*

...after announcing that DBM is going to look after micro projects, not a word in this Budget as to how much money will the hon. Minister put at the disposal of DBM to help those micro entrepreneurs.

Madam Speaker, a Government simply cannot be zigzagging like this! If we want SMEs to be the driver of the economy, which they should be, we need to be more serious about affording SMEs access to funding. Suspending the payment of trade fees for licences is a good measure, but it is not enough. Setting up a national SME incubator scheme is not a new idea. It has been tried by other Ministers of Finance with no or very limited success. What we really need, Madam Speaker, is for the Government, once and for all, to take a chance on SMEs, to take more risks on SMEs.

What we need is to provide them with funds; to provide them with funds where commercial banks are unwilling to provide them funds; to provide them funds whenever they have a viable project even if they do not have any collateral to give as guarantee. Only then will we be able to stimulate the SME sector. And, unfortunately, Madam Speaker, the hon. Minister of Finance and Economic Development is not telling us how much funds he will make available to the SMEs. Surely, it can't be just the Rs100 m. line of credit to provide factoring services!

Next, Madam Speaker, the hon. Minister of Finance and Economic Development is banking on the manufacturing sector.

You will recall, Madam Speaker, that in his Vision 2030 Speech, the Rt. hon. Prime Minister stated that the Government aims to increase the share of the manufacturing sector significantly to 25% of GDP within the next three years.

Today, Madam Speaker, thanks to the supplement to the Budget Speech, we know that the manufacturing sector only accounts for 15% of GDP, still the leading sector, but 15%. Having read the Budget Speech, I am afraid that there are no measures in this Budget which would lead me to believe that the manufacturing sector would be booming again, that the share of the manufacturing sector will increase from 15% to 25% of GDP as promised by the Rt. hon. Prime Minister last year.

The only new manufacturing base announced was the production of bicycles and motorcycles. And then, again, no figures were announced as to the amount of expected investment. Gold business and pharmaceutical industry are certainly no new concept. There

have been for years, I should say, entrepreneurs who manufacture gold and involve in the pharmaceutical sector. So, these are not new sectors.

As far as the mobile oil refinery and onshore storage facilities in Albion is concerned, already, Madam Speaker, there have been protests from local inhabitants and environment protection groups. I am afraid that this project may very well end up like the infamous CT Power Project.

But I need to commend the hon. Minister of Finance and Economic Development for his decision to introduce the Air Freight Rebate Scheme to allow 40% reduction in air freight cost to Europe on Air Mauritius. That will certainly help our manufacturing sector, our export sector.

But then, again, Madam Speaker, why limit it to only Europe? With Brexit, we all agree that we should diversify our market. So, why give the rebate only to those exporting to the European market? Why not extend it to other markets which we want to promote? And why just Air Mauritius? Has the hon. Minister of Finance and Economic Development considered the possibility of his decision being challenged in Court as being unfair competition by other carriers?

We know that Air Mauritius does not fly to all destinations. Why not extend this rebate to all or to other airlines, which service other destinations, which are not serviced by Air Mauritius?

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Uteem:** We want to stimulate...

*(Interruptions)*

**Madam Speaker:** Order, please!

**Mr Uteem:** We want to stimulate the export sector. Well, if we want to protect our national airline in breach of all our international...

**Madam Speaker:** Hon. Uteem, you don't have to reply to them! There needs to be order in the House! You address the Chair and continue with your speech!

**Mr Uteem:** Yes, Madam Speaker. If this measure was not meant to encourage export enterprises, but meant to protect Air Mauritius, then the hon. Minister of Finance and

Economic Development should have said so and face the consequence of breaching WTO Agreements.

Madam Speaker, the hon. Minister of Finance and Economic Development is also increasing capital expenditure in this Budget to Rs19 billion. We definitely need public sector investment to boost the economy. And I can only hope that this time we will spend the budgeted amount.

*Métro léger* is back on track, although now it is called 'Metro Express'. Which begs the question: why has the Government taken so long to come up with this project, which was already on the agenda of the-then MSM-MMM Government more than a decade ago?

Be that as it may, Madam Speaker, I am glad that after having sent a letter to the Indian Prime Minister during the electoral campaign warning India against the *Métro léger* project, the Government has today come back to its senses.

Let's move forward! Enough time has been lost. I only hope that the delay in implementing this Metro Express will not cost taxpayers more money.

Madam Speaker, I also note that the hon. Minister of Finance and Economic Development is going ahead with the Road Decongestion Programme parallel with the Metro Express. However, he has not set out all the projects which the hon. Minister of Public Infrastructure enumerated when he answered an earlier PQ. In particular, he has not mentioned what will happen to the Ring Road. And I hope, in his intervention, the hon. Minister of Public Infrastructure can shed more light as to what projects would be done under the Road Decongestion Programme, and, more importantly, how these projects would be financed because most of them are not covered in the supplement to the Budget.

Madam Speaker, if there is one decision which has been announced in this Budget and which I consider to be bold and daring, it is the decision of the hon. Minister of Finance and Economic Development to reform the public sector by merging various institutions. Bold and daring!

*Et c'est tout un symbole que cette annonce ait été faite alors que le ministre de tutelle brillait par son absence.*

*(Interruptions)*

Minister Wong was not here. It is a daring measure, Madam Speaker, because there is bound to be resistance from within. Indeed, such a measure will eliminate a lot of public bodies. So,

many *petits copains, petites copines* who have been appointed to various Boards as Chairperson or simply members will not be too happy with this decision. But only time will tell, Madam Speaker, if these daring measures would be implemented or would remain as wishful thinking.

Madam Speaker, there are a number of technical issues in implementing the proposed changes to Value Added Tax and Corporate Tax. I am not going to take the time of the House to go through these because I know that several accounting firms have already made representations to the Ministry of Finance and Economic Development. Suffice it to say that when we are making non-remittance of VAT, PAYE and other tax deduction at source, a criminal offence, we should ensure that there are clear and detailed provisions and guidelines to prevent any abuse by the Mauritius Revenue Authority and to ensure that innocents are not penalised.

Madam Speaker, I started my intervention by stating that this Budget is full of good intention and promises. But this Government will not be judged by what it says, it will be judged by what it does. This Government will not be judged by its intentions but by its deeds. This Government will not be judged by its promises but by its achievements. 20 months have gone by since this Government assumed office. Except for inflation, all economic indicators, unfortunately, are in the red, have deteriorated. Will this Budget reverse the trend? I really hope so for the sake of the nation. But I am, unfortunately, Madam Speaker, not convinced that the Budget has gone far enough to boost the economy. Only time will tell if this Government will live up to expectations. In the meantime, we would have lost 20 months.

Thank you.

**Madam Speaker:** Hon. Bhadain!

(12.26 p.m.)

**The Minister of Financial Services, Good Governance and Institutional Reforms (Mr S. Bhadain):** Madam Speaker, at the time the first Budget of this Government was presented, we were at the crossroads. Indeed, when this Government took office, GDP growth stood at 3.6% compared to 4.5% in 2010. Total investment as a percentage of GDP fell from 24.2% to 18.9% from 2010 to 2014. A similar trend followed in the savings rate as a percentage of GDP with a continuous plunge from 12.9% to 10.5% from 2010 to 2014.

These are also figures from Statistics Mauritius. The last cries of joy after the landslide victory in December 2014 had not yet subsided, that there was already a crisis of

expectations for this Government to deliver on cleaning up the country, restoring integrity, as well as reducing unemployment and building a stronger economy.

The pressure to deliver promptly increased exponentially over the months. In a democracy this is fair game, Madam Speaker. There is no room for complacency, no time to reply unjust criticisms; our results indeed will answer the critics.

Madam Speaker, since the announcement of this Budget, there has been renewed confidence, the feel-good factor is back. This Budget shows that with a sense of trust, discipline and hard work, we can overcome any situation which may have seemed unfavourable. It shows that we have learnt the hard lessons through the mistakes of others. The hon. Minister of Finance and Economic Development has put forward his positive plans. We are all united and we are working for the people!

Madam Speaker, let me first, wholeheartedly, congratulate the hon. Minister of Finance and Economic Development for his remarkable Budget. The choice of theme: “A New Era of Development” is clear. The measures he announced were essential to create the right ecosystem, to bring much awaited vibrancy and resilience to our economy.

The hon. Minister of Finance and Economic Development has left no stones unturned to introduce measures to stimulate economic growth, to kick-start major capital projects, to bring reforms; whilst at the same time committing unprecedented resources to alleviate poverty.

This type of Budget, Madam Speaker, is indeed very rare! It enhances credibility - credibility in terms of our motives, credibility in terms of the strength of Government’s economic management policies.

It is no surprise that ordinary voters when asked if they are better or worse off as a result of this Budget, have all answered positively. At the same time, Business Mauritius also praised the Budget and its CEO stated, and I quote –

*«(...) la discipline macro-économique est maintenue, avec un déficit budgétaire à 3.3% et une dette en baisse. La réforme se poursuit aussi au niveau des mesures annoncées pour la facilitation des affaires, qui, par répercussion, encourageront l’investissement privé, ce qui amènera croissance économique et création d’emploi»*

Madame Speaker, captains of the private sector and professional firms have been unanimous in concluding that the 2016-2017 Budget has enlarged space for wealth creation; it has empowered key sectors of our economy; it has provided for innovation and modernisation of infrastructure and working practices; it has reinforced social inclusiveness of vulnerable groups and, most importantly, it has introduced bold public sector reforms aimed at bringing efficiency in our public service. It is no wonder that Deloitte, BDO, KPMG, Ernst & Young have all been very positive in their 2016-2017 Budget highlights.

Madam Speaker, true it is, that if we did not have to face a major financial and social crisis, after the Bank of Mauritius revoked the licence of Bramer Bank with direct consequences of the insurance side, we could have achieved more in our first 18 months. An overwhelming amount of time, energy and resources have been spent in finding solutions for the victims of this BAI scandal.

Challenging decisions and swift actions were taken to firstly, prevent the prevailing economic situation from worsening and secondly, create the impetus to take economic indicators back into the green zone. If ever there was a contrived perception that the first Budget of this Government had politically limited its movement, this Budget now enhances the agility of this Government.

Madam Speaker, the path for redress has been paved, our economy is turbocharging in its next era of development. In two years' time, we will be celebrating the 50<sup>th</sup> anniversary of our Independence and our beloved country will be moving towards a high income economy, with excellent opportunities for our youth, in a new Mauritius, *où il fait bon vivre*. Madam Speaker, I will focus my intervention today on three aspects -

- (i) why this Budget will boost economic growth - *la relance de l'économie*;
- (ii) some of the key budgetary measures which will alleviate poverty, and
- (iii) the implementation of measures which are specific to my Ministry.

With regard to *la relance de l'économie*, Madam Speaker, much has been said by prophets of doom and gloom that this Budget is insufficient to achieve an economic growth rate of 4.1 per cent. Comparison has even been made with a prior announcement by the Bank of Mauritius to the effect that their foreseeable growth rate was 3.8 per cent for 2017. It is obvious that, in its forecast, the Bank of Mauritius did not and could not have anticipated all

the budgetary measures which have been announced by the hon. Minister of Finance and Economic Development, unless they had a crystal ball! Also, the 3.8 per cent mentioned by the BoM is based on a different time period, which is a calendar year basis, whilst this Budget has been prepared on a fiscal year basis. Would the BoM anticipated percentage growth rate for the year ending December 2017 have remained the same if it had taken into account everything which has been announced in this Budget? That is the question!

Moreover, the numerous measures announced by the hon. Minister of Finance and Economic Development will, in themselves, boost economic growth in the coming year, by making use of the spare capacity and the untapped potential currently prevailing in our economy. Of course, following that, the increasing flow of demand for goods and services will necessitate businesses to invest, make new investments which will then increase the potential output of the economy and further boost economic growth to the 4.1 per cent which has been announced in this Budget.

Madam Speaker, the measures announced to put people in jobs and reduce unemployment, of course, will boost consumption. It will boost consumption by creating a higher demand for goods and services which will in turn contribute to the growth of the economy.

Furthermore, can we realistically say that all the capital projects announced in this Budget will have no effect on the economy? In fact, 4.1 per cent has been announced for fiscal year 2016-2017, but these capital projects will boost economic growth to a very achievable 4.6 per cent for the fiscal year 2017-2018. This is also in the Budget! What about all the facilities which have been provided to boost FDI? What about the innovative measures to enhance the digital economy? What about all the measures to open up our economy? What about the 15 or so measures to implement the new vision of the financial services sector - Global Headquartering, Regional Treasury Management, Family Offices, Investment Banks, Global Law Firms, Assets and Funds management and it goes on and on? What about all these measures to boost the SMEs, the manufacturing sector, the construction industry? Have all of these fallen on deaf ears? *Il n'y a pas plus sourd que celui qui ne veut pas entendre*, Madam Speaker!

Madam Speaker, I shall elaborate on these key measures later on. Let us now come to the social measures. Not very much has been said about these, because I guess this is the part of the Budget which the Opposition referred to as being *intéressant*.

Poverty alleviation, Madam Speaker, is a central theme of this Budget and the measures proposed for an all-inclusive society are unprecedented. A small percentage of every generation seems to be stuck in a lifetime of disadvantage and amongst them are the excluded of the excluded, the deeply excluded. Their poverty is, not just about poverty of income, but poverty of aspiration, of opportunity, of prospects of advancement. This is absolute poverty!

Madam Speaker, I am proud to stand in this House, as a Member of a political alliance which has come up with a variety of measures to empower poor families in our country. 6,400 families living below the absolute poverty threshold will now see the light of day. The hon. Minister of Finance and Economic Development has to be commended for allocating Rs500 m. to these new schemes to eradicate absolute poverty. Every adult on the Social Register will be eligible to a monthly subsistence allowance based on a minimum threshold of Rs2,720 and a maximum of Rs9,520 for a family of two adults and three children. This will assist families to break away from the poverty cycle and stand on their own feet.

Similarly, the monthly grant under the Crèche Voucher Scheme increased from Rs1,500 to Rs2,000 per child will also assist these families. The cash awards of Rs25,000 and Rs35,000 provided will help students from these poor families to achieve higher levels of education. They pass both SC and HSC, Madam Speaker, they get Rs60,000. The 18 per cent reduction in the price of 12 kg gas cylinder from Rs330 to Rs270 is yet another testimony of Government's unflinching support, as vulnerable families will now have greater access to a basic necessity.

Families whose monthly household income do not exceed Rs15,000 and have borrowed from NHDC and Mauritius Housing Corporation will be entitled to a waiver of their arrears on interest. This will alleviate their financial burden and protect them from the trauma of 'Sale by Levy' experience.

On top of all of that, Madam Speaker, Rs1.1 billion has been provided for low income families to benefit from social housing. 1,900 units will be constructed on 16 different sites across the island.

Still it does not stop here, children under 15 years with disabilities, will now be entitled to 'Basic Invalidity Pension'. Rs100 m. will be spent for 3,130 such cases.

Such a package of measures for poor families in Mauritius is indeed unprecedented in our history, Madam Speaker. But this Budget is not confined only to social measures which alleviate the sufferings of ‘*ti dimounes*’; it also provides, as I said before, for strong measures ‘*pour la relance de l’économie*’.

Madam Speaker, every meeting in which I have participated, where the private sector in Mauritius has been called upon to let us know, what would they like us to do, to unlock the potential of their businesses and boost private sector investment, the unanimous answer has always been to improve business facilitation procedures and to reduce unnecessary bureaucratic procedures and red tapism.

Now, the hon. Member mentioned that private sector investment has fallen to 12.7% in 2015 as compared to 20% in 2008. Madam Speaker, let me say to this House that from 2010 to 2014, private investment fell from 18.3% to 14.1% of GDP. We can use figures in whatever way we want, but the truth is in the trend. If it was 20% in 2008, it was, of course, 18.3% in 2010, 14.1% in 2014 and 12.7% in 2015. That is the truth. And to take figures in a selective manner, to come and show that this Government in one year has pressed a switch on/off and disturbed the whole economic process is a huge stretch of imagination.

Ease of doing business, being one of the key drivers of investments, is a *sine qua non* condition to boost our level of economic activity. The measures announced by the hon. Minister with regard to business facilitation will undoubtedly tackle the cumbersome and highly onerous bureaucratic procedures in existence -

- The abolishment of the requirement for approval of the Executive Committee of a local authority and allowing for online applications for all area exceeding 150 square metres, will certainly expedite Building and Land Use permits and clearances.
- The enforcement of the Silent Agreement Principle with respect to necessary clearances being obtained where statutory deadlines for processing applications have lapsed will indeed provide a new impetus to the way businesses have been done so far.
- Non-citizens will be able to acquire apartments and business spaces in buildings after registration with the Board of Investment. This will further open our economy and provide a new momentum for job creation in our construction industry.

Madam Speaker, the proposed e-licensing platform to centralise applications for permits and licences will certainly contribute to growth. As is the case in the UK, Singapore and Australia amongst others, the introduction of the 'Regulatory Sandbox Licence' will speed up investments in innovative projects in Mauritius.

Madam Speaker, never before have such bold measures been taken to boost our Manufacturing and SME sector. As the hon. Minister of Finance and Economic Development has stated, the revamping of this sector starts with the fostering of a wave of modern entrepreneurs.

Indeed, the SME sector has been provided with incentives to flourish, namely: the suspension of trade fees for licences of Rs5,000 and below for a period of 3 years; start up enterprises registered with SMEDA will not pay taxes for 8 years; other enterprises registered with SMEDA will not pay taxes for 4 years; an injection of Rs150 m. in an SME Venture Capital Fund; reduction of interest rates under the SME Financing Scheme from 7.4% to 6% and a line of credit of Rs100 m. for factoring services to small businesses.

The introduction of the Leasing Equipment Modernisation Scheme (LEMS) together with the increase in tax credit from 5% to 15% over the three years, will further allow these businesses to invest in new equipment, thereby increasing their productivity and, of course, profitability.

As part of our industrial diversification strategy, three new niches have been identified namely, the construction of a near shore oil refinery with onshore storage facilities at Albion, the gold refinery and trading of gold and precious metals within the MINDEX project, and thirdly, the production of bicycles and motorcycles for the African market. These projects will certainly boost the manufacturing sector and create new job opportunities.

When it comes to making products accessible to markets, bid price-preference for 'Made in Moris' products increased from 10% to 20% in respect of the procurement exercise by public sector bodies and the reduction of 40% in air freight costs to Europe for textile and apparels over a two-year period will again boost the competitiveness of our Mauritian products, in particular, the manufacturing sector which I must again remind the House had fallen from 16% of GDP in 2010 to 14.4% of GDP in 2016.

Madam Speaker, the decision of the hon. Minister of Finance and Economic Development to invest the grant of Rs12.7 billion, which I negotiated with the Republic of India, in development priorities, shows his wisdom and foresight to bring the highest returns

both in terms of economic and social benefits. As he stated in his Budget Speech, and I quote

“(...) the money should be invested so that our children and their children as well can benefit”.

Indeed, Madam Speaker, the legacy of 10 years of Labour Government has left this country in such a state of indebtedness that borrowing for capital expenditure has become impossible without raising public debt beyond the limit we have committed ourselves vis-à-vis international organisations. And here, it is interesting to note that the hon. Member of the Opposition has been saying that we have to spend more, we have to increase the level of expenditure. But then, we must reduce debt. I mean, maybe he believes in a magic wand now.

Revamping our towns and villages requires a durable solution to traffic jams and better town and country planning. The previous Labour Government would have spent Rs24 billion on what they called a “*Métro Léger*” project, which seemed more like a “*Métro Lourd*” project, Madam Speaker, not only because of the excessive and abusive costs, but also the time wasted to conceptualise their project, with excessive elevations and stations which were not priorities and therefore, like the Labour Government, not required.

Madam Speaker, our “Metro Express” will be implemented at a much lower expenditure level than what the Labour regime had envisaged. The grant obtained from India will provide Rs7.2 billion to the “Metro Express” which will include a network of modern integrated urban terminals with appropriate provision made for parking facilities, ...

*(Interruptions)*

**Madam Speaker:** No interruptions!

**Mr Bhadain:** ... food courts, commercial spaces, dedicated hawker areas and green spaces.

With regard to Heritage City, Madam Speaker, need I say more! The hon. Leader of the Opposition had gone on record previously to say that this landmark project will not go ahead. Well, I must say, Madam Speaker, that he was not the only one to be skeptical, there are many others. Well, Madam Speaker, I can reassure all the doubters not only the project is going ahead fullsteam, but as stated by Government, it will be completed within the mandate of this Government. Rs2.7 billion has been allocated in the Budget for Phase I, which includes the public buildings, while the private side which includes the residential and commercial parts, termed generically as Phase II, will be undertaken by private developers.

*(Interruptions)*

**Madam Speaker:** No interruptions, please!

**Mr Bhadain:** But I must say, Madam Speaker, the forecasted investment in airport infrastructure is also crucial in Government's strategy to welcome more tourists and increase trade links. This includes the setting up of a new Integrated Government Clearance Centre in the Cargo village and a modern Control Tower at the cost of Rs770 m., the setting up of a Regional Aviation Training Academy with the help of the Chinese Government to serve the African and Indian Ocean Rim region, and also an investment of Rs425 m. by the CEB to set up a sub-station to cater for Cargo and Freeport power requirements.

Madam Speaker, there are so many positive measures in this Budget that enumerating them may indeed take a very long time. I will limit myself to the Rs316 m. for the construction of pavements, rehabilitation of hard shoulders, setting up of handrails, ....

*(Interruptions)*

**Madam Speaker:** I said no interruptions, please!

**Mr Bhadain:** ... restoring road markings and repairing lighting along our motorways. These were much needed to mitigate the rising number of road accidents, Madam Speaker, which has reached an unacceptable level.

The sizeable increases of 12% and 11% in the budgets allocated for both the Health and Education sectors are undoubtedly, testimony of Government's commitment to further improve our Welfare State for the benefit of our citizens.

I shall now, Madam Speaker, come to the budgetary measures with regard to my Ministry for the Ministry of Financial Services, Good Governance and Institutional Reforms. Madam Speaker, the vision of this Government is to develop Mauritius into an International Financial Centre of Excellence, along the same line with reputed and recognised financial centres like Singapore, Dubai and London.

The setting up of my Ministry, dedicated to Financial Services and linking Good Governance with Institutional Reforms is testimony of Government's unflinching commitment to take Mauritius forward to this end.

To achieve our vision, it is imperative that the appropriate fundamentals are in place. Such fundamentals include the creation of new opportunities and segments, as well as addressing impediments that have for a long time held back growth and potential of Mauritius as an IFC.

The state of affairs left by the former Government with regard to our financial services sector, was not rosy at all -

- two crucially important Double Tax Treaties, with South Africa and India, were jeopardized by never-ending discussions, spanning over four years and 10 years, respectively. The key aspects of these treaties, Madam Speaker, namely the residency requirements and the tax determination requirements had to be addressed. We had to align with our obligations towards the international community, including the European Union, the United Nations, the OECD and the G20 countries.
- the European Union had included Mauritius on a list of non-cooperative jurisdictions;
- the sector was stifled by pure treaty-centric activities and our operators were servicing clients who mostly needed back-office operations over year;
- our young professionals were condemned to the administrative work, at the expense of the high qualifications they held and the prospective career they were destined to;
- Mauritius was aggressively labeled as a 'tax haven' by a number of NGOs, international media and the civil society;
- despite the fact that we were home to nearly 20,000 global business companies, only around 2,800 persons were directly employed in this sector, with indirect employment of about 5,000 persons;

We committed ourselves to expand our financial services sector and move away from this bleak outlook. In the past 18 months, we have managed to –

1. conclude the long overdue DTAAAs with India and South Africa and provide international investors with much needed certainty, predictability and clarity.
2. We have reactivated and made operational the Financial Services Promotion Agency to promote and develop Mauritius as an IFC of substance and repute.
3. The Financial Services Institute has been set up and is addressing the mismatch skills in this sector;
4. We have launched the Mauritius IFC brand and teamed up with the City of London to promote financial services together.
5. We brought in the Captive Insurance Act to create a niche market and a new product;

6. We linked up with the Dubai Multi Commodities Centre, the National Stock Exchange of India, the Johannesburg Stock Exchange to re-invigorate the capital markets segment in our IFC.
7. We linked up the FSC with the DFSA, Dubai Financial Services Authority to ensure best practices are shared and expertise is transferred.
8. The Surveillance Functions of the FSC were reinforced and enforcement actions increased by 60% in 2015;

Madam Speaker, we are committed to pursue our strategy in terms of implementing our new vision for the financial services sector, based on, *inter alia*, five core principles –

- (i) setting up a clean platform for doing business in Mauritius and turning our jurisdiction into a reputable IFC;
- (ii) opening up our financial services industry to global players and flagships;
- (iii) diversifying the financial product offerings into a new MIFC;
- (iv) attracting professional legal firms and high net worth investors, and
- (v) most importantly, linking principles of Good Governance with Financial Services and introduce institutional and legal reforms to enhance transparent activities and create value for our jurisdiction.

Madam Speaker, I will now elaborate on the specific measures announced in this Budget which will bring substantial growth to our financial services sector leading to the desired economic growth of 4.1% in 2016/2017 and 4.6% in 2017/2018.

Measure 101 of the Budget provides for the creation of a new ‘Mauritius International Derivatives & Commodities Exchange’ (MINDEX).

A vibrant exchange, offering a full suite of solutions, is at the heart of any IFC of repute. Currently, the Stock Exchange of Mauritius (SEM) only covers equity and bonds, which is mostly focused on the local market. The MINDEX project will span over three years with Government injecting seed capital of Rs50 m. and the remaining will be financed through a consortium of private investors. MINDEX will provide a derivatives’ platform, and a commodities’ platform for spot trading of gold, diamonds and other precious stones. Government will also establish the regulatory framework and issue the required licences, and after which private investors will take over, like was the case with the Stock Exchange of Mauritius when it was set up.

MINDEX will fulfill a vacuum in the region with regard to -

- Provide for a platform to hedge African currencies;
- Allow high net worth from the region, especially South Africa, to trade in gold, diamond and other precious stones;
- Encourage jewelry manufacturers to be based in the dedicated zone adjacent to the exchange, and
- Develop state-of-the-art vaulting activities in Mauritius, which will generate revenue.

MINDEX will be set up in the Rose Belle BPML park, an ideal location due to its proximity to the airport. MINDEX will equip Mauritius with the first combined derivatives and spot trading platform of the region and complement the offerings of SEM. It will generate new investments and create jobs such as brokers, traders and analysts.

Measure 96 provides that GBC2 companies will now be allowed to invest in listed securities. This goes in line, Madam Speaker, with our diversification strategy and also brings more substance for GBC2s using Mauritius as an IFC. At the same time, this measure will have the benefit of increasing trading activities on the SEM and address the liquidity issue that the Stock Exchange of Mauritius currently faces.

Measure B.2 (b) in the annex to the Budget provides for the introduction of Preferential Offer Rules, including Private Placement Schemes for 25 investors or more who individually invest Rs1 m. Private placements, as approved by the FSC, will also be allowed to list on the local Stock Exchange.

This measure, Madam Speaker, will help avoid cases that Mauritius has experienced in the past where money has been taken from ordinary citizens to further fraudulent Ponzi schemes such as the case of Hennessy Capital Ltd. in the whole BAI saga.

With regard to Overseas Family Corporation, Madam Speaker, over the last years, a number of recommendations have been made to introduce a family office licence in Mauritius to enhance wealth management activities. STEP, the Society for Trust and Estate Practitioners, has also been recommending this.

A number of high net worth families from Africa, Asia and Europe have expressed strong interests in shifting their wealth to Mauritius, within an appropriate structure. With the incentives provided for by the hon. Minister of Finance and Economic Development in his Budget, their wealth will be managed now in Mauritius.

To this effect, Measure 98 of the Budget provides for the creation of a new OFC licence with a 5-year tax holiday and allows for high net worth foreigners and their dependents to benefit from residency.

An OFC will be a pure financial services product for wealth to be managed from Mauritius instead of through Mauritius. The benefit of opening up our economy will lead to an increase demand for goods and services which will also increase consumption locally.

At this stage, Madam Speaker, I would like to address one point which has been raised by hon. Uteem in relation to our international obligation and BEPS. For years, Madam Speaker, we have faced all these difficulties at international level in terms of being labeled as a non-compliance jurisdiction, being labeled as a tax haven and in terms of NGOs protesting against Mauritius publicly in places like Kenya and other countries saying that, "dirty money is going through Mauritius. We are using round tripping techniques for money to flow through." And these people who are working in that sector, including hon. Reza Uteem himself as Director of Consilex, they knew that this system was bringing bad repute to Mauritius.

They knew that this system was tarnishing our image and everything we had built up over the years to promote at international level, including our tourism sector, but they were making money. They were making a hell of a lot of money.

Some of these management companies were paying dividends up to USD30 million a year and he says, '*li bon*'. Because this money was not finding its way to the economy; this money was not creating jobs; this money was not bringing tax revenue to the extent that we needed it to bring. This money was putting us in a situation where our image was being blackened. That's what this system was doing, and that's why we need to move forward.

We were facing all sorts of difficulties with one of our closest partners, the Republic of India, in terms of 10 years of negotiations. Sithanen went there; so many people were looking at that, joint working groups and what not. Nobody found a solution. We found the solution. We brought the grandfathering provisions. We brought the transitional provisions. We came up with the Rs12.7 billion grant, which is going to help the country create jobs and assist families in Mauritius. Yet, I hear the hon. Member saying that we have to be careful of BEPS. What is BEPS - because we are giving tax holidays? Base erosion and profit shifting. Where is profit being shifted? We are telling people to come and invest here, to operate here domestically, create jobs here, bring substance here and make the economic activity happen over here. There is no breach of any obligation at any level, whether it is in relation to G20 or

in relation to OECD or in relation to all the other agreements that Mauritius has signed. These tax holidays are measures which have been given by a sovereign nation to boost economic activity in Mauritius with substance, as compared to the dirty system that was operating before.

Madam Speaker, what Asset and Fund Managers have told us is very simple. Give them the appropriate incentives, as well as a fast track mechanism to set up operations in Mauritius, and they will bring their network and manage their clients' funds from Mauritius and employ our young professionals. This is the substance! This is the job creation! This is boosting the Financial Services Sector into a new era. Measure 98 of the Budget caters for this and provides a tax holiday of five years to 'Asset and Fund Managers' who will be managing a minimum asset base of USD100 million, Madam Speaker.

This measure is important to create the new ecosystem of the MIFC. 'Asset and Fund Managers' will bring important capital flows to be managed and investment banks and private banks – we did not have all of this before, Madam Speaker; now, we will have it through the measure announced by the hon. Minister of Finance and Economic Development - will soon follow. At the same time, through this measure, we will further diversify the Financial Services Sector and graduate towards more value added services to enhance product offerings.

Global headquartering and treasury management! In view of international developments like BEPS and the growing need for us to move towards more substance, it is important that international and regional companies conduct meaningful and value added activities here in our Financial Services sector. This is what this Budget provides for! To this end, measures 97 and 98(a) of this Budget will henceforth allow regional and international companies serving regional markets to set up full-fledged offices in Mauritius – not file sitting on the desk of a Management Company and billions of rupees going through a bank account because of that file - in view of centralising their administrative and business outsourcing functions for their Africa investments in Mauritius.

At the same time, these measures will attract the central treasury activities of companies operating in the region to be undertaken in our island.

Madam Speaker, the existing Global Headquarters Administration Licence, which was available at the FSC, was not attractive enough. The incentives announced in this Budget

will now allow Mauritius to welcome a number of players to set up their regional offices locally.

Investment Banking and Corporate Advisory Licence, Madam Speaker. Investment banks remain one of the key intermediaries of reputed and developed International Financial Centres. We want to be like Luxembourg, we want to be like Singapore, we want to be like Dubai. We need to have all these products. We need to have all these new offerings. So far, Mauritius has not been successful in attracting investment banks.

The functions of investment banks are not to take deposit or to provide loans. Rather, they are high-end professional intermediaries which facilitate mergers and acquisitions, listings, IPOs, cross-border investment structuring and also provide financial advisory services.

Measure 98(d) of the Budget and measure B.1(e)(i) of the annex to the Budget provide for this, and the Financial Services Commission can now regulate this business.

The 5-year tax holiday incentive provided through this measure will no doubt be helpful in starting a whole new segment of activities to create further jobs and to boost the economy to the desired 4.1% this year and 4.6% in 2017/2018.

Global Legal Advisory Services Licence, Madam Speaker! International and cross-border investors have a preference to deal with International Law Firms as they bring synergies and comfort in their investments and structuring strategies.

A number of law firms like Norton Rose, Clifford Chance, Allen & Overy, Herbert Smith, Carey Olsen and Dentons, amongst others, have all approached us saying they want to set up in Mauritius and service their clients from Mauritius, and fill a vacuum that currently exists in our IFC. Their requirements were to have a flexible structure to ring-fence their risks in line with their global risk management policies.

With Measure 98(c) of the Budget and Measure B.2.(b)(i) of the Budget annex, the Minister of Finance and Economic Development has announced the introduction of a new 'Global Legal Advisory Licence' with a tax holiday of five years. He has sent a fantastic signal to the global players that we are opening up our economy. Still, we had to listen this morning to issues like why the 3.8% in terms of growth rate is right as compared to the 4.1% which has been announced in this Budget, Madam Speaker.

This new measure is a major step towards diversification of legal advisory services linked with financial services. These international law firms represent flagship names, and once they set up in Mauritius, they will bring their network of clients, meaning more financial services related economic activities in Mauritius.

For us to successfully welcome such international firms to set up in our country, the hon. Minister of Finance and Economic Development has also announced the introduction of a 'Limited Liability Partnership Act' through which global law firms can structure their operations in Mauritius without affecting legal practitioners who are currently working in Mauritius and going to Court every day. This is currently the practice in major financial cities.

Foreign Ultra High Net worth Individuals! Measure 99 of the Budget provides for a 5-year tax holiday to foreign ultra-high net worth individuals investing a minimum of USD25 million in Mauritius, not through Mauritius. This is a measure which is aimed at opening up the economy to a new category of investors. The Euro Zone, the UK with Brexit, the BRICS countries and even some ASEAN block countries are facing major challenges in retaining wealth and capital from flying out. This creates an opportunity for us – and that's why I said the other day in this House, Madam Speaker, that for the Financial Services Sector, Brexit is an opportunity, and we must be able to take those opportunities, even it might be an adverse situation for other sectors – to tap into and we should, therefore, explore ways to attract quality investments while adopting a responsible approach to opening up our economy. With this new budgetary measure, we are confident that we will attract a select group of ultra-high net worth individuals to invest in key projects in Mauritius, thus contributing positively to Foreign Direct Investment flows and creating economic activities in the country. At the same time, this measure will also give boost to wealth management and private banking activities in the country. It all works in an interlocked and intertwined manner, Madam Speaker. It is the big picture that we need to see, but not everybody can see the big picture. Some people will go down into a certain level of details only to use figures in a manipulative way, selectively, to come and say: "Look, how drastic the situation is!" But this is why they are sitting there and we are sitting here!

International Arbitration Centre, Madam Speaker! The process of establishing Mauritius as a venue for international arbitration reached its climax in May, last year, when we hosted the International Council for Commercial Arbitration Congress. It was gratifying to note that some of our colleagues attended the congress, which, according to feedbacks

received, was one of the most successful Congresses organised by ICCA so far. Of course, the Secretary General of the United Nations was here, Nobel Peace Laureate, and 800 delegates from so many countries.

The professionalism with which this Congress was hosted was emphasised by the Board of Governors of ICCA.

Now, Madam Speaker, measure 102 of the Budget provides for Rs57.5 m. to set up the Hearing Centre for Arbitration in Mauritius which will be the only Hearing Centre which is an emanation of the Permanent Court of Arbitration from The Hague and that is going to be set up here, and all of that is linked with bringing the global law firms; it is linked with creating this momentum in the financial services industry with all these products that I have been mentioning, because now whenever you have a dispute the Hearing Centre will be here, in Mauritius, and all the international lawyers are here and you have the vibrancy in the sector as well. This is the vision that we want to create instead of a system that had been operating to blacken our name.

The LCIA-MIAC would manage this facility on behalf of Government and the FSPA will work with LCIA-MIAC in further promoting our jurisdiction for international arbitration. We have also been looking at ways to reinforce our regulatory framework, Madam Speaker.

Measure B.2.(a) in the Annex makes provision to enhance business facilitation in the financial services industry. A standardised centralised online KYC database will be introduced for the non-bank financial services sector. And also, an online licensing platform will have the benefit of significantly reducing the lead time in processing application for licences and make Mauritius competitive vis-à-vis competing ICFs. So, the licences are given quickly, the KYC and the verification, the due diligence is also done quickly and it is all based on new technology and this will facilitate greatly the process of investment flowing into the country.

Measure B.2.(c) provides for amendments to the Financial Reporting Act that will strengthen our regulatory framework while, at the same time, enhance accountability of finance professionals in the delivery of their statutory duties.

The introduction of penalties and fines on licensees of the Financial Reporting Council, that is, auditors and audit firms, is a major step in the right direction to enhance financial reporting responsibilities towards investors and users of financial statements.

Investment decisions are taken on the basis of opinions provided by auditors and audit firms. The BAI case is a real example where auditors became complacent, became too familiar with their audit clients and they lacked objectivity and, of course, it increased the risk of issuing the incorrect audit opinions.

Madam Speaker, this measure, together with the mandatory audit firm rotation policy of every 7 years for listed entities and 5 years for banks, sends a strong signal that Mauritius will not tolerate any sort of complacency when it comes to financial reporting. It was necessary, Madam Speaker. I know many audit firms have said that they would have wished that the system remained the same, but we have to move in line with practices of good governance. We have to prevent cases like BAI and what happened in other places from happening again. We have to protect people in this country. And, by bringing this measure, this is going to make sure that now we have a system where there is rotation and also when they mess up, there are fines and penalties to be paid, which was not there in the law before. Madam Speaker, India, EU, Turkey, Brazil, China and Italy have already adopted mandatory audit rotation firms. So, we are not doing anything new.

Madam Speaker, there are a number of reforms which have been introduced in this Budget. I am not going to go through all of them, but just to say that the mandate of a number of our public bodies overlap. Some are operating with a high degree of efficiency while others are not contributing as they should to efficient public service delivery. This Budget provides for bold sectoral reforms which will be undertaken in a phased manner with the merger or restructure of State-owned enterprises with a view to reducing wastage, creating synergies, improving processing time, enhancing effectiveness in the decision-making process.

Measure 352, the supporting institutions in the SME sector, namely, SMEDA, Enterprise Mauritius and National Women Entrepreneur Council will be merged into one organisation for greater coherence, more efficiency and effectiveness. Like that, Madam Speaker, there have been many other measures announced regarding SPDC, BPML, SLDC and also in terms of ICTA, IBA. I am not going to go into the details of all of that, I am sure that all hon. Members realise that it was high time to bring reforms in the public sector in terms of how these institutions were working, and I can assure the hon. Minister of Finance and Economic Development that we are going to make that priority at the level of the Ministry of Financial Services, Good Governance and Institutional Reforms and work on all

these measures so that we can deliver before the next Budget on all the proposals as to how these mergers or streamlining will be done.

In conclusion, Madam Speaker, I would like to say that my Ministry will provide full support to the ambitious vision and for the future of our country that has been presented by the hon. Minister of Finance and Economic Development in his Budget.

I am proud and privileged, Madam Speaker, to stand before this House as an elected Member who believes in Mauritius and believes in the Mauritian people. This Budget has set the right tone to make Mauritius an ideal place to live, to invest, to do business, to raise our children and to grow old.

A lot has been said about *rupture*, Madam Speaker. With this Budget, the chains of mediocrity have been broken. This is the *rupture*. And we are free to innovate once again.

Thank you, Madam Speaker.

**Madam Speaker:** I suspend the sitting for one and a half hours.

*At 1.16 p.m. the sitting was suspended.*

*On resuming at 2.45 p.m. with the Deputy Speaker in the Chair.*

**Mrs D. Boygah (Second Member for Vieux Grand Port & Rose Belle):** Mr Deputy Speaker, Sir, a budget is the fundamental of any Government, a determining factor, it revives, bearing hopes for the better.

It is indeed a hard nut to crack, especially when the wave of uncertainty clouds the future economic well-being of a nation and a population together with the gloomy external and worldwide economic outlook.

Mr Deputy Speaker, Sir, the task was robust indeed, difficult and challenging, but yet with all his courage, challenges from the Opposition leaders, pressures from all sides with accusations and allegations, but however braving the dark clouds, hon. Pravind Jugnauth, the Minister of Finance and Economic Development came up by spinning the gossamers and creating a *magnum opus* on 29 July to present the 2016/2017 Budget with all the hopes revived instantly and specially the hopes that were placed on us in December 2014.

Congratulation hon. Minister of Finance and Economic Development!

Congratulation Leader!

Mr Deputy Speaker, Sir, I really feel privileged today for being the first woman Member of this House to participate in the 2016/2017 Budget debate.

On this auspicious occasion, I would avail myself of this opportunity to express my deepest appreciation to the hon. Minister of Finance and Economic Development for having given so much of importance to women and children during his laudable exercise of preparing the 2016/2017 Budget.

Mr Deputy Speaker, Sir, when others were expressing their will to bring gender equality, but only on paper, the place that women occupy in this present budget, is crystal clear that we walk our talk. We mean business.

Mr Deputy Speaker, Sir, when probing deeper into the provisions for women and children in the present budget, I do feel extremely proud of myself being a woman, a housewife and a mother. The hon. Minister of Finance and Economic Development has understood and wants to prove that women should be honoured in our society.

Mr Deputy Speaker, Sir, coming to the provisions and measures in this budget, it is a clear indication that the hon. Minister wants to prove to the nation that if we emancipate the woman, we are emancipating not an individual, but a nation. For example –

- by decreasing the price of gas cylinder, it is for the woman to rejoice because she is the housewife; she runs the kitchen;
- by exempting duty on children wears, it is again the woman to rejoice because she is the mother;
- by exempting duty on kitchen utensils, it is once more the woman to be happy because she is the kitchen runner at home;
- by involving at least one woman on the Board of Directors in public companies listed on the Stock Exchange, by setting up a Parliamentary Women's Caucus, by allocating funds to five main Ministries to conduct gender analysis of services and by introducing a Gender Development Index for Mauritius to measure progress in gender equality, it is clear, Mr Deputy Speaker, Sir, that the present budget wants to prove that this Government

wants to walk what it talks, wants to practise what it preaches as far as gender equality aspect is concerned.

Mr Deputy Speaker, Sir, you will agree with me that if the man is the head of the house, the woman is the heart of the house. By bringing the price of kitchen gas cylinder from Rs330 to Rs270 is not merely a decrease of Rs60, but a good dose of hope for the kitchen runner, that is, the mother, the housewife.

In the name of the whole woman folk in this country, I would avail myself of this opportunity, Mr Deputy Speaker, Sir, to heartily thank the hon. Minister of Finance and Economic Development to have harboured in his thoughts the everyday pains of a housewife. Because it is, you wish it or not, the job of the mother at home to light the cooker, to prepare the meal, to welcome guests for dinner, to prepare children's school meal early in the morning, let alone her hectic work and office life! In the same context, Mr Deputy Speaker, Sir, to make matters easier and home life more comfortable, to exempt duty on items such as kitchen utensils and baby products and cereals, is yet another welcoming move for the housewife, the mother and the would-be mothers.

So, being a woman, Mr Deputy Speaker, Sir, representing the mothers, the housewives of this country, further representing the modern Mauritian woman who wants to show that our place is not only within the four walls of the kitchen, but to actively participate in the progress and development of this country, we would thank the hon. Minister of Finance and Economic Development for such a prominent place given to women in the provisions and measures in this budget. I will also convey the blessings and wishes to the hon. Minister from the deepest core of the heart of every mother, every housewife and the whole woman folk of this country on your step, hon. Minister, towards primeministership.

God bless you, hon. Minister!

Mr Deputy Speaker, Sir, I would qualify this budget as a "dream come true" budget, a budget to take off beyond imagination, a budget not merely a compilation of figures and numbers, but an expression of values and aspirations. A budget that came with a pack of measures that will, beyond dispute, set the foundation of a new economy, indeed a concrete change.

If we read within the lines of it, the 2016/2017 Budget embarks itself on a deeper exercise of reorganising and assessing Government departments, their functions, their roles,

their efficiencies, managing public funds, among others. The budget is full of aspirations and the nation's expectations that go right to the ground root of the Mauritian society.

Mr Deputy Speaker, Sir, no stone has been left unturned. All the expected priorities of the population, including economic growth, job creation and especially improving the standard of living and mainly social issues, amongst others, have been given a fine-combed exercise while preparing this Budget.

Mr Deputy Speaker, Sir, considering the unavoidable hurdles and obstacles ahead, the hon. Minister of Finance and Economic Development has been wise before the event. This is perhaps the reason why almost all stakeholders qualify this budget as courageous, good, full of hopes, and even the hon. Leader of the Opposition qualifies it as '*intéressant*'! Thank you.

Mr Deputy Speaker, Sir, the House will agree with me that the mother aspect of any country remains the social aspect. All other aspects of any fast growing society like ours depend fundamentally on the social well-being of the population. In line with that, I find in this budget much stress laid to cure social ills and evils of our society.

Mr Deputy Speaker, Sir, I would say hats off to the hon. Minister of Finance and Economic Development to have given thought to the scourges ravaging our society, especially the youth and school children, that is, cigarettes and alcohol. This is the root cause of all social evils - indiscipline, robberies, addiction, drug addiction, etc. By highly taxing these two 'killer items', this budget serves its purpose to deter and kill such scourges. Alcohol remains the major cause of domestic violence, Mr Deputy Speaker, Sir, which is yet another social evil menacing, threatening and weakening our Mauritian society. Mr Deputy Speaker, Sir, this is where the hon. Minister has been wise before the event. This will, at least, deter the smokers' rate not only among our youngsters, our younger generation, but the whole smoking population and, obviously, taxing alcoholic products will drastically reduce consumption and the number of so-called bottle breakers in our society.

Mr Deputy Speaker, Sir, as said earlier, no stone has been left unturned in this budget. I would like, here, to lay stress on a very important measure inserted thereby - education.

Education remains, Mr Deputy Speaker, Sir, the mother institute of any society. It is indeed the vehicle of a nation. We are living today in a rat-race competitive world where the motto is 'the survival of the fittest'. It is the only avenue of this modern era to integrate the wider society. Great integration disparity exists, Mr Deputy Speaker, Sir, however, between

a normal young growing individual and an economically handicapped person. While preparing this Budget, again the hon. Minister of Finance and Economic Development had a special thought on this issue. By providing a cash prize of Rs15,000 to pupil/student competing the 9<sup>th</sup> grade is again a measure to relish and rejoice.

Again a cash reward of Rs25,000 and Rs35,000 to those completing SC and HSC respectively is another incentive to children coming from poor family background. This is not only a boost up, Mr Deputy Speaker, Sir, the literacy rate, but helping integration in the world of work for those students. This is how everybody will get the opportunity to contribute to the economic growth of Mauritius, Mr Deputy Speaker, Sir, as it is in other advanced countries. This is the notion of Modern Mauritius, isn't it? This is real social integration, alleviating poverty!

Mr Deputy Speaker, Sir, just as my fellow parliamentarian colleagues, the Budget presentation is also an occasion to see and rejoice what is being proposed and provided to our respective Constituency, which is very obvious indeed.

Mr Deputy Speaker, Sir, on my own behalf and on behalf of my two colleagues, hon. Mahen Seeruttun and hon. Prem Koonjoo from Constituency No. 11 and especially on behalf of all residents of Rose Belle/Vieux Grand Port and nearby, I would like again to express my gratitude to the hon. Minister of Finance and Economic Development to bring so many promising and praiseworthy projects in Rose Belle to enhance its further development like –

1. a pharmaceutical village to cater for local as well as African markets;
2. by introducing the application of 3D printing technology with the coming up of Rose Belle Technopoles;
3. by allocating Rs50 m. for the initial setup of MINDEX at Rose Belle Business Park, and also
4. by investing to solve water problem in Rose Belle, replacing old and defective pipes.

Thank you again, hon. Minister.

Mr Deputy Speaker, Sir, where the shoe really pinches in the social aspect of a country is the employment sector. What brings social stability is no doubt creation of jobs. We must be grateful and praise wholeheartedly the Minister for the laudable task he has done in strategy two of the Budget 2016/2017, that is, creating job opportunities in various sectors. The figures speak for themselves, Mr Deputy Speaker, Sir. 21,400 jobs for youth, men and

women; 7,200 in the Civil Service, 4,000 under the National Skills Development and 2,000 under Youth Employment Programme, including new recruits in the Police Force, Health Sector and mainly the Education sector where the Nine-Year Schooling Programme is to be implemented as from next year.

Mr Deputy Speaker, Sir, this was indeed the population expectation since long and here comes 'the dream comes true budget' as I said earlier. It is a Budget by the people, for the people, the very fundamental of a democratic State like ours. Shouldn't we be proud of the expertise and outstanding professionalism of the hon. Minister of Finance and Economic Development, Mr Deputy Speaker, Sir?

Mr Deputy Speaker, Sir, I will fail as a PPS if I miss to thank the hon. Minister of Finance and Economic Development for his strong belief that the National Development Unit along with the 35 Citizens Advice Bureaus around the island to be re-organised. As we all know, in the 1980s, the Rt. hon. Prime Minister, Sir Anerood Jugnauth created the NDU, he created the Citizens Advice Bureaus around the island. The motive, the vision was to create a bridge between the Government sectors and the other authorities. The vision is that the CAB was and is the eyes and the ears of the citizens. Unfortunately, for the past two mandates, these Citizens Advice Bureaus were underutilised, but with the blessing and the good faith of the Rt. hon. Prime Minister, Sir Anerood Jugnauth, the CABs have a new face, a new vision. Thank you, Rt. hon. Prime Minister.

Mr Deputy Speaker, Sir, to sum up, I will say, the Budget 2016-2017 is the second-to-none Budget. It is indeed a Budget based on facts and realities; a Budget to bring sustainable growth and the measures taken are real yardsticks to build the future of our Motherland, Mauritius.

Thank you, Mr Deputy Speaker, Sir.

**The Deputy Speaker:** Hon. Mrs Selvon!

(3.03 p.m.)

**Mrs D. Selvon (Second Member for GRNW & Port Louis West):** Merci, M. le président. Merci de m'avoir accordé la parole sur le budget 2016-2017.

Même si l'honorable ministre des finances et de l'économie n'a pas mentionné l'expression 'miracle économique' dans son très bon discours du budget, une vigoureuse

renaissance économique du pays n'est pas impossible dans les 3 à 4 ans qui viennent. La raison en est que le récent remaniement qui a amené la nomination du ministre était bien inspiré.

Il y a eu trois périodes d'extraordinaire renaissance économique dans l'histoire nationale, et elles n'ont pris que peu d'années. Si on étudie comme il faut ces trois périodes qu'on peut qualifier de '*miraculeuses*', la promesse que nous avons faite aux dernières élections générales d'une renaissance économique spectaculaire deviendra réalisable en peu d'années.

Ces trois périodes de renaissance sont les suivantes et sont toutes marquées par une formidable diversification économique -

La première : Au 18<sup>ème</sup> siècle, de 1735 à 1740, sous le gouverneur Mahé de Labourdonnais qui a transformé une colonie en faillite en une colonie prospère avec une économie très diversifiée.

La deuxième : Au 20<sup>ème</sup> siècle, de 1971 à 1977, sous la direction du Premier ministre Sir Seewoosagur Ramgoolam et de Sir Gaëtan Duval de 1971 à 1974, soit en 4 ans, à la tête d'un Cabinet ministériel exceptionnellement qualifié. Pas moins de 74,000 emplois furent créés, le nombre d'usines passa de 9 à 89 et la valeur de la production passa de R 4 millions à R 433 millions de 1971 à 1977 dans la zone franche.

La troisième : Au 20<sup>ème</sup> siècle, de 1982 à 1987, en 5 ans, sous la direction de Sir Anerood Jugnauth, lui aussi avec un Cabinet ministériel composé de ministres aux qualités exceptionnelles. En 2009, l'ex-Premier ministre Paul Bérenger a déclaré, selon une citation reprise dans un livre sur l'histoire de l'entreprise privée à Maurice intitulé, '*In Search of Excellence*', je cite -

*"One of the reasons for the success of Mauritius was that economic development was accompanied by the creation of employment."*

Le chômage avait alors disparu presque totalement.

Trois parmi les objectifs essentiels de l'honorable ministre sont les suivants -

- (i) l'éradication de la pauvreté qui est un des piliers du discours du budget;

- (ii) une relance formidable du secteur des PME, et
- (iii) la relance et l'expansion de la production de l'agro-industrie.

Qu'est-ce que je pense du budget 2016-2017? Tout d'abord, je me dois de féliciter l'honorable ministre des Finances pour avoir bien choisi son siècle, c'est-à-dire le 21<sup>ème</sup>. Cela alors que trop de personnes au sein de l'appareil d'État et du gouvernement, en sont restées au siècle dernier. Le ministre a démontré cela en présentant au pays un bon budget qui aurait dû, en fait, avoir été présenté l'année dernière comme premier budget du gouvernement issu des élections générales de décembre 2014.

Ce budget rejoint dans sa philosophie et ses objectifs, les idéaux pour lesquels je me bats comme députée depuis mon élection sur au moins trois points essentiels –

- (i) l'éradication de la pauvreté, une priorité dans ma circonscription et dans tout le pays comme je le répète souvent;
- (ii) la protection et l'expansion des petites et moyennes entreprises, les PME qui constituent collectivement le plus gros créateur d'emplois du pays, et
- (iii) le souci légitime exprimé au paragraphe 292, page 40 du discours du budget, d'assurer le financement des efforts de Maurice pour récupérer l'archipel des Chagos.

Aucun budget, je dis bien, aucun budget n'a été aussi loin auparavant dans le combat contre la pauvreté et pour la prospérité du secteur des PME. Je note que le ministre a eu une attention particulière pour l'économie informelle et a mentionné deux fois son désir de reloger les marchands de rue que le gouvernement de Singapour, pour ne citer qu'un exemple, considère, respecte et traite décentement comme un secteur qui accueille surtout les gens qui perdent leurs emplois ou qui n'en ont jamais eu, aidant les autorités à contenir le chômage.

Aujourd'hui, la Grande Bretagne, selon l'*Office for National Statistics*, compte un nombre croissant de *home businesses* dont le nombre, en juin 2014, était de 4,2 millions de personnes gagnant leur vie en travaillant à la maison ou ailleurs à partir de la maison. Ce nombre, qui représente près de 14% du *work force* britannique, continue de croître rapidement.

Le ministre, l'honorable Pravind Jugnauth, *meets my expectations* dans son discours du budget. Je cite maintenant ces points de convergence avec mon combat.

Le premier point de convergence - dans mes interventions au Parlement, dans ma circonscription et dans les rues depuis mon élection, j'ai exprimé ma révolte contre la pauvreté et je me suis mise à la défense des petits et des sans voix, tout en défendant aussi les petites et moyennes bourgeoisies dont la stabilité et la paix sociale dépendent énormément. Concernant l'éradication de l'extrême pauvreté, j'ai envoyé, en février 2016, une motion privée, en mon nom, à l'Assemblée Nationale, demandant aux honorables membres de voter en faveur d'une allocation-chômage décente. La presse en a déjà parlé d'ailleurs. Le ministre a proposé, lui, une allocation sans précédent allant jusqu'à R 9,520 par mois aux familles recensées comme étant les plus pauvres, avec, en plus, d'exceptionnelles mesures incitatives pour que les enfants de ces familles aillent à l'école et fassent des études pour sortir de la misère. Le ministre rejoint indirectement ma proposition d'allocation-chômage car c'est le chômage surtout qui est la racine de l'extrême misère.

Si je félicite le ministre ici, c'est que je comprends parfaitement ce que veut dire avoir certains jours un estomac creux qu'on ne peut pas satisfaire et des larmes qu'on ne peut pas essuyer. Et que je sais ce que ces facilités offertes par le ministre représenteront pour ces gens vivant dans le plus grand dénuement et parmi lesquels se retrouveront un jour, je l'espère, des députés, des avocats, des médecins, et d'autres professionnels.

Deuxième point de convergence - le ministre me rejoint encore avec l'action vigoureuse proposée pour les PME. Dès le début de son discours, le ministre annonce une série de mesures en faveur de ces entreprises, y compris les micro-industries et micro-commerces comme celles des *'hawkers'* qu'il mentionne à deux reprises et qu'il envisage de reloger décentement. Je souhaite que ses décisions soient scrupuleusement respectées, dans les délais prévus, par les ministères et autres organismes publics concernés. Malheureusement, les derniers chiffres sur les PME datent de 2007 alors qu'à cette date, les PME avaient augmenté par 23% en nombre en 5 ans depuis 2002, se chiffrant à 94,000 unités de production avec une valeur ajoutée de près de R 84 milliards. Le recensement est maintenant *'long overdue'* et la méthode statistique devrait être améliorée et plus inclusive des *business* non inclus en 2007.

Concernant les PME, j'avais opposé une première version d'une loi contre le crime financier. J'estimais que, sans amendements de cette loi, plus de 100,000 petits et moyens entrepreneurs seraient vulnérables en permanence à des accusations injustes d'enrichissement. Des changements nécessaires ont été effectués pour protéger les entrepreneurs honnêtes et j'ai voté les fameuses lois Bhadain. Le ministre des Finances vient

aujourd'hui, apporter bien plus que ce secteur attendait, en proposant de multiples mesures incitatives et facilitatrices, et des réformes sans précédent.

En associant la lutte contre la pauvreté à la promotion des PME et des micro-entreprises nous ferons un travail positif d'ingénierie sociale qui, dans quelques années, aura renversé la tendance actuelle, selon la Banque mondiale, d'un rétrécissement dangereux des classes moyennes. Car, comme tous les historiens le savent, le déclin des classes moyennes entraîne des révolutions violentes – ce fut le cas de la Révolution Française comme des révolutions communistes. La Banque Mondiale nous dit, dans un rapport de septembre 2015 sur Maurice intitulé '*Mauritius - Inclusiveness of Growth and Shared Prosperity*', je cite -

*“Historical studies have pointed to the importance for overall economic growth of having a middle class that earns a larger share of a country's income. For example, an expanding middle class was a driving force behind the growth of many of today's high income countries in Western Europe. A number of studies have shown that economic growth is higher in countries with larger middle classes.”*

Troisième point de convergence - la mention officielle des Chagos et de Tromelin, territoires illégalement retranchés du patrimoine mauricien qui m'a beaucoup touchée parce que le ministre des Finances adhère ici complètement à la lutte du pays pour compléter son indépendance et son intégrité nationales.

Je conseille à l'honorable ministre des Finances de s'attacher à la mise en œuvre rapide et efficiente, par l'ensemble du Cabinet ministériel, des centaines de mesures qu'il a annoncées dans son discours du budget. Car ce qui doit compter avant tout, c'est la capacité d'agir vite et bien, en l'occurrence, l'efficacité et les compétences ministérielles - sinon, le Premier ministre aura à procéder à d'autres remaniements ministériels salutaires pour l'efficacité gouvernementale.

J'en viens maintenant à des suggestions. Le *challenge* pour les ministres est de savoir choisir dans quel siècle ils opèrent, soit le 20<sup>ème</sup>, soit le 21<sup>ème</sup>. Il faut vite choisir son siècle pour une renaissance économique spectaculaire, telle que l'envisage le Premier ministre avec son projet de nouveau miracle économique. La classe du 20<sup>ème</sup> siècle doit être éliminée de l'Exécutif.

Ma première suggestion est qu'il faut rétablir Maurice comme une source importante de fibres naturelles. La COP 21, citée dans le discours du ministre, a donné au produit bio, à

l'économie verte, et à l'agro-industrie verte en général une renaissance qui se fait sentir en ce moment sur les marchés internationaux. L'industrie sucrière est menacée par une chute dramatique des prix en 2017. On sait aussi que des dizaines de milliers d'arpents de plantations de cannes à sucre ont été abandonnées, y compris environ 12,000 selon Mme Jacqueline Sauzier dans une interview donnée à L'Express le mercredi 15 juin.

Un budget post-COP 21 devrait tenir compte du fait que le marché des fibres naturelles explose et qu'on en a besoin pour un très large éventail d'applications industrielles. Le ministre des Finances devrait envoyer une délégation dans les pays comme l'Australie, notamment dans l'immense Etat tropical du Queensland, voir ce que font le gouvernement de cet Etat et les planteurs de cannes à sucre pour cultiver des plantes complémentaires à la canne. Ils ont une longue liste de ces cultures, entre autres la ramie, la pistache, le soya et le chanvre. La ramie procure six récoltes par an, et le chanvre, c'est-à-dire Cannabis sativa non-intoxicant, est cultivé partout dans les pays riches pour leurs fibres naturelles, un marché qui s'accroît en ce moment. La presse australienne accueille le chanvre industriel comme le '*Holy Grail*', le Saint Graal des planteurs de cannes à sucre.

A Maurice, certains ne semblent pas comprendre la différence entre le cannabis-industriel et le cannabis-drogue. Il y a en France et aux États Unis des fédérations et associations nationales de planteurs de cannabis non-intoxicant, c'est-à-dire à faible dose de THC. C'est dans la loi de ces pays. Le Trinidad a dû changer sa *Dangerous Drugs Act* pour introduire cette distinction obligatoire pour ne pas pénaliser le business du chanvre.

Encore jeune et bien conseillé, le ministre doit enfin accepter les réalités scientifiques, juridiques et historiques concernant le cannabis industriel non-intoxicant, qui est déjà importé à Maurice, pour la nourriture humaine et celle des animaux, et exporté par notre industrie de vêtements.

Mais il n'y a pas que le chanvre, il y a la ramie. Il y a aussi les fibres des plantes comme le cocotier, le vacoas, le raphia, l'aloès (qui fut jadis une industrie florissante), et le vétiver. Les fibres naturelles sont nécessaires pour remplacer à Maurice 300 millions de sacs en plastique par an par du bioplastique. Sans compter que certaines des plantes mentionnées, dont le chanvre, produisent également des huiles naturelles recherchées et du biocarburant et des bioplastiques. Au lendemain de la loi interdisant le plastique à Maurice, la panique régna à la *Mauritius Duty Free Shop* de Plaisance parce que les responsables n'avaient pas encore

trouvé des sacs biodégradables en quantité suffisante, soit des dizaines de milliers pour remplacer les sacs en plastique.

Des centaines d'unités de production, de 'cottage' ou 'home industries' et de fabriques industrielles de fibres et d'huiles et autres produits cosmétiques, ainsi que des produits de médecine, tous des produits naturels, pourraient révolutionner l'économie mauricienne en relativement très peu de temps si le gouvernement le veut. Le ministre ayant posé les bases pour un développement rapide du secteur manufacturier et de celui des agro-industries, les entrepreneurs n'ont qu'à passer à l'action.

Je pense qu'il faut s'assurer que plusieurs projets de l'ex-ministre de l'Environnement, l'honorable Raj Dayal, de plantation massive de plantes à fibres comme le cocotier et de plantes médicinales à travers le pays soient mis en pratique. Il faut ouvrir la voie à la production de plantes médicinales sur une grande échelle, notamment pour créer une industrie pharmaceutique de tradition ayurvédique, qui pourrait exporter ses produits à travers le monde à une époque où les médecines douces et non-invasives sont en demande croissante.

Une deuxième suggestion que je fais au ministre des Finances est de formaliser l'économie informelle. Si nous formalisons l'économie informelle, autant que faire se peut, on pourrait enregistrer peut-être une croissance supérieure à celle prévue par *Statistics Mauritius* en 2016-2017 et à l'avenir.

Une troisième suggestion concerne le secteur 'bio'. La production des produits 'bio' allait exploser à Maurice d'après l'ex-ministre des Finances Vishnu Lutchmeenaraidoo. Le nouveau ministre des Finances a abordé la question de manière plus efficace et a parlé de laboratoires. Nos légumes regorgent de pesticides selon *L'Express* du 15 novembre 2014, et nos ananas, selon *L'Express* du 15 juillet 2015, ont été refusés par l'Union Européenne pour leur teneur excessive d'hormones mûrisseurs, toutes ces substances chimiques étant hautement dangereuses pour la santé humaine. Les mesures de contrôle de qualité annoncées par le ministre devraient déboucher sur un label 'bio' bien structuré et légalement imposé aux producteurs de 'bio'.

Quatrième suggestion: en ce qui concerne les produits de mer, on pourrait orienter les pêcheurs, surtout leurs épouses, vers l'élevage d'huîtres, la culture d'algues, et de bénitiers de mer ...

(Interruptions)

Bien Sûr ! Pourquoi pas ? Ces derniers, en voie de disparition, devant être réintroduits et cultivés en grandes quantités à Maurice avec une aide française (ils sont très appréciés comme mets en Nouvelle Calédonie). Toujours est-il qu'un assainissement drastique de nos lagons pollués est nécessaire à ces cultures. Nos lagons demandent aussi une 'plantation' massive de corail comme projeté par l'honorable Dayal et comme cela se fait aux Seychelles. Par ailleurs, il faut réduire drastiquement l'écoulement massif des pesticides provenant des plantations vers les lagons. On doit contrer cette pollution par le développement rapide, que propose d'ailleurs l'honorable Pravind Jugnauth, de la production du compost. On doit aussi s'assurer que l'aquaculture intensive ne soit pas polluante au point de menacer la survie de nos lagons.

Cinquième suggestion: enfin, concernant le traitement des déchets électroniques, au Canada je sais qu'il y a des cas où des gens ramassant des ordinateurs usagés dans les poubelles, en ont extrait de l'or pour une valeur allant jusqu'à 5,000 dollars, dans des cas individuels. Il y a même des vidéos expliquant comment faire pour extraire de l'or des appareils électroniques. Ma suggestion est que le ministre s'assure que les responsables du projet à La Brasserie, Forest-Side, mettent rapidement à exécution le projet de recyclage d'appareils électroniques dont on peut extraire divers matériaux, y compris l'or.

Sixième suggestion: j'ai été le premier des parlementaires à demander le mardi 5 juillet 2016, à l'ajournement, que le gouvernement produise un plan pour le retour des Chagossiens dans leurs îles avec un projet agro-industriel respectueux de l'environnement fragile de ces îles. Je suggère cette fois au ministre d'insérer dans le budget un *token sum* pour un item spécifique de développement socioéconomique des Chagos.

Un plan pour Les Chagos devra comprendre, en plus d'une renaissance de l'agro-industrie, comme j'ai mentionné, un projet d'éco-tourisme et aussi une réinsertion des habitants de ces îles.

Septième suggestion. Je souhaite aussi que le ministre crée dans le budget, avec une somme symbolique, un fonds qui servirait éventuellement à une visite parlementaire mauricienne dans les îles principales de l'archipel des Chagos. Et, sous l'accord de 1965 entre Londres et Maurice, inclus maintenant dans la loi internationale par le Tribunal international sur le droit de la Mer une tournée d'inspection parlementaire de la mer environnante où nous avons déjà récupéré, devant le Tribunal international du droit de la

Mer, nos droits que l'Angleterre a voulu nous enlever sur la pêche et les autres richesses du plateau continental.

Je crois que l'honorable *Leader* de l'opposition a raison de nous inviter à y aller, car il n'y a rien, là, d'une violation territoriale, l'île Maurice ayant obtenu déjà du Tribunal international du droit de la Mer une souveraineté différée, voire alternative, sur l'archipel. Je recommande fortement la suggestion de l'honorable Paul Bérenger.

J'aurais voulu suggérer au ministre d'introduire un impôt gradué, et juste sur la fortune, pour remplacer la défunte taxe sur les campements. En Italie, il y a deux impôts sur la fortune. L'une de 0,76 pour cent sur les *real assets* des citoyens italiens à l'étranger, dont peut être déduite toute taxe immobilière dans le pays concerné. Et l'autre, de 0,15 pour cent sur les *financial assets overseas*, y compris des plans individuels de pension à l'étranger. En Suisse, une *wealth tax* est imposée sur tous les *assets* des citoyens suisses *worldwide* au taux allant de 0,13 à 0,94 pour cent, mais n'est pas imposable pour les résidents étrangers en Suisse.

J'ai été inspiré en cela par le grand économiste et *best-seller* mondial, Thomas Piketty, dont le travail gigantesque, "*Capital, In the 21<sup>st</sup> Century*", environ un millier de pages, est devenu aujourd'hui la Bible de la nouvelle gauche et a conquis beaucoup à droite et au centre de l'échiquier politique. Je demanderai tout simplement au ministre d'y réfléchir ou d'ordonner une étude avec l'objectif d'uniformiser et rendre plus équitable envers les citoyens les taxes sur la propriété, et de réduire éventuellement *l'income tax*, tout en augmentant et en diversifiant les revenus de l'État.

En bref, Piketty a découvert que le monde évolue à une vitesse grandissante et dangereuse vers une inégalité de plus en plus énorme entre les riches et les pauvres. Et son analyse est fondée sur 2 siècles de données statistiques sur les revenus et les fortunes à travers la planète. Piketty a prouvé que la cause fondamentale de l'inégalité n'est pas celle des revenus, mais celle de la fortune. Je laisse ceci à la réflexion des uns et des autres.

M. le président et aussi tous les honorables Membres de cette Chambre, je vous remercie de votre attention.

**The Deputy Speaker:** Hon. Sesungkur!

(3.31 p.m.)

**Mr D. Sesungkur (First Member for Montagne Blanche & GRSE):** Thank you, Mr Deputy Speaker, Sir, for giving way. Before I start my intervention, I would like to thank the hon. Member, Mrs Selvon, for her interesting speech on the Budget and also on Chagos.

First of all, I would like to congratulate the hon. Minister of Finance for his excellent work. There is much to commend on this excellent Budget, which has been widely acclaimed by one and all, by the common people, by the private sector, by the business community; in brief, by the whole nation. The hon. Minister has been greatly successful in the ways he has balanced the interests of all stakeholders, and this has been much appreciated.

History will recall that every time hon. Pravind Jugnauth has been Minister of Finance, he has had a special eye, a special attention for the poor and the needy. We will recall that in his first Budget presentation, he re-established subsidies on school fees. He has always had this special attention for the poor and the needy.

The Budget contains a series of measures in favour of the unemployed and the poor families, which is simply unprecedented in history. It has really created a feel good factor, to borrow a term of hon. Ganoo, who is a seasoned politician; he has assisted many budget presentations.

A Budget, which is also very interesting, according to the hon. Leader of the Opposition. A Budget, which is bold and daring, according to the words of the Rt. hon. Prime Minister. And today, looking at *l'Express*, the headline is: '*Le budget crée un feel good factor pour la communauté des affaires.*' This is a statement made by the senior partner of Ernst & Young. So, we can see that this Budget has really set a new platform, a new start for the development of our country.

Coming from a financial background, I will obviously focus my intervention on the key economic indicators. I will talk about figures. I will also try to clarify certain points which have been raised by the opposition, mainly by the hon. Leader of the Opposition who has, in his press conference last Saturday, mentioned three key areas where he is probably not fully satisfied. For instance, he mentioned that –

- (i) he doesn't think that this budget will rekindle the economy, will dynamise the economy and will have the estimated growth;

- (ii) he is concerned with the high level of current account deficit, and
- (iii) he is concerned about the national debt level.

But, before coming to - I have also listened to the points made by hon. Reza Uteem this morning, who has painted a very bleak picture of our economy - all these points, let me just summarise a few of the measures, which I feel is really sensible and which I feel will really give businesses a real mood to invest, will give entrepreneurs a real dynamism to go into business. There are many measures; for instance, the investment tax credit which has been reintroduced, which gives incentives to businesses. We also have tax holidays which have been given to small entrepreneurs, and also other fiscal and financial incentives which are included in the Budget.

Mr Deputy Speaker, Sir, before I dive into the subject matter, I would have to put the Budget in its context, in its medium term perspective, because yesterday the Leader of the Labour Party, at his press conference, raised a point, whereby he said that 'this Budget lacks vision; it does not prepare our country for the medium to long term, and it lacks original ideas'. I would immediately point to Members of the Labour Party that the Labour Party has been in power for the last 9 to 10 years. And if the Leader of the Labour Party had vision, he would have really made a tangible change to the economic scenery. But due to their lack of vision, due to their lack of ideas, this is where we stand today with a really messy situation which we are fixing today. So, I don't think that the Leader of the Labour Party is in a position to give us lessons how we should lead this country, how we should plan our economy. I think we are well placed, given that we have the information, the statistics at our disposal to make more informed decision rather than just making lavish declaration and just saying that they could have done this, they could have done that, but when they were in power they didn't do anything.

*(Interruptions)*

So, all political parties in advanced economies face the challenge of translating their values into action. This is a problem with all parties.

We have listened to hon. Uteem. He has expressed his wish that we could have done this, we could have done that, but we all know that we are in a chicken and egg situation; we want to invest, but where do we get the money. People say Government should do this, Government should give so much to this sector, Government should pay so much attention to

that sector without thinking about the financial implications. And we all know that we are in a very messy situation in terms of our finance. Our debt situation is really chaotic and it is not something which has been created by us.

So, this Budget includes a number of sensible ideas in terms of its philosophy. It contains measures to ensure a stable macroeconomic environment which will re-dynamise the productive sectors and restore confidence in our development potentials which I have just demonstrated.

Many of our economic experts like Pierre Dinan have also welcomed this Budget. Raj Makoond of Business Mauritius and most of the senior partners, most of the accounting firms have warmly welcomed the measures which have been put in this Budget.

The Budget also includes measures that lay building blocks for achieving medium-term goals in terms of higher growth rates. It contains measures which re-establish fiscal discipline and financial health. It includes measures to improve the productivity of our nation and our international competitiveness. It includes measures which initiate reform of our social welfare system and our administrative system, like the Revenue Collection Department which the hon. Minister of Finance and Economic Development announced and which will be facing major reforms at that level.

Mr Deputy Speaker, Sir, despite all the rhetoric one hears from politicians, the truth is that Government do not create jobs, businesses do. At the heart of this Budget, Government wants a business-led economy in which hard work is rewarded, entrepreneurs are encouraged and aspiration is applauded. It is only when businesses are thriving that the people of our country can thrive too.

In this same context, Mr Deputy Speaker, Sir, a number of fiscal and financial incentives have been given to SMEs through the DBM, the Venture Capital Fund as SMEs have a high employment generating potential. It is only a strong and growing economy that allows us to invest in health, in education and in social security. It is only a strong and growing economy that allows us to spend money on protecting our most vulnerable citizens. Government will, therefore, act more as trail blazer, a facilitator, a regulator, a catalyst and not as a direct producer of goods and services. What we are seeking is to establish a new and more effective Public Private Partnership.

Mr Deputy Speaker, Sir, we have heard it all before: every year the Opposition warns of catastrophe around the corner, the usual prediction of doom and disaster. The actual fact is that, every year, the economy is improving and, we, as a responsible Government, keep on giving more and more hope to the nation and we keep on improving the living standards of the population.

Coming to the points raised by the hon. Leader of the Opposition about the economic growth, I think, we should all have faith in our country and we know that the economic prospect, the development of our economy depends to a large extent on the international economic environment. It is only when the international economy is doing well and there is demand, it is only then that our entrepreneurs, our businessmen, our industries which produce goods and services can sell. But when the international economic environment is not conducive, when there is disruption, when we have unprecedented events, unexpected events like we just had recently, like Brexit, it is difficult to predict. And businessmen don't like uncertainties; they like to have real visibility on what will happen. It is only then that they invest their money. But I am happy that despite all these adverse situations prevailing at the international level, our economy is growing and this is the most important thing.

GDP growth is expected to pick up to 3.9% in 2016, fuelled mainly by growth in tourism, financial services, retail trade and ICT. I heard this morning that hon. Uteem expressed his pessimism about the target of 4.1% growth which is targeted in the Budget 2016/2017. I must say that two sectors which had really not contributed, which had, in fact, absorbed a large part of the positive result generated by other sectors are the agriculture and the construction sectors.

These two sectors are expected to contribute positively in 2016-2017. So, that's why we believe that with these two sectors doing better, we are hopeful, we are optimist that we will attain this objective of crossing the 4% rate of growth that everybody expects.

Why economic growth is so important? I think most people would like to know: why do we spend so much energy, so much attention on economic growth? Because economic growth is the measure of the total volume of transaction in a country! It is the wealth of the economy. So, when we say that our current economy which is estimated at around Rs430 billion, will grow to 4.1%, it is estimated that there will be higher volume of transaction and the growth will represent approximately Rs18 billion in terms of volume that it will generate in the next 12 months. So, it creates more wealth and when we get more wealth, we can

redistribute. So, that is why we have to be very careful and we have to ensure that we meet this target. As I explained, the target is achievable because we believe that construction and agriculture will be doing better in the coming months. So, we hope that the growth momentum will be sustained and we are hopeful that our country will have a better prospect in terms of economy.

Mr Deputy Speaker, Sir, economic growth and development need high quality and reliable Government services ranging from water to electricity generation, to transport and infrastructure. That is why Government is making a special effort to invest massively in terms of improving water supply, in terms of improving our energy supply and there is an amount of Rs153 billion which is projected to be spent in terms of capital expenditure in the next five years and for the next 12 months, it is expected that Government will spend approximately Rs35 billion. This is a very substantial increase compared to the previous year. It is approximately 130% increase in Capital Expenditure.

Mr Deputy Speaker, Sir, prosperity is strengthened when everyone has the capacity to participate effectively in the economy and benefits of growth are widely shared. This is what this Budget has tried to achieve. We know that if we are to bring prosperity, this will require providing the right conditions for investments in skills, infrastructure and innovation. This is why the Minister of Finance and Economic Development has laid so much emphasis on training of the unemployed, on training of the youth. This is why we are putting a lot of emphasis on innovation like digitalisation of our economy, like developing other productive sectors. So, these are measures which are expected to fuel productivity, to fuel growth of our economy.

We know that there has always been an expectation gap in terms of what the Budget measures contain, what the Minister announces and how it takes shape in reality, how it is implemented, and often people say: "But measures which were announced are never implemented and we don't see anything." But this time, the Minister is farsighted and he is providing for a number of other measures like simplifying the procurement of goods and services by Ministries which will definitely ease the process of procurement and will make projects much faster in terms of the implementation. So, I think there are a number of things which are contained in the Budget, which will change the way we have been doing things in the past and which have proven to be a bit slow and counter-productive.

I just mentioned the measures which have been provided for the training of unemployed so that they acquire other skills which make them employable in other sectors where they can get a productive job. So, this is something which will definitely improve productivity because it will put people back to work and these people will be able to contribute in the development of the nation.

Mr Deputy Speaker, Sir, it has always been generally accepted that at the times of economic downturn, we should train people with the skills necessary to bring about the upturn. Many countries have done that. Germany has been doing that. If we want Mauritius to become a prosperous major economy by 2030, we will have to raise the productivity and this will be achieved by giving people the skills they need to secure a better job. Higher productivity means higher income. When productivity rises, standard of living rises. Ultimately, the best way to cut the deficit and the debt is to ensure that we have better paid jobs, which will increase tax proceeds and reduce people's need for extra support from the State.

Coming to the point raised regarding the current account, the current account deficit means the value of import is greater than the value of export. It means that our total import exceeds our export. The current account deficit was at its highest in 2011 when it stood at 13.5% of GDP. This has improved substantially. In 2015, our trade deficit was only 4.8% of GDP. This is not something which is satisfying. We still have to make progress on that. We want to export more, but, as I explained, the international economic environment is not conducive. The current account deficit improved due to lower commodity prices. As we know, there has been a drop in the price of petrol internationally. So, this has also helped. According to the Bank of Mauritius, the current account deficit was adequately financed by the direct investment flows and surplus of our Balance of Payment.

In fact, Mr Deputy Speaker, Sir, the Balance of Payment registered a surplus of Rs20 billion in 2015 representing 4.9% of GDP. Gross Foreign Exchange Reserves of the country maintained its upward trend to reach Rs168.6 billion at the end of June 2016, thereby providing a comfortable buffer. We all agree that Mauritius has to export almost the size of its GDP. Hong Kong and Singapore do even better because their exports exceed their GDP.

The risk of capital flight which has been expressed by the hon. Leader of the Opposition has been monitored by the Central Bank and, in its report issued in May 2016, the

Bank of Mauritius reassures that this risk has been mitigated because we have taken measures to ensure that sudden capital flight due to panic does not affect our financial system.

We are aware that the surplus on the capital account means foreigners have an increasing claim on our asset. This is a good point raised by the hon. Leader of the Opposition, but, again, the Central Bank, in its Financial Stability Report, mentioned that the country has accumulated sufficient foreign reserves to deal with any unanticipated external shock. Risks to financial stability stemming from transactions with non-residents are currently deemed to be contained. So, I think the concern of the hon. Leader of the Opposition regarding the current account deficit is something which is being tackled by the authorities, by the Government. The situation is being monitored and there is no real cause of concern at this stage because we have assessed that, in case there is massive exit of capital from Mauritius in terms of forex, we have sufficient reserve to meet these kinds of situations and this is precisely what is contained in the Stability Report.

Coming to the situation of debt, I think again here there has been significant improvement in our debt monitoring because the report produced by the Central Bank covers a lot of the issues which would have arisen if the situation had not been monitored. We have improved creditworthiness at the international level. We have improved our maturity structure of the debt. We have enough time to repay our debt. In case we have an urgency to raise capital, we can raise capital and, most importantly, a large part of our debt is in terms of debts which have been contracted locally. So, we have sufficient room for manoeuvre in case we have such a situation.

Mr Deputy Speaker, Sir, before I end, I would like to cover a few points which were raised by hon. Uteem. He has mentioned that this Government, in fact, over the past 20 months, has only collected failures and that our economic situation has deteriorated. He has asked our *bilan* and he has made a really bleak forecast for our country. But we have to be fair and just. Hon. Uteem is supposed to be the shadow Minister of Finance of the Opposition. He knows very well that in 20 months we cannot do a miracle; we cannot come up with a *bilan*. Had he been the Finance Minister, we just have to imagine what would have been his *bilan*! So, we cannot as if, on one hand, say that Government should invest, should do a lot more to dynamise the economy and, at the same time, express their concern on why the debt level is going up, why don't we manage this. So, it is as if you are tying our hands and legs and you ask us to run. We cannot do that. We have to be realistic. We have to be

very fair in our analysis and we know that the international economic situation is not that conducive for us to have a faster rate of growth. Nevertheless, our economy is growing and I know that the hon. Minister of Finance and Economic Development has set his target really high. As the *l'Alliance Lepep* Government, we are really ambitious. We want to do an economic miracle; we want our people to live better and there is nothing wrong to be ambitious in life. We have to be ambitious. We all have to aim high so that we can get better results. This is what we are doing. Mr Deputy Speaker, Sir, the sky is the limit. Rightly said!

*(Interruptions)*

Mr Deputy Speaker, Sir, this Budget does not just fix the roof while the sun is shining. It fixes the foundation too and that is why I commend this Budget to the House. We pray as patriots that God bless our beautiful little country. I have seen the pride of the Rt. hon. Prime Minister after the speech of the hon. Minister of Finance and Economic Development. He has made his father proud of him and I will end on this note. There is no happiness equal to fulfilment.

Thank you very much.

**The Deputy Speaker:** Hon. Minister Sawmynaden!

(4.05 p.m.)

**The Minister of Youth and Sports (Mr Y. Sawmynaden):** M. le président, permettez-moi dès le début de féliciter l'honorable Pravind Jugnauth, ministre des Finances et du Développement Économique pour la présentation d'un budget audacieux, innovant d'autant plus qui fait l'unanimité. Dans le laps de temps très limité, mon collègue, colistier et *leader* s'est attelé à la tâche herculéenne de préparer ce budget déterminant pour ce pays.

Il est également important de souligner le rôle joué par le Chef du gouvernement, Sir Anerood Jugnauth. N'oublions pas qu'il occupa le portefeuille des finances pendant quelques temps et qu'il avait fait le *ground work* en menant des consultations prébudgétaires lui-même. En fin de compte, ce budget est en ligne avec la Vision 2030 dessinée par le Premier ministre l'an dernier. Il met en évidence la volonté du gouvernement de lancer de grands projets en vue de soutenir notre développement économique qui plus est toujours avec cette volonté d'innover et de répondre aux attentes de la population, saluant l'initiative de l'honorable

Pravind Jugnauth d'inviter le public à faire ses suggestions via le portail du gouvernement. Cette démarche a été un vrai succès et certaines propositions ont été incluses dans ce budget.

M. le président, vendredi, lors de son *Budget Speech*, l'honorable Pravind Jugnauth a situé les enjeux et les priorités d'une manière très claire. Face à la situation économique mondiale incertaine et au lendemain du Brexit, ce budget fait preuve d'audace et s'écarte des chantiers battus afin de rallumer le moteur de la croissance. Le budget comprend un ensemble de mesures visant à redonner espoir aux Mauriciens, en priorité aux jeunes et aux plus démunis. On ne pouvait faire autrement en tant que *truly caring government*. C'est donc véritablement un budget *Lepep* de l'*Alliance Lepep*.

Je vais axer mon intervention sur quatre éléments majeurs de ce budget. Tout d'abord, la lutte contre la pauvreté. M. le président, ce gouvernement est l'alternatif plébiscité, voulu par la population pour que les années où le Parti travailliste était au pouvoir ont été celles de l'exclusion aux profits des petits copains.

En vue de corriger tout cela, l'Alliance Lepep avait, dès l'entame de son mandat, mis l'accent sur l'amélioration du quotidien des mauriciens en augmentant la pension de vieillesse et en introduisant des tarifs sociaux pour l'eau et l'électricité. L'honorable Pravind Jugnauth va encore plus loin avec la mise en action du Plan Marshall contre la pauvreté -

- d'abord en allouant un revenu mensuel entre R 2,720 et R 9,250 aux familles figurant sur le registre social du ministère de l'Intégration Sociale ;
- de plus, le montant accordé aux ONG passe à R 90 millions;
- ceux âgés de moins de 15 ans sont désormais éligibles à la pension d'invalidité ;
- le *grant* pour la crèche passe de R 1,500 à R 2,000, et
- *last but not least*, le prix du gaz ménager passe de R 330 à R 270.

Ces mesures prouvent encore une fois que l'honorable Pravind Jugnauth a donné un nouveau souffle au combat contre l'extrême pauvreté. Il ne suffit pas de le dire que les choses vont mal, il faut venir de l'avant avec des mesures concrètes. C'est ce que le Grand Argentier a fait, *he has walked the talk!*

M. le président, j'en viens maintenant à une autre priorité de ce budget - faciliter l'accession au logement. Procurer un logement décent aux familles mauriciennes est une

nécessité. Pour que la famille puisse s'épanouir et vivre en harmonie, c'est un élément primordial.

Nous le savons, beaucoup de nos concitoyens vivent dans la promiscuité, une situation engendrant bien des problèmes. Il était impératif de revoir la politique de logement social de ce pays. Le ministre des Finances a répondu à l'appel en accordant -

- 1 milliard de roupies pour construire 1,900 maisons sur 16 sites à travers le pays ;
- 155 millions de roupies à la réhabilitation des complexes NHDC.
- 8,000 maisons sur les 3 prochaines années à l'intention des familles à faibles revenus ;
- le salaire d'éligibilité passe de R 15,000 à R 20,000 pour une maison NHDC, et
- en rayant la dette de ceux devant des arriérages sur les intérêts pour des emprunts contractés auprès de la MHC et de la NHDC, si le capital dû est payé.

Ce budget fait provision aussi de toute une batterie de mesures en vue d'encourager les mauriciens à être propriétaires de leur maison. L'exemption des frais d'enregistrement, jusqu'en 2020, pour la première acquisition d'un appartement ou d'une maison permettra ainsi l'économie de R 300,000 pour une maison ou appartement valant R 6 millions.

Nous vivons dans une île et nous faisons face à un problème d'espace. Il est clair que tout le monde ne pourra avoir un terrain avec jardin. Ce pourquoi petit à petit, nous voyons beaucoup de jeunes couples investir dans un appartement. C'est aussi l'évolution de la société. Le gouvernement devait réagir et il l'a fait.

Avec l'exemption des frais d'enregistrement pour ceux prévoyant d'acquérir pour la première fois est une vraie aubaine. L'investissement dans une première résidence sera aussi déductible de la taxe. Je note aussi que ceux ayant une maison sur un terrain municipal pourront désormais l'acquérir pour, tenez-vous bien, la somme symbolique de R 2,000. Si cela n'est pas une *caring measure*, ça y ressemble en tout cas! Toutes ces mesures vont relancer la construction et quand ce secteur va bien, tout va bien.

M. le président, le 3<sup>ème</sup> volet de mon intervention concerne l'Education. Comme vous le savez, le développement d'un pays passe automatiquement par un système éducatif

adéquat. La famille mauricienne a toujours mis l'accent sur l'éducation et c'est ce qui a permis à ce pays d'évoluer rapidement. En vue de concrétiser *this new era of development*, tel qu'il le préconise, l'honorable Pravind Jugnauth brasse large. Il ne veut pas d'une éducation à deux vitesses, avec d'un côté l'élite et de l'autre ceux et celles qui ne bénéficient pas d'une formation.

Dans le sillage de la réforme majeure enclenchée par notre collègue et colistière l'honorable Madame Dookun-Luchoomun, le ministre des Finances accorde plus de R 16 milliards à un véritable *upgrading* du secteur éducatif. Beaucoup de pédagogues le disent, la période de la petite enfance est celle où l'enfant emmagasine le plus de connaissance. A cet effet, le *Nine-Year Continuous Basic Education* fait la part belle à ces premières années de scolarité par le biais de nouvelles méthodes d'évaluation.

De ce fait, 340 *Trainee Educators* seront recrutés pour aider au développement holistique des enfants. 75 autres enseignants viendront renforcer le *remedial education* au primaire sans oublier l'embauche de 600 professeurs pour le primaire et le secondaire. Faites le compte: déjà un millier d'emplois générés pour nos jeunes diplômés!

Il était important aussi de rééquilibrer notre modèle de société en donnant plus de poids à la formation pré-vocationnelle. N'oublions pas que c'est Sir Anerood Jugnauth qui lança le concept en faisant voter l'*IVTB Act* en 1988. Il fut le Premier ministre de la Formation qui inaugura des écoles pouvant accueillir des milliers de jeunes éjectés du système académique. Hélas, ces écoles ne furent point une priorité sous le régime travailliste qui hélas a fait beaucoup de tort à nos jeunes.

Aujourd'hui, le *MITD* a pris le relais et ce gouvernement investit à nouveau avec le projet de construire trois nouvelles institutions polytechniques. De plus, la considération des *special needy children* est présente avec la construction de deux écoles à Moka et Allée Brillant à l'intention des enfants autrement capables. D'un autre côté, l'extension de la distribution de tablettes tactiles est une mesure visant à réduire le *digital gap* par rapport à d'autres pays.

D'autres mesures significatives à l'intention des enfants et des étudiants - l'exemption de la TVA sur les céréales et l'augmentation du *meal allowance* de R 40 à R 60 pour ceux fréquentant les écoles ZEP.

Je note aussi la volonté de l'honorable Pravind Jugnauth d'encourager les étudiants provenant de familles pauvres à compléter leurs études, car trop souvent ils abandonnent les bancs de l'école par faute de moyens. A Maurice, il existe encore des familles n'arrivant pas à se procurer le minimum essentiel pour que leurs enfants aillent à l'école.

On le sait tous, maintenir un enfant dans le système scolaire c'est la meilleure solution contre la délinquance juvénile et les mauvaises fréquentations. Imaginez-vous, ce gouvernement va récompenser ceux et celles qui auront complété le *nine-year schooling* par une somme de R 15,000, R 25,000 pour un SC ou un autre certificat d'études vocationnelles et R 35,000 pour le HSC! Là-aussi, c'est une première dans les annales de l'histoire de ce pays et encore une fois, c'est une mesure résolument *Pro-Lepep!*

M. le président, éduquer, c'est une chose, mais créer des emplois pour nos jeunes, c'est encore mieux. Je ne peux m'empêcher d'évoquer la politique prônée à cet effet par l'ancien régime - un gradué/diplômé par famille! Le mot est grand! Nous savons aujourd'hui que cette stratégie visait à remplir les *bogus universities* que les petits copains du *Parti Travailleiste* avaient créées. Combien de familles ont vécu un véritable drame en découvrant que les études qu'elles avaient payé à leurs enfants ne valaient rien?

Il ne fait aucun doute que notre ministre des Finances a compris l'urgence qu'il y avait à sortir ces milliers de jeunes du chômage. C'est pour cela qu'il a concocté toute une série de mesures afin que près de 21,000 jeunes trouvent un emploi au plus vite. Une entité unique, la *National Employment Agency*, aura pour tâche de canaliser ces jeunes vers une formation rémunérée ou un emploi.

M. le président, j'arrive maintenant au dernier volet de mon intervention - les mesures concernant mon ministère. Je suis ravi de voir que l'honorable Pravind Jugnauth a répondu favorablement à nos demandes et je le remercie vivement.

Comme vous le savez tous, le sport est l'élément unificateur d'un peuple et le sportif est le plus grand travailleur social d'un pays et aussi ambassadeur de la paix. Le sport est aussi considéré comme une belle vitrine pour Maurice tel que l'ont prouvé le tournoi de Rugby, de Golf, les Trails et tout dernièrement le *Kite Surfing* à Rodrigues. Cela prouve que le sport contribue à l'économie du pays.

Ma première année à la tête du ministère a été marquée par une série de résultats sportifs extraordinaires. Vous vous souviendrez que lorsque la responsabilité du ministère de

la Jeunesse et des Sports m'a été confiée, nous étions à la veille des 9<sup>ème</sup> Jeux des Iles de l'Océan Indien.

Certains oiseaux de mauvais augure prédisaient le pire. Mes détracteurs disaient que j'étais un marchand de rêves! Moi, je prévoyais un déclic du sport mauricien....

*(Interruptions)*

Non. Ce n'est pas l'honorable Quirin !

*(Interruptions)*

... car six mois avant les jeux, j'avais mis en place une nouvelle méthode de travail, axée sur le bien-être des athlètes. Il fallait qu'ils soient au cœur de nos préoccupations.

Dans ce contexte, un nutritionniste et un psychologue avaient été rajoutés à l'encadrement des sportifs au sein du *Medical Unit*. Nous leur avons accordé des stages d'entraînement à l'étranger et recruter des DTN pour mieux les encadrer. Tout cela a eu un impact positif sur leurs performances.

Maurice a enregistré une performance sans précédent en remportant 66 médailles d'or, 49 d'argent et 70 médailles de bronze à la Réunion. Ceci est la meilleure performance jamais réalisée par Maurice à ces Jeux depuis sa première édition en 1979.

*(Interruptions)*

Juste après, on a fait encore mieux aux 11<sup>ème</sup> Jeux d'Afrique au Congo, Brazzaville en se classant 7<sup>ème</sup> sur 54 pays participants...

*(Interruptions)*

...en raflant 7 médailles d'or, 2 d'argent et 5 médailles de bronze. Et là dans quelques jours, douze de nos sportifs vont participer aux Jeux Olympiques à Rio, au Brésil.

*(Interruptions)*

Pour ces Jeux, le ministère, à travers le *High Level Sports Unit*, leur a accordé une indemnité supplémentaire de R 10,000 en sus de leur allocation mensuelle à tous ceux qui ont obtenu leur qualification sur la base de leur performance. Et de R 5,000 à ceux qui vont

participer sur la base d'une invitation du Comité International Olympique. Sans compter nos deux athlètes qui vont participer aux Jeux Paralympiques du 7 au 18 Septembre.

Les faits sont là, le sport mauricien revit à nouveau. Mais sans investir massivement, nous n'aurons pas de tels résultats. Je félicite mon *leader*, l'honorable Pravind Jugnauth d'avoir pensé à la remise à niveau de nos infrastructures sportives en vue des Jeux des Iles 2019, qui se tiendront à Maurice. La construction d'un complexe multi-sports à St. Pierre s'insère dans la politique gouvernementale de démocratiser les pôles sportifs. Pourquoi St. Pierre? Est-ce que c'est la circonscription du ministre ou la circonscription du ministre des finances? Non, M. le président ! Désormais, St. Pierre est le centre du pays, bien desservi avec l'axe Verdun/Terre Rouge...

*(Interruptions)*

... qui est névralgique.

Ce complexe inclura une piscine, une infrastructure de qualité qui ne permettra pas qu'aux cohabitants de St. Pierre de s'adonner à la natation mais aussi aux habitants d'Ebène, de Phoenix, d'Hermitage, de Montagne Longue, de Crève-Cœur et de la région de Flacq de par sa position centre de l'île. Avec la natation inscrite au programme scolaire des écoles, il fallait une piscine pour la population de cette partie de l'île. Même philosophie avec le projet de construction d'une piscine à Rivière des Anguilles qui accueillera les mauriciens, habitant le sud de l'île.

*(Interruptions)*

Le but de ce gouvernement est de construire des infrastructures afin de permettre à tout le monde de s'en servir. Je note avec satisfaction que l'honorable Pravind Jugnauth a aussi répondu à l'appel de mon ministère en vue de doter le stade de Camp du Roi à Rodrigues d'une piste d'échauffement. Vous le saviez Rodrigues est un vrai vivier de talents sportifs. Une telle mesure va aider à dénicher d'autres espoirs de l'athlétisme.

M. le président, le soutien du gouvernement est plus que nécessaire pour la survie du football professionnel. Seule, la *Mauritius Professional Football League* ne peut assurer la pérennité du sport roi. Il est intéressant de noter que plus de 300 emplois directs ont été créés. Chaque week-end, une moyenne totale de 5,000 spectateurs assistent aux matches de football dans cinq stades.

Nous avons aussi relancé les écoles de foot. C'est là que proviendra la prochaine génération de footballeurs. Toutes les écoles de foot qui étaient en sommeil quand j'ai pris mes fonctions ont été réactivées en août 2015.

En raison des contraintes budgétaires, il n'a pas été possible d'assurer le fonctionnement de toutes ces structures. Ainsi, dans un premier temps, 24 écoles de foot, 12 centres techniques régionaux et le Centre Technique National François Blaquart sont redevenus opérationnels.

Comme je l'ai annoncé récemment, dans cette même assemblée, une somme de R 5 millions sera consacrée à assurer leur fonctionnement à plein régime dans toutes les régions.

M. le président, à l'heure actuelle, 105 athlètes y compris ceux ayant un handicap sont répertoriés au sein du *High-Level Sports Unit* du ministère. La performance de chaque athlète est étroitement surveillée et la liste est revue sur une base trimestrielle pour inclure, retirer ou remettre à jour les athlètes sur la base des performances enregistrées au cours du trimestre précédent.

Ce système garantit un revenu régulier à l'athlète. Mais que se passe-t-il à la fin de sa carrière sportive ? Pendant trop longtemps, cette question est demeurée sans réponse. Du jour au lendemain, ces athlètes qui ont fait la fierté du quadricolore se retrouvent abandonnés. J'ai décidé que cette situation avait assez duré.

Voilà pourquoi nous projetons de mieux encadrer l'après-carrière de nos sportifs. Le plan inscrit dans ce budget vise à assurer leur développement professionnel.

A cet effet, le *Trust Fund for Excellence in Sports* sera revu et reformé en profondeur et nous viendrons sous peu avec un nouvel organigramme qui aura pour but de faciliter l'employabilité des sportifs.

*(Interruptions)*

Vous l'aurez aussi noté que provision a été faite pour soutenir nos projets en faveur de la pratique sportive de masse que nous promouvons. L'ouverture gratuite au public des infrastructures se trouvant dans des écoles et collèges d'État est un vrai succès, et bientôt le public aura accès aux gymnases. Cette action fait suite au succès populaire remportée par les Jeux des Quartiers initiés l'an dernier. Ce type d'événement tient à encourager les mauriciens à pratiquer le sport en famille.

En ce qu'il s'agit de la section Jeunesse, nous finalisons le plan *SMART Youth 2020*. Il préconise une nouvelle approche face à une jeunesse qui a beaucoup changé.

Il existe déjà le trident formation-sensibilisation-loisirs mais nous devons impérativement revoir nos actions. Afin de lutter plus efficacement contre les fléaux comme la drogue et les grossesses précoces, il est primordial de conscientiser d'une nouvelle manière avec de nouvelles méthodes car les causeries et autres forums ne marchent plus. Nous devons aujourd'hui miser sur le visuel, via des spots plus percutants. Et là les habitants de Cité La Cure sont contents de voir le Centre de Jeunesse de la localité déjà en construction car dans le passé ils ont été témoins de plusieurs poses de première pierre sans rien après, tout comme le *camping site* à Bel Ombre. Je voudrai aussi informer la Chambre suite au *speech* de l'honorable Reza Uteem que le Stade Auguste Volaire est aussi en rénovation et le travail a déjà démarré.

*(Interruptions)*

M. le président, en conclusion, je dirai que ce budget tombe à pic pour une île Maurice qui avait grand besoin d'un nouveau cap. Le ministre des Finances est un homme de dialogue. Il a consulté, au sens le plus large, avant de préparer ce budget. En proposant toutes ces mesures réalisables, il active le Plan Marshall contre la pauvreté, il répond à l'attente des jeunes chômeurs, il soulage le porte-monnaie des Mauriciens.

Pravind Jugnauth nous a livré un budget à visage humain, centré sur l'urgence à tendre la main aux plus démunis. Ce n'est pas un budget de technocrate. C'est pourquoi la population en général et le secteur privé sont unanimes à l'applaudir ; d'autres le trouve même intéressant. Bref, c'est un budget qui a du cœur, car il est à l'image de mon *leader*, Pravind Jugnauth.

Merci, M. le président.

**The Deputy Speaker:** I suspend the sitting for half an hour!

*At 4.30 p.m., the sitting was suspended.*

*On resuming at 5.07 p.m. with Madam Speaker in the Chair.*

**Mr R. Rampertab (Second Member for Flacq & Bon Accueil):** Madam Speaker, thank you for allowing me the floor this afternoon, in this august Assembly, to address this

House after our second Budget Speech which was delivered by our Minister of Finance and Economic Development, hon. Pravind Kumar Jugnauth, at the last sitting.

First and foremost, I must congratulate him for a great Budget Speech. It was, indeed, an inspirational moment for us all to be favoured with such a broad socioeconomic insight on the instructive, objective and mission of the Budget 2016-2017. It is all about a sincere and faithful essence to boost our economic landscape, to enhance the lives of our people, and, more importantly, to focus on our shared vision to build a greater Mauritius. This Budget is all about accomplishments and not speculations.

Now, Madam Speaker, I would like to share some of my views on this Budget Speech made by the Minister of Finance and Economic Development. Today, Madam Speaker, one of the challenges facing Mauritius, as outlined in Chapter X, page 47, paragraph 363 of the Budget Speech, is the implementation of the Public Sector Reform Programme when it comes to the National Development Unit along with the reorganisation of the 35 Citizens Advice Bureaus around the island. Only lately, our Rt. hon. Prime Minister had just inaugurated the 36<sup>th</sup> one on Rodrigues, and we all know that our Rt. hon. Prime Minister has got a special place in his heart for the people of Rodrigues.

The concept of our Citizens Advice Bureaus, Madam Speaker, is based on the British model, which was introduced in 1989 by our present Prime Minister. The vision was to bridge the gap between urban and rural developments, as it was noticed at that time that there was a great disparity between urban and rural regions at different levels, namely the infrastructure and social developments. I can say presently, Madam Speaker, that the services offered by the CAB office are not many but they are there mainly to provide firstly, assistance and guidance to members of the public on facilities extended by the Government and the public sector. It also acts as a facilitating agency. It serves as forum for cooperation and collaboration between NGOs and stakeholders to promote developments in the regions. It also organises sensitisation campaigns on pertinent themes based on prevailing needs and other emerging issues to create a well-informed society oriented towards developments. It also organises stakeholders meeting to facilitate communication with service providers.

Madam Speaker, since we took Government in 2014, we have seen and witnessed some developments as far as the functioning of the CAB office is concerned and with the help of my colleagues PPS, the CABs are now working very closely with the Ministry of Gender Equality, Child Development and Family Welfare, the National Human Rights

Commission, the Equal Opportunities Commission and the Ombudsperson for Children Office. Many talks have been organised in the past 16 months in our 35 bureaus in Mauritius, dealing with rights and responsibilities of citizens, domestic violence, the child and elderly protection, human rights in general and equal opportunities perspective in general and cleanup campaigns as well.

Madam Speaker, having worked with the CAB offices in my Constituencies, namely Nos. 8, 9 and 10, I would humbly direct the following proposals for the revamping of the Citizen's Advice Bureaus. It is high time for CAB organisers to get appropriate and relevant training both at local level and at international level on customer services. The UK model may be served as guidance.

It is also good to know, Madam Speaker, and I must say that, in the United Kingdom for someone to be allowed to serve or to work in a Citizen's Advice Bureau, it is a prerequisite that he or she needs to go for dedicated and customised training whereby each one gets a personal learning training at the end. They have to cover topics like, for example, family and personal, information system, responding to clients, interviewing skills, credit debt, social policy, income tax, housing and many others. Furthermore, each volunteer has to go through the structured training before being allowed to serve in a Citizen's Advice Bureau.

Here, Madam Speaker, I would like to refer to paragraph 99 of our Government Programme 2015–2019, whereby it states that –

“The role of the Citizen's Advice Bureau (CAB) as the interface between government and the public will be reviewed and improved.”

And, accordingly, I would like to propose that Citizen's Advice Bureaus provide the following new services and I can't see why we should not have legal service which should be provided definitely by the CAB office like in the United Kingdom. It is proposed to provide a similar service to enhance access to legal services to vulnerable citizens such as cases regarding family law, landlord and tenant disputes and property law which should be considered. Also, we can look at providing a counselling service to vulnerable groups. Social development comprises physical, infrastructural as well as soft and human development. Deprived areas and vulnerable people also need social accompaniment and psychological support for their optimal social functioning. Madam Speaker, having said that, I must

highlight that they are constrained by staff shortage. The present staffing is not commensurate with the ambition of the new Government and the society at large. We definitely need to give further training to our staff.

Madam Speaker, now, I will take the opportunity to refer to the Budget Speech of the hon. Minister of Finance and Economic Development at paragraph 221 in relation to the plan set up of a dedicated Land Drainage Authority. In light of the climate change and its impact on our island whereby floods have recently disrupted the everyday life of the whole nation, I am relieved to know that our hon. Minister of Finance and Economic Development has allocated the amount of Rs940 m. for the year 2016-2017 to cater for drain works in Mauritius and in Rodrigues, not to forget the additional Rs270 m. that have been provided to the Ministry of Local Government to carry out drain works across the island.

On behalf of my constituents, I would like to convey my special thanks to the hon. Minister of Finance and Economic Development for adding this item into the Budget.

Madam Speaker, furthermore, I also note that Government has been to date very active in my constituency, namely with the following projects –

- St. Julien D'Hotman by-pass;
- Bel Air Mediclinic;
- Pont Lardier Water Treatment Plant;
- replacement of old and defective water pipes, and
- drain projects which are already on their way and it will take only a few weeks probably to start working on them in St. Pierre, St. Remy, Cité Argy in Flacq and in Clementia and Lesure near Bel Air.

Madam Speaker, I would also like to congratulate the hon. Minister of Finance and Economic Development and the Minister of Health and Quality of Life, hon. Gayan, for his recommendation on behalf of my colleagues, hon. Dayal and hon. Minister Roopun and of my constituents again for including in his Budget the construction of a new hospital in Flacq. It is very important to point out that this hospital, Madam Speaker, was long overdue as there is currently a huge pressure on the present hospital to cater for the needs of approximately 300,000 inhabitants for Constituency Nos. 8, 9, 10 and partly 11. Today, we cannot have a hospital which is lacking so much in facilities whereby patients have to be transferred either to SSRN Hospital, or to Dr. Jeetoo Hospital or to Jawaharlal Nehru Hospital at Rose Belle for

scanning or MRI every day. So, it is very alarming and I am so grateful to the hon. Minister of Finance and Economic Development and the hon. Minister of Health and Quality of Life for including that in our Budget.

Now, Madam Speaker, I will come in the light of Brexit and its immediate challenges for our economy. There is an urgent need to reposition our manufacturing sector in order to improve its competitiveness. This point has been well argued by the hon. Minister of Finance and Economic Development in his Budget Speech and I shall demonstrate its relevance to our rural economies, the SME sector and the national macroeconomic perspectives. Accordingly, lately as the Chairman of the Organising Committee of the India-Mauritius Global Partnership Conference which was held on 24 and 27 July of this year in Mauritius, I am pleased to inform that the theme is all set to welcome a series of projects that will give a dynamic boost to our economic growth in several areas. As at today, at least 25 firm project intents have been earmarked and several high-profile discussions have taken place followed by concrete MoUs duly being signed by the Indian delegates with our private sector. There are potentially additional more MoUs in the pipeline.

As stated by the hon. Minister of Finance and Economic Development at page 8, paragraph 62 that there has already been expression of interest by the said Indian delegates in setting up of several manufacturing projects in Mauritius with the aim of using Mauritius as a Freeport zone and as a hub for exporting to Africa. This initiative will certainly bring considerable value to our economy, namely to the SME sector with suitable chance of technology, our FDI will definitely grow up and sideline business opportunities for our young entrepreneurs in search for new horizons. Here, I wish to thank the hon. Minister of Finance and Economic Development for taking the initiative to implement new measures to boost activities in the Freeport as per page 9, paragraph 70 of the Budget Speech.

Madam Speaker, again, in my capacity as Chairman of this Conference, I am very pleased to inform the House that the CEO of Bombay Stock Exchange attended the conference in Mauritius, whom I met during my road show in India and during the opening ceremony of the Conference.

A historic MoU has been signed between the Stock Exchange of Mauritius and the Bombay Stock Exchange that will open a new era of cooperation with one of the world's prime stock exchange. And today, Bombay Stock Exchange is ranked third in the world. So,

it is really a great pleasure to have them helping us. I am sure, as they have promised, they will help our local stock exchange to go up.

Today, if you will see, Hong Kong is only about eight kilometres from North to South. Look how they are operating! Look at Singapore, how they are operating! But why can't Mauritius? Why are we lagging behind these countries? We have got all the abilities; we have got the potential to do well. Today, I am proud to say that Bombay Stock Exchange is willing to help us to go up.

Madam Speaker, I would like to conclude my intervention with the following reflection. The Budget 2016/2017 should be highly praised by all the Members of the Assembly because it is a demonstration of economic bravery. The measures elaborated by the hon. Minister of Finance and Economic Development are daring only to those who have at heart the development of our country. It is our turn now to drive these measures to successful heights. We cannot sit back as mere spectators and wonder who and how to take the lead and execute them.

A budget is an act of faith. Each citizen of this country should adhere to its core values and visions. We all have a shared responsibility for the positive transformation of our nation. The hon. Minister of Finance and Economic Development has set the target high up in the skies and each and every player of our economy has been provided with a suitable package of incentives. It is now the challenge to convert these same measures into dynamic growth metrics.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Ramful!

(5.19 p.m.)

**Mr D. Ramful (Third Member for Mahebourg & Plaine Magnien):** Madam Speaker, I will start by saying one good thing about this budget.

*(Interruptions)*

I said one good thing. The one good thing only...

*(Interruptions)*

...which is that the ...

(Interruptions)

**Madam Speaker:** Order!

**Mr Ramful:** ... current Minister of Finance and Economic Development has been able, through his budgetary gymnastic, to hide under the carpet the mess that his predecessor has left the country. This is the only one good thing about the budget. He has, through his budgetary gymnastic, blinded the population out of the turmoil that his predecessor left this country. I am talking here about the previous budget, the Budget 2015/2016.

There is wide consensus in the population that the previous budget, unfortunately, was a non-starter; it was a non-event. What was not promised by the previous Minister of Finance and Economic Development! If I go through the number of promises that were made in the last budget, the then Minister of Finance and Economic Development – well, sweet talker as usual - promised to the population the following –

- (i) GDP growth for 2015/2016 would be 5.3% and 2016/2017 would be 5.7%, instead the reality is that growth fell down to 3.6% in 2014 to 3% in 2015;
- (ii) we were promised high investment – *Maurice, un vaste chantier de développement*. However, when we look at the figures, both public and private investment followed a downward trend from 19.4% in 2014 to 17.5% in 2015;
- (iii) Foreign Direct Investment plunged from approximately Rs18 billion in 2014 to Rs9 billion in 2015, approximately half the amount;
- (iv) we were promised high employment; we were promised *Ile Maurice, nation d'entrepreneurs* – Rs10 billion were earmarked for new entrepreneurs;
- (v) we were promised the setting up of an SME Bank, but we ended up with MauBank - not no bank, MauBank;
- (vi) we were told that 3,000 *gradués chômeurs* would be enlisted to follow tailor-made crash courses, but the hon. Minister of Education and Human Resources, Tertiary Education and Scientific Research, in a question that I had put to her, stated that there were only 76 *gradués chômeurs* who had enrolled for the crash courses;
- (vii) we were seduced by the concept of *parrainage* of the *cité ouvrière* and we know the results. The concept of *parrainage* has failed and the current

Minister of Finance and Economic Development has had to change the whole concept, and

- (viii) lastly, we were told that they will change the nation from *une nation zougadère* to *une nation d'entrepreneurs*. But what has happened? Ten additional betting licences were granted!

So, this was what was ...

*(Interruptions)*

Thank you for the answer. Well, I can go on, Madam Speaker, citing numerous examples of broken promises.

Now, we are being told that the *potion magique n'a pas marché*. The magician has gone; he has left.

*(Interruptions)*

From the post! Now, we have a lifesaver. The lifesaver will take us from this turmoil and will lead the way for the population, for all the Mauritians. But we should not forget that we have wasted one and a half years.

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Ramful:** And now we are being told that this present budget is a *budget de rupture*. Let me quote just to make it more interesting! When I spoke about *nation zougadère*, let me quote what the then Minister of Finance and Economic Development said.

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Ramful:** Let me quote what he said during his summing-up! Very touching! He said –

“This concept, (...).”

Referring to the concept of *nation zougadère*.

“(...) which has developed through the years, that life is a jackpot is not in our tradition; Opposition or Government. Our forefathers never came here to teach us that life is a jackpot, if you know how to play it, you win. We have been sent here to work hard and to earn what we have. So, people will understand that the cleansing process is also putting order in this ‘*mentalité zougadère*’ that developed in the country because some people made a lot of money giving licences.”

And we know what this Government has done with gaming and betting licences!

So, now we are being told that this new budget is *un budget de rupture*. I’ll refer to the introduction at page 1; I’ll quote from the Budget Speech, paragraph 7 to paragraph 11 –

- “7. If we decide on a new course, we can change things for the better and come on top.
- 8. The choice is clear.
- 9. Today we choose to come on top - to move forward and up.
- 10. Today we choose to break with the past that has stifled development for the last decade and see the future in a new light.
- 11. The challenges of tomorrow cannot be met with our mindset, policies and actions locked in the paradigm of yesterday.”

Very well said! There is only one phrase which, however, is very awkwardly placed. I think, the hon. Minister of Finance and Economic Development should be fair in his analysis. He said –

“Today we choose to break with the past that has stifled development for the last decade (...)”.

Well, by saying so, unfortunately, he is blaming all the Ministers of Finance and Economic Development who have been Minister of Finance and Economic Development for the last ten years including himself, including the Deputy Prime Minister.

*(Interruptions)*

But I will refer him...

*(Interruptions)*

**Madam Speaker:** Order!

*(Interruptions)*

Order!

*(Interruptions)*

Order, please!

*(Interruptions)*

Order! Everybody will have the opportunity to address the Chair. Everybody will have the opportunity to have their speech. So, you will have ample of opportunities to reply to what the hon. Member is saying!

**Mr Ramful:** Well, he should be fair in his analysis. Well, he should not forget that, in the last decade, we have had the loss of the textile preferences. We have had the soaring price of oil. 100\$ barrel, not 40\$! We have had the reduction in the price of sugar and we have had more particularly the Euro crisis. I will refer to a document published by the present Minister of Finance and Economic Development back in 2010 when he was Minister of Finance and Economic Development. It was during the last ten years. ‘Facing the Euro Crisis: Restructuring for Long Term Resilience’, the hon. Pravind Kumar Jugnauth in August 2010 –

“The Mauritian economy is once again buffeted by a major external shock, this time by the euro zone crisis. Once more, and in a relatively short span of time, Mauritius is called upon to demonstrate its capacity to respond effectively, to adapt its policies and even to rethink its strategies.”

And he goes on to congratulate his predecessor, hon. Sithanen. He said –

“The country is well positioned to respond. The economy has already shown a considerable degree of resilience and has built an environment already conducive to dynamic entrepreneurial activity. Our institutional advantages have been noticed by international investors who have responded positively to our transparent and well-defined investment code and legal system.”

So, this is what I am saying. I think when the hon. Minister of Finance and Economic Development refers to this sentence, he should be fair. He should consider in what position the country was or the external factors that were influencing the economy during the last decade.

Now, be it as it may, we are being told that this Government with his third Minister of Finance in one and a half years and endless economic statements should be trusted once again. The population unfortunately has no choice. They have voted. They will have to wait for the mandate of this Government.

*(Interruptions)*

But then, I will say one word of caution to the present Minister of Finance and Economic Development - 'Don't fool the population again!'

*(Interruptions)*

Well, Madam Speaker, I will not deal with all these issues. There have been many issues that have been raised in the Budget, but I will focus on three main issues: Education, Poverty Alleviation and Unemployment which I feel should be given due consideration. I will start with Education.

On Education, we are, unfortunately, rushing to a reform with our head buried in the sand. And I will say why? Let us look at the statistics! CPE on average yearly, we have 20% to 25% of students who cannot get through. Form III National Assessment, recently published, 41.5% in Mathematics succeeded. Chemistry, only 50% of our Form III students in colleges today are passing the Chemistry exams. Physics, only 32.5% of our students today in colleges are passing the Physics exams.

*(Interruptions)*

I will come to the reform! We are not against the reform. I will come to it. Just give me some time!

SC, average 25% fail every year. HSC, average 35% fail every year and if we want to measure our educational system with other countries, if we want to measure the quality of education that was delivered in our schools with other countries, then we have to refer to the PISA results, Programme for International Students Assessment in 2012. It was in 2012.

And what we see, out of 65 countries, including all OECD countries, Mauritius came out 56<sup>th</sup>, not even in the upper half. This is the measurement of our educational achievement on international level.

So, we agree. I have never been against the reform. I have always said, we have to reform our current educational system. We have to reform, but we have to put in place a system that would be able to give opportunity to all our children irrespective of their social background, but, at the same time, providing good quality education that reflects the need of the industries and the economy. The hon. Minister of Education and Human Resources, Tertiary Education and Scientific Research has taken bold decisions. I have always encouraged her. She has decided to implement the reform and we are actually in this process, reforming and restructuring the educational system which is the nine-year schooling.

What this reform is going to entail? What structural changes are going to happen? In the next three years, because the first cohort of students who are presently in Standard V, next year they will be sitting for Grade VI and in three years Grade IX, they will be eligible for the Academies. So, we have three years to start and complete the reform. For the first cohort of students who are actually in Standard V, in three years' time they will be in Form III, Grade IX.

What do we have to restructure? We have to bring about a new mode of assessment both at primary and secondary level. We need to introduce the Primary School Achievement Certificate at the end of Grade VI. We have the National Assessment at the level of Grade IX. We have to create the Academies. We have to revisit the entire syllabus, including primary and secondary. We have to be ready with all the textbooks, including primary and secondary. We have to bring about the infrastructural changes within three years. We have to recruit educators, train them so that they can deliver quality education to our children. We have to bring in all the stakeholders, including the BEC and the private sector and we need to know their stand. All these have to be done in three years.

But when we look at the budgetary provision, I feel sorry. I feel sorry to say that, unfortunately, this Government is giving the impression that they are not serious about the reform. They are giving the impression as if...

*(Interruptions)*

Well, I will go through the budgetary provisions! They are giving the impression as if they are not ready yet with the reform. So, if we are not ready, why are we rushing through? I will make an appeal to the present Minister of Education and Human Resources, Tertiary Education and Scientific Research. Being a Minister and a parent, a child has only one opportunity in his lifetime to go through the educational system. Let us not, with this reform, bring about changes that will make this child regret for the whole of his life! Let us be careful! If we are not ready, let us be ready, let us get prepared, then we go smoothly with the reform!

The hon. Minister of Finance and Economic Development estimated the cost of the reform to be Rs2 billion over a span of five years. We are not told where he got that figure from. I have asked a question and I was told that there were experts from the World Bank who were here, in Mauritius, and they were involved in the evaluation of the cost, financial implications, etc., but we are not told in the Budget where he got that figure from. I said we have to be ready in three years. I see in the Public Sector Investment Programme that only Rs700 m. have been voted for the next three years. Now, I don't know where we are going to dish out money for the reform. Regarding the Academies, the Minister of Education and Human Resources, Tertiary Education and Scientific Research, unfortunately, has so far said very few about the Academies. Well, she is aware that such a reform cannot be done piecemeal, there must be visibility, and, more importantly, parents should know what educational system their children would be facing in the future. At the moment, when I talk to parents, they seem to be confused. The *BEC* appears to have some reservations on the idea of setting up the Academies.

*(Interruptions)*

Well, go back to the recent press interview ...

**Madam Speaker:** Address the Chair, please!

**Mr Ramful:** ...of the Director of the *BEC*! She made it clear. Go and look at what the *BEC*, *l'Église Catholique*, has published on the website, you will know the stand!

We were told that with the introduction of the Primary School Assessment Certificate, private tuitions will be considerably reduced. Well, we seem to be living away from the reality! Go and see! Private tuitions have increased. Now, we have students of Form I, Form II and Form III taking private tuitions. We have primary school students of Standard III and Standard IV taking tuitions illegally. Go and look at the reality out there!

Regarding competition, we were told that cut-throat competition would be reduced with the advent of the reform. Cut-throat competition! Now, students at Grade VI level will have to compete to get the best secondary school in their region. So, I can't really understand. There will be regionalisation and still students from a particular region will have to compete to get the best secondary school in the region. So, this competition is still there and to add to this, now we will have competition at the level of Grade IX to get into the Academies. So, we are increasing competition.

Books are not ready. I had to intervene during Adjournment Time the other day. Books were not ready for Standard III students. As I have said, we need to reform the system, but we need to get the required financial resources, the appropriate human resource and the infrastructure ready. What we should not do is that we should not rush into the reform if we are not ready, and, more importantly, I will make a humble request to the hon. Minister: don't use our students as guinea pigs. Please, don't!

*(Interruptions)*

If you are not ready, be ready, then you come with your reform!

Now, I'll come to the second issue, Madam Speaker, which is poverty alleviation. We give the impression – I am not referring to the current Government, all Governments – that we are ruling from an ivory tower. We don't know, when we come to poverty, it is not a political issue. For me, it is not a political issue. It is a human rights issue. We give the impression that we, politicians, are living in an ivory tower, away from the realities on the ground. I am asking a question: this Government has been recruiting people in the Civil Service, Policemen, people in the hospitals, in duty free and in the Port, how many of them come from those 6,400 families who are in absolute poverty? How many of them? Why are they not given the opportunities to come and secure employment in the public service? Why not?

*(Interruptions)*

I have just said it is not a political issue, for me it is a human rights issue...

*(Interruptions)*

**Madam Speaker: Order!**

**Mr Ramful:** Giving money is a good thing, giving social aid is a good thing, but it is not enough and I will request the hon. Minister...

*(Interruptions)*

I am going to tell the hon. Minister...

*(Interruptions)*

Well, we are...

*(Interruptions)*

We are coming with...

*(Interruptions)*

**Madam Speaker:** Order, please!

*(Interruptions)*

**Mr Ramful:** We have the Youth Employment Programme now extended to the public service!

*(Interruptions)*

That is one way of doing it...

*(Interruptions)*

Well, if we have to come with positive discrimination for these 6,400 families we have to do it...

*(Interruptions)*

...in all fairness...

*(Interruptions)*

**Madam Speaker:** Order please! Order!

**Mr Ramful:** *To coffre la en or mo tan dire!*

*(Interruptions)*

I am going to quote...

*(Interruptions)*

It is good here that I quote what Mandela said. He said –

“Overcoming poverty is not a task of charity; it is an act of justice. Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.”

So, we have to act...

*(Interruptions)*

Yes, we will see. I know he has got good intentions.

*(Interruptions)*

Successive Governments have taken numerous decisions and I have to congratulate the present Deputy Prime Minister when he was Minister of Finance, so many decisions, the CSR Programme, the creation of a Ministry for Social Integration and Economic Empowerment...

*(Interruptions)*

Rs130 m. for hot meals in the ZEP schools, Rs100 m. for child allowance benefiting some 20,000 children, free transport for students, the setting up of the Social Register, Income Support Programme, Rs100 m. to support 8,000 families...

*(Interruptions)*

Several housing units for the needy...

*(Interruptions)*

Well, we have to be...

*(Interruptions)*

We have to congratulate him!

*(Interruptions)*

And all this under the Labour Government!

*(Interruptions)*

**Madam Speaker:** Hon. Jhugroo!

*(Interruptions)*

**Mr Ramful:** You see I try to be constructive as well. I will request the hon. Minister of Social Integration and Economic Empowerment there is the Malta example. In 2014, they had come up with a report which is called a Framework for Poverty Reduction and for Social Inclusion 2015-2024. It is a ten-year strategy. I will request him to go and look at that report. What is more important when we talk about alleviation of poverty? It is not only about dishing out money. It is about creating opportunities. It is about giving them employment. So, there must be a holistic and result-oriented approach. I request the hon. Minister to go and have a look at that document.

*(Interruptions)*

Well, we will see...

*(Interruptions)*

Yes. Yes, we are still waiting for the Marshall Plan. We will see.

Unemployment, unfortunately, I have to say it, we are creating fictitious and precarious jobs and taking palliative measures instead of secured permanent and long-term opportunities. When we look at the statistics, I remember I had asked a question on this. When we look at the statistics, out of the 46,300 unemployed, 31 per cent do not have an SC, 13 per cent do not hold a Certificate of Primary Education, making a total of 44 per cent not qualified at SC level. There are about 20,500 people.

Now, these unemployed people are mainly low skilled people. What is being done in this budget to upgrade their skills? Instead of creating secured employment through growth and investment, we are putting them on the dole and we are creating a disguised way of unemployment benefit. I remember in a question that I had put to the Minister of Labour, the House was informed that since 2013 some 14,984 people have been placed under the Youth Employment Programme. 14,984 which is a two-year programme and they are being paid a

monthly stipend by Government. We don't have the statistics and God knows how many people on the Workfare Programme are getting a stipend from Government!

So, what is Government doing? We are putting those people on the dole. We are giving them monthly stipend without creating opportunities, without providing them a permanent employment. Now, in this Budget, we see that there is a new programme called the National Skills Development Programme for about 4,000 youths. Again, they will be paid a monthly stipend and again they will be on contract, temporary jobs! Now, we are extending this to the Civil Service and questions are being raised about the legality of this, whether we are not bypassing the prerogatives of the PSC.

In last year's Budget, series of measures were announced with regard to unemployment and unskilled workers and today, Madam Speaker, those low skilled jobless have the right to ask the following questions –

- (i) where is the *chambre des métiers* that was promised in order to recognise the skills and competencies of the trade persons and other technicians;
- (ii) where is the promise to revisit the role and functions of the MITD with greater emphasis on training of electricians, welders, etc.;
- (iii) the HRDC, unfortunately, has been changed into a revenue collection agency collecting levy grants from employers and paying back the money to them for training costs. We see the burgeoning of many training institutions nowadays without control with the sole objective of having a share of the levy grants at the expense of proper and targeted training;
- (iv) what about the career guidance still in the pipeline? And we are talking about an educational system linked with the industry.
- (v) What about the *gradués chômeurs* contributing to the problem of mismatch? Those *gradués chômeurs* who have, unfortunately, made the wrong choice. What about them? And we know that the so-called Graduate Training for Employment Scheme has not delivered the required result.

So, all these issues require urgent attention in order to deal, in my humble opinion, with the issue of unemployment. Therefore, Madam Speaker, we are being told, as I have said, that this new Finance Minister, unlike his predecessor, is a lifesaver and that this new

Budget will be creating this time, not a *second miracle économique*, but that it is going to be a new era of development. Now, whether this is really a *budget de rupture* with the past or a *budget de rupture* with reality, only time will tell. In the meantime, I say good luck to the new Finance Minister.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Baboo!

(5.58 p.m.)

**The Minister of Arts and Culture (Mr S. Baboo):** Madam Speaker,

“Art washes away from the soul the dust of everyday life.”

This quote is from Pablo Picasso.

With your permission, let me first congratulate the Minister of Finance ...

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Baboo:** ... and Economic Development for the presentation of a budget geared towards the improvement of the quality of life of the citizens.

In a context where the global economy is in serious crisis, where countries are struggling very hard to survive, the hon. Minister of Finance has stood against all odds and prepared a budget that answers the call for the eradication of poverty. This is a Budget for the people!

The gap between the haves and the have-nots cannot be enlarged; it has to be narrowed. We want our citizens to lead a decent life in an all-inclusive society. No one can be left out in the margin of development. This Government is embarking on a new era of development. A wind of change is blowing. Everyone is being taken on board of the expressway of progress in this Budget. We are all equal, and equal opportunities are being given to one and all. This is the mandate of this Government, Madam Speaker! This Budget has a transformative agenda with ten key strategies that will bring comfort and security to the population.

Difficulties and challenges are being turned into opportunities. The risk of further global slow-down will continue to be a threat given that as a Small Island Developing State, we face a lot of challenges -

- (i) limited natural resources in commercially exploitable minerals and financial resources to carry out socioeconomic development;
- (ii) vulnerability to natural disasters having a severe impact on the economy, which is dependent on few products as the main export;
- (iii) heavy dependence on external and internal institutions;
- (iv) vulnerability to world price fluctuations; we are price-takers and not price-makers, and
- (v) lastly, the geographical location of Mauritius makes transport of cargo more expensive, leading to diseconomies of scale, high transportation costs, and increased costs of goods.

However, in view of its strategic geographical location, Mauritius is a gateway to Africa, India, Asia and Europe, and this is a potential to be explored.

Despite our vulnerability, we are maintaining our resilience and arming ourselves to fight the scourge of poverty and control public expenditure. Taxpayers' money will be judiciously used for the development of the Nation. We are preparing ourselves by strengthening our firewalls against these risks, ensuring macroeconomic stability and judicious fiscal management.

Creativity and innovation are being enhanced to make our society a model of self-sustenance. The way the budget has been presented is an innovation in itself. It is not only a rational exercise of income and expenditure, but it has been prepared with a heart and soul, where our citizens have been placed at the centre of development of this country. As trustee of the population, this Government is honouring its obligation towards the Nation.

The Budget for 2016-2017 is dynamic and innovative.

*(Interruptions)*

Let it be!

The country will enter a new phase of development with project reforms in the agricultural, educational, manufacturing, ICT and financial sectors. Madam Speaker, as per Abraham Maslow's hierarchy of needs, food, housing and clothing are of utmost importance, and this has been given priority, as illustrated by the measures taken in this budget. There is no doubt; this budget reflects our determination to cross the poverty line in a sustainable way and fight against social exclusion. The adoption of a Marshall Plan for Poverty Alleviation will improve the lives of people living in conditions of extreme poverty. Hence, cash incentives are being provided to ZEP students in a bid to encourage those from poor families to achieve higher levels of education, and their meal allowance will be increased by 50 per cent.

Madam Speaker, we have to produce our own food to reduce importation and save our foreign currency for the purchase of other products of necessity. For example -

- unused and bare agricultural land will be made productive;
- grant for sheltered farming will be increased to encourage planters to undertake crop production under these structures;
- a Bio-Farming/Organic Zone will be set up in Britannia;
- a new orientation will be given to animal husbandry, dairy production and bee-keeping;
- schemes for protective nets for pest control will be provided to ensure crop security for small scale fruit plant growers;
- cash incentives will be provided to farmers for boosting the production of dairy products, and
- 12.5 million rupees will be provided for the purchase of floating cage structures to promote aquaculture.

These measures will shift our focus from a monocrop-diversified economy to bio-farming, as per the global trend. We will encourage our citizens to go back to cultivating their lands and producing food that we consume.

The dedication of Government to rehabilitate existing housing units and to provide some 2,700 houses, amounting to more than Rs1 billion, in the short term, as well as new tax exemptions for first-time buyers, bear testimony to our commitment in improving the lives of our citizens. It enables the population to purchase land and construct houses without tax hurdles. Clearly, this Government is committed to adopt a people-centric approach by providing decent housing to the needy and most vulnerable. Moreover, the removal of

customs duty on several clothing items will attain the objectives of meeting the basic needs of the population.

Madam Speaker, to be able to lead a decent life one needs to earn a living. A job gives dignity to a person and we have the moral obligation to provide this dignity to our people. This budget upholds the dignity of our citizens. It will bring happiness to the life of our people by creating more job opportunities and by upskilling their aptitudes in different areas that are required in our development process. It encompasses all sectors and caters for people from all walks of life, namely -

- Tourism and hospitality;
- ICT;
- Nursing and paramedics;
- Construction, and
- Sea Faring.

For instance -

- a special scheme for 200 trainee engineers in the public sector is being provided to enable their registration as professional engineers, and
- Youth Employment Programme and the Service to Mauritius Programme for young graduates to gain experience in various sectors to prepare them for the job market.

With the setting up of a Skills Development Authority, I am personally convinced that the problem of skills mismatch, which is one of the main reasons for unemployment today, will be addressed.

7,200 posts will be filled in the public sector. With these bold initiatives, Government will be providing some 21,400 persons with jobs in the private and public sector.

Madam Speaker, this Budget will lay the foundation for a nation of modern entrepreneurs through measures that will enable them to improve capacity, enhance access to capital and markets, adopt technology, encourage innovation and develop human capital.

SMEs will be given a new impetus with the abolition of trade fees for licences for three years. The creative genius of our young entrepreneurs will be supported and put to productive use. In this regard, the suspension of Trade Fees, the introduction of 8-Year Tax

holiday, the creation of a National SME Incubator Scheme, the SME Venture Capital Fund and an agri-Business Park, as well as the decreasing of interest rate from 7.4% to 6% and access to leasing are strategies that will set the tone for the development of a nation of modern entrepreneurs. These measures reveal to the goodwill of the Government in getting businesses up so that they contribute actively to the national economy as quickly as possible.

Madam Speaker, we are living in a world of texts, images, SMS, WhatsApp, Facebook, Twitter and many other applications. I want to stress that we fully recognise the pervasive challenges that new technologies play in our economy and our way of life. We cannot afford to lag behind in the digital world. We are, thus, ever more committed to providing the resources required in terms of equipment, technology and people to improve our competitiveness, stimulate activity and create jobs.

Increased connectivity measures, including the setting up of an additional 250 free Wifi Hot-spots and the 'Third Undersea Cable' project is a quantum leap towards the making of our Republic into a digital society. An information highway among public sector agencies will help in the provision of a timely and quality information sharing to the population. Our children will be initiated to the digital world as from primary school and digital tablets will be provided to them.

Compared to other newly developing countries, our children have access to IT and telephone facilities. This has been made possible due to our standard of living which has increased, as well as our educational system.

Madam Speaker, this Budget is off the beaten track. It faces the critical economic climate without imposing hardships on the population. Thus, the development of this country has reached a cruising speed. The road to the second economic miracle is gaining impetus and a new destiny is being forged for the population.

As stated by the late Mrs Thatcher, former Prime Minister of UK –

“The World does not owe us a living”.

Therefore, the contribution of each and every citizen of the country, the commitment of the public and private sector are of paramount importance to make things happen. Together, we can achieve our objectives to shine as a developed nation and be a role model for this region.

Madam Speaker, I wish to thank my colleague, the hon. Minister of Finance and Economic Development, for the soft spot that he has in his heart for arts and culture. In fact, I am happy to note that many of the proposals of my Ministry have been retained.

The cultural policy of this Government is mainly characterised by our cultural diversity based on the principles of unity, tolerance and mutual understanding. While upholding our common values and heritage, we are also creating the appropriate conditions for the development of the creative economy.

Cultural diversity is a common heritage for humanity. It is the main spring of sustainable development, a source of innovation and creativity. Arts stimulate the imagination and creativity, thereby, enhancing the self-confidence and cultural engagement of the population.

The Ministry of Arts and Culture has the mission to foster a balanced and harmonious Mauritian society through consolidation of existing pluralism, promotion of creativity and adherence to our cultural values.

We are an example for the world towards sustainable peace, based on our successful experience with multi-culturalism. Now is the time to promote Mauritius as a Capital City of cultural diversity.

Madam Speaker, Mauritius is a land of diverse tangible and intangible heritage. We value what we have inherited from our ancestors. Our cultural and natural environment, our values and traditions are the major elements that make us unique in the League of Nations.

Mauritius has many natural treasures and a rich cultural heritage which must be preserved for future generations. We have some one hundred and ninety-six (196) sites listed as National Heritage.

Government has been at the forefront...

*(Interruptions)*

**Madam Speaker:** Hon. Rutnah, please be seated properly!

**Mr Baboo:** ...by undertaking and supporting activities and projects in order to identify and preserve our national heritage as well as to educate and sensitise citizens and tourists thereon.

A provision of Rs50 m. has been made in the Budget to rehabilitate our historical and cultural heritage sites and structures listed under the National Heritage Fund Act.

We have undertaken a national inventory of our intangible cultural heritage and one of the elements, namely the traditional Mauritian Sega has been inscribed on the UNESCO representative list of the Intangible Cultural Heritage of Humanity.

The next one which is on the agenda of the nomination committee is the *Bhojpuri Geet Gawai* and subsequently the Sega Tambour of Rodrigues.

*(Interruptions)*

Preserving cultural heritage is vital for every nation. We cannot deny our past as our present and future are built on the foundation of the past.

As this August Assembly may be aware, this Government has listed not less than twelve religious sites as national heritage in May this year. This is a *grande première*, Madam Speaker!

It recognises the spiritual maturity of the nation. It acknowledges the contribution of the civil society in the development of a serene environment to enable our people to go the extra mile and to give the best of themselves for moving ahead together as one People, one Nation.

Two cultural villages will be set up at Trianon and Black River respectively, with a view to acknowledging our ancestral values and to provide a platform for our artists to promote their creativity and sell their products.

The safeguarding of our archives has been the subject of great concern for years. Attention has been drawn on the location of the building and the legitimate apprehension of the population on the fate of the memory of the nation. This heritage will now finally be safeguarded for posterity!

Rs105 m. have been provided in this budget to kick-start the construction of this long-awaited building to house the National Archives Department and the National Library. This was a very long struggle. In fact, this project was initiated since the 1990s but never took off.

I must stress that finding a solution to this perpetual threat to our common heritage was very high on my agenda. It took us only 20 months to find a solution, with the support of the Ministry of Finance and Economic Development.

- (i) At the international level, my Ministry has enhanced the visibility of the country through the inscription of the Records on Indenture Immigration on the Memory of the World International Register of UNESCO in October 2015. This is another fitting tribute to the hard work of our ancestors in the making of Mauritius as a symbol of peace and progress.
- (ii) In June 2016, Mauritius has been nominated as a member of the UNESCO Inter-governmental Committee for the Safeguarding of the Intangible Cultural Heritage.  
Madam Speaker, this is the first time that Mauritius will form part of the Inter-governmental Committee comprising twenty-four member States, including three new members, namely Mauritius, Senegal and Zambia.  
Mauritius will now have voting rights on the Committee and will be allowed to participate in the decision-making process.
- (iii) Furthermore, for two consecutive years, Le Bocage International School and Le Chou College of Rodrigues won the ‘*Coupe du Monde de Slam*’ competition held in Paris in 2015 and 2016 respectively.
- (iv) A number of concerts are organised with artists from different countries. The private sector is also involved in the organisation of paid artistic and cultural activities, with the regular support of my Ministry.

These events have a positive impact on the population. They keep them away from societal ills and give them the opportunity to appreciate artistic and cultural performance of International Standard.

Madam Speaker, art is a soothing balm: it brings solace and tranquillity; it helps individuals to relax and reduces stress at a time when the world is living under perpetual threat of stress and its deriving illnesses.

Art therapy improves the quality of life of individuals. It is an index to measure human happiness.

Here, I would like to quote George Bernard Shaw who said –

“Without art, the crudeness of reality would make the world unbearable.”

Literary works are the vehicles of thoughts and knowledge. They act as a guide in our daily life from our tender age.

Reading stimulates the imagination and encourages creativity. It broadens our intellectual horizon and helps to develop independent critical thinking. It transcends the benefits to individual. As long as the pen exists, the book will continue to be our faithful companion throughout our life.

The pleasure derived from the pen and of holding a book in the hand cannot be compared to a soft version of a piece of writing. Though e-books have numerous advantages, the physical books still have their importance. To this end, a substantial increase has been made in the budget for the operation of the *Centre de Lecture et d'Animation Culturelle*, operating under my Ministry.

Madam Speaker, Cultural Tourism is a highly economic activity which is being given the attention it deserves. It is a fact that culture is connected to tourism. It attracts and appeals. We have a rich history, a variety of cultures and traditions, music and dance, architecture, museums, galleries, historical and World Heritage Sites.

Madam Speaker, this budget has brought an innovative touch in the form of a *Mauritian Calendar*. In fact, my Ministry organises at least one artistic/cultural event every week. Some two hundred activities are, hence, organised yearly, comprising national festivals, exhibitions, cultural shows, drama festivals, international days, concerts by local and foreign artists, including the activities of the twenty-eight parastatal bodies falling under the purview of my Ministry.

The participation of foreign artists in our events has been made possible due to the excellent ties/diplomatic relations with other countries under Cultural Exchange Programmes (CEP). The CEP enhances links with other countries as well as regional and international organisations.

The Mauritian Calendar will bring together and highlight all the events in a chronological way and enable the population to be aware of what's happening as well as attract tourists. Entrance to most of the events and activities is free.

We have all the ingredients to attract the interest of tourists who are in quest of adventure and novelty. Mauritius being a multi-cultural country has the advantage of providing a glimpse of African, Asian, European arts and cultures on one platform.

We can make the stay of tourists memorable and more meaningful. We will provide a good mix of our tangible and intangible resources in the culture value chain to attract more tourists, in collaboration with the Ministry of Tourism and External Communications.

The Heritage Industry is being given a new impetus with the growing Tourism Industry. Madam Speaker, even though the social status of artists has improved considerably and the importance of quality performances and the creativity are valued, legal protection of artists' rights has not been fully accomplished.

There is a wrong perception that creative workers are people who live a life of fame, glamour and riches. Unfortunately, for the vast majority of artists, this is not so. In fact, it is a lifetime of hard, unstable, fluctuating work, long hours and inadequate income. Artists cannot only live by their art. They have to rely on a second employment for their subsistence.

In line with the recommendation concerning the status of artists adopted by the General Conference of UNESCO in Belgrade in September-October 1980, my Ministry is working on the status of Artist Bill to acknowledge the contribution of artists, creators and performers in the socio-economic development of Mauritius.

In this context, the assistance of UNESCO has been obtained for the services of an expert for drafting the legislation taking into consideration the pluricultural and multi-lingual realities of the Mauritian population. This exercise will be done in consultation with all stakeholders.

This Bill will regulate the working conditions of artists including social security and insurance amongst others. The concerns of artists, as per the Belgrade Declaration of the Status of Artist, will be included in the legislation as follows -

- Public recognition by an established system and the opportunity to form Trade Unions to represent and defend their interests;
- Training and promotion of artistic creativity;
- Development of artists' professional skills;
- Incentives to increase the participation of under-represented artistic fields such as poetry, design, and others;
- Acknowledgement of their social and professional status.

Now is the time to set up a mechanism which will help emerging as well as established artists and creative workers to continue with the process of creativity without having resort to other jobs to sustain a living. Hence, we are setting the pace for further development of the cultural industry as a new economic pillar. In the wake of the Creative Economy, it is imperative that artists, creators and performers are given the appropriate incentives to enable them to

continue with the process of creation. Therefore, the new legislation will acknowledge their positive contribution in the socio-economic development of the Society.

Artistic creativity is an engine for growth and prosperity. The Rights Management Society, formerly MASA, has been a source of dissatisfaction for artists for years. The Copyright Act 2014 is being reviewed, in consultation with artists, to meet their changing needs and aspirations. The amendments to the Act will be brought to the National Assembly, this year itself. Moreover, Government is increasing the grant to the Rights Management Society.

With a view to creating the appropriate environment for the development of the Creative Industry, the National Heritage Fund Act 2003 is being amended to meet the needs and aspirations of players in the arts and culture sectors. Furthermore, a new Film Commission Bill will be introduced, to replace the Mauritius Film Development Corporation Act 1986.

Madam Speaker, the creative economy is not only one of the most rapidly growing sectors of the world economy but also a highly transformative one in terms of income generation, job creation and export earnings.

The Film Industry is one of the growing sectors. In order to leverage the economic potential of the film industry, appropriate infrastructure will be put up in the form of a Film City to service this sector.

As stated by our Rt. hon. Prime Minister, Sir Anerood Jugnauth in 'Vision 2030', the Cinema Industry is rapidly emerging.

One stop-shop facilities will be provided to attract foreign film-makers for shooting in Mauritius. To this end, the Film Rebate Scheme has been increased from 30 to 40 per cent. This strategy will no doubt demarcate Mauritius from other countries; promote film-induced tourism whilst giving a competitive edge.

Foreign film producers are unable to seek logistic assistance for their film production as the Mauritius Film Development Corporation, which operates under the aegis of my Ministry, does not possess any film shooting equipment. These film crews have to transport their own equipment when coming to Mauritius and the heavy cost of freight that they have to pay acts as a major disincentive. One film company, specialised in the rental of film shooting equipment, has stopped its operation in Mauritius. It is, therefore, essential that the MFDC be provided with all the required film shooting equipment, which is indispensable to encourage and attract both local and foreign producers to produce films, serials, and reality shows.

The provision of Rs10 m. for the purchase of equipment in this Budget is therefore, most opportune. The film shooting equipment would be rented to both public and private organisations. This would allow the MFDC to generate revenue; create immediate employment such as camera operators, technicians, sound engineers, crane operators, and graphic editors, amongst others.

Capacity building is essential in this highly technical world. The setting up of a Film Training facility will, therefore, enable local cine-makers to acquire skills and updated knowledge in this sector, as well as develop local talents in all phases of filmmaking.

Madam Speaker, just as a painter starts with a blank canvas, a filmmaker starts with an unlit space. Light is the filmmaker's brush and palette. Lighting is an important component of cinema's visual design. The basic tools needed to create masterpieces by our local filmmakers; both professionals and amateurs have long been undermined because of high costs involved in purchasing lighting equipment.

We want to ease this situation. Some local producers have been relying solely on natural light to shoot and they have had to pay a heavy price for quality. Now, that customs duty on lighting equipment has been removed, I am convinced that the quality of local productions will go up while cutting down on production costs. Film-makers are not the only ones to benefit from this measure. As a matter of fact, the very same lighting equipment is also used by photographers for outdoor shooting as well as in-studio setups. We have the required potentials for film making. This has been clearly illustrated during the 7-Day Challenge and Inter-College Film competitions. The potential of our youngsters in film production has been unleashed. It was a real challenge and they made it. Out of nothing, they produced short films of high quality which met with resounding success. We have sowed the seeds for the film industry to germinate. We want to be a major player in this sector from pre-production to post-production.

Madam Speaker, the Islamic Cultural Centre Trust, which operates under the *aegis* of my Ministry, has as mandate to deal with matters relating to the organizing, facilitating, monitoring and supervision of Islamic pilgrimage to the holy places.

As Members of the House are aware each year, thousands of Mauritians of Islamic faith go to Saudi Arabia for Umrah and Hadj; a number of students are enrolled in Universities in Makkah and Madinah, and professionals are working in different sectors such as education, health and banking.

The setting up of an Embassy in Saudi Arabia, a promise kept by this Government, will contribute in providing greater security, comfort and opportunities to our citizens

travelling to Saudi Arabia. This will significantly improve communication and the visibility of the Republic of Mauritius in Saudi Arabia.

Madam Speaker, the Budget provides for studies and project preparation for the Intercontinental Slavery Museum. This is in line with one of the key recommendations of the Truth and Justice Commission Report. The Museum will give more visibility to slavery and the slave trade in the Indian Ocean; will promote slave history and emphasise the contribution of the African Diaspora throughout the world. The Budget has also made provision for a Maroonage Museum, which will be located at Le Morne.

Although Le Morne Cultural Landscape was listed as a world heritage site in 2008, there was no public access to the mountain. UNESCO had expressed concern that the descendants of slaves did not have the opportunity to pay tribute to their ancestors.

Several attempts were made by my predecessors to provide public access, but these remained unsuccessful. With the support of hon. Xavier Luc Duval, Deputy Prime Minister and Minister of Tourism and External Communications and that of hon. Showkutally Soodhun, Vice-Prime Minister and Minister of Housing and Lands, public access to the mountain has been made possible since Sunday 24 July 2016.

Madam Speaker, my Ministry is providing different types of financial assistance to the artist community such as the International Travel Grant to enable artists to get exposure on the international scene. Furthermore, at the grassroots level, my Ministry provides a grant to upcoming artists for the production of CDs. Artists organising concerts are also given financial assistance to enable the display of their artistic talent.

There is a pressing need for empowering our artists to enable them to master their careers and churn out a living in this competitive industry. Arts and culture can become a major driver of the economy and provider of employment, the more so with the increasing number of tourists coming to Mauritius.

The measure to finance projects of artists from the Lotto Fund will address this issue. This will also provide the means of achieving the long desired target of professionalising our artists and making Mauritius a bubbling artistic and cultural scene. The power of arts enriches our lives. Artists through their creations, contribute to our happiness. It is crucial that the artists themselves are content to contribute to our artistic and cultural tapestry. And here, I would like to quote Thomas Merton from the book 'No Man is an Island' -

“Art enables us to find ourselves and lose ourselves at the same time”

Madam Speaker, the creation of a Mauritius National Troupe will highlight our rich cultural diversity - “culture unites, it does not divide”. The National Troupe will be instrumental in reinforcing our social fabric. It will bring unity in diversity in our multi-cultural society. The National Troupe will encourage positive change in everyday behaviour as a means for developing inter-cultural dialogue and mutual respect towards other cultural components.

The Mauritius National Troupe will also encourage the discovery and development of talents in the performing arts and the achievement of high artistic productions. It will derive its relevance and significance in showcasing creativity, cultural diversity and also realigning the various psycho-social aspirations of our people towards national growth and development.

Madam Speaker, the year 2017 will mark an event of historic importance – the 25<sup>th</sup> Anniversary of the accession of Mauritius to the status of Republic. An additional amount will be provided to celebrate this Silver Jubilee.

These new measures will undoubtedly thrust arts, culture and creativity on a higher pedestal. Artists, performers and creators will be the main players.

Our main objective is to ensure that the appropriate environment is created to enable “*un épanouissement total de nos artistes*”, thus contributing in the economic development of Mauritius. We are stepping on the highway of cultural development. We are consolidating national unity and we want to be a strong partner in the League of Nations for the harmonious development of humanity in all its aspects.

Madam Speaker, to end, I would like to quote Jacob Lew, former Secretary of the Treasury of the United States -

“The Budget is not a collection of numbers but a collection of our values and aspirations”.

Madam Speaker, this Budget meets the aspirations of our people. We all have a colourful life ahead!

Thank you for your attention.

**Madam Speaker:** Hon. Lepoigneur!

(6.43 p.m.)

**Mr G. Lepoigneur (Fourth Member for Beau Bassin & Petite Rivière):** Madam Speaker, thank you for giving me the opportunity to thank and congratulate the Minister of Finance and Economic Development, hon. Pravind Jugnauth, for the very good Budget which I fully support. Low growth, high unemployment, extreme inequality and heartfelt fractures in our society, these are unacceptable to all of us.

I have a simple message. We are strong enough, resilient enough and creative enough to manage and overcome our economic challenges. All of us want jobs, thriving businesses, engaged professionals, narrowing inequality, fewer in poverty. All of us want a new valued paradigm, a society at peace with itself, a nation energised by the task of building stronger foundations for our future society and economy.

Madam Speaker, we want our Government to function effectively, our people to work in dignity, with resources for their families, decent homes and opportunities for their children. We want to see progress throughout our island in agriculture, manufacturing, construction, tourism, science and research, sports and leisure, trade and commerce. It is within our grasp to achieve these futures. It requires bold and constructive leaderships in all sectors, a shared vision, a common purpose and the will to find a common ground.

Above all, we need action not just words. Let us unite as a team, sharing our skills and resources, building social solidarity, defending the institution of our democracy and develop other economy inclusively. We have a plan to -

- (i) manage our finance in a prudent and sustainable way;
- (ii) gain confidence and mobilise the resources of all social partners;
- (iii) collectively invest more infrastructure to increase potential growth;
- (iv) give hope to our youth through training and economic opportunities;
- (v) protect Mauritius from the effects of the drought;
- (vi) continuously improve our education and health system;

- (vii) accelerate transformation towards an inclusive economy, and participation by all, and
- (viii) strengthen social solidarity and extend our social safety net.

Madam Speaker, the Budget rests on an idea of an inclusive social contract encompassing of equitable burden of tax and progressive programmes of expenditures. The Budget relies on institutions of good governance and a public ethic that values honesty and fairness. If we act together on these principles as public representatives, civil servants, business people, youths, workers, Parliament Members and citizens, we can overcome the challenges of tough economic times and difficulties adjustment.

In acting together, we can address declining confidence and retreat of capital and we can combat emerging patterns of predatory behaviour and corruption. We are conscious of the difficulties we face, our resilience as a nation can propel us to a better future if we make the right choices.

Madam Speaker, concerning the Marshall Plan to the fight against poverty since I have joined this Government is something that is near and dear to my heart and the heart of many of our constituents. Madam Speaker, to address one dimension of inclusive growth, which is the protection of the disadvantage and marginalised group of society, Government will continue to put in place measures to improve the efficacy of social welfare programmes. These measures will ensure food security, availability, social safety nets to reduce poverty and the promotion of opportunities for special growth such as women, the elderly and people living in disabilities. It is therefore pleasing to note that the poverty eradication effort by Government continues to yield result as indicated by the decline in the population living in poverty.

The increase of the budget of the Ministry of Social Integration and Economic Empowerment is a sign that the Ministry of Finance and Economic Development has not forgotten those people living in disabilities. This Ministry has been created in 2010 where our actual Deputy Prime Minister, hon. Xavier Duval was the first Minister of this Ministry, since a lot has been done and more is to come. Meanwhile, Government is in the process of formulating a Mauritius Poverty Eradication Strategy which is expected to be reducing by the end of our mandate. This strategy will serve to guide all efforts of Government towards

poverty eradication across sectors to ensure consistency of actions and results as well as fostering in our economic development agenda.

It is recalled that Mauritian Government has announced in a medium and long-term Marshall Plan to combat poverty and social exclusion in Mauritius and Rodrigues. The Ministry of Social Integration and Economic Empowerment is leading the population of the Marshall Plan while the UNDP is providing technical assistance for its development. The services of a national consultant have been enlisted by the UNDP to support overall coordination of the preparation of the plan including organising national consultation, supporting the experts' team and the setting of an implementation plan.

The Marshall Plan will, *inter alia*, cover the following areas -

- social protection;
- social housing;
- social inclusion and community development;
- access to education;
- development and competencies;
- employment and sustainable livelihood opportunities for the most vulnerable groups including people with disabilities;
- Women employment and feminisation of poverty;
- Youth Economic Empowerment;
- access to services including electricity, water, sanitation, transportation, ICT facilities, and
- environmental protection and its relation with social integration

Madam Speaker, as mentioned in the Budget Speech, the Ministry of Health and Quality of Life has got an increase of 12% in the Budget 2016-2017. I would like to make a request to my colleague, hon. Gayan, that part of the cake can be shared in our Constituency where we have different institutions which are concerned by health and quality of life such as the BS Hospital, Prison of Beau Bassin, school for deaf and school for blind people.

Before the election of December 2014, the distribution of methadone was being made at the BS Hospital which causes a lot of problem. During our electoral campaign, we had lots of complaints by people living in this area where the distribution of methadone was doing lots of harm. Then, my two colleagues, hon. Aliphon and hon. Gayan and myself promised to

find a solution according to the problem. After election, our promise has been realised. This action has been very much welcomed by all people of our Constituency. But to my surprise, when I read the newspaper of last weekend where hon. Dr. Zouberr Joomaye in an interview said that it is not a good decision to do the distribution at Police stations in all localities. If hon. Dr. Joomaye has a better solution, it would be good if he could do this for us, otherwise he could ask the hon. Minister of Health and Quality...

*(Interruptions)*

...to ignore this interview and leave it as it is...

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Lepoigneur:** ... as people of our Constituency are very happy...

*(Interruptions)*

**Madam Speaker:** Order!

**Mr Lepoigneur:** ...with the new system.

*(Interruptions)*

**Madam Speaker:** Hon. Ameer Meea, please!

**Mr Lepoigneur:** I would like to make another request to my colleague, hon. Gayan to take into consideration in the Budget for financial year 2016-2017 of one of our electoral promises which is the construction of a mediclinic at Coromandel. I make a humble request for that project to be realised before the end of our mandate.

To conclude, Madam Speaker, I wish to congratulate once more the Minister of Finance and Economic Development, hon. Pravind Jugnauth for this Budget which will bring fresh breath for people living in disabilities, and, as I said before, let us unite as a team, sharing our skills and resources, building social solidarity, defending the institution of our democracy and developing the economy exclusively.

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Teeluckdharry!

(6.52 p.m.)

**Mr K. Teeluckdharry (Second Member for Pamplemousses & Triolet):** Thank you, Madam Speaker, for allowing me the opportunity to address this august Assembly.

My thanks to the staff of the Ministry of Finance and Economic Development for this laudable budget. My thanks to the Rt. hon. Prime Minister for having done the background work and my thanks equally to the hon. Minister of Finance and Economic Development for having conceived such a Budget within such a short lapse of time, after having assumed office within two months' period only.

This is an outstanding Budget, a Budget which will be remembered in history as it is a Budget that contains, if I may be allowed to use his own words, powerful actions to deal with complex issues. These were his words in his conclusion, but even outspoken critic on the air has said that – "*le ministre des finances a préconisé des mesures révolutionnaires et ceci sans ambages*". We will remember last week, in all sincerity - what we say in his usual manner, that is, – truthfully, with all courtesy, *avec toute la gentillesse*, he presented this Budget containing a number of revolutionary measures.

I have heard orators during the day today, and especially my friend, hon. Ramful. Today, he said that this Budget and he quoted to this House that –

"Today, we choose to break with the past that has stifled development for the last decade and see the future in a new light."

The word that has been used is '*rupture*'. What should one understand by '*rupture*'. It is not '*rupture from reality*'. '*Rupture*' here is to rethink, *se remettre en question*. A learned author had this to say –

« *Ce n'est pas le plus fort de l'espèce qui survit, ni le plus intelligent ; c'est celui qui sait le mieux s'adapter au changement.* »

And this was Charles Darwin who said this. That is, constantly, one has – what we say in French – *de se remettre en question*. And what is the goal of this budget? We are not at the end of the mandate. Our itinerary has started since September 2014. We are today 20 months. We are left with 40 months to go ahead.

An athlete in any competition is not judged, that is, until he has not passed the goal post. So, we have to give this Government time to complete its Government Programme and to judge it by the end of this mandate. But this Budget here is to reassure the population, unlike what my friend, hon. Ramful has said. This is not an exercise to fool the people. This is an exercise to put ourselves to the test of the people and to see whether they are with us, whether they acclaim this Budget. This Budget has been acclaimed by one and all, be it the business sector, be it the private sector.

My friend has earmarked three issues on which he has paced his speech: education, poverty alleviation and unemployment. Regarding education, he has gone a long way to say that the nine-year schooling is aimed at eliminating competition. He has not understood the rationale of nine-year schooling, but this will be dealt in depth by the hon. Minister of Education and Human Resources, Tertiary Education and Scientific Research in due course. But the aim of nine-year schooling is to postpone the competition, not at the age of 11 years, but at a later stage, when the child is, at least, 14-15 years. It is not the aim to eliminate competition absolutely. It is to reduce what we call 'the rat race', 'the cut-throat competition' that exists in the present educational system. I won't delve further into the issue of education.

My friend also said that the measures that were taken for poverty alleviation are not sufficient or do not aim at alleviating poverty. This is the first time that a Government has decided to come forward boldly to affirm its intention to eradicate absolute poverty. He also said why persons coming from the 6,400 families do not get job, why there is no positive discrimination made for them for access to jobs, be it in the private sector or public sector, I understand. This does not solve the problem of poverty. On the other hand, this will create further inequality in our society.

This Government proposes to attack the problem of poverty at its root, that is, providing education, providing cash awards to encourage persons coming from this vulnerable group to encourage their children to study, cash awards, and there is a whole, *une panoplie, un arsenal de mesures* regarding poverty alleviation, including social housing as well.

My friend, hon. Ramful, also said that the measures taken to reduce unemployment are not sufficient. But if we look at the Budget Speech, we can see that measures are taken even in the public sector, that is, creation of employment to fill vacancies within the civil service, that is, some 7,200 vacancies will be filled. We know from the Budget Speech that

Police Officers will be recruited; around 900. We know that some 700 to 800 Educators will be recruited. We know that Doctors will be recruited in the Health Sector. So, these measures concern how to reduce unemployment, which is actually a burning problem.

There are also provisions made about training. In the National Skills Development Programme, some 4,000, and in the year, around 2,000. These are, indeed, measures which are aimed at reducing unemployment.

Another criticism against this Budget this morning was that this Budget contains no measures to promote economic growth. On the contrary, there are numerous measures regarding Small and Medium Enterprises, the manufacturing sector, the construction industry, infrastructure such as harbour, airport, road network, construction of schools, construction of ENT Hospital and construction of Police Stations. Besides, if 7,200 persons are getting jobs in the civil service, there are persons getting opportunities, that is, under the National Skills Development Programme and under the YEP.

Furthermore, with regard to facilities that are given to SMEs to create further employment, all these will have, what we call in Economics 'a multiplier effect', that is, consumption will increase; there is the construction industry, infrastructure, there is spending, public expenditure. All these added together will promote economic growth. So, it is wrong to say that there are no measures contained in the Budget regarding economic growth.

This Budget, indeed, contains monetary and fiscal measures, besides other Government policies aimed at creating and promoting economic growth. This Budget, unlike other Budgets, has provided for all spheres, all sectors of the economy: water, electricity, even civil aviation, laying emphasis on the environment. One sector that has been constantly neglected in the past, that is, a sphere of life which we do not consider as a vote catching area, unlike sports, unlike education, unlike health, it is the Judiciary. This Budget does contain provisions regarding rehabilitation of the District Courts: the District Court of Flacq, the District Court of Rose Hill; there is the setting up in the SIFB premises of the Pamplemousses Court and the Souillac Court. As well, this Government has provided for the construction of the Supreme Court Tower in Port Louis, I am given to understand.

Our colonial masters have left us with the premises of the Supreme Court, which was partially renovated over the years. But this does not answer to the aspiration of a modern Judiciary, and it is high time, so that the Judiciary does not have to relocate its premises and

its offices into rented premises, that the Judiciary has its own building. This is a very laudable measure contained in this Budget.

This Budget will have a lasting effect, be it on the education system, be it in the health sector, be it regarding protection for the environment, be it for the alleviation of poverty and reducing unemployment. I recall, last week, the hon. Minister of Finance and Economic Development launched *un appel* in the following terms –

“At times in our nation’s history we must dare to push the boundaries. This time has come for us. Let us all join hands and come together as a nation to take our country to this new era of development.”

I must say, as a Member of this Assembly that I and all the hon. Members we do respond to this patriotic call of time.

With these words, Madam Speaker, I thank all hon. Members for their attention.

Thank you.

**Madam Speaker:** Hon. Oree!

(7.08 p.m.)

**Mr G. Oree (Second Member for Port Louis North & Montagne Longue):** Thank you, Madam Speaker. Madam Speaker, it is for the first time that I saw the hon. Leader of the Opposition so relaxed and informal in this House.

*(Interruptions)*

Maybe, it is because of the side-effect of this very interesting Budget!

*(Interruptions)*

In fact, this Budget is not only interesting but extremely stimulating and historic.

*(Interruptions)*

Rarely do we have such a feel-good atmosphere in the population after the presentation of a Budget. This reminds me of the golden era in Mauritian history when the Rt. hon. Prime Minister, Sir Anerood Jugnauth had made this country a success model in Africa. I am proud

to express my views on the measures elaborated in the Budget Speech as a Member of this Government.

Madam Speaker, we all should agree that in a mixed economy like ours private sector businesses play vital roles in achieving economic development. We need modern and innovative entrepreneurs as well as business leaders to be globally competitive and sustainable. It is equally crucial to be resilient in order to survive in the actual turbulence and often degradable business environment. The package of incentives mentioned in this Budget is extremely encouraging and favourable for local businesses.

Madam Speaker, the SMEs of today can become the corporates of tomorrow. They all have potential for growth and must be nurtured and supported by this Government. In turn, these successful enterprises can themselves help achieving higher living standard, full employment and economic growth. In brief, the action mentioned in this Budget will further empower local entrepreneurs by implementing different funding schemes for addressing the financial requirement, promote self-employment and in an environment which renders business easy.

Madam Speaker, as a teacher, I am glad to notice how caring hon. Ramful is vis-à-vis our education system and youth unemployment. But let me reassure him that youth unemployment is not the making of this Government!

*(Interruptions)*

Our country has around 45,000 jobseekers, including young graduates. On one hand, we have lots of vacancies available and on the other we have jobseekers with unmatching profiles. This leads us to questioning the past Government's policy of one graduate per family from any university of no reputation and in whatever field and then sitting idle!

*(Interruptions)*

We are in a real dilemma, Madam Speaker. The employment of foreign workers, namely from Bangladesh further aggravated this problem. In fact, '*universités marron*' and employment of foreign labour were means for enriching some Members of the previous Government!

*(Interruptions)*

To curb this problem this Government is promptly recruiting thousands of people under a new programme and in the Civil Service. Most of these vacancies in the Civil Service ought to have been filled by the previous Government but nothing was done.

Being a Member of Parliament, it is very touching and disturbing to witness people in tears and frustrated as they are jobless. I profoundly appreciate the reinforcement of the Technical and Vocational Education and Training Programme. This action will lead to more job prospects and avoid youth taking careers which have become saturated.

Madam Speaker, this Budget will make Mauritius business and investment friendly. The aim, I would say, is to make Mauritius the Singapore of Africa. Currently, the procedures for permits and licences are too time-consuming and constraining despite the Business Facilitation Act of 2006. Some institutions, instead of acting as facilitators, have been ineffective and thus have reduced the pace of business and property development. Administrative hassles often abort projects and give rise to illegal street vending, in turn, a headache for Government. The reform brought forward in this Budget will certainly change the rule of the game. The deadline of 8 working days will definitely give more satisfaction to potential entrepreneurs. Justice will be done to people who are investing, creating jobs, taking risks and paying taxes to authorities.

Madam Speaker, the culture of *l'Alliance Lepep* in favour of uplifting the people from the lowest rung of the social ladder has been maintained in this Budget. I really appreciate the measures announced in this Budget to alleviate poverty and provide social aid and housing facilities to the needy. This will not only ease the life of people in need but also help me better solving my mandates' problems in suburbs like Cité La Cure, Roche Bois, Riche Terre and Ste Croix.

I would like to point out, Madam Speaker, that most victims of the flooding of last February were from Constituency No. 4 and the disaster exposed the acute poverty and related housing problems. I recommend the House to reflect on the length of time during which there has been no policy for constructing houses for the landless. This Government is taking up the challenge with the project of 800 houses for the most vulnerable section of our society and this is a momentous move which should be noted.

In an era where we are all talking about broadband connectivity, it is unacceptable to see thousands of people still not connected to the basic utilities like water and electricity. I

personally congratulate the hon. Minister of Finance and Economic Development for having taken bold measures to combat absolute poverty and name his Budget Speech “A New Era of Development” in which the lion share is dedicated to creating enhanced opportunities for the lowest income group. As we go with implementing the package of measures for eradicating poverty, we should not forget the fact that poverty is a complex condition which requires a holistic approach and a synergy of resources and knowledge bases for sustainable impact.

Madam Speaker, the various fusions proposed for public sector reforms are firm decisions which would promote efficiency, ensure economies and reinforce the concept of one-stop shop which makes sense for everyone when it is a question of connecting related services.

Finally, I am going to take the time of this august Assembly to give my personal views on the reorganisation of the NDU and the 36 Citizens Advice Bureaus from which we have expectations. My proposals for revamping CABs are as follows –

- (i) Government to openly request the public to report their day-to-day problems to the CAB for facilitation, thus, an awareness campaign can be launched;
- (ii) different agencies to adopt a fast track for addressing cases referred by the CAB;
- (iii) CAB to work with community-based organisations to ensure optimal use of infrastructures;
- (iv) CAB to initiate social projects based on needs of citizens specific to localities, and finally
- (v) CAB to have the necessary information base for acting as a development communicator.

To end, allow me to say that with this Budget this Government is accomplishing a divine task by transferring wealth from coffers to sufferers!

Thank you, Madam Speaker.

**Madam Speaker:** Hon. Gungah!

**Mr Gungah:** Madam Speaker, I move that the debate be now adjourned.

**Mr Seeruttun rose and seconded.**

*Question put and agreed to.*

*Debate adjourned accordingly.*

### ADJOURNMENT

**The Prime Minister:** Madam Speaker, I beg to move that this Assembly do now adjourn to Thursday 04 August 2016 at 11.30 a.m.

**Mr Sawmynaden rose and seconded.**

*Question put and agreed to.*

**Madam Speaker:** The House stands adjourned. Hon. Ameer Meea!

### MATTER RAISED

(7.17 p.m.)

### LIVE CATTLE - IMPORTATION

**Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East):** Thank you, Madam Speaker. Tonight, I am raising an issue and it relates to the Ministry of Industry, Commerce and Consumer Protection. It is about the importation of live cattle.

Recently, the hon. Minister, through a Parliamentary Question put by myself, stated that 'x' number of cattle has been imported for the festival of *Eid-ul-Adha*. And one of the conditions is that the age of the cattle should be two years old so that it can be used for the festival. But there has been growing concern from the Muslim community that these cattle do not fit in this age group, that is, two years.

Therefore, can I ask the hon. Minister to use his good office and the Veterinary Services of the Ministry of Agro-Industry and Food Security to ensure that this criterion is being respected? The Minister and his Ministry, through a press conference together with hon. Soodhun, announced the prices of *bouc et mouton*. Last year, in December 2015, the price was Rs185 and Rs200 per kilo respectively. That is some six months back. This had been brought down from Rs300 from previous years, which was a good measure. But for this year, that is, after six months, the price has gone up to Rs220 per kilo, that is, from Rs185 to Rs220. So, it is around 15% increase in six months, which, I think, is not a reasonable increase. The more so the sea freight has decreased because of the fall in fuel prices.

Therefore, can I ask the hon. Minister to look into it - as we are aware, there is a *monopole* and there is only one company importing the sheep - through his Ministry so that they do not abuse on the prices?

In December, there has been an import of around 1,000 sheep, whereas this time, in August, only some 400 have been imported. Therefore, it is causing a *pénurie artificielle*.

Voilà le problème que j'avais souhaité soulever. J'espère que le ministre va prendre bonne note. Merci.

**The Minister of Industry, Commerce and Consumer Protection (Mr A. Gungah):**  
Madam Speaker, I can assure hon. Ameer Meea that following a communiqué that my Ministry issued a few weeks back, we clearly stated that live cattle should be more than two years old, especially for *qurbani*. As for sheep and goat, I think it is more than one year.

Like last year, officers of my Ministry together with the Veterinary Services of the Ministry of Agro-Industry and Food Security will carry out checks in a strict way to ensure that the animals are of the required age.

Concerning the price that the hon. Member has just stated, I'll get my officers to check at the retail outlets, but I must say that price of beef or other meat is not controlled by my Ministry, but still we will try to see how to sustain what the hon. Member has just said.

*At 7.23 p.m., the Assembly was, on its rising, adjourned to Thursday 04 August 2016 at 11.30 a.m.*